



# Journey to the heart of a responsible group

---

# Vallourec's long history of commitment

As the leading provider of tubular solutions to the energy and industry sectors, Vallourec has long maintained a proactive social and environmental policy that motivates its people around the world. Let's take a look back at the latest decade of commitment.

## 2008

Signs "Principles of Responsibility" with a worldwide organization representing employees

## 2010

Joins the United Nations Global Compact

## 2011

Publishes the Sustainable Development Charter

## 2014

The Sustainable Development Department rolls out its first five-year strategic plan, which is integrated into the Group's strategic directions

## 2016

Vallourec completes its "materiality analysis" to confirm key issues for stakeholders and enhances the Code of Ethics

## 2018

Creates a dedicated Corporate Social Responsibility Committee within the Supervisory Board

## 2019

• Formalizes Vallourec's commitments to the 2030 Sustainable Development Goals defined by the UN  
• Creates product lines directly linked to energy transition



## OUR COMMITMENTS

- PROMOTING DIVERSITY
- OCCUPATIONAL HEALTH AND SAFETY
- ENERGY TRANSITION AT THE HEART OF OUR OFFER
- RESPONSIBLE USE OF RESOURCES

# Tangible results in 2018

## DIVERSITY



22%  
women managers



50%  
women on the  
Supervisory Board

## HEALTH AND SAFETY



2.97  
Incident rate with and without  
lost working time (TRIR)  
reduced by 41% in four years



79%  
of the most hazardous  
materials eliminated

## ENERGY



38%  
of energy used comes  
from renewable sources



40%  
of production comes from  
ISO 50001 certified sites

## RESOURCES



80%  
of resources used come  
from renewable sources



57%  
of steel used comes from  
recycled scrap

## RATINGS



B+  
Average score from  
the main non-financial  
agencies



A-  
Rating from the Carbon  
Disclosure Project for  
actions in support of  
a zero-carbon economy

# Promoting diversity

## Our conviction

Diversity improves performance and stimulates innovation.

# Occupational health and safety

## Our conviction

The safety of our employees is an integral part of the Group's program of operational excellence. It is Vallourec's absolute priority.

## INCREASING FEMALE REPRESENTATION AT VALLOUREC

The Board provided the impetus in 2016, when it decided to strengthen the representation of women both in the operational professions and in senior management. In early 2019, the Women@Vallourec program was expanded and structured around three key goals:



## BECOMING A MODEL BUSINESS IN THE AREA OF SAFETY

At Vallourec, safety is the subject of a structured program called "CAPTEN+ Safe", which is deployed every single year on all our sites.



### > Reach equal percentages of men and women at every level of management.

At the end of 2018, women represented 5% of manual workers, 29% of administrative, technical and supervisory staff, and 22% of managers. The Group is particularly committed to supporting women right from the start of their career and aims to include 50 women in the mentoring program worldwide by the end of 2019.

### > Optimize conditions for women to succeed

by encouraging flexibility and work/life balance. France is leading the way, rolling out a teleworking system in 2019.

### > Guarantee equal pay.

The first challenge is to develop a suitable comparison tool. A steering committee of 16 motivated women and men representing Vallourec's diverse regions and professions is working to roll out this inclusive program that places women at the heart of Vallourec's transformation.

### > To create and maintain an occupational safety culture requires constant determination and reliance on multiple methods,

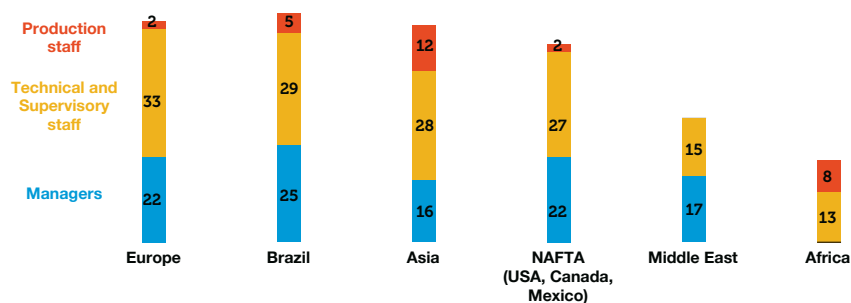
from the day-to-day routine of the Safety Moment to distributing our Golden Rules to every employee, from the 24,000 safety inspections carried out annually on all workstations in our 50 production units to the compulsory Safety Day on every site. The Group achieved its 2018 goal with an LTIR<sup>(1)</sup> of 1.02 and a TRIR<sup>(2)</sup> of 2.97, and is setting tighter

targets for 2019 of below 1.0 and below 2.5 respectively. Additionally, there is now a special plan for chemical risk management. The incorporation of safety goals into the variable part of their salary for almost 2,000 managers reflects the Group's commitment in this area.

(1) Lost Time Incident Rate.

(2) Total Recordable Incident Rate.

## PROPORTION OF WOMEN BY PROFESSION IN 2018 (%)



Every year, the Safety Day fully focuses the Group's attention.

10% is linked to occupational health and safety

5% is linked to rates of employee satisfaction, carbon emissions and industrial waste recycling

# 15%

of the Board's variable pay is linked to Corporate Social Responsibility (CSR)



Achieve gender equality and empower all women and girls



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

# Energy transition at the heart of our offer

## Our conviction

Energy transition is our planet's future. Vallourec and its clients must actively contribute to it.

