2024 UNIVERSAL REGISTRATION DOCUMENT

INCLUDING THE ANNUAL FINANCIAL REPORT

vallourec

SMART TUBULAR SOLUTIONS

SUMMARY

Information from the Sustainability Statement (CSRD) and/or the Annual Financial Report (AFR) is clearly identified in the table of contents using the pictograms:
CSRD AFR

2024 UNIVERSAL REGISTRATION DOCUMENT

INCLUDING THE ANNUAL FINANCIAL REPORT

AUTORITÉ DES MARCHÉS FINANCIERS AMF

The Universal Registration Document was filed on 27 march 2025 with the French securities regulator (Autorité des marchés financiers – AMF) as the competent regulator under Regulation (EU) 2017/1129, without prior approval in accordance with Article 9 therein.

The Universal Registration Document may be used for the purposes of a public offer of financial securities or the admission of financial securities to trading on a regulated market if it is supplemented by a securities note and, where applicable, a summary and any amendments made to the Universal Registration Document. The resulting package is approved by the AMF in accordance with Regulation (EU) 2017/1129.

This is a copy of the official version of the 2024 Universal Registration Document, including the annual financial report, which has been prepared under the ESEF format (European Single Electronic Format) and filed with the AMF, available on the Company's website and on the AMF's website.

This is a translation into English of the (universal) registration document of the Company issued in French and it is available on the website of the Issuer.

vallourec

Copies of this Universal Registration Document are available free of charge from Vallourec, at 12, avenue rue de la Verrerie, 92190, Boulogne-Billancourt, Cedex – France, Vallourec's website (http://www.vallourec.com) and on the website of the AMF (http://www.amf-france.org). This Universal Registration Document includes all the elements of the annual financial report mentioned in Section I of Article L.451-1-2 of the French Monetary and Financial Code (Code monétaire et financier) and Article 222-3 of the General Regulations of the AMF. A concordance table showing the documents referred to in Article 222-3 of the General Regulations of the French securities regulator and the corresponding sections of this Universal Registration Document is included on page 405.

PHILIPPE GUILLEMOT

Chairman and Chief Executive Officer

"The New Vallourec is now a reality. We have successfully undertaken a profound transformation of our industrial model and organization to restore Vallourec's position as a leader in its long-established oil and gas markets. At the same time, we are positioning ourselves as a key player in the energy transition through our investments in New Energies, one of our strategic pillars."

VALLOUREC IS NOW A SOLID, INNOVATIVE, AND FORWARD-LOOKING COMPANY

The year 2024 marked a decisive turning point in Vallourec's history. The Group has reached new important milestones and significantly strengthened its position. Today, **Vallourec is no longer just a restructured company. It is a transformed company** – financially solid and resolutely future-oriented.

The New Vallourec is now a reality. We have successfully undertaken a profound transformation of our industrial model and organization to restore Vallourec's position as a leader in its long-established oil and gas markets. At the same time, we are positioning ourselves as a key player in the energy transition through our investments in New Energies, one of our strategic pillars.

A new reference shareholder

The arrival of ArcelorMittal as a reference shareholder opens a new chapter for Vallourec. This is a strong symbol of our transformation. This transition from a financial partner to a world-class industrial partner gives Vallourec a long-term perspective both on its core business and the energy transition.

Strong commercial momentum

The year 2024 was driven by strong demand for our premium seamless tubular solutions, specially designed for players in the oil and gas sector. Vallourec has achieved significant commercial successes, such as signing contracts with Petrobras, Equinor, Abu Dhabi National Oil Company (ADNOC), and TotalEnergies.

We have been able to meet this demand thanks to our customer-centric industrial footprint and our efficient operational management. We remain determined to maintain a first-class level of quality and service for our clients and partners.

The partnerships established with H2V and NextChem for our vertical hydrogen storage solution, Delphy, are perfect examples of Vallourec's advancements in the New Energies segment.

First return to shareholders in ten years

In 2024, we reported solid results, with EBITDA of €832 million and total cash generation of €534 million. These results demonstrate the success of our strategy of focusing on value over volume, as well as our operational excellence.

Furthermore, we achieved our debt reduction objective one year ahead of schedule. In 2024, Vallourec reduced its net debt by €591 million and has now a positive net cash position for the first time in 15 years. Today, our financial structure guarantees the needed resilience to face economic uncertainties.

The return of shareholder remuneration announced during our annual results also illustrates this renewal. After more than a decade without shareholder returns, we are now able to allocate 80% to 100% of our total cash generation to distribution to Vallourec shareholders while maintaining rigorous financial discipline.

A streamlined and more effective organization

Since its launch in 2022, the New Vallourec plan has relied on Vallourec's talented teams, first-class industrial assets, and extensive know-how to ensure an upgrade of our offerings. To further strengthen its overall performance, Vallourec has created a new Operations Department, which includes a reinforced Process and Engineering Department. This organization marks a new step in the implementation of our strategy centered on value and operational excellence.

Moreover, Delphy, our large-scale vertical hydrogen storage solution, has been directly integrated into my scope as Vallourec's Chief Executive Officer, reflecting the strategic importance and the strong commercial potential of New Energies for the Group.

Industrial excellence and value creation

The announcement of the acquisition of Thermotite do Brasil – our first acquisition in eight years – is a great illustration of our strategy to offer integrated high-end solutions for the most complex offshore projects. Once the acquisition is completed, Thermotite's expertise will perfectly complement our portfolio of anti-corrosion coating solutions and will allow us to offer our clients complete, tailor-made tubular solutions.

Furthermore, by strengthening our presence in Brazil, a key market for the offshore industry, we are well-positioned to take advantage of the growing demand for premium tubular solutions, both in the domestic market and in high-value-added export markets.

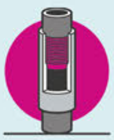
In 2025, we will remain steadfast in our strategy, driven by the same ambition: **maintaining operational excellence and maintaining financial discipline to create value for all our stakeholders.**

I would like to commend the exceptional commitment of our employees, who have been the driving force behind this success. **Vallourec is now a profoundly transformed, solid, innovative and forward-looking company.**

VALLOUREC

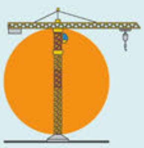
A world leader in premium tubular solutions for all energy projects

A trusted partner serving 4 fields of expertise



HYDROCARBON EXPLORATION & PRODUCTION (INCLUDING PETROCHEMICALS)

Tubes, connections and services for developing Oil and Gas fields, from the simplest to the most complex.



INDUSTRY

Lightweight and resistant tubes for the automotive sector, agribusiness, the construction industry, mechanicals, etc.

IRON ORE PRODUCTION

Operation of an iron mine in Brazil for external and internal use.

NEW ENERGIES

Tubes, connections and systems for the hydrogen, geothermal, and carbon capture markets.

135 VAM® licensees

THE GROUP

€4bn
in revenue

>13,000
employees

35
production sites

Present in more than
20 countries

RESEARCH & DEVELOPMENT

€36m
spent on R&D

280
technicians and engineers

3
main research and test centers

A committed and demanding player in social and environmental responsibility

HEALTH & SAFETY

TRIR

1.93

i.e., a 18% reduction in accidents with and without lost time between 2023 and 2024

96.1%

of hazardous substances (CMRs*) eradicated

SOCIAL & SOCIETAL

27%

of managers are female

€1.5m

allocated to initiatives that benefit local communities

ENERGY

41%

of energy consumed from renewable sources

94%

of electricity consumed is low carbon

32%

of production from ISO 50001 certified sites

RESOURCES EMPLOYED

98%

of waste generated recovered

69%

of steel used from recycled scrap

ENVIRONMENT

13%

of our water requirements for tube production supplied by rainwater

PURCHASING

75%

of spending with suppliers under CSR performance assessment

* *Carcinogenic Mutagenic Reprotoxic substances*

VALLOUREC IS BACK IN THE RACE!

With over 135 years of expertise, Vallourec is a world leader in premium tubular solutions for the energy markets and demanding industrial applications. These include oil & gas wells in harsh environments, next-generation power plants, challenging architectural projects, and high-performance mechanical equipment, as well as solutions for new energy markets. Vallourec works hand-in-hand with its clients to offer more than just tubes: Vallourec delivers innovative, safe, competitive and smart tubular solutions to make every project possible.

Serving 2 key markets

Specialized in the Oil & Gas and New Energies sectors, including hydrogen, geothermal, and carbon capture and storage, Vallourec provides a comprehensive range of premium seamless tubes, specialty tubes, and innovative solutions to meet the most demanding client needs. The Group's commitment to reliability and cost-effectiveness makes it the preferred choice for clients tackling complex applications and extreme conditions.

Flagship products in design and performance

VAM® connection portfolio
Since 1965, VAM® has played a crucial role in the Oil & Gas industry. Nowadays, the VAM® connection portfolio ensures the integrity of O&G and geothermal wells, as well as hydrogen and carbon storage solutions, all while withstanding extreme conditions.

Cleanwell®
This non-polluting, dope-free coating is factory-applied to threaded connections.
It has exceptional anti-corrosion and lubrication properties.

X80 line pipe grade
offers cost-effective performance in deepwater sour environments. Thanks to its design, wall thicknesses can be reduced by up to 20% compared to standard grades, enhancing flexibility, reducing weight and lowering project costs.

Materials
A wide range of proprietary grades including X80, Sour Service, High Collapse and CRA (corrosion-resistant alloys) for OCTG applications.

Delphy
is a very concrete solution to the challenges posed by the hydrogen value chain. It enables the safe storage of between 1 and 100 tonnes of compressed gaseous hydrogen in underground in tube strings with optimized safety and a minimal surface footprint. A pilot project is underway in Aulnoye (northern France) to test and demonstrate the effectiveness of this solution.

Thanks to the Vallourec® Services portfolio, clients can make optimum use of tubular solutions at every step of their projects. The technical expertise and advanced tools offered by Vallourec® Services cover the entire value chain, from advice on selecting materials to project engineering and a suite of digital services for operational efficiency.

Commitment to Employees and the Environment

ESG principles are at the very core of Vallourec's values. The Group consistently integrates the highest standards of health and safety, social responsibility, and environmental stewardship into its strategy.

At Vallourec, creating a working environment in which **Health and Safety** are key considerations is essential for the physical and mental well-being of all employees. This is a core value. The Group aims to achieve the ambitious world best in-class standards set out in its **CAP 2030** roadmap.

In 2024, Vallourec introduced its new **Together We're Safer** culture emphasizing risk awareness, prevention practices, unity and collaboration to ensure safety at work. The 12 life-saving rules program plays a crucial role in this process in particular to prevent any serious injury.

The Group's Diversity, Equity, and Inclusion program aims to make diversity an asset for sustainable performance, fostering engagement and fulfillment. The focus is on gender diversity, cultural richness, and generational mix, supported by inclusive governance at both Group and regional levels.

Training and learning are pivotal to achieving operational excellence. Vallourec University offers programs covering fundamentals, culture, language, leadership, and both soft and business skills.

Vallourec's long-term commitment is recognized by international non-financial rating agencies. In 2020, the Group announced its ambition to reduce its absolute greenhouse gases by 25% between 2017 and 2025. This climate commitment was approved by the SBTi (Science Based Targets initiative), and corresponds to a "well below 2°C" global warming trajectory. In 2022, Vallourec achieved those targets ahead of time.

Commitment to Decarbonization

Valllourec has reduced its carbon footprint by 19% over the past four years, achieving 1.45 tonnes of CO_2e per tonne of tube produced in 2023, compared to 2019. This reduction, certified by EPD International AB, sets a new industry standard for premium seamless tubular solutions. Vallourec's best-in-class performances relies on using recycled scrap, biomass charcoal as a substitute to fossil coke, and a 94% low-carbon electricity at its production sites.

1.45

tonnes of CO_2e per tonne of tube processed

0.95

tonne of CO_2e per tonne of steel processed vs world average 1.92 tonnes of CO_2e per tonne of steel[(1)]

Commitment to Supporting our Clients' Energy Transition

With decarbonization becoming increasingly urgent,Vallourec® New Energies offers solutions for clean energy accelerating the energy transition. The Group has already achieved significant milestones in hydrogen, geothermal, carbon transportation and sequestration, reinforcing Vallourec's position as key player.

Commitment to Reaching New Technological Frontiers

Vallourec's 280 R&D experts focus on innovation, research and development to create the next generation of premium tubular solutions and open up new markets, particularly in the low-carbon economy by 2050. In addition to various partnerships, the Group collaborates with a network of academic partners and start-ups.

(1) Based on Worldsteel Association Sustainability Indicators 2024 report.

DEEP DIVE INTO THE NEW VALLOUREC PLAN

Announced in 2022, the New Vallourec plan aims to create a company that will remain profitable and sustainable, regardless of market conditions.

The roadmap is clear: deliver best-in-class profitability, reduce the profitability gap with the sector's leading players and make Vallourec resistant to market fluctuations.

Two major operational initiatives were key to achieving these goals:

1. **Realigning the Group's industrial footprint around three geographies** – North America, South America, and Eastern Hemisphere – to get closer to our key markets.
2. **Targeting value over volume,** focusing on premium markets and exiting all commodity markets.

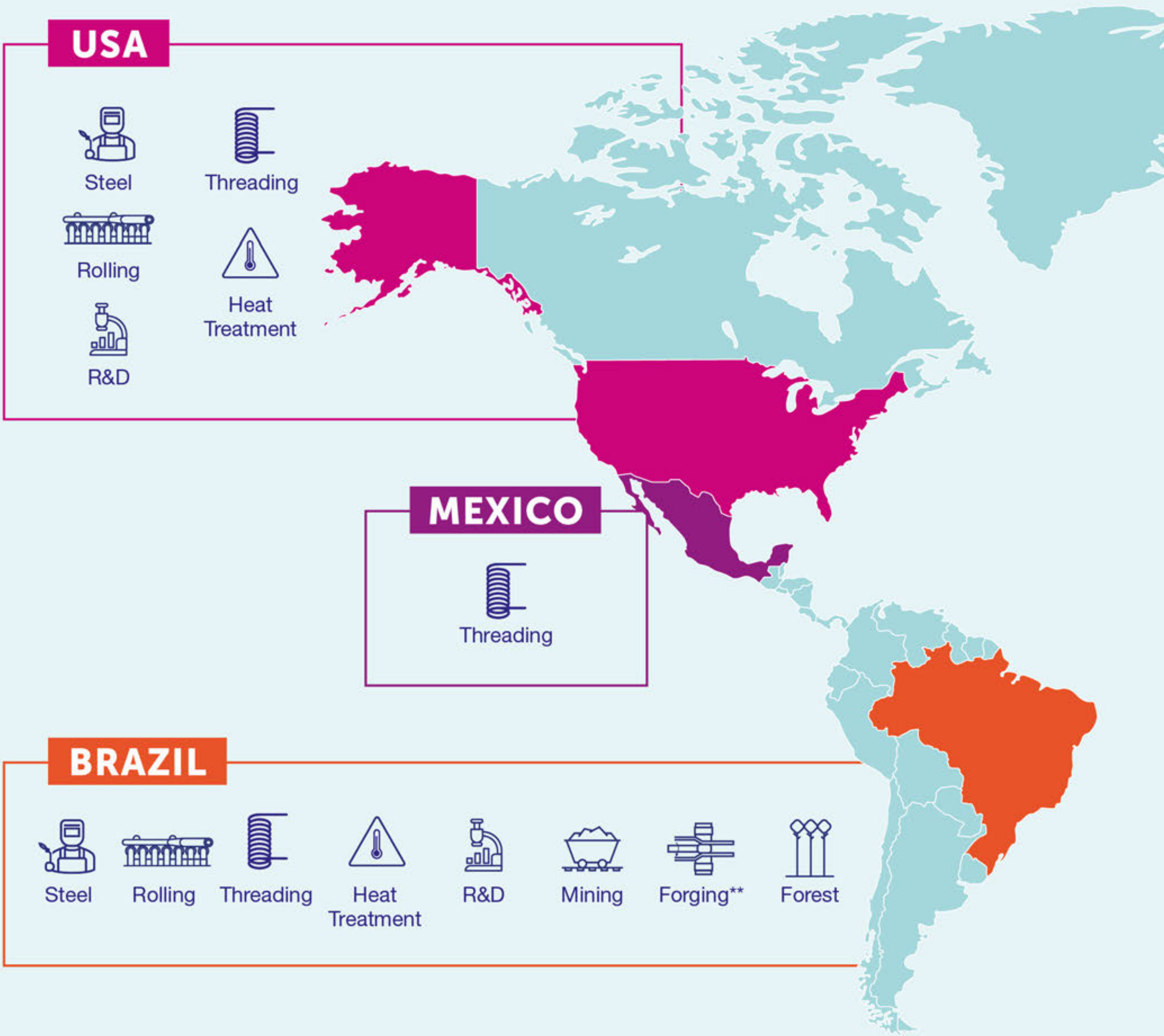
THE NEW VALLOUREC STRATEGY HAS PROVED ITS RELEVANCE

The Group has announced the **completion of its safeguard plan** implemented in 2021 and has achieved its target of **reaching zero net debt**, in January 2025, **one year ahead of plan.** Vallourec has confirmed that **it will propose a dividend at the Annual General Meeting in 2025**. This will be the first dividend distributed by Vallourec in 10 years.

VALLOUREC, A REALIGNED INDUSTRIAL PRESENCE

Three premium strategic hubs close to our clients

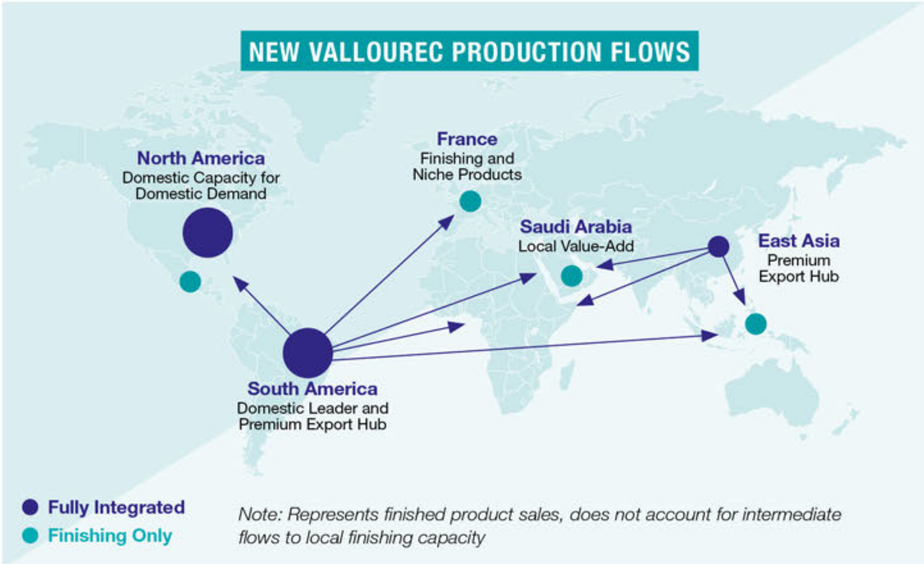
A global production asset base

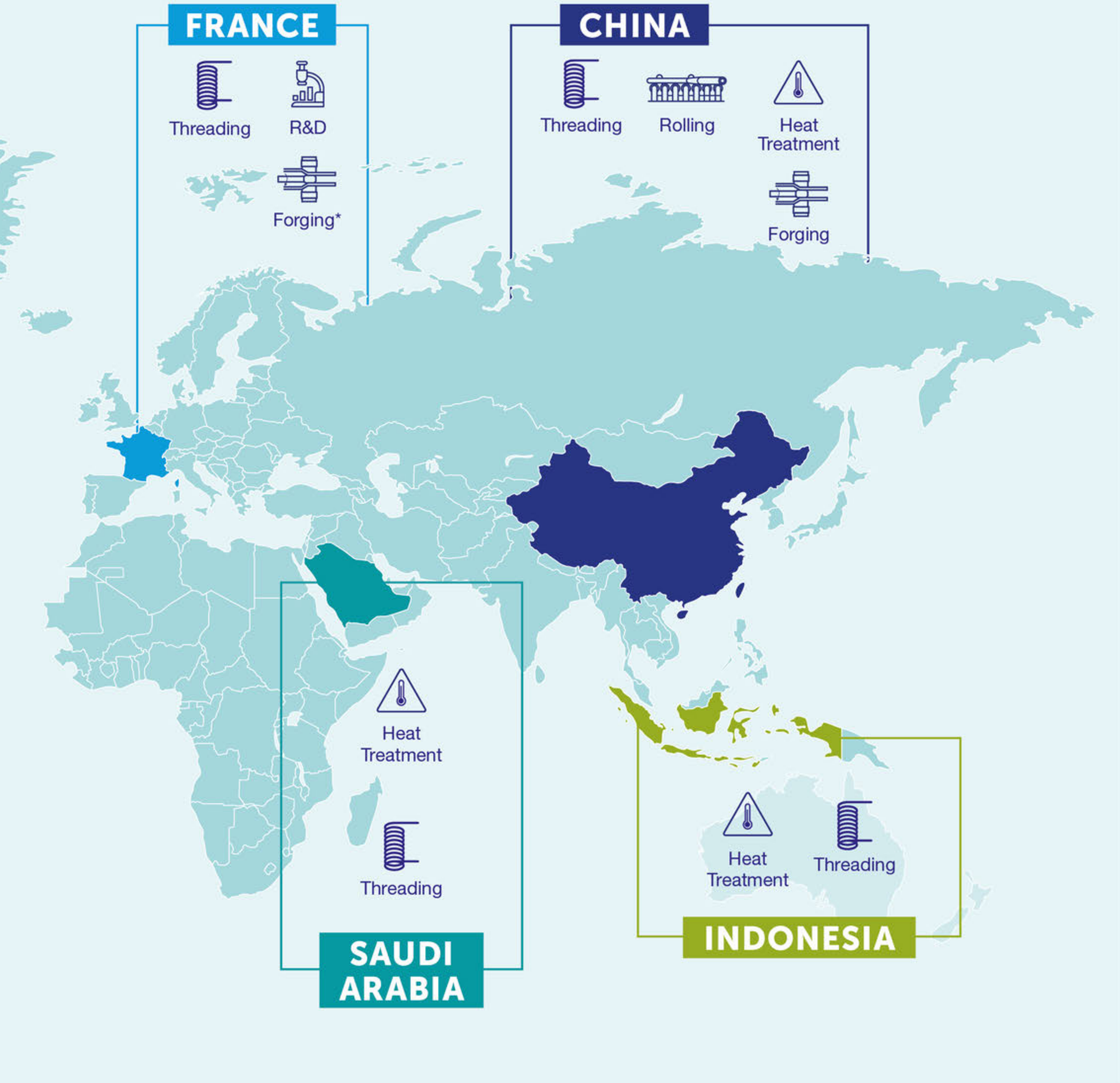


* In France, Rolling and Heat Treatment within Aulnoye forge only.

** Cold-drawn forge in Brazil.

THREE PREMIUM PRODUCTION HUBS: NORTH AMERICA, SOUTH AMERICA & EASTERN HEMISPHERE





Key financial and business performance indicators

Consolidated data	Unit	2023	2024	Change
Tubes sales volume	kt	1,552	1,297	-16%
Revenue	€m	5,114	4,034	-21%
Industrial margin	€m	1,594	1,189	-25%
Industrial margin (as a % of revenue)		*31%*	*30%*	*-1.7 pt*
EBITDA	€m	1,196	832	-€364m
EBITDA margin (as a % of revenue)		*23%*	*21%*	*-2.8 pts*
Operating income (loss)	€m	859	626	-€233m
Net income (loss), Group Share	€m	496	452	-€44m
Earnings (loss) per share	€	2.17	1.96	-€0.2
Capital expenditure	€m	(213)	(167)	€46m
Total cash generation*	€m	552	534	-€18m
Net debt	€m	570	(21)	-€591m
Equity	€m	2,224	2,601	+€377m
Net financial leverage		0.5x	-0.03x	N/A

* *Total cash generation is defined as adjusted free cash flow +/- restructuring charges and non-recurring items and asset disposals & other cash items. It corresponds to net cash used in operating activities +/- gross capital expenditure and asset disposals & other cash items.*

CHAPTER 1

1 PRESENTATION OF THE VALLOUREC GROUP

Vallourec is a world leader in premium tubular solutions, with a particular focus on energy markets, including Oil & Gas and New Energies. Vallourec operates a global network of steel shops, tube rolling mills and heat treatment and threading facilities backed by a state-of-the-art research and development (R&D) operation. Vallourec has operations in over 20 countries across the Americas, the Middle East, Asia and Europe. Vallourec employed around 13,000 employees as of year-end 2024.

1.1 Building a New Vallourec

The information contained in the following paragraphs supports the sustainability statement particularly the disclosure requirement SBM-1, in accordance with the expectations of the Corporate Sustainability Reporting Directive.

1.1.1 Our history

The Vallourec Group is over 100 years old. Some of the founding Group companies were created in the last decade of the 19th century. Vallourec originated in two regions of France, both with long manufacturing traditions: the Hauts-de-France region around Valenciennes and the Burgundy region around Montbard, in Côte-d’Or. At the end of the 1990s, with the creation of the joint venture between Vallourec and Mannesmann, the Group was also based in the Düsseldorf region in North Rhine-Westphalia, Germany, and in the region of Belo Horizonte in the state of Minas Gerais, Brazil. In the first decade of the new millennium, Vallourec greatly strengthened its positioning in North America and established itself in Asia. Today, Vallourec is an international group with operations in North and South America, Europe, Asia, Africa and the Middle East, working in close proximity to its customers. Key developments in Vallourec’s history include:

1886-1930: INVENTION OF THE SEAMLESS STEEL TUBE ROLLING PROCESS

In 1886, the Mannesmann brothers filed a patent that revolutionized the tube industry: using a rolling mill with an oblique cylinder piercer, they were able to produce seamless steel tubes.

In the late 19th century in France, tube manufacturers began to adopt the seamless tube manufacturing process that had been perfected by the Mannesmann brothers in Germany. Société Métallurgique de Montbard was created in 1899 to take over Société Française de Fabrication des Corps Creux, which had operated a plant in Montbard since 1895. Listed on the Paris Stock Exchange since its founding in 1899, in 1907 it was renamed Société Métallurgique de Montbard-Aulnoye, which changed to Louvroil-Montbard-Aulnoye in 1937 after the takeover of Société Louvroil et Recquignies, itself a company resulting from a merger between Société Française pour la Fabrication des tubes de Louvroil, founded in 1890, and Société des Forges de Recquignies, established in 1907.

1930: BIRTH OF VALLOUREC

The economic crisis of the 1930s prompted French tube manufacturers to join forces. The name Vallourec appeared for the first time as the name of a management company for tube plants in Valenciennes, Denain, Louvroil and Recquignies.

1957: LISTING OF VALLOUREC ON THE PARIS STOCK EXCHANGE

Société des Tubes de Valenciennes and Société Louvroil-Montbard-Aulnoye merged. This Group became the second largest manufacturer of steel tubes in France, and was listed on the Paris Stock Exchange under the name Vallourec.

1965: LAUNCH OF THE VAM® CONNECTION

A major innovation, the VAM® premium connection (a combination of the names Vallourec and Alexandre Madrelle, the engineer who developed the connection) revolutionized the oil industry.

Thanks to its unique mechanical features, the VAM® connection ensures flawless gas sealing of the strings inside wells.

1976: INDUSTRIAL PARTNERSHIP WITH SUMITOMO

The development of the oil market prompted Vallourec to build industrial partnerships in order to meet its customers’ demand worldwide. In 1976, Vallourec signed a licensing and research & development agreement with the Japanese group Sumitomo (the third-largest producer of steel tubes worldwide), creating a joint venture with the company in 1984 to produce and market VAM® connections in America. These agreements were the starting point for a long-standing partnership.

1997: CREATION OF THE VALLOUREC & MANNESMANN TUBES JOINT SUBSIDIARY

Created in 1890, shortly after the Mannesmann brothers’ revolutionary discovery of the seamless steel tube rolling process, Mannesmannröhren-Werke AG quickly became a world benchmark. The formation of Vallourec & Mannesmann Tubes, a joint subsidiary of Vallourec (55%) and Germany’s Mannesmannröhren-Werke (45%), enabled the two companies to offer their customers the widest range of tube sizes in the world.

2000: DEVELOPMENT IN BRAZIL

Vallourec & Mannesmann Tubes acquired Mannesmannröhren-Werke’s Brazilian subsidiary, since renamed Vallourec Soluções Tubulares do Brasil.

2002: STRENGTHENING OF THE GROUP’S PRESENCE IN THE UNITED STATES

Vallourec began to establish its presence in the United States in 1984. In 2002, Vallourec significantly expanded its industrial footprint in the United States through the acquisition of the seamless steel tube activity of North Star Steel Company (North Star Tubes), which includes an electric steel mill and a tube mill in Youngstown (Ohio), along with a heat treatment and threading unit in Houston (Texas). Renamed Vallourec Star, this company is wholly owned by Vallourec Tubes.

2005: ACQUISITION BY VALLOUREC OF COMPLETE CONTROL OF VALLOUREC & MANNESMANN TUBES

Vallourec gained full control of Vallourec & Mannesmann Tubes through the acquisition of the 45% stake held by Mannesmannröhren-Werke for €545 million. This major transaction gave Vallourec full control over the strategy and operations of the joint venture.

2006-2011: EXPANSION IN CHINA

In order to pursue its growth in the production of tubes for the power generation market, in 2006 Vallourec opened a subsidiary, Vallourec Changzhou Co., Ltd, located in Changzhou, China, which specializes in the cold finishing of large-diameter seamless alloy steel tubes produced in Germany for power plants. In 2017, this company changed its name to Vallourec (China) Co., Ltd.

In the same year, VAM Changzhou Oil & Gas Premium Equipments was created to operate a mill in Changzhou for threading tubing to equip oil and gas wells. Production began in mid-2007.

In an effort to further strengthen its presence in the Chinese market, in 2011 the Group acquired 19.5% of Tianda Oil Pipe Company Limited (TOP), a Chinese manufacturer of seamless tubes listed on the Hong Kong Stock Exchange. Under the terms of a cooperation agreement with TOP, VAM Changzhou Oil & Gas Premium Equipments threads premium tubes manufactured locally by TOP for the Chinese OCTG market.

2008: ACQUISITIONS IN THE UNITED STATES

To strengthen its position in products with high added value, Vallourec acquired Atlas Bradford® Premium Threading & Services, TCA® and Tube-Alloy from Grant Prideco. These companies respectively specialize in the production of premium connections, the heat treatment of high-grade alloy steel tubular products, the production and repair of accessories used inside oil and gas wells, and complex threading operations. In 2009, Atlas Bradford® Premium Threading & Services and TCA® were merged into VAM USA LLC and Vallourec Star respectively.

2011: STRENGTHENING OF THE GROUP'S INDUSTRIAL FOOTPRINT IN BRAZIL AND THE MIDDLE EAST

In 2011, the new integrated joint industrial site for Vallourec & Sumitomo Tubos do Brasil was commissioned at Jeceaba, in the state of Minas Gerais, Brazil. This premium industrial site includes a steel mill, a tube mill, and a group of heat treatment, threading and finishing lines.

In the same year, Vallourec acquired Saudi Seamless Pipes Factory Company Ltd, the leading processing and finishing company for seamless OCTG tubes in Saudi Arabia. Vallourec thus became the leading player in the OCTG market with local access to integrated heat treatment and threading facilities, to which it added a new threading line for VAM® connections.

2012: SUPPORT FOR THE DEVELOPMENT OF UNCONVENTIONAL HYDROCARBONS IN THE UNITED STATES

Vallourec began operating a new premium small-diameter tube mill in Youngstown (Ohio), thereby covering the full range of products and services necessary for the production of all hydrocarbons, especially those relating to shale oil and gas.

2013: VALLOUREC BECOMES THE SINGLE BRAND FOR ALL GROUP COMPANIES

Since the formation of the Vallourec & Mannesmann Tubes joint venture, numerous Group entities operated under the V&M name. In 2013, in order to help strengthen its world leadership and support its growth strategy, Vallourec decided that all of its entities would operate under the Vallourec banner from then on, underlining the successful integration of the numerous companies acquired by the Group worldwide.

2016: VALLOUREC ANNOUNCES MAJOR STRATEGIC INITIATIVES

On February 1, 2016, Vallourec announced major strategic initiatives to streamline its industrial footprint in Europe and Brazil, acquiring control of Tianda Oil Pipe in China, and raising nearly €1 billion through a capital increase.

2017-2018: VALLOUREC PRESSES AHEAD WITH ITS TRANSFORMATION

Vallourec continued its transformation through the establishment of a new organization based around four Regions and two Central Departments, and the ramp-up of new production routes from China and Brazil. In Brazil, the Group also renewed its long-term (three-year) contract with Petrobras for the supply of premium OCTG tubes and services (subsequently extended until mid-2026).

2020: PLANS TO STRENGTHEN THE BALANCE SHEET ARE SHELVED DUE TO THE COVID-19 CRISIS AND SHARP DECLINE IN OIL & GAS MARKETS; FINANCIAL RESTRUCTURING ANNOUNCED

In February 2020, Vallourec announced plans to strengthen its balance sheet, which included a rights issue of €800 million and a refinancing of its bank facilities. This project was abandoned due to the Covid-19 crisis, which led to a sharp decline in the global Oil & Gas markets. In September 2020, Vallourec announced that it was entering into discussions with its creditors with the aim of significantly reducing its debt.

2021: COMPLETION OF THE FINANCIAL RESTRUCTURING AND LAUNCH OF THE DISPOSAL PROCESS FOR GERMAN ASSETS

On February 4, 2021, Vallourec obtained the opening of a safeguard procedure by a judgment of the Commercial Court of Nanterre dated 4 February 2021. Following the consultation of its creditors, the Safeguard Plan was approved by a judgment of the Commercial Court of Nanterre on 19 May 2021.

On June 24, 2021, Vallourec announced the success of its share capital increase with pre-emptive subscription rights, representing a gross amount (including issue premiums) of approximately €300 million.

On June 30, 2021, Vallourec S.A. completed its financial restructuring and, in accordance with the resolutions adopted on April 20, 2021 by the Ordinary and Extraordinary Shareholders' Meeting, changed its two-tier governance and management structure with an Executive Board and Supervisory Board to a single-tier organization with a Board of Directors. Apollo and SVP Global operated as anchor shareholders of Vallourec, having 28.5% and 12.3% of voting rights, respectively as of year-end 2021.

In November 2021, Vallourec announced the launch of a disposal process for its German assets and the progressive transfer of their Oil & Gas activities to Brazilian production sites.

2022: ANNOUNCEMENT OF THE "NEW VALLOUREC" TRANSFORMATION PLAN

In May 2022, the Group announced the New Vallourec plan. In the absence of a buyer for its German facilities, Vallourec took the decision to close its German and other European sites in order to put an end to the significant long-term losses generated by these activities. The plan aimed to generate a €230 million recurring EBITDA uplift and, in addition, a €20 million CAPEX reduction with the full impact starting in second-quarter 2024. It has contributed to making the Group crisis-proof and generating positive free cash flow, excluding the impact of working capital, under all market conditions.

Also during 2022, Vallourec made six appointments to reinforce the Executive Committee tasked with executing the transformation strategy in the New Vallourec plan.

To accelerate growth in its business supporting the energy transition, in September 2022, Vallourec decided to bring together its portfolio of energy transition offers under a single commercial name, Vallourec® New Energies.

2023: EXECUTION OF THE NEW VALLOUREC PLAN

In September 2023, at its first Capital Markets Day in almost a decade, the Group presented the key components of its New Vallourec plan to investors and analysts, and highlighted the significant progress made in its execution and in the transformation of the Group's strategy and industrial footprint since its financial restructuring:

- In January 2023, the Group revamped its organization to focus on three regions (North America, South America, and Eastern Hemisphere), in a bid to simplify and optimize its operations. This new organization made the Group more efficient and agile, moved its operations closer to its customers, and enhanced its industrial performance. Vallourec's production outside of the United States has been centralized in two export hubs in Brazil and Asia.
- In the Eastern Hemisphere region, the Group launched a program to increase capacity in Saudi Arabia, and implemented a premiumization and headcount reduction program in China to improve margins and returns in the country. In 2023, Vallourec also successfully finalized the closure of several facilities in Europe, including its historical rolling activities in Müllheim and Düsseldorf-Rath.
- Simultaneously, in South America, Vallourec kicked off a capital expenditure program in Brazil, which has enabled the production of a wider range of Oil & Gas products historically manufactured in Germany.
- The Group also made substantial progress in reducing its headcount and generating associated cost savings.

2024: COMPREHENSIVE BALANCE SHEET REFINANCING AND ARRIVAL OF A NEW ANCHOR SHAREHOLDER

In April 2024, Vallourec executed a significant and comprehensive balance sheet refinancing that substantially extended its debt maturities and reduced its financial costs. In particular, Vallourec refinanced its €1,023 million senior notes due in 2026 with USD 820 million senior notes due in 2032 and cash on hand, entered into a new 5-year €500 million revolving credit facility (RCF), and upsized its asset-backed lending facility (ABL) in the United States to USD 350 million, also with a 5-year term. Vallourec estimates that this process has generated a recurring net economic benefit in a range of €30 to €35 million per year.

Vallourec now maintains credit ratings with all three of the major ratings agencies. Alongside its existing issuer rating with S&P, which was upgraded once again following the refinancing and now stands at BB+, Outlook stable, Vallourec was pleased to welcome the addition of Moody's and Fitch, which currently rate Vallourec Ba2, Outlook positive and BB+, Outlook positive, respectively.

As a result of the successful implementation of the refinancing, Vallourec, announced on November 7th, 2024 the completion of its Safeguard Plan further to a judgment rendered by the Commercial Court of Nanterre on 31 October 2024.

In August 2024, Vallourec announced the completion of the acquisition by ArcelorMittal of Apollo funds' stake in Vallourec at a price of €14.64 per share, for a total purchase price of €955 million. As a result and on the date of the acquisition, ArcelorMittal held 28.4% of the voting rights and 27.5% of the share capital of the Company.

In 2024, Vallourec reduced its debt by €591 million and reached a net cash position at the end of the year, thereby achieving its goal of reaching zero net debt a full year ahead of plan. This major accomplishment has positioned Vallourec to pay its first dividend in a decade in 2025.

1.1.2 Our values

1.1.2.1 A trusted partner: leveraging industrial excellence for our customers

Vallourec focuses on achieving industrial excellence in delivering solutions which achieve the highest quality and safest performance whatever the applications and conditions. In so doing, the Group operates as a long-term partner to its customers, many of whom have worked with Vallourec for decades.

Vallourec provides project planning support, material selection and validation, and custom-engineered solutions to allow operators to safely push past existing technological limitations in oil and gas field development. Vallourec consistently and reliably demonstrates its mastery of the full supply chain by providing one of the industry's widest range of high-end tubular solutions as well as services required to enable their successful deployment.

1.1.2.2 Harnessing technical expertise to create value

The Group supplies a wide range of premium, high-performance seamless tubular solutions whose manufacture requires significant technological and industrial expertise. Complementary specialized services provide customers with a comprehensive offering of innovative solutions meeting the most demanding technical requirements.

The Group's offering includes a range of seamless tubes that is among the most extensive in the world in terms of sizes and proportions (length, diameter, thickness), and with more than 250 grades of steel (high-grade and low-grade carbon steel alloys, stainless steels, nickel alloys, etc.); threaded connections, including the market-lead VAM® connections and accessories; and innovative and connected services.

1.1.2.2.1 CUTTING EDGE STEEL SOLUTIONS

The Group's key competitive advantages include its technological expertise and high-end product offering. The Group leverages its technological leadership and brand recognition to develop new products and solutions and strengthen its added value for its customers.

Vallourec's R&D operations are headquartered in Aulnoye-Aymeries (France) with additional centers in the United States and Brazil. Vallourec's R&D operations employ around 280 engineers and technicians. The Group also collaborates with a network of universities and start-ups.

The Group enjoys a leading position in premium OCTG connections through the VAM® product family, which is developed in partnership with Nippon Steel. Vallourec has the industry's largest patent portfolio in the Oil Country Tubular Goods (OCTG) industry, and continues to innovate and maintain its technological edge. The Group has recently developed several specialized connection technologies such as the VAM® SLIJ-3 connection in the Gulf of Mexico, CLEANWELL® dopefree technology, and the VAM® SPRINT series of connections for US shale.

Vallourec's premier steel shops in the United States and Brazil supply a broad range of proprietary alloys and steel grades that enable high performance across a wide variety of environmental conditions, which are developed and tested in close collaboration with Vallourec's R&D operations. Vallourec has recently developed custom steel grades such as the X-80 grade for offshore heavy wall line pipe, an industry-first technology that maximizes strength while maintaining weldability for deepwater pipeline applications. Meanwhile, to further lower its carbon footprint in its steel-making process in Brazil, Vallourec has developed and patented a high-quality continuous biomass charcoal production process (Carboval) with no methane emissions.

Process communities deployed within the Group allow rapid and ongoing progress to be achieved through the sharing of best practices and available technologies for the Group's main manufacturing processes. These include the production and continuous casting of steel, hot rolling of seamless tubes, heat treatment, non-destructive testing, threading and cold finishing of tubes. Process communities also ensure the proper implementation, efficiency and effectiveness of manufacturing processes.

Vallourec's activities are regularly benchmarked to ensure that its practices and technologies remain compliant with best practices and best available technologies. The Group has also set up an Industry 4.0 platform – SHALYN – to manage and control manufacturing processes, with a particular focus on data analysis.

Vallourec offers solutions and services across the entire value chain. Vallourec's technical support is available 24/7 with more than 200 field engineers worldwide. Vallourec's service offering includes physical services to customers such as on-site engineering teams, supply chain optimization services and the incubation and development of a complementary and autonomous digital service offering.

Vallourec is involved in an increasing number of projects with its customers and with start-ups to develop innovative solutions, such as SUBMAGNETICO® FREEFLOW, a tool that prevents scale formation in production tubing strings and reduces the number of production stoppages.

Vallourec has also made investments in unique additive manufacturing solutions that ensure on-demand production capabilities with short lead times: Wire Arc Additive Manufacturing (WAAM) prints large metallic parts on demand and as close as possible to customers' operation, reducing logistics costs and associated carbon emissions.

Vallourec's technical excellence is also rounded out by a wide range of digital solutions and services, such as Prime Mapping, which delivers accurate pipe geometry dimensions in a digital format, providing string actual bore volume for cement displacement, best packer fit pipe selection and thickest pipes for casing wear mitigation. Other robotic inspection tools such as the UT-Rover or the Eddy-current rover are being deployed to provide pipe-repurposing services to customers worldwide.

1.1.2.2.2 STATE-OF-THE-ART MANUFACTURING PROCESSES

A) Forest and iron ore mine

In Brazil, Vallourec operates eucalyptus forests to produce biomass charcoal to fuel its blast furnace. The Group is conducting research to improve its performance in this area. The main thrusts of this research include scientific tree selection, improved forest nutrition programs. The Group also extracts iron ore at its Pau Branco mine (also located in Brazil), and sells the majority of the production from this mine to various third-party customers. The biomass charcoal supplied by the carbonization units and the iron ore supplied by the mine represent the high-quality raw materials feeding the pellet plant and the blast furnace at the Jeceaba integrated plant.

Vallourec's use of biomass charcoal instead of the metallurgical coal generally used in the steel industry contributes significantly to reducing the carbon footprint of the Group's Brazilian operations.

B) Steel production

The production and continuous casting of steel are the basis of the Group's range of high-tech solutions and the subject of a significant amount of research and development work. Research on the cleanliness of steel is a key aspect of research for the manufacture of premium products. Innovations made in molten steel refining and continuous-casting processes also allow the capacity and quality of the steel produced to be improved, thereby strengthening the Group's autonomy in terms of premium steel supply.

C) Hot-rolled seamless tube production

The hot-rolling production of seamless steel tubes, invented in 1886 by the Mannesmann brothers, is a fundamental technology for Vallourec and is constantly being improved thanks to Vallourec's proprietary research. Vallourec offers a wide range of steel, including high-alloy grades.

The Group has developed other processes, such as forging, for different market sectors. Forging is deployed in Europe and China.

Developments are ongoing for the very latest hot-rolling techniques, such as cone drilling, continuous three-roll rolling, and increasingly efficient automation of all stages of the manufacturing process.

D) Heat treatment

Many of the Group's premium products are heat-treated to ensure exceptional performance. The heat treatment processes are continually being improved in order to meet customer needs, in particular for environmental protection, creep or rupture resistance, corrosion resistance and steel weldability.

E) Non-destructive testing

Non-destructive testing, which evaluates the integrity of structures or materials at various stages of their life cycles without causing damage, are being extensively developed to ensure superior product reliability.

Innovations in this sector are major differentiating factors. Cutting-edge non-destructive test benches capable of detecting imperfections independently of direction are used on a daily basis to inspect products.

F) Threading

Threading is a key process in the manufacture of the wide range of VAM® premium threaded connections. The VAM® Threading Competence Center (VAM® TCC) designs, develops and industrializes all premium production methods for Vallourec connections. In addition, VAM® TCC supports operations in the Group's plants through training, benchmarking and on-site technical support. It provides plants with standards for investing in equipment and machinery, as well as operating methods and critical maintenance. This Competence Center has a dedicated production line designed to optimize threading operations and industrially test solutions before the R&D phase. VAM® TCC is in charge of innovating and developing processes related to tube threading (contactless dimensional inspection, cutting tool breakage detection system, etc.).

G) CLEANWELL® application

CLEANWELL® is a non-polluting, multi-function coating replacing both storage and running compounds applied on the surface of VAM® connections. It is designed to provide exceptional anti-corrosion and lubrication properties. Originally produced only in France, an additional production line was recently built in Houston to serve the US offshore market. A group of experts in this process now coordinates all activities related to the development and production of the CLEANWELL® technology at Group level.

H) Finishing processes

In addition to threading, Vallourec's premium tubes undergo numerous finishing processes that add value and features adapted to the product's use (forming, machining, surface treatments, marking, etc.). Over the past few years, a great deal of work has gone into implementing new marking techniques that have improved tube-to-tube traceability and provided digital services to end users such as "Best Fit", "Smart Run" and "Tally Vision".

1.1.2.3 Respecting each other and the environment

1.1.2.3.1 ESG AT THE HEART OF OUR BUSINESS MODEL

Vallourec prioritizes Environmental, Social and Governance (ESG) practices within its core values and has always integrated the highest standards of workplace safety, quality, and social and environmental responsibility into its strategy. Its corporate social responsibility goals and approach are set out in its Sustainable Development Charter and are described in the sustainability statement, which is included in chapter 2 of this Universal Registration Document.

Vallourec is regularly assessed by the main non-financial rating agencies and specialized SRI funds such as MSCI, Sustainalytics, Moody's, EcoVadis and CDP. The Group currently enjoys a rating of A, 21,2/100 and 77/100 from MSCI, Sustainalytics, and Etifinance, respectively. In EcoVadis' ESG assessment, the Group received a score of 78 out of 100, placing the Group in the top 1% of companies assessed in terms of corporate social responsibility.

Safety and diversity

Vallourec believes its approximately 13,000 employees are its most valuable asset to create value and conduct responsible business. At Vallourec, respect for people and the environment is the key priority.

Safety has been defined as number one priority for the Group. By 2030, Vallourec has an ambition to reach zero serious accidents with lifelong after-effects, a TRIR less than or equal to 0.2 and zero occupational illnesses. To achieve this ambition, in 2024 the Group launched CAP 2030, its new health and safety roadmap.

The Group is committed to fostering diversity, as described in chapter 2, Section 2.2.4. Vallourec aims to increase the number of women executives to 30% by January 1st 2027, versus 27% in 2024. Efforts are also being expanded to include multi-generational, multicultural, and disability diversity. This renewed commitment is a key component of the "We are Vallourec" program, reflecting Vallourec's dedication to creating an inclusive workplace.

Reducing our carbon footprint

Vallourec is at the forefront of industry efforts to reduce the CO_2 emissions induced by tube production.

In June 2020, Vallourec announced its ambition to reduce its direct and indirect carbon emissions by 2025, taking 2017 as its baseline year. These objectives were approved by the Science Based Targets initiative (SBTi). The Group committed to:

- reducing direct emissions by 20% (Scopes 1 & 2);
- reducing both direct and indirect emissions by 25% (Scopes 1, 2 & 3).

In 2022, the Group set new targets for reducing CO_2 emissions, which call for a further 30% reduction in the carbon intensity of its tube production by 2030, and 35% by 2035, compared with a 2021 baseline.

These targets can be achieved by using low-carbon energy sources at Vallourec's integrated production sites. The Group mainly uses nuclear energy in the United States and hydroelectric power in Brazil. In addition, as part of its activities in Brazil, the Group owns a eucalyptus forest which is used to produce charcoal from biomass. This biomass charcoal replaces the metallurgical coal, frequently known as "coke" in the steel industry, which offers significant decarbonization advantages.

Vallourec's fruitful decarbonization journey (detailed in Section 2.1.2.2 of this Universal Registration Document) started many years ago, now enables Vallourec to supply tubes with the lowest carbon footprint in its industry (calculated based on a life cycle assessment, cradle to site approach in accordance with ISO 14025 and the PCR 2014:10[1] standard for fabricated steel products):

- one metric ton of steel produced by Vallourec generates 0.95 metric tons of CO_2e, where the steel industry average is 1.92 metric tons[2];
- one metric ton of tubes (including steel and manufacturing) produced by Vallourec generates 1.45 metric tons of CO_2e, where the market average is 2 metric tons (source: competitor disclosures).

Acting as a driving force in reducing the industry's environmental footprint

Since 2021, Vallourec has been the only seamless tube manufacturer to respond to the three Climate, Water and Forest questionnaires issued by CDP[3] each year. At the time of this publication, 2024 results have not yet been disclosed by CDP. In 2023, the Group's score remained above the industry average on all three questionnaires, despite the fact that the questionnaires have become increasingly demanding over the years:

- the Group maintained its "A-Leadership" for the eighth year and was part in 2021 of the prestigious CDP "A List" of the most advanced companies in terms of climate issues. The foundry, refining and forming sector averaged a score of "B-";
- on the Water questionnaire, Vallourec achieved a "B-Management" score. The foundry, refining and forming sector averaged a score of "C";
- with regard to the Forest questionnaire, the Group achieved a "C-Awareness" level, with Vallourec being the only steel manufacturer to have completed this questionnaire.

(1) *Vallourec CO_2 footprint EPD - Environmental Product Declaration is based on Life Cycle assessment and complies with the guidelines of PCR 2014:10 "Fabricated Steel Products, Except Construction Products" v2.12 cradle-to-Gate approach international standard.*
(2) *World Steel Association Sustainability Indicators 2024 report.*
(3) *CDP, a not-for-profit organization based in the United Kingdom, positions itself as a body seeking to help companies reduce their environmental impact by facilitating corporate transparency and performance.*

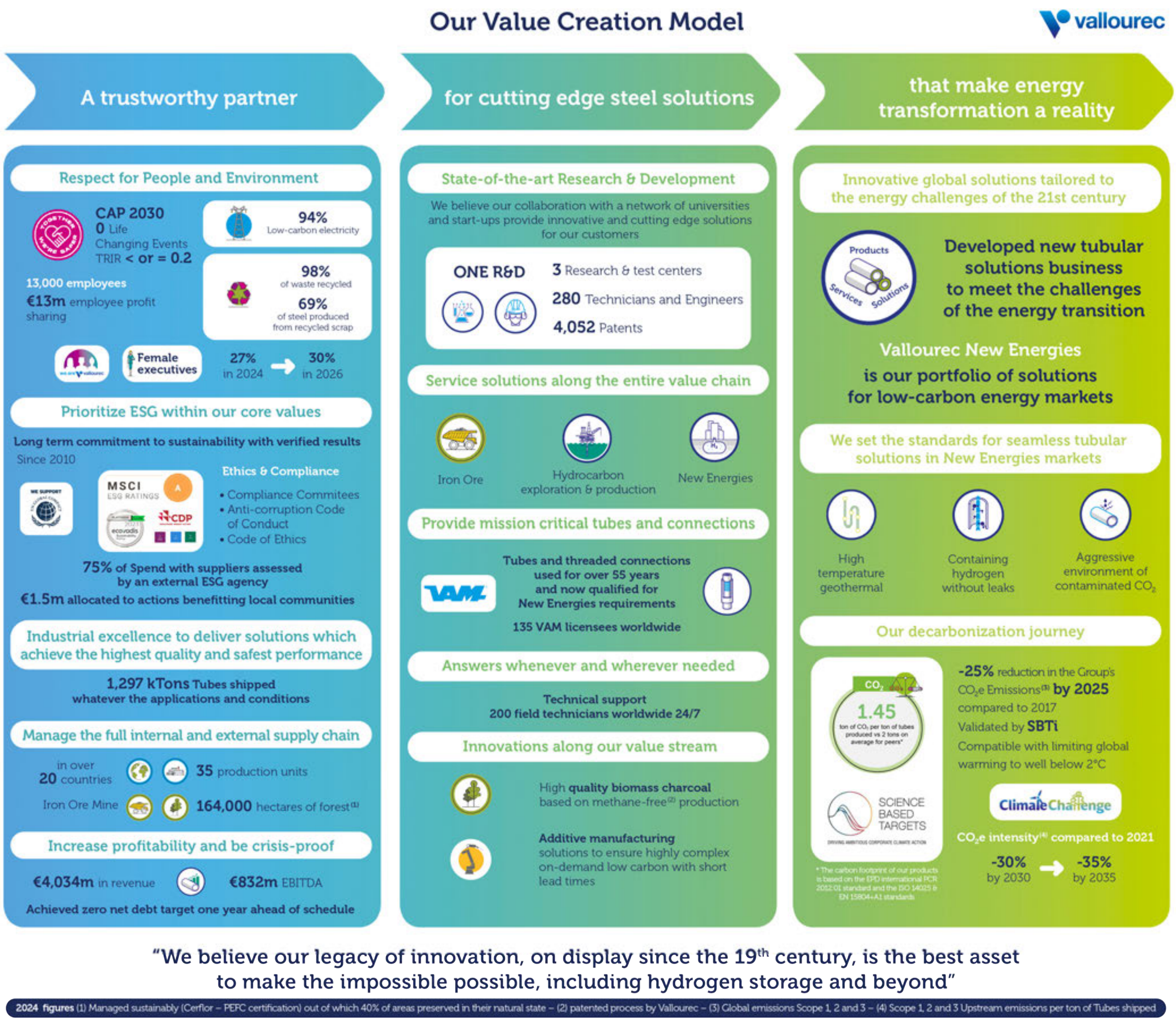
1.1.2.3.2 MAKING ENERGY TRANSFORMATION A REALITY

Vallourec's products enable safe oil and gas development across the globe, including deepwater, shallow water, onshore, and unconventional resource plays. As the world transitions to a host of new energy technologies, Vallourec believes its legacy of innovation and customer support, which dates back to the 19th century, will enable the next phase of energy development.

Vallourec has substantial technical know-how to supply solutions for safe storage of hydrogen, sequestration of carbon, and the development of increasingly advanced geothermal systems, which will allow its customers to meet the challenges of the energy transition.

1.1.3 Vallourec's unique value creation model

"*Our model is based on a fundamental principle: creating value for our stakeholders by being a trustworthy partner for cutting edge steel solutions that make energy transformation a reality*." Philippe Guillemot.



1.2 Strategy and objectives

The information contained in the following paragraphs supports the sustainability statement, particularly the disclosure requirement SBM-1 in accordance with the expectations of the Corporate Sustainability Reporting Directive.

1.2.1 Market environment: trends and opportunities

The Group offers products and services for the following four markets:

- Oil & Gas: Vallourec offers a complete range of products and services for all types of oil and gas extraction (shale, conventional onshore and offshore), with tubes, connections, accessories and connected services for the exploration and development of oil and gas fields, including the most complex reservoirs;
- Industry: the Group produces lightweight and resistant tubes for a wide range of applications, hollow sections, tubes and hollow bars for the automotive, agribusiness, mechanicals and construction markets;
- New Energies: Vallourec stands out from its competitors, particularly in terms of carbon capture, utilization and storage (CCUS) applications, high-temperature geothermal wells and hydrogen storage, with tubes and connections specifically tested and validated to meet the requirements of new and rapidly expanding energy applications; and
- Raw materials: the Group operates an iron mine in Brazil, with a portion of its output supplying the Jeceaba site, and the majority sold on the local market. Vallourec additionally sells small amounts of the charcoal produced by its eucalyptus forest to third parties.

1.2.1.1 Oil & Gas market

Vallourec's products have a wide range of potential applications across the oil & gas value chain but have particularly strong demand in the upstream sector, where Vallourec's premium products are used for structural integrity or oil & gas transportation in subsurface wells (Oil Country Tubular Goods) or on the surface of the earth (Line Pipe).

Accordingly, the primary driver of demand for Vallourec's products is the level of investment in the upstream oil & gas sector. This investment is ultimately dependent on oil & gas prices, which depend on the balance of supply and demand for these respective commodities. Oil market dynamics tend to be more global, and generally speaking more important than gas market dynamics for Vallourec's overall financial results given the higher percentage of upstream spending allocated towards oil fields.

1.2.1.1.1 OIL & GAS SUPPLY, DEMAND AND PRICES

According to the IEA's January 2025 Oil Market Report[1], following annual growth of 940 kb/d in 2024, global oil demand is expected to increase by approximately 1.05 mb/d in 2025 to reach an annual average of 104 mb/d. Emerging Asian countries are expected to be the main contributors to the global oil demand increase, despite a currently weak market environment in China. In addition, oil demand growth in 2025 is expected to be driven by continued economic improvement in developed countries.

Total oil supply in expected to increase by 1.8 mb/d from an annual average of 102.9 mb/d in 2024 to 104.7 mb/d in 2025 not including the unwind of OPEC+[2] voluntary cuts. The main regions contributing to this oil production increase are expected to be North America, (+0.6mb/d) and Latin America (+0.3 mb/d), while the Middle East region's output is expected to remain stable.

Meanwhile, the OPEC+ group has executed a series of output cuts in order to preserve market balance following a softening in market conditions from late 2022 onward. In late 2024, OPEC+ announced a delay in the unwinding of its additional voluntary production cuts by another three months and extended the ramp-up period by nine months through September 2026. In March 2025, OPEC+ confirmed its intention to ramp up its output beginning in April 2025.

Over the full year 2024, Brent[3] crude averaged USD 79.8/barrel (versus USD 82.2/barrel in 2023, a decrease of around (2.8%) year on year). WTI[3] followed a similar trend, averaging USD 75.8/barrel compared to USD 77.6/barrel in FY 2023, a decrease of approximately (2.3%).

Over the long-term, many market observers expect gas demand to increase for a longer time period, or at worst, remain stable for a longer period than oil demand. This is largely due to natural gas's use in power generation, and its potential decarbonization benefit when it is used to replace coal or oil products.

Per the IEA[4], natural gas demand reached an all-time high in 2024, growing by 2.8% vs. 2024 or by 115bcm. It is expected that gas demand will grow by a further 1.9% in 2025, largely due to demand growth in Asia. Many countries across the world, particularly in the Americas and Middle East, have laid out plans to significantly increase the development of their gas resources over the next several years. Natural gas wells generally require more sophisticated tubular connections, due to their higher propensity for leakage, and as such this may represent a tailwind for Vallourec's tubular solutions.

(1) *Source: International Energy Agency Oil market report, Q1 2025.*
(2) *OPEC+ refers to group of oil-producing countries that have collaborated since 2017 to manage global oil supply-demand balance through a coordinated production strategy. This group is an extension of the previous Organization of Petroleum Exporting Countries (OPEC).*
(3) *Source: Bloomberg.*
(4) *Source: International Energy Agency Gas market report, Q1 2025.*

Natural gas prices[1] measured at the Dutch Title Transfer Facility (TTF) represent the best proxy for European gas prices. TTF pricing averaged €34.6/MWh in 2024, which represents a (16%) decrease comparing to 2023 (annual average of €41.3MWh). Over the fourth quarter of the year, due to an increasingly low storage level and expected cold weather, natural gas prices increased gradually to a peak of €50/MWh in December 31st 2024.

Henry Hub gas prices[1], the key marker for US gas prices, averaged USD 2.4/MMbtu in 2024, a 9% decrease comparing to 2023 (annual average of USD 2.7/MMbtu). Nevertheless, an increase has occured over the second half of the year, due to cold weather and LNG facility start-ups. Henry Hub gas prices peaked at USD 3.6/MMbtu in December, 31st 2024.

1.2.1.1.2 OIL & GAS MARKET IN NORTH AMERICA

The vast majority of Vallourec's North American revenues are generated in the United States. Drilling activity levels and demand for Vallourec products in the US were lower in 2024 versus 2023 due to weakening natural gas prices, a higher interest rate environment, and several oil and gas company mergers, all of which have slowed upstream investment.

In the United States, total rig count – a measure of demand for Vallourec's products – averaged 599 over the full year 2024, down 13% versus the full year 2023. As of the end of December 2024, the rig count stood at 589, down 32 from the start of the year[2].

Seamless OCTG prices in the United States[3] rose sharply in 2022, reaching USD 4,308 per tonne in December 2022. Since that point, prices have declined following a high level of imports entering the market in early 2023, and weakening demand levels throughout 2023 and first half of 2024. Over the second half of 2024, US seamless OCTG prices started to recover after reaching a trough in August at USD 2,110 per metric ton. As of December 2024, US seamless OCTG prices were USD 2,276 per metric ton, up USD 166 per metric ton (up 8%) since August, but still down by 9% versus the year-end 2023 level.

1.2.1.1.3 OIL & GAS MARKET IN THE EASTERN HEMISPHERE REGIONS

Vallourec revenue in the Eastern Hemisphere is largely generated in the Middle East, with additional sales in Asia Pacific, Africa and Western Europe.

Drilling activity in the Middle East region has increased steadily since the end of 2020. The rig count increased at a 6.5% CAGR from year-end 2020 to year-end 2024. Over the full year 2024, the rig count in the Middle East averaged 341, compared to an average of 332 in 2023[2].

Drilling activity in the Eastern Hemisphere ex-Middle East region also increased meaningfully since the end of 2020. The rig count increased at a 7% CAGR from year-end 2020 to year-end 2024. Over the full year 2024, the rig count in the Eastern Hemisphere ex-Middle East averaged 449, compared to an average of 437 in 2023[2].

Seamless OCTG prices in the Middle East[4] rose from 2021 through 2024, reaching USD 2,600 per metric ton in February 2024 and falling slightly since then. Prices in the full year 2024 averaged USD 2,460 per metric ton, stable compared to 2023 (average of USD 2,479 per metric ton). Pricing in December 2024 stood at USD 2,300 per metric ton.

Seamless OCTG prices in the North Sea[5] rose from 2021 through 2024, reaching USD 3,000 per metric ton in March 2023 and softening slightly since then. Prices in the full year 2024 averaged USD 2,788 per metric tonne, slightly down from the full year 2023 average of USD 2,880 per metric ton. Pricing in December 2024 stood at USD 2,850 per metric ton.

1.2.1.1.4 OIL & GAS MARKET IN SOUTH AMERICA

The vast majority of Vallourec's South America revenue is generated In Brazil. Drilling activity in Brazil has increased since the 2020 activity trough, with a more pronounced pick-up in 2023 and 2024. The rig count increased 50% from year-end 2021 to year-end 2022, 17% from year-end 2022 to year-end 2023 and 29% from year-end 2023 to year-end 2024. Over the full year 2024, the rig count in Brazil averaged 17 rigs, up versus the full year 2023 average of 15 rigs[2].

Activity in Brazil is heavily dependent on the activities of Petrobras, Brazil's National Oil Company. In its latest 5-year strategic plan for 2025-2029, Petrobras indicated a total capex budget of USD 111 billion, of which USD 77 billion, or 69%, is dedicated to exploration and production (E&P). Compared to the 2024-2028 plan, this strategic capex plan represents a 9% increase, predominantly driven by new projects. Petrobras also indicates that 61% of the E&P capex budget will be dedicated to offshore pre-salt reservoirs, representing USD 47 billion out of the USD 77 billion.

(1) *Source: Bloomberg.*
(2) *Source: Baker Hughes.*
(3) *Source: PipeLogix Report, Average Seamless Index (in metric tons).*
(4) *Source: Rystad - Jebel Ali Seamless (Premium) L80 CFR.*
(5) *Source: Rystad - North Sea Seamless (Premium) L80 CFR.*

1.2.1.2 The Industry market (Brazil)

Following the closure of Vallourec's operations in Germany, the vast majority of its products for Industry markets are produced and sold in Brazil. The Industry market in Brazil is mainly driven by the automotive sector – particularly heavy vehicles (trucks and trailers) – and by agricultural machinery. In 2024, vehicle production[(1)] (both light and heavy) totaled 2.55 million units, marking a 9.7% year-on-year increase. Heavy vehicle production rebounded by 39.5%, partly due to the pre-production effect of the P8 emission standards introduced in January 2023.

However, sales of agricultural machinery[(2)] continued to struggle, declining by 13.7% due to ongoing cautious producer behavior amidst climatic instability and declining commodity prices. Other macroeconomic factors, such as high interest rates, limited credit, and investment, continue to impact the market.

1.2.1.3 The New Energies market

1.2.1.3.1 HYDROGEN

Green hydrogen is a potential energy vector for decarbonizing sectors that are difficult to decarbonize, so called "hard to abate" sectors. These include certain energy intensive industries (refineries, steel making, ammonia production), heavy duty transport, aviation, and shipping. Most of today's hydrogen production is generated using methane and has a significant carbon footprint. There are numerous initiatives around the globe to begin producing hydrogen through electrolysis using renewable electricity, thereby eliminating the associated CO_2 emissions.

The demand for hydrogen is expected to significantly increase across the developed world due to emission reduction policies, such as regulatory frameworks and incentives. Many countries have updated their national strategies and set ambitious goals to reduce the cost of hydrogen and improve its competitiveness.

In 2024, the market has seen mixed developments, with headwinds on some projects, while a growing number of others reached final investment decisions. Demand for low-carbon hydrogen is expected to sharply increase towards the end of the decade.

Recently, interest and activity has also accelerated in the exploration and development of white hydrogen resources (sometimes also called natural, or geologic H_2), which could contribute to hydrogen supply.

Vallourec is well-placed to serve the evolving white hydrogen market as well as the green hydrogen storage market in both large- and mid-scale formats via its tube portfolio and Delphy storage solution.

1.2.1.3.2 CARBON CAPTURE, UTILIZATION AND STORAGE

Carbon capture, utilization and storage (CCUS) refers to the process of removing carbon dioxide from industrial sites' emissions streams and either reusing or storing the carbon (as opposed to releasing it into the atmosphere). Sequestration of CO_2 is achieved today in depleted oil & gas reservoirs in the USA, Europe, Middle East and Asia Pacific. Injection projects are often led by large oil & gas companies and are developed both offshore (Europe, Asia Pacific) and onshore (United States, Middle East).

Such projects require casing and especially tubing able to withstand the highly corrosive CO_2 environment. After capturing the carbon (estimated at 45 mt capacity in 2022), it can be directly reused or transported by ship or pipeline to a sequestration site.

Vallourec has seen strong demand for its CCUS solutions, particularly in the United States, where project operators are currently expected to benefit from the carbon sequestration credits contained in the Inflation Reduction Act (IRA). Vallourec expects increasing regulatory certainty in the future could cause more projects in this industry to move forward.

1.2.1.3.3 GEOTHERMAL ENERGY

Geothermal energy for power generation closed 2024 with 18.9 GWe[(3)] (+6.5% in 2024) and with 28.8 GWth[(3)] for heating (+7.4% in 2024) worldwide, relying on the extraction of high temperature water from 17,710 active wells (+1,215 wells in 2024). Those conditions are found primarily in areas around volcano lines and as a consequence, geothermal power plants are mostly built in South-East Asia (Indonesia) the United States and East Africa, while district heating plants are mainly built in Europe (France, Germany). The market is expected to experience annual growth at a high single digit level until 2030, due to higher levels of project development and new techniques being explored in this area.

(1) *ANFAVEA.*
(2) *Fenabrave.*
(3) *Based on Rystad Q3 2024 report.*

Vallourec is involved in a number of geothermal projects, including Advanced Geothermal Systems (AGS) for supplying electric power plants in Germany, the USA and Indonesia.

These demanding AGS projects require products with specific properties:

- high collapse resistance fitted with Premium Connections qualified for water and gas sealability in deep wells;
- ability to sustain both the high level of pressure required during the fracturing phase and the elevated temperatures (200°C and above) during the entire well life;
- ability to sustain significant compressive loads during the entire life of the wells. For this application Vallourec has qualified its VAM® 21 Premium Connections as per a specific testing protocol called TWCCEP at 350°C;
- high thermal insulation (Thermocase® VIT) enabling closed loop monobore well designs to optimize the exit temperature and power output of the wells.

1.2.1.3.4 DIRECT LITHIUM EXTRACTION

The increased emphasis on battery technologies has driven demand growth for lithium, which is creating pressure on global supply chains to deliver ever more of the resource. There currently are three primary technologies in use to extract lithium: traditional mining, geothermal or pumped brines which are evaporated in solar ponds, and direct lithium extraction (DLE). DLE can be combined with geothermal energy by using heated brines to generate power, as with the traditional geothermal process.

Direct lithium extraction is gaining interest due to its smaller above-ground footprint, low water consumption, and lower time to market versus major mining projects.

To date, Vallourec has supported almost all of the combined geothermal / DLE projects in the United States and European Union, serving pure-play geothermal / DLE project developers and integrated energy companies alike. Due to the corrosive nature of lithium brines, as well as the high temperatures of the brine and reservoirs, premium tubes and connections are required to develop many projects. Accordingly, Vallourec sees potential to further grow its DLE business over time.

1.2.1.3.5 BIOMASS ENERGY (BRAZIL)

Today, approximately 10% of the Brazil's power generation comes from biomass boilers burning sugarcane bagasse, rice husks, and wood waste, and market observers expect growth in this solution going forward.

Vallourec provides tubes for boilers including its proprietary steel grade, VBRMo4, which is specific to this industry. The biomass boilers market is highly regionalized with strong demand for local content. Vallourec, as a domestic producer, is well placed to provide the needed tubes.

1.2.1.4 Raw materials market

1.2.1.4.1 SCRAP METAL

Prices of raw materials such as scrap metal have an impact on Vallourec's costs, particularly in the United States and Brazil.

Vallourec's US steel plant is equipped with an electric arc furnace that uses scrap metal. Strong demand from 2021 onwards in line with the global post-Covid-19 economic recovery led to a sharp rise in scrap metal prices[(1)] (USD 482 per metric ton on average in 2021, a rise of 14% since the start of the year), with strong pricing persisting in 2022.

Scrap metal prices have since declined steadily, down 13% in 2023 to an annual average of USD 405 per metric ton. In 2024, scrap metal prices decreased a further 10%, with an annual average of USD 366 per metric ton. Scrap metal prices reached a trough of USD 335 per metric ton in June and July before recovering in the fourth quarter of the year, ending 2024 at USD 345 per metric ton.

1.2.1.4.2 IRON ORE

Vallourec's steel production in Brazil is based at the Jeceaba steel mill, a modern site equipped with an electric arc furnace using scrap metal and a blast furnace using iron ore supplied by the Group's mine.

Vallourec sells the majority of its iron ore production to third-party customers. Vallourec's steelmaking operations in Brazil are supplied by its iron ore mine and domestic scrap steel markets.

In 2024, the average price of iron ore[(2)] on the international market was USD 109/tonne, down compared to the 2023 figure of USD 120/tonne, due to a weak macroeconomic environment, particularly in China, which is the largest global consumer of iron ore.

Iron ore prices hit their lowest level in Q3 2024, particularly in September, with a monthly average of USD 94/tonne, before making a gradual recovery in fourth quarter, ending the year at an average of USD 104/tonne in December.

(1) *CRU – Shredded Pittsburgh – $/LT.*
(2) *Platts SBB – IODEX Iron ore fines 62% CFR North China $/t.*

1.2.1.5 Currencies

Vallourec is exposed to volatility in foreign currencies, notably the Brazilian real and US dollar.

The translation effect in the Group's consolidated financial statements reflects measurement differences in the financial statements of subsidiaries whose functional currency is not the euro. For profitable subsidiaries, this impact is positive when the currency rises against the euro and negative when it falls against the euro.

The transaction effect represents the gain or loss in revenue (or costs) when contracts are invoiced in a currency other than the entity's functional currency, and is expressed in the functional currency of the entity. This effect is positive when the functional currency depreciates and negative when it appreciates, and may be deferred if hedges are in place.

1.2.2 Capitalizing on and extending the successes of the New Vallourec plan

The Group's financial restructuring in 2021 set in motion efforts by Vallourec to significantly improve its operating performance. In 2022, Philippe Guillemot was appointed Chairman of the Board of Directors and Chief Executive Officer and subsequently announced the New Vallourec plan.

This plan completely transformed Vallourec's industrial footprint and operating model. The plan's two main strategic objectives were to (i) deliver best-in-class profitability and (ii) make Vallourec resistant to any market condition (i.e. to make Vallourec crisis-proof). These measures generated a €230 million recurring EBITDA uplift and an additional €20 million reduction in capital expenditures, both compared to the 2021 baseline.

The main operational initiatives implemented to achieve these objectives included:

- a significant realignment of Vallourec's industrial footprint;
- a major improvement in the Group's pricing strategy and product portfolio, emphasizing value over volume;
- a substantial reduction of the Group's overhead costs;
- significant improvements in Vallourec's governance and internal processes; and
- a reinforced commitment to achieving ambitious environmental, social and governance (ESG) targets.

The New Vallourec plan, which was announced in 2022, was fully executed in 2023. In 2024, Vallourec continued to implement new initiatives to further streamline and improve its operations to close its margin gap with peers and improve its return on invested capital.

1.2.2.1 Rethinking our organization to be closer to our customers

Vallourec's teams and the production of its premium solutions have been revamped with proximity to our customers in mind.

1.2.2.1.1 A REALIGNED INDUSTRIAL FOOTPRINT

In November 2021, Vallourec decided to launch a process to dispose of all of its German manufacturing assets to find a new operator better positioned to profitably serve the European Industry markets. The disposal process was carried out and no credible buyer was identified. Consequently, in 2022, Vallourec launched a process to shut down its German plants which resulted in a 685,000 metric ton reduction in less competitive rolling capacity. At the end of 2023, tube production ceased at all German sites.

In December 2023, Vallourec signed an agreement to sell its Mülheim site to CTP, Europe's largest publicly-listed industrial property developer. This transaction involved the sale of the approximately 330,000 square meter property for a purchase price equivalent to €39 million. In December 2024, Vallourec announced that it had sold the substantial majority of its Düsseldorf-Rath production site, also to CTP. This transaction involved the sale of the approximately 900,000 square meter property for €155 million. The reorganization also involved the consolidation of all of Vallourec's European threading activities in a single location in Aulnoye-Aymeries (France). Following the sale of Vallourec Bearing Tubes to Mutares SE & Co. KGaA on 31 May 2022, Vallourec closed the heat treatment line at Saint-Saulve in France in 2023, along with threading lines in Bellshill, Scotland and Onne, Nigeria and its Umbilicals business in France. The Group's "One R&D" organization has been centralized at the Aulnoye site, though other regional centers remain outside of the Eastern Hemisphere.

Vallourec will continue to supply customers in the Oil & Gas sector previously served from Germany from its production sites in South America. This relocation to Brazil entailed a capital expenditure of €120 million to improve the production capabilities of the related assets. This investment program was completed in early 2024.

The Group also implemented a "premiumization" program in China. Vallourec plans to produce less than half the volumes previously produced in this production hub, but is increasing the proportion of premium products exported to higher value-added markets, particularly the Middle East. Vallourec has also increased its premium finishing capacity in Saudi Arabia to meet the growing demand in the country.

In its latest initiatives announced in May 2024, Vallourec announced the streamlining of its Brazilian operations, including the closure of its oldest rolling mill in Brazil, the Barreiro Plug mill[1]. Beyond direct cost savings affiliated with this asset closure, Vallourec announced in 2024 that it will further reduce its operating complexity and costs at its remaining South American operations with the goal of improving South American Tubes cost per tonne by over €150 by year-end 2025. The Group also believes that this asset base in Brazil retains the potential to deliver over 100,000 metric tons of incremental premium volume as it capitalizes on future demand and improves production efficiency[2].

As of December 31, 2024, the Group operated nearly 35 production facilities, almost all of which were owned on a freehold basis. These facilities include:

- three steel mills: one each in the United States and Brazil, and a 20% interest in Hüttenwerke Krupp Mannesmann (HKM) in Germany;
- seven hot-rolling units, including five rolling mills and two forges in Europe, the United States, Brazil and Asia;
- three Research and Development centers and two related subsidiaries, described in Section 1.2.3.1.1 below;
- 23 finishing units;
- numerous sales offices and service centers located near customers; and
- a group of forestry assets and an iron ore mine in Brazil.

The Group has approximately 2 million metric tons of rolled tube production capacity, distributed across its three operating regions:

Rolled tube production capacity by region

Eastern Hemisphere	~20%
North America	~40%
Brazil	~40%

1.2.2.1.2 A MORE AGILE REGIONAL ORGANIZATION

As part of the New Vallourec plan, the Group was reorganized into three operating regions (North America, South America and the Eastern Hemisphere) in order to streamline its operations. This new structure is designed to make the Group more effective and agile, bringing it in close proximity to its customers and enabling it to heighten its industrial performance, in particular via two export hubs in Brazil and Asia.

A) Eastern Hemisphere region

Industrial and commercial operations in the Eastern Hemisphere are primarily carried out through the following subsidiaries, with Vallourec's direct and/or indirect ownership percentage noted for each:

- Vallourec Oil & Gas France (VOGFR) – France (100%), which produces standard threaded connections and the full range of premium VAM® products. VOGFR has a production unit in Aulnoye-Aymeries including several Oil & Gas tube threading lines that can manufacture all of the dimensions and connections of the VAM® product line, as well as a line to apply the multifunctional CLEANWELL® coating on certain products, which was especially designed for VAM® connections as a substitute for storage and assembly greases.
- Vallourec Tubes France (VTFR) – France (100%), which operates a a forge (specialized production asset) in Aulnoye-Aymeries (Hauts-de-France).
- Vallourec Oil & Gas UK Ltd – United Kingdom (100%), which combines an entity specialized in threading for OCTG accessories in Bridge of Don (Scotland) with services bases in Scotland and Norway catering to the needs of the North Sea market.
- Vallourec Saudi Arabia LLC – Saudi Arabia (80%). In November 2011, the Group acquired Saudi Seamless Pipes Factory Company Ltd, a processing and finishing company for seamless OCTG tubes located in Dammam, Saudi Arabia, from the Zamil group. This acquisition provided Vallourec with heat treatment and premium threading facilities. Abdel Hadi Abdullah Al-Qahtani & Sons Co. holds a 20% stake in this company.
- Vallourec Al Qahtani LLC – Saudi Arabia (75%). Created in February 2010, this company sells OCTG tubes and accessories on the Saudi market. It is the result of a joint venture between Vallourec and Abdel Hadi Abdullah Al-Qahtani & Sons Co. (25%).
- Vallourec Middle East FZE – United Arab Emirates (100%). Created in March 2011, this company sells OCTG, Line Pipe & Process tubes and accessories, and logistics services for the Middle Eastern market.
- Vallourec Tubular Services LLC – United Arab Emirates (49%), in association with Abu Dhabi Oilfield Services LLC (ADOS) (51%). Since January 2020, this company has operated a logistics platform in Abu Dhabi for the local market.
- Vallourec Tianda (Anhui) Co., Ltd (formerly Tianda Oil Pipe Company Limited (TOP)) – China (99.7%). This company operates a PQF® continuous rolling mill to produce seamless tubes for the Oil & Gas market. In 2011, Vallourec acquired 19.5% of Vallourec Tianda (Anhui) Co., Ltd. At the end of 2016, Vallourec acquired 70.07% of the domestic shares of this company, before purchasing shares from individual shareholders from 2017 onwards. On 1 January 2020, VAM Changzhou Oil & Gas Premium Equipments Co., Ltd, created in September 2006 to operate a premium connection threading plant for oil and gas well equipment, became a Vallourec Tianda (Anhui) Co., Ltd branch.
- Vallourec Oil & Gas (China) Co., Ltd – China (100%), created in April 2010. This company sells premium Vallourec OCTG products on the Chinese domestic market, API product exports, along with Line Pipe, Process and OCTG products from factories outside China. It also provides technical support and quality control services.

(1) *The Barreiro Plug rolling mill has annual capacity of 150kt.*
(2) *The cost reduction target measured relative to the 2023 baseline, while volume upside is measured relative to H1 24 volumes.*

- PT Citra Tubindo TBK – Indonesia, which is also listed on Indonesia Stock Exchange (81.7%). This company has carried out heat treatment on tubes and threading of API, and VAM® joints since 1985.
- Vallourec Asia Pacific Corp. Pte Ltd – Singapore (100%), which produces accessories and markets OCTG tubes and accessories, Process and Line Pipe tubes, and services in the Asia-Pacific region.
- VAM Far East Pte Ltd – Singapore (51%), a privately owned company incorporated on 10 February 1992. The company's core business is providing field engineering services in Asia, including tubular running and pipe inspection.

B) North America region

Oil & Gas operations in North America are carried out through the following subsidiaries, with Vallourec's direct and/or indirect ownership percentage noted for each::

- Vallourec Star, LP – United States (100%), an integrated manufacturer of seamless tubes for the Oil & Gas industry. Its facilities include an electric steel mill, two rolling mills equipped with cutting-edge technology, and heat treatment and threading units. The company's production units are located in Youngstown (Ohio), Houston (Texas) and Muskogee (Oklahoma).
- VAM USA LLC – United States (100%). This company specializes in the threading of VAM® premium joints and the provision of services. With the VAM® and Atlas Bradford® brands, it offers a range of complementary products, providing significant expertise in the field of flush connections for the industry's most demanding applications.
- Vallourec Oil & Gas Mexico S.A. de CV – Mexico (100%), which specializes in the threading of premium VAM® connections and provides the Mexican Oil & Gas industry with the complete range of VAM® products.
- Vallourec Canada Inc. – Canada (100%), which has a sales office in Calgary, Alberta.
- Vallourec Tube-Alloy, LLC – United States (100%), which produces and repairs accessories used inside oil and gas wells. The company specializes in complex threading operations and in machining bespoke parts for both oil & gas operators and component manufacturers. Its production units are located in Houma (Louisiana) and Houston (Texas).

C) South America region

a) Brazil

Business activities in South America are carried out through the companies listed below, which are wholly owned by Vallourec Tubos do Brasil S.A. (VBR). VBR has been the holding company for the Brazilian entities since October 2016. As of March 2020, VBR also encompasses the Shared Services Center activities and both the mining and forestry business units:

- Vallourec Soluções Tubulares do Brasil (VSB) acts as an industrial supplier to all Vallourec entities, primarily for the international Oil & Gas markets, exporting semi-finished products to Vallourec's finishing plants throughout the world.
- The Jeceaba industrial site, owned by VSB, is located 120 kilometers south of Belo Horizonte. It consists of a pelletizing unit that produces pellets used by the Jeceaba blast furnaces and the local market; a steel mill (with a blast furnace and electric arc furnace), which supplies steel bars for tube production at the Barreiro and Jeceaba plants; an innovative premium rolling mill; and finishing lines. The Jeceaba site performs all types of API and premium threading, in particular the VAM® product range.
- The Barreiro site, owned by VSB, is located in Belo Horizonte, marked 70 years of operation in 2022, and is the second largest tube producing asset in Brazil. The site provides tubular products for ultra-deep-water projects, including pre-salt reservoirs. Since 2015, all new exclusive threaded connections have been tested for compliance with industry standards at Barreiro by a team from the One R&D Belo-Jeceaba research center.
- Vallourec Tubos para Indústria (VTI): In 2021, VSB partnered with the Açotubo group (the country's leading distributor of tubes) to create the joint venture, VTI. VTI is 75%-controlled by Vallourec Soluções Tubulares do Brasil S.A. (VSB). It manufactures and sells seamless and welded round tubes with square or rectangular cold-drawn profiles, as well as tubular components. In addition to VSB's customary industry markets, VTI also targets applications typical of welded tubes, such as structural parts for buses, trailers, agricultural machinery, motorcycles, and civil construction. VTI therefore repositions Vallourec as a highly competitive provider of a wide range of tubular solutions for the Automotive & Industry markets.
- Vallourec Florestal Ltda. (100%) plants and manages eucalyptus forests for the production of charcoal from wood. Charcoal is one of the principal inputs used in the production of liquid crude iron by blast furnaces. Vallourec Florestal Ltda. owns 164,000 hectares of agricultural land in the north of the State of Minas Gerais and currently has approximately 85,000 hectares of eucalyptus forest, which are managed and operated by VBR's forestry business unit, which is responsible for the whole charcoal production cycle. The production process breaks down into forest planting, forest harvesting, charcoal production, and delivery on a just-in-time basis for VSB's blast furnace.
- VBR's Mining Unit (formerly Vallourec Mineração Ltda) has been extracting iron ore at its Pau Branco mine since the early 1980s. The mine is located in the city of Brumadinho in the State of Minas Gerais, 30 kilometers south of Belo Horizonte. The mine's operations were temporarily suspended in January 2022 following flooding that damaged the Cachoeirinha waste pile. They partially restarted in May 2022 following the completion of large-scale repair works, including reinforcing the drainage system and stabilizing the soft soil layers to achieve the required level of safety for the waste pile. Vallourec obtained the necessary permits to return to normal production. The mining operations now use greatly enhanced methods to ensure greater safety. The mine supplies VSB's blast furnace and pellet plant in Jeceaba, but sells the majority of its production on the local markets.
- On 1 June 2021, Tubos Soldados Atlanticos Ltda (TSA), located in Serra, formed Vallourec Transportes e Serviços Ltda (VTS), located in Rio das Ostras and Serra. The merger created a specialized Oil & Gas services provider, with a comprehensive portfolio including OCTG, PLP anti corrosion-coating applications, accessories and services. In addition, a number of administrative and operational synergies also generated cost reductions.

- On 16 September 2024, Vallourec announced the signing of an agreement with Mattr for the acquisition of Thermotite do Brazil (TdB) located in Serra on VTS premises. TdB is a leader in the application of thermal insulation coating for offshore Line Pipe. This acquisition is subject to antitrust review and is expected to be finalized in the first half of 2025. TdB will reinforce Vallourec's offering for Line Pipe in offshore environments.

b) Uruguay

Vallourec Uruguay S.A. (100%) was formed on 13 July 2017, to market the tubes produced by the Group for OCTG and process applications in South America.

c) Argentina

Vallourec Soluciones Tubulares Argentina SAU, formed on 4 March 2020, is a trade and services company wholly owned by Vallourec Tubos do Brasil (VBR). Its main objective is to render specialized tubular services and to support Vallourec's pipe import activity in the Argentinian market.

