

**Better world.
Better tomorrow.**

A LETTER FROM OUR CEO

Dear MSC Stakeholders,

I am delighted to present our Environmental, Social and Governance (ESG) Report for Fiscal Year 2024, which reflects the deep integration of our values into how we operate and grow.

Our mission at MSC is to help our customers run more efficient and resilient operations. Through our metalworking expertise and technological solutions, we empower businesses to reduce energy use, minimize waste and accelerate productivity in their production processes. This report showcases our continuous efforts and accomplishments to positively impact not only our customers' operations, but also our environment and our communities, while also holding ourselves to the highest standards of integrity and good governance.

Here are some of our highlights from the past year:

- > Set a new **Greenhouse Gas (GHG) emissions reduction target**—a 15% decrease in Scope 1 and 2 emissions.
- > Continued aligning our ESG priorities with the global standards and industry best practices. For the first time in our history, became a **Great Place to Work® Certified™** company in the United States.
- > Added a **new independent board member** to strengthen our governance structures.

These achievements reflect the strength of our culture, the passion of our associates and the trust of our customers, partners and shareholders. We view ESG as smart business—rooted in operational excellence, stakeholder alignment and a long-term view.

Looking ahead, we are excited about the opportunities to further our ESG goals. We are committed to continuous improvement and innovation, and we will continue to engage with our stakeholders to drive positive change. Together, we can build a more sustainable and equitable future.

Thank you for your ongoing support and trust in our company.

Sincerely,



Erik Gershwind
Chief Executive Officer





BETTER STARTS HERE.

ESG HIGHLIGHTS

Last year, MSC continued to accelerate efforts to support people and planet – all delivered under our clearly defined and established ethics. This year's highlights demonstrate a proven track record of growth in all three areas:

Our People

Recognized as one of America's Greatest Workplaces, we believe our people are our greatest asset.

Investments in our associates' health and safety through the introduction of AI ergonomic tech, Soter, has contributed to a ~21% reduction in accident injury reports within our operations.

Introduction of a new role:
Director of Safety & Security.

Our Planet

Demonstrated ongoing commitment to a developing decarbonization strategy, highlighted by our goal to reduce Scope 1 and Scope 2 GHG emissions by 15% by 2030.

Introduction of a new role: Sr. Director of EHS & Sustainability.

Advancing sustainable manufacturing through MSC's metalworking solutions, significantly increasing efficiency.

200% growth in MSC's green product offerings, connecting customers to more eco-friendly products.

Connecting customers to supplier end of life (EOL) programs by increasing awareness and accessibility on the recycling programs that contribute to a circular economy.

Our Ethics

Added an additional independent Director to our Board.

Continued maturity of our Ethical Supply Chain through a new partnership with Ecovadis, working to identify supply chain risks and opportunities, and to partner with our suppliers on their sustainability journeys.



ESG is more than a trend at MSC. Our values, grounded in our 83-year history, have always demonstrated our commitment to Doing The Right Thing.

ESG at



MSC ESG OUR APPROACH

A LETTER FROM OUR COO

Dear MSC Stakeholders,

This report reflects not only our progress, but also our tireless commitment to building a better world and a better tomorrow—one grounded in integrity, innovation and a deep sense of purpose.

At MSC, ESG is not a trend—it is a core part of who we are. This year, we took bold steps to embed sustainability deeper into our operations and culture:

- > We achieved a ~21% year over year reduction in accident injury reports across our operations, supported by our investments in AI-powered ergonomic wearables and our SafetyMax™ platform.
- > Our **recycling and waste diversion efforts** exceeded expectations, with over 2,800 tons of materials diverted from landfills and an 81% recycling rate across major facilities.
- > We expanded our **Environmentally Preferred Products** portfolio by 200%, offering over 60,000 eco-friendly items to help our customers meet their sustainability goals.
- > Through **MSC MillMax®** and other digital innovations, we helped customers achieve over \$500 million in cost savings while reducing harmful environmental impacts.
- > We **strengthened our supply chain** with a new partnership with EcoVadis.

Equally important, we continued to invest in our people. From launching new safety technologies and leadership development programs to expanding our Inclusion Circles and community partnerships, we are fostering a culture where every associate can thrive and belong.

We know that real progress requires collaboration, transparency and accountability. I am grateful to our associates, customers, suppliers and partners for their shared commitment to doing the right thing.

Together, we are not just meeting expectations—we are setting new standards for what responsible business can achieve.

Sincerely,



Martina McIsaac
President & Chief Operating Officer



Our ESG program is led by our ESG Council, a cross-functional team of subject matter experts and leaders committed to advancing our ESG impact.

In October 2021, MSC established its ESG Council, spearheaded by Steering Sponsors Kristen Actis-Grande, Executive Vice President & Chief Financial Officer and Neal Dongre, Senior Vice President, General Counsel & Corporate Secretary. In 2023, our President & Chief Operating Officer Martina McIsaac joined the council, bringing her extensive experience, vision and strategic insight into applying sustainability within our operations. Martina strengthened MSC's commitment to safety and sustainability by creating a new role, Senior Director of Risk Management including EHS & Sustainability.

The MSC Board of Directors, Nominating and Corporate Governance Committee, and Executive leadership team provide continuous oversight to the ESG Council approach to stakeholder engagement and prioritization of our actions.

MSC meaningfully engages our stakeholders

regularly through a variety of methods, which include

- > Customers through Voice of the Customer sessions & surveys, business needs analysis and customer questionnaires
- > Suppliers through Category Manager relationships, business and performance reviews, and MSC's Supplier Portal
- > Associates through engagement surveys and participation in MSC's inclusion circles
- > Communities through collaborations in local events that support the needs of the communities that MSC operates in
- > Investors through investor questionnaires and attending investor forums

INTEGRATING (TBL) INTO OUR ESG STRATEGY

ESG is about solid risk management, good business practices and creating sustainable value.

By implementing the Triple Bottom Line (TBL) framework into our Environmental, Social and Governance strategy, we aim to ensure long-term viability through associate engagement, brand loyalty, operational efficiency and customer satisfaction.



People

Do the Right Thing

Focus on the social impact of MSC's operations.

- > Associate safety & well-being
- > Community engagement
- > Culture, Community & Belonging



Planet

Minimize Impact and Sustain Integrity

Assess and mitigate MSC's environmental impact.

- > Reduce carbon emissions
- > Set targets
- > Manage waste streams



Performance

Economic Success with Environmental and Social DNA

Link financial strategy to environmental and social performance.

- > Improve operational efficiencies
- > Increase profit through enterprise risk management (ERM)



BUILDING BETTER

YEAR AFTER YEAR



MSC offers support for our customers and their sustainability needs through products and a host of services designed to improve efficiencies and reduce waste. We connect our customers to our sustainable offerings, from our selection of over 60,000 Environmentally Preferable Products to our safety and metalworking technologies.

SUSTAINABLE



Encouraging Environmental Excellence

1 Pollinator Garden

5,200 Gallons of Rainwater Collected and Used

100% Windows Tinted for Cooling Efficiency

Incorporated at our Tru-Edge facility.

Over 27 years, Tru-Edge has maintained its vision of improving the lives of customers, associates and the environment. Most recently, MSC's Tru-Edge location invested in green building tech as well as a refreshed landscape design, paying special attention to factors such as biodiversity, smart building features and energy efficiency for reduced environmental impacts. One of the most impressive outdoor features is the new pollinator garden, which boasts native plants, rocks and recycled mulch as well as the 1,000-gallon rainwater collection container. Rainwater is collected, tapped and used throughout the facility for machining and cleaning purposes. Additionally, Tru-Edge's CNC coolant is fully filtered, temperature-controlled and recycled. **Due to these factors and more, Tru-Edge, a subsidiary of MSC, was honored with the Platinum Level E3 award for 2024.**

Carbide Life-Cycle Program

Highlights:

119,651 Tools Re-ground

217 Customers Served

8,400 lbs Carbide Recycled

With the acquisition of Tru-Edge Grinding Solutions, MSC has expanded our expertise in regrinding while reducing our environmental footprint. Carbide is considered a limited resource and is finite in nature. Through MSC's re-grind and re-sharp services, tools may be resharpened up to 7 times. This life-cycle program not only reduces waste but decreases pollution and lowers resource consumption such as raw materials sourcing, all while saving costs. PVD coatings may also be applied which further enhances tool durability to expand the life of the tool.

MSC is 'Cutting Edge'

with Regrind Solutions

Cradle-to-grave cutting tool programs consistently demonstrate their effectiveness in real-world applications. In 2024, MSC Senior Metalworking Specialist Ray Gavin and the Tru-Edge team provided exceptional regrind end mill services to SpaceX, a leading American spacecraft manufacturer, launch service provider and satellite communications company. SpaceX needed services at their Florida site, and within just a few months of completing the project, the team had achieved an estimated 82% cost savings.

"I have never seen a tool cut with such good finishes, much better than the original tool right out of the box."

SpaceX Program Manager



5 REASONS TO RECYCLE YOUR TOOLS

& HOW MSC CAN HELP

1

Circularity

Recycling products that have reached their end of life (EOL) not only reduces waste, but also decreases pollution, lowers resource consumption such as raw materials and creates jobs all while saving costs.

2

Energy Efficiency

Circular strategies can cut the demand for new materials, which in turn can reduce GHG emissions associated with mining and processing raw materials.

3

Accessibility

Did you know that many tools in our portfolio can be recycled, including lithium batteries, hand tools, carbide milling inserts and more? Just look for the icon on our website:  **EOL Recycling Program Eligible**

4

Support & Education

MSC is here to support your sustainability goals. Contact your account representative or send an email to goGREEN@mscdirect.com for more info on tool recycling.

5

Zero Cost

Supplier driven take-back programs aim to support the collection, processing and recycling of tools all at no expense to the user.



DURABLE GOODS MANUFACTURING

DRIVING SUSTAINABLE GROWTH

MSC is transforming manufacturing by digitizing production processes. With solutions like MSC MillMax®, our field teams enable customers to make data-driven decisions. MSC MillMax® optimizes cutting speeds and other parameters, reducing cycle times and waste, leading to more sustainable production.

Looking ahead, MSC is committed to merging cutting-edge technology with profitability. By integrating innovative digital solutions, we aim to enhance operational efficiency and sustainable growth, helping our customers achieve their financial and environmental goals.

In fiscal year 2024, through MSC MillMax® and other digital innovations, we helped customers achieve over \$500 million in cost savings while reducing harmful environmental impacts. These savings come from tooling recommendations, manufacturing process improvements, inventory management solutions and more.

Since December MSC has proudly supported the America's Cutting Edge (ACE) initiative. ACE is a national program aimed at revitalizing the U.S. machine tools sector through advanced training and technology. The program offers both virtual and hands-on training to address the skills gap in the manufacturing industry.

MSC contributes resources and expertise to ACE, enhancing its training programs. This partnership ensures participants receive top-notch education and hands-on experience, which is essential for cultivating the next generation of skilled machining and manufacturing professionals.



MillMax Average
Cycle Time Reduction:
45%

Substantial decrease in cycle time boosts production efficiency, enabling customers to produce more items in less time while reducing the energy and resources consumed per unit produced.