# Responsible use of resources

## Our conviction

Limiting our environmental footprint is a source of innovation and competitiveness for Vallourec, and a source of pride for our employees.

### REAL SUPPORT

To help its clients to develop renewable energy sources and reduce the energy sector's carbon impact, Vallourec is rolling out its product range and exploring dedicated energy transition solutions.



### FOCUS ON WATER AND WASTE

Since 2013, Vallourec has been auditing the total resources required for tube production on all its industrial sites, amounting to 12.84 million metric tons of incoming materials.



#### Geothermal

Expertise and a range of proven products and solutions for geothermal energy and its special geological environment. With installations in Alsace, Munich and Djibouti.



#### Offshore wind

Solid experience in offshore operations, structural tubes for wind power plants and new foundation systems currently in development that minimize the impact on the marine environment.



#### Solar and photovoltaic

The entire Vallourec range supports installations of solar panels and concentrated solar power.



#### Hydrogen

Our expertise in storing and transporting pressurized flammable gases, applied to hydrogen to decarbonize electrical systems and transportation.



#### CO<sub>2</sub> capture and storage

Solutions inspired by oil and gas products, and innovations such as tubes equipped with sensors to ensure reliable storage. Research partnerships with major customers in the oil and gas sector, and initial experiments in the North Sea.



**80% of these resources are renewable: scrap and steel from scrap, wood charcoal, water and oxygen;** 84% of outflows are also recyclable.

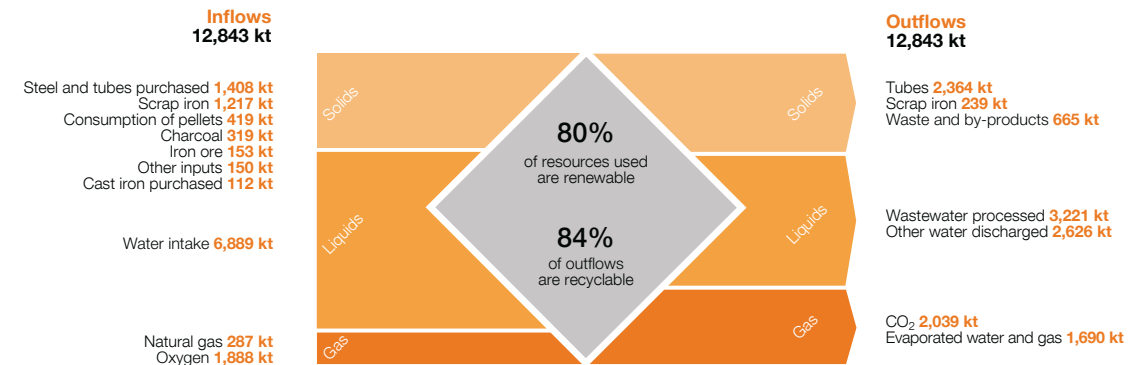
The Group's environmental footprint is therefore limited, but Vallourec is keen to improve two non-financial key performance indicators. Water is the main resource used, and recirculation rates in our factory systems are close to 98%, which keeps water extraction as low as possible.

The recovery of industrial waste is a factor in the Board's variable compensation and the aim of our

"By-Products" project. This views waste as a resource and has inspired some extremely innovative initiatives, such as in Youngstown, USA, where scale<sup>(1)</sup> is sold to a concrete-producing subsidiary, and in Brazil, where blast furnace sludge is used to enrich the soil in eucalyptus forests. The overall waste recovery rate for 2018 reached 95.5%.

(1) Oxidization of the tube surface during production.

### RAW MATERIALS FOOTPRINT 2018



Ensure access to affordable, reliable, sustainable and modern energy for all



Ensure sustainable consumption and production patterns

# Vallourec principles, always

---

Integrity and transparency, respect for the individual and collective commitment are the key values enshrined in the Vallourec Code of Ethics. Translated into eight languages (French, English, Portuguese, German, Chinese, Spanish, and since 2018, Arabic and Indonesian) and distributed to all Group employees, this serves as a framework for every individual's day-to-day conduct. The Code of Ethics is published on the Vallourec website to affirm the Group's commitment to all, and as of 2018, all employees and stakeholders have access to a whistleblowing system.

The Vallourec Integrity Line allows them to report, anonymously via a secure website, any behavior contrary to the Code of Ethics, the Anti-Corruption Code of Conduct or internal rules, relating to anything from anti-competitive practices to human rights and respect for the environment.

#### REGISTERED OFFICE

27, avenue du Général Leclerc  
92100 Boulogne-Billancourt (France)  
552 142 200 RCS Nanterre  
Tel.: +33 (0)1 49 09 35 00

[www.vallourec.com](http://www.vallourec.com)

A French limited liability company (*société anonyme*) with Management Board and Supervisory Board and capital stock of 915,975,520

This document is published by Vallourec's Group Communications Department. Design and production: **HAVAS PARIS**

Photo credits: Vallourec / T. Fernandes – G. Morales / CAPA Pictures – B. Benett / CAPA Pictures – Getty Images – All rights reserved