1.2.2.2 Streamlining the Group's structure

In addition to reshaping its industrial footprint, a comprehensive program was implemented as part of the New Vallourec plan to streamline the Group's global overhead structure in line with the new footprint.

The program's measures encompassed the following:

- a leaner overhead organization in all regions (North America, South America and the Eastern Hemisphere);
- lower overhead and central costs as the Group downsized its corporate functions, which are now primarily focused on strategy and expertise;
- higher productivity: the Group is implementing process automation to enhance the processing of its transactional activities and has consolidated its support functions in larger Shared Services Centers to leverage its scale;
- focus on value-creating projects: a selective approach to R&D and IT projects with careful return on investment parameters and interface with a broader strategic vision;
- the Group's aim is to locate more than 50% of its accounting, finance, IT and support functions in the Americas, close to its production sites.

The Group's new regional organization has resulted in the creation of Central Functions and Product Lines that have been grouped together in order to centralize and optimize the implementation of the New Vallourec plan and ensure that its objectives are taken into account Group-wide.

1.2.2.2.1 CENTRALIZED PRODUCT LINES

Each Product Line is in charge of the development strategy for its business, and together with the Regions, defines the Group's objectives for (i) the development of new markets, (ii) optimization of the product and customer portfolios, particularly key accounts, (iii) research and development objectives, and (iv) other innovations for increasing Vallourec's competitive advantages and creating value in customer solutions (including digital solutions).

The Product Lines bring together all of the Group's different businesses. They include:

A) OCTG and Accessories

OCTG (Oil Country Tubular Goods) covers the casing and production tubes used in the construction of onshore or offshore oil and gas production wells. This segment comprises the VAM® range of joints, as well as the entire VAM® system, including the network of approximately 150 VAM® licensees, who are audited annually and provide maintenance and repair services for VAM® joints worldwide as close as possible to the operating regions, supported by VAM® Field Services International. It also includes customer supply chain optimization and well design services.

Accessories cover all products – mainly Oil & Gas – that are designed and manufactured by Vallourec, integrated into the production strings and necessary for optimizing the production of oil or gas wells.

B) Project Line Pipe and Process, New Energies and Delphy

The Project Line Pipe (PLP) offering is primarily marketed to EPCI (Engineering, Procurement, Construction, and Installation) customers. This offering includes the tubes, expertise and integrated solutions used to connect all of the offshore and onshore facilities of an oil & gas field from the wellhead to the platform or production vessel, as well as the tubes needed to connect these production facilities to refining and treatment facilities.

The Process Pipe offering comprises the tubular products in which the hydrocarbons are transported or transformed, both in offshore operations (FPSO: Floating Production Storage and Offloading or FLNG: Floating Liquefied Natural Gas), and onshore operations such as hydrocarbon processing LNG, refining, and petrochemical applications.

The New Energies Department was created in 2022 to identify and develop growth opportunities in energy transition sectors including geothermal energy, hydrogen, and carbon capture, utilization and storage. In March 2024, Vallourec announced changes to its Executive Committee and the organization of the New Energies business. Premium tubular solutions focusing on geothermal energy, hydrogen, carbon sequestration and biomass joined the activities headed by Bertrand de Rotalier, head of the Business Line which was renamed "New Energies, Project Line Pipe and Process." This merging of business lines supports the development of the Group's New Energies offering. New Energies products are marketed to a wide range of customers, including oil & gas companies, new energies project development companies, and other industrial players.

Delphy is Vallourec's internally-developed hydrogen storage solution, and represents a significant growth opportunity for the Group. Delphy is a unique, below-ground hydrogen storage solution that utilizes the Group's sophisticated tubular technologies to store hydrogen safely and cost-effectively on a medium scale (defined as 1 to 100 metric tons of storage). As part of the 2024 reorganization, the Delphy product line was separated from other New Energies offerings and reports directly to the Group CEO, Philippe Guillemot. Delphy is led by Vincent Designolle.

C) Services

The Service Line brings together the support services offered to the Group's customers (expert teams on oil and gas platforms and storage, inspection and pipe preparation services), customer supply chain optimization services, and a variety of innovative digital solutions.

The Service Line manages the agile development teams for new services based on customers' needs and operational issues. Two examples are TallyVision, which optimizes and secures operations on oil and gas platforms, and Best Fit, which optimizes welding operations on line-pipe welding bases.

The Service Line manages the development of the e-commerce platform, designed to develop online tube sales, starting with Vallourec's in-stock products, thereby offering particularly short delivery times. The e-commerce platform also enables the Group to sell its customers' surplus products, after inspection by its experts. This circular economy offering is further strengthened by the recent development of portable inspection robots, enabling tubes to be requalified wherever they are, without the need for handling or transport.

The Service Line is also responsible for the development of the Wire Arc Additive Manufacturing (WAAM) activity.

1.2.2.2.2 CENTRAL FUNCTIONS

The Group's Central Functions include Digital and Information Systems, Finance, Human Resources, Legal, Marketing and Communications, Operations, Research and Development ("One R&D"), Strategy and Development and Sustainable Development.

Working in coordination with the regional organizations, the Central Functions are tasked with ensuring that the New Vallourec plan is optimally deployed and that its objectives are taken into account throughout the Group. Under the New Vallourec plan, the Group has undertaken substantial efforts to better integrate information systems, financial planning and analysis, legal strategy, and capital allocation.

Vallourec's Operations department is responsible for managing Vallourec's global supply chain, sourcing, and investment programs, while also ensuring manufacturing best practices are deployed throughout the Group's various regional manufacturing hubs. Meanwhile, One R&D is responsible for all of the Group's resources and laboratories in France, Brazil and the United States, and manages the Group's technical intelligence, patent filing, and protection of the Group's industrial property.

The Operations department was created in an organizational update in 2024::

- the Process and Engineering department was refined to include the Process Communities, the Global Engineering Department, and the Investment Department.
- the Process and Engineering department was itself organized under the Operations department, and the position of Chief Operations Officer was created. Bertrand Frischmann serves as the Group's Chief Operations Officer since 5 November 2024. The functions of Purchasing, Supply Chain, Quality and Industrialization, and Operational Excellence are now part of the Operations department.

1.2.2.2.3 HOLDING AND MARKETING COMPANIES

In addition to its operating entities, the Group has holding and marketing companies.

A) Activities of the holding companies

Vallourec SA is a holding company that manages its shareholdings. Its revenues are mainly financial (dividends, interest on long-term loans to subsidiaries and investment income from cash and cash equivalents), and it also bears the cost of its debt. It owns its trademark and the Group's image, whose management was entrusted to Vallourec Tubes in 2014. It has no industrial activity.

Vallourec Tubes is a sub-holding company, wholly owned by Vallourec, that manages its shareholdings and has no industrial activities. Its revenues are also mainly financial (dividends, interest on long-term loans to subsidiaries, provisions for subsidiaries and investment income from cash and cash equivalents).

B) Marketing companies

In the United States, Vallourec USA Corporation (100%) markets all of the tubes produced by Vallourec Tubes' various subsidiaries. It also carries a stock of tubes intended for US oil and gas distributors, which usually thread the tubes themselves according to the requirements of the end-customers. Its offices are located in Houston (Texas) and Pittsburgh (Pennsylvania).

In addition, there are sales and marketing companies reporting to Vallourec Tubes based in:

- Canada;
- Egypt;
- Uruguay;
- Dubai;
- Singapore;
- Mexico.

1.2.3 At the forefront of innovation

Innovation, which is the key to competitiveness and growth, has always been at the heart of Vallourec's strategy and a major factor in its position among the leaders in premium tubular solutions. In a competitive global environment, the Group intends to continue addressing and anticipating the technological challenges faced by its customers. It must respond to radical, fast-paced changes in its customers' needs by offering them tailored solutions that are safe, reliable, sustainable and value-creating, in line with its premium position and low-carbon strategy.

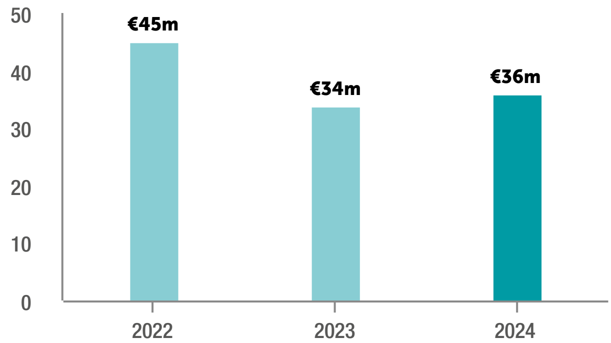
1.2.3.1 Innovation at the heart of the Group's strategy

R&D and innovation are key to the Group's strategy for maintaining its technological leadership and anticipating its customers' needs.

The three cornerstones of the Group's research are:

- new products and the improved performance of existing products;
- manufacturing processes; and
- services and solutions.

In 2024, Vallourec invested €36 million in Research and Development (R&D). The adjacent chart shows gross R&D expenses over the past three years, excluding the French Research Tax Credit. The Group continues to make significant investments in R&D in order to develop innovative new products and solutions.



Thanks to the Group's new structure, the R&D and Innovation teams are situated in close proximity to Vallourec's markets. In all, around 280 researchers and technicians were involved in R&D in the Group in 2024.

The Group's customers' key technological challenges include the following:

- for the Oil & Gas market, the Group addresses the growing complexity of oil and gas fields (deepwater offshore, pre-salt reservoirs, corrosive fields, onshore shale, etc.), and helps operators and field developers address technical challenges and reduce their total cost of ownership across its two main product lines, Oil Country Tubular Goods (OCTG) and Project Line Pipe (PLP). The Group is developing digital solutions across the entire life cycle of its products (from facility design, traceability and implementation to integrity monitoring during use) to support its customers in this regard;
- for Industry, one of the trends in the market is for mechanical features to be enhanced in order to make structures more lightweight. This applies, for example, to lateral connection tubes for jack-up rigs and the tubes used for crane jibs for which customers are increasingly seeking specific steel grades, such as X100;
- for the New Energies market, the Group is anticipating needs arising from future energies and drivers of the energy transition (geothermal energy, hydrogen, CO_2 capture and transportation, biomass and biomethane), in terms of both energy storage and mobility.

1.2.3.1.1 CENTERS OF RESEARCH AND EXPERTISE WITH A GLOBAL REACH

Vallourec has three research centers throughout the world specializing in specific products, processes and technologies. Whatever the needs of energy operators, the performance of the solution developed is verified through tests on real-sized samples. These tests, which are conducted at one of Vallourec's three test laboratories worldwide, are designed to subject products to all operating constraints.

One R&D Aulnoye

The Group's historical research hub is located in Aulnoye-Aymeries (France), and specializes in metallurgy, welding, non-destructive testing, corrosion resistance, surface treatments, data science, and digital simulations of manufacturing processes and products, particularly for Oil & Gas applications, mechanical infrastructure, and New Energies. This center also provides technical assistance to the Group's plants and departments.

New expertise has recently been developed to support the Group's new areas of growth, such as in additive manufacturing using metal deposition, and the transportation and storage of CO_2 and hydrogen. In addition, this research center develops and tests the range of VAM® threaded connections.

For more than 50 years, its teams of experts have developed the range of threaded connections and assisted with their commercial production throughout the worldwide licensee network. The expertise of One R&D Aulnoye in France also covers the CLEANWELL® solution (dry coating for VAM® connections), digital solutions coordinated by the VAM Data department (which uses data to provide better support to customers during on-site product implementation), and solutions dedicated to New Energies (geothermal energy and transport and storage of CO_2 and hydrogen).

One R&D Belo Horizonte and Jeceaba, Brazil

The One R&D Belo-Jeceaba research center brings together teams of experts who adapt the Group's solutions to specific local needs (customers and plants) and develop new solutions meeting the Group's needs across the globe. Thanks to this center's proximity to Vallourec's Brazilian production lines, it provides strong support to the mill in solving problems and driving operational improvement. The center employs experts with multidisciplinary technical skills, such as metallurgy, materials science, computer simulation, thermal science, quality control testing and analysis as well as non-destructive inspections. In addition, the research center performs design and 3D printing of polymers tools supporting issues across the diverse work stations in the mills.

One R&D Houston, United States

One R&D Houston works in coordination with One R&D Aulnoye, France on specific developments for VAM® connections for the US market. Its design and testing capacities have enabled it to market connections for the extraction of shale deposits (VAM® SG, VAM® EDGE SF +, VAM® SPRINT-SF, VAM® SPRINT-FJ, VAM® SPRINT-TC) and for deepwater offshore wells (VAM® BOLT-II, VAM® HP, VAM® SLIJ-3, CLEANWELL®).

One R&D Houston is an integral part of the North American business. Engineers at this research center are supported by a local marketing and technical support team and work closely with customers, mainly based in Houston, to optimize, qualify and develop premium threaded products that meet their direct needs, for both onshore and offshore projects. The close proximity to the threading plant, pipe mill, accessory manufacturers, sales teams and end users creates a unique environment that enables the R&D center to offer the best technical services and support for the development of Vallourec's local market.

Other Research Operations

In addition to these three research centers, R&D activities are also carried out by two Group subsidiaries:

- Vallourec Florestal, which operates the Group's eucalyptus forest in Brazil, conducts research into forestry, charcoal and environmental protection. This work helps to ensure the optimal operation of forests for charcoal used in steel production by reducing consumption and emissions in compliance with environmental standards.
- Serimax Welding Technology Center, based in Roissy, France, is the Group's center of welding expertise. It carries out activities in the fields of welding machinery and process engineering and validates the weldability of steel grades for the projects falling within its remit.

1.2.3.1.2 A COLLABORATIVE APPROACH TO INNOVATION WITH CUSTOMERS AND MARKETS

Innovation is behind many advances that allow Vallourec's customers to push the boundaries of technology, tap into previously unused resources, and improve the performance of their facilities. As innovation is a process of ongoing dialog with customers, the Group works in close collaboration with some of these customers to develop specific solutions that meet their operating needs.

In Brazil, the Group has a long-standing working relationship with Petrobras, and more broadly with all Energy market players present in Brazil (ExxonMobil, TotalEnergies, Equinor), in relation to complex and highly corrosive pre-salt oil and gas field. Vallourec offers innovative tubular solutions both for oil & gas wells and transport structures — specifically, dedicated risers and line pipe product ranges.

The Group also meets the needs of its customers on the new frontiers of deepwater, such as in Guyana and the Gulf of Mexico. For example, X80 is a steel grade designed to meet the technical challenges of ultra-deepwater offshore environments.

In the Middle East, Vallourec is continuing to innovate with the region's major players, including by delivering tubes with VAM® HTTC CLEANWELL® for long laterals, and by leading a research project dedicated to regional corrosive environments and aimed at bringing the specifications of tubular products more in line with customers' actual needs.

In North America, the Group helps customers involved in the production of shale oil and gas as well as ultra-deep offshore environments in the Gulf of Mexico. Vallourec continues to deploy newly developed products such as the VAM® SLIJ-3 and VAM® SPRINT connections. In 2024, Vallourec completed the industrialization of VAM® SLIJ-3 CLEANWELL® and delivered the first order to major end-user, HESS.

In addition to joint projects aimed at improving the performance of Vallourec tubes and threading, the Group is also developing solutions to enhance the use of its products, from delivery through to final positioning. Vallourec also works with customers to validate the value proposition of these solutions, by quantifying together, through pilot tests, the value and actual gains that they generate.

After launching in 2023 its TallyVision digital solution, which ensures pipes are run according to the planned sequence and enables operations on an oil platform to be monitored remotely, over 30 operations were successfully carried-out throughout 2024. Additionally, an agreement was signed with ADNOC to utilize the system on critical completion operations. This comprehensive offer is now an integral part of the VAM® Field Service offering.

After a field-testing phase in 2023, Vallourec successfully deployed in 2024 its portable ultrasonic and eddy-current non-destructive testing robots with customers in various countries. These robots scan the inside of the pipes, requalifying them onsite for further use. This innovative inspection solution considerably simplifies tube inspection, as it requires no handling or transportation. It therefore reduces safety risks and enables our customers to make substantial savings.

1.2.3.1.3 AN ENHANCED INNOVATION CULTURE

The Group's innovation strategy is focused on reinforcing its differentiation in its premium product range, developing new solutions for the use of its products, and opening up new markets. The common goal of these three components of its strategy is to increase value for its customers and optimize Vallourec's positioning. In line with this strategy, the regions, manufacturing teams and R&D teams pool their innovation expertise and capacities, by developing deeper knowledge and sharing it in the Group's markets and by establishing agile and outward-looking innovation methods.

A) Innovation culture and approach

In order to optimize the generation and selection of ideas that will become the offerings of tomorrow, Vallourec has put in place methods that involve all stakeholders.

As part of this approach, workshops are organized that bring together multidisciplinary teams to understand customer needs and generate ideas. Depending on the subject, these workshops may be organized internally or with customers. All departments involved in innovation take part in these workshops, including Marketing, R&D, Sales, Industrialization and Production. This process yields concrete results and also strengthens the Group's innovation culture. In addition, positive feedback from participating customers shows that these measures strengthen Vallourec's image as a partner and supplier of innovative solutions that go beyond premium products.

Vallourec also has an internal innovation platform for all employees. This cross-divisional and international tool aims to increase visibility and to share and enrich employees' innovative ideas. The objective is to generate ideas that can be discussed, improved, rounded out, and quickly developed to meet customer needs. The platform has helped to place innovation firmly at the heart of the Group and to fully leverage the creativity of its teams.

Innovation at Vallourec is defined by the formula: "Innovation = Idea + Execution." This highlights the importance of ideas being executed rapidly in order to generate the expected business. As well as organizing its idea-generating initiatives, One R&D supports the project teams to ensure efficient execution so that products and solutions can be brought to market as rapidly as possible. Execution is managed based on various criteria, including customer value, technical feasibility, turnaround times, and related risks. These factors are reviewed at various milestones by a validation committee.

In order to regularly review the value of developments and ensure the best decisions are reached, the portfolio of innovative projects for the product lines is reviewed three times a year. This means that decisions are made, and projects prioritized both within a given product line and between the different product lines.

The experts, process communities, project teams and R&D teams also develop and participate in online collaborative spaces and tools, enabling them to share information across the Group.

B) Expert Career program

Vallourec's Expert Career program covers 18 areas of expertise in 3 domains:

- Product Development (Materials Science, Connection Performance, Data Science for Product);
- Process Development (Forest, Iron & Steelmaking, Rolling, Thermal processes, Non-destructive testing, etc.);
- since 2024, Application & Market expertise.

The skills that are recognized by the Expert Career program are specific to the business and not well-spread on the market.

Designed specially to nurture and reward employees with sought-after technical skills, the program offers a career development path and provides technical talent with the best possible resources to continue developing their expertise. In return, these experts are asked to provide input on technically challenging issues, leverage and pass on their knowledge and promote Vallourec's image outside the Group (to customers, standards committees, etc.). A rigorous selection process takes place to validate individual applications.

There are currently 216 expert employees spread throughout industrial footprint of Vallourec, making this expertise accessible to all Vallourec mills throughout the world. This approach is consistent with Vallourec's technical leadership in its core businesses, and helps the Group retain its employees having key expertise.

The process naturally involves the Human Resources Department, and appointees progress in their Expert Career program in a similar way to those in more traditional career paths (manager, team leader, department manager, plant manager, etc.). Beginning in 2024, a new position in the HR organization (Director for Group's Expertise) was placed in charge of Expert Talent management within the Group.

1.2.3.1.4 INDUSTRIAL PROPERTY

During the year, the Group continued to reorganize its industrial property procedures along the lines defined in 2022, with priority still given to projects offering short- and medium-term returns on investment. Major R&D projects continue to undergo rigorous monitoring. The process established to encourage researchers to register and protect their inventions is now operating efficiently. Concurrently, support for developing expertise within the Group's new areas of innovation has been enhanced through competitive intelligence. This pertains particularly to New Energies, including geothermal technology and hydrogen storage innovations.

In 2024, the Group maintained a stable patent portfolio comprising 4,052 patents compared to 4,221 in 2023. The Group filed 19 new patent applications for new inventions and extended approximately 112 patent applications geographically.

Vallourec successfully preserved its trademarks by undertaking renewals and opposition procedures in 2024. This included the renewal of significant trademarks such as VAM®, ensuring their global protection. Additionally, new brands associated with new energies like geothermal and hydrogen storage were introduced to enhance the visual identification of Vallourec' s new products and services.

1.2.3.1.5 PRODUCT STANDARDS APPLIED BY THE GROUP

The Group complies with regulations, standards and certifications in the countries in which it markets its products. These standards vary depending on the region, the product concerned and the use of that product. The Group has a regulatory intelligence process to ensure that its products comply with applicable regulations, standards and certifications.

The Group is subject to two types of standards: mandatory standards set by law, and non-mandatory standards voluntarily applied in response to customers' demands.

Mandatory standards generally require certification by laboratories and/or independent organizations, and are established by governments. Their main purpose is to protect user health and safety by demonstrating that the product complies with regulatory requirements. They primarily concern fire resistance and slip resistance properties, as well as limitations on toxic emissions. Non-mandatory standards are required by the Group's customers, whose specifications require compliance with these standards.

Standardization organizations define the technical characteristics and performance required of a product, as well as the tests to be carried out in the various geographic areas. At an international level, the main organization that promulgates standards applicable to the Group is the International Organization for Standardization (ISO). ISO standards, which are established based on the principles of the World Trade Organization, are voluntary in theory, but compliance is often required by the Group's customers.

1.3 Group businesses

The information contained in the following paragraphs supports the sustainability statement, particularly the disclosure requirement SBM-1 in accordance with the expectations of the Corporate Sustainability Reporting Directive.

1.3.1 The Tubes business and its markets

Vallourec offers a wide range of tubular solutions, from standard to high-performing products that can be used in environments ranging from the least demanding to the most extreme and that meet the requirements of highly complex applications in terms of pressure, temperature and corrosion. The Group also offers associated services for these products to improve operators' costs, ease product implementation, and increase the useful lives of assets and facilities.

The Group's main markets are Oil & Gas and Petrochemicals, representing 81.7% and 84.2% of Group Tubes revenue in 2023 and 2024, respectively. The table below shows the breakdown of the Group's Tubes revenue in 2023 and 2024.

In € millions	2023	% of revenue	2024	% of revenue
Total Oil & Gas and Petrochemicals	**3,923**	**81.7%**	**3,187**	**84.2%**
Industry	709	14.8%	380	10.0%
Power Generation & Other	170	3.5%	219	5.8%
TOTAL – TUBES	**4,802**	**100.0%**	**3,786**	**100.0%**

Due to rounding, the numbers presented in the table above may not add up precisely to the totals provided and the percentages may not precisely reflect the absolute figures.

1.3.1.1 Oil & Gas and Petrochemicals markets: products and services covering the entire value chain

1.3.1.1.1 PRODUCTS FOR THE OIL, GAS AND PETROCHEMICALS MARKETS

Vallourec has developed a range of premium tubular solutions for the Oil & Gas industry that satisfies the strictest requirements and covers the entire value chain, from exploration to production and hydrocarbon transportation:

- **OCTG:** Vallourec's OCTG (Oil Country Tubular Goods) products are seamless tubes with a threaded connector that are found in a large number of oil and gas wells throughout the world. The tubes are generally connected using premium threaded VAM® connections, which are trademarked by Vallourec;
- **Project Line Pipe & Process:** oil and gas are transported from wells to offshore or onshore processing units or storage location using Vallourec tubes, coating solutions and accessories.

The standard product ranges meet international standards (API, DNV, IOGP, Shell DEP, etc.), and thanks to Vallourec's competitive offering, help reduce operators' costs.

The Group's premium product lines are adapted to extreme and increasingly complex environments, including:

- onshore applications that are relatively standard but require highly optimized operational efficiency;
- deep wells;
- corrosive environments;
- deviated and horizontal wells;
- high pressure/high temperature (HP/HT) wells; and
- deepwater applications.

A) Tubes and accessories for Oil & Gas markets

For the exploration and production phases of field development, the Group has developed OCTG products, which are threaded tubes designed for oil and gas wells. The OCTG products manufactured by the Group include casing products, which are tubes that are assembled using sealed connections to form a column supporting the walls of a well. The Group also offers tubing, small-diameter steel tubes assembled using leak-tight connections to form a production string used to lift the fluids produced from the bottom of the well towards the surface.

The sealed assembly of premium OCTG tubes is provided by the Group's VAM® connections (see below). These connections have technical characteristics that enable them to withstand the stresses that OCTG products are subjected to under extreme conditions.

Vallourec's OCTG activities cover Europe, Africa, the Middle East and Asia, as well as North and South America. Each region integrates tube rolling, heat treatment and threading facilities.

The Group is also a major player in accessories, providing both finished and semi-finished products, as well as brackets for connecting complex equipment (wellheads, safety valves, etc.) to OCTG tubes.

B) VAM® connections

VAM® connections have been used for more than 55 years. They are premium threaded connections invented and patented by Vallourec. VAM® connections provide tubes with connections that are resistant to all the mechanical constraints present in wells, such as pressure and compression, and ensure flawless sealing for tube columns.

The development of VAM® connections is a joint business operation between Vallourec and Nippon Steel Corporation (NSC). This joint business, which has allowed the VAM® brand to become the global benchmark in its markets, helps develop solutions that are best adapted to the needs of operators in the energy segment.

Since the first VAM® patent, which Vallourec filed in 1965, more than 30 VAM® product lines have been put on the market, along with specific developments, meeting a broad range of requirements. The VAM® offering includes:

- VAM® 21: available in diameters from 3.5 to 16 inches, this innovative connection has become the product of choice. As resistant as the tube itself, it was the first to deliver a performance meeting the CAL IV standard defined in the most recent changes to ISO 13679 and API RP 5C5, two standard technical specifications that document product performance and thereby promote responsible use. It also has the capability to withstand temperatures up to 350C in full compliance with Geothermal TWCCEP standard. New versions of the VAM® 21 meeting the specific needs of operators (higher torque capacity, development in thick tubes, etc.) are added to the product line every year;
- VAM® SLIJ-3: thanks to better performance, this semi-flush connection is rapidly replacing the previous generation (VAM® SLIJ-II). For example, the new VAM® SLIJ-3 connection, with a diameter of 14 inches, offers an additional 21% of traction capacity, 38% more compression capacity, and nearly 50% additional torque capacity. Already tested to today's most stringent standard (API CAL IV:2017) on several sizes ranging from 7⅝ to 16¼ inches, this product line has received unanimously positive feedback from early adopters, paving the way for many future applications;
- CLEANWELL®: this dry coating applied to VAM® connections at the plant is the ideal way of getting the most out of the connections, providing anti-corrosion protection for the product during transport, storage and lubrication during assembly. Beyond the obvious environmental benefits of eliminating grease, CLEANWELL® improves safety and running performance. In light of the rapid adoption of the CLEANWELL® solution by its customers, Vallourec is increasing its production capacities;
- VAM® HTTC (High Torque Threaded and Coupled): designed for highly deviated wells with long horizontal sections, this premium connection for casing and tubing withstands extreme torque and compressive stress when the column is being installed and maintains a perfect seal during production. Available in various dimensions, VAM® HTTC is a high value-added product that allows the most complex horizontal drilling to be carried out safely;
- VAM® BOLT-II: the mechanical integrity and sealability of this premium integral connection for large-diameter casing make it especially well suited to high-pressure, high-temperature deepwater offshore wells, which are common in the Gulf of Mexico, off the Brazilian coast and in the Gulf of Guinea, as well as in North Africa and the Asia Pacific region;
- VAM® SPRINT: now composed of three complementary versions (VAM® SPRINT-SF, VAM® SPRINT-FJ and VAM® SPRINT-TC), this product line provides support to all unconventional producers in the United States by meeting the need for a range of high-torque and cost-efficient threaded products.

In order to maintain the position of the VAM® range as the market leader in threaded connections, Vallourec's Research and Development teams are coordinated from Vallourec Oil & Gas France, with R&D branches close to the major markets in the United States (VAM USA in Houston) and Brazil (VSB in Belo Horizonte). Support for the VAM® product lines worldwide is provided by a broad network of local licensees situated close to customers' operations.

C) Development of high-performance steels for oil & gas wells

For both tubes and threaded connections, operators in the energy market need cost-efficient solutions that can meet constantly growing technical constraints.

In recent years, Vallourec has finalized the development and industrialization of high yield strength carbon steels resistant to H_2S (hydrogen sulfide) corrosion. For example, the recently launched VM110MS has been recognized by several major customers as a technically viable and economically attractive alternative to the common C110 grade. In the field of high-performance steel grades, VM110XS offers unrivaled resistance to the most corrosive well conditions.

Products with sour service corrosion resistance and maximum mechanical resistance, such as VM130MS and VM140CY, have also been brought to market and been particularly taken up in the Gulf of Mexico.

Vallourec also offers products that can withstand high collapse and rupture pressures. The Group meets this technical challenge through the combined use of proprietary steel grades (such as the "High Collapse" and "Extreme Collapse" product lines), a scientific model for predicting mechanical performance, and individual product traceability from plant to end users.

D) Tubes and accessories for oil and gas transportation

The Group's product line for transportation includes:

- rigid subsea line pipes (production and injection lines known as flowlines, which are pipes that rest on the seabed for the transport of production or injection fluids, and risers, which bring fluids up from the wellhead to the surface and then connect them to processing units);
- onshore rigid line pipes; and
- pipe coating solutions.

Each of these pipe products is developed in various grades of steel to meet customers' specific requirements in terms of mechanical properties, corrosion resistance and weldability. Among the latest premium-grade developments for line pipes, X80 is a steel grade designed to meet the technical challenges of ultra-deepwater offshore environments.

Various types of anti-corrosion or thermal insulation coatings can be applied in Vallourec's plants or with the help of its subcontractors.

E) Tubes for the processing of industrial fluids and oil and gas

The Group offers a wide range of carbon steel and steel alloy tubes, as well as hollow bars (semi-finished tubes intended for processing into products that meet the needs of a specific market) and connections adapted to the needs of each project.

In particular, the Group manufactures seamless tubes for the refining, petrochemical and biofuel industries. The most technical products are used in refinery furnaces and in floating liquefied natural gas (FLNG) units and floating production, storage and offloading (FPSO) units.

1.3.1.1.2 SERVICES FOR THE OIL, GAS AND PETROCHEMICALS MARKETS

In order to meet its customers' expectations of efficiency, cost and integrity, Vallourec has developed a wide array of services tailored to specific project needs.

For OCTG customers, Vallourec offers a range of services to assist and provide them with the benefit of the Group's know-how throughout the life cycle of their tubes, from shipping to installation and final application.

These include:

- VAM® Field Service, which includes a site services network of over 180 technicians and engineers providing worldwide coverage from service centers based mainly in the United States, Mexico, Brazil, and the Middle East. These experts are available around-the-clock to be deployed at well sites to assist customers with lowering tubes, inspecting connections and supervising assembly. The Group also manages a network of more than 150 licensees to repair Vallourec products and thread tubes with VAM® on all drilling and production accessories;
- management of customers' tube inventories, including logistical management of inventories by Vallourec experts, as well as the preparation and inspection of tubes before they are shipped to the well site;
- innovative solutions which, combined with the VAM® Field Service and inventory management solutions, enhance the efficiency, reliability and safety of our customers' tube operations. The TallyVision solution, for example, enhances the efficiency and reliability of operations during tube installation in the wells;
- engineering services, through which Vallourec provides advice and guidance to customers, including on well design. Vallourec experts recommend the most appropriate tubing and casing in terms of sizing and steel grade, as well as the connections that best respond to the requirements of the well;
- training sessions, including courses on known and little-known "Tubular Essentials", provided by the Group's experts to teach operators best practices for optimal use of tubes and connections, and for handling and inventory management.

The Group also offers a range of bespoke services tailored to customers' needs, including tube inspection, maintenance and repair, on-site services, preparation for drilling operations, and well coordination and supply based on customers' drilling programs.

For Line Pipe customers, the Group also offers integrated solutions specific to subsea pipelines, including offshore and onshore on-site welding, along with coating, insulation, bending, logistics and complex project management. Specific service agreements may be entered into depending on the customer's needs. Historically, Vallourec has worked in partnership with a thermal insulation specialist, to provide line pipes using pipe-in-pipe technology, in which the line pipe is covered with an insulating, high-performance material and then inserted into another tube. This technology keeps oil and gas at the proper temperature to ensure that it flows properly during transport from the wellhead to the production platform. However, on 16 September 2024, Vallourec announced the signing of an agreement with Mattr for the acquisition of Thermotite do Brazil (TdB) located in Serra for USD 17.5 million. TdB is a leader in the application of thermal insulation coating for offshore Line Pipe. This acquisition is subject to antitrust review and is expected to be finalized in the first half of 2025. TdB will reinforce Vallourec's offering for Line Pipe in offshore environments.

The Group also offers tube coating and welding services on site, primarily through Serimax, a global leader in integrated welding solutions for the construction of pipelines in the Oil & Gas and water transport sectors, as well as for the nuclear industry, with an international presence consisting of service units close to project sites. Serimax leverages its welding research centers to develop joint research programs with its customers and operators and to respond to projects' increasing technical requirements.

Since 2008, Vallourec has also produced production and drilling accessories related to the VAM® joint through its subsidiary Vallourec Tube-Alloy, LLC (USA). This expertise is deployed in Mexico, Brazil, France, Singapore and Indonesia to provide, in addition to the network of licensed partners, global coverage for accessory requirements to meet the needs of VAM® connection customers.

1.3.1.1.3 OIL & GAS AND PETROCHEMICALS CUSTOMERS

The Group's largest customers include international oil companies (TotalEnergies, Shell, ExxonMobil, Chevron, ENI, etc.), national companies (Aramco, ADNOC, Petrobras and CNOOC), private independent companies, US distributors, oil service companies, engineering and construction companies (Subsea 7 and TechnipFMC), geothermal companies (Fervo, Eavor), CCS operators (CRC, Tallgrass) and hydrogen storage operators.

In certain regional markets, particularly in the United States, the Group's main customers are distributors. In the rest of the world, the Group's customers are end users. In 2024, the Group's ten largest customers represented 51% of consolidated revenue, and the five largest customers 36% of consolidated revenue.

1.3.1.1.4 COMPETITIVE POSITION IN THE OIL, GAS AND PETROCHEMICALS MARKETS

Vallourec competes with various players in its different markets, specifically:

- **in OCTG**, Vallourec is among the world's leading suppliers of premium products in terms of worldwide volumes delivered. Products in the VAM® range, which are the subject of a technical R&D agreement with Nippon Steel Corporation (NSC, formerly NSSMC), are world leaders with premium connections that satisfy demanding technical performance criteria. The Group's main competitors in the OCTG market are Tenaris, NSC, JFE, US Steel Tubulars, TPCO and Voest Alpine Tubulars;
- **in offshore and onshore line pipes and coating for premium seamless tubes,** Vallourec is one of the major players in deepwater (500+ meters) and ultra deep water projects (+2,000 meters), which require extremely technical products. Through its subsidiary Serimax, Vallourec is also the world leader in welding solutions for both offshore and onshore line pipes. The Group's main competitors in offshore line pipes and coating is Tenaris;
- **in process pipes** (i.e. pipes for oil & gas or petrochemical processing facilities), Vallourec is a significant player and is active in several applications, including seamless tubes for refineries and petrochemical facilities, onshore liquified natural gas (LNG) facilities, floating liquefied natural gas (FLNG) plant, and floating production, storage and offloading (FPSO) units, among others. The Group's main competitors in the petrochemicals market are Tenaris, ArcelorMittal, NSC, Interpipe and Chinese groups.

1.3.1.2 Industry market: products and services for a wide range of applications

1.3.1.2.1 PRODUCTS AND SERVICES FOR THE INDUSTRY MARKET

Products offered to customers in the Industry market are designed for highly varied applications:

- in the mechanical industry, Vallourec tubes are used to manufacture cranes, construction machinery, agricultural machinery, and hydraulic cylinders;
- in the automotive industry, Vallourec provides a wide range of products such as axle tubes and gearbox applications; and
- in construction, Vallourec's premium tubular solutions are used in infrastructure such as bridges, stadiums, industrial and logistics buildings, airports and other ambitious architectural projects.

The Group manufactures tubes, hollow bars (semi-finished tubes intended for subsequent processing into products meeting the needs of a specific market), and sections (circular, square, rectangular or octagonal sections for a vast array of applications), in all sizes and grades of steel. Its products meet the needs of the most varied and demanding industrial applications with special grades of steel.

Vallourec's range of tubular products is rounded out by an innovative offering in Additive Metal Manufacturing (AMM) for specific-shaped parts.

1.3.1.2.2 MAIN GROUP CUSTOMERS IN THE INDUSTRY MARKET

The Group's largest customers include distributors and industrial equipment manufacturers.

1.3.1.2.3 COMPETITIVE POSITION IN THE INDUSTRY MARKET

Following the execution of the New Vallourec plan in 2022 and 2023, Vallourec primarily serves the Brazilian Industry market.

In 2021, Vallourec formed a joint venture in Brazil with the Açotubo group called Vallourec Tubos para Indústria. The entity offers tubular solutions and cold-rolled steel tubes for the entire industry, especially for automotive, energy, machinery and industrial equipment applications.

Also in Brazil, Vallourec Soluções Tubulares do Brasil is a market leader for seamless hot-rolled, cold-formed, forged or drawn tube manufacturing. The products from Vallourec Soluções Tubulares do Brasil have numerous industrial applications in various market segments such as light and heavy vehicles and two-wheeled vehicles, primarily for transmission and steering systems, as well as for construction and agricultural equipment and machinery.

Vallourec Soluções Tubulares do Brasil also offers standard or formed seamless tubes for the construction of bridges, stadiums, airports, power lines, foundations for walkways, and other infrastructure projects. VTI, meanwhile, is the largest cold-drawn facility in Brazil for seamless tubes. VTS-RO is located in Rio Das Ostras and is dedicated to services to Petrobras and other IoCs in the Macae region.

Vallourec's main coating competitors across all Industry segments are Tenaris, GOLIN, Meincol and Tuper.

1.3.1.3 New Energies market: responding to the challenge of the energy transition

1.3.1.3.1 PRODUCTS AND SERVICES FOR THE NEW ENERGIES MARKET

Vallourec has developed a variety of solutions for the Energy transition industry. Its sophisticated tubular products are well suited to the development needs of the geothermal; carbon capture, utilization and storage (CCUS); and hydrogen industries. Vallourec's products are particularly applicable for:

- geothermal energy and direct lithium extraction: Vallourec products are highly valued for their heat resistance and enhanced well integrity performance, especially in case of thermal expansion. Vallourec tubes and connections are qualified and used in the most challenging geothermal wells worldwide. Thermocase® VIT (Vacuum Insulated Tubing) products allow the co-axial circulation of cold and hot flows in the same well thanks to their excellent thermal insulation. This high-potential technology will considerably increase the number of sites where geothermal power systems can be installed. Many projects are now contemplated as combined geothermal / direct lithium extraction projects, which value both heat and corrosion resistance for tubular solutions;
- carbon capture, utilization and storage (CCUS): Vallourec offers a range of casing and tubing for carbon injection wells and line pipes for carbon transport. CCUS tubing requires particularly high levels of corrosion resistance, excellent toughness at low temperatures and integrity due to the long-term nature of carbon capture projects. For the injection of supercritical CO_2 into CO_2 storage wells, VAM® connections have been tested for specific conditions requiring cyclical operations (temperature cycles from room temperature to -35°C), for low temperatures (-80°C) and for a very sudden temperature drop under severe loading conditions, with full-scale samples. This has been validated by customers, including Oil & Gas technology leaders;
- hydrogen: Vallourec offers a range of tubular solutions for white hydrogen production wells, transportation pipelines and underground storage (salt caverns, aquifers, depleted fields), for which the Group has established a track record in the past years. In 2023, the Group also unveiled Delphy®, a unique hydrogen storage solution that uses Vallourec's tubular technology to enable safe on-site hydrogen storage of large capacities (1-100 tons H_2) in a variety of medium-sized applications, with a limited footprint and a high level of safety. After a thorough technology qualification in 2023-2024, including construction and operation of a demonstrator in Aulnoye next to our R&D center, the Group is targeting its first commercialization in 2025.

Vallourec has developed new test protocols and methods adapted to the highly specific challenges of New Energies. The life cycle of threaded products is much different when used in geothermal systems or for the underground storage of CO_2 and hydrogen versus historical applications. The tests carried out under real-use conditions validated the operational performance of VAM® products (beginning with VAM® 21), paving the way for their future use in many New Energies projects.

Vallourec's aim is for its New Energies business to comprise 10%-15% of Group EBITDA by 2030.

In addition to these tubular solutions, Vallourec offers a wide range of services, derived from services for the Oil & Gas markets but tailored to the needs of customers in the Energy transition industry. Tubular Management Services and VAM® Field Services, for example, have been designed to meet the specific needs of customers in the geothermal sector.

1.3.1.3.2 MAIN GROUP CUSTOMERS IN THE NEW ENERGIES MARKET

Some of the Group's largest customers are also involved in the energy transition industry: international energy companies (including Oil & Gas companies), geothermal developers, green hydrogen developers, solar developers and carbon capture and storage specialists all require Vallourec's tubular solutions for New Energies applications.

1.3.1.4 Mine & Forest

1.3.1.4.1 IRON ORE PRODUCTION

In Brazil, the Group extracts iron ore at its Pau Branco mine in the state of Minas Gerais, 30 kilometers south of Belo Horizonte. The mine supplies the blast furnaces and the pellet plant of its affiliates located at Jeceaba in Minas Gerais, and markets the majority of its production locally.

In January 2022, the Group's operations at the Pau Branco mine were temporarily suspended following exceptionally heavy rainfall that affected part of the Cachoeirinha waste pile. In May 2022, Vallourec partially restarted operations using an alternative waste pile, but at a production level below available capacity. Under these conditions, volumes extracted in 2022 amounted to 4 million metric tons.

In May 2023, Vallourec obtained the necessary authorizations to resume full operation of the Cachoeirinha core tailings pile. Vallourec expects to sell around 6 million metric tons per year in the near future, depending on market conditions.

Two projects to extend the mine are currently underway. The first (Phase 1) is a smaller project that extends the Pau Branco mine's life, improves its reserve quality, and enhance its profitability. On July 2, 2024, Vallourec announced that it had received the necessary approvals from the state environmental authority (COPAM) and federal mining regulator (ANM) to progress with the first extension phase. Vallourec now has access to the higher-quality reserves targeted by the Phase 1 extension, and production from Phase 1 started in the fourth quarter of 2024.

Vallourec management is currently engaging with state and national authorities to obtain the required production and environmental permits for the second project (Phase 2 extension), which is expected to enhance the mine's reserve life, reserve quality, and profitability.

1.3.1.4.2 CHARCOAL PRODUCTION

In Brazil, Vallourec operates eucalyptus forests to produce charcoal to fuel its blast furnace. The Group is pursuing efforts to improve its performance in this area. The main thrusts of this research include scientific tree selection, improving forest nutrition programs and industrialization of the continuous charcoal-making process.

The charcoal supplied by the carbonization units and the iron ore supplied by the mine represent the high-quality raw materials feeding the pellet plant and the blast furnace at the Jeceaba integrated plant. The use of charcoal greatly helps to reduce the carbon footprint of the Group's Brazilian operations.

1.3.2 Procurement

The Group purchases the following items for its production activities:

- raw materials (ferroalloys, electrodes, refractories, scrap metal, etc.);
- semi-finished products (roundbars, flat products, etc.);
- consumables and supplies (mechanical and electrical supplies, cutting tools, lubricants, thread protectors, etc.);
- maintenance (services and spare parts);
- energy (electricity, natural gas, etc.).

Purchased materials in production in 2023 and 2024 can be analyzed as follows:

In € thousands	**2023**	**2024**
Scrap metal and ferroalloys	479,340	527,357
Rounds/billets	677,095	348,662
Flat products	858	647
Tubes	163,108	172,173
Miscellaneous[a]	98,934	86,297
TOTAL	**1,419,336**	**1,135,136**

(a) Including change in inventories.

Rounds and billets represented 31% of consumed material in 2024, while tubes represented 15%.

Other purchases include:

- non-production:
  - external services (engineering, temporary labor, waste treatment, industrial cleaning, etc.),
  - IT (software, hardware, networks, IT support, etc.),
  - logistics (sea, air, road, rail, warehousing, etc.);
- solutions:
  - major infrastructure equipment and investments,
  - customer-specific solutions.

For a description of risks related to changes in the price of raw materials, see chapter 3 "Risk and risk management" of this Universal Registration Document.

1.3.3 Group facilities and main sites

The Group's property, plant and equipment (including assets held under leases) and biological assets held by consolidated companies had a net carrying amount of €1,903 million as at December 31, 2024 (€2,050 million as at the end of 2023).

Property, plant and equipment mainly consist of property assets and industrial equipment:

- the Group's property assets mainly include factory buildings and administrative offices;
- industrial equipment consists of steel-making and tube-manufacturing facilities.

The following items are described in the notes to the consolidated financial statements in Section 7.1.7 of this Universal Registration Document:

- analysis of property, plant and equipment (including right-of-use assets) by type and flow in notes 4.4 and 4.5;
- geographical distribution of capital expenditure (property, plant and equipment and intangible assets) for the year (excluding changes in consolidation scope) in note 2.1.

For details of investments made to expand the Company's property, plant and equipment base, see Section 6.1.2.3 "Capital expenditure" of this Universal Registration Document.

The properties occupied by the Company and its subsidiaries are not owned by any of the Company's corporate officers.

1.4 Significant events in 2024

1.4.1 Reaping the benefits of the New Vallourec plan

1.4.1.1 Successful balance sheet refinancing and achievement of net debt zero objective

The New Vallourec plan has transformed the Group into a focused, streamlined, and resilient company with a promising future. Following the significant cash generation and deleveraging in 2023, in April 2024, Vallourec executed a significant and comprehensive balance sheet refinancing that substantially extended its debt maturities and reduced its financial costs. The key elements of this operation included:

- entry into a new 5-year €550 million multi-currency revolving credit facility (RCF) with a substantially diversified, global banking group;
- entry into an upsized and extended 5-year USD 350 million asset-backed lending facility (ABL) in the United States;
- issuance of 8-year USD 820 million 7.5% senior notes and entry into a 4-year cross-currency swap to hedge Vallourec's currency exposure on its new senior notes with a euro-equivalent coupon of approximately 5.8%;
- redemption of the full €1,023 million of previously outstanding 8.5% Senior Notes due 2026;
- repayment of approximately €68 million of the €262 million PGE *(prêts garantis par l'Etat)* during the transaction.

The successful completion of this refinancing further strengthened Vallourec's financial position and sustainably improved its cash flow generation. Accordingly, the Group will benefit from both greater visibility and financial flexibility over the coming years. Vallourec estimates that this process generated a recurring net economic benefit in a range of €30 to €35 million per year.

Furthermore, Vallourec now maintains credit ratings with all three of the major ratings agencies. Vallourec's issuer rating with S&P has been upgraded for the fourth time since the Group announced the New Vallourec plan and now stands at BB+, Outlook stable. Vallourec furthermore welcome the addition of Moody's and Fitch, which rate Vallourec Ba2, Outlook positive and BB+, Outlook positive, respectively.

Further to this balance sheet improvement, on November 7, 2024, Vallourec announced the completion of its safeguard plan implemented in 2021.

At the end of 2024, Vallourec reached a net cash position (€21 million), thereby achieving its goal of reaching zero net debt a full year ahead of plan. This major accomplishment has positioned Vallourec to pay its first dividend in a decade in 2025.

1.4.1.2 Completion of the Safeguard Plan

On November 7, 2024, Vallourec announced the completion of its safeguard plan further to a judgment rendered by the Commercial Court of Nanterre on October 31, 2024.

Vallourec had obtained the opening of a safeguard procedure by a judgment of the Commercial Court of Nanterre dated February 4, 2021. Following the consultation of its creditors, Vallourec had further obtained the approval of its Safeguard Plan by a judgment of the Commercial Court of Nanterre dated May 19, 2021.

Since 2022, the New Vallourec plan enabled the Group to refocus on its core premium markets, streamline its organization, become more resilient, and ultimately propel itself into a promising future. As a result of the successful implementation of Vallourec's 2024 refinancing, Vallourec, noting the discharge of all the pre-petition liabilities restructured by the safeguard plan, requested and obtained from the Commercial Court of Nanterre the acknowledgement of the completion of the safeguard plan.

1.4.1.3 ArcelorMittal becomes the anchor shareholder of Vallourec

On 6 August 2024, Vallourec announced the completion of the acquisition by ArcelorMittal of Apollo funds' stake in Vallourec at a price of €14.64 per share, for a total purchase price of €955 million. As a result and on the date of the acquisition, ArcelorMittal held 28.4% of the voting rights and 27.5% of the share capital of the Company[(1)]. The shareholder agreement between Vallourec and the Apollo funds was terminated and Vallourec and ArcelorMittal have entered into a new shareholder agreement.

1.4.1.4 Vallourec finalizes the disposal of Düsseldorf-Rath production site to CTP

On 16 December 2024, Vallourec announced that it had entered into an agreement to sell the substantial majority of its Düsseldorf-Rath production site to CTP, Europe's largest publicly-listed industrial property developer. This transaction involved the sale of the approximately 900,000 square meter property for €155 million, and was finalized at the end of 2024. This property was the site of Vallourec's primary tube production operations in Germany, which was closed at the end of 2023 as part of the New Vallourec plan.

1.4.1.5 Changes in Vallourec's management bodies

1.4.1.5.1 CHANGES IN THE EXECUTIVE COMMITTEE

On February 7, 2024, Vallourec announced the appointment of Damien Rebourg as Communication and Public Affairs Senior Vice President and his addition to the Executive Committee. Damien Rebourg succeeds Valérie La Gamba for the communication scope of the position.

On June 3, 2024, Vallourec announced the appointment of André Lacerda as Senior Vice President South America for the Tubes segment. In this capacity, he joined the Group's Executive Committee and reports to Bertrand Frischmann. André Lacerda holds a degree in Metallurgical Engineering from UFMG in Brazil and a Master's in Energy Market Management from ESCP in France. He is also well-acquainted with Vallourec and its markets, having held various positions within the Company between 2000 and 2008.

On November 5, 2024, Vallourec announced the creation of a new Operations Department and a strengthened Process and Engineering Department. The Process and Engineering Department now includes the Process Communities, the Global Engineering Department, and the Investment Department. Philippe Carlier, as part of the Executive Committee, now leads this department, with the primary mission of enabling Vallourec to deliver its products and services with increasing efficiency.

This Process and Engineering Department was then integrated into a new Operations Department headed by Bertrand Frischmann, member of the Executive Committee, who has been appointed as Vallourec's Chief Operations Officer (COO). In addition to North and South American operations, this department also includes the Eastern Hemisphere Industrial Department, and the Purchasing, Supply Chain, Quality and Industrialization, and Operational Excellence functions.

1.4.1.5.2 CHANGES WITHIN THE BOARD OF DIRECTORS

The Board of Directors of Vallourec is comprised of 11 members, including 44% of women and 67% of independent Board members. It also includes 1 observer.

During the 2024 General Meeting of Shareholders, Vallourec proposed:

- the appointment of Mrs. Frida Norrbom Sams as an Independent Director for a 4-year term expiring at the 2028 General Meeting of Shareholders. This resolution was adopted and Frida is now member of the CSR Committee;
- the renewal of Mrs. Corine de Bilbao for a 4-year term expiring at the 2028 General Meeting of Shareholders. This resolution was adopted and Corine remained the Chair of the CSR Committee and a member of the Audit Committee;
- the ratification and renewal of Mr. Luciano Siani Pires for a 4-year term expiring at the 2028 General Meeting of Shareholders. This resolution was adopted and Luciano remained a member of the CSR Committee and of the Audit Committee;
- the appointment, subject to and with effect on the date of the completion of ArcelorMittal's acquisition of Apollo funds' stake in Vallourec, of Mr. Genuino Magalhães Christino for a 4-year term expiring at the 2028 General Meeting of Shareholders. This resolution was adopted and the completion of the transaction was announced on August 6, 2024, the mandate of Genuino took effect on that date and he is now a Member of the Audit Committee and of the Remuneration committee.

Following the completion of the transaction and in accordance with the shareholders' agreement entered into between Vallourec and ArcelorMittal, the Board of Directors decided, on August 10, 2024:

- to co-opt Mr. Keith James Howell, replacing Mr. Gareth Turner who resigned with effect on the date of completion of the transaction, for the remainder of his term, and subject to ratification by the next General Meeting of Shareholders. Keith is now a member of the Nomination and Governance Committee;
- to appoint Mr. Aditya Mittal as observer, replacing Austin Anton who resigned with effect on the date of completion of the transaction.

On December 11, 2024, Vallourec announced the appointment of a new Employee Representative Director to its Board of Directors. During the Group Workers' Committee meeting held on December 10, 2024, Annelise Le Gall was elected as Director representing the employees in accordance with Article L.225-27-1 of the French Commercial Code. Vallourec's Board of Directors acknowledged this appointment for a four-year term. The Board of Directors now includes two employee Directors, Ms. Annelise Le Gall and Mr. Patrick Poulin. Mrs Annlelise Le Gall is now a member of the CSR Committee.

(1) *Based on a share capital of 237,271,828 shares and 229,877,070 theoretical voting rights as of 30 June 2024.*

1.4.1.6 Commercial successes in the Oil & Gas industry

On January 16, 2024, Vallourec announced the signature of a contract with TotalEnergies for the supply of casing and tubing and associated accessories for the first phase of the Gas Growth Integrated Project (GGIP) in Iraq. The GGIP includes the recovery of gas currently being flared in the Basra region to supply power plants, along with the construction of a seawater treatment unit and a 1GW solar power plant. This multi-energy approach will enable the country's natural resources to be developed sustainably. For the first thirty wells in the project, Vallourec will supply a total of 15,000 metric tons of VAM® of various tubes and connections, using the highest quality steel grades, from its Brazilian and European plants.

On February 8, 2024, Vallourec announced that it had been awarded a purchase order for the supply of premium OCTG solutions with the German company, Wintershall Dea, as part of the long-standing partnership between the two companies. The order includes nearly 3,000 metric tons of pipes, including a large volume of high-end CRA material (corrosion resistant alloy), connections, accessories, and associated services, for the Dvalin North deepwater gas development project in the Norwegian North Sea. Vallourec's contribution to the Dvalin North project involves the supply of its best-in-class VAM® 21 connections featuring the environmentally-friendly CLEANWELL® dope-free solution. Additionally, the scope of services extends to pipe preparation and reconditioning, along with comprehensive stock management.

On April 25, 2024, Vallourec announced that it had received a fourth major order under the Long-Term Agreement (LTA) signed in 2021 with ExxonMobil Guyana. Under the contract, Vallourec will deliver line pipe for ExxonMobil Guyana's deep-water Whiptail project. The Group will deliver over 180km of line pipe, including X80 grade (following the lots previously booked for the Uaru order).

On June 17, 2024, Vallourec announced the signature of a 5-year contract with Equinor in Brazil for the turnkey supply of premium tubes and connections, accessories, and services. Vallourec's low-carbon high performance OCTG solutions will contribute to the development of the Bacalhau and Raia fields operated in the pre-salt, as well as the Peregrino field in the post-salt, while contributing to Equinor's Energy Transition Plan to reach net zero by 2050. The contract also includes innovative digital solutions, as well as Vallourec's full set of Tubular Management Services (TMS).

On June 20, 2024, Vallourec announced that it had agreed to a two-year extension to the 2019 contract with ADNOC, the Abu Dhabi National Oil Company. This extension will take effect in January 2025 and will last up to January 2027. Vallourec will continue to supply the complete range of tubes and connections for both conventional and complex applications in onshore and offshore Oil and Gas fields. In addition to the extension, the contract was amended to expand the initial contract scope to also include a new range of services, such as local pipe coating as well as Vallourec's new digital solutions such as Tallyvision, which streamlines installation operations by providing full traceability for each tube. Under this extension, Vallourec has also secured a new major order for the supply of 27,000 metric tons of tubes. These products will be manufactured in Vallourec plants in France, Brazil, China and Indonesia, taking advantage of the Group's strategic premium production hubs.

On July 10, 2024, following a call for tender, Vallourec announced that it had been awarded a contract by TotalEnergies to supply almost 5,000 metric tons of OCTG solutions and associated services for the Kaminho deepwater project on Block 20, 100km off the coast of Angola. In this project, Vallourec will supply its world-renowned range of VAM® connections and use CLEANWELL®, its more environmentally-friendly, dope-free solution. The Group will also provide its offshore expertise via VAM® Field Service as well as its Tubular Management Services (TMS) offering, which involves managing the inspection and preparation of tubes before they leave for the drilling platform, and on their return to the storage area.

On September 27, 2024, Vallourec announced, after a competitive process, the signing of a significant contract with Petrobras, a leading player in the global energy industry. The contract covers the supply of premium Oil Country Tubular Goods (OCTG) and accessories for the development of the technically-sophisticated Sepia 2 and Atapu 2 projects. Additionally, Vallourec will provide a comprehensive range of associated services such as Tubular Management Services, VAM Field Service, and the full suite of Vallourec's digital solutions. This contract, which reflects the significant value added by Vallourec's premium solutions, entails deliveries of up to 25,000 tons over a three-year period.

1.4.1.7 Commercial successes in the New Energies Industry

2024 was a year of many achievements for Vallourec in the field of energy transition. Vallourec® New Energies celebrated several significant commercial successes and reported major advances in the qualification of new products, in line with Vallourec's aim of being an integrated player in low-carbon industries.

In 2024, Vallourec delivered its first orders for a "white hydrogen" exploration project in North America, and extended its track record in salt cavern storage with its first project in the US.

After having supplied several gas storage customers (Gasunie, Storengy, Uniper, EWE) for their projects across Europe, the Group was able to analyze and share the return on experience of these projects. Storengy's HyPSTER cavern was successfully commissioned with hydrogen gas, and Vallourec, jointly with Gasunie, published an analysis of the successful test program performed with Hystock project, which, after close to a year of tests with pure hydrogen, confirmed the excellent performance of Vallourec products, which were then pulled out and analyzed, confirming they were still in excellent condition after use with H_2 gas.

2024 saw the continued validation of technology, while accelerating the promotion of this technology around the globe, continuing to establish Vallourec as a key player in the hydrogen value chain and as an enabler for global decarbonization. A portfolio of 50+ opportunities are being discussed for the integration of Vallourec's proprietary Delphy solution in projects and the Group announced two partnerships, with project developer, H2V and technology company, NextChem, testifying to the solid interest in the solution on the market. The Group aims to market Delphy for the first time in 2025.

Growth prospects in the global hydrogen sector are substantial, with a projected installed capacity of 5-15 million tons of green hydrogen by 2030 (according to IEA, STEPS and APS scenarios), and storage needs to cope with intermittency, ensure a steady and reliable supply to offtakers, and support cost optimization. The Delphy solution is expected to provide Vallourec with an estimated revenue of several tens of millions of euros per storage unit.

Vallourec's innovative tubular solutions and premium VAM® connections allow its customers to develop safe and reliable infrastructures for CO_2 transport and storage. In the USA, particularly in Wyoming, which has obtained primacy for the federal permitting program for CO_2 geologic sequestration under the Safe Drinking Water Act, Vallourec® New Energies has been selected by a major operator to deliver a comprehensive suite of products and services. This includes pipes, coatings, and bends for their CO_2 transport pipeline, as well as OCTG carbon and corrosion-resistant alloys with premium VAM®21 and the dope-free CLEANWELL® solution for their Class IV CO_2 injection wells. This project sets a new standard in the low-carbon industry. Vallourec® New Energies technologies enable the creation of CCUS hubs in California for hard-to-abate industries and in Qatar for LNG and blue hydrogen manufacturers.

1.4.2 First-quarter 2025

On January 8, 2025, Vallourec announced that it had achieved its target of reaching zero net debt one year ahead of schedule. Since the third quarter of 2022, Vallourec has reduced its net debt by over €1.5 billion, completely reshaped its debt and liquidity facilities, and executed the restructuring safeguard plan.

On January 22, Vallourec announced the result of its seamless tubes carbon footprint life cycle assessment. Based on 2023 data, Vallourec has reduced its carbon footprint to 1.45 tonnes of CO_2 equivalent per tonne of tube produced, compared to 1.79 tonnes of CO_2 equivalent per tonne of tube in 2019, representing a 19% reduction over 4 years. This significant reduction, certified by the independent non-profit research institute EPD International AB, a subsidiary of IVL Swedish Environmental Research Institute, sets a new industry standard for the premium seamless tubular solutions sector[(1)].

On January 31, 2025, Vallourec announced its appointment as a new Supporting Member of the Hydrogen Council. This appointment represents a significant step for Vallourec as it strengthens its commitment to providing sustainable solutions and supporting the decarbonization of industrial sectors.

The Hydrogen Council is a global CEO-led initiative that brings together leading companies with a united vision and long-term ambition for hydrogen to foster the clean energy transition. With a membership of 140 key players based in more than 20 countries, the Council fosters collaboration between governments, industry and investors to promote the development of hydrogen as a clean energy source.

(1) Source: Peers' Published Environmental Product Declarations (EPDs).

CHAPTER 2

2 SUSTAINABILITY STATEMENT

General disclosures

General basis for preparing the sustainability statement

Starting in 2017, Vallourec complied with the Non-Financial Reporting Directive (NFRD). The Group now refers to the Corporate Sustainability Reporting Directive (CSRD), one of the constituents of the European Green Deal. This 2024 Universal Registration Document (URD) presents essential information on sustainability matters, in line with new regulatory requirements.

The main aim of the CSRD is to harmonize corporate sustainability reporting, thereby improving the quality and availability of environmental, social and governance (ESG) information. The CSRD created 12 European Sustainability Reporting Standards (ESRS)[(1)], which provide a framework for standardized reporting by businesses on all ESG topics. The purpose of the ESRS is to specify the sustainability information a company must publish in accordance with Directive 2013/34/EU of the European Parliament and of the Council[(2)], as amended by Directive (EU) 2022/2464 of the European Parliament and of the Council[(3)]. These standards, which were transposed into French law on December 6, 2023[(4)], apply to all business sectors.

In accordance with Articles L.225-102-1, L.22-10-36 and L232-6-3 of the French Commercial Code, the sustainability statement describes how the Group takes into account the consequences of its activities in environmental and social terms, as well as in relation to combating corruption and tax evasion.

As of 2023, Vallourec chose to align its non-financial performance statement (NFPS) with the structure of the CSRD and ESRS, notably by preparing a double materiality assessment (DMA).

This sustainability statement is also based on the Global Reporting Initiative (GRI)[(5)] and the principles of the United Nations Global Compact. With regard to climate issues, the Group refers to the Task Force on Climate-related Financial Disclosures[(6)], whose cross-reference table is published in Appendix 6.

Each year, the Group will document the changes and improvements made in its sustainability statement, in line with new regulatory requirements and best market practices.

Valourec presents the components of its sustainability statement in accordance with CSRD requirements. The information set out below is available in the following chapters of this Universal Registration Document:

- Presentation of the Vallourec Group and its value creation model (chapter 1 – Section 1.1.3);
- Sustainability statement (chapter 2);
- Risk management (chapter 3); and
- Corporate governance (chapter 4).

Frame of reference and data

The sustainability statement is drawn up with reference to ESRS as published by the European Financial Reporting Advisory Group (EFRAG). All quantitative and qualitative metrics included in Sections E, S and G have been assessed as material according to the Group's double materiality assessment (DMA). The Group has also decided to continue publishing certain information, previously published in its non-financial performance statement, even though it was identified as not material by the DMA. These non-material disclosures include: resource inflows (Section 2.1.7.4 “Measuring our performance – Group mass flow assessment”), biodiversity (Section 2.1.6 “Preserving biodiversity and ecosystems”), societal initiatives targeting local communities (Section 2.2.6 “Supporting the local socio-economic fabric”) and the fight against tax evasion (Section 2.3.3 “Action plan and resources put in place to combat tax evasion"). The Vigilance Plan – which is to be discussed in the Universal Registration Document in application of French Law 2017-399 of March 27, 2017 on the duty of care of parent companies and contracting companies – is described at the end of this chapter (Section 2.4).

Reporting tools

Vallourec has had centralized reporting tools for many years now, which it uses to consolidate key information and manage its business efficiently and reliably. These different reporting tools cover data on environmental, health and safety, chemicals, human resources and compliance issues, and supplement the Group's financial reporting systems.

Vallourec works to continually improve its reporting tools and processes to enhance the reliability and accuracy of its consolidated data. These efforts facilitate regular tracking and analysis of performance at all levels of the organization (site, region and Group), as well as systematic reviews of performance against targets, enabling any necessary adjustments to be identified and implemented.

Scope of consolidation and reporting

Vallourec's sustainability statement covers all Group activities and is aligned with the scope of reporting used for the financial statements, in accordance with CSRD requirements, with the exception of certain specific data points indicated in Appendix 2 “Methodological note”. A list of consolidated companies is provided in the dedicated section of the consolidated financial statements in the Universal Registration Document.

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(1) Delegated Regulation (EU) 2023/2772 – EN – EUR-Lex.

(2) Directive 2013/34/EU of the European Parliament and of the Council of June 26, 2013 on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings, amending Directive 2006/43/EC of the European Parliament and of the Council and repealing Council Directives 78/660/EEC and 83/349/EEC (Text with EEA relevance).

(3) Directive – 2022/2464 – EN – EUR-Lex.

(4) French Order 2023-1142 of December 6, 2023 on the publication and certification of sustainability information and the environmental, social and corporate governance obligations of commercial companies – Légifrance.

(5) GRI is an international standardization organization that provides requirements and guidelines for reporting on an organization's sustainability activities.

(6) The Task Force on Climate-Related Financial Disclosures (TCFD) is a global organization formed at the request of the G20 finance ministers and central bank governors to develop a set of climate-related recommendations that companies and financial institutions can use to better inform investors, shareholders and the public about climate-related financial risks.

The sustainability statement covers Vallourec's operations as well as the elements of its value chain identified as material during the double materiality assessment. Consolidated ESG data include the parent company Vallourec SA and all its subsidiaries, in accordance with the principles applied to the financial statements. Activities under operational control – as defined by the CSRD – were analyzed within the scope of the sustainability statement (see Appendix 2 – Methodological note).

The sustainability statement, published annually, covers the same timeframe as the Group's financial reporting, i.e., January 1 to December 31, 2024. The principles applied to ESG metrics are discussed at the end of each section, and their consolidation follows these rules, unless otherwise indicated in dedicated sections E, S and G.

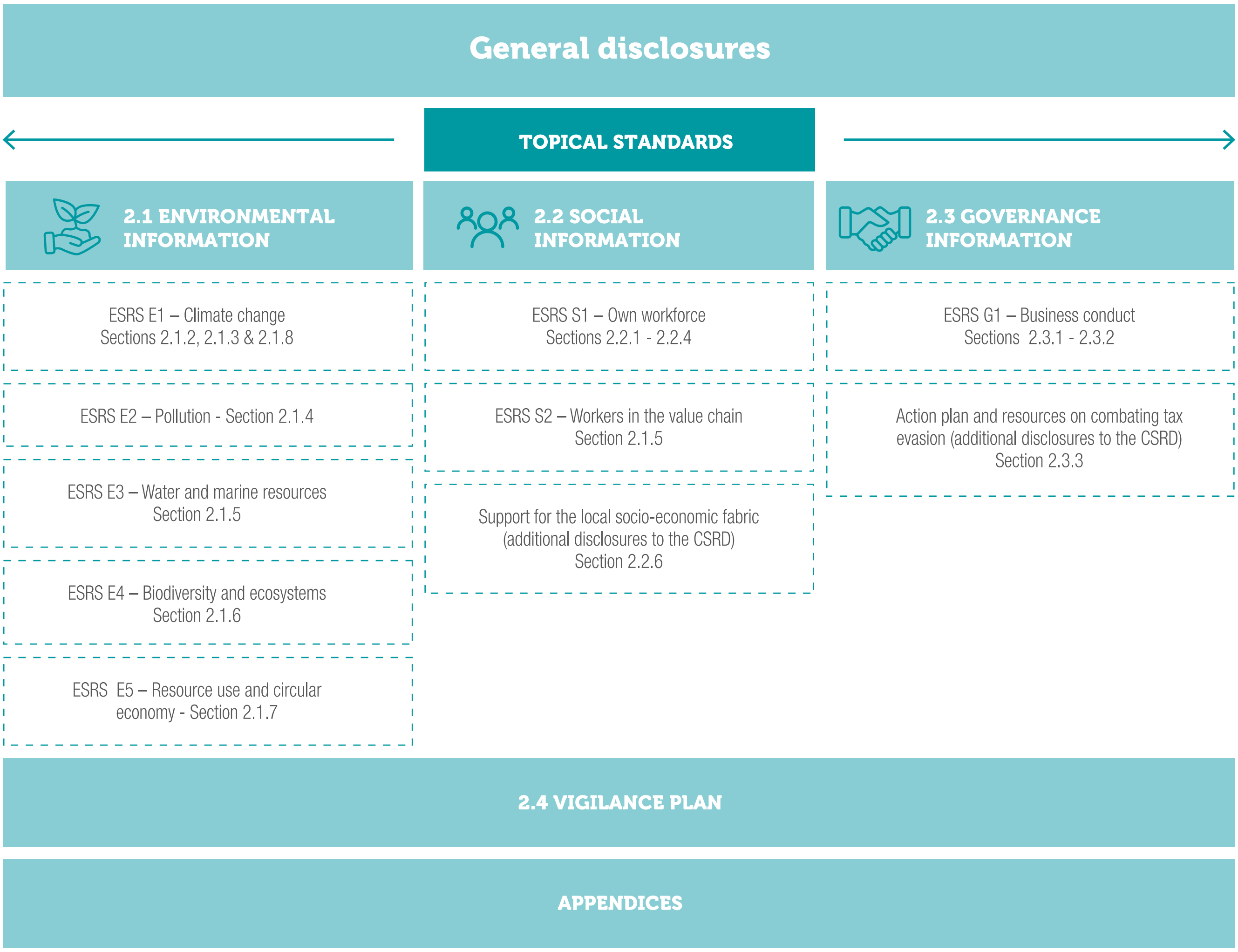
Any change in the metrics reported or methodology applied will be disclosed. For further details on scope limitations, the methodology used to perform the double materiality assessment, and the methods applied to calculate quantitative data, please refer to the relevant sections of the report, as well as the methodological note set out in Appendix 2.

The sustainability information was prepared in connection with the first-time application of Article L. 233-28-4 of the French Commercial Code. This first-time application is characterized by uncertainties as to textual interpretation, a lack of comparative data and reliable benchmarks, and the absence of established frameworks for certain information.

Accordingly, the Group has had to make certain assumptions that may result in deviations from the calculation methodologies set out in the laws and regulations.

Details of deviations from the requirements of the relevant laws and regulations can be found in Appendix 2 "Methodological note" – "Limitations regarding the first-time application of the CSRD".

Structure of Vallourec's sustainability statement

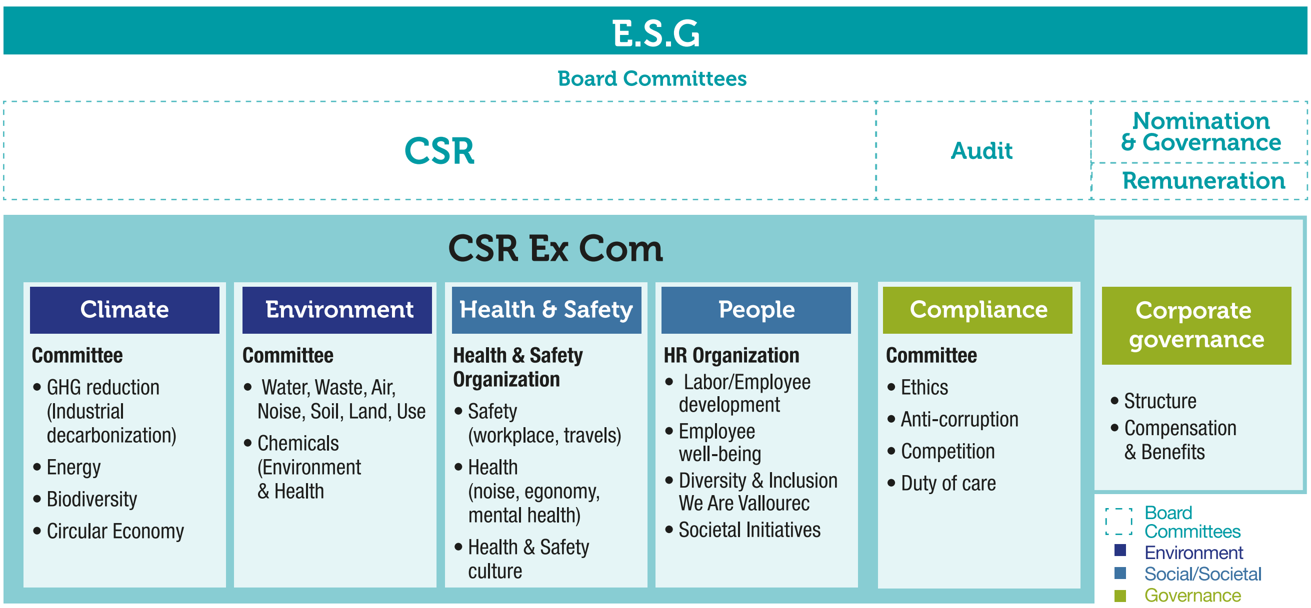


CSR governance (ESRS 2)

In 2018, the Board of Directors set up a special CSR Committee to assist it with issues regarding corporate social responsibility strategy. This committee is tasked with regular review of Group strategy on climate, environment, social and societal challenges, along with the ensuing non-financial risks and opportunities regarding its business, in order to promote long-term, responsible and harmonious value creation.

In September 2022, Vallourec's new management team strengthened its CSR governance by forming a CSR Committee comprising all the members of the Executive Committee.

- **CSR Executive Committee:** is chaired by the Group's Chairman and Chief Executive Officer, run by the Group Sustainable Development Department, and meets once a quarter with all of the members of the Group Executive Committee, its mission being to validate the CSR strategy and roadmap for the Group as a whole, arbitrate and set priorities and objectives, and monitor the running of projects and the achievement of objectives. It is based on the five key pillars of Climate, Environment, Health and Safety, People and Compliance, each stream being sponsored by a member of the Executive Committee. The organization in each of these areas has also been strengthened.
- **Climate Committee:** was set up in July 2021 under the leadership of the Chief Operation Officer, and is run by the Group Sustainable Development Department. It meets regularly with the Group's various operating entities to monitor actions on achieving the Group's 2025 CO_2 reduction targets, validated by the SBTi, and those set out in the 2030-2035 and 2050 roadmaps. This Committee also manages actions on biodiversity and the circular economy.
- **Environment Committee:** was set up in October 2022 under the leadership of the Senior Vice-President Process and Engineering and is run by the Group Sustainable Development Department. It meets regularly with the Group's various operational entities to chart, arbitrate and monitor the roadmaps and action plans on the management of water, waste, air, soil and chemical products.
- **Health and safety:** a Vallourec priority, is managed by the health and safety organization in place within the Group, under the responsibility of the Senior Vice-President Human Resources, member of the Executive Committee, in liaison with each of the Group's entities (see Section 2.2.2.1 "Health and safety").
- **Employees:** social relations, at the root of the Group's commitments, come under the responsibility of the Senior Vice-President Human Resources, in liaison with each of the Group's entities (see Section 2.2 "Social information").
- **Diversity Committee:** under the authority of the Senior Vice-President Human Resources and run by Vallourec's Talent Director, this committee brings together representatives from the business lines and regions on a monthly basis to monitor the progress of actions undertaken in three areas: gender diversity, cultural diversity and intergenerational diversity.
- **Compliance Committee:** chaired by the Chairman and Chief Executive Officer and run by the Chief Compliance Officer, this committee brings together all the members of the Group Executive Committee, as well as representatives from the Internal Audit and Risk, Purchasing, Consolidation, Accounting and Internal Control Departments. It draws up compliance guidelines and ensures that they are effectively implemented (see Section 2.3 "Governance information (ESRS G1)").
- **Societal Initiatives Committee:** run by the Sustainable Development Department and comprising the Senior Vice-President Human Resources, the Chief Compliance Officer, the Vice-President Group Controlling and the Senior Vice-President Communication and Public Affairs, this committee meets once a quarter to determine the volunteering initiatives benefiting local communities, and to monitor the consistency and effectiveness of projects carried out by local societal initiatives committees (see Section 2.2.6 "Support for the local socio-economic fabric (additional information)").



With full top management support, this organization mobilizes the whole workforce, fostering a real awareness and determination to act responsibly and sustainably, faced with the growing magnitude of non-financial imperatives.

Building on the CSR governance, the Sustainable Development Department has drawn up and is implementing a strategic plan for sustainable development and corporate social responsibility. This plan has been incorporated into the medium- to long-term guidelines of the Group and is updated annually. It consists of the following seven cornerstones:

- strengthening governance in sustainable development and CSR;
- setting short- and medium-term objectives;
- further incorporating sustainable development issues into the Group's business and value creation model;
- involving employees more in taking CSR into account in their daily work;
- developing the Group's societal commitments;
- strengthening ongoing progress work; and
- obtaining institutional recognition for the Group's non-financial performance.

Further details on the role and composition of the administrative and management bodies, on Board members' expertise and training, and the ratio between the remuneration of the highest paid individual and the median remuneration are provided in chapter 4 of this Universal Registration Document.

In addition, for several years now, the variable compensation of the executive corporate officer has been indexed directly to the achievement of the Group's CSR objectives. This incentive mechanism is described in more detail in chapter 4 of this document (Section 4.3.1.2).

Statement on due diligence

Vallourec implements a due diligence process to establish its CSR roadmap, in line with the strategic priorities defined by Group management. Within this framework, Vallourec embeds due diligence into its governance, strategy and business model. The relevant information is detailed in the "Strategy" and "General disclosures" sections of the sustainability statement presented in chapter 2 of this Universal Registration Document.

This same chapter also describes the basis for the Group's stakeholder engagement in the "CSRD and double materiality assessment" and "General disclosures" sections. In the "Identification of Impacts, Risks and Opportunities (IROs) relevant to Vallourec" and "General disclosures" sections, the Group identifies and assesses negative impacts. In all "Action plan" sections presented throughout the sustainability statement, the Group describes how it is taking action to remedy these negative impacts. Monitoring the effectiveness of these efforts is discussed in the "Performance monitoring" paragraphs of the relevant sections.

Strategy

Business and value creation model

Details on Vallourec's business and value creation model and activities are given in chapter 1, Sections 1.1, 1.2 and 1.3 in which the Group describes the New Vallourec plan launched in 2022 along with its resilience thanks to the transformation strategy based on its Vallourec New Energies business growth drive. Leveraging its innovative and tested solutions in the fossil fuel sector, the Group is positioning itself as a key player in energy transition thanks to its expertise and its solutions tailored to the energy challenges of the 21st century.

By placing social and environmental responsibility at the heart of its values, the Group demands industrial excellence and guarantees the highest standards of quality and health and safety throughout its entire value chain.

As part of the New Vallourec plan, the Group revamped its structure to become more efficient and agile, while strengthening both its proximity to customers and its ability to accelerate decision-making. The environmental, social and governance issues identified as material by the Group in its double materiality assessment, as well as the associated impacts, risks and opportunities, are regularly reviewed by the various committees set up under the new Group governance structure, to ensure that they are aligned with the Group's strategy (see CSR governance section in this chapter).

Strategic guidelines

The Vallourec Group has long taken a proactive approach to Corporate Social Responsibility issues, in an effort to act responsibly. Vallourec's approach to these issues is formalized in the Group's Sustainable Development Charter, which is available at **www.vallourec.com**.

The Group has made strong commitments in these areas, starting with the 2009 launch of the GreenHouse project on reducing CO_2 emissions, and then signing the United Nations Global Compact[1] in 2010. It completed the Climate CDP in 2013, followed by the Water and Forest CDP in the following years. In 2020, the Group's trajectory on greenhouse gas reduction was validated by the SBTi[2] with the objective of reducing its carbon footprint by 25% by 2025 compared to 2017.

In 2022, Vallourec strengthened its commitment by launching the "Climate Challenge" program, which defines the decarbonization roadmap for 2030-2035-2050 in order to actively contribute to a carbon-neutral world in 2050 by transforming the Company's supply and production processes and diversifying the Group's commercial offering. In 2030, the Group is committed to reducing the CO_2 intensity of its products by 30% and in 2035 by 35% based on the year 2021. The internal carbon price, factored into the Group's investment decisions, was raised from €80/metric ton of CO_2 in 2022 to €100/metric ton of CO_2 as of January 1, 2023. This decarbonization plan is described in Section 2.1.2.2 of this chapter.

In 2022, Vallourec stepped up its commitment and adapted its CSR governance to create a dynamic network encompassing the whole Group, including top management.

The "Strategic guidelines" section joins the DMA and IROs identified as material (see next section "Impacts, risks and opportunities (IROs) management").

(1) The United Nations Global Compact encourages companies to act in a socially responsible manner by undertaking to integrate and promote a number of principles relating to human rights, international labor standards, the environment and the fight against corruption.

(2) The Science-Based Targets initiative is a partnership between the Carbon Disclosure Project (CDP), the United Nations Global Compact, the World Resources Institute (WRI) and the World Wildlife Fund (WWF). The SBTi defines and promotes best practices in setting science-based climate targets by offering a range of resources and advice. It independently assesses and approves companies' targets in accordance with its strict criteria.

Without prejudice to any future commitments, the Group publishes its objectives for 2025 on material topics, and for 2030 & 2035 on its carbon reduction commitments, health and safety and waste recovery objectives. It reports annually on the outcomes obtained, namely:

Alignment with Global Compact Sustainable Development Goals	Our commitments	Our targets	Corresponding key indicator	2017	2018 (incl. Tianda)	2019	2020	2021	2022	2023	2024	2024 target	2025 target	2030 target	2035 target
	Engage with our stakeholders over the long term	Hold a forefront position in our sector	Average rating of a panel of non-financial rating agencies	-	B+	B	A-	A-	A	A	A	A	A	A	A
3 GOOD HEALTH AND WELL-BEING; 8 DECENT WORK AND ECONOMIC GROWTH	Ensure the health and safety of our employees; ensure good working conditions for all employees (ESRS S1)	Protect our employees by becoming the industry benchmark in this respect	TRIR[a] index for employees, temporary staff and subcontractors						2.96	2.35	1.93	<2	<1.4	< or = 0.2	
13 CLIMATE ACTION	Take urgent measures to combat climate change and its impacts on the environ ment and biodiversity (ESRS E1 and E4)	Reduce our GHG emissions	Direct + indirect intensity (Scopes 1, 2 and 3 upstream) in metric tons of CO2/metric tons of tubes shipped	1.82	1.90	1.71	1.75	1.97	1.77	1.62	1.39	1.6	1.5	1.4	1.3
			Total CO_2 Scopes 1, 2 and 3 (upstream and downstream): in CO_2 equivalent (kt)	13,312	11,656	10,014	8,200	8,616	8,846	7,738	7,333	9,984	9,984		
6 CLEAN WATER AND SANITATION; 12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Respect our environmen t and protect biodiversity by preventing all types of pollution, reducing water consumption, recovering waste products and reducing disturbances (ESRS E2, E3 and E5)	Reduce landfill	Tons of non-recovered industrial waste *(in thousands of metric tons)*	42	33	31	17	16	21	16	14	15	15		
		Waste recovery	Waste recovery rate (%)	94.0%	95.5%	95.8%	97.0%	97.6%	97.3%	97.6%	98.0%	98%	98%	98%	98%
		Limit our water withdrawals	Water withdrawals for steel and tube manufacturing per metric ton processed (cu.m. per metric ton)	1.36	1.25	1.21	1.62	1.58	1.31	1.29	1.20	1.3	1.2		
			Total water withdrawals (cu.m.)	5.18	5.71	5.56	4.85	5.67	5.88	4.72	4.80				
8 DECENT WORK AND ECONOMIC GROWTH; 12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Establish a network of reliable and responsib le suppliers (ESRS S2)	Ensure take-up of CSR commitments by key suppliers	% of purchases from suppliers subject to formal CSR assessment	-	-	50%	58%	65%	71%	73%	75%	>70%	75%		

(a) As part of work to review and harmonize safety reporting practices, the Group undertook detailed work in the last quarter of 2023 to systematically review all incidents to ensure consistency of reporting with the Group's harmonized incident reporting process. This work resulted in a restatement of the TRIR reported by the Brazilian scope in the Group consolidation. This restatement only concerns the internal reporting of the TRIR. All incidents in Brazil have also been duly reported locally and have been subject to analysis and preventive action in accordance with the Group's requirements in this area. No adjustments of this nature were required for the Group's other scopes and the LTIR and severity rate indicators for the Group scope were not materially affected. Historical data prior to 2021 have not been adjusted and are not therefore disclosed.

Alignment with Global Compact Sustainable Development Goals	Our commitments	Our targets	Corresponding key indicator	At end-Dec. 2017	At end-Dec. 2018 (incl. Tianda)	At end-Dec. 2019	At end-Dec. 2022	At end-Dec. 2023	At end-Dec. 2024	Jan. 1, 2027 target
5 GENDER EQUALITY; 10 REDUCED INEQUALITIES	Train and motivate our employees through skills development, recognition of expertise, talent promotion and career development (ESRS S1)	Promote diversity	% of women in management roles	22%	22%	22%	24%	26%	27%	30%
			% of women on the Executive Committee				23%	23%	15%	30%
			% of women in top management positions				12%	15%	19%	30%

The Group has also strengthened its commitments on the UN Sustainable Development Goals for 2030, and aligned its targets to make an active contribution to work in this direction.