MillMax Average
Material Removal Rate
Improvement:
~200%

Accelerating machining processes from each instance of modal tap testing saves an average of 81 hours, allowing manufacturers to bring products to market faster while reducing the energy impact of extended machine use.

MillMax Annual
Cost Savings Alone:
\$14,404,152

The annual financial savings delivered through MillMax Projects underscore the economic benefits of sustainable practices. These savings enable our customers to reinvest in further sustainability initiatives, such as upgrading to energy-efficient machinery or funding carbon offset projects.



SAFETY SOLUTIONS

**More Than a Supplier –
We Are Your Safety Partner**

Our dedication to your success means ensuring your team returns home safely every day. Our commitment goes beyond products; it’s about protecting lives. Elevate your safety standards with our portfolio of 37 Safety Services tailored to meet your needs.

MSC goes beyond merely supplying safety products; we protect your workforce through comprehensive safety audits and assessments, compliance training and tailored solutions to strengthen your safety culture.

At a Glance



14 Industrial Safety Consultants



235 Total Combined Years of Experience



318 Safety Needs Analysis



>\$900k Total Cost Savings for Customers

**Data representations are from MSC’s Fiscal Year 2024*



Safe and Sustainable Solutions

MSC is revolutionizing workplace safety with the innovative [SafetyMax™](#) platform. This cloud-based tool enables organizations to proactively manage health and safety. SafetyMax™ facilitates assessments, tracks and reduces illnesses and incidents, streamlines processes and oversees total workforce safety. By utilizing SafetyMax™, MSC helps businesses enhance compliance, boost employee safety and foster a safer, more productive work environment.

Incident

Improve documentation, identify illness and incident trends, track leading indicators and predict where preventive measures will be most effective.

Risk

Provide real-time risk information to your employees and perform a variety of workplace assessments specific to your business.

Audit

Embed a consistent approach to audits and inspections across your organization with report generating capabilities at every level.

Portal

Improve accessibility and engagement, giving all employees the ability to report, view and provide critical information.

EPP

ENVIRONMENTALLY PREFERRED PRODUCTS

EPP help reduce pollution, conserve resources and minimize waste. They are designed to have a smaller environmental footprint than conventional products, contributing to a healthier environment. Additionally, EPP can mitigate harmful effects on human health by reducing the use of hazardous chemicals and promoting safer alternatives. For instance, green cleaning products and low-VOC paints can significantly lower respiratory issues and other health problems linked to chemical exposure. **In FY24, MSC customers purchased over 8M EPP or Eco-Friendly products, making up ~6% of our total revenue.** Overall, EPP foster a healthier and safer environment for everyone.



Health Benefits

These products often contain fewer harmful chemicals, which can improve indoor air quality and reduce health risks for users.



Economic Advantages

EPP can lead to cost savings over time through reduced energy consumption, lower disposal costs and improved efficiency.



Regulatory Compliance

Using EPP can help organizations meet environmental regulations and standards, avoiding potential fines and enhancing their reputation.



Sustainability

EPP support sustainable practices by promoting the use of recycled materials and encouraging the development of greener technologies.



>60k EPP or Eco-Friendly items offered

200% Growth in Offering from FY23**

**Growth is from a combination of certain items being reclassified as EPP and new items being added.

'Better World. Better Tomorrow'
reaffirms MSC's commitment to
reducing environmental impacts
from our business operations and
focuses our efforts to be better
stewards of the environment.



MSC named
2024 America's
Greenest
Companies by
Newsweek



Landfill
Wastes Diverted
>2.8k
TONS



>80%
Recycling Rate
Exceeding the
target set in FY23



Carbide
Circularity
>100k Tools re-ground
or re-sharpened
>8k lbs Carbide
recycled



NEW Rainwater
Collection Tank
>5k
Gallons rainwater
collected and used



NEW Scope 1
Scope 2 GHG
Emissions Target
15%
Reduction by 2030



>60k
EPP or Eco-friendly
Products

MANAGEMENT

ENVIRONMENT & SUSTAINABILITY

As a prominent player in the Industrial Distribution sector, we acknowledge our duty to safeguard the planet. Our unwavering commitment to prioritizing customers and ethical conduct drives our environmental initiatives. By integrating environmental stewardship into our operations, we aim for operational excellence in servicing our customers while ensuring a sustainable future.

As highlighted in our Code of Business Conduct, environmental responsibility is a core element of MSC's mission. We aim to foster transparency and trust, integrating environmental stewardship at all leadership levels with board oversight. We are committed to embedding sustainable practices into our business operations and decision-making processes and strive to be a responsible corporate citizen for our associates, customers, owners and neighboring communities. These expectations are also applied to our suppliers through our Supplier Code of Conduct, enabling us to collaboratively work towards a more sustainable supply chain.

"MSC is not only striving for a better tomorrow but has accomplished year after year progress to operationalize sustainability within our business. Our Building Better timeline highlights MSC's ongoing commitment and investment in establishing foundational processes that enhance operational excellence. This excellence is reflected in the sustainable solutions we offer, making MSC a valuable partner in our customers' sustainability journeys."

Shane Honig
Sr. Manager, Environmental Compliance & Sustainability



Waste Management and Recycling

We strive for an 80% recycling rate across all our facilities. By reducing waste and promoting responsible disposal, we advocate for environmental stewardship.

Carbon Emissions Reduction

- > Investing in energy-efficient technologies
- > Developing a comprehensive decarbonization strategy
- > Utilizing smart platforms for enhanced analysis and metric reporting

Conserving Natural Resources

- > Efficient water usage and conservation
- > Responsible sourcing of materials
- > Supporting biodiversity through habitat enhancement and education

Associate Engagement

We encourage sustainable practices among associates, fostering a culture of environmental awareness. Cross-functional teams collaborate on initiatives that align with our vision.

WASTE & RECYCLING

>80%

recycling rate across
US Operations

>2.8k Tons

diverted from landfills

As an industrial distributor, MSC does not produce hazardous waste through its on-site processes or product handling activities. However, incidental hazardous waste can arise from inbound products that are damaged during shipping and handling, or from items that expire and become unsellable. All hazardous waste, including universal wastes, are managed in compliance with applicable state and federal regulations.

MSC understands the importance of a robust and resilient waste management program. In 2022, we launched a solid waste reduction initiative to evaluate all solid waste streams at our Customer Fulfillment Centers (CFCs). This project aimed to minimize our waste footprint, set meaningful targets and enhance operations. Over the past year, MSC partnered with Northstar Recycling to more accurately track our waste shipments by managing waste vendor invoice data within the Northstar software platform. This enables MSC to measure the volumes of each waste stream and the frequency of hauls. Using this data, MSC has effectively implemented waste diversion strategies and reduced our overall waste footprint.

In FY24, our prioritized operations with the highest volumes of waste met or exceeded an 80% recycling rate. Through education and awareness, our solid waste management program has been further optimized by the support and active engagement of our dedicated warehouse associates. In FY24 alone, MSC reused over 290 tons of pallets, over 280 tons of wooden crates, recycled over 2,800 tons of materials and achieved an overall recycling rate of 81% across our major Customer Fulfillment Centers and Vending Center.



Green Team Expansion

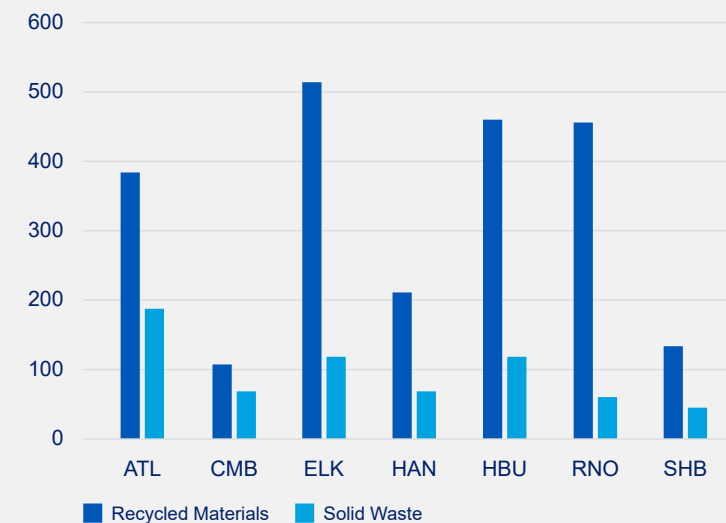
Last year, MSC launched a Green Team at the Atlanta Customer Fulfillment Center. This dedicated group took charge of recycling audits, data collection, and ensuring smooth recycling operations, acting as true agents of change. So far, they have completed over 100 audits, significantly contributing to the success of our recycling program in Atlanta.

Building on this momentum, we are excited to announce the expansion of our Green Team to our corporate office in Davidson, North Carolina. The new Davidson Green Team will engage and educate staff and associates on proper recycling practices, supporting our overarching goal of maintaining an 80% recycling rate.

WASTE & RECYCLING

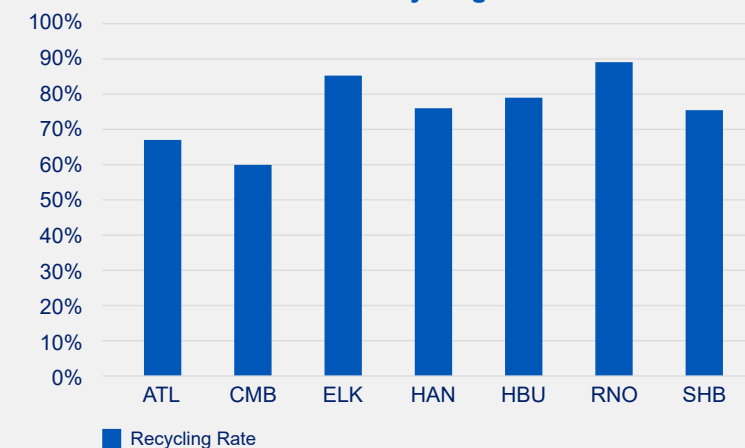


Tonnage by Locations (CFC) and Waste Stream



**Footnote: Data presented above collected and managed through monthly waste invoices for all U.S. Customer Fulfillment Centers (CFCs).*

CFC Recycling Rates








**Footnote: Data presented above collected and managed through monthly waste invoices for all U.S. Customer Fulfillment Centers (CFCs).*

RECYCLING PERFORMANCE

80% TARGET MET

E-Waste

Electronic waste or E-Waste can often contain hazardous materials including lead, mercury and cadmium, which can be harmful to the environment if not properly managed. Additionally, many electronic devices contain valuable materials such as gold, silver and copper. Recycling these materials reduces the need for mining and conserves natural resources. Over the past fiscal year, MSC reused or recycled approximately **48,000 lbs of electronic components** through more than 300 shipments, contributing to a cleaner and safer environment.

| Waste and Recycling Data by Tonnage and Category | | | | | | |
|--|--------------|-----------------|--------------|-----------------|--------------|-----------------|
| | FY22 | | FY23 | | FY24 | |
| | Pounds (lbs) | Short Tons (tn) | Pounds (lbs) | Short Tons (tn) | Pounds (lbs) | Short Tons (tn) |
|  Wood Pallets (Recycled or Reused) | No Data | No Data | No Data | No Data | 2,162,821 | 1,081.41 |
|  E-Waste/E-Reuse | 14,622 | 7.311 | 30,245.00 | 15.1225 | 47,810 | 23.91 |
|  Corrugate and Single Stream | 2,604,860 | 1,302.43 | 2,910,970 | 1,455.49 | 2,854,900 | 1,427.45 |
|  Scrap Metal | No Data | No Data | No Data | No Data | 642,780 | 321.39 |
|  Non-Hazardous Solid Waste | 1,705,820 | 852.91 | 1,761,040 | 880.52 | 1,313,100 | 656.55 |

**Footnote: Data above includes waste and recycling programs at all major distribution facilities, the vending machine program and corporate e-waste program within the United States. The weighted average of our recycled materials from our ELK, HBU, RNO and Vending Service Center combined with ATL's improvement in FY24 enabled MSC to achieve our 80% recycling goal.*

ENVIRONMENTAL IMPACT

“At MSC, environmental principles are more than just priorities; they are core values. Through vision, commitment and execution, MSC reaffirms its dedication to creating a more sustainable workplace and contributing to a better world.”