Progress achieved in 2024 is shown in the chart below:

HEALTH AND SAFETY

3 GOOD HEALTH AND WELL-BEING; 8 DECENT WORK AND ECONOMIC GROWTH

Targets[1]: 3.9, 8.8

Topics	Measures	Section
Safety	TRIR of **1.93**	2.2.2.1
Health	ChemSafe program: **96.1%** replacement rate for CMR products	

ENVIRONMENT

6 CLEAN WATER AND SANITATION; 7 AFFORDABLE AND CLEAN ENERGY; 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE; 11 SUSTAINABLE CITIES AND COMMUNITIES; 12 RESPONSIBLE CONSUMPTION AND PRODUCTION; 13 CLIMATE ACTION; 14 LIFE BELOW WATER; 15 LIFE ON LAND

Targets: 6.3, 6.4, 7.2, 9.4, 11.4, 12.2, 12.4, 12.5, 13.2, 13.3, 14.1, 15.a, 15.b, 15b

Topics	Measures	Section
Reduce our impact	**100%** of sites certified to ISO 14001	Introduction
	52% of energy consumed is low carbon (41% renewable)	2.1.2.4
	94% of electricity consumed is low carbon (55% renewable)	2.1.2.4
	69% of steel used is from recycled scrap iron	2.1.7.4
	Life cycle assessment, publication of Environmental Product Declarations (EPD)	2.1.1.4
	98.0% of waste recovered	2.1.7.4
Water resources management	Water treatment stations at the biggest sites consuming the most water	2.1.5.3
	Reduced emissions of pollutants in water	2.1.4.2
	13% of our water requirements for tube production supplied by rainwater	2.1.5.4
	Reduced water consumption in production	2.1.5.4

[1] *See the Global Compact report: The 17 Sustainable Development Goals and their 169 targets (unglobalcompact.org).*

SOCIAL AND SOCIETAL

Targets: 4.4, 5.5, 8.5, 8.8, 10.4, 11.4, 13.3

Topics	Measures	Section
Diversity	Percentage of women in management positions: **27%** We Are Vallourec	2.2.4.1 2.2.3.1/2.2.4
Employees and communities	**€1.5 million** invested in societal projects	2.2.6

ETHICS AND COMPLIANCE

Targets: 8.7, 16.5, 16.6

Topics	Measures	Section
Ethics	Anti-Corruption Code of Conduct and Code of Ethics ✓ *Vallourec Integrity Line* ✓	2.3.2 2.2.5/2.3.2/2.4.6

RESPONSIBLE PROCUREMENT

Targets: 8.4, 12.6

Topics	Measures	Section
Supplier CSR assessment	**1,209** suppliers assessed for CSR: **75%** of expenditure	2.2.5

Impacts, risks and opportunities (IROs) management

CSRD and the double materiality assessment

The CSRD introduces the key concept of “double materiality” for guiding companies' ESG strategies. The double materiality assessment (DMA) is the cornerstone of the CSRD, as it is used to determine which ESG topics are material and will consequently be reported in accordance with ESRS. Double materiality is based on the principle that a matter can be assessed as material from two perspectives:

Impact materiality, which evaluates the positive or negative impacts of the company’s operations and value chain on people and the environment[1].

Financial materiality, which identifies the financial risks and opportunities related to sustainability matters that affect (or could reasonably be expected to affect) the company's performance or financing, including those related to business partners[2].

As a follow-up to the single materiality assessments carried out in 2016 and 2021, which validated the relevance of its ESG matters and alignment with the expectations of its stakeholders, the Group chose to conduct a double materiality assessment in 2023, based on and using the new double materiality methodology and concept defined under the CSRD, engaging in dialogue with all its stakeholders.

In this DMA, and in line with new regulatory requirements, the Group has identified and assessed impact materiality and financial materiality for each ESG matter, used as a basis for determining matters to be presented in this 2024 sustainability statement. In addition, and as indicated in the “Basis for preparing the sustainability statement” section at the beginning of chapter 2, the Group has also decided to continue publishing certain information, previously published in its non-financial performance statement, even though it was not identified as material in the DMA.

This assessment enabled the Group to identify and evaluate ESG matters, and to define a materiality level for each. Training sessions were organized ahead of the DMA for internal contributors and members of the Board of Directors and CSR Committee, in order to raise their awareness of CSRD matters and highlight the importance and expected outcomes of the DMA within this new regulatory framework.

Double materiality assessment at Vallourec

Under the responsibility of the Sustainable Development Department and in collaboration with an external consultancy firm, this DMA project involved stakeholders, defined as those who can affect or be affected by the Company. ESRS distinguishes between affected stakeholders and users of sustainability statements.

As part of its DMA, Vallourec surveyed stakeholders who are affected or could be affected – positively or negatively – by the Group’s activities across its entire value chain, as well as the primary users of sustainability statements.

Between the end of 2023 and the beginning of 2024, 18 interviews were organized with these stakeholders to discuss a preliminary version of the DMA, with the aim of adjusting the sustainability matters, examining the Impacts, Risks and Opportunities (IROs), and defining impact materiality and financial materiality scores. All Executive Committee members were involved in this exercise.

Analysis of context and value chain

Vallourec based its analysis of context on the EFRAG’s Materiality Assessment Implementation Guidance (MAIG) methodology, as well as on the findings of the single materiality assessment carried out in 2021. The double materiality assessment process is organized around several key steps.

The first concerns understanding the context, requiring an analysis of Vallourec's activities and its business relations with all its stakeholders across its entire value chain.

Activities and business relations

Vallourec is a world leader in premium seamless tubular solutions, with a particular focus on energy markets, including Oil & Gas and New Energies. Vallourec operates a global network of steel shops, tube rolling mills and heat treatment and threading facilities backed by a state-of-the-art Research and Development (R&D) operation and supported by R&D hubs in Europe, Brazil and the United States.

The Group develops products and services for four markets:

- Oil & Gas: tubes, connections and connected services for exploration and operation of oil and gas fields, from the simplest to the most complex.
- Industry: lightweight, high-strength tubes for mechanical engineering, automotive and construction applications.
- Renewable energies and energy transition: tubes and connections specifically tested and validated to withstand the aggressive and corrosive environments imposed on new, rapidly expanding energy applications (CO_2, geothermal, hydrogen).
- Raw materials: operation of an iron mine in Brazil, with a portion of output powering the Jeceaba (Minas Gerais, Brazil) blast furnace and the remainder sold on the local market.

Upstream value chain

Vallourec centralizes its R&D activities in France and also oversees two centers in Brazil and the US. In Brazil, the Group has an integrated value chain, encompassing steel production using plant-based charcoal produced in its eucalyptus plantations, an iron ore mine, blast furnace and steel and pipe mills. In the United States, the Youngstown steel mill uses recycled scrap iron. In Europe, Vallourec focuses on the Oil & Gas market with facilities in France and the UK. In the Middle East, the Group is present in the UAE and Saudi Arabia. In Asia, Vallourec operates in Singapore and China, marketing premium products.

(1) *Annex to the Commission Delegated Regulation (EU) supplementing Directive 2013/34/EU of the European Parliament and of the Council as regards sustainability reporting standards. ESRS 1 General requirements, objective 3.4. paragraph 43, European Commission.*

(2) *Annex to the Commission Delegated Regulation (EU) supplementing Directive 2013/34/EU of the European Parliament and of the Council as regards sustainability reporting standards. ESRS 1 General requirements, objective 3.5. paragraph 49, European Commission.*

Downstream value chain

As part of the New Vallourec plan, Vallourec's new industrial footprint seeks to increase the Group's efficiency and agility by moving closer to its customers.

This is achieved thanks to three strategic hubs: two export hubs in Brazil and Asia, and a base in the US for the domestic market. Technical, sales and support teams, located close to customers' operations, strive to meet customers' needs and provide solutions adapted to complex environments.

Oil & Gas: Vallourec is a key partner for national and international oil companies, offering OCTG solutions for the construction of hydrocarbon production wells and PLP solutions for the transportation and processing of hydrocarbons.

Industry: Vallourec's Industry market mainly targets automotive and agricultural machinery sectors in Brazil, and mechanical engineering and construction in Europe. It includes a forge in France.

Renewable energies and energy transition: Vallourec develops innovative solutions for hydrogen storage, carbon capture and geothermal systems, meeting the challenges of the energy transition.

Services: the Group is diversifying its services, including expertise in oil rigs, storage, inspection, supply chain optimization, and digital solutions such as TallyVision and Best Fit. Vallourec is also developing wire arc additive manufacturing (WAAM) to produce complex parts in short runs.

Identification of Impacts, Risks and Opportunities (IROs) relevant to Vallourec

An initial list of sustainability topics was drawn up based on those defined in Appendix A of ESRS 1. The list was fleshed out by a working group headed by the Sustainable Development team with topics specific to Vallourec's industry and value chain. This analysis was based on the findings of the 2021 single materiality assessment, the risk review based on the Group's Enterprise Risk Management (ERM) system, peer benchmarking, industry standards (GRI, SASB), questionnaires and ESG rating agency reports.

Thanks to this approach, the Sustainable Development team was able to draw up a definitive list of IROs, not only on the sub-topics defined in Appendix A of ESRS 1, but also on certain matters specific to Vallourec, such as "noise pollution" and "skills maintenance and development".

IROs related to sustainability matters have been defined specifically for each topic, by assessing impacts on the environment and on people, as well as the financial risks and opportunities related to the environmental and social changes affecting Vallourec.

This preliminary assessment involved expert input from the Sustainable Development, Internal Control and Internal Audit, Management Control and Human Resources teams, as well as from the Secretary General and the Compliance Department. It enabled us to assess the positive or negative, actual or potential impacts on the Group's entire value chain.

Assessment of material Impacts, Risks and Opportunities (IROs) related to sustainability matters

The assessment of material IROs was made by identifying potentially material topics and their associated IROs. Each topic was rated on a scale of 1 to 5 (Group ERM rating), according to its impact and financial materiality, with materiality thresholds set at 2.5. This assessment, based on gross IROs, was validated by the members of the Executive Committee.

Impact and financial materiality assessment methodology

The assessment scale used is based on the ERM already in place at Vallourec for the quarterly risk review.

Materiality grid

<table>
<tr><th></th><th colspan="6">Severity</th><th></th><th colspan="5">Likelihood</th></tr>
<tr><td rowspan="4">Impact materiality</td><td>Scale</td><td>1</td><td>2</td><td>3</td><td>4</td><td>5</td><td></td><td>1</td><td>2</td><td>3</td><td>4</td><td>5</td></tr>
<tr><td>Grade</td><td>Low</td><td>Moderate</td><td>High</td><td>Critical</td><td>Catastrophic</td><td></td><td rowspan="6">Not likely</td><td rowspan="6">Rare</td><td rowspan="6">Possible</td><td rowspan="6">Likely</td><td rowspan="6">Very likely</td></tr>
<tr><td>Scope</td><td>Local</td><td>Regional</td><td>National</td><td>Continental</td><td>Global</td><td></td></tr>
<tr><td>Irremediability</td><td>Remediable</td><td>Partly remediable</td><td>Moderately remediable</td><td>Difficult to remedy</td><td>Not remediable</td><td>X</td></tr>
<tr><td rowspan="4">Financial materiality</td><td>Amount</td><td><€15m</td><td>€15m-€100m</td><td>€100m-€250m</td><td>€250m-€500m</td><td>>€500m</td><td></td></tr>
<tr><td rowspan="3">Timeframe</td><td>Short-term:</td><td colspan="4">occurs once a year</td><td></td></tr>
<tr><td>Medium-term:</td><td colspan="4">occurs every 2 to 5 years</td><td></td></tr>
<tr><td>Long-term:</td><td colspan="4">occurs less than once every 10 years</td><td></td></tr>
</table>

Impact materiality = severity × likelihood of the impact.

Severity is based on three criteria: scale, scope and irremediable character of the impact.

Financial materiality = severity (potential magnitude of financial effects) × likelihood of the impact.

The likelihood of an impact is measured on a scale of 1 (unlikely) to 5 (highly likely) – for potential impacts only.

In the event that a sustainability topic was already included in the ERM, this score was readjusted to reflect the specificities of the double materiality approach.

Verification of consistency with Vallourec risk mapping

The results of the general risk mapping were examined in conjunction with the results of the 2023/2024 double materiality assessment in order to determine the Group's main ESG risk exposure.

The results of the DMA confirmed the relevance of Vallourec's existing risk mapping at Group level. The sustainability matters identified as material in this assessment were already specifically monitored by operational and internal control/internal audit teams, based on the strategies, policies and procedures of the departments concerned (strategy, operations, legal, financial, ethics, quality, safety, environment, etc.). The matters identified as material in the DMA are already regularly reviewed by the various committees in place (see the general disclosures part of the CSR governance section). These reviews identify and assess risks, analyze their impact on society and the environment, quantify their financial implications for Vallourec, and prioritize the risks to be presented to the Audit Committee.

The Internal Control and Internal Audit Department plays a key role in centralizing and overseeing all Group risks, providing a global vision aligned with the Company's strategic priorities. *For more details on risk management, please refer to Section 3.2 "Risk management and internal control systems" of chapter 3 of this Universal Registration Document.*

Validation of the findings of the double materiality assessment by management bodies

The findings of the DMA were validated by all members of the Executive Committee at the internal CSR Committee meeting. These findings were then presented to the members of the Board of Directors who sit on the Group's CSR and Audit Committees.

Analysis of differences following the double materiality assessment at Vallourec

Based on the findings of the DMA, Vallourec assessed the relevance of the disclosure requirements and associated data points. This led to an analysis of differences, identifying the information to be included in the sustainability statement and comparing it with that included in the previous non-financial performance statement. On this basis, we were able to define the structure of the 2024 sustainability statement in accordance with the CSRD.

The sustainability statement also contains social, environmental and societal information, information on the fight against corruption and tax evasion, and information on human rights initiatives mentioned in Article L.225-102-1 of the French Commercial Code, where relevant to the aforementioned main risks or policies, on a global scale. Unless otherwise specified, all information in this chapter refers to Vallourec, all of its subsidiaries as defined by Article L.233-1 of the French Commercial Code, and the companies Vallourec controls as defined by Article L.233-3 of the French Commercial Code. A cross-reference table showing the information required under the aforementioned article and the information presented in this chapter is provided in Appendix 4 hereto.

Summary of non-financial Impacts, Risks and Opportunities

Non-financial information category	Impact(s)	Risk(s)	Opportunity(ies)	Policy(ies) applied	Key performance indicators
Energy (ESRS E1 – Climate change)	(Actual, MT, entire value chain): • Upstream impact of energy markets on production site operating costs • Downstream impact of changing energy markets on the Company's business opportunities	Rising energy costs, particularly natural gas and electricity (Actual, MT, entire value chain)	Reducing energy consumption (Actual, ST, own operations)	Environmental Policy (energy consumption)	Energy consumption in (kWh/metric ton processed)
			Improved industrial process efficiency (Actual, ST, own operations)	Ecodesign requirements for new industrial and innovation projects (project energy assessment)	% of production from ISO 50001 and ISO 14001 certified plants
		Declining demand in the Group's legacy markets (Potential, MT, downstream value chain)	Development of products and services linked to the energy transition (hydrogen, geothermal energy, carbon capture, solar energy) (Actual, ST, downstream value chain)	Environmental Policy (business opportunities as represented by the "New Energies" business line)	Downstream Scope 3 "Use of products and services sold" (tCO_2e)

Non-financial information category	Impact(s)	Risk(s)	Opportunity(ies)	Policy(ies) applied	Key performance indicators
Climate change mitigation* (ESRS E1 – Climate change)	Climate change resulting from greenhouse gas emissions (Scopes 1, 2 and 3) (Actual, MT, entire value chain)	(Actual, ST, entire value chain): • Financial risk (European Union Emissions Trading Scheme (EU ETS) and Carbon Border Adjustment Mechanism (CBAM)) • Compliance with changing regulations • Demand and access to capital (Potential, ST, entire value chain): • Damage to the Group's reputation and image	(Potential, ST, entire value chain): • Competitive advantage in terms of the low carbon footprint of tubes compared with competitor' products • Reduced use of raw materials • Development of innovative technologies (Carboval, hydrogen, etc.)	• Environmental Policy [reduction of GHG emissions, based on the "Environmental indicators and reporting" procedure and the implementation of action plans monitored by the Climate Committee] • Ecodesign requirements for new industrial and innovation projects [internal carbon pricing]	• Total CO_2 emissions (Scopes 1, 2 and 3 upstream and 3 downstream) [tCO_2e] • Carbon intensity of tubes shipped (tCO_2e/metric ton shipped) • % of renewable energy • % of renewable electricity • % of low-carbon energy • % of low-carbon electricity
Climate change adaptation (ESRS E1 – Climate change)	Impact of weather conditions on the Group's industrial processes	Chronic physical risks (heat waves, drought s, cyclones, wildfires, etc.) or acute (rising average temperatures, rising sea levels, etc.) (potential, ST, entire value chain)	Competitive advantage over peers in terms of the carbon footprint of tube manufacturing (Potential, ST, downstream value chain)	Climate change adaptation policy	• % of assets at risk before taking into account climate adaptation measures • % of assets at risk after taking into account climate adaptation measures
Substances of concern and substances of very high concern (ESRS E2 – Pollution)	Negative impacts (Actual, MT, own operations): • Health and safety of employees and communities from the use of hazardous substances • Potential explosions linked to the use of hazardous chemicals		-	• Health policy • Substitution plan for products classified as carcinogenic, mutagenic or reprotoxic (CMR) • Environmental Policy	CMR products replacement rate

Non-financial information category	Impact(s)	Risk(s)	Opportunity(ies)	Policy(ies) applied	Key performance indicators
Pollution of air, water and soil (ESRS E2 - Pollution)	• Particulate matter and volatile organic compound emissions into the air (Actual, MT, own operations) • Chemical spills and accidents (Actual, MT, own operations) • Inadequate waste management and treatment (Potential, MT, own operations)		Development of high value-added products and services (Actual, ST for water and soil and MT for air, downstream value chain): • Premium products meeting the most stringent requirements • Portfolio of products that ensure integrity under extreme conditions • Control tool to optimize product installation and throughout its life	• Sustainable Development Charter • Environmental Policy	• Measurement of air pollutant emissions • HSE investments amount • % of sites certified to ISO 14001 • Quality of discharges into water • Suspended particulate matter in discharges (metric tons) • Chemical and biological oxygen demand in discharges (metric tons) • Total hydrocarbons in discharges (metric tons) • Heavy metals in discharges (metric tons)
Noise pollution (specific to Vallourec)	Negative impact of noise on people and the environment (Actual, ST, own operations)			• Action plan to prevent noise pollution • Environmental Policy	• Mapping of employees' exposure to noise • Noise measurement surrounding sites
Water consumption and withdrawals (ESRS E3 – Water and marine resources)	Reduced volume available for other domestic, industrial and farming uses (Potential, ST, own operations)	(Potential, ST, own operations): • Conflicts over water use in situations of water stress (relating to other domestic, industrial and farming uses) • Loss of activity due to prolonged water supply interruptions		• Environmental Policy • Environmental indicators and reporting • Water management policy	• % of water used from rainwater • Total water withdrawals (cu.m.) • % of recirculation • Water withdrawals for steel and tube manufacturing per metric ton processed • (cu.m./metric ton processed)
	Impacts of water withdrawals and discharges on ecosystems (Actual, ST, entire value chain)	(Actual, ST, entire value chain): • Quality of water discharged to the environment • Non-compliance with applicable standards			• Water quality (SPM, COD, BOD, TH, heavy metals)

Non-financial information category	Impact(s)	Risk(s)	Opportunity(ies)	Policy(ies) applied	Key performance indicators
Direct impact drivers of biodiversity loss due to climate change (ESRS E4 – Biodiversity)	Negative impact on biodiversity of: • Climate change (Actual, MT, entire value chain)	See "Climate change mitigation* line (ESRS E1 – Climate change)"	See "Climate change mitigation* line (ESRS E1 – Climate change)"	See "Climate change mitigation* line (ESRS E1 – Climate change)"	See "Climate change mitigation* line (ESRS E1 – Climate change)"
Waste (ESRS E5 – Circular economy)	Negative impacts: • On the environment and people due to the system of managing waste and/or hazardous waste, or a failure to prevent waste production (Potential, ST, whole supply chain) • Of mining waste and tailings in Brazil, notably on the safety of local residents and employees and on the environment (Actual, ST, whole supply chain)			• Sustainable Development Charter • Environmental Policy • Waste recovery through the By-products program • Internal recirculation of reusable flows (water, scrap iron, etc.)	• Tonnage of waste put into landfill • % waste recovery • Tons of non-recovered industrial waste (metric tons) • % of steel used, made from scrap • % of hazardous waste • HSE investments amount
Equal treatment and opportunities for all (ESRS S1 – Own workforce)	Positive (Actual, MT, own workforce) or negative (Potential, MT, own workforce) impact on employee safety, well-being and mental health			• Code of Ethics • Mentoring for women • Presence of women in succession plans • Short- and medium-term objectives • Compliance Program • Agreement on the principles of responsibility of the ILO conventions • E-learning • Whistleblowing and reporting systems	• Number and type of internal/external alerts • Number and type of sanctions applied • Ratio of women managers and executives • Ratio of women senior executives • Wage disparity rate
Occupational health and safety (ESRS S1 – Own workforce) and Working conditions (ESRS S1 – Own workforce)	Positive (Actual, MT, own workforce) or negative (Potential, MT, own workforce) impact on employee safety, well-being and mental health		Reduced absenteeism and replacement costs (Actual, ST, own workforce)	• Health policy • Evaluation of health risks in certain countries • Workstation ergonomics • Review of operating procedures, circulation in the premises, provision of protective equipment • *Safety Management Program* • Particular focus on fatal accidents and subcontractors • Evaluation of security risks in certain countries • Whistleblowing and reporting systems	• HSE investments amount • Number of confirmed cases of work-related ill health • LTIR, TRIR, Severity rate • ISO 45001 certification rate

Non-financial information category	Impact(s)	Risk(s)	Opportunity(ies)	Policy(ies) applied	Key performance indicators
Maintaining expertise and developing skills (ESRS S1 – Own workforce)	Positive or negative impact of the training and talent retention policy on expert employees (Potential, ST, own workforce)	Temporary strategy and operational risk of loss of expertise specific to Vallourec's premium activities (Potential, MT, own workforce)	Attracting and retaining talent (Actual, MT, own workforce)	• People review • Career interviews • Succession plans • “Expert” program • Vallourec University • Agreement on the principles of responsibility of the ILO conventions • Organization of social dialogue	• Turnover rate and reasons for termination of employment • Number of training hours • Employee satisfaction questionnaire
Working conditions (ESRS S2 – Workers in the value chain) and Occupational health and safety (S2 – Workers in the value chain)	Positive (Actual, MT, workers in the value chain) or negative (Potential, MT, workers in the value chain) impact on safety, well-being and mental health		(Potential, ST, entire value chain): • Strengthening Vallourec’s reputation • Securing supply	Responsible purchasing policy	% of purchases from suppliers subject to formal CSR assessment
Corruption and bribery (ESRS G1 – Business conduct)	Negative impacts linked to unethical behavior such as corruption or violation of the laws of ethical business conduct (Potential, ST, whole supply chain)	(Potential, MT, entire value chain): • Risk of non-compliance with regulations, (anti-corruption, and in particular Sapin II, FCPA, UKBA where applicable) • Reputational risks • Conviction risk		• Code of Ethics • Compliance Program • Anti-Corruption Code of Conduct • Internal procedures: supervisors/gifts/ sponsorship and patronage • E-learning and training • Responsible purchasing policy • Third-party due diligence system	• Number and type of internal/external alerts • Number and type of sanctions applied • Number of people trained
Corporate culture (ESRS G1 – Business conduct)	Proven positive impact on employee well-being and employee willingness to stay or develop at Vallourec, including employee engagement (Potential, ST, own workforce)			Whistleblowing and reporting systems	

**Also includes all items within the "Energy" sub-topic.*

Minimum disclosure requirements (MDR) – Policies

The above-mentioned policies apply to all the Group's production sites and are made available to employees on the MyVallourec intranet pages. The policies are reviewed internally, and validated by the manager of the relevant department (Sustainable Development, Health & Safety, Human Resources, etc.). Some may be validated at a higher level, such as the Environmental Policy, signed off by the Chairman and Chief Executive Officer. Policies are based as a minimum on the regulatory standards applicable to the site (e.g., quality of water discharges for the water policy) or to the company (e.g., assessment of physical risks in line with the CSRD for the climate change adaptation policy). Policies can also refer to internationally recognized standards that the Group has voluntarily adopted, such as alignment with the Paris Agreements for the climate policy, or can be based on generic methodologies and databases, such as those for identifying water-stressed areas, or for recording climate metrics relating to floods, storms, droughts and other events. Vallourec develops its policies on the basis of projects carried out with specialist companies and involving internal advisors on-site to ensure that they are relevant (such as HSE, maintenance or site managers). They are designed to address the risks and impacts identified in the short-term (over the business plan period), medium-term (through to 2035) and long-term (through to 2050).

The following sections of chapter 2 detail the qualitative and quantitative data points identified as material for Vallourec, for which a consolidated summary is available in Appendix 1 – CSRD table of contents.

Ratings from non-financial agencies and ISO certifications

Assessment by non-financial rating agencies

To gage its ESG performance as objectively as possible, Vallourec pays close attention to the assessments made by the main internationally recognized non-financial rating agencies. Consequently, the Group monitors many different indexes, labels and non-financial ratings.

Evaluations and assessments by non-financial rating agencies in 2024 recognized the Group's progress in governance, strategy and CSR performance.

For example, since 2021, Vallourec has been the only seamless tube manufacturer to respond to the three Climate, Water and Forest questionnaires issued by CDP, a global non-profit organization, each year. The Group also raised its EcoVadis rating in 2023 from gold to platinum. The Ethifinance (formerly Gaia) score increased from 71/100 to 77/100 between 2023 and 2024, while its Sustainalytics risk rating went from 21/100 in 2023 to 21.2/100 in 2024, demonstrating the Group's stable risk management performance. Vallourec is in fact among the best performers in its sector ("Energy Services Industry"), for which the average risk rating is much higher, at 27.1/100.

NON-FINANCIAL RATING AGENCIES

	MSCI 2024	Sustainalytics 2024	Ecovadis 2024	EthiFinance 2024	SBTi Science Based Target Initiative	CDP 2023*		
AGENCIES	MSCI ESG RATINGS A	SUSTAINALYTICS	Platinum 2023 ecovadis	EthiFinance 2023	SCIENCE BASED TARGETS	Climate Change	Water	Forests
SCORE	6.5/10	21.2/100 Medium Risk	78/100	77/100	Commitment: -25% in 2025 vs. 2017 Well below 2°C	A-	B	C

* *At the date of publication of the Universal Registration Document, the results of the CDP 2024 questionnaire were not available.*

ISO certifications for main production sites

Most of Vallourec's sites are certified to ISO standards. Since safety and the environment are included in the Group's objectives and priorities, 97% of sites are certified to ISO 45001 (occupational health and safety) and 100% to ISO 14001 (environmental management systems). Regular audits of regulatory compliance are consistent with Vallourec's demanding requirements in these areas.

2.1 Environmental information (ESRS E)

This chapter contains a description of the Group's commitment and its policy from an environmental perspective. It then covers the key topics set out in the CSRD:

- climate change mitigation;
- climate change adaptation;
- management of water and marine resources;
- pollution prevention and control;
- optimal use of resources and the circular economy;
- biodiversity protection.

2.1.1 Introduction

SDG 8.4, 9.4, 12.4, 12.5, 13.2

2.1.1.1 Scope of the study

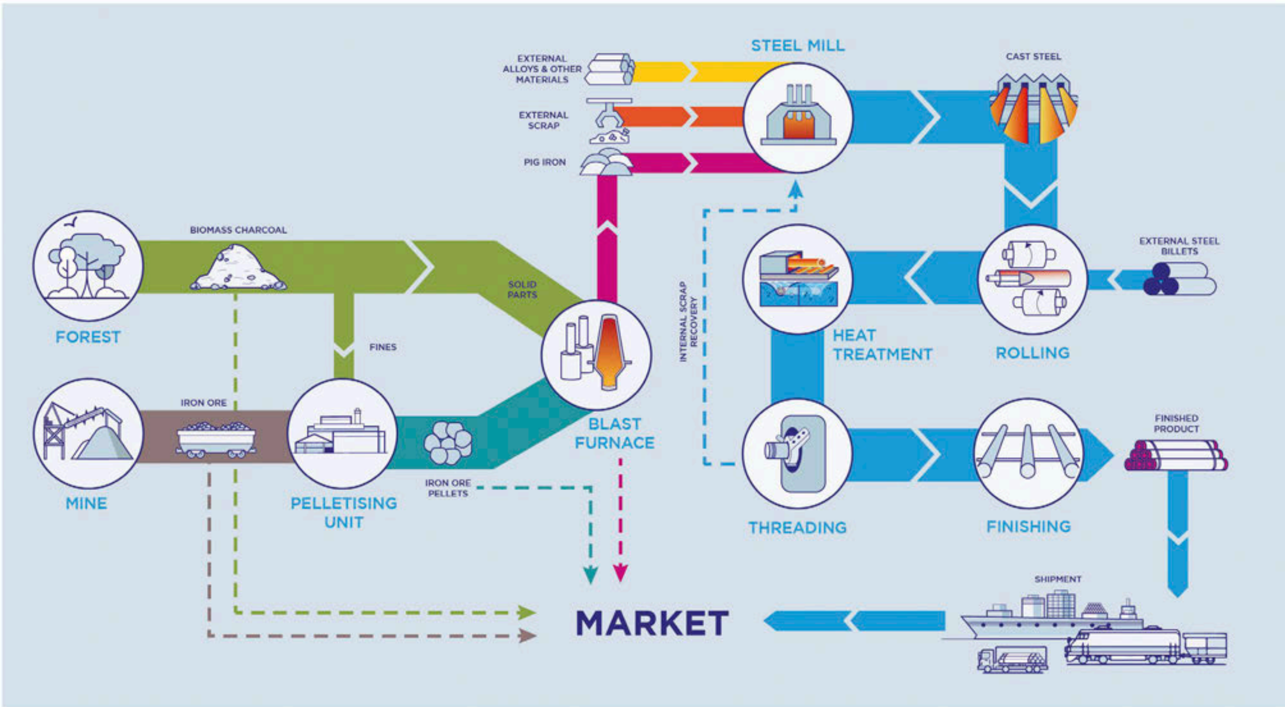
The environmental data included in the environmental reporting for 2024 concerns all of the subsidiaries over which the Group exercises operational and/or financial control (see Appendix 2 – Scope of consolidation – Environmental metrics).

Since 2018, the Group considers that Vallourec's activity consists of several business lines, each of which contributes to the purpose of manufacturing seamless steel tubes and providing associated services. This "sector-specific" approach is found in the structure of the Carbon Disclosure Project (CDP) "Climate," "Water" and "Forest" questionnaires, to which Vallourec responds every year, and in the Science-Based Targets (SBTi) approach Vallourec has adopted.

The Group holds expertise in the following four activities:

- "Mine": extraction of iron ore from the Vallourec Mineração mine to supply the Brazilian steel mills (the Pau Branco mine is located in the State of Minas Gerais);
- "Forest": exploitation of a eucalyptus forest in Brazil (Florestal) and manufacturing of charcoal to supply Brazilian blast furnaces and the Jeceaba pelletization unit;
- "Pelletization": manufacture of iron ore pellets to supply the Jeceaba steel mill. The pellets feed the blast furnaces with carbon that is plant-based (biogenic) rather than fossil-based. This facility, which operates at nominal capacity, also supplies other Brazilian steel manufacturers,
- "Steel and Tubes":
  - "Steel": production of steel with carbon from eucalyptuses in the United States and Brazil to supply steel billets to the rolling mills;
  - "Tubes": manufacture of seamless tubes and their accessories (connections, etc.) in rolling mills, heat treatment units, finishing units, and the associated services provided to customers.

VALLOUREC GLOBAL TUBE MANUFACTURING PROCESS



Most ratios for each production site are calculated based on the following metric tonnages:

- iron ore for the "Mine" activity;
- charcoal for the "Forest" activity;
- iron ore pellets for the "Pelletization" activity;
- steel or tubes for all units in the "Steel and Tube Production" segment.

Volumes are expressed in metric tons produced for the Mine, Forest, Pelletization and Steel Production activities. They are the sum of production of the various units taken independently. This metric better accounts for the level of activity of the production units than metric tons shipped for two reasons: on the one hand, it is more representative of the flows and stages of production, and on the other, it is less affected by changes in inventory. However, tube production volumes are expressed in metric tons shipped (sold) in order to avoid multiple counting.

At equivalent scope, the Group's production, expressed in metric tons of steel and tubes processed, fell 2% from 4,094 kt in 2023 to 4,009 kt in 2024. At the same time, the volume of tubes shipped went from 1,552 kt in 2023 to 1,294 kt in 2024, which represents a decrease of 17%. This decrease is consistent with the Group's ongoing "Value over volume" strategy, which favors sales of high value-added products over volume growth.

2.1.1.2 Specific features of Vallourec processes

Through its "Mine," "Forest," and "Pelletization" activities, Vallourec controls a large number of operations upstream of its core activity, linked to the extraction and transformation of raw materials. This integrated process allows the Group to control its entire value chain, while at the same time engaging its external suppliers on the environmental impact of the products and services it purchases.

Steel production is a critical activity with regard to many environmental challenges. For example, it accounts for almost two-thirds of the total carbon intensity of the Group's products (cradle-to-gate). Both steel mills operated by Vallourec present structural technological advantages:

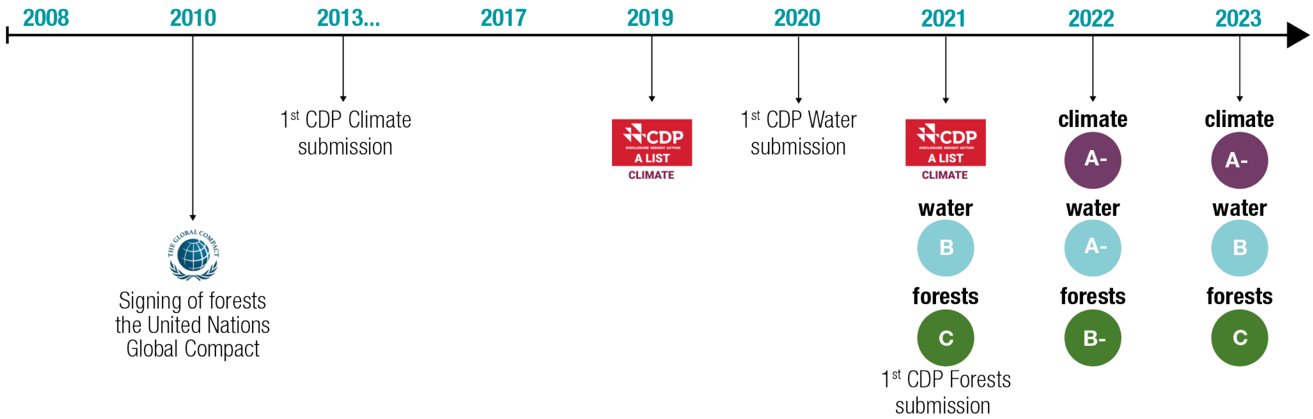
- In Youngstown, an electric arc furnace running on nuclear (and therefore low-carbon) power is 98% supplied with recovered scrap steel. This guarantees much lower carbon emissions per metric ton of steel produced than competing low-carbon technologies, even those currently under development (including the use of hydrogen for DRI). On a global average, 0.70 tCO_2e are emitted per metric ton of steel produced by the electrical production route, compared with 1.43 tCO_2e/mt for the DRI production route and 2.32 tCO_2e/mt for the blast furnace production route[1].
- In Jeceaba, the blast furnace is fed by biomass charcoal. The use of biomass to replace fossil coke (usually the largest source of emissions in the cast iron production process) means reduced emissions if the carbon stock stored in the forest remains constant or increases.

The reuse of by-products within Vallourec's own processes is key to reduce reliance on natural resources, while at the same time reducing the overall lifecycle carbon footprint of Vallourec products.

(1) *Source: Worldsteel Association (2024); Sustainability Indicators 2024 Report – worldsteel.org.*

2.1.1.3 General environmental policy

I) KEY PRIORITIES



For more than 20 years now, Vallourec has been running an active program on reducing its environmental footprint. The Group signed up to the United Nations Global Compact in 2010 and has completed the CDP Climate questionnaire since 2013, the CDP Water questionnaire since 2020 and the CDP Forests questionnaire since 2021. In the 2023 CDP results, the Group is ranked in the "A- Leadership" category for the eighth year running in the fight against climate change. The sector average is "B- Management". The results for 2024 are not yet known as at the date of this sustainability statement.

In 2024, Vallourec updated its Group Environmental Policy, which was signed off by its Chairman and Chief Executive Officer. As a leading supplier of cutting-edge steel solutions committed to energy transformation, Vallourec seeks to align its global practices with the United Nations' Sustainable Development Goals.

Its Environmental Policy focuses on several priorities:

- mitigating the effects of climate change in line with the Paris Agreement, in particular through energy efficiency, low-carbon steel production and the deployment of innovative technologies;
- adapting the Group's processes and business model to address physical and transition climate-related risks;
- controlling and reducing the Group's water footprint, both in terms of withdrawals and discharges;
- optimizing resource use and promoting a circular economy;
- preventing and controlling sources of pollution, particularly of air, water and soil;
- protecting biodiversity; and
- engaging stakeholders throughout the value chain on environmental issues.

These priorities underline the Group's determination to make sustainable development a reality in every aspect of its business.

II) TRACKING OVERALL PROGRESS USING THE ENVIRONMENTAL IMPACT INDEX

In 2019, the Environment Department introduced a composite indicator, the Environmental Impact Index (EII), for monitoring the Group's performance and the progress achieved in the following three areas, each contributing a third to the final score:

- gas and electricity consumption and the corresponding CO_2 emissions;
- water withdrawals (excluding rainwater) for the production of steel and tubes;
- waste recovery.

The EII integrates several components of the Group's Environmental Policy and is calculated as shown below:

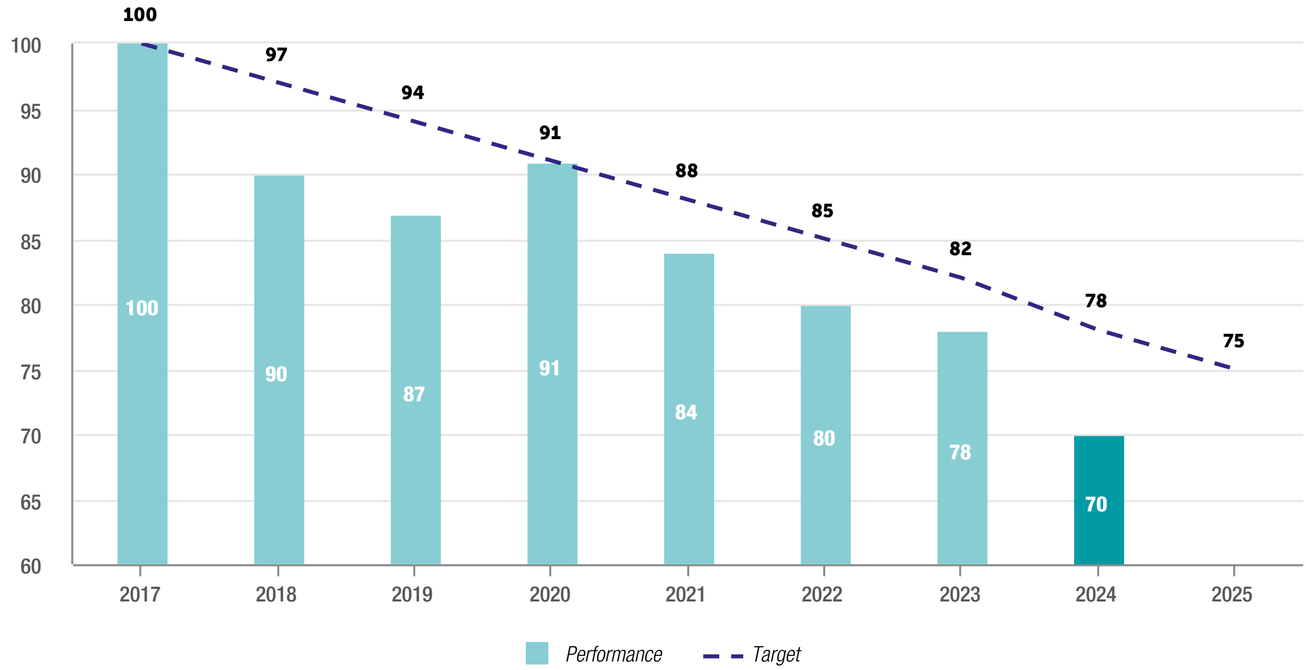
Environmental Impact Index (%)*

	Field	Item	Unit	Formula	Weighting
Environmental Impact Index (EII)	Energy consumption	Natural gas consumption	kWh/metric ton*	current year figure / 2017 figure x 100	11.33%
		Electricity consumption	kWh/metric ton*		11.33%
	CO_2	CO_2 emissions	kg CO_2e/metric ton*		11.33%
	Water	Water withdrawals	cu.m./metric ton*		33.00%
	Circular economy	Waste put into landfill	% of total waste generated		33.00%

* *The metric tons considered are the metric tons of steel and tubes produced by all of the Group's sites.*

This index was set at 100% for 2017, which was selected as a baseline. Vallourec has set itself the goal of reducing this index to below 75% by the end of 2025, by reducing its specific consumption of gas and electricity, purchasing lower carbon electricity, reducing its water withdrawals and improving its waste recovery.

For 2024, the Environmental Impact Index was calculated at 70%, beyond the 78% target set. The year-on-year improvement is mainly due to a reduction of over 10% in non-rainwater withdrawals, in particular as a result of the commissioning of a rainwater collection basin at Youngstown. Natural gas consumption per metric ton of tubes processed and the related emissions are also down, thanks to strict monitoring of furnace operating cycles by operational teams. The target for 2025 has been maintained.



2.1.1.4 Environmental management

The Group's CSR governance, and its environmental governance in particular, is outlined in the introduction to this chapter. Organization at the various sites is detailed in the Vigilance Plan (see Section 2.4.2).

The Group's Environmental Management Policy relies on the tools and practices described below to facilitate its implementation and track its application.

I) AUDITS AND CERTIFICATIONS

Internal environmental audits are regularly organized in each country to assess compliance with regulations. Specifically, the Performance & Risk audit evaluates performance and risk levels for each environmental concern as well as the energy and environmental management systems (EEMS) in place. The results are used to identify priorities and corresponding action plans.

These audits are part of the process of preparing for certification audits, in other words, simultaneously concerning environmental, energy, quality, and health and safety procedures at the regional level. At the end of 2024, 100% of the Group's sites were certified to ISO 14001.

II) LEGAL COMPLIANCE

Regular audits are performed by external specialists to assess compliance of the production sites' activities with statutory and regulatory requirements, on top of the periodic checks carried out by the environmental authorities.

Through the regular and systematic review of regulatory developments, actions implemented in the context of continuous improvement, new investments or organizational changes can be developed or updated. In France, an environmental regulatory watch has been in place for several years on a dedicated intranet portal, accessible for all production sites. This portal facilitates access to useful information. Equally, the Group shares its procedures, which are also updated periodically.

In 2024, the Group continued its actions in relation to the formal notices and formal warnings received from local authorities in 2023. No CapEx was committed to these actions in 2024:

- one in France, at Vallourec Oil & Gas France, concerning VOC emissions in excess of the limits set by the prefectural order (currently being resolved). The Group has approved an investment to replace solvent-based paints with water-based paints, scheduled to go into production in September 2025. The other action concerns updating the maintenance logbook for the dust treatment systems. The logbook has been updated and the information sent to the authorities;
- for the Mine activity in Brazil, since the incident in January 2022, Vallourec has implemented all the measures recommended for the environmental and structural rehabilitation of the Cachoeirinha waste pile and has responded to all requests made by local authorities. These requests related to the Emergency Action Plan for Mining Dams (PAEBM), the management and maintenance of the Wildlife Rehabilitation Center (CRAS), and the development and start-up in November 2024 of the Degraded Areas Recovery Program (DARP) in the area affected by the Lisa dike overflow;
- another for the Mine activity, with notification from the authorities that the quantities specified on the raw materials extraction license had not been adhered to. Vallourec has signed a conduct adjustment agreement. On February 27, 2024, Vallourec obtained the corrective operating permit and on March 25, 2024, the environmental authority recommended and ordered the termination of the conduct adjustment agreement;
- one for Vallourec Florestal in Brazil, in which the authorities requested the reduction of smoke emissions from the carbonization process of the Aldeia farm, in the municipality of Abaeté. Vallourec has implemented corrective measures to reduce smoke emissions, and has provided for the installation of burners providing a permanent engineering solution.

III) TRAINING AND EDUCATION

Employee training and education on the environment, sustainable development and energy efficiency are carried out in the plants through poster campaigns, periodic publications, briefings and compliance programs, among other measures. The Global Legal Compliance Program, developed and coordinated by the Group's Legal Department, has an educational component on compliance with environmental regulations (see Section 2.3 "Governance information (ESRS G1)").

In 2024, the total number of training hours in the field of health, safety and the environment listed in the LMS system (including in-person training at Group level and those in the main location countries: France, Brazil, United States, Indonesia, China and Middle East region) totaled 154,483 hours, or 39% of the total training time (391,521 hours), versus 23% in 2023. This increase is partly due to the development of modules on climate change mitigation for several teams.

IV) INVESTMENTS

The Group systematically incorporates sustainable development concerns in designing its projects. In particular, a health, safety and environment (HSE) analysis is conducted upstream to assess the potential impacts and anticipate environmental risks.

A procedure on eco-design rules has been in place since 2015 as part of the overhaul of major project governance and is regularly updated. Since 2019, it has been extended to R&D projects. It is intended to verify the best practices and techniques available for design that meets HSE challenges in the following main areas:

- regulatory compliance and impacts on administrative authorizations;
- water management through recycling and recovery of rainwater using storage basins, and better quality through more efficient wastewater treatment plants, along with a reduction in the volumes of water discharged;
- waste management through improvements in collection, sorting and recycling;
- reduction of emissions into the air via continuous improvement of capture systems, as well as carbon dioxide emissions;
- the optimization of energy consumption through the establishment of best practices and smart metering tools, in a structured process of ongoing improvement;
- potential impacts on biodiversity and consideration of the consequences of climate change;
- reduction of noise inside and outside the plants by emphasis on cutting noise emissions at source;
- safe use of chemical products with the goal of restricting the use of the most hazardous products;
- prevention of risks of work-related ill health and improvement of the ergonomics at workstations;

Since 2017, planned investments (CapEx) of over €1 million that make a substantial contribution to reducing carbon emissions have included a price per metric ton avoided. The internal carbon pricing policy meets two requirements:

- aligning new investments with the Group's carbon pathway;
- anticipating the deployment of carbon pricing mechanisms in various markets under the latest COP recommendations.

The carbon price, set at €80 per metric ton of CO_2e in July 2021, was raised to €100 on January 1, 2023. This amount is in line with the price of the European Union Emissions Trading Scheme (EU ETS), over a period corresponding to the typical duration of the investments in question. Several external sources, including Bloomberg and the International Energy Agency, are forecasting an increase in the European carbon price from €70 per metric ton of CO_2e in 2024 to €140-€150 per metric ton of CO_2e in 2030. This mechanism does not extend to operating costs (OpEx). Owing to their very nature, Scopes 1 and 2 CO_2 emissions are indirectly linked to the internal carbon price, as said price applies to the investments required for the industrial processes that consume energy and raw materials. Scope 3 emissions are not covered by the carbon pricing mechanism.

In addition to incorporating the carbon price into its processes, Vallourec is implementing various initiatives to reduce its impact. Firstly, a carbon footprint certificate for products and services purchased is systematically requested from the Group's strategic suppliers. These data are analyzed together with the Sustainable Development Department, in order to develop appropriate strategies and validate the directions taken.

The application of internal carbon pricing reflects Vallourec's commitment to the energy transition, with investments aligned to a sustainability strategy adapted to the challenges of tomorrow.

V) R&D

In the context of R&D projects, special attention is paid to the supply chain and to the use of the future products.

In addition to confirming that the general principles above have been applied, some projects are clearly aimed at improving working conditions or reducing environmental impact. They concern:

- improvement in working conditions (ergonomics, noise reduction, lighting and heating, etc.);
- ensuring environmental compliance of work equipment (filtering, fume extraction, water and gas networks, fire protection systems and product storage, etc.);
- reduction in energy consumption (furnaces and heat treatment, lighting, insulation, etc.);
- improved water management (recovery and recycling, purification plants, etc.);
- forest management operated by Vallourec Florestal (reforestation, carbonization furnaces, etc.);
- decreased use of hazardous chemical substances (partitioning, extraction, substitution, etc.);
- limiting emissions into the air;
- layout and safety of plants in terms of roofing, roads and parking.

The teams in our plants have also worked on optimizing production schedules and processes to adapt to periods of under-activity to the extent possible in order to limit the number of shutdowns/restarts and reduce the fixed share of energy consumption (electricity, natural gas and compressed air) and excess water consumption as much as possible.

VI) REMUNERATION

The variable remuneration awarded to management teams is also a key factor in the application of the Group's Environmental Policy, which is implemented at the highest level. Variable remuneration awarded to the Group's Chairman and Chief Executive Officer is linked to the achievement of environmental objectives (see Section 4.3.2.3 “Executive corporate officers' remuneration”). Broader objectives are set for executive management and for the operational teams concerned based on various metrics, including reducing water and energy consumption, lowering carbon emissions and increasing the proportion of waste recovered.

VII) LIFE CYCLE ASSESSMENTS

In 2024, the Group revised its product life cycle assessments (LCA). Life cycle assessments determine the impact of production, from the extraction of raw materials through to transformation into the finished product (i.e., cradle-to-gate), from the perspective of ten major environmental topics (including carbon, energy, water, resource depletion, toxicity and eutrophication). The results are published in the form of Environmental Product Declarations (EPD) on the EnvironDec platform, in accordance with PCR 2014:01 "Fabricated Steel Products, Except Construction Products, Machinery and Equipment" v2.12. The life cycle assessment is carried out by an independent third party on the basis of audited annual data, and validated by an independent certifier.

One of the aims of the LCA revision is to reflect Vallourec's new industrial footprint and take into account the latest decarbonization projects (see Section 2.1.2.2. “Action plans” and 2.1.2.3. “Resources deployed”) when calculating the CO_2 emissions from the manufacture of products sold by the Group. These EPDs enable customers and stakeholders to better understand the carbon footprint of these products and make informed sustainability decisions.

The Group EPD reports emissions of 1.45 metric tons of CO_2 per metric ton of tube, and 0.95 metric tons of CO_2 per metric ton of steel. The carbon footprint of the Group’s products is therefore lower than the industry average which, according to the World Steel Association, is at 2 metric tons of CO_2 per metric ton of tube and 1.92 metric tons of CO_2 per metric ton of steel.

2.1.2 Combating climate change (ESRS E1)

SDG 13.1, 13.2

For more than 20 years now, Vallourec has been running an active program on reducing its environmental footprint and on combating climate change in particular. It started with the initiatives set up under the GreenHouse energy saving program in 2009 followed by the Group signing the United Nations Global Compact in 2010.

The Group's climate roadmap is also now being deployed to meet the commitments made to the SBTi for the 2017-2025 period, as well as those made in 2022 through the Climate Challenge project covering the 2021-2030 and 2021-2035 periods. Regional action plans have been developed, together with emission reduction targets for all purchasing functions, which are reviewed quarterly by the Group Climate Committee, sponsored by a member of the Executive Committee. The Group is working on the development of a transition plan within the meaning of the CSRD, which will enhance its existing decarbonization roadmap. This plan will be the focus of its communication efforts over the next few reporting periods. It should be noted that certain information associated with the transition plan within the meaning of the CSRD may be omitted, in accordance with the provisions of ESRS 1 Section 7.7 Classified and sensitive information, and information on intellectual property, know-how or results of innovation.

2.1.2.1 Key commitments

A) 2009-2020: The GreenHouse energy savings program

In 2009: to achieve significant reductions in energy consumption, the Group launched the GreenHouse energy savings program, targeting a 20% reduction in specific gas and power consumption (per metric ton processed) by 2020, across equivalent scope, product mix and level of activity, using 2008 as the baseline year. Through this approach, Vallourec would be contributing to a low-carbon economy by reducing greenhouse gas emissions.

This program was rigorous in its approach and was supported by Vallourec Management System tools and methodologies. Key features of the program were:

- sharing of best practices, led by Practice Communities including energy and industrial process experts in all energy-related areas (thermal, electrical, compressed air, and steam production processes) and the organization of numerous continuous improvement groups acting exclusively in the energy sector to improve the Group's performance;
- the introduction of thermal balances and energy audits:
  - the furnace performance analysis has helped to identify areas for improvement and to propose investments to increase energy efficiency, such as the installation of regenerative burners, steam heat recovery systems and better insulation,
  - energy audits at the Group's major sites have identified the equipment or workshops that use the most energy, and have helped prioritize future actions;
- a self-assessment system for sites controlled by the project leaders.

In 2010: to take this to the next level and incorporate sustainable energy management in industrial processes, the Vallourec Energy Management System was launched, based on the methodology of the GreenHouse program and international energy efficiency standard ISO 50001.

Vallourec is thus committed to ISO 50001 certification for its primary production facilities. This certification has been obtained for the Barreiro and Jeceaba sites in Brazil and for VCHA Changzhou in China. It had also been obtained for Rath and Mülheim in Germany, sites that are now closed.

In addition, the Youngstown site in the United States has received recognition under the U.S. Department of Energy's 50001 Ready program[(1)]. This helps organizations develop a culture of structured energy improvement, for greater and longer-term savings, without requiring external audits or certifications. It fits in with our process to mature our energy management practices and formalize them into a system ready for ISO 50001 certification.

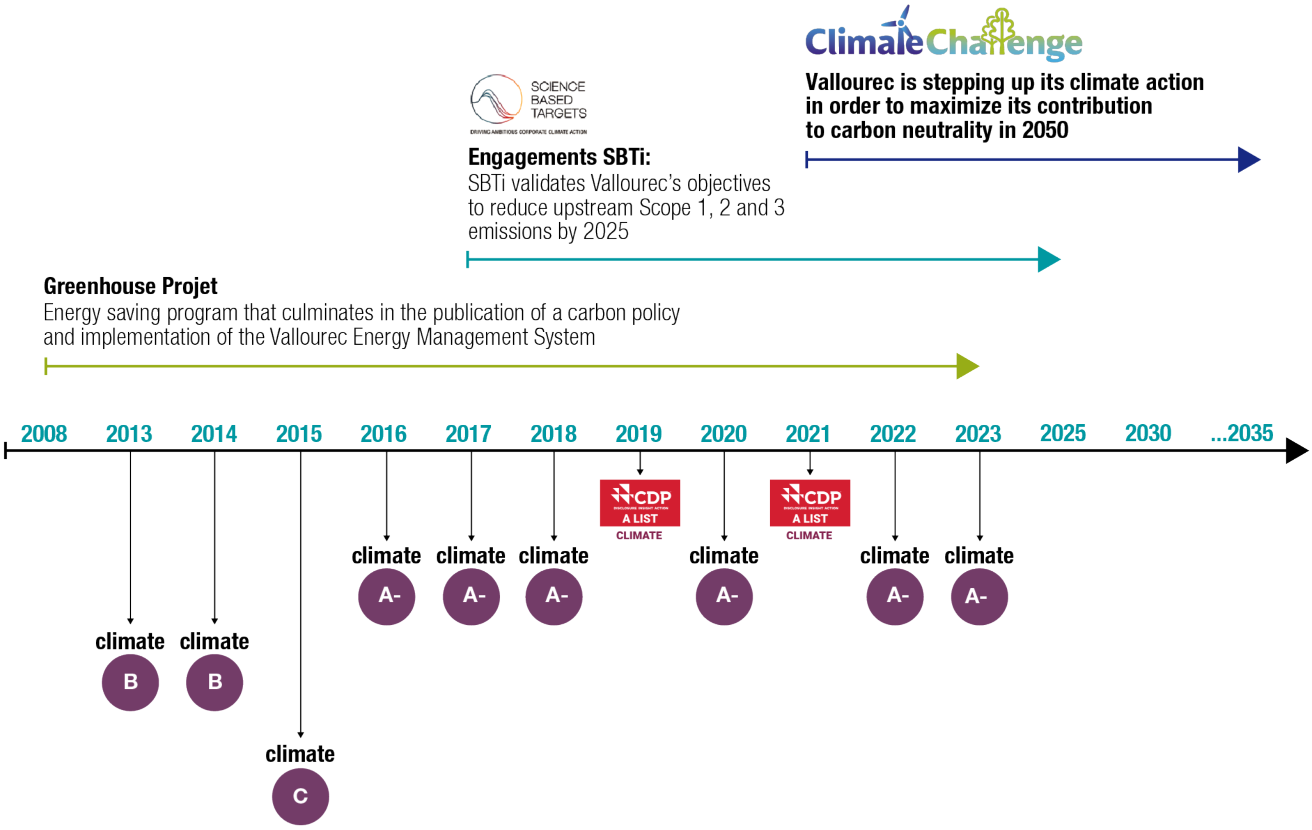
Production at ISO 50001 certified sites accounted for 32% of total production in 2024.

Other key features of the Vallourec Energy Management System are:

- energy efficiency training: several hundred operators were trained in dedicated energy efficiency sessions in France, Brazil and Scotland, with experts from each site and the assistance of specialized organizations. The training is given in various technical disciplines, such as compressed air, thermal combustion, industrial cooling, lighting, mechanization and renewable energy;
- real-time metering systems, known as "Advanced Metering Management," at the largest sites in Brazil, France, Germany, the United States, and Indonesia.

As of 2013: in parallel, Vallourec began sending its public responses to the CDP's Climate questionnaire each year, to obtain transparent independent assessment of its carbon footprint performance. From 2016 to 2022, Vallourec has been one of the companies recognized by the CDP for leadership in climate matters and commitment to a low-carbon economy. In 2023, despite the growing demands of its stakeholders, Vallourec maintained its A- rating() and is still positioned above the average of its peers.

(1) *https://betterbuildingssolutioncenter.energy.gov/iso-50001/50001Read.*



In January 2018: again under the GreenHouse program, the Group published its Carbon Policy, signed by the Chairman of the Management Board, committing to:

- continue to better understand all of its emissions;
- reduce its direct and indirect greenhouse gas emissions;
- align the Group with the commitments of the Paris Agreement;
- integrate a carbon price of €40 into its decision-making processes: a price that was updated to €80 in 2021 and €100 from 2023;
- pursue the development of environmentally friendly products;
- make sure its industrial assets will resist the future impacts of climate change.

B) 2020-2025: Ambitious climate commitments validated by the SBTi

As part of these ongoing improvement efforts, in 2018, Vallourec examined, with the assistance of specialists, whether its emissions pathway for 2025 could be compatible with the Paris Agreement. As the steel manufacturing and mining sectors are excluded from the EU Paris-Aligned Benchmarks, the Group followed the Science-Based Targets approach.

Considering the result of this analysis, the Group's Management decided to join the Science-Based Targets initiative (SBTi) at the end of 2018 and to have a CO_2 emissions reduction trajectory compatible with limiting global warming to well below 2°C, using 2017 as the reference year.

The first submission of our file in the second quarter of 2019 enabled the Group to verify its ambitions to reduce its direct emissions (Scopes 1 and 2).

In March 2020, Vallourec strengthened its ambitions for upstream Scope 3 emissions by obtaining commitments from its largest steel suppliers. The file was resubmitted to the SBTi with the proposal of four objectives to reduce our carbon footprint, three of which are absolute. Vallourec is thus committed to a decarbonization pathway compatible with global warming "well below 2°C" over the 2017-2025 period, breaking down as follows:

- **Scopes 1 and 2 (market-based):** a 20% reduction (in absolute terms) in fossil and biogenic emissions;
- **Upstream Scope 3:** a 45% reduction (in terms of intensity) notably on raw material and steel purchases;
- **Scope 3:** a 25% reduction (in absolute terms) in indirect emissions (including transportation, and product usage and end-of-life);
- **Scopes 1, 2 (market-based) and 3:** a 25% reduction (in absolute terms) in emissions across its whole value chain.

2017 was chosen as the base year, as it was the first year in which all climate data were available and evaluated based on the calculation framework still in use today. At the time the targets were set, it was also representative of Vallourec's activity as a supplier of premium tubular solutions with a global industrial footprint.

In 2022, the Climate Challenge project was launched by the Climate Committee, with sponsorship from an Executive Committee member. This represents a significant step forward in tackling climate imperatives through an ambitious cross-functional plan with top management support. It also covers implementation of a rigorous system for managing the Group's carbon emissions.

The project involves all operational and functional departments, with the common objective of actively contributing to a carbon-neutral world by 2050, through transformation of the Group's supply and production processes, and diversification of its commercial offering.

C) 2025-2035: Stepping up reductions in the carbon intensity of operations, through the Climate Challenge.

Eager to uphold its industry-leading carbon footprint performance, Vallourec conducted an in-depth study of its business and value creation model in 2022 in order to set new targets for 2030 and 2035. The Group's decarbonization roadmap, described in the following sections, will be enhanced by a transition plan within the meaning of the CSRD, detailing the decarbonization levers that will enable Vallourec to achieve the targets set.

A GHG emissions projection model has been developed based on the elements underpinning the Group's decarbonization roadmap (see II Action plans and measures), including:

- production forecasts are aligned with the Group's roadmap and distributed between the various production sites to reflect changes in the Group's industrial footprint;
- technological levers:
  - for mature technologies, they follow the investment plan of each region in technologies with a lower carbon impact, and apply where appropriate to the various stages of the process (mine, forest, pelletization, steel production, rolling, heat treatment and finishing),
  - for disruptive technologies or those currently under development, they align with the "decarbonization" portfolio of the Group's One R&D roadmap;
- purchasing levers follow the purchasing decarbonization roadmap of each region, which are consolidated at Group level;
- the diversification of commercial outlets towards new energies, aligned with the New Vallourec plan, is also derived from sales forecasts. The assets of each cash-generating unit are tested using growth rates corresponding to the outlook for their various markets, in particular diversification into new energies, which are in the medium-term APS scenario (see chapter 7, Section 4.2 "Impairment tests");
- externalities, which in 2022 were based on the IEA SDS scenario, are now based on the APS scenario(1). This means that decarbonization pathways for electricity, steel purchases, town gas and maritime transport follow the ambitions expressed by governments or decision-making bodies.

The model shows annual trends in CO_2 emissions since the base year. Progressive consideration of the impact of decarbonization projects has allowed the Group to model material, human and financial resource availability as well as the inertia of its industrial base, and therefore so-called "locked-in" emissions. The lifespan of facilities in operation underscores the need to put in place a short-term energy efficiency program, in parallel with the longer-term plan to invest in lower-emission production capacities – without which the achievement of targets would be compromised.

Taking 2021 as the base year, Vallourec is now committed to reducing the carbon intensity of products sold (calculated for Scopes 1, 2 (market-based) and 3 purchases) by:

- 30% by 2030, corresponding to a carbon intensity of 1.4 metric tons of CO_2 per metric ton of tube shipped;
- 35% by 2035, corresponding to a carbon intensity of 1.3 metric tons of CO_2 per metric ton of tube shipped.

2021 was chosen as the base year because it is the most representative of business activity after the Covid-19 pandemic. It best reflects normal operating conditions and provides a solid basis for action plans and assessments of the Company's performance against this baseline. Targets already set, and those to be set in the future, take into account the Group's strategic choices in terms of industrial scope.

The Group's climate roadmap is now being implemented. Regional action plans have been developed, together with targets for all purchasing functions. These are and will continue to be reviewed quarterly by the Group Climate Committee, sponsored by a member of the Executive Committee.

(1) The IEA projects several possible scenarios for the average temperature of the planet by the end of the century. The least favorable scenario only takes into account policies currently in place or planned and the deployment of technologies that are already mature; this is known as the Stated Policies Scenario (STEPS), which predicts global warming of 2.4°C by the end of the century. The most ambitious scenario shows a path to carbon neutrality by 2050, as well as very sharp emissions reductions in the coming years, so that cumulative emissions remain below the threshold that would limit global warming to 1.5°C; this is known as the Net Zero by 2050 scenario (NZE). The Announced Pledges Scenario (APS) shows a path consistent with governments' stated climate ambitions, even without policies to back up their targets. In some regions, this pathway may be identical to the NZE for governments that have announced a target of carbon neutrality by 2050 (as is the case for the European Union).

2.1.2.2 Action plans

A) The company's industrial footprint

Vallourec's decarbonization plan is linked to its industrial structuring plan, as data on changes in production capacity by site feed into the carbon footprint monitoring model.

The choice of industrial routes is of paramount importance in reducing the company's carbon footprint, and in particular the transfer of activities from Germany to Brazil. This is because the German sites relied on a supply of steel from blast furnaces fired by fossil coal, whereas the Brazilian sites operate a forest that supplies a blast furnace with charcoal, as well as electric arc furnaces used to recycle steel scrap.

B) Technological levers

The decarbonization of steel production and transformation into tubes, the energy-intensive processes responsible for almost all of Vallourec's direct emissions in 2024, and around 25% of its total emissions, will be spread over two timeframes.

In the short term, the two main measures are:

- an improvement in energy efficiency for steel transformation processes, targeting a reduction in the average consumption of natural gas;
- a reduction in methane emissions from wood carbonization in Brazil. From 2024, the first phases of industrial deployment of the Carboval technology at the Diamante facility enable charcoal to be produced with no biogenic methane emissions. This technology will be enhanced by burners to be installed on other farms.

In the medium term, breakthrough technologies identified by prior studies will need to be deployed. In 2023, studies began on two candidate technologies to prepare potential demonstrators and deployment plans:

- the capture, storage and/or use of CO_2 (or CCUS) emitted by the process;
- direct combustion of dihydrogen in furnaces, as a replacement for natural gas.

C) Purchasing levers

Work is focused on the following areas:

- further reducing the carbon intensity of steel and raw material purchases. The share of steel sourced from recovered scrap has already increased since 2021, particularly in Europe and, more recently, in China. It stands at 69% for all steels used by the Group in 2024, compared with a worldwide average of around 30% according to the World Steel Association;
- decarbonizing maritime and land transport services by increasing the share of biofuels in road transport, promoting the use of rail and inland waterway transport and requiring maritime transport operators to provide a decarbonization pathway;
- maximizing local renewable electricity production at industrial sites, with the installation of photovoltaic panels;
- maintaining a carbon-free electricity supply through the use of certificates of origin or long-term power purchase agreements (PPAs);
- examining the potential for biofuel supply, in particular as a substitute for diesel and petrol consumed by industrial machinery.

D) New markets

Vallourec's decarbonization plan also integrates the company's strategic plan and its prospects for diversifying its offer. By strengthening its commitment to the energy transition in May 2022, Vallourec is developing new profitable business opportunities for the Group. The Vallourec New Energies division, formed in September 2022, covers Vallourec's portfolio of solutions for the transport and storage of hydrogen, technologies linked to carbon capture and storage (CCS), and geothermal and solar markets. The growth of these activities will make it possible to reduce Scope 3 downstream emissions linked to the use of products sold. Further information on this appears in Section 1.3.1.3 of chapter 1.

E) Value over volume

Thanks to its "value over volume" strategy, the Group is able to reduce the quantities of steel used, along with all the inputs required for its manufacture. This has driven a reduction in emissions across the board, especially raw materials, energy, steel purchases, transport and the use of products sold.

2.1.2.3 Resources deployed

In line with the Group's new climate governance, each region is responsible for managing its roadmap of actions to be taken to meet our commitments. Part of the CapEx required to implement these actions is consolidated according to the criteria of the European taxonomy (see Section 2.2.7 "European Taxonomy").

- **All the Group's rolling mills** are equipped with state-of-the-art natural gas consumption management systems. These systems optimize the charging and discharging cycles of steel billets in rotary furnaces, thereby minimizing heat loss during operations.
- **The South America region** has launched the industrial phase of Carboval, a highly innovative process for the continuous production of high-quality charcoal with homogeneous carbonization, reduced ash content, greater yield, generating by-products (plant-based tar and fertilizers) and no methane or smoke emissions. Three new reactors are being ramped up.

  The electric arc furnace maintains a high rate of recycled inputs (63% in 2024), thanks to continuous monitoring of local scrap supply, and the use of a scrap shredder at the Jeceaba steelworks. The scrap shredder makes it possible to recycle low-grade scrap, opening up a wider field of supply. It also contributes to the recovery of this scarce resource, which, according to estimations made by Worldsteel, can reduce emissions from steel production by an average of two-thirds compared with a BF-BOF process using ore.

These action plans were in addition to those already rolled out, i.e., the partial substitution of natural gas by gas from the steel mill's furnace, recycled to heat the rolling mill furnace, and continued use of charcoal fines instead of natural gas to heat the pellet unit's tube furnace.

- **The North America region** continues to produce 98% of its steel from scrap, using an electric arc furnace powered by nuclear-generated electricity coupled with the purchase of Emission-Free Energy Certificates (EFECs). Hot rolling has also seen an improvement in efficiency, reducing all associated energy requirements per metric ton produced. Several other projects, such as optimizing scrap composition, insulating refractories and digitizing control systems, have improved the site's overall performance.

  In addition, all electricity consumption at the Houston (Texas), Houma (Louisiana) and Muskogee (Oklahoma) facilities are covered by a certificate generated by a nearby nuclear power plant.
- **The Eastern Hemisphere region** is looking at opportunities to extend its production output by means of solar panels.

  Furthermore, in Indonesia (PTCT), installation of connected electricity and gas meters will allow monitoring of energy consumptions and reduce waste.
- **Purchasing** is continuing to work with existing or alternative suppliers to evaluate, reduce or implement less carbon-intensive supply chains. This has been achieved in Europe and China, with an increase in the proportion of steel sourced from recovered scrap. In the Middle East, steel is sourced locally using the DRI-EAF process (direct reduced iron, combined with an electric arc furnace).

2.1.2.4 Performance monitoring

A) Detailed energy position

Vallourec's energy assessment covers all of the Group's activities described in 2.2, namely those of the Iron Ore Mine (Mineração), the Forest (Florestal), the Brazilian pelletization unit, as well as the steel mill, tube mills and finishing plants.

It includes the consumption of all types of energy, including electricity, natural gas and fuels (gasoline, diesel, propane, bioethanol, biodiesel), as well as biomass. The Group uses biomass as a source of energy for its pelletization unit and blast furnace in Brazil.

Monitoring of the Group's energy consumption for steel and tube manufacturing, 2017-2024

Year	2017	2021	2022	2023	2024
Natural gas *(kWh/metric ton)*	635	603	586	608	530
Electricity *(kWh/metric ton)*	320	385	356	334	335
Total gas and electricity *(kWh/metric ton)*	955	988	941	942	865
CO_2e *(kg/metric ton)*	202	150	144	135	113

In 2024, absolute gas and electricity consumption was 3,616 GWh, compared with 4,104 GWh in 2023, a 12% decline linked mainly to the drop in metric tonnage produced between the two years. Energy consumed by high climate impact activities represented 5,178 GWh. Relative to production, energy consumption was also down, from 942 kWh/metric ton in 2023 to 865 kWh/metric ton in 2024, testifying to the significant efficiency gains achieved.

These reflect plant closures in Germany, but also the deployment of automated control systems for the most energy-intensive furnaces, and the reduction of material losses along the production chain (see 2.1.2.3 "Resources deployed"). The reduction in emissions per metric ton produced is also significant, down 16% year on year. In addition to reducing the energy intensity of our products, the carbon footprint of electricity purchased improved between 2023 and 2024.

Origin of energy consumed by the Group, 2024

Energy source		Unit	Low-carbon energy[c] Renewable	Low-carbon energy[c] Nuclear	Non-renewable energy	Total
Electricity[a]	Purchased	GWh	796	568	90	1,454
	Self-generated energy consumption		7		0	7
Natural gas[b]	Purchased				2,155	2,155
Fuel oil[b]	Purchased		34		260	293
Charcoal	Self-generated energy consumption		1,269			1,269
TOTAL		**GWh**	**2,674**		**2,504**	**5,178**
Proportion of total energy consumed	%		41%	11%	48%	100%
				52%	48%	100%

(a) Of which self-generated solar power consumption, excluding self-generated fossil fuel consumption (included in "Natural gas" and "Fuel").
(b) Including the fuel or natural gas needed to produce electricity at certain sites, such as Vallourec PT Citra Tubindo (Indonesia).
(c) Low-carbon: renewable or nuclear origin.

In 2024, 52% of the energy consumed Group-wide was low-carbon (11% nuclear origin, 41% renewable). This figure is up on 2023 (48%), largely due to the shutdown of production in Germany, where the energy mix was highly carbon-intensive. In terms of fuel, biodiesel and bioethanol accounted for 11% of the Group's consumption this year, enabling the effective substitution of fossil fuels.

As concerns electricity, since 2017, the Group has been basing its analyses on information from its providers, "market-based" data, and "location-based" national energy mix data. This allows the Group to better measure the impact of its choice of energy supply sources and to better manage them to reduce its carbon footprint.

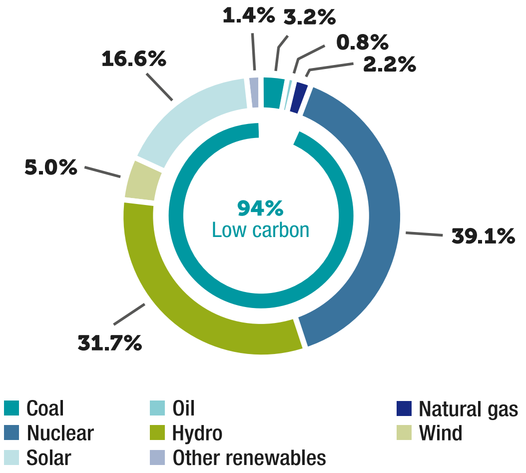
Energy produced by the Group, 2024

Energy source	Unit	Low-carbon energy[a] Renewable	Low-carbon energy[a] Nuclear	Non-renewable energy	Total
Energy produced	GWh	1,427	0	0	1,427
TOTAL	**GWh**	**1,427**		**0**	**1,427**

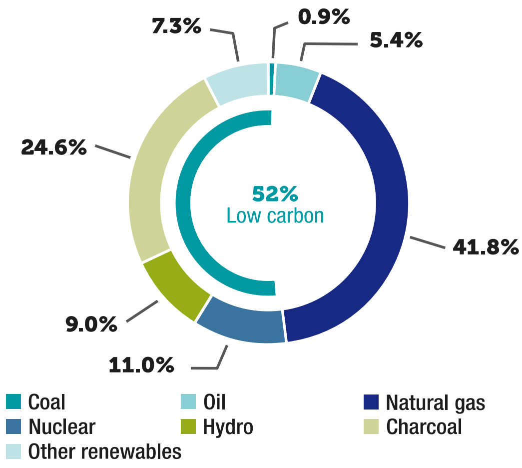
(a) Low-carbon: renewable or nuclear origin.

Group energy mix, 2024

Electricity



All energy consumption (final)



The Group's electricity and final energy consumption, 2017-2024 (GWh)

Year	2017	2021	2022	2023	2024
Electricity consumption	1,797	1,614	1,608	1,542	1,477
All final energy consumption	7,223	6,359	6,586	5,668	5,178

In 2024, low-carbon electricity accounted for 94% of consumption (55% renewable, 39% nuclear), an increase compared with 2023 (90%).

The share of nuclear power has remained at a high level: since the start of 2023, Emission-Free Energy Certificates (EFECs) have covered all consumption in the southern United States. This is in addition to a nuclear power supply agreement coupled with purchases of Emission-Free Energy Certificates (EFECs) covering consumption in Youngstown (Ohio).

Many electricity suppliers have also reduced the share of thermal power plants in their energy mix. Vallourec also signed a solar power purchase agreement in Brazil, a country which accounts for almost 53% of the Group's total electricity consumption. As such, 99% of the electricity mix of Vallourec's power suppliers in Brazil is low-carbon (including 58% hydro).

French sites also consume low-carbon electricity, thanks to the high proportion of nuclear power in the country's energy mix. The closure of the German sites also contributed to a sharp drop in emissions linked to electricity consumption in the Eastern Hemisphere.

To improve its energy position, Vallourec plans to continue its efforts in countries where carbon is predominant in the energy mix.

B) Assessment of GHG emissions

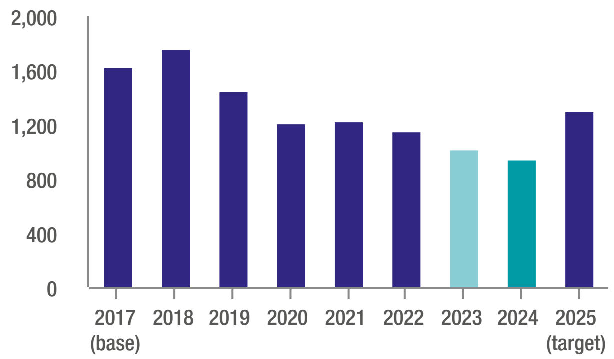
Methodology

Emissions were calculated using the GHG Protocol methodology. It first distinguishes between direct emissions controlled by the company (Scope 1), whether fossil (e.g., combustion of natural gas), biogenic (methane from wood carbonization) or linked to chemical processes (reduction reaction of iron). This is followed by indirect emissions resulting from the production of electricity consumed by the company (Scope 2) and other indirect emissions (Scope 3) upstream or downstream in our value chain. Since the 2019 assessment, Vallourec's calculation scope has therefore included all of the applicable categories proposed by the GHG protocol since 2017, including emissions associated with the use and end-of-life of its products.

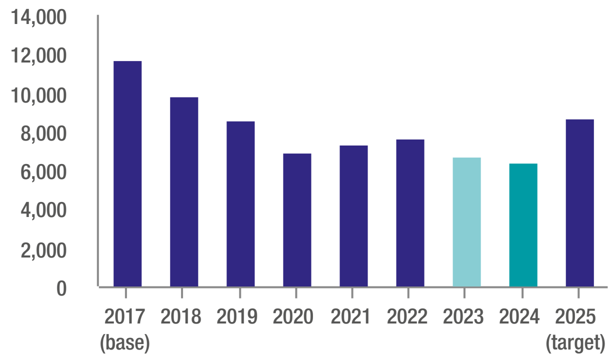
Monitoring our commitments on emissions reduction by 2025

Objective	2017 (base)	2018	2019	2020	2021	2022	2023	2024	2025 (target)
Reduce the fossil and biogenic carbon footprint of our industrial activities *(Scopes 1 and 2, in tCO_2e) by 20% in absolute terms*	1,634,253	1,758,321	1,452,593	1,213,363	1,231,612	1,154,579	1,020,657	947,159	1,307,402
% achieved	***0%***	***-38%***	***56%***	***129%***	***123%***	***147%***	***188%***	***210%***	***100%***
Reduce the intensity *(metric tons of CO_2 per million euros of added value)* of our purchases of raw materials and services by 45%	2,308	2,465	1,885	1,543	1,575	1,268	738	573	1,269
% achieved	***0%***	***-15%***	***41%***	***74%***	***71%***	***100%***	***151%***	***167%***	***100%***
Reduce our Scope 3 indirect emissions by 25% in absolute terms, including our transportation and the use/end-of-life of our products in various markets *(in tCO_2e)*	11,678,215	9,897,561	8,561,323	6,986,234	7,381,450	7,691,361	6,716,852	6,385,706	8,758,661
% achieved	***0%***	***61%***	***107%***	***161%***	***147%***	***137%***	***170%***	***181%***	***100%***
Reduce the emissions from our value chain from the purchase of raw materials (including steel) to the use and end-of-life of our products *(Scopes 1, 2 and 3, in tCO_2e) by 25% in absolute terms*	13,312,468	11,655,882	10,013,916	8,199,597	8,613,062	8,845,940	7,737,509	7,332,865	9,984,351
% achieved	***0%***	***50%***	***99%***	***154%***	***141%***	***134%***	***168%***	***180%***	***100%***

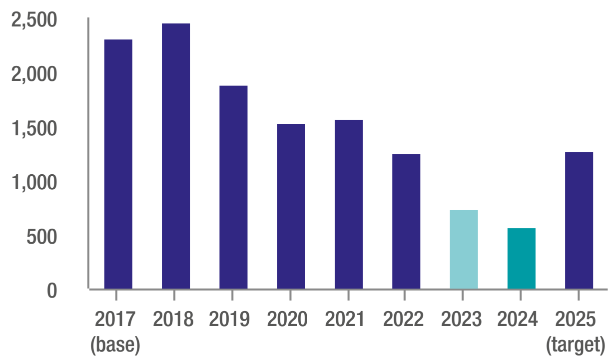
CO_2e emissions, Scopes 1 and 2 *(kt)*



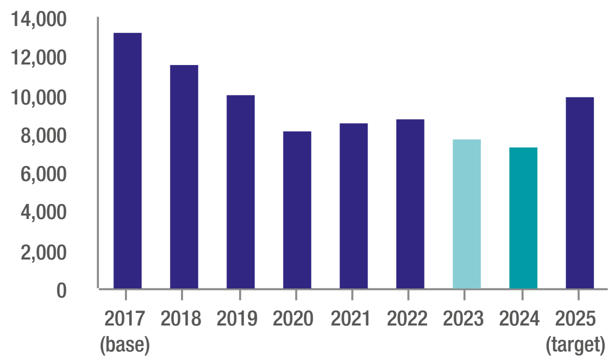
CO_2e emissions, Scope 3 upstream and downstream (use and end-of-life of products sold) *(kt)*



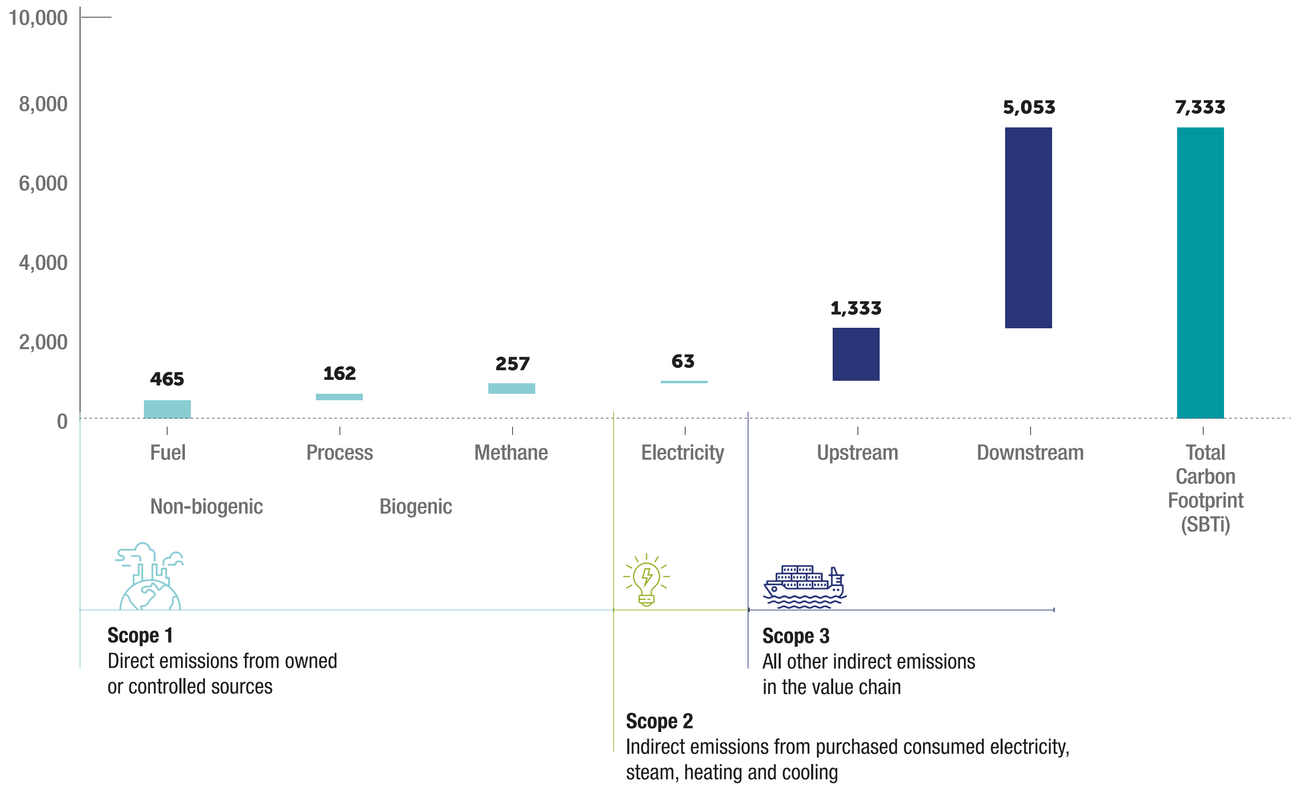
Upstream Scope 3 carbon intensity (including purchases of goods and services) *(metric tons/€m value added)*



Total CO_2e emissions, Scopes 1, 2 and 3 *(kt)*



The Group's carbon footprint at 2024 *(in kt of CO_2eq)*



Monitoring the Group's carbon footprint *(kt of CO_2eq)*

Type of emissions	2017	2021	2022	2023	2024
Scope 1 GHG emissions (GHG Protocol)					
Total Scope 1	**1,124**	**1,070**	**1,009**	**925**	**884**
Scope 2 GHG emissions (GHG Protocol)					
Total Scope 2 (location-based)	**667**	**436**	**550**	**361**	**324**
Total Scope 2 (market-based)	**510**	**162**	**145**	**96**	**63**
Scope 3 GHG emissions (GHG Protocol)					
Total – Scope 3	**11,679**	**7,381**	**7,689**	**6,717**	**6,386**
TOTAL CARBON FOOTPRINT (SBTi)	**13,313**	**8,613**	**8,843**	**7,738**	**7,333**
Total GHG emissions – location-based (GHG Protocol)	**13,469**	**8,887**	**9,084**	**8,004**	**7,594**
Total GHG emissions – market-based (GHG Protocol)	**13,313**	**8,613**	**8,843**	**7,738**	**7,333**
GHG intensity – location-based (gCO_2e/€ net revenue)					**1.88**
GHG intensity – market-based (gCO2e/€ net revenue)					**1.82**

Vallourec's business sectors (heavy industry, manufacturing and mining) are high climate impact sectors within the meaning of European regulations. The Group consumed 1.28 kWh/€ of revenue for its operations in 2024 (all energy sources combined), against total revenue of €4.034 billion (see chapter 6, Section 6.1.1.3 “Revenue”). This corresponds to a carbon intensity of 1.82 gCO_2eq/€ or revenue, using the market-based approach.

Separate reporting of biogenic CO_2 emissions *(kt of CO_2eq)*

Scope	Type of emissions	2017	2021	2022	2023	2024
1	Direct biogenic (CO_2 only)	1,901	1,651	1,561	1,635	1,636

In accordance with the GHG protocol, biogenic CO_2 emissions linked to the use of charcoal – in particular during its carbonization and subsequent reaction in the blast furnace and pelletization unit – are zero given that the emissions match the CO_2 absorbed by biomass during its growth. These emissions are nevertheless reported separately.

The additional forest capture reflects the creation of a carbon stock that is not used for charcoal production.

Trend analysis

The Vallourec Group's direct and indirect emissions fell significantly in 2024, as the total carbon footprint was down 5% in absolute terms to around 7.3 million metric tons of CO_2e. Three main factors contributed to this decline:

- the closure of operations in Germany helped to reduce the company's dependency on blast furnace steel produced using fossil coal;
- the value over volume strategy allowed the company to reduce tonnages while improving its financial performance;
- the rollout of the decarbonization roadmap generated a significant reduction in the carbon footprint per metric ton of products sold. The carbon footprint of tubes covering Scopes 1, 2 and 3 as well as purchases of goods and services was 1.62 tCO2e/metric ton, and 1.39 tCO2e/metric ton in 2024.

Since the base year for SBTi targets (2017), the decline has been even greater. Emissions across the value chain have plunged 45%. As a result, the three absolute reduction targets for our direct emissions (Scopes 1 and 2) and indirect emissions (Scope 3) set for 2025 have been met ahead of schedule.

Comparison of Vallourec's carbon footprint, 2017-2024 *(kt)*

	Comparative 2017-2024		Comparative 2023-2024
	Absolute reduction in emissions *(tCO_2e)*	Reduction percentage *(%)*	Reduction percentage *(%)*
Scope 1	240	21	4
Scope 2 (location-based)	603	51	10
Scope 2 (market-based)	186	88	34
Scope 3	5,293	45	5
TOTAL GHG EMISSIONS *(LOCATION-BASED)*	**5,875**	**44**	**5**
TOTAL GHG EMISSIONS *(MARKET-BASED)*	**5,980**	**45**	**5**

Scope 1

A number of factors contributed to the decrease in Scope 1 emissions between 2023 and 2024. Firstly, metric tons of steel and tubes produced fell sharply. Gas consumption (accounting for 45% of Scope 1 emissions) and process emissions (18% of Scope 1 emissions) are directly correlated to this factor. The Group's energy assessment showed a significant 13% reduction in gas consumption per metric ton of steel and tubes produced between 2023 and 2024 (see Section A "Detailed energy position"). The Group also ramped up its production of charcoal thanks to its methane-free Carboval process. Overall, the Group's direct emissions are down 4% compared with 2023, and 21% compared with 2017.

Scope 2

Scope 2 carbon consumption fell by a third in 2023, a trend that continued in 2024. The factors with the greatest influence on both calculation scopes (location- and market-based) are the closure of the German sites, powered by electricity six times more carbon-intensive than the Group average, self-generated solar energy in China, and the gradual decarbonization of national or regional electricity mixes in Brazil, the United States and China. Low-carbon electricity certificates also contributed to these factors, which together have helped reduce Scope 2 emissions by more than 34% in 2024 compared with 2023, and by 88% compared with 2017 according to the market-based methodology. According to this approach, the carbon intensity of Vallourec's electricity consumption was around 63 gCO_2e/kWh in 2024 (including upstream energy), well below the world average of around 455 gCO2e/kWh[1] (see Section A "Detailed energy assessment"). In 2024, 3% of electricity consumption was linked to unbundled contractual instruments, and 52% to bundled contractual instruments.

Scope 3

Upstream indirect emissions (Scope 3) totaled 1,333 $ktCO_2e$ in 2024, down around 31% from 1,943 $ktCO_2e$ in 2023 (0.2% of gross data directly from the value chain). Progress on this indicator can be explained in part by the 53% reduction in total steel purchases, notably following the closure of the German sites, and by the fall in purchases of steel at the Tianda mill, almost all of which comes from suppliers using BF-BOF technology. Lower revenue from Oil & Gas projects in 2024 compared to 2023 drove a marginal reduction in Scope 3 downstream emissions related to the use of products sold.

(1) *International Energy Agency (2024), Electricity Market Report 2024 – Analysis – IEA.*

D) Carbon capture by our Brazilian forest

In 2015, an analysis of the carbon cycle for the forest operated in Brazil was completed with the help of university and institutional experts.

The study, which took place over several years, aimed to provide evidence that the Company had managed this forest responsibly from a carbon emissions standpoint, that it had a sound methodological basis that would allow it to estimate the emissions with sufficient precision, and, correspondingly, to set a medium-term emissions objective.

The 164,000-hectare forest area operated by Vallourec Soluções Tubulares do Brasil (VSB) through its Florestal subsidiary comprises a planted area of 85,000 hectares and a protected area of 64,000 hectares. The native forest areas are left untouched while the remainder is cultivated. Every year, about one seventh of the cultivated forest is cut down for the production of charcoal, and that area is then immediately replanted. As they grow, trees absorb CO_2. The trunks of harvested trees are transformed into charcoal, with a high carbon content, in furnaces designed for that purpose. The charcoal then enters the cast iron manufacturing process needed to manufacture steel in addition to iron ore. The charcoal combustion involved in this process produces CO_2 emissions. The widely accepted industry assumption in Brazil has so far considered that this CO_2 is gradually reabsorbed by the forest during its growth, by photosynthesis.

The study in question provided specifics, over a long period, about the quantity of carbon involved from the twofold perspective of measuring stock and measuring the flows of carbon and greenhouse gas, taking into account initial deforestation operations. It was conducted by Vallourec Brazil's Environment Department, with the assistance of the University of Lavras, the University of Viçoza, and consulting firms RS and GeoConsult, all under the supervision of the French National Forests Office.

The study considered the scientific research and data that have been available for the past 30 years, and used public aerial surveys to determine the scope and nature of the native or exploited forest.

Particular care was taken, firstly in calculating the emissions at each stage in the processes of exploiting the forest and carbonization, using the scientifically recognized methods, and secondly, with regard to analyzing the phenomena of carbon capture in the atmospheric and underground biomass. The study lastly concerned the role of soil from the viewpoint of carbon retention, thanks in particular to on-site measurement initiatives on various kinds of soil, and around stumps and roots of trees at various stages of growth.

In essence it shows that, in the 1983-2013 period, i.e., in 30 years, the forest captured 29.6 million metric tons of CO_2 (indexed) equivalent, after taking into account the particular property of methane as a greenhouse gas emitted during carbonization. It also shows that, after considering the CO_2 emissions during the cast iron manufacturing process in the blast furnaces, the net capture over this period was 7.4 million metric tons, or on average 250,000 metric tons per year, whereas until now, due to the conservative assumptions adopted, the estimated annual analysis was an emissions level of around 300,000 metric tons.

Based on this information, it was thus possible to redefine a method for calculating the carbon footprint of the forest/blast furnace system that was used to establish the Group's annual carbon analysis since 2015 on more precise bases.

Given the methodological changes, in the coming years Vallourec plans to update the method used to calculate the carbon captured by its Brazilian forest, with the help of its Vallourec Soluções Tubulares do Brasil teams and a specialized firm.

2.1.3 Climate risk adaptation (ESRS E1)

2.1.3.1 A strategic challenge

Some of the consequences of climate change are already having an impact on Vallourec's value chain. For example, the energy transition is fueling the transformation of the Company's strategic markets, notably through the Delphy and New Energies solutions focused on the development of renewable energies. Chronic or acute weather events could also affect the entire production process, from supply chain to product distribution.

Understanding and assessing Vallourec's vulnerability to climate change has therefore become strategic. Using its analysis of climate impacts, the Group is able to anticipate risks and build a resilient business model with regard to its environment and in terms of the use of natural resources.

The Group has identified:

- a basis for analysis corresponding to a 30-year stretch of climate history. This period is considered sufficiently long to be representative of the local climate at Vallourec sites and sites in its supply chain, thereby limiting the distortion caused by extreme weather events;
- a short-term horizon, corresponding to the period covered by Vallourec's five-year business plan;
- a medium-term horizon, from the end of the business plan through to 2035;
- a long-term horizon, corresponding to the period 2035-2050.

While risk assessments are made over these time horizons, the scenarios used to quantify risks depend on the nature of the risk in question.

2.1.3.2 Climate risk mapping

The Group has identified several types of climate risk. The risk identification process is based on an analysis of the risks most frequently encountered by manufacturers, as set out in public (ADEME, European Commission, etc.) or private methodological guides. The analysis is based on an identification of actual damage suffered by the Company. The climate risk review, validated by internal stakeholders, notably the Insurance, Internal Control and Finance Departments, is submitted to the Audit Committee. The most significant risks are listed below.

RISKS ARISING FROM CHANGES IN REGULATIONS AND STANDARDS

Given the significant increase in new regulations and the stricter standards in place or currently under discussion~~,~~ the three risks that could have a financial impact for Vallourec would be:

- announced changes to the European policy on carbon quotas;
- the European Union's Carbon Border Adjustment Mechanism (import tax);
- extension of carbon quotas to industry in other countries.

TRANSITION RISKS CONCERNING SUSTAINABILITY OF THE GROUP'S BUSINESS MODEL IN A LOW-CARBON WORLD

By having its 2025 decarbonization roadmap validated by the SBTi under its own initiative in 2019 and 2020, and by putting in place its 2035 Climate Challenge program in 2022 (see Section 2.2.2.2), the Group has begun to change its sources of supply, transform some of its industrial processes, and develop new business opportunities (hydrogen, CCUS, geothermal and solar markets). The Group's objective is to generate 10%-15% of its EBITDA in New Energies by 2030.

PHYSICAL CLIMATE-RELATED RISKS

Extreme weather events in terms of intensity (acute risks), duration or recurrence (chronic risks) could generate various types of disruption:

- property damage to the Group's operating facilities;
- loss of productivity, or even stoppages due to machine malfunctions, process disruptions or changes in working conditions.

The materiality of these events could increase if their impact on the entire production chain is taken into account, particularly when disruptions affect upstream sites.

INDIRECT RISKS

Vallourec's stakeholders are increasingly demanding with regard to its environmental performance. There are many associated risks:

- image or reputational risk, both internal (for company employees) and external;
- risk of non-compliance with charters or selection criteria imposed by customers or investors.

2.1.3.3 Risks arising from changes in regulations

I) EMISSIONS REGULATION SYSTEMS

Pursuant to Commission Delegated Regulation (EU) 2019/331 of December 19, 2018, Commission Implementing Regulation (EU) 2019/1842 of October 31, 2019 and the Commission decision of June 29, 2021, at the end of 2021, the national environmental authorities informed Vallourec of the total free emission quotas allocated for the years 2021 to 2025 in phase 4 of the ETS system, along with the yearly amounts for each of the eight Vallourec facilities concerned (four in France and four in Germany).

In 2023, CO_2 emissions from the four German sites in Rath and Mülheim were lower than in 2021 and 2022 (around 53,735 metric tons in 2023, vs. 98,261 metric tons in 2022 and 97,419 metric tons in 2021). A large surplus of free allowances was generated as a result, and 45,000 metric tons of CO_2 were sold on the market. The surrender of free allowances wrongly allocated to sites reduced the number of German allowances by a further 23,336 metric tons. These now represent 13,773 metric tons.

Following their closure, three French sites also stopped being allocated allowances: Vallourec Bearing Tubes and the Déville tube mill in 2022, along with the Saint-Saulve pipe mill in 2023. These sites either transferred their allowances or the sites were sold together with their allowances to a third party. In 2024, only the Aulnoye-Aymeries tube mill remained in operation. The mill was allocated allowances representing 9,722 metric tons for 2023 and a further 9,021 metric tons for 2024. At the same time, this site surrendered allowances representing 12,052 metric tons for 2023 and expects to surrender around 12,000 metric tons for 2024. These figures will be confirmed once all regulatory verifications of annual greenhouse gas emission declarations of our European plants have been carried out.

The Aulnoye tube mill has outstanding allowances representing 27,344 metric tons (around 15,000 metric tons after deducting the allowances surrendered in 2024). Combined with the allowances held by German facilities, these allowances are expected to enable the mill to meet its regulatory obligations in the short term without purchasing additional allowances on the market. In 2024, 2% of Vallourec's Scope 1 emissions were covered by the EU ETS.

The risk of incurring additional costs relative to our competitors is also tempered over the medium and long term, as the EU ETS applies to all production units in Europe, including those of our competitors. In the case of a competitor outside the EU ETS, the Carbon Border Adjustment Mechanism would apply.

II) CARBON BORDER ADJUSTMENT MECHANISM

In order to bring imports in line with the requirements of the EU ETS, the European Commission introduced the Carbon Border Adjustment Mechanism (CBAM), set out in Commission Delegated Regulation (EU) 2021/1767 of October 6, 2021, Commission Implementing Regulation (EU) 2023/2045 of September 18, 2023 and the legal framework established by Regulation (EU) 2021/1119.

The first phase of this mechanism came into force in 2023, during which all imports of steel products for final application in EU ETS member states had to be declared. Accordingly, Vallourec submitted quarterly reports of emissions associated with the manufacture of imported goods. However, this phase of the CBAM does not require payment for the emissions reported.

The purchase of CBAM certificates for reported emissions will be phased in as from 2026. The increase in the application rate will mirror the gradual phase-out of free allowances under the EU ETS. Both mechanisms (CBAM and EU ETS) apply to a single carbon market, guaranteeing the same price per metric ton of CO_2e. From 2034, the carbon market will be fully operational, and certificates will have to be purchased for all emissions at market prices, both domestic (via the EU ETS) or imported (under the CBAM). The carbon border tax will be reduced by the carbon taxes already paid upstream of product imports.

The CBAM will not materially impact Vallourec given the low volumes imported into the countries where it applies. The Company has the necessary traceability tools at its various production points to meet its obligations, and makes its suppliers aware of the need to obtain all the primary data required to provide comprehensive reporting.

In terms of the volumes involved, the CBAM is a strategic opportunity for Vallourec that capitalizes on its decarbonization efforts and the low carbon footprint of several of its import routes, in particular plants in Brazil which use a majority of scrap metal from reclaimed sources, virtually only renewable electricity, and charcoal from biogenic residues as a substitute for fossil coal in steel production (see Section 2.1.2).

2.1.3.4 Transition risks related to the sustainability of the business model

I) RISK MANAGEMENT PROCESS

Transition risks are reassessed annually as part of the Group's risk mapping process.These risks and the associated opportunities are assessed by comparing the global energy outlook of the business plan scenario with that of an accelerated transition scenario, specifically the International Energy Agency's Announced Pledges Scenario (APS):

- The baseline trajectory represents the Group's five-year business plan, which factors in all the impacts of existing or planned public policies relating to the energy transition. The most notable examples are the Inflation Reduction Act (IRA) in the United States, the implementation of the European carbon market and its Carbon Border Adjustment Mechanism, state infrastructure investment plans (power grids, railways, etc.), as well as all energy efficiency standards and any future step-up in these standards. In the medium term, the baseline trajectory takes into account the achievement of commitments not supported by public policy, so as to further influence the trajectory of global CO_2 emissions.
- The APS scenario was selected as a comparative scenario to assess the consequences of a faster transition than that envisaged in the Group's business plan. This assumes the achievement of all greenhouse gas emission reduction commitments made by countries around the world, even when they are not supported by a concrete policy agenda. It therefore represents the most ambitious prospect for change envisaged by governments, and considers that all the 1.5°C-compatible carbon-neutral pledges are achieved.

According to the Group's risk assessment scale, the benchmarking exercise identifies a "moderate" impact owing to Vallourec's strong growth push in the New Energies sector. This is corroborated by the results of the impairment tests carried out at December 31, 2024, which do not result in the recognition of any impairment losses (see chapter 7, Note 4 "Goodwill, intangible assets, property, plant and equipment and biological assets").

Transition risk management is therefore cross-functional. It is overseen by the Group's Strategy Department, and involves the Sales, Sustainable Development and Risk Management Departments to ensure consistency with energy policies and the energy outlook of manufacturers.

II) RESILIENCE PLAN

The transition risk resilience plan is designed both to determine expectations in at-risk sectors and to leverage emerging opportunities in other sectors.

A) Determining current market expectations

In updating the business plan, oil and gas production forecasts drawn up by oil companies are adjusted in line with demand curves influenced by public policy. This ensures that the Company's range of products and services matches the energy requirements formulated by governments, helping to strengthen its resilience in the face of fast-changing energy markets.

B) Leveraging emerging opportunities

New Energies markets play a crucial role in ensuring the resilience of Vallourec's business model. The Group's investments in energy transition sectors have enabled it to diversify its activities thanks to cutting-edge technologies and its long-standing expertise in the formulation of premium steel solutions:

- **The diversification of Vallourec's business** is reflected in its aim of generating between 10% and 15% of its EBITDA from its New Energies business by 2030. This diversification allows it to reduce its dependence on traditional Oil & Gas markets, and opens up new growth opportunities.
  - **The Company is also transforming its business model**, historically based on the sale of premium products, and increasing its focus on providing services. It has developed innovative technologies such as Delphy, a large-scale vertical hydrogen storage solution. This proprietary innovation meets a real industrial need for decarbonization by providing a buffer solution between electrolytic hydrogen production (intrinsically variable), and hydrogen demand (e.g., for the decarbonization of direct steel reduction).

- **Vallourec's expertise in premium steel solutions is at the** heart of its transformation. Its Aulnoye-Aymeries technology hub is an example of the Group's commitment to the New Energies sector. In the Group's legacy businesses, the technology hub has allowed Vallourec to carve out advanced solutions in forging, threading and wire additive manufacturing, thereby strengthening its value proposition.
- **Vallourec's commitment to its partners for the energy transition** is an additional pillar of its resilience plan, with New Energies placed at the heart of its organization. In 2024, Vallourec joined forces with key players such as H2V and NEXTCHEM, who develop hydrogen solutions based on renewable electricity.

2.1.3.5 Resilience to physical risks

I) AN HISTORICAL STRATEGIC CHALLENGE

In 2014, the Group conducted its first review of climate change risks and identified eight regions with distinct climatic characteristics. These regions were assessed based on eight studied hazards covering all identified risks. The study was updated in 2019, given the Group's new industrial footprint (especially in terms of the integration of the Tianda site in Chuzhou, China), the risk trends, climate events, and the greater precision of the simulation methods. The findings of the risk study were submitted to the regional and site management teams concerned, with adaptation plans brought in accordingly.

II) RISK MANAGEMENT PROCESS

In 2023, the Group launched a new study to consolidate new governance arrangements for risk identification and management. This was overseen by the Sustainable Development Department, with the help of an external provider. The aim is to meet the requirements of the CSRD and Taxonomy regulations and to redefine our risk identification and management processes, taking more mature climate models into account.

In 2024, the Group worked on pilot sites in order to integrate climate risks within the Group's risk management procedure. This risk integration, currently in the test phase, allows the potential net impact of each climate hazard to be assessed, and the relevant mitigation measures to be identified. Once identified and prioritized, the rollout of these action plans is integrated into the Group's CapEx process when investments are required, and then directly into operational processes. This was the case for the capacity extensions of the Lisa and Santa-Barbara spillways in 2023 and 2024, respectively. Projects are proposed by the regional operating departments and defended by the CapEx Committee, which validates them based on budget, timing, scope, organization and alignment with the Group's objectives (see the introduction of chapter 2).

A) Exposure to climate risks

The 2023 study involved a comprehensive screening of the Group's sites, as well as certain suppliers and strategic ports. The analysis covers the four categories of climate-related risks (temperature, wind, water, or solid mass), broken down into 28 climate hazards (heat wave, drought, cyclones, floods, landslides, etc.) aligned with the CSRD and the European Taxonomy.

Two scenarios are used. The first, known as "intermediate" (SSP 2-4.5[1]), corresponds to an increase in temperature of around 3°C by 2100 compared with the pre-industrial period. It takes into account the impact of public policies currently in place or planned, but does not factor in the achievement of reduction targets announced by governments if they are not backed up by a concrete policy agenda. The second, known as "fossil fuel-based development" (SSP 5-8.5)[1] corresponds to an increase of over 4°C, consistent with the absence of any new climate policies and the failure to deliver on climate policies currently in place or planned. The worst-case scenario (SSP 5-8.5) serves as a benchmark for quantifying the risks of property damage and business interruption in the short term (2030-2050), as well as for the design of adaptation measures.

The exposure analysis corresponds to the quantification of around a hundred climate indicators for both scenarios, characterizing the 28 hazards in the localities of the 47 selected sites, partners or ports.

B) Gross vulnerability to climate-related risk

The study is similar to an FMECA[2] analysis: after analyzing the risk exposure, its potential impact on the company's activities must be determined, taking into account a prospective vision of future climate change. The impact curves were constructed in internal workshops aimed at gathering site-specific resilience information. The study makes it possible to estimate the probability and magnitude of the impact of climate-related risks for a given site, thereby characterizing its potential vulnerability to business interruption and material damage.

The results of this in-depth analysis provide an understanding of climate challenges – how will these risks affect facilities, the workforce and operational costs?

The 2023 study highlighted the various risks to which the Group's value chain is exposed. All climate hazards must be taken into account in the company's adaptation plan. The figures below show the risks associated with the absolute impact of climate change on the Group's sites.

(1) *The SSP (Shared Socio-economic Pathways) scenarios use different assumptions in terms of socio-economic development (population, education, GDP, urbanization) depending on whether or not climate policies are implemented. They were developed by the IPCC (report 6), and include climate policies aligned with the Paris Agreement (SSP 1-1.9, SSP 1-2.6), voluntary but insufficient (SSP 2-4.5) or absent (SSP 3-7.0, SSP 5-8.5).*

(2) *FMECA: Failure Mode, Effects and Criticality Analysis.*

Gross potential impact of different climate hazards by 2030 under the SSP 5-8.5 scenario

		Cold	Drought	Flooding	Heat	Storm	Wildfire
France	Aulnoye	2	2	3	2	1	1
Indonesia	PTCT	0	2	4	1	1	1
China	Tianda	1	2	4	3	4	1
	VCHA	1	2	5	3	5	1
Saudi Arabia	VSA	0	2	3	3	1	1
Singapore	Singapore	0	2	1	1	1	1
Mexico	Mexico City	0	1	3	3	3	1
United States	Muskogee	2	2	3	3	3	1
	Houston	0	2	3	2	4	1
	Youngstown	3	2	4	2	4	1
	Houma	0	2	4	2	4	2
Brazil	Mineracao	0	2	4	3	1	1
	Jeceaba	0	2	5	3	1	4
	Barreiro	0	2	4	2	1	1

The impact of the risks is rated on a scale of 0 to 5 in relation to the site's activity. Impacts rated 5 correspond to the most significant relative impact identified (and not to the total material and productive value of the site in question).
Sites have already been able to implement certain measures, not included in the analysis, that will help reduce the impact.

Although supported by companies specializing in climate change adaptation using the very latest databases, uncertainties remain as to the quantification of risks. This is due, for example, to the highly local nature of weather events and to the complexity of modeling meteorological phenomena.

C) Net impact

In 2024, with the help of a company specializing in climate risks, Vallourec was able to define the net climate risk for some of its strategic sites. Site visits enabled it to identify residual risks, taking into account the specific characteristics of local industrial processes and the measures already in place. Such measures can be preventive (such as maximizing the recirculation rate of industrial water, or the presence of dikes to protect against flooding) or palliative (as set out in emergency and business continuity plans).

The analysis also took into account the impact of climate change on various strategic suppliers and ports. The results show that, in the medium term, potential consequences such as supply chain disruptions and delivery delays could be absorbed by the inventories held at Vallourec sites. Vallourec therefore has the necessary capacity to manage these potential contingencies.

V) CLIMATE CHANGE ADAPTATION PLAN

Identifying the main risks allows the Group to formulate a comprehensive action plan targeting its most vulnerable activities.

With flooding identified as the most significant operational risk related to climate hazards, several sites, in China and Brazil for example, have upgraded their flood contingency plans. In Brazil, protection against flooding associated with 100-year rainfall events in urban areas has also been strengthened. In the United States, gutters and roof drains are inspected on a quarterly basis.

Adaptation measures to address the impacts of climate change may also be imposed by various local authorities. For example, the Brazilian authorities determined that the exceptional rainfall risk for a 100-year period should be substantially increased in relation to the dikes protecting the Santa-Barbara dam built in 1995 to collect the runoff from Vallourec's iron ore mine in Pau Branco. Vallourec accordingly began work on an overflow weir. An overflow weir was also built at the mine's other rainwater retention dam, Lisa, which is smaller. The Vallourec Mineração teams have implemented a system to continuously monitor the structural soundness of these dams, linked to an alert system. Emergency exercises are organized internally and for the local populations concerned.

The adaptation measures were fine-tuned and adjusted during site visits in 2024. These measures result from exchanges between operating teams and local Environment Managers, and are consolidated by cross-referencing direct feedback from the teams on the ground with a guide to general solutions for the manufacturing industry.

In addition, a Group climate adaptation policy has been developed on the basis of work carried out at pilot sites, with a view to extending the approach to all Group sites. This policy specifies the reference documentation and methodology to be used during site visits, aimed at quantifying risks and developing action plans, as well as specifying the roles and responsibilities of all parties.

2.1.4 Preventing pollution risks (ESRS E2)

SDG 6.3, 12.4, 12.5, 14.1

2.1.4.1 Risks of water, air and soil pollution as well as risks related to hazardous substances and noise pollution

The Group's manufacturing processes involve working with molten materials at very high temperatures using heavy machinery and equipment. The ensuing risks include industrial accidents, explosions, fires, and environmental hazards such as accidental discharge of polluting or dangerous products[(1)], liable to cause unforeseen interruptions to its business, total or partial destruction of facilities, pollution or even personal injury or death.

Such events may involve the Group in legal proceedings for damages against it and/or lead to the application of penalties, and may have an adverse effect on the Group's business, reputation, earnings and outlook.

The Group's production activities in the various countries where it has a presence are subject to numerous and wide-ranging environmental, public health and safety regulations which are constantly being updated. These regulations concern, in particular, the prevention of major accidents, use of chemicals, disposal of wastewater, disposal of hazardous industrial waste, and noise pollution. Their purpose is to ensure that the Group is in control of the various environmental risks inherent to its activity, including air, water and soil pollution, and the risk of damage to biodiversity.

The Group's activities also require numerous permits and authorizations in areas such as the environment, safety, and public health. These include operating licenses, wastewater discharge permits, water withdrawal permits, and permits for the transport or landfill of hazardous waste products, all of which may be renewed, modified, suspended or potentially revoked by administrative and government authorities.

Each site has specific emergency procedures for dealing with potential pollution incidents. For example, to mitigate the risk of water pollution, booms and spill kits are available to contain and clean up spills. For ground pollution, absorbent kits are ready to be deployed to treat or neutralize hazardous substances. These measures enable the Group to react quickly and effectively to minimize environmental impacts.

The Group strives to strictly comply with these authorizations and, more generally, with environmental laws and regulations. Maintaining compliance with existing regulations and standards results in costs and expenses that could increase significantly in the future if new regulations or stricter standards were to be adopted.

In addition, the authorities and courts might require the Group to carry out investigations and cleanup operations, or even restrict its activities or close its facilities temporarily or permanently, and/or require it to pay fines. As regards its former activities, the Group could be held responsible in the event of damage to persons or property, which could adversely affect its earnings.

Vallourec does not define a Group target because operating permits are specific to each site. The sites are therefore free to define their objectives, progress reporting and improvement actions with regard to water, air and soil pollution. In accordance with local regulations in force, the Group's industrial sites monitor pollutants. To meet new requirements under the CSRD, work will be carried out on the basis of Annex II of Regulation (EC) 166/2006 so that the Group's report can be rounded out by identifying the substances and pollutants which need to be monitored by sites. Consequently, the metrics reported this year correspond to those historically tracked by the Group's sites, notably for the purposes of ensuring compliance with the various local operating permits.

2.1.4.2 Emissions to water

I) STRATEGY

In addition to optimizing its use of water resources (further details in Section 2.2.3), Vallourec also seeks to reduce the quantities of process water discharged into the natural environment after being treated at internal purification plants, for example, thereby significantly improving internal water recycling.

The sites monitor their pollutant discharges in agreement with the local authorities and the Group reports annually on total discharges into the natural environment.

It should also be noted that all our sites are ISO 14001 certified and are therefore managed using a system based on risk analysis and continuous improvement.

The risk of pollution in wastewater is low. Wastewater is fully treated, either at internal treatment facilities at Vallourec sites, or by external treatment plants before being discharged into the environment. When treated at Vallourec sites, site employees track numerous metrics, which must comply with strict thresholds to guarantee that discharges are in line with site operating permits. The aim is to keep within the limits set by local regulations at each production site.

At Group level, the following key metrics are monitored:

- suspended particulate matter, to limit the load of water discharged into the environment;
- oxygen demand, linked to the development of micro-organisms;
- hydrocarbons and heavy metals, which can contaminate water during the Group's industrial processes.

(1) *These risks relate in particular to carcinogenic, mutagenic or reprotoxic (CMR) substances.*

II) ACTION PLANS

Depending on the geographical location of the sites and the complexity of the processes, operating permits set very different monitoring parameters. Each site implements its own action plan as part of its environmental management system, in order to comply with applicable legal thresholds. Action plans are therefore adapted to local conditions in each geographical area. For example:

- in Brazil, the Barreiro site has worked on the quality of its effluents so that it can discharge directly into the waterways and thus reduce the burden on the city's water treatment plant. Thanks to the reduction of its effluents, the site can therefore focus on the treatment of other water effluents and widen the availability of drinking water to local populations. This initiative has been approved by the environmental authorities of Minas Gerais;
- the Jeceaba site has automated the dosing system for effluent treatment chemicals, increasing the reliability of the treatment process;
- in 2022, the Youngstown site in the United States optimized its chemical treatment of effluents to significantly reduce dissolved solids content, which enabled the site to increase its water reuse and as a result reduce water withdrawals and water discharges into the city's water treatment plant.

III) PERFORMANCE

The quality of plant waste in the natural environment has improved over recent years.

The 2024 assessment provided the following figures:

Year	2017	2021	2022	2023	2024
SPM (suspended particulate matter) *(metric tons)*	15.7	42.3	26.0	23.4	31.9
COD (chemical oxygen demand) *(metric tons)*	63.6	49.1	94.1	99.9	78.4
BOD (biochemical oxygen demand) *(metric tons)*	9.7	11.2	7.2	3.5	1.6
TH (total hydrocarbons) *(metric tons)*	0.40	0.08	0.33	1.15	0.04
Heavy metals* *(metric tons)*	0.75	0.64**	0.66	0.53	0.47

* *As, Cd, Cr, Cu, Hg, Mn, Mo, Ni, Pb, Zn.*

** *The 2020 and 2021 data were corrected following detection of an error for a high-contribution site.*

Compared with 2023, all monitored parameters are stable, in line with the volumes of water discharged into the environment. Suspended solids (SS) have risen slightly, but remain at low levels in relation to the volume of water discharged. This slight increase is essentially due to an accumulation of sludge in the tertiary treatment system at the Jeceaba site. Maintenance and cleaning work was carried out in December. A slight drop was observed for heavy metals, in line with activity and the improvements made in 2023.

Biochemical oxygen demand (BOD) continued to decrease, thanks to the improved efficiency of bioreactors at the Jeceaba site, demonstrating our commitment to improving the quality of our wastewater discharges. Hydrocarbon (HCT) levels remain extremely low, with measurement results very often below quantification limits. The various actions taken to limit hydrocarbon leaks in the plant's circuits are proving effective.

It is important to note that our discharges are all well within the regulatory limits set for our sites, and that these variations remain minimal. No non-compliance was noted

2.1.4.3 Emissions into the air

I) STRATEGY

To preserve the quality of the air surrounding its plants, the Group systematically measures the levels of emissions into the air and implements appropriate solutions to limit each type of emission. As with emissions to water, sites monitor their emissions into the air in accordance with local laws and the specific requirements set out in their operating permits. Based on a risk analysis, no material air pollution risk was identified by the environmental management systems in place. The sites are therefore free to define their objectives, progress reporting and improvements actions.

The emissions produced by plants are gaseous compounds and particles. At Group level, the following key metrics are monitored:

- Nitrogen oxide (NO_x) and sulfur dioxide (SO_2) gaseous compounds resulting from burning natural gas. These can have harmful effects on the climate, ecosystems, air quality, habitats and human and animal health; NO_x and SO_2 emissions are mainly linked to the use of natural gas in our industrial processes. Consequently, the targets for reducing these emissions are linked to those defined in Section 2.1.2, which details the specific measures and control strategies used to minimize their environmental impact.
- Emissions of volatile organic compounds (VOCs) stemming from the use of solvents for tube lubrication, lacquering and painting, and for degreasing and cleaning tubes and machinery parts. VOCs are organic chemicals that have a high vapor pressure at ordinary room temperature and can have harmful effects on climate, ecosystems, air quality, habitats and health.
- Particles emitted by dust-generating processes.

II) ACTION PLANS

Operating permits set the metrics to be monitored depending on the site's location and production processes. Each site implements its own action plan as part of its environmental management system, in order to comply with applicable legal thresholds. Action plans are therefore adapted to local conditions in each geographical area.

A) Gaseous compounds

- Nitrogen oxide (NO_x) and sulfur dioxide (SO_2) emissions come from furnaces and from the heat treatment of tubes. To limit these emissions, all furnaces are fed by natural gas, which is low in emissions, and maintenance is carried out to replace old burners with more efficient or "low-NO_x" burners that meet the highest technical specifications for this type of emission.
- Actions are put in place every year to limit VOC emissions at the source. Working with product suppliers and the finishing process stakeholder community, local teams test products with lower solvent content and, where this is not possible, sites have set up systems to channel and treat emissions. As this mainly concerns vapors from surface treatments, facilities are equipped with a retention and treatment system in compliance with applicable regulations.

B) Particles

- The main potential sources of particulate emissions are steel mill furnaces and hot rolling. Capture systems are in place to continuously reduce emissions.
- The conditions for replacing refractories in electric arc furnaces and ladle furnaces were also modified to prevent the formation of dust. Particle retention is very efficient and sampling shows that the heavy metal content released (chrome, lead, nickel, etc.) is well below the authorized limits.
- Tube mills and finishing plants also produce dust resulting from the use of facilities for hot rolling, grinding and polishing tubes. Processes for sealing, aspiration and filtering are incorporated into the machinery to collect dust at the source. Where necessary, these systems can be supplemented by extraction devices and filters on the roof to capture diffuse emissions.
- Trucks, cars and other handling equipment moving around the buildings are also a source of dust emissions. To ensure that personnel and neighbors are not inconvenienced by dust clouds, the road surfaces are coated with concrete or macadam. They may also be watered during a dry period to limit re-entrainment.

III) ANNUAL ASSESSMENT OF EMISSIONS

NO_x and SO_2 emissions are calculated on the basis of natural gas consumption, with the exception of the VRCF site, where measurements are taken upon exit from the chimney stack.

VOC emissions are calculated based on the consumption of solvent-based products (varnishes, paints, degreasers, cleaning agents, etc.). The percentage of VOC emissions is generally displayed on the product's safety data sheet (SDS).

Particulate matter is measured at each emission point defined in the site operating permits, in accordance with local legislation.

Emissions into the air *(metric tons per year)*	2017	2021	2022	2023	2024
VOCs	260	368	329	471	388
NO_x	633	495	540	492	419
SO_2	5.9	4.4	4.8	4.3	3.8
Particles	N/A	668	882	662	613

In 2024, combustion gas emissions (NO_x and SO_2) decreased as a result of lower natural gas consumption linked to the company's value over volume strategy.

Particulate emissions fell slightly. This reduction is attributable mainly to a series of optimizations of dust collection systems during maintenance work. It is important to note that most particulate emissions are associated with the activity of our steel mill in Brazil. Particle emissions did, however, also decrease at our Jeceaba (Brazil) pipe mill, as a result of improved control of capture processes.

In 2024, primary emissions of VOCs before capture and filtration decreased. The Group remains committed to improving processes to reduce solvent consumption. For example, at the Vallourec Oil & Gas site in Aulnoye-Aymeries, our research and development and methods teams continued to improve spray coating lines while working on technical qualifications to broaden the range of products using water-based paints, thereby reducing solvent use. The site carried out a study preparing for its transition to water-based paints, which would eliminate emissions from the line.

In 2024, the Group completed a paint standardization operation on all its production lines. This approach helped significantly reduce the use of solvent-based paints in favor of cleaner products.

2.1.4.4 Emissions into soil

I) STRATEGY

In light of their age and locations in different regions, the Group closely monitors its industrial sites in order to respond rapidly if soil pollution is detected.

II) ACTIONS TAKEN

A) Sites in France

Consistent with site age and specific needs, soil studies have been completed at the Group's initiative without being required by administrations. The results of these investigations prompted some facilities to introduce piezometric sensor-based monitoring of underground water, after obtaining permission from the relevant regional authorities in France.

Groundwater monitoring using piezometric tubes is continuing at the Cosne-sur-Loire site. Operations were discontinued there in 2017 and the site underwent a thorough clean-up. Vallourec is following the instructions of environmental authorities on site rehabilitation. Talks are still underway with the municipality of Cosne-sur-Loire on a rehabilitation solution. In 2024, a Design Plan (Plan de Conception [PCT] in French) was launched following a supplementary order issued by the relevant regional authorities in France.

The findings are expected in 2025 and will be presented to the authorities.

In Aulnoye-Aymeries, underground investigations were conducted on an old disposal site for miscellaneous materials. The site remains under close monitoring. A review of the biodiversity study conducted in 2023 confirmed that there was no impact on the site's biodiversity.

In Montbard, underground investigations were also conducted on an old disposal site, following a 2002 order issued by the prefecture. A groundwater quality synthesis and an environmental status interpretation were carried out in 2023. An additional piezometer has been installed to improve groundwater monitoring. Findings are shared with the authorities on a regular basis.

The Déville-lès-Rouen site, which closed in June 2021, underwent full safety clearance and all the necessary shutdown measures were taken. Soil decontamination work on the site began in 2023, and a campaign to verify the effectiveness of the treatment was carried out in the third quarter of 2024. Two small areas were excavated and treated. All the site's industrial areas were cleaned out. To date, only the utilities remain in operation (lighting/pumps/security.)

B) Other sites

After analyses, and with permission from the local authorities, groundwater monitoring systems were set up at two facilities in Germany. As far as the Group is aware, there is no contamination at the other sites. The Rath and Müllheim sites are currently being dismantled.

In Brazil, the only risks are at the Barreiro site. Four contaminated areas have been identified and reported to the Brazilian Environmental Foundation (FEAM). Three of these were historically used for industrial waste disposal (bulk, slag, sludge) and the fourth was identified as an acid chemical treatment area. Clean-up operations were deployed to secure the areas.

The bulk waste storage area had a volume of around 700 k metric tons of waste. The findings of surveys carried out in the area indicate a predominance of non-hazardous or inert waste. After sorting and removing the waste, a rehabilitation procedure was initiated with the local authorities. On September 6, 2024, Vallourec received from FEAM the certificate of rehabilitation of the entire area for use as a business logistics site. The old store slag (containing metal by-products formed during cast iron production) is currently being rehabilitated. The chemical treatment area is continuously monitored by a piezometer. The rehabilitation of the former sludge depot will be completed (sealing and landscaping). Groundwater quality is monitored periodically by a piezometric system.

In the United States, the industrial land is leased. Soil analyses were conducted at the majority of the sites prior to Vallourec launching its operations, in order to establish a baseline. Many of those sites are located in areas that have been industrial for many years. To the Company's knowledge, there is no record of any significant incident resulting from Vallourec's tube and steel production activities that has led to soil pollution.

2.1.4.5 Use of substances of concern and very high concern

The Group set up the ChemSafe program in 2012 to ensure optimal and secure management of substances of concern and very high concern. This program is based on an exhaustive inventory and on the centralization of Safety Data Sheets (SDS) in a single tool, enabling Vallourec to draw up a precise list of the substances used in its industrial processes, identify those meeting the criteria defined in EU Regulation 2023/2772 and put in place appropriate protection systems. Through this approach, the Group rigorously monitors chemical products and their use and ensures that products identified as posing the greatest risk to health and the environment are duly replaced.

The ChemSafe program is described in Section 2.2.2.1 "Health and Safety".

In Brazil, the Florestal site, which operates eucalyptus plantations, uses phytosanitary products in compliance with its permits and in line with its Cerflor certification(1). Efficient spraying ensures coverage while keeping product quantities to a minimum.

R&D teams at Florestal's research center also conduct studies to validate substitutions.

(1) Forest certification program specific to Brazil.

2.1.4.6 Noise pollution

I) STRATEGY

The Group's activities are inherently noisy. The noise arises from various sources: steel mill furnaces, the cutting and storage of steel bars, the impact between bars and tubes, and the steel-rolling process.

The Group wishes to provide the best possible protection for its employees and local residents against the noise from its machines (steel mills, rolling mills, cutting plant), from moving products (impact between bars or tubes), and from transport (trains, trucks).

As a result, it has put in place targeted measures to minimize such nuisances.

II) ACTIONS TAKEN

To determine noise levels, the sources of noise are measured and analyzed. Depending on local requirements, these measurements are taken internally, at the edge of the site, or at neighboring properties if the plant is situated close to a residential area. At certain sites, very elaborate systems have been installed. They allow noise to be measured at very precise locations and to determine its source. Simulation software is often used to assess the reduction of noise levels that various insulating systems might provide.

To this end, the following actions have been recommended:

- establishing noise maps on the most critical and representative sites of sound levels in different workshops and staff exposure based on their number and the length of time spent working in the areas concerned;
- analyzing and improving the behaviors of employees and providers in the workshops;
- implementing best practices for new investments and refittings;
- reducing nuisances at the property limits and consequently for local residents by relying on regular measurement campaigns;
- favoring collective protection over individual protection measures;
- reducing noise at the source.

The prevention and limitation of noise pollution in workshops and in the environment are criteria used for evaluating investment projects subject to validation, and this from the early stages of their eco-design.

Sound level measurements before and after the completion of work are most often requested.

Several types of measures are in place to limit noise, reduce it as far as possible or eliminate it entirely. The most effective measures are those that allow noise to be reduced at its source. For example, some plants replace pneumatic movement control by hydraulic movement control or incorporate rubber between tubes to avoid a much noisier direct impact. Similarly, the tubes are cleaned with Venturi-type nozzles instead of standard nozzles.

2.1.5 Sustainable use of water resources (ESRS E3)

SDG 6.3, 6.4

2.1.5.1 Risks regarding water as a natural resource

Water is a common good, essential for the daily life of the communities living near the sites and an integral part of the company's production processes. Potential water stress induced by climate change is therefore a major challenge for the planet and with regard to access to water, especially in the context of risks of conflicting usages. Vallourec's use of water is therefore closely monitored in order to minimize the impact of withdrawals on the environment, while anticipating the risk of shortages.

I) 2011-2022: FIRST STUDY PHASE

For the first time in 2011, and then again in 2015 and 2018, the Group measured its "Water Footprint" on catchment areas using the Water Impact Index. The largest sites have been studied, including sites in France (Aulnoye-Aymeries), in China (Tianda), in Saudi Arabia (VSA), in the United States (Youngstown, Houston), in Brazil (Pau Branco iron mine, Barreiro and Jeceaba). The German (Mülheim, Rath) and French (Montbard) sites, which are now closed, were also part of the study.

This indicator takes into account the volumes abstracted and discharged, the quality of the abstracted and discharged water, and stress factors (water scarcity and the hydrological context). Expressed in equivalent cubic meters as related to the site's production, it synthetically measures the impact of each site with regard to the available water resources in the basin to which it belongs.

In order to take into account the latest developments in the conditions of catchment areas, a more precise stress factor was used in the study: the AWARE indicator, which was developed in 2016 as part of the WULCA (Water Use in Life Cycle Analysis) university project.

II) 2023: THE IMPACT OF CLIMATE CHANGE IS ADDED TO THE ANALYSIS

In 2023, the study of the exposure and vulnerability of the Group's activities to climate change, informed by the expertise and climate models of an external specialist consultant (see Section 2.1.3.5), clarified the impact of climate change on water stress. Water stress is a critical situation that arises when available water resources fall short of demand.

In this new study, water requirements are quantified by taking into account demand for:

- domestic and industrial usage, extrapolated from gross domestic product and population;
- crop irrigation, estimated from crop demand based on weather conditions, crop density, total cultivated area and irrigation process yields;
- livestock requirements, extrapolated from gross domestic product and population.

Water resources are calculated by taking into account, among other factors, the variability of rainfall in a catchment area, soil porosity, water supply from rivers, the recharging capacity of groundwater tables, water retention in the soil, snowfall and existing vegetation.

This analysis carried out across all of our sites is used to fine-tune Vallourec's strategy and commitments with regard to reducing water withdrawals from the environment, taking into account the contributions and needs of the catchment area.

- the Aulnoye-Aymeries (France) and VSA (Saudi Arabia) sites, the Group's only sites to suffer from water stress, have already implemented measures to increase their resilience to the conditions highlighted in the study, through water recirculation and the use of seawater. These measures are particularly appropriate given that water scarcity could increase with climate change;
- at the Houston site (United States), water stress could become significant in the medium or long term. This is already one of the Group's most efficient sites in terms of the amount of water used per metric ton of tube processed;
- the steel mills, which are the most water-intensive sites due to the nature of their activity, are located in the Group's most abundant catchment areas, which are theoretically not in a situation of water stress. However, the large volumes taken from very localized sources make it particularly important to implement the water reduction roadmap at these sites (see Section 2.1.3.3 "Key actions for 2017-2025").

III) SITE RISK ANALYSES

The Group's industrial sites have varying degrees of resilience to water supply risks. In accordance with the risk analysis set out above, the Group is putting an increased focus on the following sites:

- the Aulnoye-Aymeries site uses rainwater collected on its site. The use of this volume with regard to metric tons produced thus has little impact, despite it being a fragile basin;
- water consumption is controlled at the sites at Youngstown (integrated site with an electric steel mill and two rolling mills) and Houston (several finishing shops). In the Ohio region where the Youngstown site is located, there are many dams and rivers providing good quality water;
- in Brazil, the Barreiro plant is located in a growing urban area. The tap water used is thus in competition with the needs of the population. The Jeceaba plant has a blast furnace, an electric steel mill, a rolling mill, and finishing shops, so demand for water is considerable. Water is drawn from the river, treated on-site and then returned to the natural environment for the most part. The Pau Branco mine pumps very large quantities of water to be able to access the iron ore, and to keep the piles stable. However, most of this water is returned to the natural environment;
- the Tianda site in China has installed rainwater harvesting basins and mainly consumes tap water, but the water stress indicator remains very low in this region;
- finally, Vallourec Saudi Arabia uses desalinated seawater, thereby avoiding the use of the region's very scarce water resources reflected in the water stress indicator.

In conclusion, the impact from water withdrawals on the Group's sites seems reasonable thanks to the management efforts taken. However, the Group must remain vigilant by integrating climate-related risks into its enterprise risk management process.

2.1.5.2 Strategy and key commitments

Water management is not confined to measuring withdrawals or monitoring the quantity and quality of discharges: a specific action plan for reducing withdrawals is piloted by the sites' Environment Managers and its operational implementation is monitored quarterly during Group Environment Committee meetings attended by a member of the Executive Committee and the Group Environment division.

2025 COMMITMENT

In 2019, the Group made a voluntary commitment to reduce water withdrawals by 10% per metric ton processed in 2025 compared with 2017 for all activities in the steel and tubes segment. The relevance of this commitment, which enabled the Group to initiate an action plan in 2019, was underlined by:

- the double materiality assessment; which highlighted the importance of water resource management (see chapter 2, Introduction "Anticipation of the Corporate Sustainability Reporting Directive (CSRD) through double materiality assessment");
- the analysis of climate-related risks; which highlighted an increase in the frequency and intensity of droughts (see Site risk analyses and action plans);
- the new CSRD and Taxonomy regulations, which include water use as one of the six defining environmental pillars for a company (see Section 2.1.8 "European Taxonomy").

The Group will continue its efforts to reach its 2025 target and align its consumption reduction targets with the latest international standards.

2030 COMMITMENT

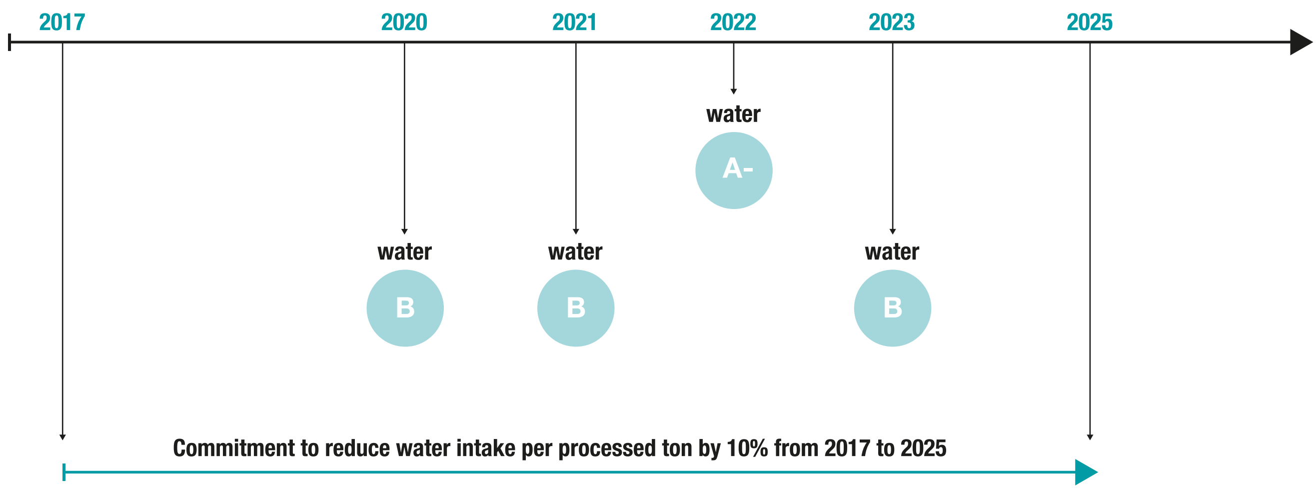
In 2024, the Group deepened its double materiality assessment with regard to its water footprint, by analyzing both the risks of water stress in the regions where it operates, and the technical opportunities for transforming industrial processes to make them more water-efficient. A roadmap was drawn up and used as a basis for validating a quantitative target for 2030.

The aim is to reduce water withdrawals in cu.m. (excluding rainwater) by 20% by 2030 compared to the 2021 base year, for all steel and tube production sites and for pelletizing and forestry operations.

This voluntary and non-regulatory target is also part of a proactive approach to managing water-related impacts, risks and opportunities, considering the specific characteristics of the areas at water risk in which the Group operates. By improving management practices, the Group aims to limit pressure on available water resources, preserve water quality, and meet the expectations of stakeholders. Reducing water withdrawals will also reduce consumption by optimizing the use of this resource. This global approach guarantees actions that not only reduce the quantity of water used, but also maintain or improve the quality of water discharged into the environment.

REPORTING ON COMMITMENTS

Furthermore, in 2019, the Vallourec Group also committed to responding to the "Water questionnaire" of the Carbon Disclosure Project (CDP) each year, to obtain an independent third-party assessment of the efficacy of its approach and the results of its action plans. Vallourec obtained a B rating in 2023, in line with past results. This is a better rating than that of the "Metal smelting, refining and forming sector", which is rated C. These results show that the company is capable of meeting the increasing demands of its stakeholders, and has been doing so continuously since 2020. As of the date of this sustainability statement, the results of the CDP's 2024 Water questionnaire were not yet available.



2.1.5.3 Action plans

Over the past few years, Vallourec has focused on setting up systems for collecting rainwater and increasing reuse rates. The main actions undertaken in 2017-2022 were:

- Installation of buffer tanks for storing excess process water and rainwater, reducing the need to draw on mains water.
- Investment in improved soil sealing and in a water storage tank, thereby avoiding the need to withdraw water from the natural environment every year.
- Increased rainwater collection capacity, reducing drinking water consumption. At certain sites, the rainwater downpipes connected to the roof of the water treatment plant were diverted to the treatment facilities, allowing rainwater to be reintroduced into the plants' water circuits.

In 2023, the following major advances were made:

- Installation of water meters to better monitor consumption.
- Rainwater collection basins and additional pumps commissioned in China.
- Change in cooling water distribution system as well as the equipment linked to the pelletization unit furnace.

Several milestones were achieved in 2024:

- New rainwater collection basin commissioned in Youngstown. The water is used primarily to dampen roads in order to limit dust and reduce water withdrawals.
- Replacement of cooling towers with more efficient models.

While all these projects reduce Vallourec's water withdrawals from the environment, most of them also reduce net water consumption. This is the case for projects focused on rainwater recovery, water reuse for several industrial processes, or replacement of equipment with new, more efficient equipment.

As these projects were completed in 2024, the benefits will be visible in 2025.

The Group is also preparing its roadmap for the years to come, with the following actions:

- set up metering systems in order to control process water consumption and detect abnormal leakage in real time. These systems are being set up at the sites in Brazil and Asia;
- promote best practices across the sites with the most compliant sites sharing their knowledge and processes in this area;
- monitor monthly water withdrawals and discharges at corporate level, and on a quarterly basis by the Environment Committee to maintain strong performance accountability at each site;
- carry out a water management performance diagnostic in Brazil to identify the most promising water-saving projects;
- further develop rainwater collection at the Youngstown site.

2.1.5.4 Performance monitoring

A reporting and consolidation protocol has been put in place for measuring and managing environmental metrics (see Appendix 2 – Methodological note). This protocol ensures that data are reliable and complete.

I) MONITORING COMMITMENT

2025 commitment

In 2019, the Group announced its commitment to reduce its water withdrawals by 10% by 2025 per metric ton of tubes processed for the steel and tubes compared with the 2017 baseline.

Initially, the Group saw a sharp increase in water consumption in 2020. Specific water consumption peaked at 1.62 cu.m. per metric ton processed. This was mainly due to the disrupted operation of the plants during periods of low activity and repeated shutdowns and restarts in the wake of the brutal economic and health crisis.

Since then, water withdrawals have fallen sharply thanks to the installation of metering systems and the replacement of faulty equipment (see 2.1.5.3 “Action plans”). Last year, water intake declined from 1.29 cu.m. per metric ton to 1.20 cu.m. per metric ton.

In 2024, headway was also made on rainwater harvesting, which stood at 13% of total water withdrawals for the production of steel and tubes. This has enabled Vallourec to reduce its surface water and groundwater withdrawals, reducing net consumption (excluding rainwater) from 1.15 cu.m. per metric ton to 1.04 cu.m. per metric ton processed in the Steel and Tubes segment, a reduction of nearly 10% compared with 2023.

Water withdrawals at production units* per metric ton processed (excluding rainwater recovery)

Year	2017	2021	2022	2023	2024
Water withdrawals per metric ton processed *(cu.m./metric ton)*	1.36	1.58 (1.35)	1.31 (1.19)	1.29 (1.15)	1.20 (1.04)

* *For steel mills, tube mills, finishing lines, and related services. Only the figures in brackets exclude rainwater.*

2030 commitment

Vallourec's commitment has been strengthened by a new ambitious target, consisting of a 20% reduction in water withdrawals between 2021 and 2030 (excluding rainwater), for tube and steel mills, finishing lines, associated services, the pelletizing unit and forestry operations. In 2024, water withdrawals represented 5,058 thousand cu.m.

Year	2021	2022	2023	2024	Objectif 2030
Water withdrawals* (thousands of cu.m.)	5,880	5,902	5,117	5,058	4,704

* *For steel and tube mills, finishing lines, associated services, pelletizing and forestry operations, excluding rainwater.*

II) UNDERSTANDING WATER USES

In 2019 and 2020, Vallourec carried out substantial work to improve its understanding of the range of water uses by its various activities, and therefore better understand how to reduce water consumption. Since 2021, Vallourec has been conducting annual water assessments to identify all unchanneled discharges. All data are collected from the contributors at each site (for details of the methodology used, see Appendix 2 "Methodological note").

The structure of the 2024 performance report has been revised in line with CSRD guidelines and takes into account all production sites.

Water withdrawals*

Water withdrawals (CSRD E3-4)	*cu.m.*	%
Tap water	1,820,270	19%
Surface water	2,929,163	31%
Groundwater	4,190,753	44%
Rainwater	636,128	7%
Water in raw materials	**	0%
TOTAL WITHDRAWALS	**9,576,314**	**100%**

* *The sum may differ from the total due to rounding.*
** *Measuring the quantity of water in extracted raw materials requires on-site analyses, the results of which will be disclosed in the next reporting period.*

Consumption

Water consumption (CSRD E3-4)	*cu.m.*	%
Evaporated water	2,868,798	51%
Irrigation and watering	1,114,352	20%
Leaks and spills	243,801	4%
Water in waste	872,089	15%
Water integrated into products	**549,853**	**10%**
Change in storage	**(5)**	**0%**
TOTAL CONSUMPTION	**5,648,888**	**100%**

Total consumption for 2024 was 5,649,000 cu.m., equivalent to 1.40 cu.m. per thousand euros of revenue.

24,000 cu.m., or 0.42% of total consumption, relates to water consumed in areas exposed to high water stress.

Discharges

Water discharges (CSRD E3-4)	*cu.m.*	%
Discharge to external treatment station	752,834	19%
Discharge to internal treatment station	3,174,593	81%
TOTAL WATER DISCHARGES	**3,927,427**	**100%**

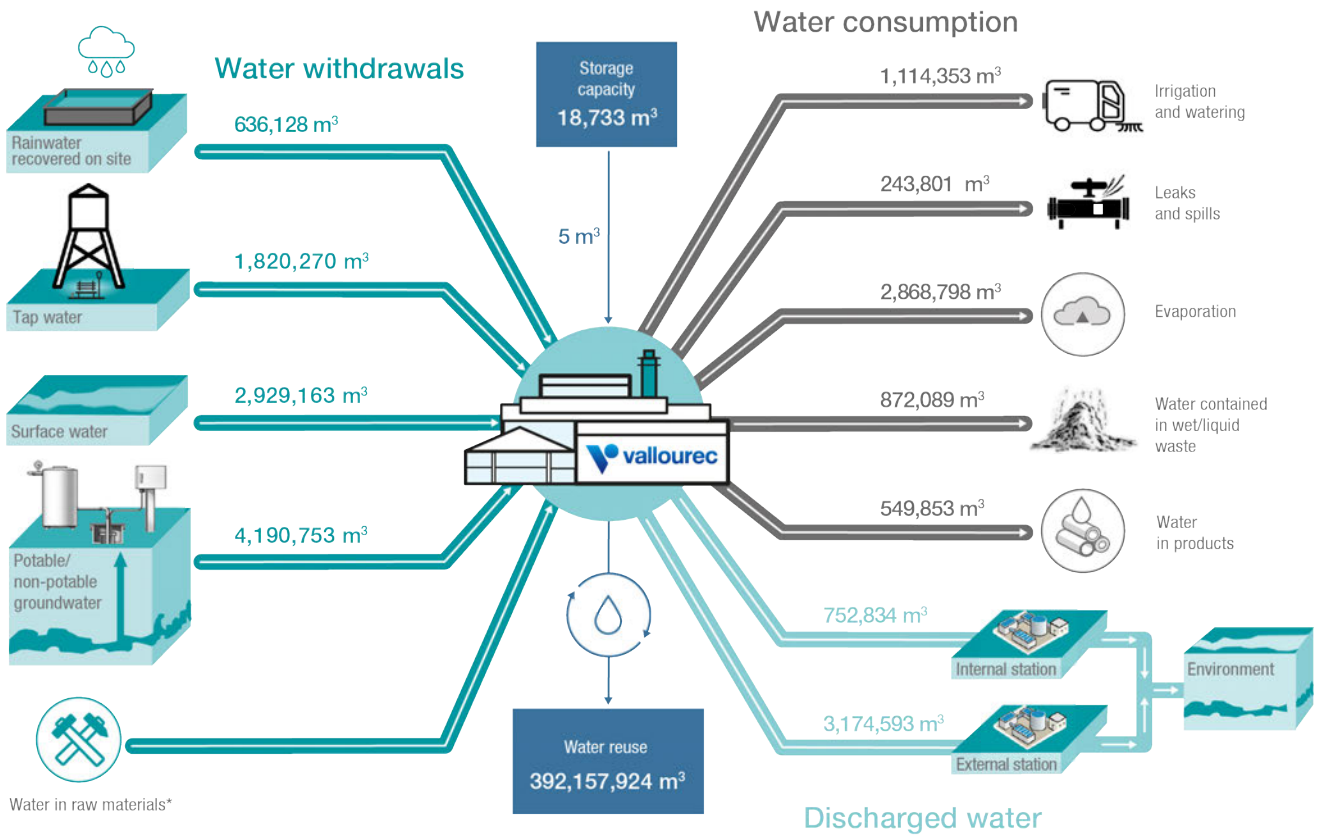
Storage

Storage (CSRD E3-4)	*cu.m.*
TOTAL STORAGE CAPACITY	**18,733**

Recycled water

Water recycling (CSRD E3-4)	*cu.m.*
TOTAL WATER RECYCLED	**392,157,924**

2024 water assessment



* *Measuring the quantity of water in extracted raw materials requires on-site analyses, the results of which will be disclosed in the next reporting period.*

2.1.6 Preserving biodiversity and ecosystems (ESRS E4)

SDG 11.4, 15.a, 15.b

As regards ESRS 4, only one sub-sub-topic of the "Direct impact drivers of biodiversity loss" sub-topic was deemed material under the DMA: “Climate change”. This sub-topic is covered in Sections 2.1.2 “Combating climate change” (ESRS E1) and 2.1.3 “Climate risk adaptation” (ESRS E1) of this chapter. The information below concerns non-material issues that Vallourec wishes to continue publishing in order to highlight the sustainability actions undertaken by the Group to protect the biodiversity areas surrounding its industrial facilities.

2.1.6.1 Biodiversity and ecosystem issues relating to our activities

The Group’s Mine & Forest activity covers a vast area that could potentially impact biodiversity. Forestry units are located in the Cerrado Biome.

The Mining unit is located in the *Quadrilatero Ferrífero* of Minas Gerais, in addition to being located in an ecotone zone between the Atlantic Forest and Cerrado Biomes.

Studies have been conducted over the last few years at the main Vallourec sites to evaluate the impact of activities at our plants on biodiversity. No major risk has been identified.

2.1.6.2 Strategy and key commitments

The Vallourec Group invests on a long-term basis to preserve the areas of biodiversity around its industrial facilities. It guards against negative impacts on biodiversity around its sites by implementing appropriate preventive measures. The Group has used the Integrated Biodiversity Assessment Tool (IBAT) to identify areas where its industrial sites have an impact on biodiversity. Generally speaking, all our sites in the Brazilian state of Minas Gerais are concerned to varying degrees. Risk assessments are carried out and actions taken in accordance with operating permits.

Each year since 2021, Vallourec has answered an annual CDP survey on forests (CDP Forest 2021), with regard to the activities of its Florestal subsidiary in the state of Minas Gerais, Brazil.

The Group is the only company in the “Metal smelting, refining and forming sector” to have completed the CDP Forest survey. As of the date of this sustainability statement, the results of the CDP’s 2024 Forests questionnaire were not yet available.

2.1.6.3 Action plan and allocated resources

In 2024, the Group updated its survey on identifying and measuring the surface area of existing “green areas” at Vallourec sites. The aim is to identify nature-friendly green areas on the sites in relation to the sealed areas occupied by industrial activity zones.

The entire Group occupies a total land area of 1,675 square kilometers, of which 750 square kilometers are green spaces. This represents a total sealed area of 933 square kilometers and a nature-friendly area spanning 742 square kilometers.

The findings of this survey, conducted by the Environment Managers at each site, are summarized in the graph hereafter:

Excluding the Brazilian forest, which represents a significant part of the biodiversity areas, “green areas” account for 46% of the surface areas.

Measures to preserve biodiversity have been put in place for several years, primarily in Brazil and Indonesia.

For example, the Vallourec Florestal subsidiary operates eucalyptus plantations, which serve to produce the charcoal needed to operate the Jeceaba blast furnace. Approximately 39% of the areas are preserved in their natural state and positioned so as to create ecological corridors for wildlife to move around. The forest is managed sustainably, as attested by Cerflor – PEFC certification (no. XSQ/0237-04/BH), compliant with the requirements of Brazilian standard NBR 14789:2021.

In 2024, the scope of periodic biodiversity monitoring was maintained for insects, fish, reptiles, amphibians, bats, and non-flying mammals.

To combat deforestation, the Group has implemented fire prevention and fire-fighting practices, building and maintaining firebreaks, building and maintaining fences, and installing information and warning signs.

At the level of the Vallourec Mineraçao subsidiary, the teams conduct regular monitoring of water and air quality, along with cave surveillance to protect the fauna (invertebrates and bats) and flora specific to these environments.

2.1.7 Limiting the use of natural resources (ESRS E5)

SDG 6.4, 9.4, 12.4, 12.5

2.1.7.1 Risks relating to the use of natural resources

The main raw material used in the manufacturing processes for Vallourec products is steel, which is derived from natural resources. Therefore, the major risks faced by Vallourec are:

- increase in the price of steel, leading to a corresponding increase in production costs for the Group's finished products;
- supply shortages of steel making resources such as iron ore and coal.

Steel has the advantage of being infinitely recyclable. The Group aims to maximize sourcing of recycled steel upstream and to maximize recycling or reuse of by-products downstream.

2.1.7.2 Strategy and key commitments

I) UPSTREAM

The steel that Vallourec uses for manufacturing tubes comes partly from the Group's steel mills, and partly from outside purchases of steel ingots and bars.

Internally, two processes are used: the mixed blast furnace and electric arc furnace process at Jeceaba (Brazil, which produces cast iron and uses scrap metal) and the all-electric process at Youngstown (USA). Thanks to these internal processes, the Group is, on the one hand, promoting the use of charcoal produced from its Brazilian eucalyptus forest and, on the other, recycling scrap.

The main challenge is to minimize the extraction of natural resources needed for producing steel, i.e., to minimize the extraction of iron ore from the natural environment. Vallourec also aims to increase the proportion of recycled steel in its total external purchases.

Vallourec has voluntarily pledged to optimize its resource mix, prioritizing the circular economy (with recycled steel) and increasing the use of renewable resources (with the use of charcoal), thereby contributing to more sustainable and responsible management of raw materials.

II) DOWNSTREAM

Waste management

Because of the nature of its industrial activities, the Group generates significant amounts of various types of waste.

Vallourec is targeting a 98% waste-recovery rate by 2025, by halving the amount of waste sent to landfill compared to 2019. This would bring total non-recovered waste down to 15,000 metric tons.

In addition, with a concern for the issue of polluting plastics, in 2020, Vallourec established a targeted reporting system for plastic waste to study possible avenues for improvement and to promote plastic recovery.

After 2025, its goal will be to maintain a waste recovery rate of 98%. As an industrial player, Vallourec is faced with the reality that some of the waste it generates cannot be recovered due to technical constraints or the specific nature of certain materials. Despite this, the Group remains committed to optimizing its processes and exploring innovative solutions to further reduce the proportion of non-recoverable waste, while maintaining a high level of environmental performance.

Vallourec is also committed to waste reduction through its performance, by following the standard that has been set and is followed by its operational teams. The aim is to optimize processes in order to avoid the loss of materials and energy.

2.1.7.3 Action plans undertaken to limit the use of natural resources

I) RAW MATERIALS FOOTPRINT - UPSTREAM

To increase the efficiency of their processes, the steel mills are working on precisely documenting their internal manufacturing rules and requirements in order to obtain different steel grades while maximizing the natural resources used and their furnaces' energy efficiency.

Since 2013, the Group has conducted an analysis of all mass flows necessary for tube production at all its industrial sites.

II) WASTE MANAGEMENT - DOWNSTREAM

a) The "By-products" policy

Waste management is a major economic and environmental concern for the Group, which believes that most of this waste should now be treated as value-added by-products that generate operating revenue. This is the objective of the "By-products" program.

Waste is now considered a resource to be exploited rather than an unavoidable consequence of production. Depending on its origin and type, it is managed and treated differently in accordance with local regulations, with maximum emphasis on recycling of materials or energy recovery.

In view of continuous improvement, all waste categories are monitored monthly by each site with the aim of reducing volumes.

In addition, in line with the 3Rs principle "Reduce, Reuse, Recycle", Vallourec is also intent on maximizing the recycling of materials and minimizing the proportion of landfill waste. Some sites have also implemented specific actions to reduce landfilling or incineration.

The 3Rs principle

Based on the 3Rs principle, namely "**Reduce, Reuse, Recycle**", the main levers of progress under the "By-products" project are as follows:

- **Reduce:** various actions are carried out at the sites to reduce waste volumes, and above all the proportion of hazardous waste connected with the decrease in chemical risk.

  For example, a Research and Development study is underway to reduce the use of plastics in the manufacture of protectors by using biobased plastics and thus limiting the impact.

  The North America region worked with the procurement department to standardize contracts and identify suppliers that contribute to on-site waste. This standardization takes into account such things as the recovery of waste generated by subcontractors in an appropriate container and the reduction of plastic waste produced.
- **Reuse:** some waste may be re-introduced or reused in the Group's processes or externally, either as a result of a specific treatment or after undergoing cleaning or filtration.

  In Brazil, certain sites have set up a management system to recover protectors from customers. These used protectors are inspected, cleaned, and reconditioned for reuse. Many sites are also equipped with devices for filtering waste oils for internal reuse.

  Vallourec Soluções Tubulares do Brasil (VSB) uses blast furnace sludge as a source of soil enrichment for eucalyptus forests and as a raw material for the ceramics industry.

  At the pelletization site, the fine particles recovered by the dust collection systems are now treated as raw materials and no longer classified as waste. They are now sold as products in their own right.
- **Recycle:** recycling is the most important method of recovering value from Vallourec's various types of waste. The recovery of materials makes up the vast majority of our recycling. However, for some types of waste, recovering energy remains the best solution available.

All sites recycle metallic waste from machining as a result of the manufacturing processes (turnings, chips, etc.) and then send this waste to channels external to the Group.

In France, the Aulnoye-Aymeries sites introduced centralized waste management at the three plants for combined collection and optimized disposal channels. This shifted the balance from incineration in favor of materials recycling.

In Brazil, the Purchasing Department has worked on identifying the best channels for recycling slag sold to the cement industry. Some mining waste is used as raw materials to manufacture interlocking paving stones, which are then used as road surfaces on the site.

Treatment of hazardous waste

Posing a risk to health and the environment, hazardous waste (classified as such due to the hazardous substances it contains) is subject to special treatment.

Hazardous waste requires specific management: handling and storage are subject to strict safety rules to preserve the environment and health of the staff handling it. Furthermore, this waste is generally not very recoverable as is, and treatment costs are significant. For this reason, Vallourec is trying to either reduce the portion of hazardous substances at source or apply a pretreatment to reduce the toxicity.

For example, the water treatment station at the Youngstown site was able to improve the separation of mill scale particles and oil, which is responsible for its hazardous classification. The "bad" mill scale that was previously sent to landfill is now recycled for use in the manufacture of counterweights. The "good" mill scale is mainly sold to companies in the glass industry. These practices keep the material out of landfills and also generate profit for the company, which is now being used to fund a sludge recycling program.

2.1.7.4 Performance monitoring

Waste recovery

In 2024, 2,814 kt of waste were produced, which includes the mine and the pelletization unit, 1.8% of which was hazardous waste.

The Group seeks to reduce the quantity of non-recovered waste. Certain sites generated certain volumes of exceptional waste in 2024.

For example, the mine produced 2,069 kt of exceptional waste, including 2,063 kt of soil with insufficient iron content to be mined. This waste is then shipped out of the mine to be used as backfill in construction projects.

The acquisition of a shredder at the Jeceaba site in Brazil means that metal elements can be recovered from sources of low-grade scrap. Residues are inert waste that cannot be recovered for energy purposes. Ten metric kilotons of waste were generated in 2024.

Lastly, waste generated by yards was estimated for the first time this year, and is automatically considered as non-recoverable. Yard waste represented 33 kt in 2024.

In 2024, the rate of recovered waste was 97.8% (98.0% excluding exceptional, shredder and yard waste).

Waste management indicators monitored, Vallourec Group, 2017-2024:

	2017	2021	2022	2023	2024
Waste *(thousands of metric tons)*	697	674	803	675	702 (2,814)
Waste/production processed *(%)*	13	16.1	16.3	16.5	17.5 (70.2)
% of hazardous waste	3.5	2.6	2.6	2.9	3.5 (1.8)
% of recovery	94	97.6	97.3	97.6	98.0 (97.8)

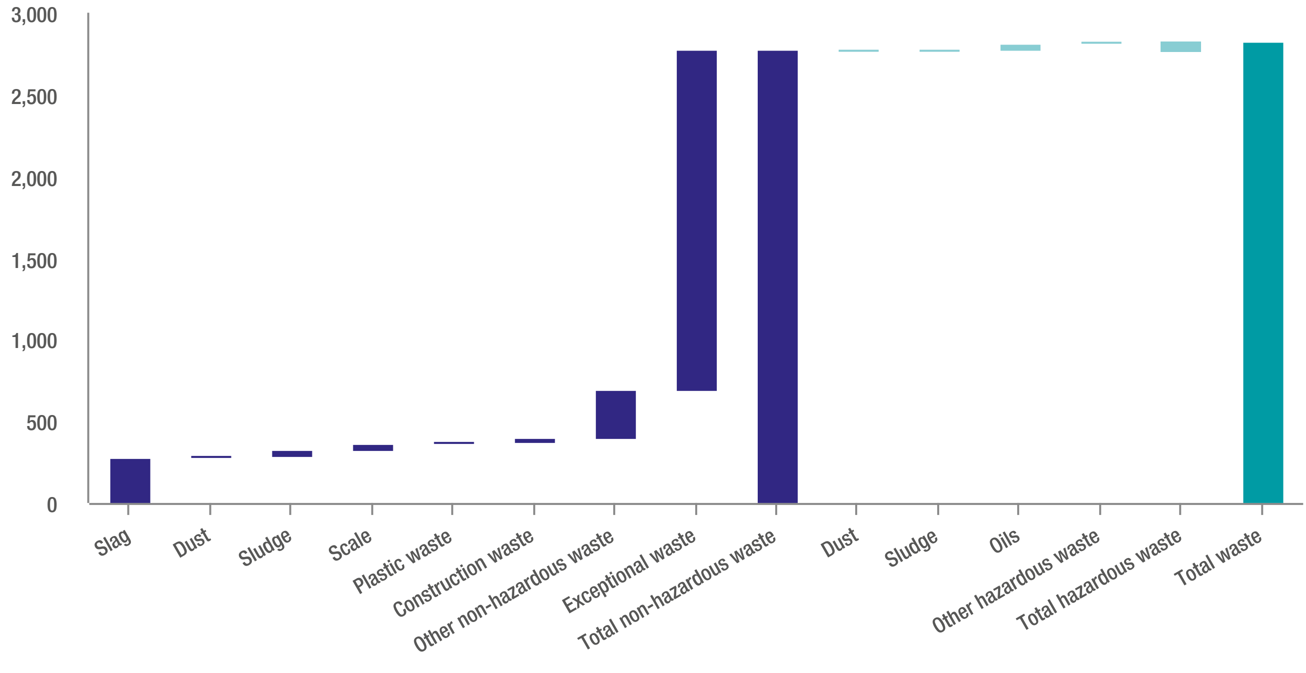
NB: Amounts in brackets include exceptional mine, shredder and yard waste. Non-bracketed amounts allow a meaningful comparison with previous years.

The Mineração iron mine and the Jeceaba pelletization unit also generate a large volume of recovered waste. Since 2019, some sites have been fine-tuning their waste sorting process to increase the recovery rate. Waste recovery increased at the Houston basin, for example. At Jeceaba, the blast furnace and pelletization site use secondary raw materials from the tube mill, such as dust, metal waste, iron ore fines, etc.

Other than the various types of final waste, sludge is the main type of waste still landfilled. Despite the Group's efforts to improve its separation, a significant proportion remains difficult to recover.

The proportion of plastic waste in total industrial waste is extremely low and represents 0.02% of the total volume of waste generated. In all, 96.8% of that industrial plastic waste is recycled or reused.

Breakdown of waste produced by the Group in 2024 (in thousands of metric tons)



Waste management indicators monitored *(in thousands of metric tons)*

In thousands of metric tons	2024	
TOTAL AMOUNT OF WASTE GENERATED	**702 (2,814)**	**100%**
Hazardous waste diverted from disposal	**16**	**2% (1%)**
Hazardous waste prepared for reuse	8	
Recycled hazardous waste	8	
Hazardous waste treated via other recovery operations	-	
Non-hazardous waste diverted from disposal	**660 (2,723)**	**94% (97%)**
Non-hazardous waste prepared for reuse	214 (2,277)	
Recycled non-hazardous waste	446	
Non-hazardous waste treated via other recovery operations	-	
Hazardous waste directed to disposal	**2 (34)**	**0% (1%)**
Hazardous waste treated by incineration, with energy recovery	2	
Hazardous waste put into landfill	0.5 (32)	
Hazardous waste disposed of by other operations	-	
Non-hazardous waste directed to disposal	**24 (40)**	**3% (1%)**
Non-hazardous waste treated by incineration, with energy recovery	10	
Non-hazardous waste put into landfill	14 (30)	
Non-hazardous waste disposed of by other operations	-	
Total amount of non-recycled waste	*248 (2,360)*	*35% (84%)*
Total amount of recycled waste	*454*	*65% (16%)*
Total amount of non-reused waste	*480 (529)*	*68% (19%)*
Total amount of reused waste	*222 (2,285)*	*32% (81%)*
Total amount of non-recovered waste	*14 (63)*	*2% (2%)*
Total amount of recovered waste	*688 (2,751)*	*98.0% (97.8%)*
Total amount of hazardous waste	**19 (51)**	
Total amount of radioactive waste	**0**	

NB: Amounts in brackets include exceptional mine, shredder and yard waste. Non-bracketed amounts allow a meaningful comparison with previous years.

All the data presented above were obtained thanks to the input of the various site teams (see Appendix 2 “Methodological note” for details of the approach used).

Waste by end use

The percentage of recycled and recovered waste in the form of material (by-products) was 97.4%, of waste incinerated to produce energy 0.4%, and of landfill waste 2.2%. In recent years, material recycling has increased in all the Group's regions. Thanks to action plan monitoring efforts by the Environment Committees, the programs for recovering by-products and recycling scrap metal have been successful.

2.1.8 European taxonomy

The European Union (EU) published Regulation 2020/852[(1)] on June 18, 2020 (the “Taxonomy” regulation), which sets out a framework for facilitating sustainable investment in the EU. This Regulation was supplemented on June 27, 2023 by Delegated Act 2023/3851[(2)], which sets out the technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to the sustainable use and protection of water and marine resources, to the transition to a circular economy, to pollution prevention and control, or to the protection and restoration of biodiversity and ecosystems, and for determining whether that economic activity causes no significant harm to any of the other environmental objectives, and amending Delegated Regulation (EU) 2021/2178[(3)] as regards specific public disclosures for those economic activities. The Group has accordingly reported performance indicator values for 2024 showing the proportion of its Turnover, CapEx and OpEx that is classified as eligible and aligned under the Taxonomy for the six environmental objectives: climate change mitigation; climate change adaptation; sustainable use and protection of water and marine resources; transition to a circular economy; pollution prevention and control; and protection and restoration of biodiversity and ecosystems.

(1) *https://eur-lex.europa.eu/legal-content/FR/TXT/PDF/?uri=CELEX :32021R2139&from=EN.*
(2) *https://eur-lex.europa.eu/legal-content/FR/TXT/HTML/?uri=PI_COM :C(2023)3851.*
(3) *EUR-Lex - 32021R2178 - EN - EUR-Lex (europa.eu).*

On the objectives of climate change, an initial assessment of the eligibility of the Group's activities was carried out in 2021. This involved a detailed analysis of all activities by the Sustainable Development Department, the Finance Department, the Investments Department, the Consolidation and Financial Reporting Department, and the Group's various business lines.

On the other four environmental objectives, an eligibility assessment and alignment of the Group's activities was completed in 2023, one year ahead of the date on which Delegated Act 2023/3851 came into force.

The methodology used for the Group's analysis in 2024 (definitions, assumptions and estimations) is outlined below.

2.1.8.1 Methodology

I. ANALYSIS OF TAXONOMY CRITERIA

Working from the list of activities determined as eligible, the Group identified those that met the three following conditions:

- **A. Substantial contribution:** contribute substantially to one or more of the six environmental objectives set out in Article 9 of the Delegated Regulation (EU) 2023/3851 in accordance with Articles 10 to 16 of that Regulation;
- **B. DNSH ("Do No Significant Harm"):** do not cause any significant harm to any of the six environmental objectives in accordance with Article 17 of that Regulation, because in addition to making substantial contributions to at least one of the environmental objectives, the Group must ensure that it does not compromise the achievement of the other five.

  Regarding climate change adaptation, compliance with the criteria set out in Annex A of Delegated Regulation (EU) 2021/2139 is common to many activities. The Group responded to this by updating the study of the risks related to the consequences of climate change in the regions where Vallourec operates in 2023 and by developing its climate change adaptation framework in 2024. The assumptions are based on the 28 chronic and acute climate-related hazards listed in Annex A, grouped into four risk categories related to temperature, wind, water and solid masses. The analysis includes an examination of the Group's activities' exposure to physical climate-related risks, an assessment of the associated vulnerability, and an evaluation of adaptation solutions to reduce the risk(s). The conclusions of this study are detailed in Section 2.2.2.1 "Inherent climate-change risks" of this Universal Registration Document and meet the requirements of the Taxonomy.

  Regarding the sustainable use and protection of water and marine resources, compliance with the criteria set out in Annex B of Delegated Regulation (EU) 2021/2139 is common to many activities. The Group's response is to study the environmental impact of the Company's water withdrawals by matching monthly withdrawal data with water stress indicators for each watershed. In 2024, around 2% of the Group's water withdrawals were in water-stressed areas. The two sites concerned, Aulnoye-Aymeries in France and Vallourec Saudi Arabia, have highly efficient water management systems in place. One uses 88% rainwater to meet its needs, thanks to a retention basin and a closed-loop recirculation circuit, while the other is supplied by a seawater desalination plant. Impacts on discharge quality are controlled in strict compliance with local environmental regulations, supplemented by consolidated Group-level monthly tracking of the most critical indicators in terms of concentrations of organic elements, hydrocarbons, heavy metals, suspended particles, and so on.
- **C. Minimum safeguards:** comply with the OECD guidelines and the United Nations guiding principles as referred to in Article 18 of the Regulation[1]. Wherever it operates, the Group is committed to respecting internationally recognized human rights, and particularly the Universal Declaration of Human Rights, the fundamental conventions of the International Labour Organization (ILO), the United Nations Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises, the Voluntary Principles on Security and Human Rights (VPSHR) (see Section 2.1.5) and the fight against corruption, business ethics and tax compliance (see Section 2.4.3). The Vallourec Group was not convicted of any offenses related to human rights, tax law, corruption or competition law during the period under review.

Particular care has been taken to avoid multiple counting of eligible or adjusted amounts – in relation to several environmental objectives, for example. The eligibility rate is therefore assessed separately for each pillar. Where an activity meets the criteria of more than one pillar, the most relevant environmental objective is identified and shown in bold in the consolidation table in the appendix.

II. INDICATOR CALCULATIONS

The Group calculated indicator values in compliance with the requirements of the various Taxonomy Directives and Delegated Acts, using its existing reporting processes and systems.

Financial information comes from the Group's information systems (derived from the consolidation software) during the annual accounts closing. It underwent analysis and verification carried out jointly by local and central teams, to ensure consistency with the consolidated revenue and capital expenditure figures in the consolidated financial statements, and was then reviewed by the Finance Department, the Sustainable Development Department, the Investments Department, and the Consolidation and Financial Reporting Department.

The results cover all Group activities included in the financial consolidation scope at 31 December 2024.

a) Revenue

The proportion of eligible and aligned revenue is calculated on the basis of analytical accounting of items considered eligible and aligned. 79% of consolidated revenue (€3,187 million), is generated in the Oil & Gas and Petrochemicals industries. As regards climate change mitigation and adaptation, the Group's Taxonomy-eligible revenue represents 94% of its overall revenue (mine operation, pellet manufacturing and Serimax's activities are not eligible). This percentage is assessed in relation to the denominator of €4,034 million as published in chapter 7 Note 2 "Revenue".

(1) *EUR-Lex - 32020R0852 - EN - EUR-Lex (europa.eu).*

b) Capital expenditure

The proportion of eligible capital expenditure (CapEx) is determined by dividing the total capital expenditure of eligible activities by the total capital expenditure appearing in the consolidated financial statements.

European Taxonomy-eligible CapEx for climate change mitigation and adaptation represents 73% of the total. This percentage is assessed by reference to the denominator of the acquisition of property, plant and equipment during the year (i.e., €167 million, as mentioned in chapter 7, Note 4.6. “Reconciliation of outflows related to acquisitions of non-current assets with the statement of cash flows”) plus the acquisition of rights of use (i.e., €28 million, as mentioned in chapter 7, Note 4.4 “Property, plant and equipment”).

c) Operating expenditure

The operating expenditure calculated by the Group in application of Annex 1 of Delegated Regulation (EU) 2021/2178 of July 6, 2021 was restricted to the following categories:

- research and development expenditure, including related personnel expenses;
- expenditure on maintenance, servicing and repair of industrial equipment and buildings, including related personnel expenses;
- other direct expenses on running maintenance of property, plant and equipment by the company or third parties commissioned with such activities, as required for continued operation.

The denominator of the operating expenses (“OpEx”) to be analyzed under the Taxonomy is 8.4% of the Group’s total operating expenses. In view of the eligibility and alignment criteria of its activities, the percentage relating to eligible activities would be automatically reduced. The Group therefore considered this amount not to be material and decided to use the exemption from disclosure provided for in European Regulation 2021/2178.

The tables referred to in Commission Delegated Regulation 2023/3851 setting out the details of revenue, CapEx and OpEx indicators are provided in Appendix 8, “Summary of Taxonomy-related indicators” of this Universal Registration Document.

III. NUCLEAR AND GAS ACTIVITIES

Further to the publication of Delegated Act 2022/1214, Vallourec indicates that its products are not intended for nuclear or gas power generation.

Line	Nuclear energy related activities	
1	The company carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2	The company carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3	The company carries out, fund or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO
	Fossil gas related activities	
4	The company carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity from fossil gaseous fuels.	NO
5	The company carries out, funds or has exposures to construction, refurbishment and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
6	The company carries out, funds or has exposures to construction, refurbishment or operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

2.1.8.2 Climate

A) ELIGIBILITY

The list of Taxonomy-eligible activities was drawn up following a full review of the Group's portfolio of activities and products, on the basis of the activities listed in Annex I, II, III and IV of Delegated Regulation (EU) 2021/2139:

1. The Group offers smart tubular solutions, including steel tubes and related services, under NACE code C24.20 "Manufacture of tubes, pipes, hollow profiles and related fittings, of steel" in the European statistical classification of economic activities. This activity, listed in category "Manufacture of iron and steel" of the European Taxonomy, is an eligible transition activity.
2. In its Florestal entity, which manages a eucalyptus forest in Brazil, the Group has started the industrialization phase of an innovative and patented solution intended to eliminate methane emissions during the production of charcoal. This activity falls under NACE code M71.12 "Engineering activities". Listed in the "Close to market research, development and innovation" category of the European Taxonomy, this eligible activity is considered enabling.
3. In Brazil, investments related to the collection and processing of recovered scrap metal are linked to the "Material recovery from non-hazardous waste" activity of the Taxonomy, an eligible enabling activity. It falls under NACE code E38.32 "Recovery of sorted materials." The scrap is used as a raw material for the fuel of the electric arc furnaces for steel production at the Jeceaba site in Brazil.
4. In December 2023, the Group inaugurated its Delphy vertical hydrogen storage pilot plant in Aulnoye-Aymeries (France). The facility uses tubes and connections with proven sealing and corrosion resistance. Investments linked to the development of this solution are associated with the "Storage of hydrogen", an eligible and enabling Taxonomy activity. This activity does not currently have a dedicated NACE code.
5. Lastly, the Group widened the Santa-Barbara dam, protecting ecosystems, public infrastructure and homes downstream of the Pau Branco mine in Brazil. These investments, associated with the "Flood risk prevention and protection infrastructure" activity (NACE code F42.91 "Construction of water projects") meet the criteria for technical screening as they correspond to the reconstruction of a physical water retention structure to cope with extreme climatic conditions, in line with precipitation scenarios compatible with the IPCC's (Intergovernmental Panel on Climate Change) SSP 5-8.5 scenario.