Andrea Brannon

Manager, Environmental Compliance & Sustainability



Water

As a leading distributor of industrial tools and MRO supplies, MSC has a relatively low water impact, sourcing water from municipal systems and using it seasonally for irrigation. Water was not one of the top 15 material topics from MSC's materiality assessment; however, MSC is committed to water conservation. Our facilities feature water-saving fixtures like low-flush toilets, sensor-controlled sinks and timed irrigation systems with zone control.

Additionally, we offer our customers water-efficient products, including low-flow plumbing fixtures, timers, meters and flow controls. Many of these products are EPA WaterSense Certified or qualify for LEED green building points.

MSC's water footprint
from CFC and CSC locations

33.03
Megaliters withdrawn

16.833
Megaliters consumed

**Footnote: Water data is obtained and reviewed through monthly water invoices from our major Customer Fulfillment Center (CFC) locations.*



GHG

At MSC, we remain dedicated to reducing our GHG footprint. Our initiatives this year, highlighted below, underscore our commitment to climate action.



- > Developing an Emission Inventory Management Plan (IMP) with specific emissions factors for each location.
- > Repeating our baseline methodology and calculations to include enterprise-level emissions for Scope 1 and Scope 2 inventory.
- > Committing to a 15% reduction in Scope 1 and Scope 2 GHG emissions by 2030.
- > Negotiating pricing agreements with utility providers that include carbon offsets, starting with natural gas emissions at our Elkhart, IN, CFC in 2025.
- > Beginning to quantify our Scope 3 emissions by analyzing downstream logistics, which constitute a significant portion of our Scope 3 emissions.
- > Planning a carbon-reduction strategy that may include electrifying part of our sales fleet, conducting energy audits of our CFCs for efficiencies, and exploring renewable energy sources for our CFCs.

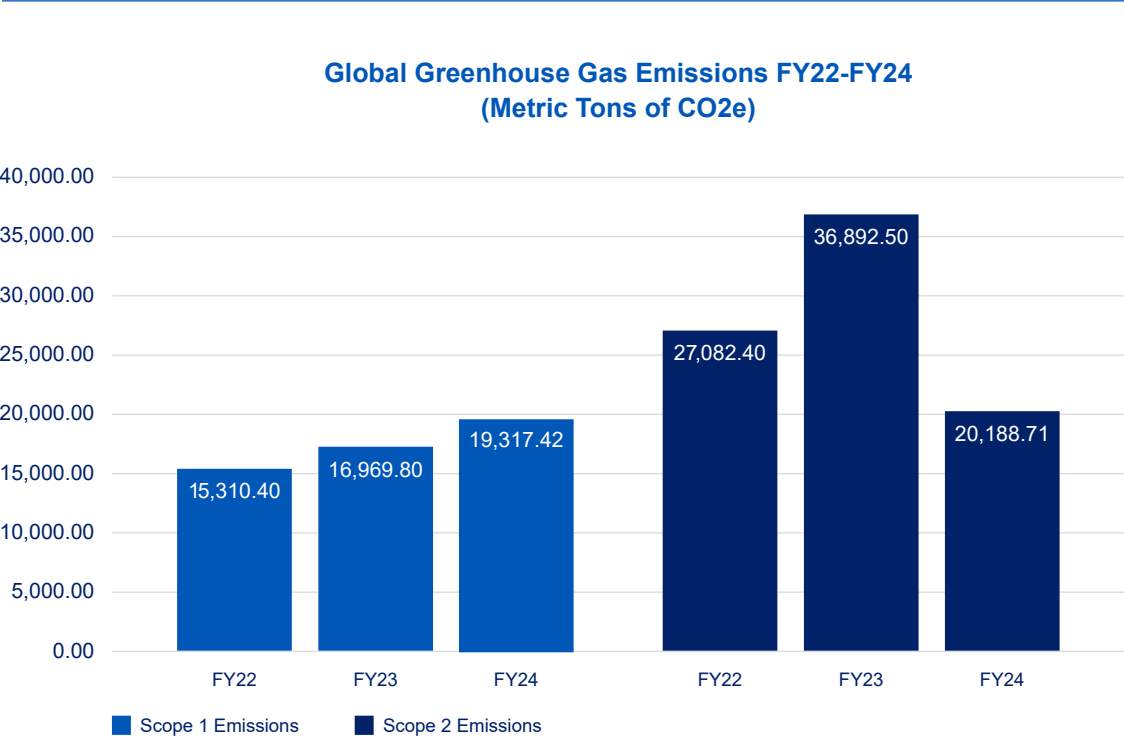
MSC understands that responsibly managing the planet’s natural resources is essential. Our initiatives to reduce fossil fuel consumption benefit both our business and the environment.

FY22 intensity
0.01146 MT Co2e per Revenue

FY23 intensity
0.01344 MT Co2e per Revenue

FY24 intensity
0.01034 MT Co2e per Revenue

**Footnote: Scope 1 & 2 MT per \$1,000 of revenue.*



**Footnote: GHG Calculations based on the GHG Protocol. The chosen consolidation approach is operational control. 2022 is our base year as that is the first year MSC calculated enterprise emissions data. For Scope 2 utility emissions, emissions factors were obtained from eGRID.*

ENERGY & EMISSIONS

Scope 3 Case Study

We partnered with a reputable third party to analyze our logistics network, identifying our scope 3 emissions from downstream transportation and distribution activities.

Emissions

Currently we generate just over 13,000 MT CO2e with our downstream logistics network. Looking forward, we have the opportunity to reduce our carbon footprint by optimized logistics, consolidated shipments and reduced air shipments. Further emissions details may be reviewed in our annual CDP (Carbon Disclosure Project) response.

Energy

MSC’s global FY24 energy consumption measured 33,974.12 MWh. This calculation includes purchased natural gas and purchased electricity used to heat and cool our facilities, respectively. This marks the first year MSC has reported its energy and emissions consumption and intensity value. For further information, please request a copy of our CDP response.

| | Purchased Electricity (MWh) | Non-Renewable (Estimated) | Purchased Gas (MWh) |
|---------|-----------------------------|---------------------------|---------------------|
| USA | 30941.55 | 80% | 1225.45 |
| Mexico | 112.24 | 80% | 0 |
| Canada | 675.23 | 30% | 620.43 |
| Ireland | 1.01 | 80% | 0 |
| UK | 366.86 | 80% | 0 |
| China | 31.35 | 70% | 0 |

Total Energy Consumption (MWh) 33,974.12
Energy Intensity (MWh/Revenue) 0.0089

**Footnote: Energy and Emissions data from owned or leased locations globally, per \$1,000 of revenue.*



SUSTAINABILITY AWARD

Blue Origin’s Environmental Award honors suppliers who excel in reducing their carbon footprints through sustainable business practices.

In 2023, MSC received this award for its 2022 initiatives, which included gathering comprehensive GHG emissions data and enhancing the energy efficiency of both its facilities and its customers’ manufacturing processes.

These initiatives have supported Blue Origin’s mission of creating a sustainable future for humanity, both on Earth and in space.

‘Better World. Better Tomorrow’ reaffirms MSC’s commitment to engage with and support our associates and communities we operate in. Investing in our local communities and providing a welcoming and inclusive environment is at the heart of what we do. We believe that our society and our business benefit greatly from advancing an inclusive, collaborative and respectful workplace.



SOCIAL HIGHLIGHTS

 **>800** hours
volunteered
in local communities

 **21.2%**
Reduction
Total Company
recordable injury
rate vs. last year

 **>260k**
courses attended

 **>21** training hours
per associate

 Introduction of
2 NEW
safety
roles

 **>\$400M**
spend
with small businesses

 MSC named 2024
America's Greatest
Workplaces by
Newsweek



Culture Badges
certified by energage



TOTAL REWARDS

MSC provides a comprehensive compensation package for all full-time associates, extending beyond just the base salary. This package includes bonuses, equity awards and total cash compensation. Additionally, the company supports health, disability and retirement plans, and offers [paid leave](#). Associates can also take advantage of various resources such as parental support, tobacco cessation programs, 24-hour mental health support, legal guidance and wellness coaching. Life insurance and supplemental life insurance coverage are also available to MSC associates in significant locations of operation, specifically those living in the United States. Benefits for Puerto Rico and Hawaii may differ from those outlined here. This summary does not apply to associates in Canada, Mexico, China, Japan or the United Kingdom. Moreover, MSC provides associates with opportunities to become shareholders through programs like the Associate Stock Purchase Plan, 401(k) and Equity Incentive Plan.



Tuition Reimbursement

MSC offers a competitive Tuition Reimbursement Program to support the growth and development of eligible associates who are working towards an undergraduate degree, graduate degree or completing a certification program. In addition, MSC partners with the accredited online University of Arizona Global Campus (UAGC) to offer a full tuition grant when combined with MSC's tuition assistance program.



"The opportunity to attend UAGC, that's been provided by MSC, has meant the world to me. It has allowed me to be the first person on my dad's side to ever graduate college."

Wendy Jackson
Vending Managed Inventory Specialist



ASSOCIATES

At MSC, we consider every employee as an “associate,” each playing a vital role in our collective success. Our aim is to attract, develop and retain a talented team dedicated to serving our stakeholders. The [Associate Value Proposition](#) details the individual benefits and achievements our associates can expect as part of our team.



Volunteer Initiatives

MSC associates participate in local volunteer activities, such as food drives, community clean-ups and educational outreach programs.

Culture and Belonging Programs

MSC runs initiatives that celebrate educational, cultural and historical observances to promote awareness of a diversity of employee perspectives and backgrounds. MSC also runs mentorship programs and workshops that provide equal employment opportunities for all associates.

Health and Wellness Campaigns

MSC supports health and wellness campaigns, providing resources and support for mental health, fitness and overall well-being.

Partnerships with Nonprofits

MSC collaborates with nonprofit organizations to support causes like homelessness, hunger relief and education.