Turnover and other CapEx linked to the mining of iron ore or production of charcoal in Brazil (NACE codes 07.10 and 02.20 respectively), as well as the services delivered by Serimax (NACE code 27.90) do not appear in the list of activities of the European Taxonomy. The Group has therefore classified them as non-eligible.

B) ALIGNMENT – CLIMATE CHANGE MITIGATION

For the purposes of this sustainability statement, Vallourec does not take into account the European Commission's Draft Commission Notice published on November 29, 2024[(1)] and in the Official Journal on March 5, 2025[(2)] due to the late timing of its publication and the difficulties it poses in terms of interpretation and comprehension.

Taxonomy-eligible turnover remained at the same level as last year (94%). This is directly linked to the proportion of turnover derived from the Group's production of steel tubes.

The Group has chosen to report an alternative Taxonomy indicator to illustrate the performance that would have been achieved in the absence of the DNSH pollution criterion. The proportion of activities meeting technical criteria is also stable, representing one-third of turnover in 2023 and 2024. The share of domestic sales in the United States, which accounts for the vast majority of the Group's turnover from activities that meet technical criteria, varied only slightly. As in 2023, none of the Group's activities relating to pollution qualified as aligned on the DNSH criterion.

Eligible CapEx decreased year on year, from 89% in 2023 to 73% in 2024, as a result of the German plant closures as well as major investments in eucalyptus seedlings for Vallourec Florestal. Alignment has also decreased significantly, from €17 million in 2023 to €5 million in 2024. This was due to completion of the industrial deployment of the Carboval technology for the Diamante facility, as well as to finalization of the investment in scrap metal recovery in Brazil.

(1) https://finance.ec.europa.eu/publications/frequently-asked-questions-eu-taxonomy_en.
(2) https://eur-lex.europa.eu/legal-content/FR/TXT/?uri=OJ:C_202501373.

Analysis of the "substantial contribution," "do no significant harm" and "minimum safeguards" criteria led to the following alignment:

Activities within the meaning of the Taxonomy (NACE code)	Eligible activities		Aligned activities		Activities meeting criteria excluding DNSH pollution[a]	
	Turnover	CapEx	Turnover	CapEx	Turnover	CapEx
3.9 Iron and steel manufacturing (C24.20)	€3,786m	€135m	€0m	0	€1,319m	€40m
	94%	70%	0%	0%	33%	20%
9.1 Close to market research, development and innovation (Carboval) (M71.12)	0	€3m	0	€3m	0	€3m
	0	2%	0%	2%	0	2%
2.7 Material recovery from non-hazardous waste (E38.32)	0	€2m	0	€2m	0	€2m
	0	1%	0%	1%	0	1%
4.12 Storage of hydrogen (Delphy) (no NACE code)	0	<€1m	0	<€1m	0	<€1m
	0	<1%	0%	<1%	0	<1%
TOTAL	**€3,786m**	**€141m**	**€0m**	**€5m**	**€1,319m**	**€45m**
	94%	73%	0%	3%	33%	23%

(a) *Voluntary indicator chosen by the Group indicating the percentage of activities aligned if the DNSH criterion on pollution had been met.*

Iron and steel manufacturing (C24.20)

A. Substantial contribution

The manufacturing of seamless steel tubes under the activity "Manufacture of iron and steel" substantially contributes to the objective of climate change mitigation, if it meets the technical criteria set out in Annex I of Delegated Regulation (EU) 2021/2139.

As in previous years, the steel produced in the United States in the Youngstown (Ohio) steel mill is made from 98% recycled scrap iron. Electricity from low-carbon sources is supplied at 100% through a nuclear Power Purchase Agreement This manufacturing process ensures compliance with the technical alignment criterion for electric arc furnace steel production as specified by the Commission's Delegated Regulation (EU) 2019/331. This specifies a scrap steel input of at least 70% for high-alloy steel production and 90% for carbon steel production, with respect to total production.

The steel produced in Brazil in the Jeceaba steel mill (Minas Gerais) comes from a mix of recycled steel scrap and cast iron produced using plant-based charcoal. As the share of scrap iron is 69% (i.e., below the 70% threshold), it is necessary to assess the carbon intensity of the intermediate products derived from the ore. The Group has chosen to include methane emissions in the carbon weight of intermediate products, even if they occur upstream of the pelletization process and the blast furnace. The carbon content of hot metal and iron ore pellets is therefore:

- Below the thresholds set by Commission Delegated Regulation (EU) 2019/331 for the Carboval process, with no methane emissions.
- Above these thresholds without the Carboval process.

To conclude, with regard to the Iron and Steel Production activity, all production in the United States and production using the Carboval process in Brazil contribute substantially to climate change mitigation within the meaning of the European Taxonomy.

B. "Do no significant harm"

a) Climate change adaptation

The update of the climate-related risk assessment meets the criteria of Annex A of Delegated Regulation (EU) 2021/2139 (see Section 2.2.7.1 "Methodology").

b) Sustainable use and protection of water and marine resources

The Group performed its analysis based on ISO 14001 certifications of the steel and seamless tube production sites in the United States and Brazil which met the technical alignment criteria for climate change mitigation. With these audits, carried out by third-party bodies, the Group can implement best practices, and measure and limit its environmental impact.

c) Transition to a circular economy

Delegated Regulation (EU) 2021/2139 does not include criteria on this point.

d) Pollution prevention and control

The Group regulates the use of chemicals in compliance with the European regulation REACH 1907/2006 on the safe manufacture and use of chemical substances in European Industry, and with the relevant national regulations in countries outside the European Community.

Currently, some of the chemicals listed in Appendix C of Delegated Regulation 2023/3851 of June 27, 2023 are used in the Group's steel and seamless tube manufacturing processes, thus impeding the same alignment that applies to the technical criteria.

In 2012, the Group launched the ChemSafe program to reduce the use of CMR (carcinogenic, mutagenic, reprotoxic) products. For details on this, see Sections 2.1.2 "Risk management in health and safety risks" and 2.3.2.1 "Health and safety".

e) Protection and restoration of biodiversity and ecosystems

The production sites in the United States and Brazil that meet the criterion of substantial contributions to the objective of climate change mitigation are ISO 14001 certified, attesting to respect for surrounding biodiversity and ecosystems.

An analysis of the location of sites in relation to protected areas and areas of significant biodiversity using the IBAT tool shows that the Youngstown US site is not affected. The Brazilian sites have implemented analyses and actions in line with local regulations (see details in Section 2.2.6).

Close to market research, development and innovation (Carboval) (M71.12)

A. Substantial contribution

The technical criteria of Annex I of Delegated Regulation (EU) 2021/2139 are met with respect to the CapEx linked to the first industrial unit of the Carboval process. First, it is part of a broader activity, Iron and Steel Production, that meets the technical criteria for eligibility for the European Taxonomy. Carboval significantly reduces greenhouse gas emissions for the production of biomass charcoal by eliminating all methane emissions. Other advantages make it an environmentally friendly solution, such as improved gravimetric efficiency, the production of by-products or the reduction of ash in the charcoal produced. The technology is covered by a patent less than 10 years old. The absence of methane emissions was validated by a third party.

B. "Do no significant harm"

a) Climate change adaptation

The update of the climate-related risk assessment meets the criteria of Annex A of Delegated Regulation (EU) 2021/2139 (see Section 2.2.7.1 "Methodology").

b) Sustainable use and protection of water and marine resources

The Group performed its analysis based on ISO 14001 certifications of the steel and seamless tube production sites in Brazil which met the technical alignment criteria for climate change mitigation. With these audits, carried out by third-party bodies, the Group can implement best practices, and measure and limit its environmental impact.

c) Transition to a circular economy

Analysis of Article 17(1), point (d), of Regulation (EU) 2020/852 shows that Carboval has a positive co-benefit for the circular economy, as the higher quality charcoal enables the use of fine particles as a substitute for natural gas, as well as the production of by-products. Improved gravimetric efficiency also allows resource savings upstream in the value chain.

d) Pollution prevention and control

The Carboval process reduces the emission of fumes by means of an internal combustion process. Vallourec Florestal is ISO 14001 certified, which includes challenges related to pollution prevention and control.

e) Protection and restoration of biodiversity and ecosystems

Vallourec Florestal is ISO 14001 certified, which includes challenges related to biodiversity and surrounding ecosystems. An analysis of the location of the sites in relation to protected areas and areas of significant biodiversity using the IBAT tool shows that the Carboval site is not in a biodiversity-sensitive area. However, the Brazilian sites have implemented analyses and actions in line with local regulations (see details in Section 2.2.6).

Material recovery from non-hazardous waste (E38.32)

A. Substantial contribution

In Brazil, the collection, crushing and sorting of recovered scrap metal makes it possible to increase the share of recycled steel, whose carbon footprint is much smaller than steel produced from ore. This activity makes a substantial contribution to the fight against climate change, as the Capex approved in 2023 will allow the commissioning of new equipment that will produce 0.75 metric tons of scrap usable in an electric arc furnace per metric ton of incoming low-cost scrap iron. The material recovery rate well is therefore well above 50%, the threshold set by the (EU) Taxonomy Regulation.

B. "Do no significant harm"

a) Climate change adaptation

The update of the climate-related risk assessment meets the criteria of Annex A of Delegated Regulation (EU) 2021/2139 (see Section 2.2.7.1 "Methodology").

b) Sustainable use and protection of water and marine resources

Delegated Regulation (EU) 2021/2139 does not include criteria on this point.

c) Transition to a circular economy

Delegated Regulation (EU) 2021/2139 does not include criteria on this point.

d) Pollution prevention and control

Delegated Regulation (EU) 2021/2139 does not include criteria on this point.

e) Protection and restoration of biodiversity and ecosystems

The Jeceaba site is ISO 14001 certified, which includes challenges related to biodiversity and surrounding ecosystems. Furthermore, an analysis of the location of the sites in relation to protected areas and areas of significant biodiversity using the IBAT tool shows that the Jeceaba site is not in a biodiversity-sensitive area. However, the Brazilian sites have implemented analyses and actions in line with local regulations (see details in Section 2.2.6).

Storage of hydrogen

A. Substantial contribution

The construction of facilities for the vertical storage of hydrogen is in itself a substantial contribution to the climate change mitigation objective as defined in Annex I of Delegated Regulation (EU) 2021/2139.

B. "Do no significant harm"

a) Climate change adaptation

The update of the climate-related risk assessment meets the criteria of Annex A of Delegated Regulation (EU) 2021/2139 (see Section 2.2.7.1 "Methodology").

b) Sustainable use and protection of water and marine resources

Delegated Regulation (EU) 2021/2139 does not include criteria on this point.

c) Transition to a circular economy

The CapEx reported in this chapter for vertical hydrogen storage relates to the commissioning of a demonstrator on the Aulnoye-Aymeries site. If the demonstrator were to be dismantled, all components – including the steel of the tubes used for storage – would be reused or recycled wherever possible. The demonstrator site will be monitored for the percentage of waste recovered. The objective is to maintain an annual result of 98% or more, made possible by the Group's By-products program.

d) Pollution prevention and control

The demonstrator's storage capacity is 100 kg to 150 kg of hydrogen, depending on the pressure applied, which meets this criterion.

e) Protection and restoration of biodiversity and ecosystems

The Aulnoye-Aymeries site is ISO 14001 certified, which includes challenges relating to biodiversity and surrounding ecosystems. Furthermore, the Natura 2000 impact assessment has shown that no regular functional connectivity is possible between the Natura 2000 sites and the Aulnoye Aymeries site, resulting in a zero impact.

C) Alignment – Climate change adaptation

Analysis of the “substantial contribution,” “do no significant harm” and “minimum safeguards” criteria led to the following alignment:

	Eligible activities		Aligned activities	
Activities within the meaning of the Taxonomy (NACE code)	**Revenue**	**CapEx**	**Revenue**	**CapEx**
Flood risk prevention and protection infrastructure (F42.91)	0	<€1m	0	<€1m
	0	<1%	0	<1%
Other eligible activities (C24.20, M71.12, E38.32, Storage of hydrogen)[a]	€3,786m	€142m	0	0
	94%	73%	0	0
TOTAL	**€3,786m**	**€142m**	**0**	**<€1m**
	94%	73%	0	<1%

(a) The total above includes all CapEX associated with activities eligible under the climate change adaptation objective, including those also aligned with other environmental objectives (consistent with the simplified table in Appendix 7).

Flood risk prevention and protection infrastructure (F42.91)

A. Substantial contribution

The CapEx relating to the increase in the water retention capacity of the Santa-Barbara dam at the Pau Branco mine in Brazil is a solution overcoming a material climate-related risk for mining activity, as evidenced by the January 8, 2022 overflow of the Lisa dam and the findings of the study of risks linked to climate change (see Section 2.1.2.3 “Adapting to climate change").

This project makes it possible to substantially reduce the acute climatic flood risk as per Annex A of Delegated Regulation (EU) 2021/2139. The dam has been designed to specifications that should allow it to withstand the probable maximum rainfall event on a 10,000-year scale. The extreme climatic conditions considered for the design of the dike are consistent with the analysis of the exposure of the Vallourec Group’s activities to changes in physical climatic risks according to the SSP 5-8.5 scenario by 2050, taken into account in the modeling carried out.

B. “Do no significant harm”

a) Climate change mitigation

Delegated Regulation (EU) 2021/2139 does not include criteria on this point.

b) Sustainable use and protection of water and marine resources

The removal of sediment from the Santa-Barbara dam several hundred kilometers from the coast has no direct impact on marine ecosystems. One of the major goals of the project which was the basis for the Group's decision to allocate this CapEx is to increase the dam's water decanting capacity by increasing its depth, and to reduce the turbidity of downstream effluents. The essence of the project is therefore to preserve local water resources, in compliance with local environmental requirements.

c) Transition to a circular economy

Sediment removal is not based on construction or demolition activities. Sediment is pumped and then dried in geobags before being transported out of the area. The Taxonomy criterion therefore does not apply. In addition, any waste generated by the operation falls within the Group's policy of a 98% recovery rate. In 2024, the recovery rate for non-hazardous waste from ordinary operations at the Pau Branco mine exceeded this threshold.

d) Pollution prevention and control

The Santa Barbara dam collects only rainwater and groundwater. There is no mixing with untreated wastewater.

e) Protection and restoration of biodiversity and ecosystems

The mine is ISO 14001 certified, including challenges related to biodiversity and surrounding ecosystems. However, the site has implemented analyses and actions in line with local regulations (see details in Section 2.2.6).

Other eligible activities (C24.20, M71.12, E38.32, Storage of hydrogen)

The study of the vulnerabilities of the Group’s activities has been finalized to align it with the new Taxonomy and CSRD analysis standards. Audits carried out at various sites in 2024 helped determine whether the measures already planned for those sites were consistent with the study’s findings, and enabled any further actions to be defined. A Group procedure was able to be defined on the basis of feedback from the pilot sites, and will be gradually rolled out from 2025 onwards. For the present time, the Group has chosen not to qualify any activity with regard to the substantial contribution to climate change adaptation criterion, other than the CapEx specific to the removal of sediment from the Santa-Barbara dike.

2.1.8.3 Sustainable use and protection of water and marine resources

The Vallourec Group has numerous water treatment units to maximize recirculation and ensure the right quality for industrial and sanitary purposes. This operation is integrated into the tube manufacturing process, and does not generate turnover as such, neither does it involve the sale of water management products or services to a third party.

Taking into account the list of Taxonomy-eligible activities defined at the beginning of the chapter and in accordance with Article 14 of Regulation 2020/852, no activity is eligible with regard to the sustainable use and protection of water and marine resources.

2.1.8.4 Transition to a circular economy

A) ELIGIBILITY

Following a comprehensive review of the Group's portfolio of activities and products, the only activity identified as Taxonomy-eligible on the basis of the activities listed in Annexes I, II, III and IV of Delegated Regulation (EU) 2021/2139 is "Material recovery from non-hazardous waste." This falls under NACE code E38.32 "Recovery of sorted materials." This is the CapEx corresponding to the commissioning of the scrap metal shredder in Jeceaba, whose substantial contribution to climate change mitigation is discussed in the "Climate" Section.

B) ALIGNMENT

Analysis of the "substantial contribution," "do no significant harm" and "minimum safeguards" criteria led to the following alignment:

	Eligible activities		Aligned activities	
Activities within the meaning of the Taxonomy (NACE code)	**Revenue**	**CapEx**	**Revenue**	**CapEx**
Material recovery from non-hazardous waste (E38.32)	0	€2m	0	€2m
	0	1%	0	1%

Material recovery from non-hazardous waste (E38.32)

A. Substantial contribution

The investment in the shredder allows the use of lower quality scrap metal. This CapEx of around €2 million in 2024 meets the criteria for a substantial contribution to the transition to a circular economy.

The scrap metal is collected, transported and separated to be stored next to the Jeceaba steel mill before being sorted and shredded.

The useful material recovery rate is 75%. This puts it above the 50% threshold.

A waste management system has been implemented, in accordance with ISO 14001 and the Group's reduction, reuse and recycling policy.

The material obtained from the process allows the effective substitution of cast iron produced from ore, reducing the consumption not only of this resource, but also of the water, charcoal and energy required for its production.

B. "Do no significant harm"

a) Climate change mitigation

Delegated Regulation (EU) 2021/2139 does not include criteria on this point.

b) Climate change adaptation

The update of the climate-related risk assessment meets the criteria of Annex A of Delegated Regulation (EU) 2021/2139 (see Section 2.2.7.1 "Methodology").

c) Sustainable use and protection of water and marine resources

The Group has based its analysis on the ISO 14001 certifications of the steel and seamless tube production sites in Brazil. These third-party audits allow the Group to implement best practices in accordance with Annex B of Delegated Regulation (EU) 2021/2139.

d) Pollution prevention and control

Delegated Regulation (EU) 2021/2139 refers to the use of best available techniques for the recovery of non-hazardous waste, covering the shredding of recovered metal scrap.

Within the Vallourec process, the procedure for characterizing waste that can be shredded is defined to exclude undesirable elements. Inventories are monitored to calculate the proportion of recycled steel from external and internal sources consolidated at Group level. The resulting products are used for steelmaking in the electric arc furnace, and the plant has upstream sorting technologies including magnetic drums.

e) Protection and restoration of biodiversity and ecosystems

The Jeceaba site is ISO 14001 certified, which includes challenges related to biodiversity and surrounding ecosystems.

2.1.8.5 Pollution prevention and control

Taking into account the list of Taxonomy-eligible activities defined at the beginning of the chapter and in accordance with Article 14 of Regulation 2020/852, no activity is eligible with regard to pollution prevention and control.

2.1.8.6 Protection and restoration of biodiversity and ecosystems

Considering the list of activities eligible for the Taxonomy defined at the start of this chapter and in accordance with Article 15 of Regulation 2020/852, no activity is eligible with regard to the restoration of biodiversity and ecosystems.

2.2 Social information (ESRS S)

2.2.1 Own workforce (ESRS S1)

SDG 5.5

The social indicator scope includes companies within the tax consolidation scope. Staff at sales offices are likewise included in this report. Employees on leave from work or on redeployment leave are not included in this analysis. This population represents 611 employees (including 56 in France and 555 in Germany).

2.2.1.1 Changes and breakdown

It is important to note that the 2024 headcount takes into account the gradual entry into force of the European CSRD and ESRS. Accordingly, the 2024 headcount corresponds to the headcount of consolidated companies from an accounting perspective (as presented in chapter 7, Note 2 to this Universal Registration Document).

The change in headcount between December 31, 2023 and at December 31, 2024 can be explained as follows:

- Employees holding an employment contract with Vallourec at December 31, 2023: 15,482 employees
- Impact of non-consolidated companies in 2024: -137 employees
- Employee departures in 2024: -3,100 employees
- Employee hires in 2024: 1,568 employees
- Employees on leave from work or on redeployment leave (or equivalent in Germany): -611 employees
- Employees holding an employment contract with Vallourec at December 31, 2024: 13,202 employees

As at December 31, 2024, 13,202 employees worked at 35 production or service sites under contracts with Vallourec (short-term or permanent contracts), compared to 15,482 employees in 2023. In 2024, Vallourec continued to implement its transformation plan, particularly in Europe, in France, Germany and the United Kingdom, and in other geographies including China, with an adjustment of the workforce.

II) BREAKDOWN BY COUNTRY

	2023			2024		
Country	**Women**	**Men**	**Total**	**Women**	**Men**	**Total**
PERMANENT						
Algeria		1	1		1	1
Germany	88	1,535	1,623	16	102	118
Angola	2	15	17	2	14	16
Saudi Arabia	9	198	207	8	236	244
Azerbaijan	1	6	7	1	6	7
Brazil	921	6,375	7,296	916	5,885	6,801
Canada	3	6	9	3	5	8
China	183	760	943	180	750	930
Egypt	2	5	7			
United Arab Emirates	25	71	96	29	79	108
United States	201	1,736	1,937	196	1,695	1,891
France	242	995	1,237	229	977	1,206
Indonesia	76	406	482	63	304	367
Kazakhstan	1	1	2	1	1	2
Malaysia	17	110	127	18	101	119
Mexico	36	402	438	43	382	425
Nigeria		7	7		2	2
Norway	20	76	96	2	5	7
Uganda	3	18	21	3	18	21
United Kingdom	13	105	118	26	110	136
Russia	3	9	12	1		1
Singapore	19	69	88	20	67	87
Total	**1,865**	**12,906**	**14,771**	**1,757**	**10,740**	**12,497**
TEMPORARY						
Germany	1	68	69		1	1
Saudi Arabia				2		2
Brazil	70	148	218	77	139	216
France	31	66	97	30	73	103
Indonesia	15	201	216	20	232	252
Kazakhstan		1	1		1	1
Malaysia		69	69		92	92
Norway	2	3	5	1	1	2
United Kingdom		13	13	1	13	14
Russia		6	6			
Singapore		17	17	1	21	22
Total	**119**	**592**	**711**	**132**	**573**	**705**
TOTAL	**1,984**	**13,498**	**15,482**	**1,889**	**11,313**	**13,202**

Breakdown of the workforce holding an employment contract with Vallourec at December 31, 2024 for countries with more than 50 employees:

	2023			2024		
Country	**Women**	**Men**	**Total**	**Women**	**Men**	**Total**
PERMANENT						
Germany	88	1,535	1,623	16	102	118
Saudi Arabia	9	198	207	8	236	244
Brazil	921	6,375	7,296	916	5,885	6,801
China	183	760	943	180	750	930
United Arab Emirates	25	71	96	29	79	108
United States	201	1,736	1,937	196	1,695	1,891
France	242	995	1,237	229	977	1,206
Indonesia	76	406	482	63	304	367
Malaysia	17	110	127	18	101	119
Mexico	36	402	438	43	382	425
United Kingdom	13	105	118	26	110	136
Singapore	19	69	88	20	67	87
Total	**1,830**	**12,762**	**14,592**	**1,744**	**10,688**	**12,432**
TEMPORARY						
Brazil	70	148	218	77	139	216
France	31	66	97	30	73	103
Indonesia	15	201	216	20	232	252
Malaysia		69	69		92	92
Total	**116**	**484**	**600**	**127**	**536**	**663**
TOTAL	**1,946**	**13,246**	**15,192**	**1,871**	**11,224**	**13,095**

Breakdown of top management (defined as employees reporting to a member of the Executive Committee and identified as top management according to Vallourec's internal grades) by gender (number and percentage):

	2023					2024				
	Women		Men			Women		Men		
Country	**Headcount**	**%**	**Headcount**	**%**	**Total**	**Headcount**	**%**	**Headcount**	**%**	**Total**
Germany			4	6.3%	4	1	1.5%	2	3.1%	3
Brazil			10	15.6%	10			8	12.3%	8
United Arab Emirates			5	7.8%	5			4	6.2%	4
United States			10	15.6%	10	1	1.5%	8	12.3%	9
France	9	14.1%	24	37.5%	33	10	15.4%	30	46.2%	40
United Kingdom	1	1.6%	1	1.6%	2			1	1.5%	1
TOTAL	**10**	**15.6%**	**54**	**84.4%**	**64**	**12**	**18.5%**	**53**	**81.5%**	**65**

The year-on-year change is attributable to the departure of 17 employees, one employee who no longer reports to a member of the Executive Committee, ten new employees, six promotions and three new hires following reorganizations.

Workforce as of December 31 (short-term and permanent contracts)	2023	2024	2023/2024 change	2023 breakdown	2024 breakdown
Europe	3,276	1,588	(52)%	21%	12%
Brazil	7,514	7,017	(7)%	49%	53%
Asia	1,952	1,879	(4)%	13%	14%
North America (United States, Canada, Mexico)	2,384	2,324	(3)%	15%	18%
Middle East	310	354	14%	2%	3%
Africa	46	40	(13)%	—%	—%
TOTAL	**15,482**	**13,202**	**(15) %**	**100%**	**100%**

II) BREAKDOWN BY GENDER

As of December 31, 2024, the Group had 1,889 women (1,757 with permanent contracts), which represents 14.3% of the total permanent workforce. Marginally present in the category of production staff, women mainly hold administrative and sales positions. They represent 29% of the Group's technical and supervisory staff (administrative personnel, technicians or field supervisors), and 27.5% of its managers. The overall breakdown remained relatively unchanged for the 2023-2024 period by geographic area, for the Group as a whole.

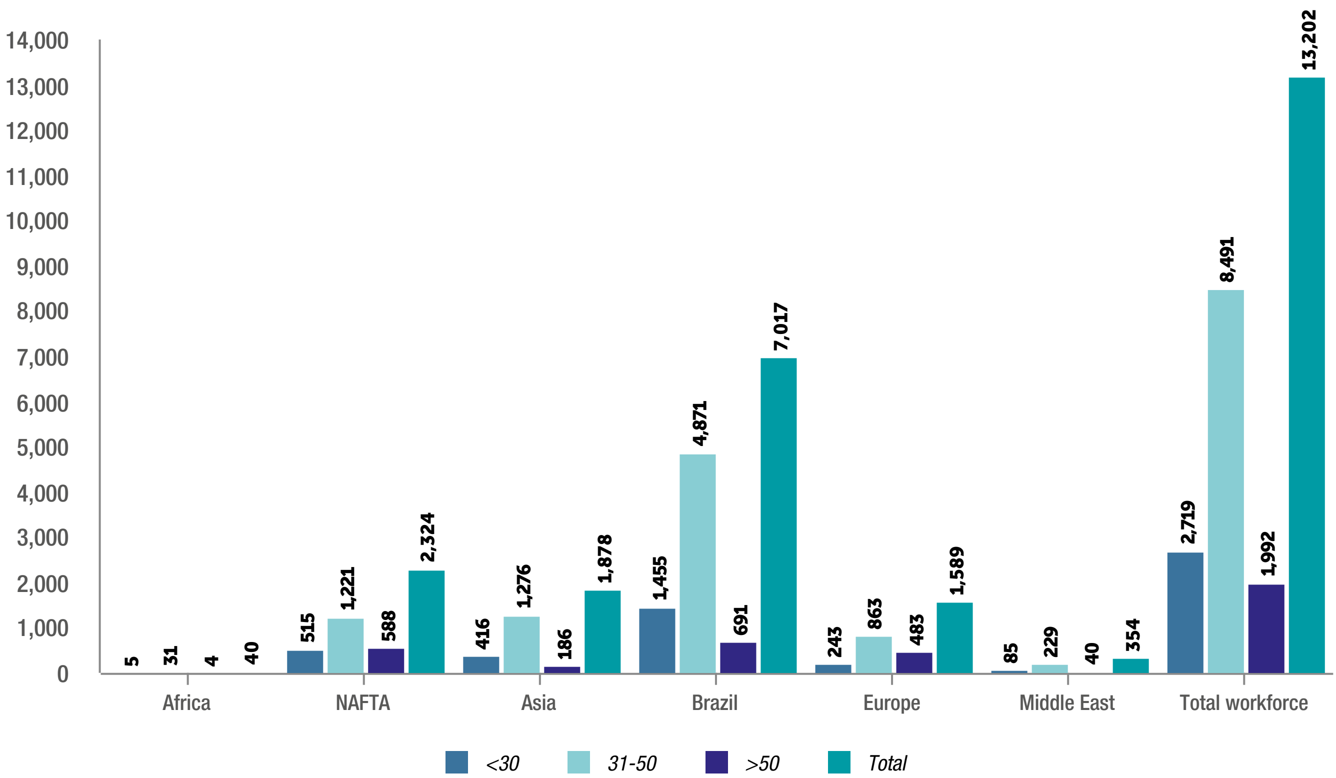
	Production staff		Technical and supervisory staff		Managers (cadres)		Total	
% of women (permanent)	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**
Europe	0.01	0.07%	0.31	7.3%	0.25	6.7%	0.12	2.3%
Brazil	0.09	5.72%	0.31	7.7%	0.31	13.5%	0.13	7.5%
Asia	0.09	1.27%	0.3	7.9%	0.21	2.2%	0.16	2.3%
North America (United States, Canada, Mexico)	0.03	0.48%	0.26	4.8%	0.23	4.4%	0.1	1.8%
Middle East	0.01	0.02%	0.22	1.1%	0.22	0.7%	0.12	0.3%
Africa	0.17	0.03%	0.1	0.1%	0	0.0%	0.11	0.0%
WORLD	**0.06**	**7.60%**	**0.29**	**29.0%**	**0.26**	**27.5%**	**0.13**	**14.3%**

III) BREAKDOWN BY AGE

The age pyramids show significant disparities in terms of geographical areas. The average age across the whole Group is around 40.

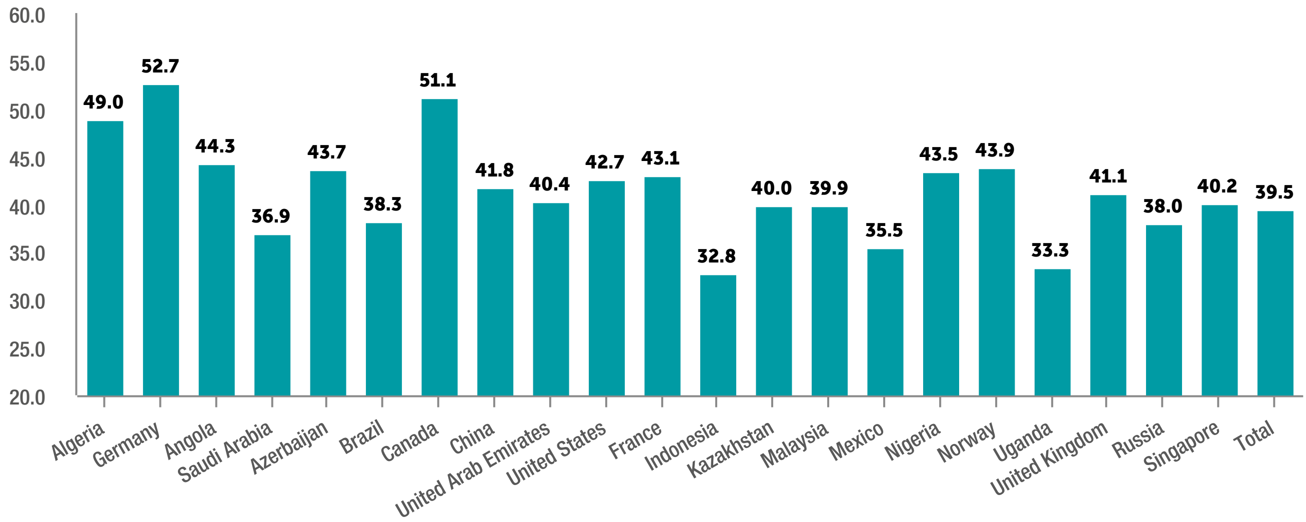
The Brazilian employee population is young, with a strong concentration in the 30- to 50-year-old segment. In the North America region, the distribution of the population among the various age categories is well balanced. There are practically no employees older than 50 in Brazil and Asia. Conversely, the North America and Europe regions continue to be characterized by a large number of employees over the age of 50 (between 25% and 30%, respectively). The staff breakdown by age range has not changed in comparison to the previous year.

Breakdown of the workforce by age



These disparities are also reflected in the average age of employees in the main countries where the Group is established.

Average age by country



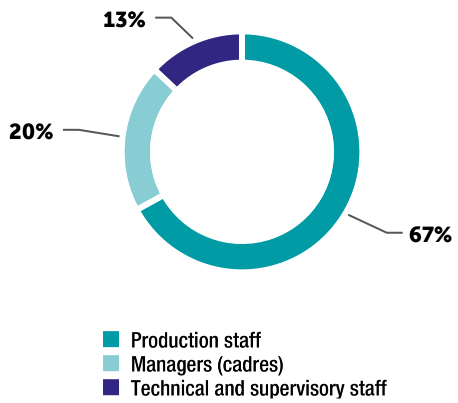
IV) BREAKDOWN BY PROFESSIONAL CATEGORY

Production staff represents more than two-thirds of the headcount.

Technical and supervisory staff includes administrative personnel, technicians and field supervisors, who account for 13% of the workforce. Managers represent 17% of the workforce.

Breakdown of workforce by category in 2024

In 2024, the proportion of managers and technical and supervisory staff remained unchanged from 2023.



Group's registered workforce by professional category	2023	2024
Managers (cadres)	2,710	2,630
Technical and supervisory staff	1,987	1,693
Production staff	10,785	8,879
TOTAL	**15,482**	**13,202**

Breakdown by category of the workforce holding an employment contract with Vallourec in 2024

	BC		Technical and supervisory staff		Managers (cadres)		Total	
Area	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**
Africa	17	12	31	26	5	2	53	40
North America	1,560	1,508	354	338	470	478	2,384	2,324
Asia	1,218	1,225	479	392	255	262	1,952	1,879
Brazil	5,972	5,429	446	442	1,096	1,146	7,514	7,017
Europe	1,867	520	602	407	807	661	3,276	1,588
Middle East	151	185	75	88	77	81	303	354
TOTAL	**10,785**	**8,879**	**1,987**	**1,693**	**2,710**	**2,630**	**15,482**	**13,202**

Breakdown by category of the workforce of female employees holding an employment contract with Vallourec in 2024

	BC		Technical and supervisory staff		Managers (cadres)		Total	
Area	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**
Africa	3	3	4	2			7	5
North America	42	43	91	82	107	117	240	242
Asia	113	113	146	134	53	57	312	304
Brazil	516	508	139	131	336	354	991	993
Europe	11	6	187	124	202	176	400	306
Middle East	1	2	16	18	17	19	34	39
TOTAL	**686**	**675**	**583**	**491**	**715**	**723**	**1,984**	**1,889**

Breakdown by category of the workforce of male employees holding an employment contract with Vallourec in 2024

	BC		Technical and supervisory staff		Managers (cadres)		Total	
Area	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**
Africa	14	9	27	24	5	2	46	35
North America	1,518	1,465	263	256	363	361	2,144	2,082
Asia	1,105	1,112	333	258	202	205	1,640	1,575
Brazil	5,456	4,921	307	311	760	792	6,523	6,024
Europe	1,856	514	415	283	605	485	2,876	1,282
Middle East	150	183	59	70	60	62	269	315
TOTAL	**10,099**	**8,204**	**1,404**	**1,202**	**1,995**	**1,907**	**13,498**	**11,313**

Nearly 50% of production staff are still located in Europe and Brazil, while 19% of managers and technical and supervisory staff are located in this same area.

In 2024, the production staff population still accounted for approximately 70% of the Group's total workforce, which is consistent with previous years.

V) BREAKDOWN BY TYPE OF CONTRACT

Due to the highly cyclical nature of its markets, Vallourec has to be able to adapt rapidly to changes in activity. As a matter of policy, it maintains a permanent workforce (via permanent contracts), which allows it to meet the needs of its ongoing operations, and temporary workers (under short-term and temporary contracts) to cope with surges in activity. For planning purposes, the permanent staff is managed on the basis of a model workforce involved in a standard activity for three to five years. Changes in peak or low point activity are handled via flexible local solutions (e.g., loans between plants, working time adjustments in Europe, temporary staff and short-term contracts).

VI) BREAKDOWN BETWEEN PERMANENT, SHORT-TERM (FIXED-TERM CONTRACTS AND APPRENTICES) AND TEMPORARY WORKFORCE

	Dec. 31, 2023			Dec. 31, 2024		
Country	**Permanent**	**Fixed-term contracts (including apprentices)**	**Temporary**	**Permanent**	**Fixed-term contracts (including apprentices)**	**Temporary**
Algeria	1	-		1	-	
Germany	1,623	69		118	1	
Angola	17	-		16	-	
Saudi Arabia	207	-		244	2	20
Azerbaijan	7	-		7	-	
Brazil	7,296	218	22	6,801	216	19
Canada	9	-		8	-	
China	943	-	94	930	-	81
Egypt	7	-				
United Arab Emirates	96	-		108	-	
United States	1,937	-	223	1,891	-	231
France	1,237	97	162	1,206	103	77
Indonesia	482	216	71	367	252	33
Kazakhstan	2	1		2	1	
Malaysia	127	69		119	92	
Mexico	438	-		425	-	
Nigeria	7	-		2	-	
Norway	8	-		7	2	
Uganda	21	-		21	-	
United Kingdom	206	18		136	14	
Russia	12	6		1	-	
Singapore	88	17		87	22	
WORLD	**14,771**	**711**	**572**	**12,497**	**705**	**461**

In 2024, there were 12,497 permanent workers worldwide, compared to 14,771 at the end of 2023.

Breakdown of the permanent, short-term (fixed-term contracts and apprentices) and temporary workforce at December 31, 2024 for countries with more than 50 employees

	Dec. 31, 2023			Dec. 31, 2024		
Country	**Permanent**	**Fixed-term contracts (including apprentices)**	**Agency workers**	**Permanent**	**Fixed-term contracts (including apprentices)**	**Temporary**
Germany	1,623	69		118	1	
Saudi Arabia	207	-		244	2	20
Brazil	7,296	218	22	6,801	216	19
China	943	-	94	930	-	81
United Arab Emirates	96	-		108	-	
United States	1,937	-	223	1,891	-	231
France	1,237	97	162	1,206	103	77
Indonesia	482	216	71	367	252	33
Malaysia	127	69		119	92	
Mexico	438	-		425	-	
United Kingdom	206	18		136	14	
Singapore	88	17		87	22	
WORLD	**14,680**	**704**	**572**	**12,432**	**702**	**461**

Further details on this very high percentage of permanent employees are provided in Section 2.2.2.2 of this Universal Registration Document.

2.2.1.2 New joiners and departures

I) NEW HIRES AND TRANSFERS

The total number of hires on permanent contracts in the Group was down on 2023. The most significant change in 2024 was in Brazil and the North America region.

Women accounted for over 22% of new hires in 2024 (17% of blue-collar workers, 36% of technical and supervisory staff and 37% of managers).

The breakdown of new hires by professional category and geographical area is as follows:

Breakdown of new hires by professional category

	2023			2024		
Area	**BC**	**WC1**	**WC2**	**BC**	**WC1**	**WC2**
Africa	11	15	–		3	1
North America	391	45	58	242	37	50
Asia	139	41	14	185	25	19
Brazil	983	74	122	581	36	106
Europe	67	82	90	35	77	84
Middle East	49	17	3	59	18	10
TOTAL	**1,640**	**274**	**287**	**1,102**	**196**	**270**

Breakdown of new hires of women by professional category

	2023			2024		
Area	**BC**	**WC1**	**WC2**	**BC**	**WC1**	**WC2**
Africa	2	2	–			
North America	25	12	19	22	15	21
Asia	7	20	5	9	10	8
Brazil	181	29	44	149	17	32
Europe	1	39	45	2	26	37
Middle East	2	4	1	2	3	2
TOTAL	**218**	**106**	**114**	**184**	**71**	**100**

For all areas except Brazil, female employees were primarily hired in the professional categories of technical and supervisory staff, and managers. Female new hires in the production staff category remain significant in Brazil. The proportion of women in the Group remained unchanged at 14%. The Group's policy, as defined by the Management Board in 2016, focuses on two objectives, which are increasing the number of women in operations-related positions, and improving women's access to leadership roles.

II) DEPARTURES

In 2024, the Group's workforce remained stable in Asia and in the North America region. It rose slightly in the Middle East and fell sharply in Brazil and Europe. The non-permanent workforce remained stable year on year (705 in 2024 versus 711 in 2023). In 2024, we recorded around 387 departures in North America, 1,120 in Brazil, 171 in the Asia area, and 1,278 in the Europe area.

Turnover rate by area

In accordance with the CSRD and ESRS, Vallourec has calculated the turnover rate as follows: number of departures according to the categories defined under the CSRD/ESRS, divided by the total number of permanent employees at December 31. Among the reasons for departures, the following are taken into account:

- voluntary departures;
- departures due to the termination of fixed-term contracts;
- deaths in service;
- departures due to redundancy;
- departures due to retirement.

Area	% 2023 turnover	% 2024 turnover
Africa	0.23%	0.08%
North America	2.89%	2.89%
Asia	1.56%	1.29%
Brazil	5.23%	9.22%
Europe	6.25%	9.65%
Middle East	0.28%	0.25%
WORLD	**16.44%**	**23.38%**

Reasons for termination of employment contracts by area

	Retirement		Resignation		Dismissal		Other reasons	
	2023	2024	2023	2024	2023	2024	2023	2024
Africa	0.0%	0.0%	0.0%	0.1%	1.3%	0.0%	0.3%	0.2%
North America	0.9%	0.7%	6.8%	6.6%	5.3%	4.9%	0.6%	0.3%
Asia	0.9%	0.5%	2.5%	1.2%	5.4%	0.5%	1.7%	3.3%
Brazil	0.0%	0.0%	8.0%	5.4%	22.1%	29.4%	3.8%	4.5%
Europe	1.1%	0.7%	4.2%	1.6%	27.1%	34.6%	6.3%	4.3%
Middle East	0.0%	0.0%	1.5%	0.6%	0.1%	0.2%	0.2%	0.3%

The number of departures continued to rise in 2024 (3,100 versus 2,686 in 2023). Dismissals accounted for almost 70% of departures (61% in 2023). The number of resignations was down year on year (480 in 2024 versus 617 in 2023). Brazil and Europe were the areas with the most departures in 2024 (2,498 in 2024 versus 1,950 in 2023).

2.2.2 Working conditions (ESRS S1)

SDG 3.9, 8.8, 10.4, 13.3

2.2.2.1 Health and safety

The Group's health and safety risks are presented in Section 3.1.2 "Operational risks" of this Universal Registration Document.

Health and Safety policy and roadmap

The Health and Safety policy was updated in 2024, reaffirming that health and safety is the Group's absolute priority. The Group's ambition is to achieve the highest level of health and safety worldwide, and in particular to reach the following goals by 2030:

- zero Life Changing Events;
- TRIR < or = 0.2;
- zero occupational illnesses.

To achieve this ambition, in 2024 the Group launched CAP 2030, its new health and safety roadmap.

To oversee the rollout of this roadmap, each region holds a monthly Health and Safety Steering Committee attended by the Group managers in charge of operations and health and safety.

A monthly update is given to the Chief Executive Officer at the monthly business review as regards analyses of accidents and Potentially High Gravity Events, as well as the monitoring of leading indicators and actions taken under the Health and Safety roadmap.

Health and safety roadmap

At the end of 2024, 97% of Vallourec sites were ISO 45001 certified, with certified sites representing Vallourec's entire production in metric tons.

Beyond this, the Group's Health and Safety roadmap is based on three key pillars:

- health and Safety leadership based on visible manager commitment;
- health and Safety management focused on risk reduction;
- health and Safety culture based on employee autonomy and interdependence.

Six leading indicators have been defined to monitor the deployment of the roadmap:

- risk reduction;
- improvement in the quality of risk assessment;
- number and quality of safety visits;
- number of Gemba Walks;
- number of near misses reported;
- number of unsafe acts and conditions reported by employees.

The roadmap sets targets for each of these indicators, with annual objectives for each site monitored on a monthly basis in monthly business reviews and Health & Safety committees.

Since 2016 the performance indicators have incorporated Vallourec staff, temporary and agency workers and contractors.

In addition to its risk reduction approach based on a risk assessment of each site, the roadmap includes a specific action plan for high-severity risks and for the prevention of potentially serious or fatal accidents, notably with:

- a particular focus on high risks, especially those with high severity, in order to identify priority matters;
- collection and in-depth analysis of High Potential Gravity Events (HPGEs);
- strict application of the 12 life-saving rules, designed to prevent the Group's high-severity risks; and
- definition and deployment of Group Health and Safety Standards, aimed at standardizing the approach to reducing the Group's high-severity risks.

In order to support management in the deployment of the Health and Safety roadmap, the latter provides for a quantitative and qualitative reinforcement of health and safety teams, and the development of IT tools to support the management of health and safety issues.

Lastly, to make it easier for managers and employees to implement and monitor health and safety initiatives, Vallourec is continuing to reinforce its health and safety IT system.

After reports of accidents, the following pilot modules were run in the IT system:

- accident analyses;
- safety visits;
- risk analysis;
- dashboards.

These modules have now been validated and will be gradually rolled out in 2025.

I) SAFETY

Indicator

Frequency rate of accidents with or without lost time (Lost Time Injury Rate or LTIR, and the Total Recordable Injury Rate or TRIR): number of accidents reported per million hours worked, including subcontractors. The Group has chosen to continue publishing its LTIR and TRIR safety metrics including its subcontractors, in line with its policy of guaranteeing safety for all affected populations. Nevertheless, to meet CSRD requirements, indicators excluding subcontractors are also presented.

Reminder of the 2024 objective

To have no fatality and to achieve a TRIR of 2 or better in 2024.

Achievement of the 2024 objective

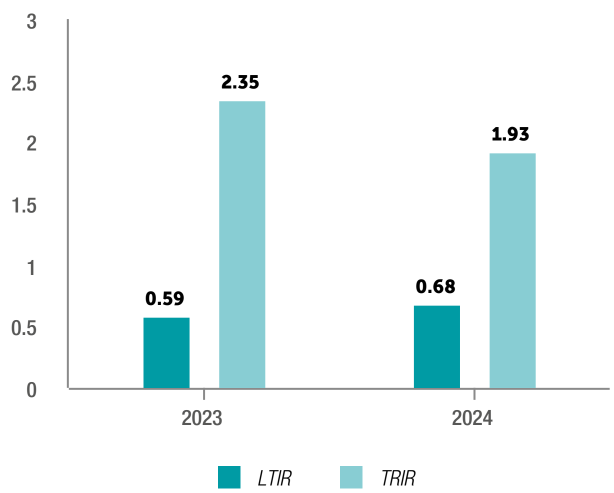
In 2024, the Group regrettably recorded a fatality at the Muskogee site in Oklahoma, United States.

Two life-changing events occurred in 2024, compared with four in 2023.

Group TRIR fell to 1.93, slightly below the target. This represents a reduction of 18% compared with 2023 (and 21% based on a comparable scope following the closure of the German sites).

At December 31, 2024, LTIR was 0.68 (down 39% on 2022), while the severity rate (SR) of the lost time injury rate was 0.036, 29% lower than in 2022.

Changes in safety indicators



Following work to harmonize incident reporting in the last half of 2023, the figures for 2022, 2023 and 2024 are reported on a harmonized basis.

Whenever a recordable accident with or without lost time occurs the Group Executive Committee is informed immediately. Potentially serious incidents are communicated up to the regional Senior Vice President immediately.

Each reported accident is analyzed for actual and potential severity, relying on an internal scale.

Particular emphasis is placed on potentially serious events (PSEs) regardless of the effective severity expressed during the occurrence of these first aid, near-accidents, or dangerous conditions.

Where accidents occur, hands are the most frequently injured body part.

Failure to follow the basic rule of never being in the line of fire is the main cause of these accidents.

Education and training about safety rules is mandatory for all new employees of the Group, in particular for managers at all levels, and includes concerted follow-up. The programs for temporary staff have been extended to subcontracting companies just as for the permanent workforce.

Each year a day is devoted to safety in all of the Group's sites, during which time production is halted. This is an opportunity to raise collective awareness about safety issues in multiple ways among all employees, in particular through specific workshops.

2024 Health and Safety action plan

In 2024, the Group continued to raise its investment in safety to provide increasingly safe equipment and working environments.

The Group continued to invest in training its managers:

- in analyzing accidents using an advanced method for recordable accidents and high potential events (HPEs);
- in conducting behavior-based safety inspections;
- in strengthening safety leadership.

Finally, to help promote a Health and Safety culture based on autonomy and interdependence, Vallourec launched its "Together we're safer" communication campaign on World Health and Safety Day, focused on Vallourec's new safety culture brand.

2025 objective

The Group's safety objective remains to prevent fatalities and life-changing events, and to continue efforts to bring the TRIR to 1.4 or below in 2025 and remain on track towards the target of less than or equal to 0.2 by 2030.

In 2025, Vallourec also plans to further targeted efforts to achieve zero fatalities or life-changing events.

To achieve this, the Group will continue to resolutely deploy the actions set out in our CAP 2030 Health and Safety roadmap.

In addition, it should be noted that the TRIR for employees and temporary workers only was 2.05 in 2024, representing 62 accidents with and without lost time.

II) HEALTH

A) Health policy

The Group has not signed any collective agreements regarding occupational health and safety. However, the Health and Safety policy now contains a more robust health section. The objectives set for the Group's entities include gaining more in-depth knowledge about the health risks specific to their processes, and determining ways to eliminate or mitigate them locally. There are indeed various issues that relate to the health of Vallourec's employees. As concerns processes, chemical risk (see below), noise, air quality and the ergonomics of workstations have been the subject of structured adaptation plans for several years. The issues also concern medical follow-up of employees, the risks of psychosocial risks to which they could be exposed, and the ability to offer them adapted health coverage. Lastly, the Group's health policy must also ensure that the products used for its customers' operations are safe.

The Group has set itself the target of zero occupational illnesses.

No occupational illnesses were recognized as attributable to Vallourec in 2024 by the competent local bodies.

B) Prevention of chemical risk

The safe use of chemical products and substances is of critical concern to Vallourec, which has had a dedicated plan (ChemSafe) in this regard for numerous years. ChemSafe is based on five key steps: identification, risk assessment, substitution, protection and monitoring.

The inventory of chemical products used at Group sites is managed through the chemical product database. This database is regularly updated to ensure rigorous monitoring of developments and thus prevent the risks of harmful effects.

Several points should be emphasized:

a) this database helps the HSE teams to better determine the danger of products, and thus establish adequate means of prevention. The application takes into account the globally referenced classification system (GHS) along with all new regulations resulting from it. New features are regularly deployed to optimize risk prevention. Regular training sessions for the HSE teams also ensure the sustainability of the initiative on all sites following the various reorganizations and the changes in the tool's functionalities.

The tool also incorporates an authorization workflow as regards workplace chemical risk assessment, ensuring that the inventory is regularly updated. The objective is to evaluate each product at the primary workstation and therefore eliminate the existing Excel tracking files;

b) all products or substances entering production sites are monitored and authorized by local HSE managers. Medical services are regularly called in to provide a full risk assessment. Legally required checks on the atmosphere in the work environment are conducted, and this information is included in risk assessments. In 2019, Vallourec developed an application to formalize these validations and connect them to the Group's database;

c) HSE teams also strive to reduce the risk of exposure through substitution or the installation of barriers in accordance with specific instructions. In 2023, all HSE teams took part in a refresher course on chemical risk awareness. For example, the use of hydrofluoric acid (HF), which can be very dangerous, has been reduced to a few rare applications subject to strict handling rules associated with controlled preventive measures. In 2024, HSE teams focused on reducing the highest risks through substitution, reorganizing workstations or adding specific PPE. These efforts helped reduce the most significant risks by 48%. As part of the risk mitigation approach, practical training in the identification and storage of chemical products has been provided to operating teams, who have also been trained in the key stages of safely putting on and removing protective equipment;

d) the impact of chemical risk is similarly studied from the initial stage of investment and R&D projects in an effort to take all prevention criteria that should be associated with them into account. Several R&D investment projects were thus validated at the corporate level from a chemical risk perspective. The most at-risk projects are monitored and validated at each stage, through to industrialization on site. This process is the result of close collaboration with process communities and purchasing teams. For example, the development of the next generation of dope-free coating for connections (Cleanwell Dry 2) has allowed Vallourec to define and establish use of CMR (Carcinogenic, Mutagenic or toxic for Reproduction) products via closed-cup systems, and thereby guarantee zero contact to ensure maximum staff protection. These highly secure processes were then monitored by local HSE teams;

e) lastly, audits of high-risk chemical processes are conducted to guarantee good practices and protection levels. Some audits are also conducted at Vallourec's subcontractors for the same reasons. Oversight arrangements have been established and are monitored by the local teams.

C) Product substitution plans

The Group decided to focus on the substitution of highly hazardous products, with a special emphasis on products classified as CMR 1, i.e., those with proven harmful effects on humans and animals. Changes in legislation and improved knowledge about the toxicity of substances increase the number of products that are identified as CMR each year. So far, the Group has identified 898 CMR-classified products that are used at its various operating sites in 2024. Of these, 17.6% are not substitutable because there are currently no alternative solutions. Plans to substitute critical products have been defined and, in conjunction with R&D and the suppliers, the HSE teams have devised tests and qualification programs for substitute products. These programs can sometimes take a long time and, in some cases require the manufacturing processes to be adapted or adjusted. Since 2022, consideration has only been given to products identified as substitutable. The list of non-substitutable products is reviewed annually to take into account any changes. These products cannot therefore be automatically considered as substituted. Changes in the official classification system resulted in an additional list of products that had not yet been identified as CMR, and in new substitution actions being undertaken. Since 2023, the Group has decided to intensify its substitution approach by setting the target of replacing 97% of substitutable CMRs by 2025. Monthly monitoring of actions is now in place, and several working groups bringing together HSE, purchasing, process communities and methods departments have been set up in the regions. At the end of 2024, 96.1%[(1)] of the 740 plant items identified as substitutable CMRs[(2)] had been replaced[(3)]. For example, numerous actions have been taken to replace solvent-based products such as paints. The finishing process community has worked with the various sites to standardize paints, reducing both the number of products used and the number of paints classified as highly hazardous. This work has made it possible to completely eliminate CMR-classified paints in marking processes. As mentioned above, 17 industrial uses of distinct CMR products remain identified as non-substitutable owing to technical problems or lack of a substitute on the market. Their uses are therefore monitored by the HSE teams and the Environment Department. The specific action plans rolled out at the Group level continue to develop, and concern, in particular:

a) refractory ceramic fibers;

b) leaded grease, which however is still not substitutable under certain extreme conditions. It is currently only used when operating conditions do not allow for any other options;

c) nickel phosphates: in 2017, the competent process community rolled out a test program to validate Ni-free solutions. In 2024, all phosphating lines were CMR-free.

Other programs are conducted jointly with R&D, the plants and the suppliers in an effort to reduce CMR use. The use of borax, for example, is a common subject at several sites, which was taken up by another process community. After numerous tests, despite laboratory qualification of certain products, the industrial tests carried out over the past several years did not give the expected results, so validation could not go ahead. Our R&D and HSE teams remain focused on the aim of validating a boron-free substitute.

The substitution of cobalt, implemented and validated by the R&D teams, was also one of the successes of 2023.

In 2024, the Group also strengthened and standardized the rules governing the use of products classified as non-substitutable CMR, in order to increase protection.

2.2.2.2 Employee training and career development

New Vallourec has led to a complete overhaul of talent management policies and processes, with a dual objective:

- ensure the Group has the skills, expertise and behaviors needed for its development in the short and long term;
- optimize levers of employee engagement and contributions.

At Vallourec, a standardized system is used for the assessment and development of employees. This Talent Management system assesses which hard and soft skills need to be developed for each employee in their current position, and also prepares for their future development.

This includes defining and organizing performance management and career development processes, talent reviews and succession planning.

The aim is to provide individual career development plans for each employee, based on specific development actions and identified pathways.

Vallourec therefore assists its employees throughout their careers, revealing and cultivating their talents thanks to several programs and initiatives that are rolled out within the Group.

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(1) Note that only products identified as substitutable are taken into account in the calculation of replacement rate.

(2) Chemicals or preparations may have various adverse effects on human health. These are classified into "CMR" categories. Under Article R.4412-60 of the French Labor Code, substances or preparations are considered CMR agents if they are carcinogenic (C), mutagenic (M) and/or toxic for reproduction (R), as defined in Annex I of Regulation (EC) 1272/2008.

(3) Some sites reported their inventory. New substances have also been officially classified as CMR.

This commitment to lifelong learning is at the heart of Vallourec's business model, as retaining and developing expertise is essential to our role as a trusted partner at the cutting edge of technology. This imperative and the Group's commitment to securing and developing long-term expertise is also the reason for its fairly infrequent use of temporary contracts and the resulting very high percentage of permanent employees in our workforce (see Section 2.2.1.1 –Table VI).

I) STAFF ASSESSMENTS

The talent management information system, known as Talent 360, used throughout the Group, is one of the tools used to evaluate skills, manage objectives and behaviors, and to assess the potential of the engineer and manager cohorts.

A) Annual performance reviews

Performance management was revisited at the end of 2022 to allow a fairer assessment of employee performance, with the triple objective of staff upskilling, performance management and recognition of employees' contributions.

For managers, performance is assessed at least once a year during dedicated interviews.

The performance review assesses the past year's achievements, progress in the current role, and achievement of individual objectives, as well as the implementation of the Group's leadership skills matrix, which is based on the five identified pillars.

In addition, a mid-year performance review is strongly encouraged between July and September, to take stock of progress on the current year's objectives and to provide specific feedback linked to performance in the first half.

Performance reviews are conducted through our Talent 360 tools for all managers, with a completion rate exceeding 96% in recent years.

The system is also accessible to technical and supervisory staff in most of the countries where the Group operates.

B) Talent reviews

The talent review, run by the Human Resources Department in collaboration with the regions, is a key process for ensuring that the Group has the talents needed to implement its strategy. It also allows employee potential to be identified and nurtured, helping staff to develop within the Group over the short, medium and long term, prioritizing the needs of the organization. Succession planning focuses on identifying the most suitable employee for each position, taking into account performance, behaviors observed in relation to the leadership model, and ability. The practice of providing specific feedback to employees on the Company's plans for each of them was begun in 2024 and is due to be rolled out across the Group in 2025, so that all employees are informed of how the Group sees their future role and associated career development plan.

The talent review process was rolled out to all Group entities in 2024, enabling Vallourec to (i) consolidate the development plans of its key employees and then plan targeted development initiatives for each of them with a view to preparing them for their future role; and (ii) reinforce the robustness of its organization by combining profiles from different regions

There is a sharp focus on Group experts whose skills are of capital importance, especially given our cutting-edge technological position.

Special attention is also paid to the Group's new business lines and those under transformation, to support and prepare talents for the skills that will be needed in the future.

C) Succession plans

This year, Vallourec again strengthened its succession plans to prepare for future movements in key positions by bringing together all the critical positions in the organization and examining replacement scenarios for each.

Since 2023, particular attention has been paid to the Group's pool of female employees to ensure that they are fully integrated into succession plans and that at least one female candidate exists for each of the roles in question.

II) SKILLS DEVELOPMENT

A) Expert Program

The Expert Program encourages and values individual career paths in the Group's technical expertise professions, and allows Vallourec to develop its competitiveness to satisfy increasingly demanding markets. In 2024, this program was expanded to include application knowledge as a key area of expertise, in addition to product and process issues. To date, this program has allowed some 270 experts to be recognized through the Group.

B) Expertise project

A new project was launched in 2023, aimed at securing the Group's long-term future and developing its expertise through a dedicated human resources policy. Following an inventory of all the Group's areas of expertise (300 in all) and an assessment of their criticality, a review was carried out for each identified critical area of expertise, leading to specific action plans (recruitment, internal mobility, knowledge transfer).

C) Training

Against the backdrop of the Group's extensive transformation, Vallourec has a growing need for trained and motivated employees capable of adapting to changing businesses and markets. The Group strives to reconcile its need for change with the individual aspirations of its employees, allowing them to grow in their careers, while developing their skills.

The training offered to employees is largely based on individual development plans identified during the career and development interview, as well as on actions resulting from the talent reviews.

In addition to training programs that are offered and delivered as determined by the Group Training Department, each entity prepares its training plan each year, in accordance with the Group's strategy and educational guidelines. Specific training programs are therefore put in place to locally address the regulatory or market requirements.

Vallourec University

Vallourec University is the corporate training entity of Vallourec. Its remit is to create a common culture of learning, develop the leadership and business skills of all employees and support the ambitious New Vallourec plan.

Vallourec University looks to develop the skills of our employees worldwide. Training programs may be given locally through Vallourec University in the main countries, centrally as part of international programs, or via e-learning through a dedicated training platform, the Learning Management System (LMS).

Vallourec University's teaching is based on three key pillars:

- Fundamentals and Culture, which includes the Group's induction program along with training on change cultures, languages and intercultural understanding, as well as all mandatory training, for example on ethics, compliance and cybersecurity.
- Leadership and Soft Skills, which prepares for handling the specific challenges encountered in management and leadership roles. The implementation of Leadership Skills, defined in 2022 along with the Leadership Model, focuses on the deployment of the five core components defined: accountability, performance management, collaboration, employee development and challenging the status quo.
- Business Expertise and Skills, which provide expertise in processes and technologies and business lines (sales, purchasing, project management, etc.). These skills are particularly important in view of the challenges of the energy transition.

Programs at Vallourec University operate in partnership with the Vallourec business experts as well as with carefully selected service providers.

Vallourec University has adopted a Learning Management System (LMS), a training management tool that offers employees direct access to training (e-learning, language platform, videos, podcasts, etc.).

This tool allows Vallourec University to offer customized and standard training, which can be deployed quickly at the Group's various sites for all employees connected to the LMS. This training is part of a blended learning strategy, in which live or virtual training is prepared for or reinforced by e-learning sessions, leading to better understanding of the lessons and reducing time spent in in-person settings.

Digital learning enriches the range of training opportunities available within the Group. The Vallourec University LMS platform, open 24/7 and free of charge to all employees with a Vallourec account, features around 3,000 online training modules.

In 2024, over 391,000 hours were devoted to professional training for employees, marking a return to a sustained level of training, albeit less intense than in 2023, as previously announced. Exceptional efforts had been required in 2023 to upgrade the expertise of the Brazilian teams, following the full-scale transfer of production from Germany to Brazil, including the launch of 50 new product references. In Brazil, for example, the number of training hours per employee was set at a minimum of 80 hours per year.

Employees who had at least two hours of in-person training, or who completed at least one e-learning training session

	Production staff		Technical and supervisory staff		Managers (cadres)		Total	
	2023	2024	2023	2024	2023	2024	2023	2024
Women	N/A	0.88	N/A	0.83	N/A	1	N/A	0.91
Men	N/A	0.87	N/A	0.84	N/A	1	N/A	0.88
GROUP TOTAL*	**0.83**	**0.87**	**1**	**0.83**	**1**	**1**	**95%**	**89%**

* *% of employees who had at least two hours of in-person training, or who completed at least one e-learning training session by socio-professional category.*

In 2024, each participating Group employee completed an average of around 31 hours of training, compared to 42 hours in 2023.

This year, the breakdown of employees trained also includes statistics on gender. It shows a fairly even distribution, with the proportion of women trained slightly higher (0.3 points) than that of men.

The percentage of production staff trained rose by 0.4 points year on year and accounted for 66% of training hours in 2024.

Synchronous training sessions represent 79.7% of the volume of training hours, confirming the trend towards a return of this form of training since the end of the health crisis.

E-learning courses accounted for 20.3% of training volume, in line with the 2023 trend.

	Total number of training hours in 2024	%	Total number of training hours in 2023	%	Change
Fundamentals & Culture	13,138	3%	9,344.4	1%	41%
Leadership & Soft Skills	30,886	8%	89,774.5	12%	-66%
Business Expertise & Skills	347,497	89%	646,351.6	87%	-46%
including HSE	*154,483*	*39%*	*172,851.5*	*23%*	-11%
including Languages	*14,650*	*4%*	*11,615.5*	*2%*	26%
TOTAL	**391,521**	**100%**	**745,470.6**	**100%**	**-47%**

The breakdown of training topics and the percentage of total training hours they account for reflect the emphasis placed on raising Vallourec's international standards.

The "Fundamentals & Culture" training program grew 41%, thanks to "Induction" training, synchronous compliance training and the launch of e-learning modules on compliance topics. In 2025, new synchronous compliance training sessions will be launched for at-risk employees.

Health and safety training continues to be a priority for the Group, accounting for 39% of training given, compared with 23% in 2023. The "Safety Visit" training course, which was rolled out across the Group this year, is the most striking example of health and safety training initiatives.

Lastly, the Group launched an online program for learning English in 2024, which contributed to the 26% increase in language-based training hours. Over 900 employees have taken this online English program, with an average of seven hours per learner.

2.2.2.3 Work schedules and work-life balance

I) ORGANIZATION OF WORK

The Group's policy is designed to provide flexibility and responsiveness in order to adapt to customer demand.

Working patterns enable the Group to adjust plant operations to production requirements. Most production sites have adopted a system of continuous shift work (round the clock), five or six days per week using three, four or five rotating teams.

In order to minimize the arduous nature of working patterns, research is being done in conjunction with occupational physicians and employees into the structuring of working patterns to coincide with physiological patterns. This research is then followed by trials.

In order for the Group to meet the need to adapt to economic conditions, whenever possible, hourly cycles are reduced (2x8 from 3x8, or 3x8 from 5x8, etc.).

Innovative solutions have been implemented, which vary based on cultural factors and applicable national laws.

Vallourec is also attentive to employees' work-life balance. In this regard, several issues relating in particular to working hours, workload and feedback on work-life balance are systematically and compulsorily addressed in all annual appraisals for the Group's managers. The issues also feature in the engagement survey carried out on the Group's scopes, and consequently form part of the associated action plans.

Lastly, the Group's policy on leave entitles employees to take leave for certain family events (country-specific policy).

The Group also respects the laws of the countries in which it operates with regard to service in the armed forces. In the United States, the Group grants military leave to regular employees for the expected duration of active military service under the specific training program or the required period of service in any branch of the uniformed services, up to the maximum amount of time to which the employee is entitled by law. An employee's cumulative military leave cannot exceed five years. Military leave is granted in addition to normal vacation or other paid leave granted by the company.

II) WORKING HOURS

The following table shows the number of hours worked and the average number of overtime hours worked in the last two years. It is based, for each area, on the number of hours worked by the registered workforce.

	Average number of hours worked per employee		Of which the average number of overtime hours worked per employee during the year	
	2023	2024	2023	2024
Africa	1,368	1,792	20	49
North America	2,300	2,415	404	429
Asia	1,688	2,300	540	521
Brazil	1,891	1,936	53	98
Europe	1,062	1,601	29	22
Middle East	1,899	2,341	473	49

Average number of hours worked per employee	2023	2024
Algeria	2,024	2,021
Germany	1,141	1,390
Angola	1,904	1,965
Saudi Arabia	2,470	2,475
Australia	464	
Azerbaijan	1,876	1,804
Brazil	1,891	1,936
Canada	1,841	1,692
China	2,665	2,665
Egypt	1,192	
United Arab Emirates	2,035	2,042
United States	2,341	2,354
France	1,615	1,624
Indonesia	2,271	2,087
Italy	390	
Kazakhstan	1,699	1,917
Malaysia	825	1,340
Mexico	2,718	2,694
Nigeria	746	1,649
Norway	1,449	1,409
Uganda	797	1,644
United Kingdom	1,843	1,797
Russia	502	1,033
Singapore	2,019	2,116
Sweden	496	

Although overtime hours do not apply to managers, the average number of overtime hours has been calculated for the entire permanent workforce (registered workforce), including managers.

III) ABSENTEEISM

The absenteeism rate is calculated by comparing the aggregate of all paid leave (including for illness, maternity, work-related accidents or commuting accidents) with the total number of hours actually worked. In every country, it is in the low average of the rates of comparable industries.

In 2024, the absenteeism rate at Group level was 2.81% compared with 3.52% in 2023.

Absenteeism rate	2023	2024
Africa	0.07%	0.25%
North America	2.09%	2.16%
Asia	2.07%	1.53%
Brazil	2.61%	3.13%
Europe	8.48%	4.24%
Middle East	0.82%	1.00%
TOTAL	**3.52%**	**2.81%**

2.2.2.4 Wage policy

I) PAYROLL

In 2024, Group payroll, excluding temporary workers, totaled €810 million:

- €607 million in salaries;
- €13 million in employee profit-sharing;
- €41 million in expenses associated with stock options and performance shares;
- €149 million in social security costs.

Breakdown of payroll costs by country:

Breakdown of total payroll costs	2023	2024
Germany	18%	4%
Brazil	25%	28%
China	3%	3%
United States	27%	31%
France	18%	24%
Mexico	2%	2%
United Kingdom	2%	2%
Other	5%	6%
TOTAL	**100%**	**100%**

Consideration is being given to defining an "adequate wage" benchmark throughout the Group, with a view to formalizing a policy on this topic going forward. Nevertheless, all Group employees are paid above the minimum wage (in locations where this concept exists).

II) EMPLOYEE PROFIT SHARING AND BONUSES

Profit sharing plans are designed to associate employees with the Company's performance. In 2024, the amount allocated to these plans was €13 million.

In France, a Company savings plan (PEE) and retirement savings plan (PERCO) allow employees to invest the money they receive from profit sharing in order to build up savings with a favorable tax status and to benefit from employer contributions.

III) EMPLOYEE SHARE OWNERSHIP

In 2024, no employee share offers were made. An employee share ownership plan (Vallourec Invest 2025) will be launched in early 2025 for seven countries (versus three countries in 2023): Brazil, France, Indonesia, Saudi Arabia, Singapore, United Arab Emirates and United States.

Vallourec Invest 2025 will continue to offer a 20% discount and a matching contribution. As in 2023, the proposed vesting period will be two years.

The new offer reflects Vallourec's desire to share the value created by the Group with its employees, and recognizes the progress made to date in the implementation of the New Vallourec plan.

Shares held by employees represented 2.22% of Vallourec's share capital as at December 31, 2024, compared to 2.43% as at December 31, 2023.

2.2.2.5 Healthcare coverage

In almost all countries, except in African and Middle Eastern countries, employees benefit from a healthcare coverage system for themselves and their families. During business travel, a medical service guarantees they will be cared for under the best conditions.

Multiple activities of a social, sporting or cultural nature are organized within the subsidiaries. They take on different forms according to the structures: company orchestras or choirs, organization of tourist trips, sporting competitions or parties and the funding of vacation camps for children. The goal of these activities is to bring people together outside of a strictly professional framework, to support and strengthen connections among employees.

2.2.3 Social dialogue (ESRS S1)

SDG 10.4

2.2.3.1 Organization of social dialogue

Wherever the Group is established, it has made social dialogue a priority. This is organized in each country, in accordance with local regulations. To date, the vast majority of the workforce is covered by industry- or company-wide collective agreements (Vallourec is currently working to set up a metric that can be used to track collective bargaining).

The Group has a European Works Council (following the closure of the two production sites in Germany, the Council held its last meeting in 2024) and a Group Committee, which meets at least once a year.

As stated in its commitment to the Global Compact, Vallourec respects the freedom of association and collective bargaining, in compliance with current legislation.

IN FRANCE

In 2024, numerous meetings were held with employee representatives.

In addition to the matters discussed at regular meetings of the various local and Group bodies, the most important subjects were:

- negotiation of a new profit-sharing agreement for 2024 and 2025;
- negotiation of an agreement concerning the introduction of a new multi-skilling model at industrial sites.

IN GERMANY

In 2024, the major part of the dialogue has been related to the implementation of the social plan and the corresponding social collective agreement which was signed at the end of 2022 in the context of the closure of German operations at the end of 2023.

IN THE UNITED KINGDOM

Following the closure of the Bellshill site in 2024, social dialogue is being organized through consultations and discussions with employees. This year, it concerned the closure of the Bridge of Don site.

IN NORTH AMERICA

In Mexico, the union mainly represents production staff and is represented by a collective bargaining agreement. The union, for which dues and membership are mandatory, can propose candidates for promotions among these employees, a list of whom is drawn up in accordance with the agreements. Negotiations concern salaries and benefits in kind.

In the United States, as required by law, employees can choose to be represented by a union and a collective bargaining agreement; so far, employees have consistently voted against union representation. The last formal union election was held in 2014 at Vallourec Star sites in Youngstown (Ohio, USA).

Workforce communications through Townhalls and face-to-face meetings remain an important focus as changes are being implemented to meet the New Vallourec performance expectations.

Cross functional Groups within the organization, such as “We are Vallourec” or “Winning as one”, also contribute to the overall quality of social dialogue and employee relations.

Through the “We are Vallourec” DE&I initiative, the Group’s policies and practices continue to be reviewed in order to identify areas to strengthen our employee value proposition especially pertaining to generational, gender, sexual orientation, and ethnic origin differences.

The "Winning as One" program provides opportunities for employees to volunteer for teams focused on strategic topics, process improvements, and employee submitted ideas that positively impact the business. By combining our employees’ enthusiasm with available opportunities, we have strengthened our commitment to Vallourec’s values of transparency, performance and responsiveness, respect for people and joint commitment.

IN SOUTH AMERICA

In Brazil, employees are represented by Trade Unions, clearly regulated, and protected by several Laws, including our Federal Constitution of 1988. These Unions are generally formed by employees not only from Vallourec, but also from other companies covered by their territorial base.

These unions are responsible for bargaining salaries and benefits increases, as well as the work conditions.

Moreover, the employees can also be represented by the Employee Representative Council (*Conselho Representativo dos Empregados* – CRE), which has been a legal obligation since November 2017 for all plants with 2,000 or more employees. This Council provides employee representation internally and facilitates discussions on specific daily matters such as catering, transportation, restrooms, etc. The CRE cannot be involved in matters that are negotiated by the trade union. It plays a complementary role.

Other than the Unions, and CRE named above, companies usually have the CIPA (Internal Committee for Prevention of Accidents). Half of this committee is composed of employees elected by the other employees, and the other half is composed of employees named by the company. As the name states, this committee is only oriented to Health & Safety issues.

Employee relations in 2024 focused mainly on yearly negotiations and discussions around strategic opportunities to improve operational performance and production plans.

IN CHINA

Trade union or employee representatives exist in most entities in China, and the employer has regular communications with those representatives. In all cases, Vallourec encourages employees to have representatives. The Labor Union was established in Tianda Chuzhou in 2021. In the entity without trade union or employee representatives, social dialogue occurs through direct contact between the production staff and management via internal communication meetings.

IN INDONESIA

PTCT employees located in Batam are represented through one trade union (Spices) which includes representatives from all departments. Monthly meetings are held between Union leaders and the management team. A collective agreement was signed in September 2022 and extended in 2024. Negotiations take place annually regarding the new salary ranges.

2.2.3.2 Internal survey on employee satisfaction

A Group employee satisfaction survey was launched in 2024 with the Great Place to Work (GPTW) organization. Between October 14 and November 1, 2024, 13,000 employees were asked to answer 60 questions covering issues such as respect, credibility, justice, pride and camaraderie, as well as four questions on their perception of occupational health and safety. In all, 77% of employees responded, which is the best participation rate ever recorded by Vallourec for this type of survey (the last one in 2021 had a response rate of 64%).

2.2.3.3 Group internal communications

Internal communication has a major role in Vallourec's operations. It allows employees to be connected worldwide and to create a true sense of belonging to the Group. The goal of internal communications is to engage Vallourec's employees and have them adopt a common vision, plan and values and to support Vallourec's transformation. Vallourec maintains a constant dialogue with its employees through various channels:

- regular "On Air" webcasts with the management team, to share headline news across the whole of the Group's 13,202-strong workforce. The webcast is also used for regional conventions and thematic seminars to complement face-to-face events;
- "Coffee n' Connect" meetings between the Chairman and Chief Executive Officer Philippe Guillemot, management teams and employees, run throughout the year to present the Group's new governance structure and outline the Group's priorities. These regular meetings are also opportunities for exchange;
- the My Vallourec intranet platform, which reaches some 8,000 employees in around 20 countries. My Vallourec merges the Group's various intranet sites into a single platform, giving employees simplified access to local and corporate information. It offers an environment based on Office 365, which is more ergonomic, consistent, modern, and open. The information provided on My Vallourec allows employees to learn more about the strategy, objectives, results and success of the Group's teams worldwide. News is also relayed on screens at sites where such screens have been installed;
- My Vallourec is supplemented by the business social networking site, which allows employees to have discussions, share knowledge and best practices via dedicated communities, and by Teams, a hub designed to promote teamwork;
- specific communication on certain projects to raise employee awareness on key issues (safety, quality, digital, major HR projects, ethics, values, CSR, energy transition, etc.) or invite employee involvement on important events (R&D Awards, Innovation, major projects impacting Group life, etc.).

The Group's internal communications are also based on local resources in the countries and subsidiaries, which relay messages, provide feedback from the field and raise topics of interest within their own channels (magazines, intranets, etc.).

2.2.4 Diversity and equal opportunities (ESRS S1)

SDG 5.5, 8.5, 8.8, 10.4

The Group considers diversity an important factor in innovation and performance, and thus an opportunity for further development. The Group's actions aimed at promoting diversity and combating discrimination are described below.

In 2023, the Group broadened the notion of diversity, which had previously focused mainly on gender diversity, to include multi-generational, multicultural and disability diversity. This new impetus is part of the "We are Vallourec" program, which has led to the creation of steering committees and action plans for each region.

The broad outlines of the program are defined at monthly steering committee meetings, where KPIs and actions in each country are monitored.

2.2.4.1 Gender equality

Women now represent nearly 27% of the Group's managers and executives (up 1 percentage point on end-2023 and 2 percentage points on end-2022). The proportion of women in Senior Management has risen significantly, to 15.1% at the end of 2024, up 1.6 percentage points on end-2023 and 5.3 percentage points on end-2022.

The proportion of women on the Executive Committee fell from 23% to 15% due to the departure of a female member, after having sharply increased in recent years (from 0% in 2020).

The Group's gender diversity goals are monitored as part of the "We are Vallourec" program launched in 2023, namely:

- 30% women among the Engineers and Managers population by January 1, 2027;
- 30% women among the Top Management population (Top 80 Leaders) by January 1, 2027;
- 30% women on the Executive Committee by January 1, 2027.

To address equity and diversity issues, the approach to the following priorities has been strengthened:

- providing the conditions for women to succeed;
- ensuring at least one female candidate is put forward for vacant positions;
- ensuring at least one female candidate is put forward in all succession plans;
- guaranteeing equal pay for men and women (the same pay for the same job).

The main actions in 2024 involved maintaining and developing mentoring for women in all regions, changing the conditions of employment of women at Group sites, developing initiatives to raise the profile of our business lines by setting up a network of partner universities in each country in which Vallourec operates, and using the International Women's Day to communicate widely (i.e., covering over 1,000 employees) on diversity issues and the action plans put in place.

Once again this year, particular attention was paid to female candidates in the Expert Program, a key factor in maintaining and developing the Group's technical and innovation leadership.

In 2020, Vallourec introduced a metric analyzing any pay gaps within the Group. This method differs from the one recommended by the CSRD and the ESRS.

It consists of selecting the countries with the biggest workforces and comparable remuneration practices, namely:

- four countries (up to 2023): Germany, Brazil, France and United States;
- three countries (from 2024): Brazil, France and the US.

The population analyzed covers supervisors and managers by grade. Production staff were excluded from the analysis – given the low proportion of women in that population – along with Serimax entities operating in the aforementioned countries, whose remuneration structure differs from that of Vallourec employees.

In 2024, the population analyzed covers 23% of Vallourec's total headcount, 70% of the Group's managers and supervisors and more than 96% of the population in the three selected countries.

The rate came out at 4.4% in favor of men. As in 2023, the low pay gaps observed are mainly explained by seniority or the position held.

The results are shared and discussed within Women@Vallourec every year.

Going forward, Vallourec will analyze the possibilities of applying the method recommended by the CSRD and ESRS, along with the adjustments that could be made in order to continue presenting a transparent and useful indicator for analyzing this critical component of Vallourec's policy.

During the year, the Group pressed ahead with a number of regional initiatives aimed at structuring an approach to the promotion of women at all sites. The results have proved significant, with women accounting for 31% of promotions to management positions versus 29% in 2023.

The proportion of women in the external recruitment of engineers and managers continues to increase significantly. In 2024, they accounted for 35% of new hires, up from 24% in 2022.

2.2.4.2 Cultural diversity

As an international group, Vallourec enjoys a great cultural diversity. To ensure the conditions for a harmonious and effective collaboration, engineers and managers involved in working with multicultural teams benefit from adapted training programs. In 2024, successful France-Brazil intercultural sessions were held for managers with multicultural teams. These sessions will be repeated in 2025. This program will be deployed in other areas requiring advanced understanding of different cultures in order improve operational efficiency.

Regular communication initiatives were carried out in 2024 to highlight unique aspects of the culture of all countries in which the Group operates.

Lastly, particular attention will be paid to cultural diversity within the Group's management committees, so that they better reflect our international presence.

2.2.4.3 Generational diversity

From 2024, particular attention was paid to the formation of Project groups in Vallourec's various functions and geographies, factoring the criterion of diversity – and generational diversity in particular – into their composition. For example, within the scope of the Generative AI project launched in 2024, the 291 participants were a good reflection of the Group's various entities with a balanced generational mix, thereby helping to promote and accelerate the use of artificial intelligence within the Group.

2.2.4.4 Disabilities

Individual support initiatives continued to be implemented in various Group entities in the main countries where Vallourec operates. As part of its actions to promote diversity, Brazil, for example, set up a specific action group focused on better integrating people with disabilities. The group's actions are monitored monthly. In France, awareness-raising initiatives on the issue of disability were organized during the European Week for the Employment of People with Disabilities, which ran from November 18 to 24, 2024, enabling Vallourec to reaffirm its commitment to inclusion.

In addition to the actions carried out in each country, the inclusion of disabled workers is an integral part of the Group's Diversity and Inclusion program.

2.2.5 Value chain (ESRS S2)

SDG 4.4, 8.4, 11.4, 12.6, 13.3

As part of its double materiality assessment, the Group studied the profile of its suppliers and customers. The profile of customers in its downstream value chain is fairly homogeneous in terms of structure, consisting of companies with a global presence that are subject to vigilance obligations similar to Vallourec. After a thorough review, no risks were identified. The assessment showed that the risks are located in Vallourec's upstream value chain, i.e., at supply level. The type of risks concerned and the measures taken to address them are described below.

I) PRESENTATION OF RISKS

As part of its overall approach to social and environmental responsibility, several years ago Vallourec began to implement processes for monitoring the stakeholders in its value chain in order to consider any negative or positive impacts that may arise in this respect, particularly with regard to its suppliers. The Group firmly believes that this is a powerful lever in its sustainability strategy.

In 2024, Group purchases represented €2,801 million. They break down geographically as follows: 43% in South America, 27% in North America, 16% in the Middle East/Asia and 14% in Europe.

Vallourec pays close attention to the local, economic and social impact of its activities on the neighboring and national populations.

Expenditure on subcontracted operations, professional services, general services, maintenance and industrial work, and energy totaled €565 million, 92% of which was local. This expenditure mainly concerns industrial finishing and control services, maintenance, and services to ensure processes run properly. Subcontracting and industrial maintenance purchases were for the most part local, given the quality and responsiveness requirements that providers must meet. Services correspond to a significant number of highly qualified jobs that helped strengthen the local industrial fabric, although it is not easy to determine their number.

The Group has a centralized purchasing organization, which gives it a broad view of its suppliers and its entire supply chain. Vallourec uses standardized processes and appropriate information systems, and puts in place collaborative tools for exchange between Group entities and their regions.

Vallourec's value chain is made up of various stages, with its core business consisting of producing state-of-the-art seamless tubes from steel of different grades. Each stage involves a partnership with specialist suppliers, some of whom may operate on the Group's premises, contributing to the Group's value creation process. The Group's upstream value chain includes suppliers and subcontractors involved in the following main areas:

- raw materials:
  - iron ore extraction at Vallourec's mine in Brazil,
  - production of iron ore pellets at Jeceaba in Brazil: this stage transforms mined iron ore into pellets,
  - sustainable forest management for charcoal production in Brazil,
  - supply of scrap metal used in electric arc furnace (EAF) steel production in Brazil and the United States. Scrap metal suppliers source from industry, demolition projects and end-of-life vehicles, contributing to recycling and the circular economy,
  - supply of steel billets in regions where Vallourec is unable to manufacture billets itself, in which case the billet production process follows the same production standards as those defined internally,
  - supply of alloys required for steel production, which often involves the addition of various alloying elements such as manganese, chrome, nickel and vanadium to improve the steel's properties,
  - limestone and other fluxes: these minerals are used in the steel production process to remove impurities from the iron ore,
  - energy: electricity and gas used at the Group's various sites,
  - machinery and equipment for production sites, including rolling mills, heat treatment furnaces, threading machines, forklifts and cranes;
- consumption:
  - refractory firebricks, such as magnesite, alumina and silica, which are used to line furnaces and are able to withstand the high temperatures of steel production,
  - graphite electrodes, which are essential to the electric arc furnace (EAF) steel production process, where they conduct electricity to melt scrap steel,
  - logistics and transport providers: forwarding and bulk freight service providers transport raw materials and finished products (seamless tubes),
  - waste management suppliers: for steel production by-products, such as slag, dust and gas;
- services:
  - consulting and engineering firms provide plant design, operational optimization and technology upgrades for steel manufacturers, helping to improve efficiency and reduce costs,
  - auditors and compliance services.

The activities mentioned above have both positive and negative impacts on our suppliers' workforces. The vast majority of processes require specialist knowledge or skilled labor, with the result that jobs are sometimes created in innovation-driven roles and niche sectors. This is particularly true, for example, of roles in the fast-growing sustainable waste management sector. Furthermore, certain activities specific to the Group's particular industry, such as charcoal production in Brazil, have a positive impact on job creation in regions with low economic development, thereby contributing to local economic growth.

The Group has particularly high standards when it comes to the working conditions under which these activities are carried out, in order to limit health risks and ensure that they are carried out in complete safety. Risks are mainly related to heat, equipment breakdowns, hazardous by-products such as slag or dust, and toxic materials. Requirements for suppliers are the same as those applied internally by the Group. Suppliers' performance is regularly monitored, and in some cases suppliers are asked to implement immediate action plans. Vallourec has developed a robust process to minimize these impacts, described in Sections 2.2.2.1 and 2.4.4.

II) KEY COMMITMENTS

Vallourec has long taken a proactive approach to Corporate Social Responsibility (CSR) issues as part of its determination to act responsibly and sustainably. This is reflected in its demanding CSR commitments. To support these commitments, the Group's Purchasing Department has developed a specific approach.

As the Group is aware that its actions can have a material impact on the workers in its upstream value chain, it ensures that suppliers respect workers' rights, providing safe and healthy working environments and opportunities for skills development. Supplier assessments are carried out using the EcoVadis platform and by monitoring adherence to the Group's Code of Ethics and Anti-Corruption Code of Conduct based on signatures.

Vallourec applies strict health and safety standards to all its suppliers. Vallourec suppliers working on its premises must comply with the same safety requirements as Vallourec employees and are subject to a specific subcontractor procedure. Before starting work, all contractors receive the necessary training and are required to use the appropriate personal protective equipment (PPE). By requiring compliance with international health and safety frameworks such as ISO 45001, Vallourec works to reduce workplace risks, ensure the safe handling of materials and invest in technologies that prevent injuries and accidents.

III) ACTION PLANS

Involving assessment of suppliers at all strategic stages of the supply chain. This includes, but is not limited to:

- comprehensive CSR performance assessments carried out by EcoVadis, an independent third party, using a methodology that factors in the topics described below;
  - environment: assessments of how companies manage their environmental impact, including efforts to reduce energy consumption, greenhouse gas emissions, water consumption, waste production and overall environmental sustainability,
  - social and human rights: assessments of companies' approach to ensuring respect for workers' rights, health and safety, diversity, working conditions and the prevention of forced and child labor,
  - ethics: assessments of companies' business integrity, including anti-corruption measures, fair competition, data protection and responsible marketing practices,
  - responsible purchasing: assessments of how companies manage their supply chain, ensuring that suppliers respect sustainability practices, labor rights, environmental protection and ethical business standards;
- specific requirements in the areas of occupational health and safety, respect for human rights and social standards;
- in line with environmental standards and regarding raw material purchases and steel billet suppliers in particular (steel accounts for a very large proportion of the Group's carbon footprint (upstream Scope 3), Vallourec requires its partners to have drawn up a decarbonization roadmap for products purchased on the basis of certified documents such as Life Cycle Assessment;
- tender processes and contracts require exemplary ethical conduct, signature of the Group's Code of Ethics and commitments to corporate social responsibility. Requirements include EcoVadis assessments and compliance with safety and environmental standards, traceability and procurement rules on conflict minerals, and local laws and regulations;
- regular supplier risk management;
- a dialogue with suppliers based on an annual questionnaire collecting their opinions on relations with the Group, safety issues and social responsibility.

The ESG assessment in the Ecovadis questionnaire is mandatory for suppliers whose business volume with Vallourec exceeds €1 million. Exceptions are considered on a case-by-case basis. To mitigate risks, Vallourec monitors ethics ratings via the IndueD platform and requires signature of its Code of Ethics and Anti-Corruption Code of Conduct. Vallourec does not necessarily have the ability to directly influence the safety measures taken by its suppliers in their own plants. Nevertheless, a great deal of attention is paid to raising supplier awareness of these issues, and regular questionnaires and audits ensure that practices are appropriate.

According to internal risk management procedures, if a supplier's EcoVadis score is below 30 in Environment or Labor & Human Rights, the supplier will be classified as at-risk, and an action plan with quarterly follow-ups will be required. Vallourec also conducts strategic reviews of its key suppliers to ensure that they are aligned with the Group's long-term sustainability objectives and ethical standards. At the end of 2024, less than 1% of all EcoVadis-rated suppliers were given an unsatisfactory Labor & Human Rights score. Underperforming suppliers are required to adopt an action plan to improve in the areas identified as critical by EcoVadis, and to be subsequently reassessed.

Vallourec has not signed any agreements with its suppliers' unions. However, Vallourec uses the EcoVadis questionnaire to encourage buy-in, and actively promotes key social and environmental values throughout its supply chain, including defending workers' rights to freedom of association and collective bargaining, fostering a culture of respect and equality by urging suppliers to adopt anti-discrimination policies and supporting compliance with labor laws. No material risks have been identified for workers in Vallourec's value chain in relation to specific groups.

Vallourec requires all of its suppliers to sign the Code of Ethics and Anti-Corruption Code of Conduct. By the end of 2024, 95% of strategic suppliers (suppliers representing over €1 million) had signed these documents. Some suppliers may not sign our Code of Ethics or Anti-Corruption Code of Conduct due to divergent local laws. To minimize risk, the Purchasing Department flags these suppliers as non-compliant after submitting the case to the internal Compliance team for review.

Code of Ethics and Anti-Corruption Code of Conduct

The Code of Ethics defines the main principles informing Vallourec's action towards its employees, customers, suppliers and all its stakeholders.

It forms the basis of all internal procedures and training in ethics and compliance. This policy commits Vallourec to:

- respecting human rights, including labor rights, by strongly condemning forced labor, child labor and any forms of discrimination based on criteria other than competencies and aptitudes. The Code of Ethics also affirms compliance with national laws and international agreements, particularly with regard to employee rights, and includes specific provisions to guarantee safe and healthy working conditions;
- establishing a relationship of trust with its suppliers, encouraging them to adopt ethical principles aligned with Vallourec’s own principles and asking them to accept any audits that may be carried out.

The role of the Group Compliance Officer is to ensure that the Ethics Charter is applied, and to deal with any reports that may be made to them on the whistleblowing platform described below.

When suppliers sign Vallourec’s Anti-Corruption Code of Conduct, they undertake to comply with Vallourec's ethical standards, to undergo due diligence checks, to prohibit corrupt practices and to report unethical behavior.

Vallourec's Anti-Corruption Code of Conduct emphasizes the conduct to be maintained by its employees in their dealings with suppliers, the rules to be respected in terms of corporate gifts and invitations, and the rules concerning conflicts of interest. All Purchasing Department staff have received training on corruption risks and on how to communicate best practices to suppliers. In this regard, the Vallourec Integrity Line, a whistleblowing system that can be accessed in eight languages through a secure Internet platform, is available to employees and stakeholders, including service providers and suppliers.

In 2008, Vallourec undertook to comply with the fundamental principles enacted in the conventions of the International Labour Organization. These principles were included in the "Agreement on the principles of responsibility applicable within the Vallourec Group", which was approved by the European Committee and forms an integral part of the Code of Ethics. Vallourec has also been a signatory of the UN Global Compact since 2010.

Vallourec has not received any reports or identified any cases of non-compliance within its supply chain with regard to the United Nations Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work or the OECD Guidelines for Multinational Enterprises.

Vallourec ensures that these rights and principles are respected within the Group and by its subcontractors by incorporating them into its due diligence, regular assessments and follow-ups.

IV) PERFORMANCE MONITORING

Currently, 75% of the Group's purchases are made from companies rated by EcoVadis following an ESG assessment, representing over 1,000 suppliers to date. The aim is to maintain this level.

This target was set by the Purchasing and Sustainable Development departments on the basis of an external benchmark and in relation to the suppliers in the Group's panel.

The Purchasing team monitors supplier performance every quarter and presents its findings each year to the CSR Committee of Vallourec’s Board of Directors.

V) MITIGATION AND REMEDIATION OF NEGATIVE IMPACTS

Actions to prevent negative impacts

Vallourec seeks to balance its business objectives with ethical and sustainable practices. The aim is to ensure that the Group's strategies not only meet performance targets, but also reach the highest standards of corporate social responsibility. To maintain this balance, Vallourec regularly engages with stakeholders, incorporating their concerns and ideas into its business decisions to ensure it is aligned with both market demands and sustainability practices.

To monitor and evaluate the effectiveness of its actions, Vallourec organizes quarterly meetings with the Purchasing community and meets with strategic suppliers at least once a year. These commitments are essential in maintaining open communication and ensuring that suppliers are also aligned with the Group's objectives. This structured approach enables Vallourec to remain responsive both to the Company's needs and to the changing expectations of its stakeholders.

Remediation of negative impacts

Vallourec has several mechanisms in place to provide for or cooperate in the remediation of negative impacts on value chain workers:

1) Vallourec Integrity Line: allows employees and external stakeholders such as suppliers to report any behavior that violates Vallourec's Code of Ethics or Anti-Corruption Code of Conduct. More details regarding the Integrity Line can be found in Section 2.4.6.

2) Internal control and audits: the Company has an internal control system that includes procedures focused on corruption risks and a whistleblowing system overseen by a committee. Internal audits are carried out to ensure compliance and address any issues identified.

3) Accident management and red-listing: in the event of an accident involving a supplier's employee on Vallourec premises, the incident is handled with the same level of care and attention as if the victim were a Vallourec employee. Suppliers involved in such incidents are added to the safety red list. Inclusion in this list may result from recordable incidents (LTI - Lost Time Incident; WLTI - Incident without Lost Time), environmental violations or critical departures from safety requirements with no improvement/action plan in the last three months.

(i) Actions to monitor red-listed suppliers: subcontractors on the safety red list are subject to a rigorous monitoring process aimed at improving performance. This requires presentation of a formal improvement action plan to the safety manager, operations manager and purchasing team, organizing monthly review meetings, and carrying out Gemba-type assessments to monitor the progress of the actions implemented.

(ii) Criteria for removal from the safety red list: suppliers can be removed from the safety red list if they demonstrate sustained improvement. This means at least three months with no recordable incidents or critical departures from safety requirements, full execution of the action plan (unless investment is needed to delay completion) and an unrestricted audit by the safety and security team.

(iii) Non-compliance penalties: in exceptional circumstances, suppliers who fail to comply with safety standards are subject to financial penalties, as stipulated in their contracts. They may also be placed on hold for new business, making them ineligible to participate in future tenders until compliance is restored.

2.2.6 Support for the local socio-economic fabric (additional information)

Vallourec has initiated numerous relationships with local stakeholders in its activities, such as professional organizations and local authorities, residents' associations and groups with a social or environmental objective related to its sites' operations. Actions for the benefit of local stakeholders mainly concern donations and voluntary initiatives carried out in countries where the needs and expectations of the local residents are highest, such as Brazil and Indonesia.

Initiatives must be in line with the Group's policy and three key priorities: education, environmental protection and encouragement of voluntary employee involvement.

In 2024, resources devoted to financing various partnerships amounted to around €1.5 million. For example, training programs were set up in all regions where the Group operates. Actions to support people in need, people suffering from illness or victims of violence have been funded by Vallourec or carried out by employee volunteers. Vallourec has also given time and money to environmental projects.

2.3 Governance information (ESRS G1)

2.3.1 Governance

Risks relating to business ethics and corruption are presented in Section 2.4 “Vigilance Plan” and in Section 3.1.3 “Legal and tax risks” of this Universal Registration Document.

Compliance with the law, business ethics and the fight against corruption is one of the main principles underpinning the Group's actions, enshrined in its Code of ethics as supplemented by its Anti-Corruption Code of Conduct.

The Group Compliance Committee is chaired by the Chairman of the Board of Directors and Chief Executive Officer, led by the Group Compliance Officer, and includes all members of the Vallourec Group Executive Committee, as well as the Head of Internal Audit and Risk Management, the Head of Accounting, Consolidation and Internal Control, and the Head of Group Purchasing. The purpose of this Committee is to set guidelines and objectives in terms of compliance and business ethics, and to monitor the effective deployment of the Vallourec Group's Compliance Program.

At least quarterly, the Group Compliance Officer reports to the Group Compliance Committee. The Group Compliance Officer makes quarterly presentations to the Board of Directors’ Audit Committee regarding the actions taken in relation to business ethics and the deployment and improvement of the Compliance Program.

The Vallourec Group Compliance Department establishes and implements internal compliance policies and, in particular, the system for detecting and preventing corruption and anti-competitive practices, dedicated to compliance with applicable international economic sanctions. The Group Compliance Officer reports to the Secretary General and gives regular accounts to the Chairman and Chief Executive Officer. The Compliance Department is made up of compliance specialists at headquarters, and Regional Compliance Officers who report directly to the Group Compliance Officer.

Alongside the Compliance Department, a Group Ethics Officer ensures that Vallourec’s ethical principles and values are upheld by all of the Group’s employees and stakeholders. The Group Ethics Officer liaises closely with the Compliance Department.

There are regular communications on compliance issues such as the competition rules and the fight against corruption. In speeches to Group executives or employees, the Chairman of the Board of Directors and Chief Executive Officer stresses the importance of complying with the rules, his commitment to ethical conduct in business dealings and his "zero tolerance" of practices that run counter to them.

Specific updates are regularly given on issues related to compliance and business ethics via internal communication channels. These are posted on the Ethics and Compliance page of the Group”s intranet to ensure good visibility Group-wide.

Testifying to the effectiveness of the above measures, in 2024 neither the Group nor its senior executives were the subject of any legal convictions or sanctions of any kind for corrupt behavior.

2.3.2 Action plans and measures

SDG 8.7, 16.5

2.3.2.1 Code of Ethics and Anti-Corruption Code of Conduct

The Group’s ethical standards are presented in a seminal document, the Code of Ethics, which was updated in 2022.

The Code of Ethics is a set of core values that includes integrity and transparency, excellence and professionalism, performance and responsiveness, respect for others and mutual commitment. The Code of Ethics also contains Vallourec's commitments with regard to human rights.

The Code of Ethics is the seminal document which is underpinned by directives and recommendations, helping Group employees to apply the Code. It provides a framework for each employee’s day-to-day activities through behavioral guidelines based on these values. The guidelines reflect how Vallourec seeks to manage its relationships with all of its partners and stakeholders, including its employees, customers, shareholders and suppliers, and form the Group’s benchmark in implementing its sustainable development and corporate social responsibility plans.

Vallourec’s Code of Ethics applies to all consolidated Group companies. Each employee is personally responsible for implementing its values and principles and for complying with the rules it sets out.

The Group’s various reporting lines ensure that it is communicated to all employees. To that end, it has been translated into nine languages (French, English, Portuguese, German, Chinese, Spanish, Arabic, Indonesian and Russian). It has also been published on the Company’s intranet and website to affirm the Group’s values with regard to third parties.

Since 2018, the Code of Ethics has been supplemented by an Anti-Corruption Code of Conduct. This document sets out the Vallourec Group’s anti-corruption policy. It is intended for all employees, as well as Vallourec’s industrial and commercial partners.

The Anti-Corruption Code of Conduct underscores Vallourec’s commitment in the fight against corruption. This document was revised at the beginning of 2025 in line with the Group's new structure and the change in governance linked to the New Vallourec plan. It contains definitions and practical examples of unacceptable conduct that could constitute acts of corruption or influence peddling. In particular, it covers the way in which Vallourec manages its relations with commercial partners, corporate gifts and invitations, facilitating payments, conflicts of interest, representatives of interests, and the funding of political parties. Lastly, it details the various reporting methods available to employees and stakeholders who wish to report non-compliance with the Code of Ethics or the Code of Conduct. The Anti-Corruption Code of Conduct serves as a reference and is supplemented by internal policies that elaborate on each of the points it covers.

The Anti-Corruption Code of Conduct, available in nine languages (French, English, Portuguese, German, Chinese, Spanish, Arabic, Indonesian, and Russian) is distributed to all the employees of the Group and to third parties. It is posted online on the Group's intranet and on the Company's website.

The Compliance Department is responsible for the following tasks aimed at ensuring effective take-up of the Code of Ethics and Anti-Corruption Code of Conduct among all employees, and managers in particular:

- assisting Group companies in communicating the Code of Ethics and the Anti-Corruption Code of Conduct;
- coordinating actions to educate new employees on the Code of Ethics and the Anti-Corruption Code of Conduct;
- participating in the definition of application procedures and measures arising from the Code of Ethics and the Anti-Corruption Code of Conduct and enabling their effective implementation;
- addressing any interpretation or application difficulty raised by an employee;
- reporting cases of non-compliance with the Code of Ethics to the Compliance Committee and the Audit Committee; to this end, it receives information on breaches of the principles of the Code of Ethics and the Anti-Corruption Code of Conduct.

2.3.2.2 Compliance Program

In line with the principles set out in the Code of Ethics and the commitments of the Global Compact of the United Nations that the Group joined in 2010, Vallourec seeks to prevent specific risks of non-compliance with legislation and regulations, particularly in relation to competition and the fight against corruption, within the framework of a Global Compliance Program rolled out in all of the Group's companies.

The Group's Global Compliance Program includes a corruption detection and prevention system compliant with the provisions of French Law 2016-1691 of December 9, 2016 on transparency, anti-corruption and the modernization of economic life, known as "Sapin II".

It also contains a system for preventing violations of applicable international economic sanctions, and a prevention system for preventing the risks of infringement of competition law.

The Compliance Program is rolled out by the Compliance Department and overseen by the Chairman of the Board of Directors and Chief Executive Officer, and focuses primarily on the following:

- the commitment of the governing body, and particularly that of the Chairman of the Board of Directors and Chief Executive Officer, as set out in the Code of Ethics and the Anti-Corruption Code of Conduct and on the ethics and compliance page on the Group's website. This commitment is also reflected in presentations given at internal events and by ad hoc communications campaigns and messages issued frequently on the Group's sites.

  In addition, the system is monitored directly by the Compliance Committee, led by the Group Compliance Officer and comprising all members of the Group Executive Committee, the Head of Internal Audit and Risk Management, the Head of Consolidation, Accounting and Internal Control and the Group Purchasing Director. The Compliance Committee meets at least quarterly;
- a Group risk map, supplemented by dedicated mapping of corruption and influence peddling risks. Following the Group's reorganization, corruption risk mapping was overhauled in 2023 to effectively and thoroughly cover all of the Group's operational processes in its new organization under the New Vallourec plan;
- preventive and control measures set out in dedicated procedures.

In the area of anti-corruption, the Group has adopted an Anti-Corruption Code of Conduct. The Anti-Corruption Code of Conduct refers to and is supplemented by internal policies and procedures containing precise rules on corporate gifts and invitations; integrity and risk checks to be carried out before entering into a relationship with a third party, with specific rules applying to each category of third party (business intermediaries, customers and suppliers); management of conflicts of interest; control of patronage and sponsorship operations, as well as relations with public bodies and lobbying.

- systems for verifying the integrity of third parties with whom the Group may have dealings.

These control measures will particularly concern third parties involved in its sales activities (customers and business intermediaries, including sales agents), its suppliers of products or services, its partners or acquisition targets, as well as organizations that may benefit from its patronage and sponsorship initiatives;

- awareness-raising and training initiatives for all Group employees aimed at addressing the risks to which these employees may be exposed in their activities by means of detailed, informative and practical recommendations that can be understood by all.

  In particular, the Group relies on a Welcome Package. This is a module disseminated via the Learning Management System (LMS) of Vallourec University to all new employees, so that they are aware of the Company's values and workplace rules from the time of their arrival into the Group.

  The training program includes face-to-face or distance learning, including the Mission Compliance e-learning course on the Vallourec University Learning Management System (LMS), which is designed to raise awareness of anti-corruption issues and provide thematic training on the Anti-Corruption Code of Conduct. This e-learning is followed by all new employees, and by all Group employees every two years. It is accompanied by a message from the Chairman of the Board of Directors stressing the importance of all Group employees following this training program and adopting the principles, rules and values set out in the Code of Ethics and the Anti-Corruption Code of Conduct. Initiatives to raise awareness of ethics were also rolled out in Group plants where the LMS is not available.

Mandatory e-learning modules assigned to managers and technical and supervisory staff

	Completion rate in 2024
Anti-corruption; competition rules	89.12%
Cyber security	90.19%

In-depth e-learning modules on competition law and the prevention of anti-competitive practices are available on the LMS and are taken by all Group managers upon joining the Group.

In addition to the core training on ethics and compliance, members of the Compliance Department run face-to-face training sessions tailored to the most exposed functions, particularly on the prevention of corruption and compliance with free competition rules. These functions include the Company's sales, purchasing, management and operations, accounting and human resources teams. In 2024, all Company functions, including those considered most at risk, had received anti-corruption training.

In addition, the Compliance Officer works with the members of the Board of Directors' Audit Committee on a quarterly basis to ensure that they have the appropriate knowledge in the field of corruption prevention.

- a dedicated control system, forming part of the Group's internal control system.

This system, supervised by the Internal Control and Compliance Departments, includes controls designed to prevent risks identified by corruption risk mapping, and includes anti-corruption accounting controls. It also includes so-called second-level controls, designed to ensure the effectiveness of the first-level controls and the effective implementation of the Compliance Program. The Internal Audit Department periodically verifies the effectiveness of the entire internal control system.

- an internal whistleblowing system, as described in Section 2.4.6 “Whistleblowing and reporting systems”.

  Vallourec Integrity Line, the internal whistleblowing system is the subject of a policy and dedicated communication operations to make each of the Group’s employees fully aware of it. The Group Ethics Committee, led by the Group Compliance Officer, is responsible for receiving reports, handling them rapidly and confidentially, protecting whistleblowers and conducting independent, objective investigations in response. The committee oversees the handling of reports involving breaches of business ethics. If an internal investigation, carried out in response to conduct reported via the whistleblowing system, confirms practices contrary to the Code of Ethics or the Anti-Corruption Code of Conduct, the Ethics Committee may request that corrective measures be taken. The Code of Conduct stipulates that disciplinary action may be taken against employees who fail to comply with the rules set out in the Anti-Corruption Code of Conduct.

- a third-party integrity evaluation program, which aims to assess the risk of its third parties with regard to corruption and violation of international economic sanctions. In 2023, the Group strengthened its third-party evaluation and control measures. Key measures included:
  - the implementation of a supplier control system using a dedicated platform managed by a committee bringing together the Compliance Department and the Group Purchasing Department,
  - the strengthening of procedures for controlling customers, commercial intermediaries, licensees, distributors and beneficiaries of donations and sponsorship
- internal controls specifically designed to prevent corruption.

  In 2023, the Group began a review of its entire internal control system, significantly strengthening its system for monitoring the proper dissemination of its control rules in all its companies, particularly with a view to preventing corruption. The new internal control system will continue to be implemented in 2024;
- a list of points to check during audits, monitored and completed during regular meetings, at least quarterly, with the Audit Department.

Non-compliance with anti-corruption laws and regulations, or with competition rules, exposes the Group’s employees to disciplinary sanctions and even dismissal.

In 2018, the Vallourec Group obtained ETHIC Intelligence Program anti-corruption certification for the design of its corruption detection and prevention program. This certification confirmed that the program addresses the Group’s fraud and corruption risks, and corresponds to the best practices and regulations applicable in the fight against corruption. The certification also allowed the Group to promote and strengthen its values in terms of integrity and ethics with outside commercial partners and stakeholders.

The anti-corruption system is monitored by the operational functions and the Compliance Department as part of the application of internal procedures, as well as by the Audit and Internal Control Department as part of its audits, which incorporate compliance.

2.3.3 Action plan and resources on combating tax evasion

The Group's tax, accounting and/or legal teams (calling on external experts and advisors where necessary) work at a central and local level to ensure:

- implementation of accounting principles, the transfer price policy and suitable procedures to ensure that tax is calculated correctly and paid in a timely manner in the countries where it is due;
- any available tax relief for the Group is identified and applied for within the applicable legal timeframes;
- regular monitoring of changes in legal and regulatory requirements applicable to Group entities, and advice and aid given on a daily basis to Group employees to ensure proper compliance with the applicable laws and regulations, particularly to combat tax evasion; and
- adequate personnel and/or external advisors to monitor tax audits so that they run smoothly and to enable them to be completed as quickly as possible.

This policy applies to all tax due at all levels of jurisdiction (local, regional, and national).

The Group's entities are regularly audited by the tax authorities to which they are subject.

As of December 31, 2024, no Group entity was involved in a dispute over tax evasion.

2.4 Vigilance Plan

To continue to uphold the commitments mentioned above, Vallourec established, both for itself and for all of the subsidiaries it controls, a Vigilance Plan in application of French Law 2017-399 of March 27, 2017 on the duty of care of parent companies and contracting companies. This law requires that a plan be set out containing reasonable vigilance measures specific to identifying risks and preventing serious violations of human rights and fundamental freedoms. The plan must also anticipate risks to the health and safety of individuals and the environment resulting from the activities of (i) the Company and all of the subsidiaries it controls, and (ii) subcontractors or suppliers with which it has an established business relationship, when these activities are related to such relationship.

This approach is consistent with the priorities that the Group has set for itself, the pertinence of which has been confirmed by the results of the materiality assessment presented above. The issues considered top priority, both by our external stakeholders and by corporate management, are included in the points charted by the risk mapping. Vallourec's Vigilance Plan thus fits in perfectly with our continuous improvement process, in line with our proactive approach in areas of corporate social responsibility.

Further to in-depth work carried out during the double materiality assessment, certain topics of the Vigilance Plan were not considered material for the Group. This was the case for human rights, which are of particular concern to Vallourec but whose impact was found to be limited in that there are a limited number of subcontractors in the value chain.

The Vigilance Plan is reviewed annually by the Sustainable Development Department, the Legal Department, the Human Resources Department, the Purchasing Department and the Internal Control and Risk Management Department.

2.4.1 Governance and management of duty of care

2.4.1.1 Identification and evaluation of risks

The main risks facing the Group are identified by the operational and functional departments, and the list is consolidated for quarterly review by the Executive Committee. Risk mapping therefore takes place within all major entities, all regions, and the Group as a whole, and is updated quarterly by the Internal Control and Risk Management Department.

Priorities are set according to probability of occurrence, impact and degree of control in operation.

As concerns risks to human rights and fundamental freedoms, the health and safety of individuals and the environment, which result from the activities of the Company and from all of the subsidiaries it controls, as well as from the top subcontractors or suppliers with which it has an established business relationship, Vallourec has identified the following risks, which specifically result from the Group's activities:

- Because of the risks inherent to its businesses, Vallourec gives priority attention to occupational health and safety. The main risks identified are those generated by industrial processes, especially as regards chemical risks and toxic emissions into the air. Employee health and safety is a priority for the Group and a fundamental value for Vallourec.

- The very nature of the Group's industrial and mining activity entails environmental risks. The Group's activities are a source of noise pollution, require the use of hazardous chemical products and substances, generate waste that is classified as hazardous, may quantitatively or qualitatively impact local water resources, result in soil pollution, give rise to harmful air emissions, and have a negative impact on biodiversity.
- On the matter of human rights and fundamental freedoms, Vallourec pays particular attention to respect for the people and local communities liable to be affected by its projects and activities. It is committed to providing a work environment that is safe, healthy, inclusive and discrimination-free. It welcomes all social dialogue projects at its entities. It provides support on entities' take-up of these matters and on the development of employees' skills accordingly.
- Lastly, in the same way as any other organization, the Group faces the risk of non-compliance with its core values set out in the Code of Ethics, supplemented by the Anti-Corruption Code of Conduct and the Group's internal rules and policies.

2.4.1.2 Management of identified risks

Vallourec's risk management policy is geared to anticipating and preventing risks. It is managed by decentralized committees which address the following points:

- validation of analysis and follow-up of action plans;
- validation of key risk indicators (see introductory paragraph in chapter 2: Issues identified in terms of impacts, risks and opportunities).

Centralized risk management reporting is submitted to the Group Executive Committee annually, to monitor the progress of action plans and ensure they are consistent with the Group's priority guidelines. Additional information is provided in Section 3.2 "Risk management and internal control system" of this Universal Registration Document.

In order to make further progress and reduce its risks, the Group relies on the Vallourec Management System (VMS), which is primarily designed to improve the Group's performance in all of its operating processes. VMS thus serves to enhance risk prevention, control the variability of processes and improve their efficiency. It uses numerous specific tools such as Lean Management and the Six Sigma methodology, and strengthens project management methods. It also ensures that initiatives are consistent with the strategic plan and deliver continuous progress, and that the requirements for quality management (ISO 9001, IATF 16949, API and ASME), health and safety (ISO 45001), the environment (ISO 14001) and energy (ISO 50001) are taken into account.

2.4.2 Risk management in environmental issues

SDG 13.2

2.4.2.1 Structure

In accordance with Group rules and guidelines, the director of each site is responsible for setting up an effective environmental management system that is tailored to the local context and the site's activity. The director appoints an Environment Manager tasked with identifying environmental risks and opportunities within his or her area of responsibility, and drawing up a roadmap consistent with the Group's guidelines. The director reports to the HSE Director of each region.

The Environment Department, reporting to the Sustainable Development Department, is tasked with preparing the Group's environmental policies, monitoring their application, and coordinating actions. It is supported by the HSE Managers of the regions and production sites, who are responsible for implementing these policies, through:

- uniform management of environmental performance, risks, projects, communications and sharing among all Group entities;
- incentives for entities to improve their environmental performance; and
- development of environmental competencies.

These structures exist in all of the countries. The objective of this department consists of structuring the organizations by region or country in order to better take into account specific national regulations.

In addition, environmental committees meet regularly to arbitrate and monitor roadmaps and related action plans.

2.4.2.2 Measures

One of Vallourec's key aims is to minimize the impact of its activities on the environment. This commitment is clearly explained in the Sustainable Development Charter published by the Group in 2011, and in the Group's Environmental Policy, which was signed by the Chairman of the Management Board and published in 2014. In 2024, this was updated to reflect the Group's new commitments, and subsequently signed by the Chairman and Chief Executive Officer.

Risk assessments have led to the establishment of measures designed to reduce the likelihood of accidents and limit their consequences and environmental impact. These measures relate to the design of facilities, strengthening of protective measures, organizational structures to be put in place and compensation for any environmental impact if it is deemed inevitable.

Valourec seeks to limit the industrial and environmental risk relating to its activities by setting up efficient organizational structures and quality, health and safety and environmental management systems, obtaining certification or assessing its management systems, performing stringent inspections and audits, training staff and raising the awareness of all parties involved, as well as by implementing a policy of environmentally friendly investments that reduce industrial risks. Each investment project undergoes a mandatory, formal evaluation. A multidisciplinary committee meets monthly to examine the various characteristics, assessing impacts and determining whether to approve them.

The main risks facing the Group with regard to climate change mitigation are discussed in Section 2.2.2.1. In 2018, the Group published, for the first time, its medium-term emissions objective. In 2019, Vallourec decided to join the Science-Based Targets initiative (SBTi) with the aim of reducing its direct and indirect carbon emissions by 2025 in order to contribute to limiting global warming to below 2°C. In March 2020, Vallourec proposed four reduction targets covering the emissions from its processes and also those related to its supplies and products. These targets were validated by the SBTi in May 2020. In 2021, the Group set itself the target of reducing the carbon impact of products sold by 30% and 35% by 2030 and 2035 respectively, compared with 2021.

With regard to climate change adaptation, Vallourec mapped eight climate risks in eight regions in 2014, and updated this mapping in 2019. This led to the implementation of targeted adaptation measures, particularly in the United States, Brazil and China. In 2023, the methodology was revised and extended to all climate risks listed in the CSRD, and the scope to cover all of the Group's production sites, as well as certain suppliers and strategic ports (see Section 2.2.2.3 "Adapting to climate change").

Vallourec also set itself the target of reducing the water footprint of steel and tube manufacturing (in cu.m. of water withdrawn per metric ton of steel and tubes processed) by 10% by 2025 (compared to a 2017 baseline). In 2024, this target was strengthened by setting an absolute reduction target for water withdrawals excluding rainwater for tube and steel manufacturing of 20% by 2030 (compared to a 2021 baseline).

Total provisions and guarantees for environmental risks are presented in Note 9 to the consolidated financial statements. This amount covers the cost of treating industrial land and cleaning up mines once resources have been exhausted. The management of industrial and environmental risks is presented in general terms under Section 3.1.2.2 "Industrial and environmental risks".

The Group's commitments in environmental matters and the results of policies implemented are more extensively described in Section 2.2 "Our environmental commitments" of this Universal Registration Document.

2.4.3 Risk management related to human rights

SDG 8.7, 16.5

2.4.3.1 Structure

Risk management in human rights and fundamental freedom issues is the joint responsibility of the Human Resources Department, in relation to the Group's employees, and the Purchasing Department, in relation to subcontractors or suppliers with which the Group has an established business relationship (see Section 2.1.3, "Risk management linked to the supply chain"), in close cooperation with the Ethics and Compliance Officer.

2.4.3.2 Measures

As an international company, Vallourec has taken on significant corporate social responsibility commitments, in particular with regard to respect for human rights and universal fundamental principles that protect the dignity, respect and freedom of employees.

In this light, Vallourec strongly condemns:

- all forms of forced or compulsory labor;
- child labor;
- any difference in treatment between individuals that is based on criteria other than their skills or aptitude; and
- any act of physical or mental violence, or the threat of such acts.

On the other hand, Vallourec promotes:

- a safe and healthy work environment that ensures physical and mental integrity; and
- employees' freedom of association and collective bargaining.

In 2008, Vallourec undertook to comply with the fundamental principles enacted by the conventions of the International Labour Organization. These principles were included in the "Agreement on the principles of responsibility applicable in the Vallourec Group", which was approved by the European Committee and forms an integral part of the Code of Ethics. Vallourec has also been a signatory of the UN Global Compact since 2010.

By way of example, wherever the Group operates, it has made social dialogue a priority. This is organized in each country, in accordance with local regulations. To date, the vast majority of the workforce is covered by industry- or company-wide collective agreements. The Group's actions in terms of social dialogue are more extensively described in Section 2.2.3 "Employee relations" in this Universal Registration Document.

Vallourec affirms its commitment to diversity and to combating discrimination in the workplace through the Code of Ethics.

Respect of men and women, their dignity, their diversity, and the variety of their cultures is at the heart of the commitment of Vallourec's teams. Under the rollout of the Code of Ethics, a program to educate all employees on the issue of discrimination was completed using everyday examples. Our actions and initiatives towards Diversity, Equity and Inclusion are detailed in Section 2.2.4.

Vallourec ensures that these rights and principles are respected within the Group and by its subcontractors by incorporating them into its regular assessments. The actions taken with respect to subcontractors are more extensively described below.

The Group's responsibility does not stop at the doors of its offices and plants, but extends way beyond, through its influence in the wider community. Under a firm commitment of respect for a balanced development model, Vallourec ascribes major importance to its surrounding communities, with which it strives to establish relationships of mutual understanding and trust. Actions in this direction are discussed in Section 2.2.6 “Support for the local socio-economic fabric”.

Vallourec also strives to prevent specific risks in terms of compliance with competition and anti-corruption rules. Implementation of the Group's Vigilance Plan and actions on ethics and compliance matters are discussed more fully in Section 2.3 “Governance disclosures” of this Universal Registration Document.

Finally, Vallourec addresses cybersecurity risks via a training program on protecting information, with a focus on test phishing campaigns and fraud detection, in all regions. Further details are set out in Section 3.1.2.6 “Risks related to information systems and cybercrime”.

2.4.4 Risk management in health and safety issues

SDG 3.9

2.4.4.1 Structure

The Health and Safety policy was updated in 2024, reaffirming the Group's ambition to achieve the highest level of health and safety worldwide, and in particular to reach the following goals by 2030:

- zero Life Changing Events;
- TRIR < or = 0.2;
- zero occupational illnesses.

To achieve this ambition, in 2024 the Group launched CAP 2030, its new health and safety roadmap.

The Health and Safety policy and associated manifesto, along with the CAP 2030 Health and Safety roadmap, were presented to all employees at the Vallourec Health and Safety Day held at all sites during the week of May 22, 2024.

To monitor and oversee the deployment of this new roadmap, a quarterly coordination meeting with the Executive Committee members directly responsible for rolling out this initiative was set up in 2024.

Following the appointment of a new Group Director in November 2023 tasked exclusively with occupational health and safety, Vallourec’s health and safety organization continued to be strengthened in line with the roadmap.

Both regional and on-site health and safety teams were reviewed and an action plan drawn up in 2024 to significantly enhance health and safety capabilities in terms of both team numbers and expertise, in line with the Group's ambition and Health and Safety roadmap.

Lastly, to make it easier for managers and employees to implement and monitor health and safety initiatives, Vallourec has begun rolling out a health and safety IT package.

2.4.4.2 Measures

In 2024, 97% of Vallourec facilities were certified to ISO 45001. This certification level represents the entire production in metric tons. VTS Serra, the only production facility not yet certified, has begun the certification process.

Since 2016, a particular focus has been placed on managing health and safety risks relating to contractors.

In 2024, a special action plan was piloted in Brazil, which uses the highest number of contractors, but also has the highest number of accidents for these contractors.

In 2024, this pilot plan led to a 61% reduction in contractor accidents in Brazil, from 4.72 to 1.83.

Also, the Group respects all regulations, standards and certifications in the countries where it produces and markets its products which primarily aim to ensure the safety and protect the health of users by demonstrating the product’s compliance with the regulatory requirements. They relate primarily to the properties of fire resistance and slip resistance and to limits on toxic emissions.

The use of chemical products and substances is secure thanks to the rollout of the ChemSafe program, which identifies products and assesses risks in order to establish the appropriate means of prevention. Hazardous waste is subject to specific management: handling and storage are subject to strict safety rules to preserve the environment and health of the staff handling them. The implementation of the Group’s Vigilance Plan and its actions pertaining to health and safety matters are described in more detail in Section 2.2.2.1 “Health and safety” of this Universal Registration Document.

The Group has also formalized a Business Travel Policy covering all practical aspects of business travel. For all matters relating to traveler safety, this document refers to the specific Travel Security procedure, which describes the following organization:

- Countries, and regions within countries, are classified according to a risk level ranging from 1 to 5. Risks are updated round-the-clock by a specialized service provider. No travel can be made to countries with the highest risk rating (5), and no tickets can be booked in the listed booking systems. The head of security and member of the Executive Committee must approve any trips to countries or regions with a 4 risk rating, which are generally undertaken with a security escort and in compliance with duty of care requirements.
- All trips are booked by listed travel agencies, with connection to passenger name records (PNR) established via a services company, thereby enabling employees to be tracked. If employees exceptionally use another booking system, a manual tracking solution is set up.

- A medical and safety information, training and support program is in place, enabling all employees to benefit from round-the-clock medical and safety assistance, as well as prompt medical evacuation where necessary.
- All employees have access to a special health and safety application while traveling, enabling them to stay informed and in contact with a specialist service provider.
- Specific safety and security rules have been drawn up for all high-risk countries in which the Group has a strong presence. These are set out in a "Local Security Rules" document and updated once a year by the head of security together with the country head.
- In all countries where the Group has a permanent or temporary presence, the Security Department is able to deploy trusted security partners to secure, contain or evacuate employees.

2.4.5 Risk management linked to the supply chain

SDG 12.6

2.4.5.1 Structure

Vallourec's Purchasing Department is centrally structured to have a general view of the suppliers and supply chain, by using standardized processes between the regions and appropriate information systems. A particular process of overseeing supplier risks is deployed in each of the regions and centralized purchasing units to identify, analyze and rank these risks. Ongoing monitoring of the action plans to mitigate or eliminate these risks is conducted on a quarterly basis. Moreover, Vallourec's policy is to establish long-term contracts to the extent possible with its suppliers, which not only structure the commercial transaction but also provide lasting accountability for external stakeholders on performance and the requirements linked to Vallourec's values.

2.4.5.2 Measures

Within the context of this responsible purchasing policy, Vallourec has put in place tools and processes aimed at better controlling suppliers and directly considering social and environmental responsibility criteria, as well as sustainable development, ethics, and health and safety issues. In application of this policy, Vallourec carries out formal and regular evaluation campaigns of its suppliers on social and environmental responsibility, along with progress action plans. All suppliers with significant activity (more than €1 million per year) are subject to a request for formal evaluation on the criteria of social and environmental responsibility, namely the environment, ethics, respect of human rights and labor rights, and control of their own suppliers and subcontractors. The results of these evaluations are systematically taken into account in Vallourec's decisions and guidelines with regard to its suppliers and subcontractors.

In accordance with US law and European directives, Vallourec has also committed to prohibiting the use by its suppliers of "conflict minerals" originating from certain high-risk countries.

The implementation of the Vigilance Plan and the actions pertaining to relations with subcontractors and suppliers are described in Section 2.2.5 of this Universal Registration Document.

2.4.6 Whistleblowing and reporting systems

SDG 16.5, 16.6

Under the Code of Ethics and Anti-Corruption Code of Conduct, the Group's employees may report conduct that violates the values and principles of both of these Codes on the Group's Integrity Line whistleblowing system.

This system has been in place within the Group since 2018 and is available across all entities controlled by Vallourec. This system is available in eight languages to employees and external and occasional collaborators of the Group, but also to customers, suppliers, service providers and other external stakeholders through a secure website hosted by an independent company. The rollout of this whistleblowing system was widely communicated across many channels throughout the Group, notably through campaigns and posters. Due and proper application of the system is regularly monitored. A link to the dedicated site is available from Vallourec's website and on the Group intranet. The Integrity Line can be accessed by both internal and external Company stakeholders.

The scope of the whistleblowing system is broad, and includes any violations of business ethics and the Code of Ethics, the Anti-Corruption Code of Conduct, and internal rules and policies. It notably includes allegations of anti-competitive practices, corruption, fraud, conflicts of interest, discrimination and harassment at work, as well as irregularities that could affect Vallourec's activity or reputation that are linked to human rights and fundamental freedoms, the health and safety of people, or the environment. This system allows conduct to be reported anonymously, if the whistleblower so wishes, and offers the safeguards set out in France's Sapin II law.

An internal policy specifies the terms of use for the whistleblowing system and the rules that apply to data protection and processing and confirms that any reporting is covered by the principle of confidentiality. It also specifies that the whistleblower may benefit from specific protection and will not be subject to any discriminatory measures or disciplinary sanctions. In accordance with the relevant internal procedure, reports are received by the members of the Group Ethics Committee (Group Compliance Officer, Group Human Resources Officer, the Head of Internal Audit and Risk Management and the General Counsel) along with their regional representatives, the Regional Compliance Officers. The members of the Ethics Committee ensure that the reports received are handled effectively, confidentially and independently, and oversee the investigations carried out in response to the issues raised. Each quarter, a report on the whistleblowing system is presented to the Compliance Committee in the presence of the Chairman of the Board of Directors and Chief Executive Officer. The same report is provided to the Audit Committee.

The rollout of the Vallourec Integrity Line since 2018 and awareness-raising operations carried out since have led to an increase in the number of reports made. In 2024, 270 reports were made on the Vallourec Integrity Line, of which seven allegations contained facts that could be considered to represent discriminatory behavior. Following an in-depth review, not all reports were considered to represent red flags. None of these reports had a significant impact on the Group. In fact, the issues most often raised concerned relations between employees, or non-compliance with internal rules. Vallourec has not been informed of any reports made to the national contact points for the OECD Guidelines for Multinational Enterprises. In 2024, the Group had no confirmed reports of corruption leading to disciplinary action being taken against employees or to their dismissal.

Appendices

Appendix 1 – CSRD table of contents

Disclosure requirement	CSRD title	Section in Vallourec's Universal Registration Document
E1.GOV-3	Integration of sustainability-related performance in incentive schemes	Chapter 4: 4.3.1 Remuneration policies for corporate officers for 2025 submitted to the Shareholders' Meeting for approval; 4.3.2 Remuneration and benefits paid or award for 2024 (ex-post)
E1.IRO-1	Description of the processes to identify and assess material climate-related impacts, risks and opportunities	Introduction – Assessment of material Impacts, Risks and Opportunities (IROs) related to sustainability matters 2.1.3 Climate risk adaptation (ESRS E1)
E1.SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model (related to physical or transition risks linked to climate change)	2.1.2 Combating climate change; 2.1.3 Climate risk adaptation
BP-1	General basis for preparation of the sustainability statements	Chapter 2: General disclosures – General basis for preparing the sustainability statement
BP-2	Disclosures in relation to specific circumstances	N/A
E1-1	Transition plan for climate change mitigation	2.1.2.2 Action plan (the Group has a decarbonization roadmap, but has not yet finalized a transition plan within the meaning of the CSRD)
E1-2	Policies related to climate change mitigation and adaptation	Introduction – Summary of non-financial Impacts, Risks and Opportunities 2.1.2 Combating climate change (ESRS E1) 2.1.3 Climate risk adaptation (ESRS E1)
E1-3	Actions and resources in relation to climate change policies	2.1.3 Climate risk adaptation II) RESILIENCE PLAN V) CLIMATE CHANGE ADAPTATION PLAN
E1-4	Targets related to climate change mitigation and adaptation	2.1.2.1.2 Combating climate change (ESRS E1) 2.1.2.1 Key commitments
E1-5	Energy consumption and mix	2.1.2.4 Performance monitoring Chapter 6: 6.1.1.3 Revenue
E1-6	Gross Scopes 1, 2, 3 and Total GHG emissions	2.1.2 Combating climate change (ESRS E1) 2.1.2.4 Performance monitoring
E1-7	GHG removals and GHG mitigation projects financed through carbon credits	N/A
E1-8	Internal carbon price	2.1.1.4 Environmental management IV) INVESTMENTS
E1-9	Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	N/A Exemption from the disclosure requirement for the first-time application of the CSRD
E2.IRO-1	Description of the processes to identify and assess material pollution-related impacts, risks and opportunities	2.1.4.1 Risks of water, air and soil pollution as well as risks related to hazardous substances and noise pollution
E2-1	Policies related to pollution	Introduction – Summary of non-financial Impacts, Risks and Opportunities 2.1.4 Preventing pollution risks (ESRS E2)
E2-2	Actions and resources related to pollution	2.1.4 Preventing pollution risks
E2-3	Targets related to pollution	2.1.4 Preventing pollution risks
E2-4	Pollution of air, water and soil	2.1.4.2 Emissions to water 2.1.4.3 Emissions into the air 2.1.4.4 Emissions into soil
E2-5	Substances of concern and substances of very high concern	2.1.4.5 Use of substances of concern and very high concern
E2-6	Anticipated financial effects from pollution-related impacts, risks and opportunities	2.1.4 Preventing pollution risks

Disclosure requirement	CSRD title	Section in Vallourec's Universal Registration Document
E3.IRO-1	Description of the processes to identify and assess material water and marine resources-related impacts, risks and opportunities	2.1.5.1 Risks regarding water as a natural resource
E3-1	Policies related to water and marine resources	Introduction – Summary of non-financial Impacts, Risks and Opportunities 2.1.5 Sustainable use of water resources
E3-2	Actions and resources related to water and marine resources policies	2.1.5.3 Action plans
E3-3	Targets related to water and marine resources	2.1.5.2 Strategy and key commitments
E3-4	Water consumption	2.1.5.4 Performance monitoring
E3-5	Anticipated financial effects from water and marine resources-related impacts, risks and opportunities	N/A Exemption from the disclosure requirement for the first-time application of the CSRD
E4.IRO-1	Description of processes to identify and assess material biodiversity and ecosystem-related impacts, risks and opportunities	2.1.6.1 Biodiversity and ecosystem issues relating to our activities
E4.SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	2.1.6 Preserve biodiversity and ecosystems
E4-1	Transition plan and consideration of biodiversity and ecosystems in strategy and business model	2.1.6.2 Strategy and key commitments 2.1.6.3 Action plan and allocated resources
E4-2	Policies related to biodiversity and ecosystems	2.1.6 Preserve biodiversity and ecosystems
E4-3	Actions and resources related to biodiversity and ecosystems	2.1.6.3 Action plan and allocated resources
E4-4	Targets related to biodiversity and ecosystems	2.1.6.2 Strategy and key commitments
E4-5	Impact metrics related to biodiversity and ecosystems change	2.1.6 Preserve biodiversity and ecosystems
E4-6	Anticipated financial effects from biodiversity and ecosystem-related impacts, risks and opportunities	N/A Exemption from the disclosure requirement for the first-time application of the CSRD
E5.IRO-1	Description of processes to identify and assess material biodiversity and ecosystem-related impacts, risks and opportunities	2.1.7 Limiting the use of natural resources
E5-1	Policies related to resource use and circular economy	2.1.7.2 Strategy and key commitments
E5-2	Actions and resources related to resource use and circular economy	2.1.7 3 Action plans undertaken to limit the use of natural resources
E5-3	Targets related to resource use and circular economy	2.1.7.2 Strategy and key commitments
E5-4	Resource inflows	2.1.7.4 Performance monitoring
E5-5	Resource outflows	2.1.7.4 Performance monitoring
E5-6	Anticipated financial effects from resource use and circular economy-related impacts, risks and opportunities	N/A Exemption from the disclosure requirement for the first-time application of the CSRD
G1-1	Corporate culture and business conduct policies	2.3 Our commitments to business ethics and compliance
G1-2	Management of relationships with suppliers	2.2.5 Value chain 2.3 Our commitments to business ethics and compliance 2.4.5 Risk management linked to the supply chain (Vigilance Plan)
G1-3	Prevention and detection of corruption and bribery	2.3 Our commitments to business ethics and compliance
G1-4	Confirmed incidents of corruption or bribery	2.3 Our commitments to business ethics and compliance 2.4.6 Whistleblowing and reporting system
G1-5	Political influence and lobbying activities	2.3 Our commitments to business ethics and compliance
G1-6	Payment practices	2.3 Our commitments to business ethics and compliance
GOV-1	The role of the administrative, supervisory and management bodies	Chapter 4: 4.2.1 Membership and operating procedures of the Board of Directors
GOV-2	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	Chapter 2: General disclosures – CSR governance Chapter 4: 4.2.1 Membership and operating procedures of the Board of Directors

Disclosure requirement	CSRD title	Section in Vallourec's Universal Registration Document
GOV-3	Integration of sustainability-related performance in incentive schemes	Chapter 4: 4.3.1 Remuneration policies for corporate officers for 2025 submitted to the Shareholders' Meeting for approval; 4.3.2 Remuneration and benefits paid or award for 2024 (ex-post)
GOV-4	Statement on due diligence	Chapter 2: General disclosures – Statement on due diligence
GOV-5	Risk management and internal controls over sustainability reporting	Chapter 3: 3.1.2.3 Inherent climate-change risks; 3.2.2.6.2 Internal control – Sustainable development
S1-1	Policies related to own workforce	2.2.1 Group workforce
S1-2	Process for engaging with own workers and workers' representatives about impacts	2.2.3 Social dialogue
S1-3	Processes to remediate negative impacts and channels for own workers to raise concerns	2.3.2.2 Compliance program 2.4.6 Whistleblowing and reporting system
S1-4	Taking action on material impacts on own workforce, and approaches to mitigating materials risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	2.2.3 Social dialogue 2.2.4 Diversity and equal opportunities 2.3.2.2 Compliance Program
S1-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	2.2.3 Social dialogue 2.2.4 Diversity and equal opportunities 2.3.2.2 Compliance Program
S1-6	Characteristics of the undertaking's employees	2.2.1 Group workforce
S1-7	Characteristics of non-employee workers in the undertaking's own workforce	2.2.1 Group workforce
S1-8	Collective bargaining coverage and social dialogue	2.2.3 Social dialogue
S1-9	Diversity metrics	2.2.4 Diversity and equal opportunities
S1-10	Adequate wages	2.2.2.4 Wage policy
S1-11	Social protection	2.2.2 Working conditions 2.2.3 Social dialogue
S1-12	Persons with disabilities	2.2.4.4 Disabilities
S1-13	Training and career development	2.2.2.2 Employee training and career development
S1-14	Health and safety	2.2.2.1 Health and safety 2.4.4 Risk management in health and safety issues (Vigilance Plan)
S1-15	Work-life balance	2.2.2.3 Work schedules and work-life balance
S1-16	Remuneration metrics *(i) Data point 97.a* *(ii) Data point 97.b* *(iii) Data point 97.c*	(i) 2.2.4.1 Gender equality (ii) Chapter 4: 4.3.2.4 Remuneration ratios and year-on-year changes in remuneration, Company performance and the average remuneration of employees during the last five fiscal years (iii) 2.2.4.1. /4.3.2.4/Appendix 2 – Limitations related to the first-time application of the CSRD
S1-17	Incidents, complaints and severe human rights impacts	2.3 Our commitments to business ethics and compliance 2.4.1 Governance and management of duty of care 2.4.3 Risk management related to human rights 2.4.6 Whistleblowing and reporting systems (Vigilance Plan)
S2-1	Policies related to value chain workers	2.2.5 Value chain 2.4.5 Risk management linked to the supply chain (Vigilance Plan)
S2-2	Process for engaging with value chain workers about impacts	2.2.5 Value chain 2.4.5 Risk management linked to the supply chain (Vigilance Plan)
S2-3	Processes to remediate negative impacts and channels for value chain workers to raise concerns	2.2.5 Value chain 2.4.5 Risk management linked to the supply chain (Vigilance Plan)
S2-4	Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions	2.2.5 Value chain 2.4.5 Risk management linked to the supply chain (Vigilance Plan)

Disclosure requirement	CSRD title	Section in Vallourec's Universal Registration Document
S2-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	2.2.5 Value chain 2.4.5 Risk management linked to the supply chain (Vigilance Plan)
S3	Affected communities	N/A/not material
S4	Consumers and end-users	N/A/not material
SBM-1	Strategy, business model and value chain	Chapter 1: 1.1 Building the new Vallourec 1.2 Strategy and objectives 1.3 Group businesses Chapter 2: General disclosures – CSRD and the double materiality assessment 2.2.5 Value chain
SBM-2	Interests and views of stakeholders	Chapter 1: 1.1.3 Vallourec's unique value creation model Chapter 2: Introduction – Double materiality assessment 2.2.3 Social dialogue
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	Chapter 1: 1.1.3 Vallourec's unique value creation model

Appendix 2 – Methodological note

Chapter 2 of the Universal Registration Document, designed to inform shareholders and the greater public about the actions taken by Vallourec to promote sustainable development, complies with Articles L.225-102-1 and L.22-10-36 of the French Commercial Code. The information contained herein is derived from database systems deployed worldwide, at each site concerned.

All CSR information published in chapter 2 of the Universal Registration Document was verified by a sustainability auditor, whose report appears in Appendix 3 to this document.

The information disclosed clearly explains the Group's CSR strategy, as well as its actions in this area.

CSR metric guidelines

Vallourec defined its guidelines by reproducing the list of CSR information that appears in Articles L.22-10-36 and L.225-102-1 of the French Commercial Code (see cross-reference table in appendix 3). Other indicators were constructed based on those published by the Corporate Sustainable Reporting Directive (CSRD) and the Global Reporting Initiative (GRI), which proposes CSR reporting metrics for global companies or other specific international reporting standards such as the GHG Protocol.

ENVIRONMENTAL AND SAFETY INDICATORS

Safety indicators are taken from the Cority system, in place since January 1, 2024.

Since that date, recordable accidents have been reported in Cority. Gradually over the course of 2024, Cority was used to report high potential events (HPEs), first aid, near-accidents and hours worked.

Environmental indicators have been drawn from the “CR 360” reporting system since the end of 2016, which allows for monthly and quarterly monitoring and consolidation.

They are included in a project definition worksheet provided by the Sustainable Development Department to its network of local correspondents in the Group's four working languages (French, English, German and Portuguese) and incorporated into a Group procedure. Indicators on energy, water, waste, pollution and raw materials are reported by each correspondent responsible for an industrial site. All these indicators are measured by meters or recorded through invoices, purchases or technical data sheets from the Group’s service providers (this is the case for waste when it is not measured on site). Social indicators are also the subject of a precise and standardized Groupwide measurement, as set out in a procedure.

INDICATORS RELATED TO WORKFORCE AND HOURS

The data are automatically collected by the Gathering Tools system, and then sent to several HR information management system tools, including Qbik (consolidating and management of social data). The Human Resources Department collects this data, which goes through an on-site correspondent.

TRAINING INDICATORS

Data are collected in the Vallourec University Learning Management System (LMS) available to all entities. Group Talent teams are responsible for calculation and consolidation.

Scope of consolidation – Environmental metrics

All Group activities subject to operational or financial control within the meaning of the CSRD are consolidated in environmental reporting. The Company's carbon footprint also complies with the GHG Protocol and is therefore reported for all activities downstream and upstream of the Company's value chain. Scopes 1 and 2 therefore correspond to entities for which Vallourec has operational control, which is rounded out by reporting on the 15 categories of Scope 3.

No legal entity operationally or financially controlled by the Company is excluded from the scope of environmental reporting, which covers:

1. industrial sites, as well as all support activities taking place on these sites. This includes administrative offices, registered offices and research hubs located on production sites. Data from these sites are classified as primary;
2. sales offices, branch offices, the Valenciennes research hub and logistics activities are consolidated on the basis of derived indicators. Extrapolations are used for these sites owing to their non-material impact (less than 1% for the corresponding GHG emissions scope).

Including sites belonging to Vallourec for more than six months. This rule is to be considered when a disposal or acquisition occurs.

The following two companies are accounted for by the equity method for financial reporting purposes, but are not included in the environmental reporting scope:

- Ascoval, a legal entity now dormant following the closure of the Saint-Saulve steel mill;
- HKM, in which Vallourec does not have operational control. Vallourec has a 20% stake in the company, and a single seat on its Board of Directors.

Scope of consolidation – Social metrics

The scope of consolidation is determined in accordance with the rules set by Vallourec's Human Resources Department and corresponds to the accounting consolidation scope. Entities sold and sites closed in 2024 are excluded from the reporting scope.

The data presented do not take into account employees on redeployment leave or time off.

Consolidation and auditing

Environmental indicators are consolidated and audited monthly by the Sustainable Development Department (timeliness, fairness, completeness). In case of doubt or inconsistency, the Regions and sites involved are questioned and must provide sufficient explanation to clarify the given indicators, as well as the achievement or shortfall of the targets set for the year. This step is essential to ensure the quality of the reports and the integrity of the indicator monitoring system within a continuous improvement process.

In addition, to verify and compare the data, the Sustainable Development Department issues a quarterly summary to Executive Management and to all sites.

Safety indicators are issued monthly, after verification, to Executive Management and the management committee, the Regions and divisions, and all sites.

Metrics tracking the number of accidents and high potential events (HPEs) are reported to the Management Committee on a weekly basis.

Production calculations

By “metric ton processed”, Vallourec means metric ton produced in each plant (number of units of work produced in the plant). They are counted as iron ore for the mine, charcoal for the forest, iron ore pellets for the pelletizer, steel for steel plants, and hot-rolled tubes or cold-finished tubes for tube mills, heat treatment and finishing plants.

Steel and tube production of each plant is added together to calculate the total steel and tube production in metric tons processed or work units. For integrated sites, such as Vallourec Star in Youngstown (United States), and Vallourec Soluções Tubulares do Brasil (VSB) in Barreiro and Jeceaba (Brazil), the total production is the sum of the steel and tubes produced.

Dividing by production, expressed as metric tons of tubes processed, is done to assess the performance of a given step of the process. It also allows different sites to be compared.

By “metric ton shipped” or “metric ton sold” Vallourec means metric tons of tubes and accessories shipped to customers during the year. This indicator is published in the Group's results.

Dividing by sales, expressed as metric tons of tubes shipped, is done to assess the consolidated performance of the company. It is used to communicate the environmental footprint of tubes shipped to customers.

Verification of CSR information

All CSR information published in chapter 2 of the Universal Registration Document was verified by a sustainability auditor, with the exception of Section 2.4 on the Vigilance Plan.

Limitations related to the first-time application of the CSRD

ESRS	Topics	Methodological limitations and special cases
ESRS E2	Incomplete data on pollutant emissions	The Group is unable to identify all the pollutant emissions that exceed the thresholds listed in Annex 2 of European Regulation (EC) 166/2006, and which therefore fall within the scope of ESRS E2 disclosure requirements. Consequently, the metrics reported this year correspond to those historically tracked by the Group's sites, notably for the purposes of ensuring compliance with the various local operating permits. Over the next few months, the Group will be working to complete its reporting by identifying the substances and pollutants to be monitored by the sites.
ESRS E2	Substances of concern	The complexity of European regulations on polluting substances has made it difficult in practice to identify all polluting substances and collect the relevant data. As a result, the Vallourec Group has not been able to consolidate quantities of substances of concern in its first-time application of CSRD sustainability reporting rules, but will be working over the coming months to collect these quantities for publication in the future, while ensuring that certain information remains strictly confidential.
ESRS S1	Employees covered by a collective bargaining agreement not quantified	Although the vast majority of the Group's employees are covered by industry- or company-wide collective agreements, Vallourec does not currently have a calculation method or reporting channel that would enable it to precisely quantify the percentage of employees covered by a collective agreement. It is currently working to set up a metric that can be used to track collective bargaining which may be disclosed in the future.
ESRS S1	Employees not receiving an adequate wage	Despite having identified the "adequate wage" topic as material under its double materiality assessment, the Vallourec Group does not currently have a comprehensive methodology for assessing the Group's performance in this area. Going forwards, consideration will be given to defining an “adequate wage” benchmark throughout the Group, with a view to formalizing a policy on this topic going forward.
ESRS S1	Different scope used to calculate the gender pay gap	The Group provides historical data for its managerial and technical/supervisory staff scope only. Information for the full scope is not yet available. Consideration is being given to adopting the CSRD scope going forward.
ESRS S1	Different methodology used to calculate the ratio between the remuneration of the highest paid individual and the median remuneration for employees	The Group provides historical data for France only. Information for the full scope is not yet available. Consideration is being given to adopting the CSRD scope going forward.

Methodological limitations and special cases

The following table lists some exceptions or special rules.

Issue	Plant concerned	Description
Emissions into the air of NO_x and SO_2 (kg)	All those consuming natural gas	In the absence of measures performed by the site on the quality of the gases emitted from its combustion facilities, the NO_x and SO_2 emissions are calculated by multiplying its natural gas consumption (in kWh) by the following emissions factors: 0.0001944 for NO_x and 1.73913×10^{-6} for SO_2 kg/kWh (EF source: gas suppliers in France). Only the VRCF site has measured its SO_2 emissions, as these do not correspond to natural gas consumption.
Wastewater quality	Vallourec Tubes France (and Aulnoye-Aymeries tube mill), Vallourec Star Houston, PT Citra Tubindo, VSB Barreiro, Jeceaba and Florestal, Mineração, Tianda, VAM HR, VAM MR, VOG MX, VTA Houma and RR	Indicators for monitoring wastewater quality (SPM, COD, BOD, TH and 10 metals) are only consolidated for sites that discharge wastewater directly into the environment after internal processing at their effluent treatment plants. These indicators are calculated based on the weighted average concentration per flows of discharged wastewater. The data are based on a list of metals established by the Group, with the knowledge that the data reported by the sites may only concern the analyses imposed by the local regulations.
Waste	All plants	"Historical" waste (hazardous/non-hazardous) produced prior to the reporting period and stored on site is not counted in the total tonnage of consolidated waste. Waste is classified as hazardous or non-hazardous according to the local regulations. Waste from the dismantling of the Rath plant has been estimated on the basis of 2023
Sludge from blast furnaces and steel mills	VSB	In Brazil, sludge generated by blast furnaces is classified as non-hazardous waste, and is a totally different type of waste from tube mill sludge.
Dust from blast furnaces and steel mills	VSB	In Brazil, dust generated by blast furnaces is classified as non-hazardous waste, and is a totally different type of waste from the other types of dust produced by the other steel mills.
Methane	Vallourec Florestal	When estimating methane emissions, the calculations are based on the statistical study in Appendices 5 and 6 of the "Project Design Document Form (CDM PDD) – Version 03" registered as a CDM 8606 project at UNFCCC: "Carbonization Project – Mitigation of Methane Emissions in the Charcoal Production of V & M Florestal, Minas Gerais, Brazil", which is available at: https://cdm.unfccc.int/Projects/DB/BVQI1354824411.24/view According to the study, process methane emissions depend on the gravimetric yield of wood carbonization in furnaces (Appendix 5), or the ratio between the final mass of dry charcoal (after combustion) and the initial mass of wood (Appendix 6). Since 2019, Vallourec differentiates charcoal tonnage produced according to the type of carbonization furnaces: conventional furnaces, furnaces equipped with chimney burners, and the Carboval unit. Methane emissions are calculated for each type based on relevant emission factors.
Carbon capture by Florestal	Vallourec Florestal	The method for calculating amounts of CO_2 sequestered by the forest during the reference year derives from the study conducted in cooperation with numerous scientific authorities (see Section 2.2.2.2.III.D). Annual sequestration is estimated when the tree is cut to be processed into charcoal. The reference value is thus the annual charcoal production. The reference study allowed a 30-year observation period to be identified, considering the amount of charcoal produced, the amount of carbon absorbed by the tree trunk and the amount absorbed by the roots and stumps in the soil. It was thus possible to calculate the ratios of carbon sequestered by the roots in relation to the tonnage of charcoal produced and ultimately consumed in the blast furnaces, and the ratio of carbon absorbed by the tree trunk, also in relation to the charcoal produced. These ratios are then used to calculate the amounts of carbon sequestered annually. The amounts of carbon emitted during carbonization of the trunks and the amounts of methane emitted during the carbonization process in the ad hoc furnaces are also in proportion to the charcoal produced.
Indirect CO_2e emissions linked to electricity purchases (Scope 2)	All plants	The CO_2 emissions of all sites that consume purchased electricity are calculated based on emission factors provided by the suppliers themselves, either directly or calculated based on their energy mixes. These emissions are referred to as "market-based". Vallourec also calculates "location-based" emissions using the national or regional electric mix and the relevant emission factors (e.g., states in the United States) provided in public databases (e.g., IEA, ADEME, US EPA, etc.).

Issue	Plant concerned	Description
Indirect CO_2e emissions linked to external steel purchases (Scope 3 upstream)	Steel suppliers	Emissions relating to our steel purchases are calculated by multiplying, for each steel mill, the tonnage purchased by an emission factor (kg CO_2 per metric ton of steel) which is provided by the supplier itself or, failing this, taken from internal databases which include the manufacturing process (blast furnaces or electric arc furnaces). The Group currently considers both direct emissions (Scopes 1 and 2) of our steel suppliers, but also their own indirect upstream emissions (Scope 3), such as those concerning purchases of raw materials for steel production.
% of steel used made from scrap	Vallourec steel mills in Jeceaba (Brazil) and Youngstown (United States)	This indicator is calculated based on the metric tons of scrap used during the year (internally purchased and recycled) divided by the total amount of inputs (quantities of cast iron purchased or produced internally and scrap purchased and recycled internally).
Scope 3 emissions related to upstream and downstream external transport ordered by	All plants	The calculation method was expanded in 2020 to cover the three transport phases (supply of raw materials for steel mills, transport of semi-finished products between plants and transport of finished products to customers). Activity is estimated in ton-kilometers (therefore accounting for both tonnage and distance) and associated to the emissions factor for various transport modes (truck, train, barge, and maritime freight).
Indirect CO_2e emissions linked to the use of products sold (Scope 3 downstream)	All plants	The calculation method was developed with the support of the Carbone 4 consulting firm. The Group started from Vallourec's annual revenue (in € millions) for each of its six main markets: Oil & Gas; Petrochemicals; Power Generation; Mechanicals; Automotive; Construction and Other. Each revenue is multiplied by a predefined carbon intensity (metric tons of CO_2 per € million of revenue) specific to each of these markets. These intensities were calculated using recognized sources (ADEME, ATEE, IEA, Ecoinvent). For example, for the oil segment, the emissions intensity is based on the barrel, its price, and its energy content. For the Oil & Gas market, Vallourec took into account emissions relating to extraction and processes in place but did not include emissions relating to transport and the combustion of products. The breakdown (as a %) of revenue between oil and gas is a factor, as is the breakdown (as a %) between coal, nuclear and "renewables" for the Power Generation market.
Indirect CO2e emissions linked to the end-of-life of products sold (Scope 3 downstream)	All plants	Vallourec calculates these emissions based on the annual tonnage of tubes and accessories sold by the Group, multiplied by the ADEME's standard emission factor which corresponds to the average end-of-life of "mineral waste".
Water withdrawals	Vallourec Mineração	Water withdrawals of the mine correspond to the water extracted from the ground to lower water tables, as well as the one withdrawn from the environment to be used for the processing of iron ore, land watering and dust control.
Raw materials	All plants	Raw materials consumption (iron ore, iron ore pellets, charcoal, charcoal dust, scrap, cast iron) corresponds to the amounts used for steel production. Scrap is considered by Vallourec as a by-product and is included neither in consolidated waste nor in the recovery rate.
Compensation	All plants	The "Compensation" indicator is calculated as the sum of staff compensation, social security charges and pension expenses.
Turnover	All plants	Turnover rate: number of departures for each of the categories defined under the CSRD/ESRS, divided by the total number of permanent employees at December 31. Among the reasons for departures, the following are taken into account: • voluntary departures; • departures due to the termination of fixed-term contracts; • deaths in service; • departures due to redundancy; • departures due to retirement.
Method of accounting for days off work due to an accident at work in the United States, and due to an accident at work or illness in Germany	All plants	In the United States, lost days for work-related accidents are not counted beyond the 180th day in accordance with applicable OHSA regulations. This accounting method is specific to the United States and differs from the rule recommended by the Group for accounting for lost days. In Germany, absences due to accidents (or illness) are taken into account for six weeks for most employees (the period paid by the company). After this period, the employee no longer generates absence hours for Qbik.

Issue	Plant concerned	Description
Number of training hours	All plants	The data relating to the number of training hours published covers in-person learning that exceeds or equals to two hours and e-learning. The percentage of employees trained is calculated in relation to the workforce at the end of the period. In-person learning of less than two hours and apprentice and intern training are excluded from this data.
Number of hours worked	Vallourec Tianda	Hours worked do not include the hours of truck drivers who deliver the billets, provide internal transportation between the workshops, and load the products for delivery to a port of destination or to customers. This transport is provided by an external operator. The number of hours worked is calculated on the basis of the hours worked by the workforce present during the year and not only by the workforce present as of December 31.
Absenteeism rate	All plants	The absenteeism rate is calculated on the basis of the hours worked by the workforce present during the year and not only by the workforce present as of December 31.
Gender Pay gap	All plants	The gender pay gap is calculated based on the countries with the biggest workforces and with comparable remuneration practices, namely: • four countries (up to 2023): Germany, Brazil, France and US; • three countries (from 2024): Brazil, France and the US. The population analyzed covers supervisors and managers by grade. Production staff were excluded from the analysis – given the low proportion of women in that population – along with Serimax entities operating in the aforementioned countries, whose remuneration structure differs from that of Vallourec employees. The population analyzed covers 23% of Vallourec's permanent employees, 70% of its permanent managers and supervisors, and more than 96% of the population in the three selected countries.

Appendix 3 – Report by the Statutory Auditor responsible for certifying sustainability information

Report on the certification of sustainability information and verification of the disclosure requirements under Article 8 of Regulation (EU) 2020/852 for the year ended on December 31st 2024

This is a translation into English of the statutory auditor's report on the certification of sustainability information and verification of the disclosure requirements under Article 8 of Regulation (EU) 2020/852 of the Company issued in French and it is provided solely for the convenience of English-speaking users.

This report should be read in conjunction with, and construed in accordance with, French law and the H2A guidelines on "Limited assurance engagement - Certification of sustainability reporting and verification of disclosure requirements set out in Article 8 of Regulation (EU) 2020/852".

To the Shareholders' Meeting of the company Vallourec,

This report is issued in our capacity as statutory auditor of Vallourec (hereafter the "Entity"). It covers the sustainability information and the information required by Article 8 of Regulation (EU) 2020/852, relating to the year ended on December 31st 2024 and included in the Sections "General disclosures", 2.1 to 2.3 and Appendices of the chapter 2 "Sustainability statement" of the management report (hereafter the "Sustainability report").

Pursuant to Article L. 233-28-4 of the French Commercial Code, Vallourec is required to include the above-mentioned information in a separate section of its management report. This information has been prepared in the context of the first-time application of the aforementioned articles, a context characterized by uncertainties regarding the interpretation of the laws and regulations, the use of significant estimates, the absence of established practices and frameworks in particular for the double-materiality assessment, and an evolving internal control system. It enables an understanding of the impact of the activity of the Entity on sustainability matters, as well as the way in which these matters influence the development of its business, performance and position. Sustainability matters include environmental, social and corporate governance matters.

Pursuant to Article L.821-54 paragraph II of the aforementioned Code, our engagement is to carry out the procedures necessary to issue a conclusion, expressing limited assurance, on:

- compliance with the sustainability reporting standards adopted pursuant to Article 29 b of Directive (EU) 2013/34 of the European Parliament and of the Council of 14 December 2022 (hereinafter ESRS for *European Sustainability Reporting Standards*) of the process implemented by Vallourec to determine the information reported, and compliance with the requirement to consult the social and economic committee provided for in the sixth paragraph of Article L. 2312-17 of the French Labour Code;
- compliance of the sustainability information included in the Sustainability report with the requirements of Article L. 233-28-4 of the French Commercial Code, including ESRS; and
- compliance with the reporting requirements set out in Article 8 of Regulation (EU) 2020/852.

This engagement is carried out in compliance with the ethical rules, including independence, and quality control rules prescribed by the French Commercial Code.

It is also governed by the Haute Autorité de l'Audit guidelines on *"Limited assurance engagement - Certification of sustainability reporting and verification of disclosure requirements set out in Article 8 of Regulation (EU) 2020/852"*.

In the three separate sections of the report that follow, we present, for each of the sections of our engagement, the nature of the procedures that we carried out, the conclusions that we drew from these procedures and, in support of these conclusions, the elements to which we paid particular attention and the procedures that we carried out with regard to these elements. We draw your attention to the fact that we do not express a conclusion on any of these elements taken individually and that the procedures described should be considered in the overall context of the preparation of the conclusions issued in respect of each of the three sections of our engagement.

Finally, where deemed necessary to draw your attention to one or more disclosures of sustainability information provided by Vallourec in its Sustainability report, we have included an emphasis of matter paragraph hereafter.

Limits of our engagement

As the purpose of our engagement is to express limited assurance, the nature (choice of techniques), extent (scope) and timing of the procedures are less than those required to obtain reasonable assurance.

This engagement does not provide guarantee regarding the viability or the quality of Vallourec operations management, in particular it does not provide an assessment, of the relevance of the choices made by Vallourec in terms of action plans, targets, policies, scenarii analysis and transition plan, which would go beyond compliance with the ESRS reporting requirements.

It does, however, allow us to express conclusions regarding the Entity's process for determining the sustainability information to be reported, the sustainability information itself, and the information reported pursuant to Article 8 of Regulation (EU) 2020/852, as to the absence of identification or, on the contrary, the identification of errors, omissions or inconsistencies of such importance that they would be likely to influence the decisions that readers of the information subject to this engagement might make.

Any comparative information that would be included in the Sustainability report are not covered by our engagement.

COMPLIANCE WITH THE ESRS OF THE PROCESS IMPLEMENTED BY VALLOUREC TO DETERMINE THE INFORMATION REPORTED, AND COMPLIANCE WITH THE REQUIREMENT TO CONSULT THE SOCIAL AND ECONOMIC COMMITTEE PROVIDED FOR IN THE SIXTH PARAGRAPH OF ARTICLE L. 2312-17 OF THE FRENCH LABOUR CODE

Nature of procedures carried out

Our procedures consisted in verifying that:

- the process defined and implemented by Vallourec has enabled it, in accordance with the ESRS, to identify and assess its impacts, risks and opportunities related to sustainability matters, and to identify the material impacts, risks and opportunities, that lead to the publication of information disclosed in the sustainability report, and
- the information provided on this process also complies with the ESRS.

We also checked the compliance with the requirement to consult the social and economic committee.

Conclusion of the procedures carried out

On the basis of the procedures we have carried out, we have not identified any material errors, omissions or inconsistencies regarding the compliance of the process implemented by Vallourec with the ESRS.

Concerning the consultation of the social and economic committee provided for in the sixth paragraph of Article L. 2312-17 of the French Labour Code we inform you that as of the date of this report, this consultation has not yet been held.

Elements that received particular attention

We present below the elements that have received specific attention from us regarding Vallourec's compliance with the ESRS in the process implemented to determine the published information.

The information related to the identification of stakeholders and impacts, risks, and opportunities, as well as the assessment of impact materiality and financial materiality, is presented in the Section "*CSRD and the double materiality assessment*" of the Sustainability report.

Concerning the identification of stakeholders

We have considered the analysis conducted by the Entity to identify its stakeholders, who may affect the entities within the scope of the information or may be affected by them, through their direct or indirect business activities and relationships in the value chain.

In this regard, we engaged in discussions with the team in charge of sustainability reporting and reviewed the available documentation related to the stakeholders identification process. Our due diligence primarily consisted in assessing the consistency of the main stakeholders identified by Vallourec according to the nature of its activities and its geographical presence, taking into account its business relationships and structure of its value chain.

Concerning the identification of impacts, risks and opportunities

We have reviewed the process implemented by the Entity regarding the identification of impacts (negative or positive), risks, and opportunities ("IRO"), whether actual or potential, related to the sustainability matters mentioned in paragraph AR 16 of the "Application Requirements" of the ESRS 1 standard, and, where applicable, those specific to the Entity.

We also reviewed the scope chosen for the identification of IRO, particularly in relation to the scope of the consolidated accounts.

We examined the mapping carried out by the Entity of the identified IRO and evaluated its consistency with our knowledge of the group.

More specifically, we appreciated the approach established by the Entity to determine its impacts and dependencies, which may be sources of risks or opportunities, including the dialogue implemented with stakeholders.

Concerning the assessment of impact materiality and financial materiality

We have learned, through discussions with the team in charge of sustainability reporting and inspection of the available documentation, about the process of assessing impact materiality and financial materiality implemented by the Entity, and we evaluated its compliance with the criteria defined by ESRS 1.

Mor specifically, we appreciated the manner in which the Entity established and applied the materiality criteria for information defined by the ESRS 1 standard, including those related to setting thresholds, to determine the information to be published:

- regarding the indicators related to the material IRO identified in accordance with the relevant ESRS thematic standards;
- regarding the information specific to the Entity.

COMPLIANCE OF THE SUSTAINABILITY INFORMATION INCLUDED IN THE SUSTAINABILITY REPORT WITH THE REQUIREMENTS OF ARTICLE L.233-28-4 OF THE FRENCH COMMERCIAL CODE, INCLUDING THE ESRS

Nature of procedures carried out

Our procedures consisted in verifying that, in accordance with legal and regulatory requirements, including the ESRS:

- the disclosures provided enable an understanding of the general basis for the preparation and governance of the sustainability information included in the Sustainability report, including the basis for determining the information relating to the value chain and the exemptions from disclosures used;
- the presentation of this information ensures its readability and understandability;
- the scope chosen by Vallourec for providing this information is appropriate; and
- on the basis of a sample, based on our analysis of the risks of non-compliance of the information provided and the expectations of users, that this information does not contain any material errors, omissions or inconsistencies, i.e. that are likely to influence the judgement or decisions of users of this information.

Conclusion of the procedures carried out

Based on the procedures we have carried out, we have not identified material errors, omissions or inconsistencies regarding the compliance of the sustainability information included in theSustainability report, with the requirements of Article L.233-28-4 of the French Commercial Code, including the ESRS.

Emphasis of matter

Without qualifying the conclusion expressed above, we draw your attention to the Section "*General basis for preparing the sustainability statement*" found in the "*General disclosures*" *chapter*, as well as to the Section "*Limitations related to the first-time application of the CSRD*" in Appendix 2 of the Sustainability report, which present the methodological limitations and specific cases characterizing the first-time application of Article L. 233-28-4 of the French Commercial Code.

Elements that received particular attention

Information provided in application of the environmental standard ESRS E1

The information published regarding climate change (ESRS E1) is presented in Section 2.1.3 of the sustainability report.

We present below the elements that have received specific attention from us regarding the compliance of this information with the ESRS.

Based on interviews conducted with the team in charge of the environmental strategy and reporting, we assessed whether the description of the policies, actions, and targets implemented by the Entity covers the following areas: climate change mitigation and climate change adaptation.

Regarding the information presented by the Entity concerning the greenhouse gas emissions inventory, we:

- reviewed the rules for establishing the greenhouse gas emissions inventory used by the Entity and assessed their application on a selection of emission categories, specifically for scopes 1 and 2;
- assessed the information collection process related to scope 3 emissions;
- assessed the appropriateness of the emission factors used and the calculations related to conversions, as well as the calculation and extrapolation assumptions, considering the inherent uncertainty related to the state of scientific or economic knowledge and the quality of the external data used;
- for directly measurable data, such as energy consumption related to emissions from scopes 1 and 2, we compared, based on tests, the underlying data used to develop the greenhouse gas emissions with the supporting documentation.

COMPLIANCE WITH THE REPORTING REQUIREMENTS SET OUT IN ARTICLE 8 OF REGULATION (EU) 2020/852

Nature of procedures carried out

Our procedures consisted in verifying the process implemented by Vallourec to determine the eligible and aligned nature of the activities of the entities included in the consolidation.

They also involved verifying the information reported pursuant to Article 8 of Regulation (EU) 2020/852, which involves checking:

- the compliance with the rules applicable to the presentation of this information to ensure that it is readable and understandable;
- on the basis of a sample, the absence of material errors, omissions or inconsistencies in the information provided including information likely to influence the judgement or decisions of users of this information.

Conclusion of the procedures carried out

Based on the procedures we have carried out, we have not identified any material errors, omissions or inconsistencies relating to compliance with the requirements of Article 8 of Regulation (EU) 2020/852.

Elements that received particular attention

We determined that there were no such elements to communicate in our report.

Paris-La Défense, March 10th 2025

The Statutory Auditor

ERNST & YOUNG et Autres

May Kassis-Morin

Reasonable assurance report of the statutory auditor on a selection of environmental and social information for the year ended on December 31st 2024

This is a translation into English of the statutory auditor's reasonable assurance report on a selection of environmental and social information for the year ended on December 31st 2024 issued in French and it is provided solely for the convenience of English-speaking users.

To the Chief Executive Officer,

This report is issued in our capacity as statutory auditor of Vallourec (hereafter referred as the "Entity") and following your request, we have performed a reasonable assurance engagement on the following environmental and social information (hereafter the "Information") based on the criteria defined by the Entity (hereafter the "Criteria") presented in the chapter 2 "Sustainability statement" of the management report for the year ended on December 31st 2024 (hereafter the "Sustainability report"):

- Quantity of electricity and natural gas published in the table "Origin of energy consumed by the Group, 2024" in the Section 2.1.2.4 "Performance monitoring"
- Scope 1, 2 and 3 GHG emissions published in the table "Monitoring the Group's carbon footprint" in the Section 2.1.2.4 "Performance monitoring"
- Quantity of water withdrawn published in the table "Water withdrawals" in the Section 2.1.5.4 "Performance monitoring"
- Quantity of non-hazardous waste directed to disposal, Quantity of non-hazardous waste diverted from disposal, Total amount of hazardous waste and Percentage of waste recovered, as published in the table "Waste management indicators monitored" in the Section 2.1.7.4 "Performance monitoring"
- Percentage of steel made from recycled scrap iron, published in the table "Strategic guidelines" in the Section "General disclosures"
- Headcount and breakdown by age, gender, category and geographical area, as published in the table "Workforce as at December 31" in the Section 2.2.1.1 "Changes and breakdown"
- Total absenteeism rate published in the table "Absenteeism rate" in the Section 2.2.2.3 "Work schedules and work-life balance"
- Lost-time incident rate (LTIR) and Total recordable incident rate (TRIR) as published in the Section 2.2.2.1 "Heath and safety"

Our engagement does not cover the other information included in the Sustainability report.

OUR OPINION

In our opinion, the information has been prepared, in all significant aspects, in accordance with the Criteria.

PREPARATION OF THE INFORMATION

The absence of a generally accepted and commonly used framework or established practices to rely on for evaluating and measuring the information allows for the use of different, yet acceptable, measurement techniques that may affect comparability between entities and over time.

Therefore, the information should be read and understood with reference to the principles presented in the sustainability report, in particular the Appendix 2 "Methodological note." This Criteria has been specifically designed for the environmental and social reporting of the Entity and, as a result, the information subject to the mission may not be suitable for other purposes.

INHERENT LIMITATIONS FOR THE PREPARATION OF THE INFORMATION

The information may be subject to inherent uncertainty related to the state of scientific or economic knowledge and the quality of the external data used. Some information is dependent to the methodological choices, assumptions, and/or estimates made in its preparation.

In particular, the calculations used to establish greenhouse gas emissions for scope 3 may be based on calculation factors from third parties and/or certain actors in the group's value chain. Regarding these calculation factors, we were unable to review the underlying assumptions used to establish them.

RESPONSIBILITY OF THE ENTITY

It is the responsibility of the Entity's management to:

- Select or establish appropriate criteria for preparing the Information;
- Prepare the information in accordance with the Criteria;
- Design, implement, and maintain the internal control that it deems necessary to ensure that the information is free from material misstatements, whether due to fraud or errors.

RESPONSIBILITY OF THE INDEPENDENT AUDITOR

It is our responsibility to:

- Plan and perform the engagement in a manner that provides reasonable assurance that the information is free from significant misstatements, whether due to fraud or errors;
- Express an independent opinion based on the evidence we have obtained;
- Communicate our opinion to the Chief Executive Officer of Vallourec.

As it is our responsibility to express an independent opinion on the information as prepared by management, we are not allowed to be involved in the preparation of said information, as this could compromise our independence.

PROFESSIONAL STANDARDS APPLIED

Our work described below was performed in accordance with the International Standard ISAE 3000 (Revised) - Assurance Engagements Other than Audits or Reviews of Historical Financial Information published by the IAASB (International Auditing and Assurance Standards Board).

INDEPENDENCE AND QUALITY CONTROL

Our independence is defined by the provisions set forth in Article L. 821-28 of the Commercial Code, the Code of Ethics for the auditing profession, and the IESBA Code of Ethics *(International Code of Ethics for Professional Accountants (including Independence Standards)).*

Furthermore, we apply the International Standard on Quality Management 1, which involves defining and implementing a quality control system that includes documented policies and procedures aimed at ensuring compliance with ethical rules, professional standards, and applicable legal and regulatory texts.

MEANS AND RESOURCES

Our work took place between September 2024 and February 2025.

NATURE AND SCOPE OF WORK

A reasonable assurance engagement involves the implementation of procedures to obtain evidence regarding the information. The nature, timing, and extent of the procedures chosen are based on our professional judgment, particularly our assessment of the risks that the information may contain material misstatements, whether due to fraud or errors. In assessing these risks, we considered the internal control relevant to the Entity's preparation of the information. Specifically, we:

- Evaluated the appropriateness of the Criteria in terms of its relevance, completeness, reliability, neutrality, and understandability, taking into account, where applicable, industry best practices;
- Reviewed the implementation of a process for collecting, compiling, processing, and controlling the information to ensure its completeness and consistency;
- Implemented analytical procedures on the information and verified, based on sampling, the calculations as well as the consolidation of the information;
- Tested the information based on a sample of representative entities that we selected based on their activity, contribution to the consolidated information, geographical presence, and a risk analysis;
- Conducted interviews to verify the proper application of procedures and implemented substantive tests of detail based on sampling, consisting of verifying the calculations performed and reconciling the data with supporting documentation.