Environmental Sustainability

MSC engages in environmental sustainability projects, such as tree planting and recycling programs, to promote a greener community.



LEARNING

& ORG DEVELOPMENT

MSC University directly supports our company’s Talent Management Strategy with 23 course offerings, LinkedIn Learning, mentoring and tuition reimbursement. Associates are offered a diverse range of learning solutions both to promote the MSC culture and enhance our associates’ competencies and leadership skills. Additionally, the CFC Leadership Development Program prepares associates for leadership roles in the Customer Fulfillment Centers.

MSC University Signature Programs:

Mentorship

Pairs qualified mentors with mentees, builds a safe environment for feedback and guidance, establishes career development plans and connects people with resources to help with challenges.

Foundations of Leading Others

Designed to equip frontline leaders with tools for increased self-awareness, improved communication, strengthened relationships and enhanced problem-solving and decision-making skills.

Emerging Leaders

Designed to teach leadership principles to top-performing individual contributors, aiming to increase work effectiveness, communicate with impact, become more action-oriented, understand effective leadership foundations and develop high-trust work relationships.

Women in Leadership Program

Equips our female associates with skills for growth and success, teaching them to navigate common challenges, enhance emotional intelligence and increase self-awareness with tools and coaching.



>260k

Associate Learning Activities

100%

Compliance Course Completion

100%

Performance and Career Development Reviews

>21

Average hours of training per associate per year

LAUNCH PROGRAM

The Launch Program at MSC is an early career initiative targeting university partnerships and top-performing students and recent graduates. It features a 10-week summer internship for college students and a 2.5-year rotational program for new college graduates. This year, the program welcomed 28 interns for a productive summer, contributing to significant projects in software development, as well as category strategy and marketing.



Partnering with

University of North Carolina Charlotte

Our collaboration with The University of North Carolina, Charlotte (UNCC) has significantly influenced our candidate pool, with 43% of Launch Program participants being UNCC students. Our dedicated efforts and dynamic programming, including a mentorship program, scholarships and active participation in campus events, have not only strengthened this partnership but also **earned MSC the 'Making a Difference for All' award**, highlighting our commitment to fostering inclusive growth and opportunity.



For the second consecutive year, MSC's Launch Program has been honored with the Campus Forward Award for its outstanding achievements in early career recruitment.



"The opportunity to engage cross-functionally, meet with leaders and network with associates was invaluable."

Maleeha Tofiqul
Supply Chain Intern

CULTURE, COMMUNITY & BELONGING

MSC recognizes the dignity and value of every person and is committed to promoting an inclusive workplace for all. At MSC, we are all “associates” and we each have a stake in our success. Our [Associate Value Proposition](#) outlines what our associates will achieve and receive individually when we succeed as a team. With zero tolerance for discrimination or exclusion at any level, MSC is dedicated to selecting individuals based on their qualifications for a specific position and is committed to a policy of equal employment and inclusion.

MSC is an equal-opportunity employer and federal contractor. MSC prohibits discrimination against individuals based on their status as veterans or individuals with disabilities. Additionally, MSC prohibits discrimination against individuals based on race, ethnicity, color, religion, sexual orientation, gender or gender identity, or national origin. MSC is committed to its Equal Employment Opportunity Policy and MSC is dedicated to recruiting from all backgrounds and selecting individuals based on their skills and qualifications for a specific position. MSC policies [HERE](#).

“Fostering a culture where every voice is valued and every individual is respected and feels a sense of belonging is not just a moral imperative—it’s a strategic one. Our commitment to community and inclusion strengthens our people, our purpose and our impact.”

JaCynthia Little
Director, Culture, Community & Belonging



FOSTERING AN INCLUSIVE ENVIRONMENT

Expand Your Circle Day

On an annual basis, MSC hosts a half-day event dedicated to exploring cultural differences and promoting awareness.

This year, over 1,000 associates participated live. The event provides our associates with the knowledge, tools and resources to advance their inclusive journey. Participation is open to all associates and is entirely voluntary.

Unity Discussions

MSC is committed to creating safe spaces for learning and belonging through candid conversations known as Unity Discussions. These quarterly discussions are designed to connect associates with their team and leaders and learn about one another all through the lenses of different dimensions of diversity such as age, race, veteran status, gender, heritage, disabilities and more. More than 4,000 associates had the opportunity to engage in these meaningful conversations.

Resolve Conflict Proactively, a session for managers

A session to equip people leaders with the skills to debate in a healthy and inclusive way, build trust as a team and hold team members accountable. Over 300 managers joined the session live to engage with our dynamic guest speaker.



Social

MSC endeavors to have meaningful connections through community service, partnerships and programs focused on supporting economic empowerment.

[Get Connected](#)

7 INCLUSION CIRCLES



BIG

Black Inclusion Group

Collaborated with MeckEd Career Pathways, a Charlotte nonprofit, to provide over 40 local students with insights into potential careers at MSC, networking opportunities and guidance for personal career development.



VIC

Veterans Inclusion Circle

Partnered with the Hiring our Heroes Program to host informational sessions for military members transitioning to the civilian workforce.



PRIDE

LGBTQ+ and Allies

Participated in Charlotte's Pride Parade for the second year, showcasing our support for the LGBTQ+ community and demonstrating MSC's commitment to inclusion.



ABLE

All Abilities and Allies

Hosted guest speaker Dan Parker, a blind racer and machinist, who inspired attendees with his story of overcoming adversity and pursuing his passion for speed and craftsmanship.



WIN

Women Inclusion Network

Partnered with **Girl with Grit**, a nonprofit organization that empowers girls through hands-on learning opportunities to develop life skills, career paths and passions. Girl with Grit aspires to help create more independent girls and works to achieve this by hosting day camps teaching basics skills such as changing a tire, using power tools, fire safety, and more. Through volunteering and sponsorships, MSC has positively impacted over 100 girls in the program.



HOLA

Hispanic Organization for Leadership and Advancement

Collaborated with leaders at MSC's new Queretaro, Mexico location to facilitate the integration of new hires into the MSC team, fostering a smooth transition and inclusive work environment.



GEN

Generational Empowerment Network

Hosted an educational session for its members on leveraging artificial intelligence (AI) in the workplace. This session aimed to arm members with the necessary skills to thrive in the rapidly changing technological landscape.

STATS

Workforce Transparency

As of August 31, 2024, MSC had approximately 7,400 associates worldwide, of whom approximately 7,100 were full-time and 230 were part-time or temporary. Approximately 92% of these associates resided in the United States, 3.2% in Canada and 3.3% in the UK.

| Employees FY24 | | Total | Employees Gender | | Male | Female | Other |
|---------------------------|--|-------|---------------------|--|------|--------|-------|
| Total Number of Employees | | 7,423 | Full-time Employees | | 97% | 96% | 100% |
| Full-time Employees | | 7,191 | Part-time Employees | | 3% | 4% | — |
| Part-time Employees | | 232 | | | | | |

| Employees Worldwide | US | Canada | UK | Mexico | Ireland | Japan |
|---------------------------|-------|--------|-----|--------|---------|-------|
| Total Number of Employees | 6,572 | 231 | 232 | 383 | 2 | 3 |
| Full-time Employees | 6,347 | 231 | 203 | 383 | 2 | 3 |
| Part-time Employees | 198 | — | 29 | — | — | — |

~7,400
Associates

~7,100
Full-Time

~230
Part-Time

As of August 31, 2024, our U.S. employee population possessed the gender, ethnic and racial attributes identified above. All categorizations are based on Associate self-identification. Totals may not sum due to rounding.

STATS

Workforce Transparency

As of August 31, 2024, MSC had approximately 6,500 individual contributors worldwide, of whom approximately 750 were middle management and 130 were director and above.



| Employee Categories | Total Number | Male | Female | Other | Employee by Region | Total Number | Male | Female | Other |
|------------------------|--------------|------|--------|-------|--------------------|--------------|------|--------|-------|
| Individual Contributor | 6,539 | 61% | 39% | — | United States | 6,572 | 61% | 39% | — |
| Middle Management | 757 | 65% | 35% | — | Canada | 231 | 70% | 29% | 2% |
| Director and Above | 127 | 66% | 34% | — | Mexico | 383 | 67% | 33% | — |
| | | | | | Ireland | 2 | 100% | — | — |
| | | | | | United Kingdom | 232 | 56% | 43% | 1% |
| | | | | | Japan | 3 | 100% | — | — |

As of August 31, 2024, our U.S. employee population possessed the gender, ethnic and racial attributes identified above. All categorizations are based on Associate self-identification. Totals may not sum due to rounding.

WORKFORCE
STATS

Percentage of Employees per Employee Category

| Employee Gender | Male | Female | Other | Employee Age | % under 30 years | % 30-50 years | % over 50 years |
|------------------------|------|--------|-------|------------------------|------------------|---------------|-----------------|
| Individual Contributor | 61% | 39% | — | Individual Contributor | 14% | 44% | 42% |
| Middle Management | 65% | 35% | — | Middle Management | 2% | 47% | 51% |
| Director and Above | 66% | 34% | — | Director and Above | — | 37% | 63% |

| Employee Diversity | White | Hispanic/Latino | Black | Asian/Pacific Islander | Aboriginal/Indigenous People | 2 or more races | Other | Undeclared |
|------------------------|-------|-----------------|-------|------------------------|------------------------------|-----------------|-------|------------|
| Individual Contributor | 86% | 94% | 91% | 85% | 95% | 95% | 62% | 91% |
| Middle Management | 11% | 6% | 8% | 10% | 5% | 5% | 38% | 9% |
| Director and Above | 2% | — | 1% | 5% | — | — | — | 1% |

As of August 31, 2024, our U.S. employee population possessed the gender, ethnic and racial attributes identified above. All categorizations are based on Associate self-identification. Totals may not sum due to rounding.

MILITARY PARTNERSHIPS & PROGRAMS

MSC has an unwavering commitment to the military community, dating back to our founder, Sid Jacobson, who served in World War II. We are proud to partner with dynamic community partners who serve not only active military members, but military families, veterans and military members transitioning into the civilian workforce.

MSC Partner Highlight

ACP American Corporate Partners works with MSC to provide mentorship to military members as they transition into the civilian workforce. MSC mentors have volunteered over 2,000 hours since partnering with ACP in 2017.

Military Partnerships



Military Recognition



For over 80 years, the AbilityOne Program has been an engine of opportunity and economic development for people who are blind or have significant disabilities. MSC is proud to be an authorized distributor of AbilityOne products, helping promote thousands of products that result in job creation, environmentally preferred products and opportunities for growth. The collaboration continues beyond products, as MSC extends the value chain to AbilityOne operated Base Supply Centers, which supply many military installations and federal buildings across the nation.



INVESTING IN OUR COMMUNITY

Leveraging MSC's collaborative culture, results-driven approach and commitment to Our Community, the Community Relations team actively supports initiatives in health, poverty alleviation, economic empowerment and education. 100% of MSC's US operations have participated in local community activities, contributing to societal well-being and growth. Our operations work closely with community members to identify their needs, often focusing on food drives, clothing drives, local school support and other programs.



MSC associates
volunteered
887.5
Hours
in all community relations
events in fiscal year 2024



>10%
of all MSC donations
went to providing disaster relief
and humanitarian aid in the wake of
disasters such as Hurricane Beryl,
the West Coast and Pan Handle
wildfires and Tropical Storm Debby



"Putting others ahead of ourselves and supporting people in their time of need has always been part of our DNA at MSC."

Erik Gershwind
CEO

COMMUNITY

STRATEGIC OBJECTIVE: EXPANDING OUR IMPACT IN THE COMMUNITY

We have over 50 active partnerships, all of which fall within one of our three pillars:



1

Building Healthy and Sustainable Communities:

Organizations committed to improving the mental, physical and environmental well-being of others.



2

Fueling Education, Training and Skills Development:

Organizations that stimulate education, job training and career advancement to include Manufacturing.



3

Understanding and Supporting Economic Empowerment:

Organizations committed to serving underserved people.



IN THE COMMUNITY



MSC interns showcased their spirit and dedication at the Carolina Raptor Center, transforming the landscape and aiding in habitat redesign.



The Melville team volunteered with the United Way of Long Island to help support their Stuff-A-Bus Program.



Monthly, the MSC's Launch Program associates volunteer with IGNITE, a local nonprofit that supports adults on the autism spectrum.



Associates from our Atlanta fulfillment center walked at the Making Strides Walk in support of the American Cancer Society.



MSC embraced Earth Day this year by doing their part to put an end to “fast fashion.” The organization’s efforts in organizing clothing drives to aid veterans and recycling gently used sneakers have made a significant environmental impact. By collecting 17 bags of sneakers, MSC has contributed to the reduction of landfill waste, equivalent to displacing 5,250 lbs of carbon dioxide emissions and saving +300k gallons of water. These actions reflect a responsible approach towards sustainable practices and community.



SAFETY PROGRAM

Our EHS program is founded on principles of openness, data-driven decision-making, regulatory adherence and ongoing enhancement. Our safety management system encompasses management commitment, associate involvement, hazard assessment, hazard prevention and control. This system has been implemented, not because of a regulatory requirement, but because it aligns with our values and is the right thing to do.

New MSC associates are trained in core safety topics through our comprehensive New Hire Orientation. For associates in supply chain positions, a 90-day orientation is provided, which covers many topics related to safety.

- > Job-specific Training
- > Monthly Safety Calendars
- > Weekly Toolbox Talks
- > Annual Safety SOP Training
- > Annual Lock Out/Tag Out Training

MSC’s safety and risk team ensures a high standard of safety. With over 100 years combined work experience, the safety team at MSC is skilled in investigation techniques, reducing incident recurrence and sharing best practices. Leadership actively identifies incident trends and collaborates with safety professionals to enhance safety, making MSC a top workplace for safety.

| Metric | FY23 | FY24 | % Change |
|------------------------|-------------------|-------------------|----------|
| Total Recordable Rate | OSHA Rate 1.18 | OSHA Rate 0.93 | -21.2% |
| Lost Workday Case Rate | 0.49 | 0.41 | -16.3% |

**Note: The total recordable rate for MSC’s NAICS code (4238) according to the US Bureau of Labor Statistics is 2.0 as of CY 2022. Data disclosed covers 100% of associates in all locations globally.*

| Associates Covered by an OHS Management System | Percentage |
|--|------------|
| Associates who are covered | 100% |
| Associates who are covered by OHS system that has been internally audited | 39% |
| Associates who are covered by OHS system that has been audited or certified by an external party | 28% |

**The values above include all MSC’s global business locations, including distribution facilities and offices, including all subsidiaries.*

LEADERSHIP & INVESTMENT

By prioritizing safety, MSC not only protects its workforce but also enhances its operational efficiency, financial performance, brand reputation and trust.

In 2024 MSC made a significant investment in our safety program by hiring our first ever Director of Safety. We believe this investment coupled with future strategic changes and implementations will allow us to be best in class in this space.

 **53%** Better than industry average (Recordable Injury Rate)

 **20** Fewer associates injured compared to 2023.

** Footnote: Industry average (2.0), MSC (0.93)*

“One of the elements that drew me to MSC was the emphasis leadership placed on valuing people. Leadership’s commitment to Safety being a value as opposed to a priority was what sealed the deal. Now, unified in view, and by harnessing our people-centric views we will enhance our safety systems and reduce risk.”

Chris Courtney
Director, Safety & Security



We Monitor

Involving Leadership, Associates and our Safety Team, is essential to our safety program. The Safety Team leads risk or job hazard assessments in our operations and identifies opportunities for improvement. This collaborative approach to finding solutions helps us reduce risk while ensuring buy-in from all levels.

Our solutions prioritize the hierarchy of controls (elimination, substitution, engineering controls, administrative controls and, as a last resort, PPE) and are implemented with our associates’ wellness as a primary consideration.

We Measure

We measure to determine our effectiveness. Whether it is a loss-producing event or a near miss, we catalog and communicate these events to a) learn from them and b) ensure we are on the path of continual improvement.

We Learn

We learn from both our hazard assessments and past events. Our extensive catalog of safety training courses addresses the knowledge needs of our associates. We invest in safety education well beyond regulatory requirements because we highly value associate safety. Associates must report all incidents and injuries to their supervisor, and these are recorded in our safety management system. We continuously learn from these events.

During this fiscal year, MSC has significantly invested in its safety program, yielding impressive results. The total recordable injury rate has decreased by over 21% since FY23, with 22 fewer associate injuries across the network. This success is attributed to a focus on safety fundamentals, ensuring our associates are informed, engaged and, most importantly, aware. Additional highlights include the creation of two new dedicated safety leadership roles and the implementation of Soter Analytics, an AI-driven ergonomics program.

SAFETY

INNOVATION & TECH

Though our health and safety program relies on many foundational, tried and proven safety tools, such as Job Safety Analyses, we have found that we can augment the team's ability to perform these assessments by also leveraging technological advances.

We have utilized Soter technology not only as an individual injury prevention tool worn by an associate, but also as a diagnostic tool to quantify ergonomic risk associated with a particular task.

The implementation of Soter wearable has been well received by associates. The wearers have reported both a satisfaction level with improved postures and reduced fatigue at the end of the shift.

Results

> Approximately 200 associates have worn a Soter wearable to date.

> For those that have completed a use cycle of the tool, the average benefit in postural improvement is >45%.

SOTER



ETHICAL SUPPLY CHAIN STEWARDSHIP

Our Commitment to Responsible Sourcing

MSC is committed to fostering and sustaining a resilient supply chain with a robust network of domestic and international suppliers, including businesses of all size, in order to source innovative and high-quality products that keep our customers operating efficiently. MSC’s Supply Chain Sustainability program is driven by two key focus areas.

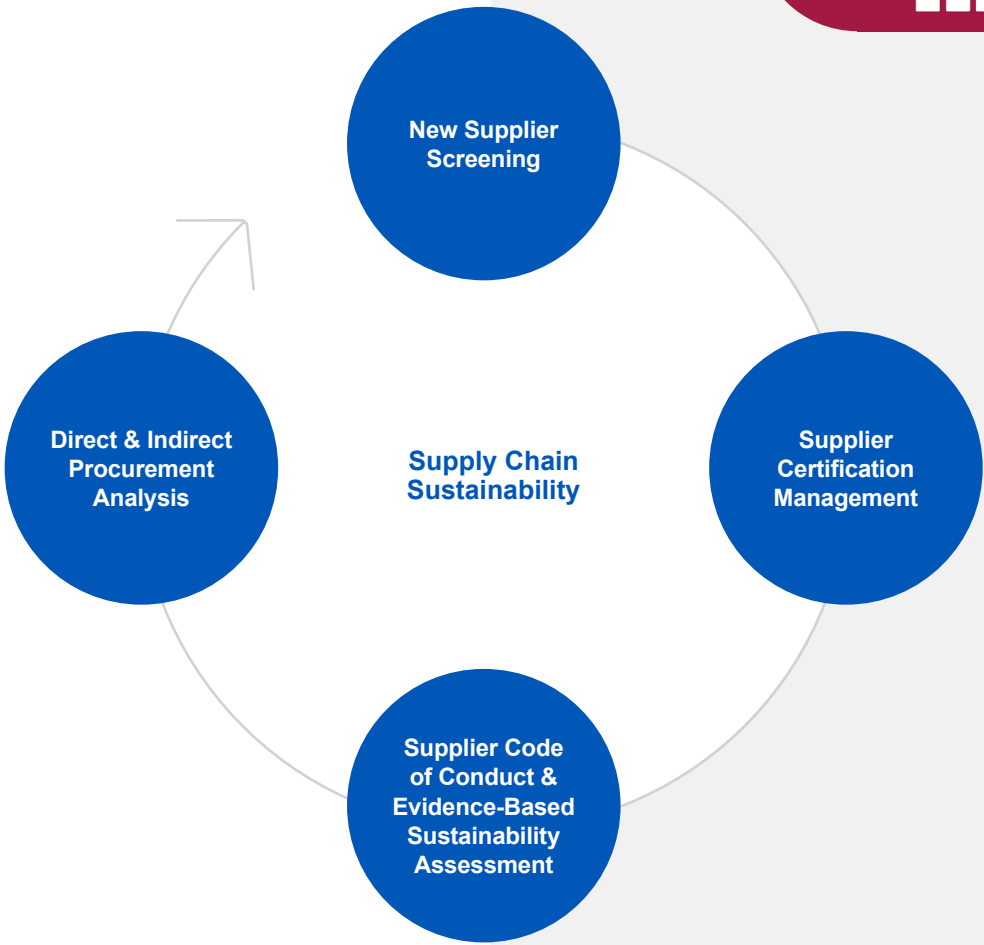
| Quality & Governance | Sustainability |
|--|---|
| to ensure products meet the highest safety, performance and environmental standards. | through the MSC Supplier Code of Conduct and Evidence-Based Sustainability Assessments of our partners. |

MSC proudly partnered with over 5,000 US Small Businesses in 2024.

Supporting small businesses enables and powers innovation and agility, fosters healthy markets for products, services and talent, and creates positive impacts throughout our local communities.

“Our 80+ year history has demonstrated that operating with integrity, helping our customers meet their procurement needs and goals, and partnering responsibly with suppliers is a winning formula. An ethical and innovative supply chain is a sustainable supply chain in the long term, and we are committed to continuing to deliver on that formula for all stakeholders.”

Bonnie Randell
Senior Manager, Supplier Business Development and
Ethical Supply Chain Stewardship Captain



UN Goal(s):

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

8 DECENT WORK AND ECONOMIC GROWTH

SUSTAINABILITY

MSC Supplier Code of Conduct

MSC's Supplier Code of Conduct ensures that the products we distribute are manufactured according to high standards and ethical practices, including responsible environmental stewardship, respect for human rights and lawful labor practices, safe and healthy working environments and good governance. The MSC Supplier Code of Conduct applies to suppliers contracting with MSC Industrial Direct Co., Inc., including its fully integrated subsidiaries and business divisions, supplying products and services for use in the United States.



ecovadis

Supplier Sustainability Assessment

MSC is committed to eliminating ethical risks from our supply chain as laid out in our human trafficking and modern slavery policy. We have partnered with Ecovadis to evaluate our supply chain for risks and opportunities, and to partner with our suppliers on their sustainability journeys.