We believe that the evidence we have gathered is sufficient and appropriate to support our opinion.

Paris-La Défense, March 10th 2025

The Statutory Auditor

ERNST & YOUNG et Autres

May Kassis-Morin

Appendix 4 – Cross-reference table between the information required under Articles L.225-102-1 of the French Commercial Code and the information in this chapter

1°	THE GROUP'S BUSINESS AND VALUE CREATION MODEL	Profile/chapter 1, section 1.1.3
2°	DESCRIPTION OF MAIN RISKS	
a)	Environmental issues	Introduction chapter 2/2.4.1/2.4.4/3.1.2
b)	Social issues	Introduction chapter 2/2.4.1/2.4.2/3.1.2
c)	Corruption and tax evasion issues	Introduction chapter 2/2.4.6/3.1.3.1/3.1.3.3
d)	Human rights issues	Introduction chapter 2/2.4.1/2.4.5 /3.1.2/3.1.3
3°	DESCRIPTION OF POLICIES APPLIED AND THEIR RESULTS	
a)	Environmental issues	2.1
b)	Social issues	2.2
c)	Corruption and tax evasion issues	2.3
d)	Human rights issues	2.4.1/2.4.5/2.3
4°	SOCIAL INFORMATION	
a)	**Employment**	
1.	Total number and breakdown of employees by gender, age and geographical area	2.2.1
2.	New hires and dismissals	2.2.1.2
3.	Compensation and compensation trends	2.2.2.4
b)	**Organization of work**	
4.	Organization of working time	2.2.2.3
5.	Absenteeism	2.2.2.3
c)	**Health and safety**	
6.	Health and safety conditions at work	2.2.2.1
7.	Work-related accidents, including their frequency and severity, and cases of work-related ill health	2.2.2.1
d)	**Employee relations**	
8.	Social dialogue, including procedures for informing, consulting and negotiating with staff	2.2.3.1
9.	Review of collective bargaining agreements	2.2.3.1
e)	**Training**	
10.	Training policies implemented, particularly for environmental protection	2.2.2.2
11.	Total number of training hours	2.2.2.2
f)	**Equal opportunity**	
12.	Measures taken to promote gender equality	2.2.4.1
13.	Measures taken to promote the employment and integration of people with disabilities	2.2.4.4
14.	Anti-discrimination policy	2.4.6/2.2.4
5°	ENVIRONMENTAL INFORMATION	
a)	**General environmental policy**	
15.	Organization of the Company to take environmental issues and, where appropriate, environmental assessment or certification efforts into account	2.1.1.1
16.	Resources devoted to the prevention of environmental risks and pollution	2.1.1.1/2.1.8/3.1.2
17.	The amount of provisions and guarantees for environmental risks, provided that such information is not likely to cause serious harm to the Company in an ongoing dispute	Note 9 to the financial statements

b)	**Pollution**	
18.	Measures to prevent, reduce or remediate discharges into the air, water and soil which seriously impact the environment	2.1.4/2.1.4.2/2.1.4.3/2.1.4.4
19.	Consideration of all forms of pollution specific to a business, particularly noise and light pollution	2.1.4/2.1.4.5/2.1.4.6
c)	**Circular economy**	
	Waste prevention and management	
20.	Waste prevention, recycling, reuse, other forms of recovery and elimination methods	2.1.4.1/2.1.7.2/2.1.7.3/2.1.7.4
21.	Actions to combat food waste	N/A
	Sustainable use of resources	
22.	Water consumption and water supply according to local constraints	2.1.5
23.	Consumption of raw materials and measures to improve efficiency in their use	2.1.7
24.	Energy consumption, measures to improve energy efficiency and use of renewable energy	2.1.2.2
25.	Land use	2.1.4.4
d)	**Climate change**	
26.	Significant items for greenhouse gas emissions generated from the Company's activity, particularly through use of goods and services that it produces	2.1.2.2
27.	Measures taken for adaptation to the consequences of climate change	2.1.2.3
28.	The medium- and long-term reduction objectives set voluntarily for the reduction of greenhouse gas emissions and the means implemented to this end	2.1.2.2
e)	**Biodiversity protection**	
29.	Measures taken to preserve or enhance biodiversity	2.1.6
6°	SOCIETAL INFORMATION	
a)	**Societal commitments to support sustainable development**	
30.	Impact of the Company's business on employment and local development	2.2.5/2.2.6
31.	Impact of the Company's activity on neighbors or local populations	2.2.5/2.2.6
32.	Relations maintained with the Company's stakeholders and dialogue with them	2.2.5/2.2.6
33.	Partnership or sponsorship actions	2.2.6
b)	**Subcontracting and suppliers**	
34.	Consideration of social and environmental issues in the purchasing policy	2.2.5./2.4.5
35.	Consideration of relations with suppliers and subcontractors and their CSR responsibility	2.2.5./2.4.5
c)	**Fair practices**	
36.	Measures for the personal safety of consumers	General disclosures / 2.4
7°	ANTI-CORRUPTION INFORMATION	
37.	Actions to prevent corruption	2.2.5./2.3/2.4.6
8°	INFORMATION ON ACTIONS THAT SUPPORT HUMAN RIGHTS	
	Promotion of and respect for the fundamental conventions of the International Labour Organization in relation to:	
38.	• Respect for freedom of association and the right to collective bargaining	2.4.1/2.4.5
39.	• Elimination of discrimination in respect of employment and occupation	2.4.1/2.4.5
40.	• Elimination of forced or compulsory labor	2.4.1/2.4.5
41.	• Effective abolition of child labor	2.4.1/2.4.5

9°	ADDITIONAL INFORMATION	
42.	The impact on climate change of the company's activities and the use of the goods and services it produces, including direct and indirect greenhouse gas emissions related to upstream and downstream transportation activities, together with an action plan to reduce these emissions, in particular through the use of rail and inland waterway transportation, and environmentally friendly biofuels and electric mobility	2.1.2/2.1.4/2.1.5/2.1.7
43.	Societal commitments to support sustainable development	2.2.5.2/2.2.6
44.	Societal commitments to support the circular economy	2.1.1.2/2.1.7.3
45.	Societal commitments to combat food waste	N/A*
46.	Societal commitments to combat food insecurity	N/A*
47.	Societal commitments to support respect of animal welfare	2.2.6/N/A*
48.	Societal commitments to support responsible, equitable, and sustainable food	N/A*
49.	Collective agreements reached within the Company and their impact on the Company's economic performance as well as on employees' working conditions	2.2.3.1
50.	Actions to combat discrimination and promote diversity	2.2.4/2.4.6
51.	Actions to promote the link between the nation and the armed forces and to support engagement in the reserves	2.2.2.3
52.	Actions to promote physical and sporting activities	2.2.2./2.2.6

*In light of the Group's activities, the Company considers that it is not relevant to report on its commitments regarding combating food waste, combating food insecurity, promoting respect of animal welfare, and responsible, equitable, and sustainable food.

Appendix 5 - GRI content index

Statement of use	Valllourec has disclosed the information set out in this GRI content index for the period from January 1, 2023 to December 31, 2023.
GRI 1 used	GRI 1: Foundation 2021

GRI standard	Disclosure	Location
GRI 2: General disclosures 2021	2-1 Organizational details	Chapter 5: General information on the Company and its capital 5.1 Main legal provisions and bylaws 5.2 General information on share capital 5.7 Scope of consolidation
	2-2 Entities included in the organization's sustainability reporting	Chapter 2: Appendix 1 – "Scope of consolidation" methodological note 5.7 Scope of consolidation
	2-3 Reporting period, frequency and contact point	5.1.6 Fiscal year (Article 20 of the Articles of Association) 8.1.3 Person responsible for the Group's legal affairs
	2-4 Restatements of information	Chapter 2: Appendix 2 – Methodological note 5.7.2 Changes in the Group's scope of consolidation in 2024
	2-5 External assurance	Chapter 2: Appendix 3 – Sustainability Auditor's report on the sustainability statement 4.5 Statutory Auditors' special report on regulated agreements 7.2 Statutory Auditors' Report on the consolidated financial statements 7.4 Statutory Auditors' Report on the financial statements
	2-6 Activities, value chain and other business relationships	1.1 Looking ahead to a New Vallourec 1.2 Strategy and objectives 2.2.5 Value chain (ESRS 2)
	2-7 Employees	2.2.1 Group workforce 2.2.1.1 Changes and breakdown Chapter 2: Appendix 2 – Methodological note
	2-8 Workers who are not employees	Reason for omission: "Information unavailable or incomplete. The personnel management system does not inventory workers who are not employees"
	2-9 Governance structure and composition	Chapter 2: CSR governance Chapter 4: Corporate governance 4.2.1 Membership and operating procedures of the Board of Directors 4.2.1.1 Membership of the Board of Directors

GRI standard	Disclosure	Location
GRI 2: General disclosures 2021	2-10 Nomination and selection of the highest governance body	4.2.1.2.5 Committees of the Board of Directors D) Nomination and Governance Committee 4.2.1.3.2 Activities of Board Committees D) Activities of the Nomination and Governance Committee
	2-11 Chair of the highest governance body	4.2 Administrative and management bodies 4.2.2.1 Chairman and Chief Executive Officer 4.4.5 Management of conflicts of interest
	2-12 Role of highest governance body in overseeing the management of impacts	Chapter 2: CSR governance 4.2.1.2 Operating procedures of the Board of Directors
	2-13 Delegation of responsibility for managing impacts	4.2.1.3 Activities of the Board of Directors and the Board Committees in 2023 4.2.1.3.1 Activities of the Board 4.2.1.3.2 Activities of Board Committees 4.2.2 Executive Management
	2-14 Role of highest governance body in sustainability reporting	Chapter 2: CSR governance 4.2.1.2.5 Committees of the Board of Directors C) CSR Committee 4.2.1.3.2 Activities of Board Committees C) Activities of the CSR Committee
	2-15 Conflicts of interest	4.4.5 Management of conflicts of interest
	2-16 Communication of critical concerns	2.4.6 Whistleblowing and reporting systems
	2-17 Collective knowledge of the highest governance body	4.2.1.2.5 Committees of the Board of Directors
	2-18 Evaluation of the performance of the highest governance body	4.2.1.4 Self-assessment of the Board of Directors 4.3 Corporate officers’ remuneration and benefits
	2-19 Remuneration policies	4.3 Corporate officers’ remuneration and benefits
	2-20 Process to determine remuneration	4.2.1.2.5 Committees of the Board of Directors E) Remuneration Committee 4.2.1.3.2 Activities of Board Committees E) Activities of the Remuneration Committee
	2-21 Annual total compensation ratio	4.3.2.4 Remuneration ratios and year-on-year changes in remuneration, Company performance and the average remuneration of employees during the last five fiscal years/Pay ratios
	2-22 Statement on sustainable development strategy	1.1.2.3 Respecting each other and the environment Chapter 2: Introduction
	2-23 Policy commitments	Chapter 2: Issues identified in terms of impacts, risks and opportunities 2.2.2.1 Health and safety 2.3 Our commitments to business ethics and compliance 2.3.1 Governance 2.3.2 Action plans and measures 2.4 Vigilance Plan
	2-24 Embedding policy commitments	Chapter 2: Issues identified in terms of impacts, risks and opportunities 2.2.2.1 Health and safety 2.3 Our commitments to business ethics and compliance 2.4 Vigilance Plan
	2-25 Processes to remediate negative impacts	Chapter 2: Issues identified in terms of impacts, risks and opportunities Chapter 2: Stakeholder consultation 2.2.5 Value chain (ESRS S2) 2.3.2 Action plans and measures 2.4 Vigilance Plan 2.4.6 Whistleblowing and reporting systems

GRI standard	Disclosure	Location
GRI 2: General disclosures 2021	2-26 Mechanisms for seeking advice and raising concerns	2.2.3.2 Internal survey on employee satisfaction 2.3 Our commitments to business ethics and compliance 2.4.6 Whistleblowing and reporting systems 4.2.1.2.5 Committees of the Board of Directors
	2-27 Compliance with laws and regulations	2.3 Our commitments to business ethics and compliance 2.3.1 Governance 2.3.2.2 Compliance Program 2.3.3 Action plan and resources on combating tax evasion
	2-28 Membership associations	Chapter 2: Strategic guidelines
	2-29 Approach to stakeholder engagement	Chapter 2: Stakeholder consultation 2.2.5 Value chain (ESRS S2)
	2-30 Collective bargaining agreements	2.2.3.1 Organization of social dialogue
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Chapter 2: General disclosures
	3-2 List of material topics	Chapter 2: General disclosures
	3-3 Management of material topics	Chapter 2: Stakeholder consultation Issues identified in terms of impacts, risks and opportunities Anticipation of the Corporate Sustainability Reporting Directive (CSRD) through double materiality assessment 2.1.2.1 Inherent climate change mitigation risks 2.4 Vigilance Plan 2.4.1 Governance and management of duty of care 2.4.2 Risk management in health and safety issues 2.4.3 Risk management linked to the supply chain 2.4.4 Risk management in environmental issues 2.4.5 Risk management related to human rights 2.4.6 Whistleblowing and reporting systems 3.1 Risk factors 3.2 Risk management and internal control system
GRI 200 – ECONOMIC		
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	7.1 Consolidated financial statements
	201-2 Financial implications and other risks and opportunities due to climate change	Chapter 2: Introduction Issues identified in terms of impacts, risks and opportunities 2.1.2 Combating climate change 3.1.2 Operational risks
	201-3 Defined benefit plan obligations and other retirement plans	4.3 Corporate officers' remuneration and benefits 4.3.3.1 Remuneration and retirement obligations for the Group's main executives Chapter 7: Note 8 Employee benefits
GRI 202: Market Presence 2016	202-2 Proportion of senior management hired from the local community	2.2.1 Group workforce 2.2.1.2 New joiners and departures
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	2.2.6 Support for the local socio-economic fabric
	203-2 Significant indirect economic impacts	2.2.6 Support for the local socio-economic fabric
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	2.2.5 Value chain (ESRS S2)

GRI standard	Disclosure	Location
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	2.3 Our commitments to business ethics and compliance 2.3.1 Governance 2.3.2.2 Compliance Program 2.3.3 Action plan and resources on combating tax evasion 3.1.3 Legal and tax risks
	205-2 Communication and training about anti-corruption policies and procedures	2.3.2.1 Code of Ethics and Anti-Corruption Code of Conduct 2.3.2.2 Compliance Program
	205-3 Confirmed incidents of corruption and actions taken	2.4.6 Whistleblowing and reporting systems
GRI 207: Tax 2019	207-1 Approach to tax	2.3.3 Action plan and resources on combating tax evasion 3.1.3 Legal and tax risks
	207-2 Tax governance, control, and risk management	2.3.3 Action plan and resources on combating tax evasion 3.1.3 Legal and tax risks
GRI 300 – ENVIRONMENTAL		
GRI 301: Materials 2016	301-1 Materials used by weight or volume	2.1.5 Sustainable use of water resources 2.1.5.4 Measuring our performance
	301-2 Recycled input materials used	2.1.5 Sustainable use of water resources 2.1.5.4 Measuring our performance
GRI 302: Energy 2016	302-1 Energy consumption within the organization	2.1.2.2 Decarbonizing our activities and promoting a low-carbon economy III) Performance monitoring B) Detailed energy assessment C) Assessment of GHG emissions Appendix 2 – Methodological note
	302-3 Energy intensity	2.1.2.2 Decarbonizing our activities and promoting a low-carbon economy III) Performance monitoring B) Detailed energy assessment
	302-4 Reduction of energy consumption	2.1.2.2 Decarbonizing our activities and promoting a low-carbon economy III) Performance monitoring B) Detailed energy assessment Appendix 2 – Methodological note
	302-5 Reductions in energy requirements of products and services	Reason for omission: “Not applicable. Vallourec sells steel products that do not consume energy during use. ”
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	2.1.5 Sustainable use of water resources 2.1.5.1 Risks regarding water as a natural resource 2.1.5.2 Strategy and key commitments 2.1.5.3 Key actions for 2017-2025
	303-2 Management of water discharge-related impacts	2.1.4.2 Emissions to water
	303-3 Water withdrawal	2.1.5 Sustainable use of water resources 2.1.5.4 Measuring our performance Appendix 2 – Methodological note
	303-4 Water discharge	2.1.5 Sustainable use of water resources 2.1.5.4 Measuring our performance 2.1.4.2 Emissions to water
GRI 303: Water and Effluents 2018	303-5 Water consumption	2.1.5 Sustainable use of water resources 2.1.5.4 Measuring our performance Appendix 2 – Methodological note

GRI standard	Disclosure	Location
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Vallourec discloses information on operating sites of considerable importance for biodiversity outside protected areas, in the CDP Forest Disclosure (F1.3 - F.1.4)
	304-2 Significant impacts of activities, products and services on biodiversity	Vallourec discloses information on the impact of its activities, products and services on biodiversity in the CDP Forest Disclosure (F1.6 - F.1.7)
	304-3 Habitats protected or restored	2.1.6 Preserve biodiversity and ecosystems 2.1.6.1 Biodiversity and ecosystem risks relating to our activities 2.1.6.2 Strategy and key commitments 2.1.6.3 Action plan and allocated resources Appendix 2 – Methodological note
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	Vallourec discloses information on species with habitats in areas affected by operations in the CDP Forest Disclosure (F4.6b)
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	2.1.2 Combating climate change 2.1.2.2 Decarbonizing our activities and promoting a low-carbon economy C) Assessment of GHG emissions Appendix 2 – Methodological note Appendix 7 – 2024 detailed carbon assessment
	305-2 Energy indirect (Scope 2) GHG emissions	2.2.2 Combating climate change 2.2.2.2 Decarbonizing our activities and promoting a low-carbon economy C) Assessment of GHG emissions Appendix 2 – Methodological note Appendix 7 – 2024 detailed carbon assessment
	305-3 Other indirect (Scope 3) GHG emissions	2.1.2 Combating climate change 2.1.2.2 Decarbonizing our activities and promoting a low-carbon economy C) Assessment of GHG emissions Appendix 2 – Methodological note Appendix 7 – 2024 detailed carbon assessment
	305-4 GHG emissions intensity	2.1.2.2 Decarbonizing our activities and promoting a low-carbon economy C) Assessment of GHG emissions Appendix 7 – 2024 detailed carbon assessment
	305-5 Reduction of GHG emissions	2.1.2.2 Decarbonizing our activities and promoting a low-carbon economy I) Strategy and key commitments II) Action plans and measures C) Assessment of GHG emissions a) Methodology B) Monitoring our commitments on emissions reduction by 2025 Appendix 7 – 2024 detailed carbon assessment
	305-7 Nitrogen oxides (NO_x), sulfur oxides (SO_x), and other significant air emissions	2.1.4.3 Emissions into the air
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	2.1.7 Limiting the use of natural resources 2.1.7.1 Risks relating to the use of natural resources
	306-2 Management of significant waste-related impacts	2.1.7 Limiting the use of natural resources 2.1.7.2 Strategy and key commitments 2.1.7.3 Action plans undertaken to limit the use of natural resources
	306-3 Waste generated	2.1.7 Limiting the use of natural resources 2.1.7.4 Measuring our performance
	306-4 Waste diverted from disposal	2.1.7 Limiting the use of natural resources 2.2.5.4 Measuring our performance
	306-5 Waste directed to disposal	2.1.7 Limiting the use of natural resources 2.1.7.4 Measuring our performance

GRI standard	Disclosure	Location
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	2.2.5 Value chain (ESRS S2)
	308-2 Negative environmental impacts in the supply chain and actions taken	2.2.5 Value chain (ESRS S2) 2.4.5 Risk management linked to the supply chain
GRI 400 – SOCIAL		
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	2.2.1.2 New joiners and departures
GRI 402: Labor/ Management Relations 2016	402-1 Minimum notice periods regarding operational changes	2.2.3.1 Organization of social dialogue 2.2.3.3 Group internal communications
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	2.2.2.1 Health and safety
	403-2 Hazard identification, risk assessment and incident investigation	2.2.2.1 Health and safety 3.1.2 Operational risks
	403-3 Occupational health services	2.2.2.1 Health and safety II) Health B) Prevention of chemical risk C) Product substitution plans
	403-4 Worker participation, consultation, and communication on occupational health and safety	2.2.2.1 Health and safety I) Safety II) Health B) Prevention of chemical risk C) Product substitution plans
	403-5 Worker training on occupational health and safety	2.2.2.1 Health and safety
	403-6 Promotion of worker health	2.2.2.1 Health and safety 2.2.2.5 Healthcare coverage
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	2.2.2.1 Health and safety 2.4.2 Risk management in health and safety issues
	403-8 Workers covered by an occupational health and safety management system	2.2.2.5 Healthcare coverage
	403-9 Work-related injuries	2.2.2 Working conditions 2.2.2.1 Health and safety I) Safety
	403-10 Work-related ill health	2.2.2 Working conditions 2.2.2.1 Health and safety I) Safety
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	2.2.2.2 Employee training and career development II) Skills development
	404-2 Programs for upgrading employee skills and transition assistance programs	2.2.2.2 Employee training and career development II) Skills development
	404-3 Percentage of employees receiving regular performance and career development reviews	2.2.2.2 Employee training and career development I) Staff assessments
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	4.2.1.1 Membership of the Board of Directors 4.2.2.2 Executive Committee 2.2.1.1 Changes and breakdown II) Breakdown by gender III) Breakdown by age
	405-2 Ratio of basic salary and remuneration of women to men	2.2.4 Diversity and equal opportunities I) Gender equality

GRI standard	Disclosure	Location
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	2.2.4 Diversity and equal opportunities 2.4.1 Governance and management of duty of care 2.4.6 Whistleblowing and reporting systems
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	2.2.3.1 Organization of social dialogue 2.2.5 Value chain (ESRS S2)
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	2.2.6 Support for the local socio-economic fabric
	413-2 Operations with significant actual and potential negative impacts on local communities	2.2.6 Support for the local socio-economic fabric
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	2.2.5. Value chain (ESRS S2)
	414-2 Negative social impacts in the supply chain and actions taken	2.2.5. Value chain (ESRS S2) 2.4.5. Risk management linked to the supply chain

Appendix 6 - TCFD cross-reference table

Topics	TCFD recommendations	Corresponding chapter	Key points
GOVERNANCE	a) Describe the board's oversight of climate-related risks and opportunities.	CSR governance	Since 2018, Vallourec has had a CSR Committee made up of members of the Board of Directors, which meets four times a year. In 2022, the new management team created a second CSR Committee in which all members of the Executive Committee meet quarterly. These two bodies review, validate and steer the Group's Climate Strategy. In addition, to manage the Group's mitigation and adaptation roadmaps, the operational teams meet every two months in the Group Climate Committee, chaired by the Sustainable Development Department and sponsored by the Vice-President in charge of energy transition.
	b) Describe management's role in assessing and managing climate-related risks and opportunities.	CSR governance 2.4.2.1 Risk management in environmental issues – Organization	The Group Climate Committee validates the conclusions of the risk analyses carried out by the Group's Environment, North America, South America and Eastern Hemisphere Departments. It approves the measures to be included in the action plans for mitigation and adaptation to climate change and the management of related projects. The CapEx Committee, sponsored by the Group Director of Industrial Excellence, Capital Expenditure and Insurance, is responsible for monitoring investments in roadmap projects.
STRATEGY	a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	2. Introduction – Impacts, risks and opportunities (IROs) management Table: Summary of non-financial Impacts, Risks and Opportunities	The double materiality assessment carried out by the Group in 2023 identified the material non-financial risks to which the Group is exposed. The results of the overall risk mapping were cross-referenced with the results of the single materiality assessment conducted in 2021. An assessment was then carried out of whether the risks are material, based on their probability of occurrence, the significance of their impact and the extent of the Group's exposure. The results are presented in this sustainability statement.
		2.1.3.2 Climate risk mapping	In 2024, the Group also carried out a specific detailed analysis of climate risks, including: risks linked to evolving regulations and standards; transition risks linked to the sustainability of the Group's business model in a low-carbon world; physical risks of climate events; and other indirect risks.
	b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	2.1.3.3 Risks arising from changes in regulations 2.1.3.4 Transition risks related to the sustainability of the business model 2.1.3.5 Resilience to physical risks	The Group's internal risk management process includes the quantification of the impact of all climate-related risks, whether they relate to transition risks or to the physical risks of property damage and business interruption. On that point, this year, the Group is presenting the impact of six families of climate hazards (cold, drought, flooding, heat, storm, wildfire) on its main sites, noting that the analysis has been carried out for all sites (see Strategy a).
	c) Describe the resilience of the organization's strategy, taking into consideration different climate related scenarios, including a 2°C or lower scenario.	2.1.3.3 Risks arising from changes in regulations	The Group's climate change mitigation strategy is aligned to a below 2°C trajectory, as evidenced by the reduction of the Group's greenhouse gas emissions in line with the SBTi trajectories. This is reflected in the low carbon footprint of the products sold by the Group compared with its competitors, which minimizes its vulnerability to future regulatory developments and increasing customer demands with regard to environmental performance.
		2.1.3.4 Transition risks related to the sustainability of the business model	The Group also tested the resilience of its business plan to the economic and energy changes affecting its stakeholders in a world in transition. Sales outlooks by sector (oil, gas, new energies, etc.) are calibrated according to the International Energy Agency's Announced Pledges Scenario (APS) trajectory for 2030 and 2035, which corresponds to global warming of 1.7°C by the end of the century.
		2.1.3.5 Resilience to physical risks	Finally, the resilience of the company's infrastructure and processes to climate hazards was assessed against the IPCC's most pessimistic scenario (SSP 5-8.5), which corresponds to a temperature rise of more than 4°C. For this analysis, it is obviously preferable to use the most conservative scenario to ensure that the company's overall adaptation plan includes investments compatible with the most extreme climate situations, especially when infrastructure is designed to last more than a decade.

Topics	TCFD recommendations	Corresponding chapter	Key points
RISK MANAGEMENT	a) Describe the organization's processes for identifying and assessing climate-related risks.	2.4.2 Risk management in environmental issues 2.4.2.1 Structure 2.4.2.2 Measures	Each site director is responsible for establishing an effective environmental management system tailored to the local context and the site's activity. The director appoints an Environment Manager tasked with identifying environmental risks and opportunities within his or her area of responsibility, and drawing up a roadmap consistent with the Group's guidelines. The director reports to the HSE Director of each region.
		Chapter 2: Introduction – Impacts, risks and opportunities (IROs) management	At Group level, several projects have given rise to comprehensive screening of risks related to climate change in compliance with current regulations. Through consultation with a panel of internal and external stakeholders, a double materiality assessment was carried out at Group level.
	a) Describe the organization's processes for managing climate-related risks.	2.4.2 Risk management in environmental issues 2.4.2.2 Measures	The Environment Department, reporting to the Sustainable Development Department, is tasked with preparing the Group's environmental policies, monitoring their application, and coordinating actions. It is supported by the HSE Managers of the regions and production sites, who are responsible for implementing these policies. These are presented in the "Summary of non-financial risks and opportunities" table.
		2.1.2. Combating climate change 2.1.2.2 Action plans	To maintain its sector leadership in terms of carbon footprint, Vallourec has set new targets for reducing CO_2 emissions by 2030 and 2035 based on an emissions projection model incorporating production forecasts (aligned with the Group's business plan), technological levers, purchasing levers, sales forecasts (in line with market changes) and externalities (based on the IEA's Announced Pledges scenario).
		2.1.3.5 Resilience to physical risks	In 2023, the Group reviewed the identification and management of physical risks related to climate change. This was done with the help of an external service provider. Local environmental representatives and risk management engineers intervened at each stage of the process (scope definition, exposure, vulnerability, action plan), during workshops dedicated to various processes (Purchasing, Mining, Forestry, Steel Production, Tube Production). The project was led by the Group Environment Department and sponsored by the Sustainable Development Group Director.
	c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	2.4.1. Governance and management of duty of care 3.2. Risk management and internal control system	Vallourec applies a Group risk management policy to anticipate and prevent all types of risk, including those related to climate change. It is managed by decentralized committees which address the following points: • validation of analysis and follow-up of action plans; • validation of the key risk indicators. Centralized risk management reporting is submitted to the Group Executive Committee annually, to monitor the progress of action plans and ensure they are consistent with the Group's priority guidelines.

Topics	TCFD recommendations	Corresponding chapter	Key points
METRICS AND OBJECTIVES	a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	Chapter 2: Introduction – Impacts, risks and opportunities (IROs) management Table: Summary of non-financial Impacts, Risks and Opportunities	The main metrics monitored at Group level are presented in the "Summary of non-financial risks and opportunities" table. With regard to climate change mitigation, they include the Group's carbon footprint (Scopes 1, 2, 3 upstream and 3 downstream), the carbon intensity of products, the proportion of revenue linked to new energies, and low-carbon and renewable energy indicators. With regard to climate change adaptation, they include the proportion of assets at material risk before taking into account climate adaptation measures, and for which climate adaptation actions are implemented.
		2. Introduction – Strategic guidelines	The CSR dashboard also allows quantitative monitoring of the key performance indicators monitored by the Board of Directors on a quarterly basis.
	b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	2.1.2.4 Combating climate change – Performance monitoring Appendix 7 – 2024 detailed carbon assessment	Performance monitoring with regard to decarbonization includes detailed tracking of energy consumption and greenhouse gas emissions (expressed in metric tons of CO_2 equivalent) since the baseline year: 2017. Outcomes are presented for all scopes of the value chain (1, 2, 3 upstream and 3 downstream). In accordance with the requirements of the GHG protocol, location-based Scope 2 emissions are reported separately, as are biogenic emissions linked to the use of charcoal in the company's industrial processes.
	c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	2.1.2.4 Combating climate change – Key commitments	Ambitious climate commitments have been validated by the SBTi for the 2017-2025 period, enabling the Group's greenhouse gas emissions trajectory to be aligned with a below 2°C warming scenario. These targets, set for 2025, have been achieved ahead of schedule for all carbon footprint scopes: 1, 2, 3 upstream and 3 downstream. The Group also wishes to accelerate the reduction in the carbon intensity of products sold by 2030 and 2035, thanks to the "Climate Challenge" program. These overall emission reduction targets are broken down into sub-targets, included in Vallourec's decarbonization plan. The Group has identified adaptation to climate change as a material challenge and will disclose the relevant metrics provided for in the CSRD.

Appendix 7 – 2024 detailed carbon assessment

		Summary of emissions in metric tons of CO_2 equivalent							
Scope	**Businesses**	**Mine**	**Forest**	**Iron and steel production**	**Rolling and heat treatments of tubes**	**Finishings & Services**	**Sub-total** *(metric tons CO_2e)*	**% subtotal**	**% total**
Scope 1 **Non-biogenic direct CO_2 emissions**	Natural gas combustion			36,861	279,134	81,955	397,951	63%	
	Fuels for internal transportation	27,120	20,379	286	5,771	13,978	67,534	11%	
	Iron and steel manufacturing			161,526			161,526	26%	
	Total – Scope 1 non-biogenic	27,120	20,379	198,673	284,906	95,933	627,011	100%	
Scope 1 **Biogenic direct CH_4 emissions**	Carbonization of charcoal		257,077				257,077	100%	
Scope 1 **Non-biogenic and biogenic direct emissions**	**Total – Scope 1**	27,120	277,455	198,673	284,906	95,933	884,087	100%	12
Scope 2 **Market-based emissions related to electricity**	**Electricity – Total – Scope 2 (market-based)**	564	20	2,811	37,142	22,534	63,071	100%	1%
Scope 3 **Other upstream emissions, indirect**	Upstream and inter-site transport						109,131	8%	
	Waste treatment						34,603	3%	
	Employee transportation and travel						41,672	3%	
	Purchases of materials and services						917,192	69%	
	Emissions related to the carbon content of industrial equipment proportionate to depreciation						120,667	9%	
	Emissions linked to losses during extraction, storage and transportation of energies						109,444	8%	
							36	0%	
	Total – Scope 3 upstream						1,332,746	100	19%
Scope 3 **Other downstream emissions, indirect**	Downstream and external transport						110,612	2%	
	Use of sold products						4,897,339	97%	
	End-of-life of sold products						42,796	1%	
	Franchises						2,432	0%	
	Total – Scope 3 downstream						5,053,179	100%	68%
Scope 3 **Upstream and Downstream**	**Total – Scope 3**						6,385,925		
TOTAL		**27,684**	**277,476**	**201,484**	**322,048**	**118,467**	**7,333,084**		**100%**
	Additional capture		(1,320,304)				(1,320,304)		

Scope	Businesses	Ancillary emissions in metric tons of CO_2 equivalent					
		Mine	Forest	Iron and steel production	Rolling and heat treatments of tubes	Finishings & Services	Sub-total *(metric tons CO_2e)*
Scope 1 **Carbonization and combustion** **Biogenic direct emissions (CO_2 only)**	Carbonization of charcoal		1,011,054				1,011,054
	Combustion of charcoal			624,646			624,646
	Total – CO_2 Scope 1 biogenic		1,011,054	624,646			1,635,700
Scope 2 **Location-based emissions related to electricity**	Electricity Total – Scope 2 (location-based)	3,855	139	164,873	96,827	57,986	323,681

Appendix 8 – Summary of Taxonomy-related indicators

Proportion of turnover from products or services associated with Taxonomy-aligned economic activities – Disclosure covering year 2024

FY 2024	2024			Substantial contribution criteria						Do no significant harm criteria ("DNSH criteria") [h]									
Economic activities	Code[a]	Turnover	Proportion of turnover, 2024	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Minimum safeguards	Proportion of Taxonomy-aligned (A.1.) or eligible (A.2.) turnover, 2023	Category enabling activity	Category transitional activity
		€ millions	%	YES; NO; N/EL[b][c]						YES/NO						YES/NO	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES[d]																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0%	0%	0%	0%	0%	0%	0%								0%		
Of which enabling		0	0%	0%	0%	0%	0%	0%	0%								0%		
Of which transitional		0	0%	0%	0%	0%	0%	0%	0%								0%		
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)[g]																			
				EL; N/EL[f]															
Activity 1[e]			%	EL;	EL;			EL;									%		
Manufacture of tubes, pipes, hollow profiles and related fittings, of steel meeting the substantial contribution criterion (NACE 24.20)	CCM 3.9 CCA 3.9	1,319	33%	**EL**	EL	N/EL	N/EL	N/EL	N/EL								33%		
Manufacture of tubes, pipes, hollow profiles and related fittings, of steel – other (NACE 24.20)	CCM 3.9 CCA 3.9	2,467	61%	**EL**	EL	N/EL	N/EL	N/EL	N/EL								60%		
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		3,786	94%	94%	0%	0%	0%	0%	0%								94%		
A. TURNOVER OF TAXONOMY-ELIGIBLE ACTIVITIES (A.1 + A.2)		**3,786**	**94%**	**94%**	**0%**	**0%**	**0%**	**0%**	**0%**										
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy-non-eligible activities		248	6%																
TOTAL		**4,034**	**100%**																

FY 2024	2024			Substantial contribution criteria						Do no significant harm criteria ("DNSH criteria") (h)									
Economic activities	Code(a)	Turnover	Proportion of turnover, 2024	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Minimum safeguards	Proportion of Taxonomy-aligned (A.1.) or eligible (A.2.) turnover, 2023	Category enabling activity	Category transitional activity
		€ millions	%	YES; NO; N/EL(b)(c)						YES/NO						YES/NO	%	E	T

(a) The Code constitutes the abbreviation of the relevant objective to which the economic activity is eligible to make a substantial contribution, as well as the section number of the activity in the relevant Annex covering the objective, i.e.:
- Climate Change Mitigation: CCM
- Climate Change Adaptation: CCA
- Water and Marine Resources: WTR
- Circular Economy: CE
- Pollution Prevention and Control: PPC
- Biodiversity and ecosystems: BIO

For example, the Activity "Afforestation" would have the Code: CCM 1.1.
Where activities are eligible to make a substantial contribution to more than one objective, the codes for all objectives should be indicated.
For example, if the operator reports that the activity "Construction of new buildings" makes a substantial contribution to climate change mitigation and the circular economy, the code would be: CCM 7.1. / CE 3.1.
The same codes should be used in Sections A.1 and A.2 of this template.

(b) YES, Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective;
NO, Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective;
N/EL – not eligible, Taxonomy-non-eligible activity for the relevant environmental objective.

(c) Where an economic activity contributes substantially to multiple environmental objectives, non-financial undertakings shall indicate, in bold, the most relevant environmental objective for the purpose of computing the KPIs of financial undertakings while avoiding double counting. In their respective KPIs, where the use of proceeds from the financing is not known, financial undertakings shall compute the financing of economic activities contributing to multiple environmental objectives under the most relevant environmental objective that is reported in bold in this template by non-financial undertakings. An environmental objective may only be reported in bold once in one row to avoid double counting of economic activities in the KPIs of financial undertakings. This shall not apply to the computation of Taxonomy-alignment of economic activities for financial products defined in point (12) of Article 2 of Regulation (EU) 2019/2088. Non-financial undertakings shall also report the extent of eligibility and alignment per environmental objective, that includes alignment with each of environmental objectives for activities contributing substantially to several objectives, by using the template below.

(d) The same activity may align with only one or more environmental objectives for which it is eligible.

(e) The same activity may be eligible and not aligned with the relevant environmental objectives.

(f) EL – Taxonomy-eligible activity for the relevant objective; N/EL – Taxonomy-non-eligible activity for the relevant objective.

(g) Activities shall be reported in Section A.2 of this template only if they are not aligning to any environmental objective for which they are eligible. Activities that align to at least one environmental objective shall be reported in Section A.1 of this template.

(h) For an activity to be reported in Section A.1 all DNSH criteria and minimum safeguards shall be met. For activities listed under A2, columns (5) to (17) may be filled in on a voluntary basis by non-financial undertakings. Non-financial undertakings may indicate the substantial contribution and DNSH criteria that they meet or do not meet in Section A.2 by using: for substantial contribution – Y/N and N/EL codes instead of EL and N/EL; and (b) for DNSH – Y/N codes.

	Proportion of turnover/total turnover	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	0%	94%
CCA	0%	94%
WTR	0%	0%
CE	0%	0%
PPC	0%	0%
BIO	0%	0%

Proportion of CapEx from products or services associated with Taxonomy-aligned economic activities – Disclosure covering 2024

FY 2024	2024			Substantial contribution criteria						Do no significant harm criteria[h]										
Economic activities	Code[a]	CapEx	Proportion of OpEx, 2024	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Minimum safeguards	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) Capex, 2023	Category enabling activity	Category transitional activity
		€ millions	%	YES; NO; N/EL[b][c]						YES/NO						YES/NO	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES[d]																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Close to market research, development and innovation [Carboval]	CCM 9.1 CCA 9.1	3	1.6%	**YES**	NO	N/EL	N/EL	N/EL	N/EL	YES	YES	YES	YES	YES	YES	YES	3.8%	E	
Material recovery from non-hazardous waste [Scrap shredder]	CCM 5.9 CCA 5.9 CE 2.7	1.7	0.9%	**YES**	NO	N/EL	N/EL	YES	N/EL	YES	YES	YES	YES	YES	YES	YES	3.5%	E	
Hydrogen storage [Delphy]	CCM 4.12 CCA 4.12	<1	0.3%	**YES**	NO	N/EL	N/EL	N/EL	N/EL	YES	YES	YES	YES	YES	YES	YES	0.4%	E	
Flood risk prevention and protection infrastructure [Spillway]	CCA F42.91 (NACE)	<1	0.4%	N/EL	**YES**	N/EL	N/EL	N/EL	N/EL	YES	YES	YES	YES	YES	YES	YES	0.1%	E	
Capex of environmentally sustainable activities (Taxonomy-aligned) (A.1)		6.3	3.2%	2.8%	0.4%	0	0	0	0	YES	YES	YES	YES	YES	YES	YES	7.8%		
Of which enabling			3.2%	2.8%	0.4%	0	0	0	0	2.8%	0.4%	0	0	0	0	3.2%	7.8%	E	
Of which transitional			0	0	0	0	0	0	0	0	0	0	0	0	0	0			T
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)[g]																			
Activity 1[e]				EL; N/EL(f)	EL; N/EL[f]	EL; N/EL[f]	EL; N/EL[f]	EL; N/EL[f]	EL; N/EL[f]										
Manufacture of tubes, pipes, hollow profiles and related fittings, of steel meeting the substantial contribution criterion (NACE 24.20)	CCM 3.9 CCA 3.9	39.6	20.3%	**EL**	EL	N/EL	N/EL	N/EL	N/EL										T
Manufacture of tubes, pipes, hollow profiles and related fittings, of steel – other (NACE 24.20)	CCM 3.9 CCA 3.9	95.9	49.2%	**EL**	EL	N/EL	N/EL	N/EL	N/EL										T
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		135.4	69.5%	69.5%	0.0%	0.0%	0.0%	0.0%	0.0%										
A. CAPEX OF TAXONOMY-ELIGIBLE ACTIVITIES (A.1+A.2)		**141.7**	**72.8%**	**72.4%**	**0.4%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**										
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
CapEx of Taxonomy-non-eligible activities		53	27.2%																
TOTAL		**194.7**	**100%**																

FY 2024	2024			Substantial contribution criteria						Do no significant harm criteria[h]									
Economic activities	Code[a]	CapEx	Proportion of OpEx, 2024	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Minimum safeguards	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) Capex, 2023	Category enabling activity	Category transitional activity
		€ millions	%	YES; NO; N/EL[b][c]						YES/NO						YES/ NO	%	E	T

(a) The Code constitutes the abbreviation of the relevant objective to which the economic activity is eligible to make a substantial contribution, as well as the section number of the activity in the relevant Annex covering the objective, i.e.:

- Climate Change Mitigation: CCM
- Climate Change Adaptation: CCA
- Water and Marine Resources: WTR
- Circular Economy: CE
- Pollution Prevention and Control: PPC
- Biodiversity and ecosystems: BIO

For example, the Activity "Afforestation" would have the Code: CCM 1.1.

Where activities are eligible to make a substantial contribution to more than one objective, the codes for all of these objectives should be indicated. For example, if the operator reports that the activity "Construction of new buildings" makes a substantial contribution to climate change mitigation and the circular economy, the code would be: CCM 7.1. / CE 3.1.

The same codes should be used in Sections A.1 and A.2 of this template.

(b) Yes, Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective;
NO, Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective.
N/EL – not eligible, Taxonomy-non-eligible activity for the relevant environmental objective.

(c) Where an economic activity contributes substantially to multiple environmental objectives, non-financial undertakings shall indicate, in bold, the most relevant environmental objective for the purpose of computing the KPIs of financial undertakings while avoiding double counting. In their respective KPIs, where the use of proceeds from the financing is not known, financial undertakings shall compute the financing of economic activities contributing to multiple environmental objectives under the most relevant environmental objective that is reported in bold in this template by non-financial undertakings. An environmental objective may only be reported in bold once in one row to avoid double counting of economic activities in the KPIs of financial undertakings. This shall not apply to the computation of Taxonomy-alignment of economic activities for financial products defined in point (12) of Article 2 of Regulation (EU) 2019/2088. Non-financial undertakings shall also report the extent of eligibility and alignment per environmental objective, that includes alignment with each of environmental objectives for activities contributing substantially to several objectives, by using the template below.

(d) The same activity may align with only one or more environmental objectives for which it is eligible.

(e) The same activity may be eligible and not aligned with the relevant environmental objectives.

(f) EL – Taxonomy-eligible activity for the relevant objective; N/EL – Taxonomy-non-eligible activity for the relevant objective.

(g) Activities shall be reported in Section A.2 of this template only if they are not aligning to any environmental objective for which they are eligible. Activities that align to at least one environmental objective shall be reported in Section A.1 of this template.

(h) For an activity to be reported in Section A.1 all DNSH criteria and minimum safeguards shall be met. For activities listed under A2, columns (5) to (17) may be filled in on a voluntary basis by non-financial undertakings. Non-financial undertakings may indicate the substantial contribution and DNSH criteria that they meet or do not meet in Section A.2 by using: (a) for substantial contribution – Y/N and N/EL codes instead of EL and N/EL; and (b) for DNSH – Y/N codes.

	Proportion of CapEx /Total CapEx	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	2.8%	72.4%
CCA	0.4%	72.8%
WTR	0	0
CE	0.9%	0.9%
PPC	0	0
BIO	0	0

Proportion of OpEx from products or services associated with Taxonomy-aligned economic activities – Disclosure covering 2024

FY 2024	2024			Substantial contribution criteria						Do no significant harm criteria[h]									
Economic activities	Code[a]	OpEx	Proportion of OpEx, 2024	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Minimum safeguards	Proportion of Taxonomy-aligned (A.1.) or eligible (A.2.) OpEx, 2023	Category enabling activity	Category transitional activity
		€ millions	%	YES; NO; N/EL[b][c]						YES/NO						YES/ NO	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES[d]																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Manufacture of tubes, pipes, hollow profiles and related fittings, of steel meeting the substantial contribution criterion (NACE 24.20)	CCM 9.1 CCA 9.1	0	0%														0%		T
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)	CCM 9.1 CCA 9.1	0	0%														0%		
Of which enabling		0	0%														0%	E	
Of which transitional		0	0%														0%		T
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)[g]																			
Activity 1[e]				EL; N/EL[f]	EL; N/EL[f]	EL; N/EL[f]	EL; N/EL[f]	EL; N/EL[f]	EL; N/EL[f]										
Manufacture of tubes, pipes, hollow profiles and related fittings, of steel meeting the substantial contribution criterion (NACE 24.20)	CCM 9.1 CCA 9.1	0	0%														0%		
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		0	0%	%	%	%	%	%	%								0%		
A. OPEX OF TAXONOMY-ELIGIBLE ACTIVITIES (A.1+A.2)		**0**	**0%**	**%**	**%**	**%**	**%**	**%**	**%**										
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
OpEx of Taxonomy-non-eligible activities		288	100%																
TOTAL [1]		**288**	**100%**																

(1) *Due to the exemption of the OpEx indicator from publication, the operating expenses analyzed under the taxonomy are all related to non-eligible activities.*

FY 2024	2024			Substantial contribution criteria						Do no significant harm criteria[h]									
Economic activities	Code[a]	OpEx	Proportion of OpEx, 2024	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Minimum safeguards	Proportion of Taxonomy-aligned (A.1.) or eligible (A.2.) OpEx, 2023	Category enabling activity	Category transitional activity
		€ millions	%	YES; NO; N/EL[b][c]						YES/NO						YES/NO	%	E	T

(a) The Code constitutes the abbreviation of the relevant objective to which the economic activity is eligible to make a substantial contribution, as well as the section number of the activity in the relevant Annex covering the objective, i.e.:
- Climate Change Mitigation: CCM
- Climate Change Adaptation: CCA
- Water and Marine Resources: WTR
- Circular Economy: CE
- Pollution Prevention and Control: PPC
- Biodiversity and ecosystems: BIO

For example, the Activity "Afforestation" would have the Code: CCM 1.1.
Where activities are eligible to make a substantial contribution to more than one objective, the codes for all of these objectives should be indicated.
For example, if the operator reports that the activity "Construction of new buildings" makes a substantial contribution to climate change mitigation and the circular economy, the code would be: CCM 7.1. / CE 3.1.
The same codes should be used in Sections A.1 and A.2 of this template.

(b) YES, Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective;.
NO, Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective.
N/EL – not eligible, Taxonomy-non-eligible activity for the relevant environmental objective.

(c) Where an economic activity contributes substantially to multiple environmental objectives, non-financial undertakings shall indicate, in bold, the most relevant environmental objective for the purpose of computing the KPIs of financial undertakings while avoiding double counting. In their respective KPIs, where the use of proceeds from the financing is not known, financial undertakings shall compute the financing of economic activities contributing to multiple environmental objectives under the most relevant environmental objective that is reported in bold in this template by non-financial undertakings. An environmental objective may only be reported in bold once in one row to avoid double counting of economic activities in the KPIs of financial undertakings. This shall not apply to the computation of Taxonomy-alignment of economic activities for financial products defined in point (12) of Article 2 of Regulation (EU) 2019/2088. Non-financial undertakings shall also report the extent of eligibility and alignment per environmental objective, that includes alignment with each of environmental objectives for activities contributing substantially to several objectives, by using the template below.

(d) The same activity may align with only one or more environmental objectives for which it is eligible.

(e) The same activity may be eligible and not aligned with the relevant environmental objectives.

(f) EL – Taxonomy-eligible activity for the relevant objective; N/EL – Taxonomy-non-eligible activity for the relevant objective.

(g) Activities shall be reported in Section A.2 of this template only if they are not aligning to any environmental objective for which they are eligible. Activities that align to at least one environmental objective shall be reported in Section A.1 of this template.

(h) For an activity to be reported in Section A.1 all DNSH criteria and minimum safeguards shall be met. For activities listed under A2, columns (5) to (17) may be filled in on a voluntary basis by non-financial undertakings. Non-financial undertakings may indicate the substantial contribution and DNSH criteria that they meet or do not meet in Section A.2 by using: (a) for substantial contribution – Y/N and N/EL codes instead of EL and N/EL; and (b) for DNSH – Y/N codes.

	Proportion of OpEx/Total OpEx	
	Taxonomy-aligned per objective	**Taxonomy-eligible per objective**
CCM	%	%
CCA	%	%
WTR	%	%
CE	%	%
PPC	%	%
BIO	%	%

CHAPTER 3

3 RISK AND RISK MANAGEMENT

3.1 Risk factors

The Group operates in a rapidly changing environment that generates numerous risks, some of which are outside its control.

The Group has assessed the importance of the specific risks to which it considers itself to be exposed based on the probability of their occurrence and the extent of their negative impact, as estimated after taking into account the action plans in place. These risks are presented below and are organized by category, according to their type. In each category, the most important risk factors, based on the aforementioned assessment, are indicated first and marked with an asterisk (*).

The risks described below have been assessed as major risks for the Company as at the date of this Universal Registration Document, i.e., those that could have the greatest negative material impact on the Company's operations or earnings (or its ability to achieve its objectives), and/or for which there is a significant likelihood of occurrence.

The Group's broad geographical presence, the diversity of its markets and product lines, and the nature of its development, mean that it is exposed to various types of risk. The Group operates in environments undergoing rapid change, and this could cause exogenous risks with an impact on the risk profiles that it monitors.

Investors should note that other risks may exist or could arise that the Group is not currently aware of, or has not considered at the date of this Universal Registration Document, and these could have a material adverse impact on the Group, its operations, its financial position, its earnings and its outlook. The Group has assessed the risk factors as at the date of this Universal Registration Document and may change its assessment of the significance of the risks at any time, particularly in the light of any new internal or external developments.

3.1.1 Risks related to the Group's strategy and operations

3.1.1.1 Risks related to the Group's dependence on the Oil & Gas sector*

The Group's business is highly dependent on the level of investment undertaken by Oil & Gas companies in the exploration, production and development of oil and natural gas reserves. In 2024, approximately 80% of the Group's consolidated revenue was earned in the Oil & Gas sector, excluding petrochemicals.

According to the Group's internal estimates, tubular solutions generally account for around 2% to 5% of the total cost of a complex offshore project. This proportion varies according to the complexities and types of drilling. For example, tubes may represent up to 15% of the total cost of the project for unconventional onshore drilling in the United States. The level of investment in exploration and production therefore has a direct impact on the consumption of tubes and on the Group's earnings.

Oil and gas demand and supply balance and prices are the main drivers of investment by global oil and gas producers. This investment level ultimately impacts Vallourec as a partner of choice for premium tubular solutions in onshore and offshore projects across the globe. Over the 2014-2024 period, oil prices [1] fell to a low of USD 9 per barrel of Brent crude in April 2020, owing to a slump in global oil demand resulting from the spread of the Covid-19 virus and associated restrictions, and thereafter peaked at USD 133 per barrel in March 2022 following the post-Covid demand increase and Russia's invasion of Ukraine. Brent crude oil prices averaged USD 80 per barrel in 2024.

Meanwhile, over the 2014-2024 period, natural gas prices [2] measured at the Dutch Title Transfer Facility (TTF) fell to a low of €3.63/MWh in May 2020, and peaked at 311.0/MWh in August 2022. Gas prices averaged €34.6/MWh in 2024.

Henry Hub gas prices [2], measured in USD /MMbtu, fell to a low of USD 1.5 in June 2020 and peaked at USD 9.7/MMbtu in August 2022. Henry Hub gas price averaged USD 2.4/MMbtu in 2024.

Having bottomed out at USD 300 billion in 2020, spending [3] by oil companies increased by almost 22% in 2021 to USD 367 billion. This upward trend continued with spending by oil companies increasing sharply by 40% to USD 514 billion in 2022 and by 11% to USD 568 billion in 2023. In 2024, this spending decreased slightly to USD 554 billion, or (3%) year-on-year, mainly driven by lower conventional onshore activity, more than offsetting higher offshore spending.

Investments by Oil & Gas companies could be subject to other negative factors such as changes in applicable laws and regulations, changes in the political situation (such as with the present conflict between Russia and Ukraine or the uncertainty in the Middle East), weather conditions and the policies put in place to address climate change. These factors could consequently have a negative impact on the Group's operations, earnings and outlook.

The Group is anticipating the risk associated with the structural decline in activities linked to fossil fuels by developing its footprint in the energy transition sector, which includes geothermal energy, carbon capture and storage (CCS), hydrogen, solar and biomass.

(1) *Source: US Energy Information Administration, Bloomberg.*
(2) *Source: Bloomberg.*
(3) *Source: S&P Global Commodity Insights - Global Upstream Spending.*

3.1.1.2 Risks related to the Group's dependence on particular customers

In 2024, the Group earned 36% of its consolidated revenue from its five largest customers and 51% of its consolidated revenue from its ten largest customers. Two customers accounted for more than 10% of the Group's consolidated revenue in 2024, with 12.1% and 10.3% respectively. The Group has a customer base in all regions of the world, thereby diluting exposure to a specific geographic market.

Nevertheless, most customers are not required to purchase a fixed amount of products or services over a given period and could decide to terminate their contracts or to stagger their orders over a longer period of time, not renew their contracts, or renew them on terms that are less favorable for the Group, particularly with respect to pricing. This could have a significant adverse effect on the Group's business, financial position and earnings. The Group mitigates this risk with termination clauses providing for compensation mechanisms.

The Group is also exposed to a potential risk on outstanding customer receivables. As a result, it has established specific credit committees to systematically evaluate the financial risks assumed with its customers. However, in a scenario in which a deteriorating global economic environment causes deterioration in Vallourec's customers' financial position, the risk of payment default cannot be ruled out.

3.1.1.3 Risks related to the cyclical nature of the tube market*

The tube market is traditionally subject to cyclical trends which result both from economic changes in the Oil & Gas sector as described above, and from macroeconomic conditions with repercussions on the Group's other business sectors: Mechanicals, Automotive, Construction and Power Generation/Other, where business cycles follow the trends in the economic climate and are also influenced by other factors, such as the growth outlook.

A deterioration in the global economic climate and the financial markets, such as that seen in 2020 as a result of the Covid-19 pandemic or a major geopolitical event such as a war could have a material adverse effect on the Group's revenue, income, cash flow and outlook.

3.1.1.4 Risks related to the competitive environment

The Group operates in a highly competitive international environment, with varying degrees of intensity in its different sectors of activity. In the Oil & Gas sector, one of the Group's main differentiating factors is its premium connections, for OCTG tubes in particular. These patented connections ensure perfect sealing for tube columns, thereby meeting customers' safety, environmental and performance requirements.

Under pressure to reduce their breakeven point, oil companies are leveraging supply chain alternatives by qualifying low-cost suppliers, particularly from China. These low-cost competitors are progressing technically for the basic oil & gas applications.

This low-cost competition in the OCTG commodity tube market affects pricing for tubular products globally, but its impact is less pronounced in the markets in which Vallourec focuses, due to technological differentiation in these markets. In the Petrochemical, Mechanicals, Automotive and Construction sectors, the Group faces stronger competition as customer requirements are less sophisticated.

Increasing intensity of the competition could cause losses in market share and impact the Group's volumes, and revenues.

3.1.1.5 Risks related to maintaining advanced technology on key products

The tubes market is subject to technological change. It is not possible at this point in time to foresee how such change could affect the Group's business in the future.

Third-party technological innovations could also affect the competitiveness of the Group's existing products and services and have a negative impact on the value of existing patents and on the revenue generated by the Group's licenses. The Group's earnings and outlook could be affected.

The Group might also find itself at a competitive disadvantage if it were unable to develop or access (either alone, through partnerships or through agreements with suppliers) technology, products or services equivalent to those of its competitors that have an impact on its offering, or if its new technology, products or services were not to have the success expected in the market.

The Group continues to invest in Research and Development to maintain its technological leadership and anticipate its customers' needs.

3.1.1.6 Risks related to social, political, geopolitical and macroeconomic instability*

Due to Vallourec's strategy of being located close to its customers, a significant part of the Group's business is conducted in countries potentially exposed to risks of political, economic and/or social instability (e.g., the nationalization and expropriation of assets, uncertainty as to applicable laws and the application of laws, the impact of sanctions, etc.) as well as financial instability and more acute foreign exchange risk.

The Group could also be faced with an upsurge in geopolitical disputes involving the countries where it does business, and an increase in the reprisal measures and protectionist regulations that could indirectly result from this conflict.

This trend could be reflected in a proliferation of trade defense measures, especially in Europe, the United States, and China. These procedures – anti-dumping, safeguarding or other protection mechanisms based on a national security threat, as is the case with the US measures based on Section 232 of the US Trade Expansion Act – impose customs duties or quotas in the steel sector.

These measures are likely to have a varying impact on the Group's trade flows globally and, therefore, on its earnings and outlook. For example, in the United States, Vallourec produces the vast majority of its products domestically, whereas it largely serves its customers in areas like the Middle East and Africa via exports from its export hubs in South America and Asia.

With regard to the conflict in Ukraine and in response to the sanctions imposed by the European Union against Russia, the Group has implemented a dedicated compliance program to ensure it is complying – and will continue to comply – with all applicable sanctions. The Group had no commercial activity in Russia or Ukraine in 2024.

The situation between Israel and Gaza in the Middle East creates a risk of operational, political and economic instability in neighboring countries, including for maritime traffic in the region. This could impact the Group's operations, particularly as regards the seaborne shipping of tubes.

3.1.2 Operational risks

3.1.2.1 Risks related to changes in raw material and energy costs*

Tube production consumes raw materials such as iron ore, coal, coke and scrap. The Group has some in-house sources of supply and diversifies its external sources of supply whenever possible.

Hüttenwerke Krupp Mannesmann (HKM), in which Vallourec Tubes has a 20% equity interest, produces steel rounds and slabs intended exclusively for its shareholders, who are committed to certain volumes. In 2021, Vallourec terminated the cooperation and supply agreements, effective December 31, 2028, i.e., at the end of the contractually agreed seven-year notice period.

Given the decision taken in 2022 to close its German operations by the end of 2023, Vallourec has developed an international client portfolio to which it has started to sell the steel purchased from HKM, mainly in the form of slabs.

Based on expected future cash flows from this contract, it has been accounted for as a derivative contract with a negative fair value. The liability corresponds to Vallourec's best estimate of the present value of the expected future cash flows resulting from the execution of this contract over the residual period until the end of 2028. The estimated fair value of the expected losses will be regularly revised until the end of the supply agreement to take into consideration prevailing market conditions and developments in the trading model. In substance, this supply agreement is therefore treated as a derivative, in accordance with IFRS 9, in Vallourec's consolidated financial statements (see Section 7, notes 7.2 and 7.4 to the consolidated financial statements).

An increase in the price of raw materials and energy leads to a corresponding increase in production costs for the Group's finished products. Uncertainties about economic trends along with a highly competitive environment in the international market for tubes mean that the Group's ability to pass on any increases in raw materials and energy prices to its orders is uncertain. This could reduce Group margins and have a negative impact on earnings.

Energy or commodity consumption could also be affected by measures imposed by authorities to address climate change and reduce companies' environmental footprint (see environmental and climate-change risks below).

3.1.2.2 Industrial, mining and environmental risks

The Group's industrial and mining businesses give rise to environmental, safety and health risks. The Group's manufacturing processes involve working with molten materials at very high temperatures using heavy machinery and equipment. The risks this poses include industrial accidents, explosions, fires, and environmental hazards such as accidental discharge of polluting or dangerous products, and could lead to unforeseen interruptions to its business, total or partial destruction of facilities, pollution or even personal injury and death. This information is used to meet the CSRD publication requirement S1-1 of the sustainability statement in chapter 2 of this Universal Registration Document.

Such events may involve the Group in legal proceedings for damages against it and/or lead to the application of penalties, and may have an adverse effect on the Group's business, reputation, earnings and outlook.

The Group's activities in the various countries where it has a presence are subject to numerous and wide-ranging environmental, public health and safety regulations which are constantly being updated. These regulations concern, in particular, the prevention of major accidents, use of chemicals, disposal of wastewater, disposal of hazardous industrial waste, and noise pollution. Their purpose is to ensure that the Group is in control of the various environmental risks inherent to its activity, including atmospheric, aquatic and soil pollution, and the risk of damage to biodiversity (see chapter 2, Sections 2.1.4 and 2.1.6).

The Group's activities also require numerous permits and authorizations in areas such as the environment, safety, and public health. These include operating licenses, particularly for the mining business, wastewater discharge permits, water withdrawal permits, and permits for the transport or landfill of hazardous waste products, all of which may be renewed, modified, suspended or potentially revoked by administrative and government authorities, and which may have an impact on its earnings. Due to changes in their industrial activities related to the Group's transformation and in accordance with legal provisions, only three facilities in France are still subject to environmental protection regulations under a classified facilities system (ICPE).

The Group strives to strictly comply with these authorizations and, more generally, with environmental laws and regulations. Maintaining compliance with existing regulations and standards results in costs and expenses that could increase significantly in the future if new regulations or stricter standards were to be adopted.

In addition, the authorities and courts might require the Group to carry out investigations and cleanup operations, or even restrict its activities or close its facilities temporarily or permanently, and/or require it to pay fines. As regards its former activities, the Group could be held responsible in the event of damage to persons or property, which could adversely affect its earnings.

On January 8, 2022, following exceptional rainfall in the Brazilian state of Minas Gerais, part of a waste pile at Vallourec's Pau Branco iron ore mine slipped into the "Lisa" dam, causing the dam to overflow and block traffic on the highway below. The structure of the dam was not affected and there were no casualties. As a result of this incident, operations at the mine were suspended. On January 21, 2022, Vallourec signed an agreement with the Public Prosecutor's Office regarding the consequences of the overflow of the Lisa dam. The agreement included the implementation of emergency measures and a commitment to the environmental restoration of the affected area. It also included the provision of BRL 200 million (approximately €35 million) as a guarantee in a bank account held by Vallourec.

On May 4, 2022, Vallourec announced that it had partially restarted iron ore mining operations after having obtained the approval of the mining authorities to resume activities on a temporary basis without using the waste pile. In May 2023, Vallourec obtained the necessary authorizations to resume full operation of the Cachoeirinha core tailings pile.

Vallourec is now undertaking two extension projects at the Pau Branco mine which are expected to improve the quality of the iron ore extracted and thus average product pricing. Vallourec obtained the necessary approvals to progress the first project — Phase 1 — in 2024, and now has access to the reserves targeted by this project. Permitting is underway for the Phase 2 project, which is expected to be started up in 2027. Administrative delays and other permitting risks could delay this project timeline.

3.1.2.3 Inherent climate-change risks

The Group is exposed, especially through its supply chain, to the risks inherent to climate change (including, for example, drought, flooding, heat waves or cold spells, flooding and high winds). A new study was conducted in 2023 with the assistance of an external consultant. It involved a comprehensive screening of the Group's sites, as well as certain suppliers and strategic ports. The analysis covers the four categories of climate-related risks (temperature, wind, water, or solid mass), broken down into 28 climate hazards (heat wave, drought, cyclones, floods, landslides, etc.) aligned with the CSRD and the European Taxonomy.

Two scenarios were used. The first, known as "intermediate" (SSP2-4.5[(1)]), corresponds to an increase in temperature of around 3°C by 2100 compared with the pre-industrial period. It takes into account the impact of public policies currently in place or planned, but does not factor in the achievement of reduction targets announced by governments if they are not backed up by a concrete policy agenda. The second, known as "fossil-fueled development" (SSP5-8.5)[(1)] corresponds to an increase of over 4°C, consistent with the absence of any new climate policies and the failure to deliver on climate policies currently in place or planned. This worst-case scenario (SSP5-8.5) serves as a benchmark for quantifying the risks of property damage and business interruption in the short term (2030-2050), as well as for the design of adaptation measures. This illustrates the difference in the impacts on our sites depending on the risk concerned and their geographical location, and shows that the re-assessed risk is still material, more detail in Section 2.1.3. "Climate risk adaptation (ESRS E1)" of this Universal Registration Document. Any adaptation plans will be defined with the plants.

Measures to combat the effects of climate change may also be imposed by various authorities.

(1) The SSP (Shared Socio-economic Pathways) scenarios use different assumption in terms of socio-economic development (population, education, GDP, urbanization) depending on whether or not climate policies are implemented. They were developed by the IPCC (report 6), and include climate policies aligned with the Paris Agreement (SSP 1-1, 9, SSP 1-2, 6), voluntary but insufficient (SSP 2-4 5) or absent (SSP 3-7 0, SSP 5-8 5).

3.1.2.4 Risks related to manufacturing or service defects

The Group's positioning in the market for premium tubular solutions requires the implementation of a demanding quality management system to guarantee product and service quality. However, despite the emphasis on manufacturing quality, it cannot be excluded totally that some of the Group's products or services may have production or manufacturing defects which could potentially cause damage to property, personnel or installations using the tubes, lead to business interruption for customers or third parties, or cause environmental damage.

Defects in the Group's products or services may result in compensation being due by the Group or in a fall in demand for its products and services, or adversely affect their reputation for safety and quality, or lead to an increase in insurance premiums and a decrease in associated guarantees. This may in turn have a significant impact on the financial position, earnings and image of Company (Vallourec) and Group businesses. A major accident caused by defects in the products or services of players other than the Group might adversely affect the image of the entire Oil & Gas sector. Despite the quality control measures in place and its insurance cover (see Section 3.3), the Group may not be in a position to protect itself or cover all of these risks.

3.1.2.5 Risks related to Group equipment failures

The Group's success in meeting orders depends on a high level of asset reliability. The Group could nevertheless suffer breakdowns of equipment or unavailability for other reasons such as damage, fire, explosion. Such failures could cause delays in the delivery of orders in progress or subsequent orders for which these assets were to be used.

Although the Group follows a regular maintenance and prevention program to keep all of its assets in good working order, breakdowns could nevertheless occur. Equipment failures may lead to dissatisfaction on the part of the Group's customers, have an impact on the cost of orders and, therefore, significantly affect the financial position, earnings and image of the Group.

3.1.2.6 Risks related to information systems and cybercrime*

The Group relies on diverse information systems to manage its sales, logistics, accounting, and reporting, which are crucial for its commercial, industrial, and financial activities. Despite efforts to enhance contingency and backup programs for these systems and infrastructure, including access for service providers and partners, any failure or cyber-attack could significantly impact the Group's operations, financial position, earnings, or outlook.

The Group's ambitious strategy to digitalize its production tools and create new customer services may increase the risk of data theft or loss, including personal information.

Although proactive measures are in place, the Group and its strategic suppliers remain vulnerable to sophisticated cyber-attacks, such as data breaches, ransomware, and espionage. The evolving nature of these threats means they are often complex and difficult to detect before an attack occurs.

While the Group has implemented various protective measures, it cannot guarantee complete protection against all hacking techniques or their potential impacts. Any disruption in the Group's IT services or those of its strategic suppliers due to cyber-attacks or other factors could materially affect the Group's operations, financial position, earnings, or outlook. Additionally, the Group cannot ensure that it will not incur uninsured losses.

3.1.3 Legal and tax risks

3.1.3.1 Risks related to business ethics, international sanctions and corruption

Regarding the risk of corruption, Vallourec has a presence in more than 20 countries, most of which have laws in place prohibiting corruption. Infringement of such laws, even as a one-off occurrence, may in particular lead to criminal, civil and/or administrative sanctions, including heavy fines, and may also harm Vallourec's image and reputation. If such an occurrence involves a public official, the associated penalties are drastically increased.

Vallourec operates in the Oil & Gas sector – a sector which is considered by the NGO Transparency International as greatly exposed to the risk of corruption – and in countries in which the risk of corruption may be perceived as high (according to Transparency International's ranking). Vallourec may be more exposed to the risk of corruption during its sales processes, in particular with state-owned companies such as National Oil Companies, or during administrative processes such as for the licensing or administrative requirements necessary for its operations.

As Vallourec operates across the world, some of the Group's transactions or exports may be subject to export control regulations and international economic sanctions. Accordingly, Vallourec could be exposed to transactions that contravene these regulations, which could give rise to significant criminal, civil and administrative penalties.

Regarding the risk related to violation of fair market practices, Vallourec operates and trades in countries which have implemented laws preventing anti-competitive practices, the violation of which could give rise to significant criminal, civil and administrative penalties.

To mitigate the above risks, Vallourec has set up a Compliance Program, as described in Section 2.4.2.2 "Compliance program", in order to ensure compliance with regulatory requirements in the areas of anti-corruption, free competition, export controls and international economic sanctions in all of its operations and countries in which it operates.

This program includes the following components, and was significantly strengthened in 2023:

- in order to accurately determine vulnerabilities, the Group has implemented a risk mapping that clearly identifies these risks, including a specific corruption risk map that complements the Group's general risk map;
- to manage identified risks, the Group has set up a prevention system that includes specific procedures such as an Anti-corruption Code of Conduct, specific rules of behaviors, processes to ensure legal compliance, and clear guidelines to ensure fair-market practices. Dedicated systems for assessing third parties in relation to the risks of corruption, and monitoring transactions to ensure compliance with applicable international economic sanctions, are implemented;
- a strong tone at the top is accompanied by awareness-raising and training campaigns organized to ensure that employees are fully aware of this system, and in particular of the disciplinary measures applicable in the event of non-compliance;
- in order to detect risks and manage any weaknesses that may be observed, the Group has set up an internal control system which includes controls dedicated to the mitigation of corruption risks (see Section 3.2.2.3 "Actions to prevent corruption and specific accounting controls: lines of defense"), a whistleblowing system overseen by a dedicated committee (see Section 2.1.6 "Whistleblowing and reporting systems"), and an internal audit system.

It cannot be ruled out, however, that infringements of legislation that could lead to significant civil and/or criminal sanctions could have an adverse effect on the Group's financial position or image. This information is used to meet the CSRD publication requirement G1-1 of the sustainability statement in chapter 2 of this Universal Registration Document.

3.1.3.2 Risks related to intellectual property and counterfeiting

Risks related to intellectual property primarily stem from:

- legal action by third parties against the Group;
- the appropriation of its technologies by competitors; and
- fraudulent use by third parties of its trademarks.

The Group has an Intellectual Property Department and a Legal Department staffed by qualified and experienced personnel who are responsible for (i) taking the necessary measures to protect and enforce its intellectual property rights, while ensuring the rights of third parties are respected, and (ii) educating Group employees on the importance of better protecting and defending its intangible assets. However, the laws and regulations, as well as the legal system in some countries in which the Group operates, do not necessarily currently provide such extensive and effective protection for intellectual property rights, and/or the means to combat counterfeiting as in countries like France, Brazil, China or the United States.

Like other tubular products and accessories manufacturers, the Group has also had to contend with the existence of counterfeit products for sale in the market, which use the trademarks of Vallourec and its subsidiaries, and are sometimes even accompanied by false certificates. Counterfeiting activities aim to confuse customers in terms of the source of products, thereby allowing the counterfeiters to unfairly derive a profit from the Group's investments and reputation. Multiple risks are therefore involved: in addition to the risk of losing customers drawn to cheaper products, there is a material risk of accidents if the counterfeit products have problems with quality and do not comply with the applicable standards. These risks could have an impact on the Group's image, and indirectly on its earnings.

Since 2021, the Group has implemented global trademark surveillance on marketplaces and increased its campaigns to raise awareness among public authorities and relevant market players. In addition, websites of potential counterfeiters are monitored in order to identify any fraudulent sales, particularly for the Group's flagship connections brand, VAM®. Alleged counterfeiters are sent a letter asking them to cease the unlawful use of the Vallourec Group's patented technologies and/or trademarks.

If, despite all of the measures taken, the Group was unable to successfully protect, maintain and defend its intellectual property, it would risk losing a portion of its technological edge, customers and sources of revenue; this could have a significant adverse effect on its operations, earnings and image.

Furthermore, the risk that competitors may access some of the Group's manufacturing secrets or certain innovations that are not yet patented or that are not eligible to be patented cannot be entirely ruled out. The Group's Information Security and IT Departments have implemented procedures, such as data protection policies, data and documents exfiltration detection and setting up of confidentiality agreements, to mitigate this risk. However, it cannot be entirely eliminated. Consequently, the Group's earnings and outlook could be impacted.

3.1.3.3 Tax and tax evasion risks

The Group's entities conduct sales, industrial and/or financial activities in various countries and have the necessary personnel, equipment, and assets in those countries for that purpose. These entities ensure they organize such activities in compliance with the relevant applicable laws and regulations. Thanks to this organization, and to the regular monitoring of changes in these legal and regulatory requirements, the Group particularly aims to limit potential tax risks (including any tax evasion risks).

Where laws and regulations do not establish clear or definitive guidelines, the tax regime that is applied to intragroup activities, transactions or restructurings (whether past or future) is or may be based on interpretations. The Group cannot guarantee that these interpretations will not be challenged by the competent tax administrations in the jurisdictions concerned. More generally, any breach of current tax laws and regulations in the countries in which the Group or the Group's entities are located or operate could result in reassessments of taxes owed, or the payment of late interest, fines and penalties. Furthermore, the Group is exposed to changes in tax regulations or their interpretation and application by the jurisdictions or tax administrations concerned, in particular in the context of joint international or EU initiatives (OECD, G20, European Union).

Each of the above factors could result in an increase in the Group's tax burden, and have a material adverse impact on its financial position and earnings.

The Group has been and may in the future be subject to tax reassessment proceedings and disputes. When the Group considers that a loss relating to the disputes is probable, a provision is recognized according to the best estimate of foreseeable expenses. The Group cannot provide assurance that these provisions will be sufficient to cover the amounts to be actually disbursed at the end of these proceedings.

The Group's future earnings, French and foreign tax rules, and tax audits or disputes could limit its capacity to use its tax losses, and thereby impact its financial position.

The Group has tax losses (see note 3 to the Group's 2024 consolidated financial statements for a discussion of the resulting accounting implications, in chapter 7.1.7 of this Universal Registration Document), the use of which depends on a number of factors, including (i) the ability to generate tax income, (ii) the limits applicable to any tax losses imposed by French or foreign laws and regulations, (iii) the consequences of current or future tax audits or disputes, and (iv) any changes in the applicable laws and regulations.

The impact of these factors could increase the tax pressure to which the Group is subject, and thus have an adverse effect on its effective tax rate, financial position and earnings.

3.1.4 Financial and market risks

Vallourec's business is primarily focused on serving the needs of the upstream oil & gas industry. Various financial market participants, including institutional investors and commercial banks, have made pledges to reduce their exposure to this industry either directly or indirectly (e.g. via pledges to reduce the carbon content of investment or lending portfolios). Despite its recent success in accessing financial markets, notably during Vallourec's April 2024 refinancing transactions, Vallourec cannot rule out that financing may become more challenging to obtain in the future. Vallourec may therefore incur a higher cost of financing its operations, or scarcity in funding to carry out certain planned investments due to these factors.

Given its financial structure, the Group is exposed to (i) liquidity risks and (ii) market risks, including interest rate, foreign exchange, credit and equity risks.

A description of market and liquidity risks is provided in note 7 to the consolidated financial statements in Section 7.1.7 of this Universal Registration Document.

3.1.4.1 Liquidity risk

As of December 31, 2024, the maturities of current loans and other borrowings totaled €141 million; the maturities of non-current loans and other borrowings totaling €962 million are shown in the table below:

3.1.4.1.1 BREAKDOWN BY MATURITY OF NON-CURRENT LOANS AND OTHER BORROWINGS (>1 YEAR)

In € thousands	>1 year	>2 years	>3 years	>4 years	5 years and more	Total
As at DECEMBER 31, 2023	4,136	1,106,955	230,158	1,709	5,173	1,348,131
Non-current borrowings	2,262	178,982	2,113	1,885	777,127	962,369
AS AT DECEMBER 31, 2024	**2,262**	**178,982**	**2,113**	**1,885**	**777,127**	**962,369**

The Group's financial resources are composed of bank and bond financing.

The vast majority of bank financing was arranged in Europe through Vallourec, and to a lesser extent through the Group's subsidiaries in Brazil and in the United States.

Bond financing is arranged by Vallourec.

In April 2024, Vallourec executed a significant and holistic balance sheet refinancing that has substantially extended its debt maturities and reduced its financial costs. The key elements of this operation include:

- entry into a new 5-year €550 million multi-currency revolving credit facility (RCF) with a substantially diversified, global banking group;
- entry into an upsized and extended 5-year USD 350 million asset-backed lending facility (ABL) in the United States;
- issuance of 8-year USD 820 million 7.5% senior notes and entry into a 4-year cross-currency swap to hedge Vallourec's currency exposure on its new senior notes with a euro-equivalent coupon of approximately 5.8%;
- redemption of the full €1,023 million of previously outstanding 8.5% Senior Notes due 2026;
- repayment of €68 million of the €262 million PGE *(prêts garantis par l'État*).

3.1.4.1.2 BANK FINANCING

As of December 31 ,2024, the Group had a committed undrawn bank credit facility of €550 million, a committed Asset-Based Lending (“ABL”) of USD 350 million and available cash for €1,103 million. The USD 350 million ABL is subject to a borrowing base calculation based on eligible account receivables and inventories, among other items. As of December 31, 2024, the borrowing base was approximately USD 242 million, resulting into an availability of USD 233 million (eq to €224 million) net of USD 9,5 million of letters of credit issued under the ABL. The Group’s liquidity therefore totaled €1,877 million. End of 2024, gross debt included a €77 million overdraft that has been repaid early January, reducing available cash concurrently.

€550 million multi-currency revolving credit facility (RCF)

In April 2024, as part of its refinancing operation, Vallourec arranged a committed revolving credit facility for an amount of €550 million, maturing in April 2029, to replace its previous €462 million revolving credit facility. As of December 31, 2024, no drawdown had been made on this facility.

At inception, Vallourec SA’s RCF is guaranteed by its US subsidiaries, Vallourec Soluções Tubulares do Brasil SA and Vallourec Tubos do Brasil Ltda. Thereafter, on a yearly basis, Vallourec must ensure that the RCF is secured by subsidiaries incorporated in France, Brazil and the United States (i) representing not less than 80% of the Group’s total assets in these jurisdictions and (ii) whose total assets have a book value representing 5% or more of the Group’s total assets.

The RCF is also secured by share pledges over equity covering certain subsidiaries, security over material bank accounts and significant intercompany loans of Vallourec SA, and by standard crossing-lien arrangements with the asset-backed lending facility (ABL).

It also includes a banking covenant stipulating that Vallourec’s gearing ratio must not exceed 100%. The gearing ratio is defined as the ratio of consolidated net debt (including lease liabilities) to consolidated equity, adjusted for gains and losses on derivatives and foreign currency translation differences (exchange differences on translating net assets of consolidated foreign subsidiaries).

Additionally, upon the occurrence of a change of control, each lender is entitled to demand the repayment of any outstanding amounts and the cancellation of its commitments within a prescribed time period. The agreements also stipulate that the entire debt will be immediately due and payable if the Group defaults on one of its debt obligations (cross default), or in case of a major event with consequences for the Group’s business or financial position and/or its ability to repay its debt.

USD 350 million asset-backed lending facility (ABL)

In April 2024, as part of its refinancing, Vallourec upsized to USD 350 million and extended its ABL implemented in 2022 for certain US subsidiaries of the Vallourec Group, Vallourec Star, VAM USA and Vallourec USA, to five years. This credit facility can also be used in the form of letters of credit up to a maximum aggregate amount of USD 20 million.

As of December 31, 2024, USD 9.5 million of this facility had been used, exclusively in the form of letters of credit. However, no drawdowns had been made for financing purposes.

The ABL is notably secured by inventories and trade receivables held by the borrowing companies. Vallourec SA provides a parent company guarantee to the lenders.

This facility also includes a change of control clause.

€194 million state-guaranteed loans (“PGE”)

In 2021, Vallourec set up State-guaranteed loans (“PGE”) for a total nominal drawn amount of €262 million. The initial maturity of the State-guaranteed loans was June 30, 2022, but Vallourec had an option to extend them to June 30, 2027. Vallourec exercised this extension option and the State-guaranteed loans now have a maturity date of June 30, 2027.

It include a change of control clause that could trigger repayment of all or part of the credit facility or State-guaranteed loans, as decided by each participating bank. The agreement also stipulate that the entire debt will be immediately due and payable if the Group defaults on one of its debt obligations (cross default), or in case of a major event with consequences for the Group’s business or financial position and/or its ability to repay its debt.

In April 2024, as part of its refinancing operation, Vallourec repaid about €68 million of this loan. Consequently, as of December 31, 2024, the outstanding amount of the PGE is €194 million.

3.1.4.1.3 MARKET FINANCING

In addition to this bank financing, the Group has sought to diversify its funding sources by using market financing. For example, Vallourec set up a commercial paper (NEU CP) program on 12 October 2011 to meet its short-term needs. The program has a €1 billion ceiling. As of December 31, 2024, Vallourec had no outstanding commercial paper. This commercial paper program is rated B by Standard & Poor’s.

In April 2024, as part of its refinancing operation, Vallourec issued 8-year USD 820 million 7.5% senior notes (“Notes”) and entered into a 4-year cross-currency swap to hedge Vallourec’s currency exposure on its new senior notes with a euro-equivalent coupon of approximately 5.8%.

Vallourec also redeemed the full €1,023 million of previously outstanding 8.5% Senior Notes due 2026.

The 820 million 7.5% senior notes are subject to specific covenants, including negative pledge, merger, and leaseback covenants, with certain exceptions.

In the event of a change of control, a clause would trigger the mandatory early redemption of the bonds at the request of each bondholder in the event of a change of control of Vallourec (in favor of a person or a group of people acting in concert) leading to a downgrade in its credit rating. The agreement also stipulates that the entire debt will be immediately due and payable if the Group defaults on one of its debt obligations (cross default), or in case of a major event with consequences for the Group's business or financial position and/or its ability to repay its debt.

Additionally, the Issuer has the option to redeem the Notes prior to 15 April 2027, at 100% of the principal amount plus a "make whole" premium. After 15 April 2027, redemption can occur at specified prices. Annually, up to 10% of the original principal amount can be redeemed at a 103% premium, and up to 40% can be redeemed using equity offering proceeds before 15 April 2027.

In addition, the bonds may be subject to a request for early redemption by the bondholder or Vallourec, as appropriate, should any of the common default scenarios for this type of transaction occur, or if there is a change in Vallourec's position or in tax regulations.

3.1.4.2 Market risks

3.1.4.2.1 FOREIGN EXCHANGE RISK

A) Foreign currency translation risk

The assets, liabilities, revenues and expenses of the Group's subsidiaries are expressed in various currencies. The Group's financial statements are presented in euros. The assets, liabilities, revenues and expenses denominated in currencies other than the euro are translated into euros at the applicable rate so that they can be consolidated.

If the euro rises (or falls) against another currency, the value in euros of the various assets, liabilities, revenues and expenses initially recognized in that other currency will fall (or rise). Therefore, changes in the value of the euro may have an impact on the euro value of assets, liabilities, revenues and expenses not denominated in euros, even if the value of these items in their original currency has not changed.

In 2024, a large portion of net income, Group share, was generated by subsidiaries that prepare their financial statements in currencies other than the euro (mainly in US dollars and Brazilian real). A 10% rise in exchange rates would have increased or decreased net income Group share by around €35 million. In addition, the Group's sensitivity to long-term foreign exchange rate risk is reflected by previous changes in the foreign currency translation reserves carried in equity (negative €849 million impact as of December 31, 2024) which, in recent years, have mainly been attributable to changes in the US dollar and Brazilian real.

Foreign currency translation reserve – Group share

In € thousands	12/31/2023	12/31/2024
USD	335,632	411,558
GBP	(12,719)	(12,414)
BRL	(1,069,968)	(1,269,771)
CNY	13,770	26,114
Other	(22,787)	(4,619)
TOTAL	**(756,072)**	**(849,133)**

As far as the Group is aware, translation risk is unlikely to threaten its financial equilibrium.

B) Transaction risk

The Group is subject to foreign exchange risks owing to its exposure to sale and purchase transactions entered into by some of its subsidiaries in currencies other than their functional currency.

The main foreign currency concerned is the US dollar (USD), since a significant portion of the Group's transactions (approximately 33% of consolidated revenue in 2024) is invoiced in US dollars by companies whose functional currency is not the US dollar. Exchange rate fluctuations between the euro, the Brazilian real and the US dollar may therefore affect the Group's operating margin. However, the impact of such fluctuations is very difficult to quantify for two reasons:

- there is an adjustment mechanism on sales prices denominated in US dollars which is related to market conditions in the various industries in which Vallourec operates;
- certain sales and purchases are influenced by the price of the US dollar, even though they are denominated in euros. They are therefore indirectly, and at some time in the future, affected by movements in the US currency.

The Group actively manages its exposure to foreign exchange risk to reduce the sensitivity of its earnings to currency fluctuations. FOREX exposure is managed by setting up hedges as soon as orders are placed and sometimes when a quotation is given.

Orders, receivables, payables and operating cash flows are hedged using financial instruments, mainly forward purchases and sales.

Order cancellations could therefore result in the cancellation of existing hedges, leading to the recognition in the consolidated income statement of gains and losses with regard to these canceled hedges.

To be eligible for hedge accounting as defined under IFRS 9, the Vallourec Group has developed its cash management and invoicing systems to facilitate the traceability of hedged transactions throughout the term of the hedging instruments.

As of December 31, 2024 and 2023, forward foreign exchange contracts hedging purchases and sales denominated in foreign currencies concerned the following amounts:

Hedging contracts with regard to commercial transactions – Foreign exchange risk

In € thousands	12/31/2023	12/31/2024
Forward exchange contract – forward sales	1,535,526	1,007,819
Forward exchange contract – forward purchases	135,518	100,908
Currency options – sales	—	—
Currency options – purchases	—	—
Raw materials and energy – purchases, options	—	—
TOTAL	**1,671,044**	**1,108,727**

Contract maturities as of December 31, 2024

Contracts on commercial transactions	Total	<1 year	1 to 5 years	>5 years
Forward exchange contract - forward sales	1,007,819	974,606	33,213	—
Forward exchange contract - forward purchases	100,908	100,908	—	—
Currency options – sales	—	—	—	—
Currency options – purchases	—	—	—	—
Raw materials and energy – purchases, options	—	—	—	—
TOTAL	**1,108,727**	**1,075,514**	**33,213**	**—**

In 2024, forward sales – corresponding mainly to sales of US dollars (€669 million out of €1,008 million) – were carried out at an average short and medium-term forward rate of EUR/USD 1.1 USD/CNY of 7.07 and USD/BRL of 5.57.