Governance at MSC ensures we run our business in an ethical manner and address the risks that can threaten our business. It is ingrained in our values to always do the right thing, be honest in what we do and be accountable for our actions.





100%

Ethics and Code of Conduct coursework completed as required



100%

Cybersecurity training completed as required

BUSINESS CONTINUITY

& CRISIS MANAGEMENT

Business Continuity

In the event of a business disruption, the MSC Business Continuity Management Plan (BCMP) ensures continuous business operations of critical business functions. Crisis Management Plans involve procedures dedicated to incident identification, evaluation, declaration, plan activation and deactivation. Emergency Action plans are established for each location, providing emergency response information, including life safety and evacuation instructions on how to react in the event of on-site emergency incidents.

Crisis Management

MSC's Crisis Management Teams (CMT) provide guidance and coordination during operational disruptions. Through regular planning and training, these teams emphasize the significance of crisis management and promote organizational awareness. The teams adopt a multi-level approach, involving individuals, management and leadership.

Emergency Preparedness

Each MSC location has Emergency Action Plans (EAPs) that comply with local, state and federal regulations. These plans provide life safety, evacuation and shelter-in-place instructions for associates, vendors and visitors. Emergencies that may impact MSC facilities include fires, explosions, medical emergencies, chemical spills, power outages, bomb threats, workplace violence, gas leaks, suspicious packages, tornadoes, hurricanes, blizzards, floods and earthquakes.

IT SECURITY & CYBERSECURITY

Cybersecurity

Our company's cybersecurity program is designed to safeguard our digital assets and ensure the confidentiality, integrity and availability of our information systems. The program is built on the National Institute of Standards and Technology (NIST) Cybersecurity Framework, which provides a comprehensive approach to managing cybersecurity risks. The program is multi-faceted and includes regular assessments against CMMC, PCI, SOX and applicable State and Government privacy requirements.

Training and Awareness

We prioritize cybersecurity training and awareness to ensure that all employees are equipped with the knowledge and skills to protect our information systems. We also conduct regular simulated phishing tests to assess and improve our employees' ability to recognize and respond to phishing attempts.



100% Cybersecurity training completed as required

Compliance with CMMC

Compliance with the Cybersecurity Maturity Model Certification (CMMC) is a critical component of our cybersecurity program. We have substantially implemented the necessary controls to meet the CMMC 2.0 requirements, which are essential for doing business with the Department of Defense (DoD). Our compliance efforts include regular assessments, gap analysis and remediation plans to ensure that we meet the stringent controls required to protect sensitive unclassified information.

Maturity Markers

Our cybersecurity program uses several maturity markers to gauge progress and effectiveness, including regular security assessments, vulnerability management, penetration testing and incident response exercises. We maintain various incident response plans and conduct annual disaster recovery tests to ensure readiness for cybersecurity incidents. By leveraging the NIST Cybersecurity Framework, prioritizing training and awareness, ensuring CMMC compliance and continuously measuring our maturity, we are committed to protecting our digital assets and maintaining stakeholder trust.

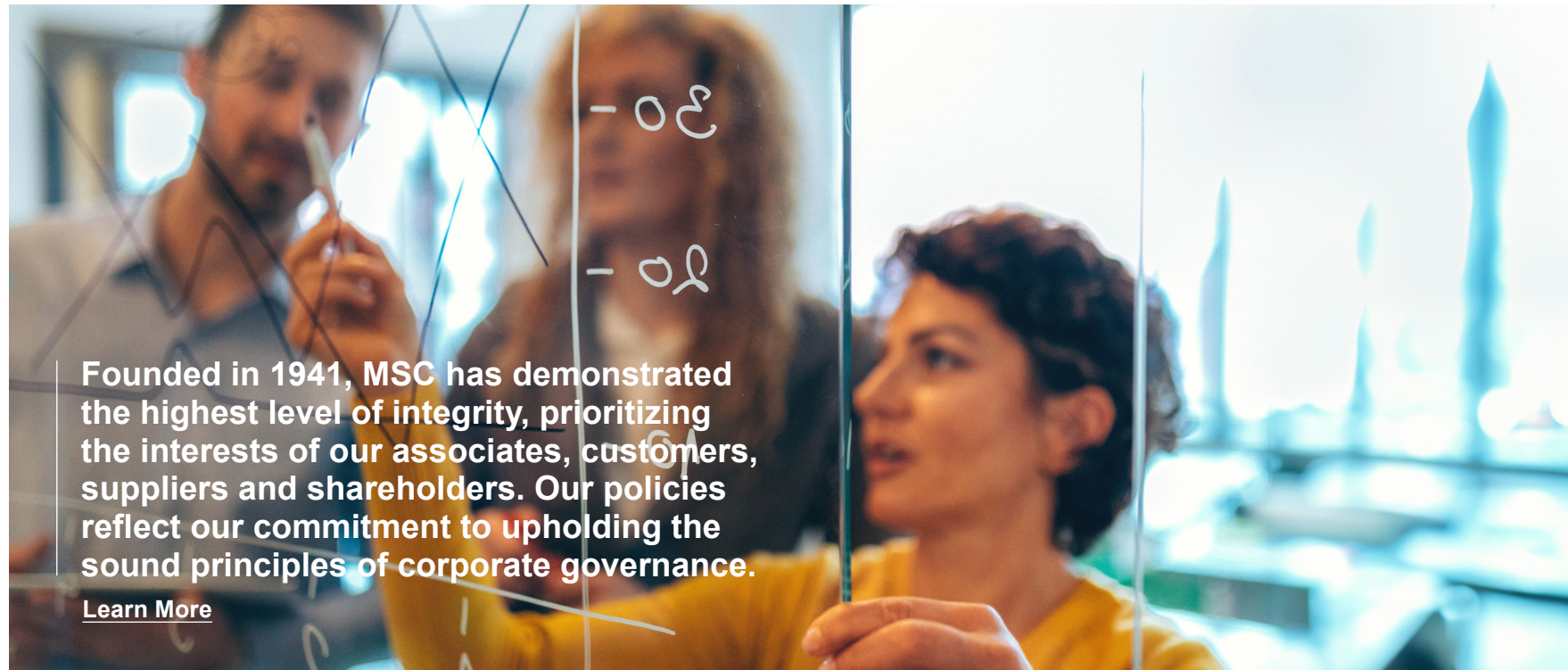


IT Security Incident Response Plan

MSC's Information Security Team follows a 4-phase IT Security Incident Response Plan (IRP).

The phases are:

- 1 Preparation**
Preparing systems, defining efficient response scenarios and determining how an incident is reported.
- 2 Detection and Analysis**
Identifying, classifying and initiating a response to understand and determine the full scope and impact of the incident.
- 3 Containment, Eradication and Recovery**
Reducing the incident's impact and/or risk consequences and restoration of the network by CIRT.
- 4 Post-Incident Review**
Focusing on incident closure, process improvement, investigations and metrics.



Founded in 1941, MSC has demonstrated the highest level of integrity, prioritizing the interests of our associates, customers, suppliers and shareholders. Our policies reflect our commitment to upholding the sound principles of corporate governance.

[Learn More](#)

GOVERNANCE, ETHICS & INTEGRITY

MSC has always been guided by a value system that emphasizes integrity and trust at all levels of the organization. The company maintains long-standing policies and practices to ensure that MSC is managed with integrity and in our shareholders' best interests. In addition, MSC is committed to upholding the sound principles of corporate governance, meeting the requirements of federal and state law, and the rules of the New York Stock Exchange and the US Securities and Exchange Commission. In FY24, MSC's Ethics and Code of Conduct policies were communicated to all full time associates globally.

MSC maintains an Open Board Hotline to ensure that feedback, concerns and violations of its policies can be anonymously reported.

We expect our suppliers to operate their businesses with the utmost integrity and in compliance with all applicable laws and regulations, including those addressing [human trafficking](#) and [modern slavery](#). We strive to comply with section 54 of the UK Modern Slavery Act 2015 (See [MSC UK Policy here](#)) and the relevant sections of the Federal Acquisition Regulations (FAR). These legal requirements are communicated to our suppliers through a Supplier Code of Conduct, [MSC's Supplier Terms and Conditions](#) and our [Supplier Requirements](#). To bolster awareness and prevention, MSC provides training to relevant members of our staff, which includes a detailed review of the MSC Supplier Agreement, Supplier Terms and Conditions, and Supplier Handbook.

Currently MSC has not confirmed any actions of corruption.

SUPPLIER GOVERNANCE, PRODUCT SAFETY & QUALITY



Supplier Compliance

Suppliers to MSC are subject to applicable international, federal, state and local laws, and safety and compliance requirements.

MSC’s Supplier Agreement and Supplier Code of Conduct address environmental stewardship, social responsibility and ethics, covering topics including:

- > Labor Practices, Human Trafficking and Child Labor
- > Counterfeit Goods
- > Conflict Minerals
- > Worker Safety
- > Emergency Preparedness
- > Waste Reduction and Recycling
- > Air Emissions Monitoring
- > Business Integrity
- > Unfair Trade Practices

Exclusive Brands

Industry partners are thoroughly vetted before becoming an MSC Exclusive Brand supplier, including multi-step pre-qualification, physical site inspections and product quality assurance testing, including, but not limited to, raw material analysis, hardness and tensile strength.

All products produced for MSC must meet or exceed worldwide industry standards, including ANSI/ASTM, OSHA, NFPA, ISO, DIN, BS, JIS.

Conflict Minerals

MSC is committed to responsible corporate citizenship and condemns the atrocities perpetuated by militants in the Democratic Republic of the Congo (DRC) and its adjoining countries. MSC is also committed to complying fully with the Conflict Minerals Law. As part of this effort, MSC will continue to:

- > Identify the sources of any conflict minerals in the products we manufacture or contract to manufacture.
- > Improve, year-over-year, our ability to track conflict minerals in our supply chain and report on their countries of origin.
- > Strive to eliminate any conflict minerals that are not DRC conflict-free from the products we manufacture or contract to manufacture.
- > Support industry-wide initiatives to audit smelters and refiners of conflict minerals.

In addition, MSC expects its suppliers to refrain from knowingly supplying products containing conflict minerals that are not certified as DRC conflict-free. We seek their support in our efforts to identify the smelters, refiners and the origins of these conflict minerals that are processed and used in our products.

MSC Supplier Resource Center

MSC maintains a central space on mscdirect.com for suppliers to access our Terms and Conditions, contracting requirements and Supplier Code of Conduct to ensure that our supplier partners know what is expected of them.

APPENDIX

ABOUT THIS REPORT

This report covers data and metrics related to MSC's 2024 fiscal year from September 3, 2023, to August 31, 2024, unless otherwise noted. This report has been prepared with reference to the Global Reporting Initiative (GRI) 2021 Universal Standards.

Unless otherwise specified, this report covers the operations of MSC Industrial Direct Co., Inc. and its subsidiaries in the United States, representing more than 90% of operations.

Financial data is presented in U.S. dollars unless otherwise noted. Data and figures may be rounded.

Feedback or questions about the report or our sustainability program can be sent to goGREEN@mscdirect.com.



GRI CONTENT INDEX

Statement of use:

MSC Industrial Direct Co., Inc. has reported the information cited in this GRI content index for the period September 3, 2023, to August 31, 2024 with reference to the GRI Standards.

GRI 1 used
GRI 1: Foundation 2021

| GRI Standard | Disclosure | Location |
|---------------------------------------|--|--|
| GRI 2: General Disclosures of 2021 | 2-1 Organizational details | MSC Industrial Direct Co., Inc. 10-K Item 1: Business Appendix: About this Report, page 52 |
| | 2-2 Entities included in the organization's sustainability reporting | 10-K Item 1: Business MSC ESG Our Approach, page 6 Appendix: About this Report, page 52 |
| | 2-3 Reporting period, frequency and contact point | A Letter From Our CEO, page 2 MSC ESG Our Approach, page 6 Appendix: About this Report, page 52 |
| | 2-4 Restatements of information | No restatement of information |
| | 2-5 External assurance | No external assurance provided at this time |
| | 2-6 Activities, value chain and other business relationships | 10-K Item 1: Business, page 4 Management Environment and Sustainability, page 17 |
| | 2-7 Employees | 10-K Item 1: Human Capital Resources MSC ESG Our Approach, page 6 Stats, page 33 |
| | 2-8 Workers who are not employees | No disclosure on workers who are not employees provided at this time |
| | 2-9 Governance structure and composition | 2024 Proxy Statement, pages 7-15, 26 10-K Item 10: Directors, Executive Officers and Corporate Governance MSC ESG Our Approach, page 6 |
| | 2-10 Nomination and selection of the highest governance body | 2024 Proxy Statement, pages 9-16 |
| | 2-11 Chair of the highest governance body | 2024 Proxy Statement, page 22 |
| | 2-12 Role of the highest governance body in overseeing the management of impacts | 2024 Proxy Statement, pages 14, 22-23, 26-27 |
| | 2-13 Delegation of responsibility for managing impacts | 2024 Proxy Statement, pages 14, 16-17, 22-23, 26-27 |
| | 2-14 Role of the highest governance body in sustainability reporting | 2024 Proxy Statement, pages 4, 16-20, 22, 26-27 MSC ESG Our Approach, page 6 |
| | 2-15 Conflicts of interest | 2024 Proxy Statement, pages 4, 16-20, 22, 26-27 Code of Business Conduct, page 7 |
| | 2-16 Communication of critical concerns | 2024 Proxy Statement, page 23 Code of Business Conduct, pages 6-7, 10 |
| | 2-17 Collective knowledge of the highest governance body | 2024 Proxy Statement, pages 5, 14, 19, 26-27 |
| | 2-18 Evaluation of the performance of the highest governance body | 2024 Proxy Statement, pages 17-20 |
| | 2-19 Remuneration policies | 2024 Proxy Statement, pages 17-18, 24-25, 38-40, 49, 58-69 |
| | 2-20 Process to determine remuneration | 2024 Proxy Statement, pages 17-18, 24-25, 38-40 |
| | 2-21 Annual total compensation ratio | 2024 Proxy Statement, page 62 |

GRI CONTENT INDEX

| GRI Standard | Disclosure | Location |
|--|--|--|
| GRI 2: General Disclosures of 2021 | 2-22 Statement on sustainable development strategy | A Letter From Our CEO, page 2 MSC ESG Our Approach, page 6 |
| | 2-23 Policy commitments | Corporate Governance Guidelines, pages 7-8 Code of Ethics, pages 2-3 Code of Business Conduct, pages 4, 11, 13-15, 26 Conflict Minerals Policy Governance, Ethics & Integrity, page 49 |
| | 2-24 Embedding policy commitments | Code of Business Conduct, pages 5, 11 Safety & Health Policy Statement, page 60 Governance, Ethics & Integrity, page 49 |
| | 2-25 Processes to remediate negative impacts | Code of Business Conduct, pages 6-7, 9, 12 Supplier Code of Conduct, pages 4-7 Code of Ethics, pages 2-3 |
| | 2-26 Mechanisms for seeking advice and raising concerns | Code of Business Conduct, page 6 Code of Ethics, page 2 Governance, Ethics & Integrity, page 49 |
| | 2-27 Compliance with laws and regulations | Code of Ethics Code of Business Conduct, pages 4-5 Governance, Ethics & Integrity, page 49 Any material incidents on non-compliance will be reported in our 10-K |
| | 2-28 Membership associations | No membership associations disclosure provided at this time |
| | 2-29 Approach to stakeholder engagement | MSC Stakeholder Materiality Matrix, page 61 MSC ESG Our Approach, page 6 |
| | 2-30 Collective bargaining agreements | 2024 Form 10-K, Item 1- Human Capital Resources, page 10 |
| GRI 3: Material Topics 2021 | 3-2 List of material topics | MSC Stakeholder Materiality Matrix, page 61 |
| | 3-3 Disclosure | Management Environment & Sustainability, page 17 |
| GRI 201: Economic Performance 2016 | 201-1 Direct economic value generated and distributed | 2024 Form 10-K, Item 8 - Financial Statements and Supplementary Data, pages 36-43 |
| | 201-2 Financial implications and other risks and opportunities due to climate change | 2024 Form 10-K, Item 1A - Risk Factors, pages 12-21 |
| | 201-3 Defined benefit plan obligations and other retirement plans | 2024 Form 10-K, Item 8 - Financial Statements and Supplementary Data, pages 36-43 |
| GRI 203: Indirect Economic Impacts | 203-2 Significant indirect economic impacts | Sustainable Solutions, page 9 Durable Goods Manufacturing, page 12 Safety Solutions, page 13 |
| GRI 204: Procurement Practices 2016 | 204-1 Proportion of spending on local suppliers | Ethical Supply Chain Stewardship, page 43 |
| GRI 205: Anti-corruption 2016 | 205-2 Communication and training about anti-corruption policies and procedures | Code of Business Conduct, pages 12, 15 Governance, Governance, Ethics & Integrity, Supplier Governance, Product Safety & Quality, pages 46, 49-50 |
| GRI 302: Energy 2016 | 302-1 Energy consumption within the organization | Energy & Emissions, page 23 |
| | 302-3 Energy intensity | Energy & Emissions, page 23 |
| GRI 303: Water and Effluents 2018 | 303-1 Interactions with water as a shared resource | Environmental Impact, page 21 |
| | 303-3 Water withdrawal | Environmental Impact, page 21 |

GRI CONTENT INDEX

| GRI Standard | Disclosure | Location |
|---|---|-------------------------------------|
| GRI 303: Water and Effluents 2018 | 303-5 Water consumption | Environmental Impact, page 21 |
| | 305-1 Direct (Scope 1) GHG emissions | Energy & Emissions, page 23 |
| GRI 305: Emissions 2016 | 305-2 Energy indirect (Scope 2) GHG emissions | Energy & Emissions, page 23 |
| | 305-4 GHG emissions intensity | Energy & Emissions, page 23 |
| | 305-5 Reduction of GHG emissions | Energy & Emissions, page 23 |
| | 306-1 Waste generation and significant waste-related impacts | Waste & Recycling, page 19 |
| GRI 306: Waste 2020 | 306-2 Management of significant waste-related impacts | Waste & Recycling, page 19 |
| | 306-3 Waste generated | Waste & Recycling, page 19 |
| | 306-4 Waste diverted from disposal | Waste & Recycling, page 19 |
| | 306-5 Waste directed to disposal | Waste & Recycling, page 19 |
| GRI 401: Employment 2016 | 401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees | Total Rewards, page 26 |
| | 401-3 Parental leave | Total Rewards, page 26 |
| GRI 403: Occupational Health and Safety 2018 | 403-1 Occupational health and safety management system | Safety Program, page 40 |
| | 403-2 Hazard identification, risk assessment, and incident investigation | Safety Program, page 40 |
| | 403-3 Occupational health services | Safety Program, page 40 |
| | 403-4 Worker participation, consultation, and communication on occupational health and safety | Safety Program, page 40 |
| | 403-5 Worker training on occupational health and safety | Safety Program, page 40 |
| | 403-6 Promotion of worker health | Total Rewards, page 26 |
| | 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships | Safety Program, page 40 |
| | 403-8 Workers covered by an occupational health and safety management system | Safety Program, page 40 |
| | 403-9 Work-related injuries | Safety Program, page 40 |
| GRI 404: Training and Education 2017 | 404-2 Programs for upgrading employee skills and transition assistance programs | Learning & Org Development, page 28 |
| | 404-3 Percentage of employees receiving regular performance and career development reviews | Learning & Org Development, page 28 |
| GRI 413: Local Communities 2016 | 413-1 Operations with local community engagement, impact assessments, and development programs | Investing in our Community, page 37 |

PARENTAL LEAVE FY24

| | Total FY24 | |
|--|------------|--------|
| | Male | Female |
| Employees that were entitled to parental leave | 3880 | 2474 |
| Employees that took parental leave | 74 | 31 |
| Employees that returned to work after parental leave ended | 73 | 27 |
| Employees that returned to work after parental leave ended that were still employed 12 months after their return to work | 58 | 27 |

This data represents all bene its-eligible associates located in the United States; Associates are bene its-eligible (including Paid Parental Leave) if they are scheduled to work 30 or more hours per week and if they have completed their month of hire and one additional month. Based on best available data.

SDG INDEX

At MSC we recognize the importance of the United Nations 2030 Agenda for Sustainable Development. The UN Sustainable Development Goals (SDGs) call on all sectors to address the world’s most pressing challenges through enhanced participation, leadership and investment in solutions that reduce inequality and combat the climate crisis.

While we support all 17 UN SDGs, we concentrate our efforts on the 4 goals where we can make the most significant impact. Our commitment to addressing environmental and socioeconomic issues aligns with the SDGs, particularly in reducing inequality, improving health and education, preserving the natural world and fighting climate change.



4 QUALITY EDUCATION

8 DECENT WORK AND ECONOMIC GROWTH

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

13 CLIMATE ACTION

| UN SDG | SDG Targets | | Performance & Indicators |
|---|---|--|---|
| <div>4</div> <div>QUALITY EDUCATION</div> <div></div> | Target 4.4 By 2030, substantially increase the number of youth and adults who have relevant skills. | Target 4.5 By 2030, eliminate gender disparities in education and ensure equal access to all levels of education and vocational trainings. | <u>Tuition reimbursement</u> <u>MSC-University and LinkedIn</u> <u>MSC Launch Program</u> |
| <div>8</div> <div>DECENT WORK AND ECONOMIC GROWTH</div> <div></div> | Target 8.7 Take immediate and effective measures to eradicate forced labor, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labor in all its forms. | Target 8.8 Protect labor rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment. | <u>Safety Performance</u> (Appendix) <u>Total Rewards Program</u> <u>Supplier Code of Conduct</u> <u>Supplier Social Assessment Corrective Actions</u> <u>Safety Policy</u> (Appendix) |
| <div>12</div> <div>RESPONSIBLE CONSUMPTION AND PRODUCTION</div> <div></div> | Target 12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse. | Target 12.6 Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle. | <u>MSC's Waste Reduction Strategy and Recycling Target</u> <u>MSC's Ethics and Human Rights Policies</u> <u>Supplier Code of Conduct</u> <u>Supplier Environmental Assessment Corrective Actions</u> <u>MSC's Metalworking Solutions and Carbide Recycling programs</u> |
| <div>13</div> <div>CLIMATE ACTION</div> <div></div> | Target 13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries. | | <u>Energy and Emissions</u> <u>MSC's Sustainable Solutions</u> |

ENVIRONMENTAL POLICY STATEMENT

At MSC Industrial Supply Co., we believe that promoting environmental performance enhances our competitive strength while simultaneously benefiting our Associates, Customers, Shareholders and the planet. We achieve this by maintaining our continued focus on improving the life of our Associates, Customers and Shareholders while improving the communities we live in. This excellence is obtained when adopted by all levels of the organization.

Our belief in sustainable operations means doing the right thing: to place environmental performance above basic compliance in Federal, State and Local regulations. Sustainability is considered in the development of our strategies, products and services offering, decisions regarding how we operate, selection of suppliers and business partners, and we are committed to continuously improving our environmental management system to support that belief.

These environmental principles are not just priorities at MSC; they are our values. Through this commitment, MSC reaffirms its responsibility to a more sustainable workplace and a better world.



Our Guiding Principles

Better Stewards of our People and Planet:

We believe in making the workplace more sustainable and the world better. To have a lower impact on the environment we need engagement between management and associates that results in a systematic approach to identify and minimize our environmental impacts.

Clear Roles and Responsibilities:

We thrive in simplicity. Our policies outline clear roles and responsibilities, making it easy for everyone to understand their part in creating a sustainable operations and steward of the environment and promotes participation in efforts that contribute to sustainable stewardship.

Continual Improvement:

We strive for excellence. Our commitment extends beyond compliance; we endeavor to reduce our impacts (e.g., emissions, wastes, overutilization, etc.) on the environment through better understanding of our operations and actively pursuing improvements. We solicit feedback from our associates, customers, suppliers and engineers incorporated into our continuous improvement model. MSC regularly evaluates and modifies our programs, policies and procedures.

Align Objectives and Measurements:

We know what is measured gets done. Our senior leadership sets sustainability objectives with aspirational targets that reference the GRI framework and other frameworks, and we measure, manage, revise and communicate our environmental performance accordingly.

Open Communication:

We foster an environment of open dialogue along the value chain. Good communication fosters trust and trust allows engagement with investors, associates, governmental agencies and other stakeholders to explain environmental performance and improve through sustainability initiatives. Our culture of caring requires us to be open-minded and listen and learn from our associates, customers, service providers and vendors.

Always Learning:

We agree that knowledge is power. We devote significant time and effort into training our ultimate investment, our people. We are humble enough to know that we can learn from all levels and directions and continuously seek out new ideas and information to position us to be better than where we were. We foster a company culture that encourages corporate sustainability and environmental-awareness activities and completion of all associate training on the aspects and application of MSC's environmental performance efforts.



SAFETY & HEALTH POLICY STATEMENT

At MSC Industrial Supply Co., we believe that promoting Health and Safety performance enhances our competitive strength while simultaneously benefiting our Associates, Customers and Shareholders. We achieve this by maintaining our continued focus on our people, our processes and the communities we live in. Excellence is obtained when adopted by all levels of the organization.

Our belief in our people means doing the right thing; to place their wellness above basic compliance in Federal, State and Local regulations. Every associate deserves a safe and secure workplace. We are committed to continuously improving our safety and health management system to support this.

Our Guiding Principles

Reduce Risk:

We believe in making the workplace safer. To lower risk we need engagement between leaders and associates that results in a systematic approach to finding and fixing both existing and potential hazards.

Clear Roles and Responsibilities:

We thrive in simplicity. Our policies outline clear roles and responsibilities, making it easy for everyone to understand their part in creating a safer environment.

Continual Improvement:

We strive for excellence. We actively utilize both corrective and preventative measures to enhance associate and customer safety. We solicit feedback from our associates, customers and suppliers and engineers that is incorporated into our continuous improvement model. MSC regularly evaluates and modifies our programs, policies and procedures.

Align Objectives and Targets:

We know what is measured gets done. Our senior leadership sets aspirational targets, and we measure, manage, revise and communicate our performance accordingly.

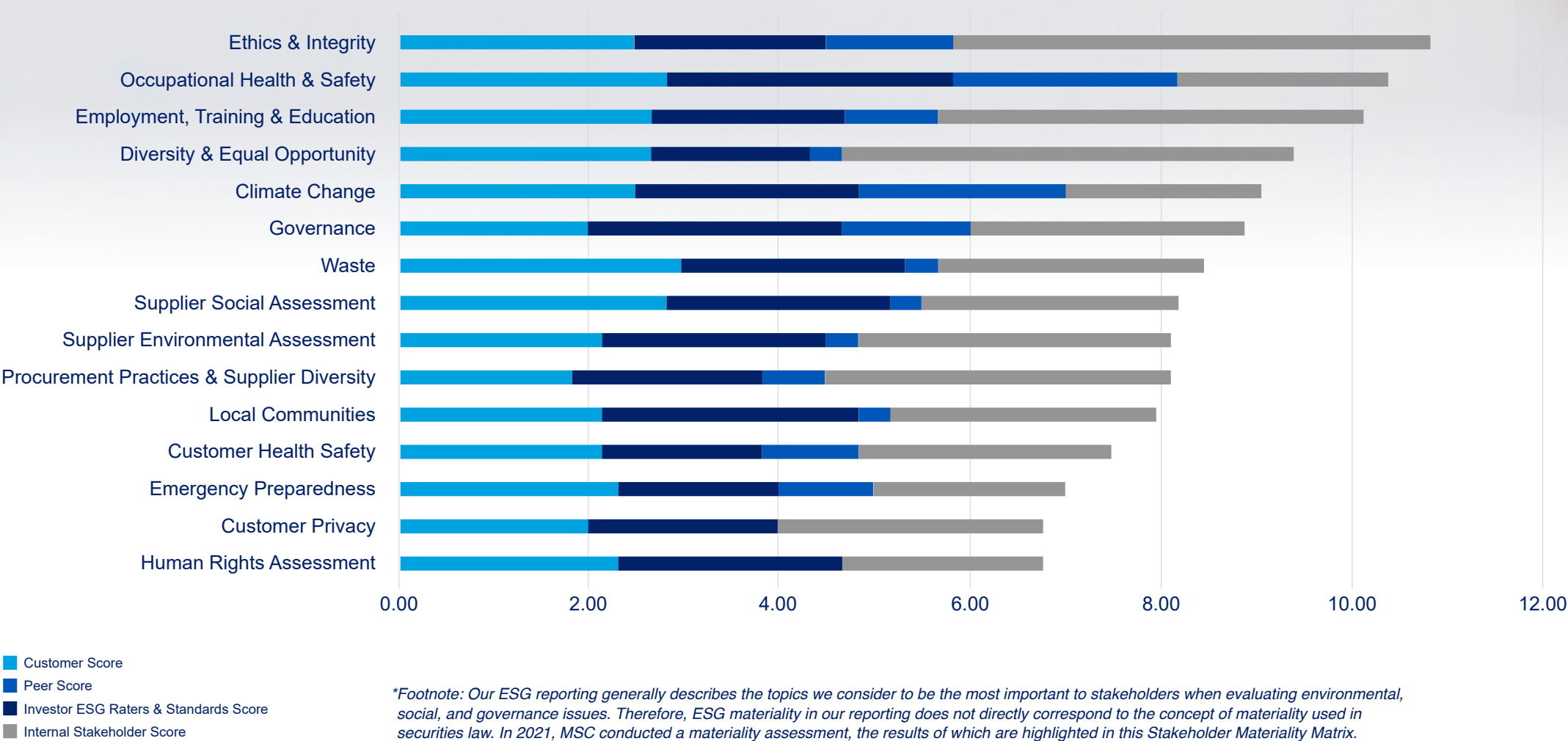
Open Communication:

We foster an environment of open dialogue along the value chain. Good communication fosters trust and trust allows reporting near misses and incidents which are essential for learning and preventing future occurrences. Our culture of caring requires us to be open-minded and listen and learn from our associates, customers, service providers and vendors.

Always Learning:

We agree that knowledge is power. We devote significant time and effort into training our ultimate investment, our people. We are humble enough to know that we can learn from all levels and directions and continuously seek out new ideas and information to position us to be better than we were.

MSC STAKEHOLDER MATERIALITY MATRIX*



*Footnote: Our ESG reporting generally describes the topics we consider to be the most important to stakeholders when evaluating environmental, social, and governance issues. Therefore, ESG materiality in our reporting does not directly correspond to the concept of materiality used in securities law. In 2021, MSC conducted a materiality assessment, the results of which are highlighted in this Stakeholder Materiality Matrix.

ASSOCIATE VALUE PROPOSITION

Learn, Belong And Thrive — Your Best Work Starts Here



Purpose

MSC exists to fuel the industrial economy, propel our stakeholders' success and contribute to our customers' growth.



People

We are a team of passionate, values-driven people, working together to accomplish great things.



Health & Well-being

Enjoy an inclusive work environment and a wide range of benefit options for you and your family to be healthy and plan for the future.



Rewards & Recognition

Receive appreciation for your contributions and the opportunity to share financially and intrinsically in MSC's success.



Growth

Access extensive growth opportunities, take risks and develop a rewarding career.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Statements in this report may constitute “forward-looking statements” under the Private Securities Litigation Reform Act of 1995. All statements, other than statements of historical fact, that address activities, events or developments that we expect, believe or anticipate will or may occur in the future are forward-looking statements. The words “will,” “may,” “believes,” “anticipates,” “thinks,” “expects,” “estimates,” “plans,” “intends,” and similar expressions are intended to identify forward-looking statements. Forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from those anticipated by these forward-looking statements. In addition, any statements which refer to expectations, projections or other characterizations of future events or circumstances, statements involving a discussion of strategy, plans or intentions, statements about management’s assumptions, projections or predictions of future events or market outlook and any other statement other than a statement of present or historical fact are forward-looking statements. The inclusion of any statement in this report does not constitute an admission by MSC or any other person that the events or circumstances described in such statement are material. In addition, new risks may emerge from time to time and it is not possible for management to predict such risks or to assess the impact of such risks on our business or financial results. Accordingly, future results may differ materially from historical results or from those discussed or implied by these forward-looking statements. Given these risks and uncertainties, the reader should not place undue reliance on these forward-looking statements. Additional information concerning risks affecting the forward-looking statements made in this report are described under “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in our Annual and Quarterly Reports on Forms 10-K and 10-Q, respectively, and in the other reports and documents that we file with the United States Securities and Exchange Commission. We expressly disclaim any obligation to update any of these forward-looking statements, except to the extent required by applicable law.