In 2024, as in 2023, the hedges entered into generally covered an average period of about 10 months and mainly hedged highly probable future transactions and foreign currency receivables.

In addition to hedges of commercial transactions, the Group has entered into hedging contracts for financial loans and receivables denominated in foreign currencies:

- forward purchases for USD 969.9 million (€925.3 million);
- forward sales for GBP 20.9 million (€25.1 million);
- forward purchases for RMB 1,456 million (€191.2 million);
- forward purchases for MXN 347.2 million (€16.1 million);
- forward sales for CAD 0.3 million (€0.2 million);
- forward sales for BRL 541.6 million (€82.1 million).

  These instruments are intended to hedge either debt denominated in USD, or the foreign currency loans set up by the financial holding company Vallourec Tubes in the currency of the subsidiaries receiving them. The forward purchases and sales mature at various times in 2024, as and when the hedged loans and borrowings mature.

Vallourec entered into a 4-year cross-currency swap to hedge Vallourec's currency exposure related to its USD 820 million Senior Notes with a euro-equivalent coupon of approximately 5.8%.

Other than its foreign-currency-denominated borrowings, the Group does not hedge any of the other foreign currency assets and liabilities in its consolidated statement of financial position (foreign currency translation risks).

3.2 Risk management and internal control system

This Section 3.2 Risk management and internal control system is used to meet the publication requirement IRO-1 of the sustainability statement in chapter 2 of this Universal Registration Document.

3.2.1 Risk management

Risk management measures are rolled out in all companies in which Vallourec directly or indirectly holds the majority of share capital and which it controls. Companies whose shares are listed or jointly controlled have an appropriate internal control system structure, consistent with applicable local legislation.

Internal control and internal audit rely on the results of the risk analysis in order to improve the Group's internal control system and define its internal audit plan, respectively.

3.2.1.1 Objectives and general principles of risk management

Risk management is a key management focus for the Group, and primarily contributes to:

- securing the Group's decision-making processes and other procedures in order to promote the achievement of its objectives; and
- creating and preserving the Group's value, assets and reputation.

Furthermore, risk management aims to:

- promote consistency between the Group's actions and values; and
- rally the Group's employees around a common vision of key risks and raise their awareness of the risks inherent to their business.

In liaison with Internal Control, the Audit and Risk Department provides methodological support for promoting and implementing the Group Risk Management policy. This favors the development of internal control by anticipating risks and reviewing best internal control practices.

Risks are managed by the Regions, the industrial and sales units and the corporate departments.

Each major entity and Region, along with the Executive Committee and Executive Management, assesses the risks and determines the controls and action plans needed to limit the impact and/or the probability of these risks occurring, and overall to reduce the Group's net exposure to these risks.

3.2.1.2 Risk management system

Identifying risks consists of determining the main risks the Group faces with its operational and functional departments. Together with the entity in question, the Internal Audit and Risk Department analyzes and maps these risks, with the aim of establishing an agreed list of risks and determining how to mitigate, transfer, eliminate, or accept them. Priorities are determined not only according to probability of occurrence and/or risk impact and degree of control, but also to the progress of controls in relation to benchmark practices in this area.

Risk maps are in place for each of the Group's major entities, its Regions, and its Executive Committee and key functions. Each map incorporates key risks, along with their likely scenarios, internal and external past experience of such risks, controls in place and best practices.

Risk management is reviewed during the annual committee meetings, at which the Audit and Risk Department provides input. The heads of the corporate departments affected by specific risks may also be invited to attend, in particular those of the Legal, Group Industry, Human Resources, Strategy and Development, One R&D, Purchasing, Environment and Information Systems departments. Each committee meeting handles the following matters:

- validation of diagnosis and follow-up of action plans for priority risks;
- validation of the key risk indicators, which ensures the relevance of new controls once the action plan has been completed along with the ongoing application of said controls.

The Group works together with its insurers to supplement this work of identifying and mitigating industrial operating risks and to roll out business continuity plans.

The Audit Committee reviews the high risks identified on a quarterly basis and the Board of Directors reviews the high risks identified on an annual basis (or twice a year).

3.2.2 Internal control

Executive Management sets internal control policy and oversees its implementation in all the companies in which Vallourec directly or indirectly holds the majority of share capital and which it controls. It is supported by a Group Internal Control Department responsible for deploying and implementing this policy throughout the organization. Companies whose shares are listed or jointly controlled have an appropriate internal control system structure, consistent with applicable local legislation.

3.2.2.1 Objectives and general principles of internal control

The internal control system developed and implemented within the Vallourec Group aims to provide reasonable assurance that the following five objectives can be achieved:

- compliance with laws and regulations in force;
- proper application of the instructions issued and compliance with the policies laid down by Executive Management;
- proper operation of internal processes (in particular those relating to achieving objectives and safeguarding assets);
- accuracy of accounting and financial information; and
- managing the risks identified in the risk map.

The internal control process is constantly evolving in order to adapt to changes in the economic and regulatory environment and the Group's structure and strategy.

To ensure the consistency of the Group's internal control procedures worldwide, internal control also relies on the Regions and the corporate departments to draw up procedures, give instructions and monitor compliance.

In order to ensure the consistency of the daily measures undertaken worldwide on behalf of the Group, Vallourec has put in place a set of key internal control procedures. These procedures formally set down the rules applicable to the Group's main engagement processes, reflect the governance principles defined by Executive Management, and help prevent corruption and fraud. In 2023, Vallourec launched initiatives to strengthen its internal control procedures.

3.2.2.1.1 ETHICS AND COMPLIANCE WITH LAWS AND REGULATIONS

The Group's organization structure and actions in terms of ethics and compliance with laws and regulations are described more extensively in Section 2.3 ("Our commitments to business ethics and compliance - ESRS G1") of this Universal Registration Document.

3.2.2.1.2 INTERNAL APPROVAL MANUAL

The level of authority given to each manager within the Group must remain compatible with the governance defined by Executive Management and requires broad oversight of the application of rules common to all Group entities as well as efforts to prevent corruption and fraud.

To meet these requirements, the aim of the internal approval manual is to clearly define the prerequisite approval levels for the material commitments entered into by any Group entity.

Approvals may not contravene applicable legal and/or regulatory provisions.

This procedure is adapted as often as required and was updated in 2024 to take into account the changes in the Group's organizational structure and the Reserved Matters within the remit of the Board of Directors. It is taken up and adapted accordingly in each region. The strict application of the internal approval manual is systematically verified during the internal audits of the Group's entities.

3.2.2.1.3 CONFIDENTIALITY OF INFORMATION

Amid a fiercely competitive landscape, the Group needs to make all employees aware of their obligations as regards confidentiality. Accordingly, it has drawn up a Confidentiality Charter with the aim of (i) enabling it to carry out its business under the best possible conditions in the face of competition and (ii) protecting people working for Vallourec by informing them of the confidentiality obligations with which they must comply.

3.2.2.1.4 PREVENTION OF INSIDER TRADING

Vallourec has a Code of Conduct on the prevention of insider trading that may occur in connection with trading on its shares. This Code concerns not only Vallourec's corporate officers, but all of the Group's employees and partners.

Its objective is to ensure compliance with a precautionary approach in order to (i) protect staff at all levels by making them aware of stock exchange regulations and applicable penalties, so as to enable them to avoid being the subject of legal proceedings, (ii) protect Vallourec and the Group, in particular from the risks of damage to its image and reputation and a decline in the value of its shares, and (iii) retain the confidence of investors and maintain equality of treatment between shareholders.

The Group General Counsel is in charge of ethical matters, and is mainly responsible for overseeing compliance with the provisions of the Code of Conduct, even though each employee is ultimately responsible for complying with the applicable regulations. In particular, the Group Legal Officer updates the insider lists required by current regulations and keeps them available for the AMF.

3.2.2.1.5 PROCEDURES FOR RELATIONS WITH THE MEDIA

Vallourec has defined procedures for relations with the media, as well as a series of best practices to be followed on social networking sites, which aim to safeguard the development of the Group's image and the promotion of its activities, while ensuring its messages are consistent and its reputation is protected.

All information intended for the media, both requested or supplied on the Group's own initiative and disclosed in a press release, conference, interview or telephone call, is subject to an internal approval process.

Likewise, all activity on social networking sites must be conducted in accordance with the best practices that have been formally adopted by the Communications Department and posted on Vallourec's Intranet.

3.2.2.1.6 FINANCIAL REPORTING

Vallourec has drawn up a financial reporting procedure, which aims to ensure that the Group's system of reporting financial information to the public complies with applicable legal and regulatory provisions.

Annual and interim financial reports and quarterly financial information are the subject of an internal approval process prior to their release and filing with the French financial markets authority.

3.2.2.2 Internal control system

3.2.2.2.1 GENERAL PRINCIPLES

The Group's internal control system is built around Group procedures, the most important of which are described above. The Internal Control Department ensures that these procedures are consistent across the Group's organizations and regions.

A) Segregation of duties

Segregation of duties is an essential tool in the fight against fraud, which is why internal control ensures that the principle of segregation of duties is understood and applied in terms of both the organization of the units and the management tools used.

In this regard, regular reviews are organized by internal control with input from regional Heads of Internal Control and from IT, which uses a dedicated tool to identify risks in the configuration of management software packages. Corrective or offset measures are identified by the dedicated department in charge of analyzing segregation of duties risks. The implementation of any such measures is validated by the internal control team.

B) Annual internal control campaign

An annual review of internal control maturity is carried out at the initiative of the central Internal Control Department.

This review is based on a questionnaire and on a support tool common to all Group units.

The questionnaire, developed by the Internal Control Department, sets down the internal control measures required to manage the regulatory, financial and operational risks identified in the risk map.

The level of detail in the questionnaire is adapted to each unit according to proportionate contribution to the Group's earnings as well as the potential risks that certain activities or locations may pose to the Group. These analyses are centralized in a tool that positions internal control maturity levels along geographical, business and cyclical axes.

Action plans are required to bring the level of maturity up to the level expected by Executive Management.

These plans are validated by local and/or central internal control teams. They are monitored on a monthly basis to ensure their implementation.

In this regard, the Internal Control Department supports the units and individuals in charge of internal control by providing assistance in identifying and designing action plans, and in validating their effective implementation.

During their assignments, internal auditors have access to data relating to the audited unit such as assessments and action plans, which the auditors can reevaluate according to the findings of their tests.

C) Ad hoc assignments

The Internal Control Department is involved in ad hoc organizational assignments in terms of organizing and reviewing processes such as production management and fixed asset inventories.

3.2.2.3 Actions to prevent corruption and specific accounting controls: lines of defense

In application of the Law n°2016-1691 (Sapin II Law), a specific environment is implemented to ensure that the Group has put in place sufficient controls, including accounting controls, to mitigate the risks identified in its corruption risk mapping, and to identify and remedy potential areas of improvement throughout the organization. This environment is structured to ensure the implementation of three lines of defense set up as below:

- first line of defense: Elaboration of detailed accounting controls for all units responsible for ensuring that requirements are met, in order to identify actions to be taken;
- second line of defense: Verification by regional internal control teams that first-level internal control activities are conducted as described, in order to define any corrective actions to be taken in the event of identified weaknesses;
- third line of defense: Verification by Internal Audit of the first and second lines of defense, in order to assess the effectiveness of the entire system.

3.2.2.4 Internal control system for financial and accounting information

3.2.2.4.1 FINANCIAL AND ACCOUNTING INFORMATION

Preparation of financial and accounting information is centralized based on the subsidiaries' financial statements, adjusted to comply with Group standards. The information is collected via reporting and consolidation software at all the consolidated subsidiaries.

The subsidiaries report monthly in the following month. All accounts are consolidated each quarter and also completed within the same period of one month. The reporting of off-balance sheet commitments is an integral part of the quarterly consolidation process.

3.2.2.4.2 EXTERNAL FINANCIAL INFORMATION

Vallourec publishes quarterly information as at 31 March and 30 September each year. This includes a consolidated statement of financial position and consolidated income statement. Preparation of the quarterly, interim and annual consolidated information is the responsibility of Executive Management. The Statutory Auditors conduct an audit of the annual financial statements and a limited review of the interim financial statements. They do not generally audit the quarterly financial information.

3.2.2.4.3 CASH MANAGEMENT AND FINANCING

The Cash Management and Financing Department is in charge of the Group's financing strategy and manages banking liquidity and access to market financing.

The Cash Management and Financing Department ensures that cash flow is optimized and controlled through:

- cash flow forecasts prepared on a weekly basis by most Group companies;
- pooling euro, pound sterling, Chinese yuan, Canadian dollar, and US dollar cash flows relating to the main European and Middle Eastern companies with Vallourec Tubes;
- pooling Chinese yuan cash flows relating to the main Chinese companies with Vallourec Tubes, through an initial local pooling in China at the level of Vallourec Tianda (Anhui) Co. Ltd;
- pooling US dollar cash flows relating to US companies with Vallourec Tubes, through an initial local pooling in the United States at the level of Vallourec Holding, Inc.; and
- preparing monthly cash monitoring reports for the Brazilian and Chinese entities.

Long-term (more than one year) financing and investment decisions are managed by the Cash Management and Financing Department.

Financing and investments of less than one year are delegated to subsidiaries according to a specific Group procedure covering the quality of the banks involved, risk-free investments, and monitoring of the collateral given.

The Cash Management and Financing Department is also responsible for the foreign exchange and interest rate risk management strategy.

To this end, currency hedging operations for sales in US dollars, pound sterling, Brazilian real, Chinese yuan, Kuwaiti dinars, and Canadian dollars are centralized for the Group's main companies. For the Brazilian entities, currency hedging operations are carried out by the local cash management teams in coordination with the Group's Cash Management and Financing Department.

Currency and currency hedging operations are governed by rules established by the Cash Management and Financing Department and, more generally, all cash operations specific to each company are conducted within the framework of a general cash and risk management policy.

The Cash Management and Financing Department monitors subsidiaries' debts, investments and foreign exchange transactions. In this regard, it prepares a monthly report, which is sent to Group Executive Management.

3.2.2.4.4 PROCEDURES AND INSTRUCTIONS FOR REPORTING FINANCIAL AND ACCOUNTING INFORMATION

In order to produce high-quality financial and accounting information, Vallourec has drawn up procedures and instructions for its French and foreign subsidiaries. These procedures are classified by topic and deal mainly with accounting, cash, and reporting issues, and issues arising in relation to the IFRS framework.

Details of the procedures are available on an Intranet site that can be consulted by all of the Group's finance staff.

To ensure consistency between financial and accounting data on the one hand, and management tools and rules on the other, the Group has drawn up a Management Control Manual, which sets out the definitions, principles and rules for management control and the production of financial information. This document is disseminated among employees in charge of preparing and controlling management and financial information. Its purpose is to contribute to the quality and consistency of this information.

3.2.2.5 Other key internal control procedures

3.2.2.5.1 CAPITAL EXPENDITURE

Executive Management reviews the Group's capital expenditure position presented by the Capital Expenditure Department several times per year. It examines budgets, capital expenditure authorizations, and actual and forecast expenses.

According to the "Management of CAPEX projects" procedure, projects with an expected cost of over €1 million follow a specific qualification and authorization process through three stages of front-end loading.

The Qualification Committee includes the Group's experts as well as the Management Control Department and examines the fundamental aspects of the projects at each of the three stages (market assumptions, profitability, technical choices, budget, planning and risks), meeting once a month under the aegis of the Capital Expenditure Department. The Authorization Committee brings together either the Senior Vice President Process & Engineering, and the Director of Capital Expenditure for projects over €1 million, or Executive Management for projects worth more than €5 million. During these committee meetings, the projects are compared in terms of alignment with strategy, profitability and risks, all within the framework of the Group's budget.

The Capital Expenditure Department participates as a member of the steering committees for major industrial projects in progress, in order to implement best governance and management practices. The goal is to ensure that these projects are completed in line with expected costs, quality and time frames. It also audits certain projects in progress, to ensure that best project management practices are effectively implemented.

The Capital Expenditure Department carries out a monthly check on compliance with annual objectives and, in conjunction with the Regions concerned, ensures that corrective measures are taken if any discrepancy is noted.

Ex-post controls are carried out on expenses, expected objectives and the profitability of capital expenditure projects at the initiative of the Capital Expenditure Department, and with the support of the Management Control Department. Such controls are performed on projects authorized in earlier years that are at the production phase.

3.2.2.6 Management system

Vallourec has management systems (Vallourec Management Systems – VMS), which are implemented at all Group companies. VMS has been structured around seven main components:

- the HR management system, including, in particular, the Talent 360 system, which is used as a basis for performance management, annual appraisals and career appraisals;
- the safety management program, which coordinates all actions to continuously improve work safety;
- programs related to sustainable development, in line with the commitments set out in the Group's Sustainable Development Charter;
- management systems contributing to industrial excellence, which specifically comprise the quality management and lean management systems. Lean management aims to improve performance in terms of productivity, level of inventory and time to complete orders;
- systems that include activities related to excellence in sales, including marketing, key account management, and the implementation of value offers;
- Research and Development management systems, through the innovative project management system; and
- the major projects management system described in the Group's Qualification and Authorization Management Handbook, which coordinates the activities and deliverables required for managing capital expenditure.

In addition to the control of processes and continuous improvement, VMS is responsible for ensuring that initiatives are consistent with the aims of the Group's strategic plan.

The corporate departments assist the Group's entities in rolling out VMS, sharing and capitalizing on "best practices", and developing managers' expertise.

3.2.2.6.1 QUALITY – HEALTH & SAFETY

The Group's Health & Safety Department and the Quality Department are in charge of proposing Group guidelines and objectives in terms of Health & Safety and Quality to Executive Management, and are also responsible for defining applicable standards on the subject for the Group as a whole. In addition to that, they intervene directly in operations when leading indicators are deviating or whenever necessary.

In the context of VMS, these standards define the appropriate systems, methods and tools to be implemented in order to consistently improve product quality and control over manufacturing processes, along with the safety of people and equipment. These standards are defined in compliance with quality management standards (ISO 9001 or IATF 16949, API, ASME, etc.) and with safety standards (ISO 45001).

The Health & Safety Department and the Quality Department promote these standards, assist with their implementation, set up the necessary training programs and oversee the sharing of best practices. Through the visits they make to all Group sites, in addition to the audits carried out by external certification bodies, they ensure these practices are well understood and properly applied to all processes which contribute to customer satisfaction.

The Vallourec Quality approach takes into account the requirements of the most stringent standards, in particular those relating to standardization, problem resolution, the control of variations in quality and risk prevention.

The health and safety roadmap CAP 2030, is based on three pillars: 1) Enhance the Health and Safety Leadership with a strong focus on a visible Managerial Commitment. 2) A Health and Safety management system focused on Risk reduction. 3) A program to foster the “together we’re safer” Health and Safety culture.

Sharing Executive Management’s concern regarding health and safety as well as quality, the Board of Directors starts each of its meetings with a progress report on the Group’s Health & Safety and Quality performance.

3.2.2.6.2 SUSTAINABLE DEVELOPMENT

Sustainable development is managed within Vallourec by the Sustainable Development Group Director, who reports to the Chairman and Chief Executive Officer.

The Sustainable Development Department’s main roles are to draw up and deploy the CSR strategy approved by the Group Executive Committee and to mobilize the Regions and corporate departments in making continuous improvements in sustainable development and meeting the set objectives, in particular by identifying the expectations of the Group’s various stakeholders as well as the best practices to be developed.

Whenever necessary, the Sustainable Development Department submits to the CSR Committee – comprising members of the Executive Committee – the decisions to be implemented by the Regions and corporate departments.

The Sustainable Development Department is also directly responsible for environmental initiatives. It coordinates and leads the work conducted by the environmental officers of the Regions and the business units, backed by two committees – the Climate Committee and the Environment Committee. These environmental bodies are tasked with ensuring that business operations are in compliance with applicable laws and regulations and with improving environmental performance pursuant to Vallourec’s Sustainable Development Charter and the Group Environmental Policy covering climate change mitigation and adaptation, freshwater resources protection, biodiversity conservation, pollution reduction and promotion of circular economy. Annual or bi-annual audits, depending on the importance of the sites, are conducted locally. Climate and environmental performance reports are regularly sent to the environmental stakeholders. The Group has centralized IT solutions for the management of environmental and safety data that facilitates the collection and verification of this data as well as the local reporting of sites.

3.2.2.6.3 INNOVATION, RESEARCH AND DEVELOPMENT

All the Central Functions and Core Field Units have established procedures at Group level for the management of new business development projects, new products and industrial processes, the project portfolio for product lines, and the Group’s ideation process. The defined processes and governance structure are consistently applied by the entities concerned. These procedures also incorporate aspects of intellectual property.

The product line innovation portfolios include ideas under investigation and projects under development. These portfolios are regularly reviewed by the product line Steering and Innovation Committee for decision-making purposes, so that projects can be prioritized based on relevant value and risk criteria.

Projects under development are selected according to various criteria, including the value they offer both to customers and Vallourec, their technical feasibility and turnaround times, as well as any related risks. The project steering committees analyze the risks of each project. In addition, key projects deemed to be of particular strategic importance to the business are reviewed quarterly by an R&D steering committee attended by members of the Group Executive Committee, which ensures that all the necessary elements are in place to ensure the product, service or solution is brought to market according to schedule.

The project teams receive specific training and assistance from experienced professionals in order to speed up implementation and reduce the time required to bring the solutions to market. A Project Management Office (PMO) for R&D and innovation projects was set up in 2023 to coordinate these training, support and oversight activities.

The Group has also developed two new tools to accelerate project execution. The first, known as “Boosters”, is an execution tool that enables ideas for new solutions to be implemented with an agile approach to development. To achieve this, projects developed in Boosters are led by a Business Manager and Product Manager working together. The aim of Boosters is to develop Vallourec’s new technology-based solutions as quickly as possible and to enhance the associated new skills. The second tool consists of two innovation platforms. The first is a platform of ideas for employees, while the second is an outward-facing tool focused on developing partnerships with start-ups to increase success with Open Innovation. These platforms are run as open challenges on specific themes.

3.2.2.6.4 PURCHASING

In 2024, the Purchasing Department continued to enhance and solidify its ongoing internal control process. This process spans from the initial stages of purchasing—such as product specification, supplier selection, and contract establishment—to the final stages of processing, ensuring reception of the required quantities at the agreed price and under the specified delivery and payment terms.

The Purchasing strategy contributes to Vallourec competitiveness and technical leadership, with the following mission:

- to support Vallourec’s strategic plan by developing and managing a reliable world class supply base ensuring the competitiveness of the Group and enabling value creation for the success of our customers;
- to optimize Group performance in terms of safety, quality, costs, lead-time and innovation thanks to operational excellence and continuous improvement of the purchasing process.

- to evaluate supplier risks, namely with the aim of conducting appropriate due diligence to mitigate the risks identified in the Vallourec corruption risk mapping, social and environmental responsibility and implement a CO_2 emissions reduction plan as part of the responsible purchasing policy.
- to develop purchasing experts & leaders supported by efficient digital tools.

3.2.2.7 Information systems

The Group Chief Information Systems Security Officer (CISO) – who reports to Vallourec Chief Digital Information Officer works closely with all of the Group's departments – is responsible for overseeing that the information systems security policy is properly applied. This policy sets out the main information systems security requirements and guidelines and describes the role of the Information Systems Security Steering Committee, which is closely followed by all members of the Executive Committee.

As the Group's digital transformation programs advance, risks related to sensitive information may increase and may therefore require specific monitoring. The main risks concerned are the risk of sensitive or confidential data being stolen or being accessed by unauthorized third parties; the risk of data falling out of the Group's control or being used for other purposes than those of the Group; and the risk of confidential data being leaked to a third party – either internal or external. Lastly, the increased use of Industrial Operation Technology and Internet of Things devices in the Group's business could also lead to loss, theft or leaks of sensitive information, and targeted cyber-attacks, fraud and industrial espionage are becoming increasingly sophisticated.

These risks need to be considered in a range of everyday personal behavior, such as using laptop computers, having sensitive conversations in public places, using the "reply all" function for emails and keeping confidential documents in public areas such as meeting rooms and digital print rooms. This aspect of IT risks has grown with the increase in homeworking, as employees have remote access to sensitive information. If any of these risks were to occur, it could have an adverse financial impact on the Group and could result in a loss of confidence due to severe damage to its corporate image as well as General Data Protection Regulation (GDPR) violations, the loss of contracts, and breaches of contractual obligations to clients, notably the duty of confidentiality.

Examples of risk controls:

- using encrypted storage on laptop computers;
- ensuring that physical access to sites is secure;
- setting up a criteria matrix for entering contracts with service providers;
- ensuring logical security, managing identities, application profiles and privileged accounts;
- implementing policies, procedures and formal exchange measures to protect exchanges of information through all types of telecommunication devices;
- regularly performing internal and external network intrusion tests;
- ensuring that "security by design" and "by default" criteria are met through appropriate project phases;
- setting up cyber-security training programs;
- raising employees' awareness about cybersecurity and GDPR and similar regulations.

3.2.2.7.1 HUMAN RESOURCES

All aspects of the Human Resources Department's work rely on an internal control process: duties, training and talent management, the working environment, compliance with the Vallourec Group's internal regulations and applicable legal and regulatory provisions, remuneration and payroll management and the protection of private data and information in the corporate and personal fields.

Within the context of talent management, the Human Resources Department identifies key positions in the Group, analyzes the risks of misconduct, and prepares development and succession plans on this basis. Furthermore, Human Resources management ensures that people have the necessary expertise and abilities to perform the duties with which they have been entrusted.

For more information, see Section 2.2.2.2 "Employee training and career development" in chapter 2 of this Universal Registration Document.

Various control activities relating to the Human Resources process are monitored in cooperation with the Group HR Director.

3.2.2.7.2 BUSINESS RELATIONS

With the aim of specifying and formalizing certain practices regarding contractual relations with its customers, Vallourec has developed a procedure for managing customer risk (limits regarding credit and delegation of authority, and credit insurance) and drawn up general sales terms to be applied by all Group entities, in order to make practices consistent throughout the Group and reduce risk exposure.

To mitigate the risks related to violations of international sanctions and anti-corruption laws, the Group has set up a dedicated system for the accurate identification and risk evaluation of its third-parties involved in the chain of sale, and implements specific due diligence and strict controls in relation to its business intermediaries.

The Group has a tool to evaluate and summarize the legal risk associated with sales. This tool is used to analyze the legal conditions that apply to sales contracts signed by the Group's subsidiaries with their customers, and allows any discrepancies with the Group's standards to be precisely managed and the related statistics to be recovered. The general sales terms and templates are regularly updated in order to monitor changes in the market and regulations.

3.2.3 Entities and persons involved in risk management and internal control

3.2.3.1 Executive Management

Executive Management, acting directly or under a delegation of authority, is responsible for the quality of the internal control and risk management systems. It designs and implements internal control and risk management systems tailored to the Group, its businesses and its organization, and in particular defines relevant roles and responsibilities within the Group.

Executive Management provides continuous oversight of internal control and risk management systems with the dual objective of preserving their integrity and improving them, in particular by adapting them to structural changes and the business environment. It initiates any corrective measures needed to resolve issues that are identified and to remain within risk tolerance limits, and ensures that these measures are properly conducted.

Executive Management ensures that the appropriate information is communicated promptly to the Board of Directors and to the Audit Committee.

3.2.3.2 Board of Directors

The Board of Directors is informed of the basic characteristics of the internal control and risk management procedures adopted and implemented by Executive Management, including organization, roles and duties of the main players, approach, risk reporting structure and operational monitoring of control procedures. It acquires an overall understanding of procedures relating to the preparation and processing of accounting and financial information.

The Board of Directors ensures that the major risks identified for the Group are consistent with its strategies and objectives, and that these major risks are taken into account in the Group's management.

In particular, the Board of Directors ensures that the mechanism for managing the internal control and risk management systems is adequate to ensure the reliability of the Group's financial information and provide a true and fair view of its earnings and financial position.

3.2.3.3 Audit Committee

Pursuant to Article L.823-19 of the French Commercial Code (*Code de commerce*), the Audit Committee is responsible for:

- monitoring the process used to prepare the Group's financial information and, where applicable, making recommendations to ensure its integrity;
- monitoring the effectiveness of the internal control and risk management systems and, where applicable, the internal audit system as regards the procedures for the preparation and processing of accounting and financial information, without undermining its independence;
- making recommendations on the Statutory Auditors to be put forward for appointment or reappointment at the Shareholders' Meeting or by an equivalent governance body, according to the conditions set out in Article L.823-3-1 of the French Commercial Code. These recommendations to the administrative or supervisory body are prepared in accordance with the provisions of Article 16 of EU Regulation 537/2014;
- monitoring the Statutory Auditors in the conduct of their assignment, particularly the statutory audit of the parent company and consolidated financial statements;
- ensuring compliance with Statutory Auditors' independence requirements and taking the necessary steps to comply with the rules on capping fees for non-audit services;
- approving the provision by the Statutory Auditors of services other than the statutory audit of the financial statements, where such services are not prohibited; and
- following, on a quarterly basis, the high risks identified through the risk mapping review.

The Audit Committee ensures that the internal control and risk management systems are effectively monitored, based on the information provided to it by Executive Management, or that it requests. It takes note of the results of internal and external audits conducted in this regard, in order to ensure that, in the event of any identified irregularities, appropriate action plans have been put in place and follow-up action has been taken. However, the Audit Committee is not involved in implementing said systems.

On a quarterly basis, the Audit Committee also monitors the effectiveness of the compliance systems (see Section 2.3 "Our commitments to business ethics and compliance"), the effective handling and review of whistleblowing reports, the rollout of the Group's compliance program and follow-up on action plans designed to strengthen it, and the controls dedicated to the preventing corruption and influence peddling (see Section 3.2.2.3 of this Universal Registration Document).

3.2.3.4 Head of Internal Audit and Risk Management

The Head of Internal Audit and Risk Management is in charge of the risk management system. A map of the Group's risks is prepared once a year with the help of the heads of the Group's business lines and Regions, and the heads of Insurance, Quality and Safety. He prepares a review to the attention of the Group Audit Committee on a quarterly basis.

The Group's Internal Audit and Risk Department is an independent and objective unit reporting to the Chief Financial Officer (who is a member of the Executive Committee and the Group Audit Committee). Its remit covers all issues, without any restrictions.

The Internal Audit and Risk Department, whose duties, powers and responsibilities are formally set out in an internal audit policy, assesses whether or not the internal control and risk management systems are relevant, then properly applied, using a systematic and methodical approach. It contributes to identifying the weaknesses of these systems, issuing proposals for corrective measures, and following up on all audit issues identified until they are resolved via the implementation of agreed recommendations.

In preparing its annual audit plan, the Internal Audit and Risk Management Department takes into account the Group's risk mapping, the outcome of the internal control questionnaire, and the expectations of the Executive Management and Heads of Regions and Corporate departments. The aim of the annual audit plan is to address the Group's main risks, in particular by auditing all entities in which the Group holds a direct or indirect majority interest, over a four-year period, as well as key processes to ensure their effective and consistent deployment throughout the Group.

Upon completion of each audit, the Internal Audit and Risk Department issues a report. This gives rise to recommendations which are systematically followed up on. The Internal Audit Department also reports on its work and findings, as well as on the progress of the action plans, by providing periodic executive summaries to the Audit Committee.

The Internal Audit and Risk Department is implementing a continuous improvement process, which aims to improve the internal audit process, in particular by adapting and supplementing the detailed work programs based on the most significant risks.

3.2.3.5 Internal Control Department

The Internal Control Department comprises a dedicated team which reports to the Accounting and Consolidation Department.

The central team in charge of defining principles and providing support and centralization tools is supported by regional correspondents who are responsible for implementing internal control policy locally with the operating units to which they provide assistance and advice.

3.2.3.6 Employees

Each employee concerned and particularly the functional heads, Regions and corporate departments, have the information needed to operate and oversee the internal control and risk management systems to the extent of their responsibilities and objectives.

Vallourec's core values also include an ethical component in terms of conduct, the requirements of which are relayed by the Group's Code of Ethics, applicable throughout the Company.

3.2.4 Role of the Statutory Auditors

The Statutory Auditors review the internal control and risk management systems, relying on internal audit work to obtain a greater understanding of those systems and form an independent opinion on their effectiveness.

They certify the financial statements and, as part of their work, may identify during the fiscal year significant risks and major internal control weaknesses which could have a significant impact on accounting and financial information.

The Statutory Auditors present their observations on the internal control procedures relating to the preparation and processing of financial and accounting information, and attest to the preparation of the other disclosures required by law.

3.2.5 Limits on risk management and internal control

In contributing to the effectiveness of its operations, the efficient use of its resources and the control of risk, the Group's internal control and risk management systems play a key role in the management and supervision of the Group's various activities. However, like any system of control, they cannot guarantee that the Group's objectives will be achieved or that all risks, particularly the risks of error or fraud, will be wholly eliminated or contained.

The Group's international profile requires complex processes within entities at different levels of internal control maturity, which evolve in different legal environments and operate different information systems.

The above factors increase the risk that erroneous, inappropriate or even fraudulent transactions and operations (theft, misappropriation, etc.) to which Vallourec could be subject may not be detected.

3.3 Policy with regard to insurance

The Group's policy regarding protection against risks is based on a managerial and operational program of developing, rolling out and managing preventive measures, supplemented by insurance policies. This policy is coordinated by the relevant departments in each field: the Human Resources Department for the life sector (life insurance, mutual health cover), the Quality and Safety Department for the safety of individuals, and the Risk Management and Insurance Department for all other areas.

Industrial risks insured within the Vallourec Group are mostly covered by two main types of insurance taken out with leading insurers:

- property damage and business interruption insurance, as well as cargo insurance covering transport of goods;
- commercial general liability insurance.

The Group's policy with regard to establishing insurance coverage for industrial risks aims to meet the following objectives:

- taking out shared insurance policies to ensure that the risks transferred are consistent with the insurance coverage purchased, and that economies of scale are maximized whilst taking into account the specific characteristics of the Group's different businesses along with contractual and/or legal constraints;
- optimizing the thresholds and means of intervention in the insurance or reinsurance markets through appropriate deductibles.

The Group's insurance policy consists of defining the overall insurance coverage policy for its business activities based on an analysis of subsidiaries' requirements, selecting adequate insurance solutions with the help of external service providers such as brokers, consultants and insurers, and deciding whether to retain the financial consequences of such events within the Group or transfer them to the insurance market.

The implementation of the insurance risk coverage policy takes into account the insurability of the risks associated with the Group's business activities, available capacity in the insurance and reinsurance markets, premiums proposed in light of the coverage offered, and exclusions, limits, sub-limits and deductibles.

The basic principles of Vallourec's insurance policy consist of:

- pursuing an active policy of prevention and protection for industrial sites, aimed at reducing the frequency and severity of accidental risks of fire or explosion, as well as detecting and preventing the impact of other exposures to natural or environmental disasters. To date, more than 95% of insured values have been included in at least one multi-risk audit by the insurers' risk engineers as part of a multi-year schedule of visits to the Group's industrial sites;
- establishing an active policy for the prevention of contractual risks, in particular through the almost systematic use of the CLEAR formula, which primarily aims to control contractual liability clauses that could have a financial impact on the Group's earnings;
- ensuring the Group's risk management policy is effectively communicated, through events such as awareness-raising sessions led by experts in certain areas;
- communicating detailed information on the Company to the insurance and reinsurance markets.

The Group takes out global insurance coverage for all its subsidiaries for third-party liability and property damage. The main insurance contracts covering all Regions and/or Central Departments are detailed below.

Property damage & business interruption, commercial general liability and marine cargo insurance are secured through master policies, along with local policies where needed. The master programs provides coverage in difference in conditions and difference in limits.

3.3.1 First-party insurance

3.3.1.1 Property damage and business interruption insurance

The property damage and business interruption insurance policy is an All Risks policy covering physical damage to assets and insuring business interruption loss, subject to applicable deductibles.

3.3.1.2 Marine cargo insurance

This insurance policy covers transport-related risks that may affect the Group's raw materials, products and equipment during land-sea-air-transport worldwide, with the exception of countries or regions explicitly excluded by insurers.

The insurance limit was successively increased in 2022 and then again in 2023, notably in line with the growth of the Group's Brazilian production operations, the gradual closure of its German plants and the change in the Group's industrial footprint.

3.3.2 Third-party liability insurance & other insurance

3.3.2.1 Commercial general liability insurance

This insurance program covers the Group against liabilities that could arise from damages caused to third parties, either resulting from the Group's operations or after the delivery of goods or services, as well as for professional liability.

The insurance limit was raised in 2011, 2012, 2014, and 2018 to take account of the increased size of the Group and the prevailing levels of compensation on the market in this area.

3.3.2.2 Directors & officers liability insurance

Vallourec's directors & officers liability insurance policy is intended to protect individuals from personal losses if they are sued as a result of serving as a director or an officer of Vallourec.

3.3.2.3 Business travel insurance

Whilst travelling, Vallourec employees are covered by a business travel insurance policy, including assistance from a health and security service firm.

3.3.3 Insurance policy

The above-described policy with regard to insurance reflects the current situation and does not preclude any subsequent change. The Group's policy with regard to insurance may change at any time depending on market conditions, any opportunities that may arise, and Executive Management's assessment of the risks incurred and the adequacy of insurance coverage. The Group cannot guarantee that it will not suffer an uninsured loss.

CHAPTER 4

4 CORPORATE GOVERNANCE

4.1 Adoption of the AFEP-MEDEF Corporate Governance Code

The Board of Directors has adopted the AFEP-MEDEF Corporate Governance Code. Vallourec complies with all of the recommendations prescribed in the Code subject to the information set out in the summary table below.

Recommendations of the AFEP-MEDEF Code (December 2022)	Application by Vallourec
Paragraph 12.3 of the AFEP-MEDEF Code recommends that there should be at least one Board meeting a year that is not attended by the executive corporate officers.	At the end of every Board of Directors' meeting, a session lasting at least 20 minutes is held without the executive corporate officers being present. A session involving independent members only is held each year.
Paragraph 24 of the AFEP-MEDEF Code recommends that the Board of Directors "defines a minimum number of registered shares that the company officers must retain through to the end of their term of office. This decision is reviewed at least on each extension of their term of office. (...) Until this objective regarding the holding of shares has been achieved, the corporate officers will devote a proportion of exercised options or awarded performance shares to this end as determined by the Board".	Given the significant number of Vallourec shares already held by the executive corporate officers, and the binding obligations to hold shares received on the vesting and conversion of preferred shares, Vallourec believes that it is not desirable to compel executive corporate officers to purchase additional shares with their own funds and to build a securities portfolio almost exclusively composed of Vallourec shares.
In its 2024 report on corporate governance and executive remuneration in listed companies, the French securities regulator (Autorité des marchés financiers – AMF) considers that grants of free preferred shares to the Chairman and Chief Executive Officer do not meet the conditions set out in Article 26.3.3 of the AFEP-MEDEF Code, which requires that such plans "must provide for demanding performance conditions to be fulfilled over a period of several consecutive years". The AMF notes that the Company reports an average acquisition period of 1.09 years. According to the AMF's interpretation, the performance conditions are not therefore fulfilled over several consecutive years.	The acquisition period for performance shares (1 year) concerns preferred shares to which neither voting rights nor rights to profits are attached. These shares will only be convertible into ordinary shares with attached voting rights and rights to profits if the performance condition is met. The performance (conversion) condition can only be met if, over a period of 90 trading days, the weighted average share price reaches the trigger threshold of (x) €16.19 for Tranche 2; (y) €20.22 for Tranche 3 and (z) €28.32 for Tranche 4. This condition must be met by October 2026, failing which the preferred shares will no longer be convertible into ordinary shares and will be canceled. In this regard: • the condition for Tranche 2 was met on August 10, 2024, i.e., more than two years after the first Tranche 2 shares were granted and 13 months after the last Tranche 2 preferred shares were granted; • the condition for Tranche 3 (and by extension Tranche 4) has not yet been met, and its achievement remains uncertain. Several consecutive years therefore elapse between the grant date of the preferred shares and the potential attainment of their performance conditions. This is due to the exacting level of the performance conditions, with a daily volume-weighted average price of the Company's ordinary shares on Euronext over the last 90 days of €10.55 at the time of the initial grant in June 2022 and of €10.81 at the time of the second grant in July 2023.

4.2 Administrative and management bodies

4.2.1 Membership and operating procedures of the Board of Directors

The information contained in the following sections underpins the sustainability statement and, more specifically, the disclosure requirements of the GOV-1 and GOV-2 standards under the Corporate Sustainability Reporting Directive.

4.2.1.1 Membership of the Board of Directors

4.2.1.1.1 OVERVIEW OF THE MEMBERSHIP STRUCTURE OF THE BOARD OF DIRECTORS AT FEBRUARY 26, 2025

The Board of Directors has eleven members appointed for a four-year term, including two employee directors and a Lead Independent Director, responsible for ensuring the proper operation of the Company's governing bodies.

INDEPENDENCE RATE*
67%

GENDER EQUALITY*
44%
5 members of the Board are women

AVERAGE AGE
58

DIVERSITY
6
members of the Board are non-French and **7 nationalities** are represented on the Board

EMPLOYEE REPRESENTATION
2
employee directors, appointed by the Group Committee

AVERAGE ATTENDANCE RATE
90.67%

* *Employee directors are excluded from the calculation of the independence rate and gender balance.*

Board of Directors

MEMBERS OF THE BOARD OF DIRECTORS

Philippe Guillemot ◆
Chairman and Chief Executive Officer

Pierre Vareille ◇
Vice-Chairman of the Board and Lead Independent Director

- Chairman of the NG* Committee
- Chairman of the Remuneration Committee

Corine de Bilbao ◇

- Chair of the CSR Committee and Lead Director – CSR
- Audit Committee

Genuino Magalhães Christino ◆

- Audit Committee
- Remuneration Committee

Keith James Howell ◆

- NG* Committee

Angela Minas ◇

- Chair of the Audit Committee
- Remuneration Committee
- CSR Committee
- NG* Committee

Frida Norrbom Sams ◇

- CSR Committee

Luciano Siani Pires ◇

- CSR Committee
- Audit Committee

Hera Siu ◇

- Audit Committee
- CSR Committee
- NG* Committee
- Remuneration Committee

Annelise Le Gall ◆ ●

- Employee director
- CSR Committee

Patrick Poulin ◆ ●

- Employee director
- Remuneration Committee

OBSERVER

Aditya Mittal

◇ Independent member ◆ Non-independent member ● Employee director

** NG Committee: Nomination and Governance Committee.*

The table below summarizes the membership of the Board of Directors and the Board Committees at February 26, 2025, in accordance with the template provided in Appendix 3 of the AFEP-MEDEF Code:

	Personal information				Experience	Position on the Board				Participation in Board Committees			
	Age	Gender	Nationality	Number of shares	Number of directorships in listed companies*	Independence	Date of first appointment (mm-dd-yyyy)	Term expires	Seniority on the Board (years)	Audit Committee	CSR Committee	NG Committee	Remuneration Committee
DIRECTOR													
Philippe Guillemot	65	M	French	2,670,938(a)	2	◆	03/20/2022	2026 OSM	3				
Pierre Vareille	66	M	French	40,000	3	◇	04/20/2021	2025 OSM(b)	4			●	●
Corine de Bilbao	58	W	French	1,660	1	◇	03/21/2019	2028 OSM	6	○	●		
Angela Minas	60	W	Greek & American	13,827	2	◇	07/01/2021	2026 OSM	3	●	○	○	○
Hera Siu	64	W	Chinese	500	4	◇	07/01/2021	2026 OSM	3	○	○	○	○
Luciano Siani Pires	55	M	Italian & Brazilian	2,000	1	◇	12/11/2023	2028 OSM	1	○	○		
Genuino Magalhães Christino	54	M	Brazilian	500	1	◆	05/23/2024**	2028 OSM	<1	○			○
Keith James Howell	59	M	American	501	1	◆	10/08/2024	2025 OSM	<1			○	
Frida Norrbom Sams	53	W	Swedish	1,000	2	◇	23/5/2024	2028 OSM	<1		○		
EMPLOYEE DIRECTORS													
Patrick Poulin	58	M	French	4,623	1	◆	03/06/2023	2025 OSM	2				○
Annelise Le Gall	43	W	French	4	1	◆	12/10/2024	2028 OSM	<1		○		
OBSERVER													
Aditya Mittal	49	M	Indian	0	1	◆	08/10/2024	08/10/2028	<1				

* *Including Vallourec SA.*
** *Subject to completion of ArcelorMittal's acquisition of Apollo's interest in the Company's share capital. The completion of the acquisition was duly noted recorded on August 5, 2024.*
(a) *Preferred shares (T3 and T4): 1,100,938.*
(b) *Pierre Vareille decided not to seek reappointment.*

● *Chairman*
○ *Member*
◇ *Independent member as defined by the criteria set out in the AFEP-MEDEF Code and assessed by the Board of Directors*
◆ *Non-independent member as defined by the criteria set out in the AFEP-MEDEF Code and assessed by the Board of Directors*
NG Committee: Nomination and Governance Committee
CSR Committee: Corporate Social Responsibility Committee.

4.2.1.1.2 CHANGES IN THE BOARD'S MEMBERSHIP STRUCTURE DURING 2024 AND FIRST-QUARTER 2025

The table below summarizes changes in the membership structure of the Board of Directors and the Board Committees during 2024 and the first quarter of 2025, in accordance with the template set out in Appendix 3 of the AFEP-MEDEF Code:

	Departure	Appointment	Reappointment
Board of Directors	Gareth Turner August 5, 2024	Keith J. Howell August 10, 2024	Luciano Siani Pires May 23, 2024
		Genuino Magalhães Christino May 23, 2024	Corine de Bilbao May 23, 2024
		Frida Norrbom Sams May 23, 2024	
		Annelise Le Gall December 10, 2024	
Audit Committee	Gareth Turner August 5, 2024	Genuino Magalhães Christino August 5, 2024	Luciano Siani Pires May 23, 2024
			Corine de Bilbao May 23, 2024
Nomination and Governance Committee		Keith J. Howell August 10, 2024	
Remuneration Committee		Genuino Magalhães Christino August 5, 2024	
CSR Committee		Frida Norrbom Sams May 23, 2024	Corine de Bilbao May 23, 2024
		Annelise Le Gall February 26, 2025	Luciano Siani Pires May 23, 2024
The Strategic and Financial Committee was disbanded on August 10, 2024 (revision of the Board of Directors' Internal Rules).	Gareth Turner, Pierre Vareille and Corine de Bilbao		
Observer	Austin Anton August 10, 2024	Aditya Mittal August 10, 2024	

On May 23, 2024, the Shareholders' Meeting:

- appointed Frida Norrbom Sams as a director for a four-year term expiring at the Shareholders' Meeting called to approve the financial statements for the year ending December 31, 2027;
- ratified the co-option of Luciano Siani Pires by the Board of Directors on November 12, 2023, and re-appointed him as director for a four-year term expiring at the Shareholders' Meeting called to approve the financial statements for the year ending December 31, 2027;
- re-appointed Corine de Bilbao as a director for a four-year term expiring at the Shareholders' Meeting called to approve the financial statements for the year ending December 31, 2027; and
- appointed Genuino Magalhães Christino as a director, subject to the completion of the sale of Apollo's interest in the Company to ArcelorMittal, with effect from the date on which the Board of Directors duly records said sale.

Following the completion of the sale of Apollo's interest in the Company to ArcelorMittal on August 5, 2024, and in accordance with the agreement with ArcelorMittal:

- on August 5, 2024, the Chairman and Chief Executive Officer, acting on a delegation of authority from the Board of Directors, duly noted that Genuino Magalhães Christino had been appointed to the Board of Directors for a four-year term expiring at the Shareholders' Meeting called to approve the financial statements for the year ending December 31, 2027, in accordance with the decisions of the Shareholders' Meeting of May 23, 2024;
- on August 10, 2024, the Board of Directors:
  - duly noted the resignation of Gareth Turner from his directorship, and decided to co-opt Keith J. Howell as a director for the remainder of his term of office. The ratification of Keith J. Howell's appointment will be proposed to the next Shareholders' Meeting on May 22, 2025,
  - duly noted the resignation of Austin Anton as Board Observer (censeur) and decided to appoint Aditya Mittal as Board Observer, and
  - updated certain provisions of the Internal Rules and disbanded the Strategic and Finance Committee. As a result, Pierre Vareille and Corine de Bilbao ceased to be members of this Committee.

On December 10, 2024, the Group Committee elected Annelise Le Gall as an employee director.

4.2.1.1.3 POLICY ON THE MEMBERSHIP STRUCTURE OF THE BOARD OF DIRECTORS

Every year, the Board of Directors reviews the desirable balance of its membership structure and that of its Committees, notably during its assessment. In particular, it ensures that Board members have experience relevant to the diversity and international footprint of the Group's businesses, and that the profiles and expertise represented on the Board reflect the challenges the Group may face in order to guarantee shareholders and the market that its duties are carried out with the necessary skills, independence and objectivity. The Board of Directors' policy on its membership structure is therefore based on the following four fundamental objectives:

A) Selection of skilled members

Aware that its overriding quality reflects that of its members, the Board of Directors makes every effort to ensure that it has members who have performed managerial duties with a high-level of responsibility and/or who have recognized operational, financial, strategic, international, industrial, legal or corporate social responsibility expertise.

B) Balanced membership structure based on diversity

Like all of the Company's stakeholders, the Board of Directors is committed to the value-creating process in all of its forms. The Company's directors come from a variety of backgrounds and have diverse experience and skills that reflect the Group's global footprint and its various long-term strategic goals. As at February 26, 2025, seven nationalities were represented on the Board, reflecting the Group's international presence, particularly in Brazil, the United States, China and Europe. The diversity and complementary skills and experience of the directors on the Board as at February 26, 2025 can be seen in their profiles and the tables and images below.

The balance sought in terms of the Board's membership also takes into account the proportion of men and women members required under applicable regulations. As at February 26, 2025, the Board of Directors had five women members: Corine de Bilbao, Angela Minas, Hera Siu, Frida Norrbom Sams and Annelise Le Gall (employee director), representing 44% of the total number of directors (excluding the employee directors, in accordance with Article L.225-27-1 of the French Commercial Code [Code de commerce]). The Company therefore complies with French Law 2011-103 of January 27, 2011 concerning gender balance on boards of directors and supervisory boards, and equality in the workplace. In accordance with Articles L.225-18-1 and L.22-10-3 of the French Commercial Code, the proportion of directors of each gender is at least 40%.

The Board also includes two employee directors (one of each gender), appointed by the Group Committee, in accordance with the provisions of Article L.225-27-1 II of the French Commercial Code.

The balance sought in terms of the Board's membership also takes into account the structure and changes in the Company's shareholder base. Two directors representing ArcelorMittal were appointed further to ArcelorMittal's acquisition on August 5, 2024, of 27.5% of the Company's share capital and 28.4% of the voting rights.

C) Acting in the best interests of the Company

The Board considers that each member is responsible for looking after the Company's interests and must accomplish their duties objectively and independently, in order to gain and maintain the trust of all the shareholders.

As at February 26, 2025, the Board of Directors had six independent Directors, representing 67% of the total number of Directors (excluding employee directors in accordance with the AFEP-MEDEF Code).

As well as ensuring it has independent directors, the Board ensures that it puts forward candidates of integrity for appointment at the Shareholders' Meeting, with strong ethical standards that lead them to act in the best interests of the Company and all of its shareholders and in such a way as to avoid any conflicts of interest. To that end, each member is required to inform the Board of any actual or potential conflicts of interest, and to refrain from taking part in discussions or voting on any issues at Board meetings where such conflicts of interest exist, and to leave the Board meeting if a subject is discussed that potentially places the member in such a situation. In addition, ring fencing rules have been introduced in the Board's Internal Rules to restrict the exchange of sensitive information and prevent conflicts of interest.

D) Lean membership structure

Under French law, a Board of Directors may comprise up to 18 members. However, Vallourec's Board deliberately limits the number of its members to a maximum of 12, in order to facilitate the seamless exchange of views and allow each member to express themselves, thereby encouraging participation and involvement.

4.2.1.1.4 INDEPENDENCE OF MEMBERS OF THE BOARD OF DIRECTORS

The annual review of the independence of directors was conducted by the Board on February 26, 2025, based on the recommendations of the Nomination and Governance Committee. The Board took into account all of the criteria set out in the AFEP-MEDEF Code when assessing the independence of its members, namely:

Criterion 1: Employee, corporate officer or director in the past five years

Not to be and not to have been in the previous five years:

- an employee or executive corporate officer of the Company;
- an employee, executive corporate officer or director of an entity that the Company consolidates;
- an employee, executive corporate officer or director of the Company's parent company or of a company consolidated by that parent company.

Criterion 2: Cross-directorships

Not to be an executive corporate officer of an entity in which the Company holds a directorship, directly or indirectly, or in which an employee appointed as such, or an executive corporate officer of the Company (currently in office or having held such office during the last five years), is a director.

Criterion 3: Significant business relationships

Not to be a customer, supplier, commercial banker, investment banker, or consultant (or be directly or indirectly linked to such persons or entities):

- that is material to the Company or its Group; or
- for which the Company or its Group represents a significant portion of business.

Criterion 4: Family ties

Not to have close family ties with a corporate officer.

Criterion 5: Statutory Auditor

Not to have been a Statutory Auditor of the Company in the past five years.

Criterion 6: Period of office exceeding 12 years

Not to have been a director of the Company for more than 12 years (loss of the status of independent director occurs on the date on which the 12-year threshold is reached).

Criterion 7: Non-executive director status

A non-executive director cannot be considered independent if they receive variable remuneration in cash or in the form of shares or any other remuneration linked to the performance of the Company or Group.

Criterion 8: Major shareholder status

Members representing major shareholders of the Company or its parent company may be considered as being independent, provided that these shareholders do not participate in the control of the Company. Nevertheless, if such a shareholder holds over 10% of the Company's capital or voting rights, the Board, based on a report from the Nomination and Governance Committee, systematically reviews the qualification of a director as independent, taking into account the Company's capital structure and whether any potential conflicts of interest exist.

The Board of Directors conducted a thorough review and reached the following conclusions:

- the Chairman and Chief Executive Officer could not be considered an independent director;
- Genuino Magalhães Christino and Keith James Howell, by virtue of their positions within ArcelorMittal, which is a major shareholder owning 27.40% of the Company's share capital and 27.89% of voting rights as at December 31, 2024 – are not considered independent directors;
- Patrick Poulin and Annelise Le Gall, who have been employee directors since March 6, 2023 and December 10, 2024, respectively, are employees of the Vallourec Group and should therefore be considered as non-independent in line with the criteria set out in the AFEP-MEDEF Code. However, the Board of Directors noted that the AFEP-MEDEF Code provides that employee directors should be excluded when calculating the proportion of independent members on the Board, so Patrick Poulin and Annelise Le Gall were not included in this calculation.

The business relationships between (i) the companies (outside the Vallourec Group) in which the other Board members hold offices, and (ii) the Group, were not deemed to be significant, either in terms of the quantitative amounts involved as they represent less than 1% of the Group's overall revenue, or in qualitative terms regarding the continuity, importance, and organization of the relationship.

On the basis of these conclusions, the proportion of independent directors – as calculated in accordance with the AFEP-MEDEF Code – was 67%.

Criteria[(a)]	1: Employee, corporate officer or director in the past five years	2: Cross-directorships	3: Significant business relationships	4: Family ties	5: Statutory Auditor	6: Period of office exceeding 12 years	7: Non-executive director status	8: Major shareholder status	Independence
Philippe Guillemot	●	○	○	○	○	○	○	○	No
Pierre Vareille	○	○	○	○	○	○	○	○	Yes
Corine de Bilbao	○	○	○	○	○	○	○	○	Yes
Luciano Siano Pires	○	○	○	○	○	○	○	○	Yes
Angela Minas	○	○	○	○	○	○	○	○	Yes
Hera Siu	○	○	○	○	○	○	○	○	Yes
Genuino Magalhães Christino	○	○	○	○	○	○	○	●	No
Keith James Howell	○	○	○	○	○	○	○	●	No
Frida Norrbom Sams	○	○	○	○	○	○	○	○	Yes
Annelise Le Gall	●	○	○	○	○	○	○	○	No
Patrick Poulin	●	○	○	○	○	○	○	○	No

(a) In this table, ○ signifies that the independence criterion has been met and ● signifies that it has not been met

4.2.1.1.5 DIVERSITY AND EXPERTISE OF BOARD MEMBERS

A) Overview of expertise of Board members

	Industry/ Oil & Gas	Executive/operational management posts held within major groups	International experience	Financial/audit expertise	Governance of listed companies	Corporate social responsibility
Philippe Guillemot	X	X	X	X	X	X
Pierre Vareille	X	X	X	X	X	X
Corine de Bilbao	X	X	X		X	X
Luciano Siani Pires	X	X	X	X	X	X
Angela Minas	X	X	X	X	X	X
Hera Siu		X	X	X	X	X
Frida Norrbom Sams	X	X	X	X	X	X
Genuino Magalhães Christino	X	X	X	X	X	
Keith J.Howell	X	X	X			
Annelise Le Gall	X		X			
Patrick Poulin	X		X			

B) Training provided for members of the Board of Directors

Particular attention is paid to lifelong training for directors, to ensure that they have sound knowledge of the Group and of legal, social and environmental developments. During 2024, the training effort was oriented toward matters relating to sustainable development, innovation, research and development, corporate governance of listed companies and directors' responsibilities.

In 2024, the Audit Committee was given a presentation, together with the members of the CSR Committee, by the Statutory Auditors on the requirements of the new Corporate Sustainability Reporting Directive (CSRD), based on the conclusions of the double materiality assessment that enabled the Group to identify its material challenges. The main purpose of this session was to present the work ongoing to comply with the directive in the context of the Universal Registration Document, together with the various ESRS (European Sustainability Reporting Standards) and associated metrics on which the Group has built its 2024 non-financial reporting. This training session followed on from the one held in 2023 and 2024, and again enabled directors to bring a strategic focus to Board meetings underpinned by climate, environmental and social concerns.

4.2.1.1.6 PRESENTATION OF THE MEMBERS OF THE BOARD OF DIRECTORS

6
Main areas of expertise

Industry/Oil & Gas

Executive/operational management posts held within major groups

International experience

Financial/audit expertise

Governance of listed companies

Corporate social responsibility

PHILIPPE GUILLEMOT

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Date of birth: May 6, 1959 - French
Date of first appointment: March 20, 2022
Term expires: 2026 OSM
Number of Vallourec shares held: Ordinary shares: 2,670,938
Preferred shares (T3 and T4): 1,100,938

Summary of main areas of expertise and experience

- Graduate of Harvard Business School (MBA) and of French engineering school, *École des Mines de Nancy*
- Held various positions at Michelin (1983-1989 and 1993-1998) where he was appointed to the Executive Committee in 1996
- Member of the Executive Committees of automotive suppliers Forvia (formerly Faurecia) (2001-2003) and Valeo (1998-2000)
- Chairman and Chief Executive Officer of Areva Transmission and Distribution (T&D) (2004-2010)
- Chief Executive Officer and member of the Board of Directors of Europcar (2010-2012)
- Chief Operating Officer at Alcatel-Lucent, where he devised a business recovery and transformation plan and subsequently oversaw Alcatel-Lucent’s integration into Nokia (2013-2016)
- Chief Executive Officer of Elior Group, one of the world leaders in contract catering and services with front-ranking positions in five countries, where he undertook a root-and-branch overhaul and put the group on a sound financial footing, implemented a value-creation strategy and built a robust organization, which proved decisive in the extremely challenging environment prompted by the Covid-19 crisis (2017-2022)
- Chairman and Chief Executive Officer of Vallourec since March 20, 2022

Main positions and roles outside the Company

- Director of Sonoco*

Offices currently held

- Offices and positions held in Group companies:
  - Chairman and Chief Executive Officer of Vallourec SA*
  - Chairman, Vallourec Tubes SAS
  - Chairman, Vallourec Tubes France SAS
  - Chairman, Vallourec Oil & Gas France SAS
- Offices and positions held in companies outside the Group:
  - Director of Sonoco*

Offices that have expired in the last five years

- Chief Executive Officer of Elior Group (until 2022)

Philippe Guillemot does not receive any remuneration as a corporate officer of any of Vallourec’s direct or indirect subsidiaries.

* *Listed company (for offices currently held).*

6
Main areas of expertise

Industry/Oil & Gas

Executive/operational management posts held within major groups

International experience

Financial/audit expertise

Governance of listed companies

Corporate social responsibility

PIERRE VAREILLE

VICE-CHAIRMAN OF THE BOARD OF DIRECTORS

LEAD INDEPENDENT DIRECTOR

CHAIRMAN OF THE REMUNERATION COMMITTEE

CHAIRMAN OF THE NOMINATION AND GOVERNANCE COMMITTEE

Date of birth: September 8, 1957 – French
Date of first appointment: April 20, 2021
Term expires: 2025 OSM
Number of Vallourec shares held: 40,000

Summary of main areas of expertise and experience

- Graduate of École Centrale Paris (now Centrale Supélec), Sciences-Po Paris, Paris Sorbonne University (Economics), and Institut de Contrôle de Gestion
- Began his career in 1982 at Vallourec, holding various positions in manufacturing, management control, sales and strategy before being appointed CEO of several subsidiaries
- Chief Executive Officer, then Chairman and Chief Executive Officer of GFI Aerospace (1995-2000)
- Director of the Exhaust Systems business group and member of the Executive Committee at Faurecia (2000-2002)
- Member of the Executive Committee at Pechiney, in charge of the Aluminum Transformation Sector, and Chairman and Chief Executive Officer of Pechiney Rhenalu (2002-2004)
- Chief Executive Officer of Wagon PLC, a company listed on the London Stock Exchange (2004-2007)
- Chairman and Chief Executive Officer of FCI (2008-2011)
- Chief Executive Officer of Constellium, a company listed on the New York Stock Exchange (2012-2016)

Main positions and roles outside the Company

- Investor in online and tech companies
- Company director
- Co-Chairman of the Vareille Foundation, the main objective of which is to develop the cognitive skills of children from disadvantaged backgrounds through intensive violin lessons as part of the school curriculum

Offices currently held

- Offices and positions held in Group companies:
  - Vice-Chairman of the Board of Directors and Lead Independent Director
  - Chairman of the Remuneration Committee and Chairman of the Nomination and Governance Committee of Vallourec SA*
- Offices and positions held in companies outside the Group:
  - Director of the London Metal Exchange (LME) (United Kingdom)
  - Director, member of the Strategic Committee and the Nomination and Compensation Committees at Verallia*
  - Director and member of the Remuneration Committee at Outokumpu Oyj* (Finland)

Offices that have expired in the last five years

- Member of the Strategic Committee of Vallourec SA (until 2024)
- Chairman of Bic SA's Board of Directors (until 2021)

* *Listed company (for offices currently held).*

CORINE DE BILBAO

INDEPENDENT DIRECTOR

LEAD DIRECTOR - CSR

CHAIR OF THE CSR COMMITTEE

MEMBER OF THE AUDIT COMMITTEE

Date of birth: October 16, 1966 – French
Date of first appointment: March 21, 2019
Date of reappointment: 2024 OSM
Term expires: 2028 OSM
Number of Vallourec shares held: 1,660

5
Main areas of expertise

Industry/Oil & Gas

Executive/operational management posts held within major groups

International experience

Governance of listed companies

Corporate social responsibility

Summary of main areas of expertise and experience

- Graduate of Sciences-Po Bordeaux and holder of an MBA in Sourcing and Supply Chain Management from the MAI *Institute of Purchasing Management*
- Sourcing Manager and Service Manager at GE Medical Systems, medical imaging equipment sector (1989-2000)
- European Sourcing Director at GE Power Gas Turbines (2000-2003)
- Upstream Sales Director at GE Oil & Gas (2003-2008)
- Sales Vice-President, Products at Areva T&D (2008-2010)
- Head of GE Energy Services (2010-2011), General Manager for Europe then, Vice-President of Sales of the Subsea Division of General Electric Oil & Gas (2011-2016)
- President of General Electric (GE) France (2016-2019)
- Vice-President of AmCham, the American Chamber of Commerce in France (2016-2019)
- Chief Executive Officer of Segula Technologies International (2019-2021)

Main positions and roles outside the Company

- President of Microsoft France

Offices currently held

- Offices and positions held in Group companies:
  - Director, Chair of the CSR Committee, and member of the Audit Committee of Vallourec SA*
- Offices and positions held in companies outside the Group:
  - President of Microsoft France

Offices that have expired in the last five years

- Member of the Strategic Committee of Vallourec SA (until 2024)
- Director of Orpea (until 2023)
- Chief Executive Officer of Segula Technologies International (until 2021)
- Member of the Supervisory Board of Vallourec SA (until 2021)

* *Listed company (for offices currently held).*

5
Main areas of expertise

Executive/operational management posts held within major groups

Industry/Oil & Gas

International experience

Financial/audit expertise

Governance of listed companies

GENUINO MAGALHÃES CHRISTINO

DIRECTOR

MEMBER OF THE AUDIT COMMITTEE

Date of birth: January 27, 1971 – Brazilian

Date of first appointment: May 23, 2024 with effect from August 5, 2024 (record date of ArcelorMittal's acquisition of Apollo's interest in the Company's share capital)

Term expires: 2028 OSM

Number of Vallourec shares held: 500

Summary of main areas of expertise and experience

- Graduate of Universidade Paulista de São Paulo in 1998 (bachelor's in business administration) and 1999 (bachelor's in accounting), and Executive MBA Program at the Dom Cabral Foundation in Belo Horizonte, Brazil, in 2007.
- Senior Audit Manager at KPMG (1993-2003)
- General Manager, Tax, Accounting and Real Estate, then Group Vice President, Accounting, Performance Management at ArcelorMittal (2009-2016)
- Chief Financial Officer and member of the ArcelorMittal group Management Committee (2016-2021)
- Executive Vice President, Group Chief Financial Officer and member of the ArcelorMittal Group Management Committee (since 2021) responsible for all Group financial functions, including treasury, corporate finance, accounting, performance management, insurance and investor relations. In addition, he oversees the Group's M&A, legal and IT activities. He is a member of the Investment Allocation Committee (IAC) and heads the Corporate Finance and Tax Committee (CFTC), which reviews and approves all the Group's key financial transactions

Main positions and roles outside the Company

- Executive Vice President, Group Chief Financial Officer and member of the ArcelorMittal Group Management Committee

Offices currently held

- Offices and positions held in Group companies:
  - Director and member of the Audit Committee and Remuneration Committee of Vallourec SA* (since August 5, 2024)
- Offices and positions held in companies outside the Group:
  - Director of ArcelorMittal Nippon Steel India (AMNSI) (India)
  - Director of AMNS Luxembourg Holding SA (Luxembourg)

Offices that have expired in the last five years

- Director of ArcelorMittal Brasil SA (until 2021)
- Managing Director, ArcelorMittal Treasury Financial Services SARL (until 2021)
- Director of Arcelor Investment Services SA (until 2021)

* *Listed company (for offices currently held).*

3
Main areas of expertise

Industry/Oil & Gas

Executive/operational management posts held within major groups

International experience

KEITH JAMES HOWELL

DIRECTOR

MEMBER OF THE NOMINATION AND GOVERNANCE COMMITTEE

Date of birth: October 16, 1965 – US
Date of first appointment: August 10, 2024
Term expires: 2025 OSM
Number of Vallourec shares held: 501

Summary of main areas of expertise and experience

- Graduate of the University of Pittsburgh, and holder of an MBA from Ohio State University.
- Started his career at US Steel, with assignments in various technical and operations roles.
- Held several positions at AK Steel including general manager, director of engineering and raw materials, Vice President of carbon steel operations and Vice President of operations, before being appointed Senior Vice President of operations.
- In 2016, he was Chief Operating Officer ArcelorMittal USA.
- He also serves as Executive Director of the Association for Iron and Steel Technology (AIST), of which he was appointed President in 2023.

Main positions and roles outside the Company

- Chief Operating Officer, ArcelorMittal North America

Offices currently held

- Offices and positions held in Group companies
  - Director and member of the Nomination and Governance Committee of Vallourec SA*
- Offices and positions held in companies outside the Group
  - Chief Operating Officer, ArcelorMittal North America

Offices that have expired in the last five years

None

* *Listed company (for offices currently held).*

6
Main areas of expertise

Industry/Oil & Gas

Executive/operational management posts held within major groups

International experience

Financial/audit expertise

Governance of listed companies

Corporate social responsibility

ANGELA MINAS

INDEPENDENT DIRECTOR

CHAIR OF THE AUDIT COMMITTEE

MEMBER OF THE REMUNERATION COMMITTEE

MEMBER OF THE NOMINATION AND GOVERNANCE COMMITTEE

MEMBER OF THE CSR COMMITTEE

Date of birth: March 23, 1964 - Greek-American
Date of first appointment: July 1, 2021
Term expires: 2026 OSM
Number of Vallourec shares held: 13,827

Summary of main areas of expertise and experience

- Master of Business Administration (majoring in Finance and Accounting) from Rice University
- Consultant at Sterling Consulting Group (1986-1992), and Partner at Arthur Andersen LLP (1997-2022) in charge of the Oil & Gas sector for North America
- Senior Vice-President of Science Applications International Corp. (2002-2006)
- Chief Financial Officer, Chief Accounting Officer and Treasurer of Constellation Energy Partners (2006-2008)
- Vice-President and Chief Financial Officer of DCP Midstream Partners (2008-2012)
- Independent director of companies and Audit Committees chair including Ciner Resources (2013-2018), Weatherford International (2018-2019), CNX Midstream (2014-2020), Westlake Chemical Partners, and Crestwood Equity Partners LP
- Member of the Council of Overseers of the Rice University Graduate Business School

Main positions and roles outside the Company

- Director of companies

Offices currently held

- Offices and positions held in Group companies:
  - Director, Chair of the Audit Committee, member of the Remuneration Committee, Nomination and Governance Committee and CSR Committee of Vallourec SA*
- Offices and positions held in companies outside the Group:
  - Director of Woodside Energy* (Australia), member of the Audit and Risk Committee, Sustainability Committee, and Nomination and Governance Committee

Offices that have expired in the last five years

- Director of Crestwood Equity Partners LP (until 2023)
- Director of Westlake Chemical Partners (until 2023)
- Director of CNX Midstream (until 2020)

* *Listed company (for offices currently held).*

5
Main areas of expertise

Executive/operational management posts held within major groups

International experience

Financial/audit expertise

Governance of listed companies

Corporate social responsibility

FRIDA NORRBOM SAMS

INDEPENDENT DIRECTOR

MEMBER OF THE CSR COMMITTEE

Date of birth: July 5, 1971 – Swedish
Date of first appointment: May 23, 2024
Term expires: 2028 OSM
Number of Vallourec shares held: 1,000

Summary of main areas of expertise and experience

- Master of science in business administration from Uppsala University (Sweden)
- Manager of Operational Excellence and Value Chain Optimization at Andersen Business Consulting (1999-2002)
- Senior Manager (Strategy, Value creation, Cash flow optimization, Value chain, M&A at BearingPoint) (2002-2007)
- Executive Vice President and Chief Information Officer, then Senior Vice President and Managing Director/Chief Executive Office for Northern Europe at Sanitec Corporation in Finland (2007-2011)
- Vice President Sales and Services for the North and Baltic region, then Executive Vice President, responsible for the EMEA Business Unit at Husqvarna Group in Sweden (2011-2014)
- Management Consultant and Director of Sams Holding Aps in Denmark (2015)
- Executive Vice President, Head of Applications division at NKT A/S in Denmark (2016-2019)
- President and Chief Executive Officer of Hydroscand Group AB in Sweden, an international family-owned business with operations in more than 20 countries, since 2019

Main positions and roles outside the Company

- President and Chief Executive Officer, Hydroscand Group AB

Offices currently held

- Offices and positions held in Group companies:
  - Director and member of the CSR Committee of Vallourec SA* (since May 23, 2024)
- Offices and positions held in companies outside the Group:
  - President and Chief Executive Officer, Hydroscand Group AB (Sweden)
  - Director of Beijer Ref AB* (Sweden)

Offices that have expired in the last five years

- Director of Ballingslöv International (until 2024)
- Director of Concentric AB (until 2024)

* *Listed company (for offices currently held).*

2
Main areas of expertise

Industry/Oil & Gas

International experience

PATRICK POULIN

EMPLOYEE DIRECTOR

MEMBER OF THE REMUNERATION COMMITTEE

Date of birth: December 27, 1966 – French
Date of first appointment: March 6, 2023
Term expires: 2025 OSM
Number of Vallourec shares held: 4,623

Summary of main areas of expertise and experience

- Engineering graduate from École Catholique des Arts et Métiers de Lyon (1989)
- Led the nuclear laser welding unit at the French atomic energy agency (CEA) in Bruyères-le-Châtel (1989-1990)
- Head of IT systems and then supply chain developer for the Michelin group in Clermont-Ferrand (1990-1998)
- Supply chain manager for the Asia-Pacific region based in Singapore for the Michelin group (1998-2001)
- Joined the Vallourec Group in 2001
- Supply chain manager at Valti (2003-2007) and Vallourec Précision Etirage (2001-2003)
- Supply chain and sourcing manager for Vam Drilling in Houston, United States (2007-2011)
- Global sourcing manager for Group logistics services (2011-2016)
- Group director responsible for managing inventories of consumables and spare parts (2017-2019)
- Procurement director at Serimax (2019-2020)
- Supply chain manager at Line Pipe Project (2020-2022)
- Senior project manager in the Group's supply chain department responsible for inventory management (since 2022)

Main positions and roles outside the Company

None

Offices currently held

- Offices and positions held in Group companies:
  - Employee director, member of the Remuneration Committee of Vallourec SA*
- Offices and positions held in companies outside the Group:
  - None

Offices that have expired in the last five years

- None

* *Listed company (for offices currently held).*

6
Main areas of expertise

Industry/Oil & Gas

Executive/operational management posts held within major groups

International experience

Financial/audit expertise

Governance of listed companies

Corporate social responsibility

LUCIANO SIANI PIRES

INDEPENDENT DIRECTOR

MEMBER OF THE AUDIT COMMITTEE

MEMBER OF THE CSR COMMITTEE

Date of birth: February 10, 1970 – Brazilian-Italian
Date of first appointment: November 12, 2023
Term expires: 2028 OSM
Number of Vallourec shares held: 2,000

Summary of main areas of expertise and experience

- Degree in Mechanical Engineering from Pontifical Catholic University of Rio de Janeiro (PUC-RJ) (1991)
- MBA from New York University’s Stern School of Business, graduating with distinction (2001)
- Several management roles at the Brazilian Development Bank (1992-2003), including Head of Export Financing (2001-2003)
- Consultant at McKinsey & Company (2003-2005)
- Head of Capital Markets (2005-2006) and Executive Secretary to the President (2007) at the Brazilian Development Bank
- Director of Suzano Papel e Celulose (2005-2008), Brazil’s leading pulp and paper company
- Director of Tele Norte Leste (2005-2008), Brazil's largest telecommunications company
- Group Strategy Director of Vale SA (2008-2009, 2011-2012)
- Group Human Resources Director of Vale SA (2009-2011)
- Group Chief Financial Officer of Vale SA (2012-2021) Voted Best Latin American CFO in the mining and metals sector for nine consecutive years (2013-2021) by Institutional Investor magazine
- Chairman of VLI SA's Board of Directors (2017-2023)
- Director of The Mosaic Company (United States) (2018-2022)
- Executive Vice-President for Strategy and Business Transformation at Vale SA (2021-2023)
- Executive Vice President and Group Chief Financial Officer of The Mosaic Company since November 2024

Main positions and roles outside the Company

- Executive Vice President and Group Chief Financial Officer, The Mosaic Company group

Offices currently held

- Offices and positions held in Group companies:
  - Director and member of the Audit Committee and CSR Committee of Vallourec SA*
- Offices and positions held in companies outside the Group:
  - Executive Vice President and Chief Financial Officer of The Mosaic Company group* (since 2024)

Offices that have expired in the last five years

- Member of the Executive Council of o9 Solutions, Inc. (until 2024)
- Member of the Advisory Board of Construtora Barbosa Mello (until 2024)
- Senior Advisor to Accenture – Natural Resources group (until 2024)
- Executive Vice-President for Strategy and Business Transformation at Vale SA (until 2023)
- Chairman of VLI SA's Board of Directors (until 2023)
- Director of Moisaic & Co* (until 2022)
- Executive Vice President and Group Chief Financial Officer of Vale SA (until 2021)

* *Listed company (for offices currently held).*

5
Main areas of expertise

Executive/operational management posts held within major groups

International experience

Financial/audit expertise

Governance of listed companies

Corporate social responsibility

HERA SIU

INDEPENDENT DIRECTOR

MEMBER OF THE AUDIT COMMITTEE

MEMBER OF THE CSR COMMITTEE

MEMBER OF THE REMUNERATION COMMITTEE

MEMBER OF THE NOMINATION AND GOVERNANCE COMMITTEE

Date of birth: September 16, 1959 – Chinese
Date of first appointment: July 1, 2021
Term expires: 2026 OSM
Number of Vallourec shares held: 500

Summary of main areas of expertise and experience

- Master of Business Administration and Bachelor of Science in Finance from the University of Nevada, Reno
- Marketing Specialist at Northern Telecom in the United States (1988-1992)
- Managing Director at Hong Kong Telecom (1994-2000)
- Vice-President in charge of China at Computer Associates (2001-2005)
- Vice-President and General Manager at Nokia in China (2005-2010)
- Senior Vice-President of APAC e-commerce at SAP (2010-2014)
- Senior Vice-President and Managing Director, China at Pearson (2014-2016)
- Managing Director, China at Cisco Systems (2016-2020)

Main positions and roles outside the Company

- Director of companies
- Co-founder of B&H Consulting Ltd, based in Beijing, China

Offices currently held

- Offices and positions held in Group companies:
  - Director, member of the Audit Committee, CSR Committee, Remuneration Committee, and Nomination and Governance Committee of Vallourec SA*
- Offices and positions held in companies outside the Group:
  - Director, member of the Finance Committee and the Committee on Corporate Responsibility and Compliance of Goodyear Tires & Rubber* (United States)
  - Member of the Supervisory Board and member of the Audit Committee of TeamViewer AG* (Germany)
  - Director and member of the Audit Committee of ASMTP* (Singapore)

Offices that have expired in the last five years

- Director of AInnovation (until 2021)

* *Listed company (for offices currently held).*

2
Main areas of expertise

Industry/Oil & Gas

International experience

ANNELISE LE GALL

EMPLOYEE DIRECTOR

MEMBER OF THE CSR COMMITTEE

Date of birth: February 5, 1982 – French
Date of first appointment: December 10, 2024
Term expires: 2027 OSM
Number of Vallourec shares held: 4

Summary of main areas of expertise and experience

- Holder of a joint degree in mechanical engineering from the Ecole Nationale d'Arts et Métiers (France) and the University of Karslruhe (TH) (Germany).
- Investment project manager at Aulnoye-Aymeries, France (2007-2010)
- Quality auditor for the VAM® licensee network (2011-2013)
- Technical Sales and Services Manager in Aberdeen, United Kingdom (2016-2018)
- Technical Sales Manager for Europe and Africa (2019-2022)
- Head of Business Development for 3D metal printing solutions (to present)

Main positions and roles outside the Company

- None

Offices currently held

- Offices and positions held in Group companies:
  - Employee director (since December 10, 2024) and member of the CSR Committee of Vallourec SA* (since February 26, 2025)
- Offices and positions held in companies outside the Group:
  - None

Offices that have expired in the last five years

- None

Observer

Aditya Mittal

ADITYA MITTAL

OBSERVER

Date of birth: January 22, 1976 – India
Date of first appointment: August 10, 2024

Summary of main areas of expertise and experience

- Bachelor's degree in Economics with concentrations in Strategic Management and Corporate Finance from the Wharton School (United States).

Main positions and roles outside the Company

- Chief Executive Officer of ArcelorMittal
- Director:
  - ArcelorMittal,
  - Aperam,
  - Iconiq Capital,
  - ArcelorMittal Nippon Steel India,
- Member of the Wall Street Journal CEO Council
- Member of the Harvard University Global Advisory Council

The table below presents information on Gareth Tuner and Austin Anton up to August 10, 2024, the date of record for their resignations.

3
Main areas of expertise

Industry/Oil & Gas
International experience
Financial/audit expertise

GARETH TURNER

DIRECTOR

CHAIRMAN OF THE STRATEGIC AND FINANCE COMMITTEE

MEMBER OF THE AUDIT COMMITTEE

Date of birth: February 11, 1964 – Canadian
Date of first appointment: April 20, 2021
Term expired: August 5, 2024 (resignation)
Number of Vallourec shares held: 500

Summary of main areas of expertise and experience

- Master of Business Administration with Distinction (1991) from the University of Western Ontario, and Bachelor's degree from the University of Toronto (1986)
- Employed at RBC Dominion Securities (1986-1989), Salomon Brothers (1991-1992) and Lehman Brothers (1992-1997)
- Managing Director of Goldman Sachs, based in London, in the Industrial and Natural Resources investment banking group (1997-2005)
- Director of Ceva, Phoenix Services, Warrior Met Coal, Constellium, Monier and Noranda Aluminum
- Senior partner of Apollo Global Management, based in New York, where he oversees the firm's investments in the Metals and Mining Industry

Main positions and roles outside the Company

- Senior partner at Apollo Global Management, New York

OFFICES HELD BY GARETH TURNER AT THE DATE OF HIS RESIGNATION ON AUGUST 10, 2024

Offices that have expired in the last five years

- Director of Phoenix Services (until 2023)
- Chairman of the Finance Committee and member of the Compensation Committee of Warrior Met Coal (until November 2021)

* *Listed company (for offices currently held).*

Observer

Austin Anton

AUSTIN ANTON

OBSERVER

Date of birth: October 18, 1980 – British
Date of first appointment: July 1, 2021 Resigned on August 10, 2024

Summary of main areas of expertise and experience

- Graduated *magna cum laude* from Princeton University with an A.B. in Economics and a Certificate in Finance
- Investment banking analyst at Crédit Suisse from July 2014 to June 2016
- Associate at Kohlberg & Company from August 2016 to April 2018
- Joined Apollo Global Management in 2018

Main positions and roles outside the Company

- Principal, Private Equity at Apollo Global Management

4.2.1.1.7 SUCCESSION PLAN OF THE BOARD OF DIRECTORS

The succession plan covers several time periods: a short-term plan in case of an unexpected vacancy; a medium-term plan that takes into account the expiration of terms of office; and a long-term plan focused on the existing pool of potential candidates.

Assisted by the Nomination and Governance Committee, the Board of Directors helps prepare for the future by drawing up and reviewing the Executive Management succession plan.

The people involved in this process are bound by a strict duty of confidentiality.

4.2.1.2 Operating procedures of the Board of Directors

4.2.1.2.1 DUTIES OF THE BOARD OF DIRECTORS

The members of the Board of Directors are appointed by the Shareholders' Meeting to which the Board reports, in accordance with the applicable laws and regulations.

The Board determines the orientations of the operations of the Company and ensures that they are implemented in compliance with the corporate interest of the Company, taking into consideration the environmental and social issues related to the Company's activity. In all circumstances, it acts in the corporate interests of the Company, seeking to promote long-term value creation.

For the purpose of performing its duties and in accordance with its Internal Rules, the Board has the following rights, powers and obligations:

(i) to be kept informed of any important event affecting the affairs of the Company, and more generally of trends in the markets, competitive environment, and the main challenges faced by the Company, including its social and environmental responsibilities;

(ii) determine the strategic orientations of the Company and its subsidiaries (the "Group");

(iii) to appoint and dismiss the Chairman of the Board of Directors and the Chief Executive Officer;

(iv) to decide on the separation or combination of the roles of Chairman and Chief Executive Officer;

(v) to establish any Committee and assess the appropriateness of establishing other special Committees on a permanent or temporary basis; to determine the composition of such Committees with regard to the issues they will examine, and ensure they function properly;

(vi) to examine on a regular basis, consistently with the strategy determined by the Board and, taking into consideration the advice, proposals, recommendations and opinions (if any) of the Committees, the opportunities and risks (in particular of a financial, legal, operational, social or environmental nature) to which the Group is exposed, and the measures taken in response;

(vii) to ensure that the necessary mechanisms are in place to prevent and detect corruption and influence peddling, and obtain all necessary information to that effect;

(viii) to set the remuneration of the Chairman and Chief Executive Officer and the directors, after consulting with and taking into consideration the advice, proposals, recommendations and opinions (if any) from the Remuneration Committee;

(ix) determine, upon the Chairman and Chief Executive Officer's proposal, and taking into consideration the advice, proposals, recommendations and opinions (if any) of the Nomination and Governance Committee and the CSR Committee, targets in terms of gender balance in the Group's management bodies and ensure that the Chairman and Chief Executive Officer implements an overall non-discrimination and diversity policy within the Group;

(x) to exercise control over the way the Company is managed and oversee the quality of information provided to the public including establishing the Company's financial communication policy;

(xi) to be kept regularly informed by the Chairman and Chief Executive Officer of the financial position, cash position and commitments of the Group;

(xii) to convene shareholders' meetings and determine their agenda; and

(xiii) upon the Chief Executive Officer's proposal, and taking into consideration any advice, proposals, recommendations and opinions of the Corporate Social Responsibility Committee, to regularly determine the Company's multi-year CSR and climate strategy and action plans, and to regularly review, at least once a year, the Company's implementation of this strategy and action plans.

The prior authorization of the Board is required in the cases provided for by law, in particular for (i) sureties, endorsements and guarantees, it being understood that the Board may delegate authority to the Chairman and Chief Executive Officer to grant such sureties, endorsements and guarantees in accordance with applicable laws, and (ii) the related-party agreements referred to in Articles L.225-38 *et seq.* of the French Commercial Code. The Board regularly assesses whether related-party agreements relating to routine transactions and entered into at arm's length conditions meet these conditions.

For the purpose of the Company's internal organization, certain decisions listed in the Board of Directors' Internal Rules must also be approved by the Board before they are implemented by the Chief Executive Officer and/or Executive Management (see Section 4.2.2.1.4 "Restrictions on the Chairman and Chief Executive Officer's powers set by the Board of Directors").

4.2.1.2.2 ORGANIZATION OF THE BOARD OF DIRECTORS

The Board holds at least five meetings per year and decides on the frequency and timing of its meetings. In order to best ensure that Board members are able to attend meetings, the schedule of meetings for the year is prepared approximately two years in advance.

The Chairman of the Board of Directors sets the agenda of each Board meeting after consultation with the Vice-Chairman. Each meeting is confirmed on average one week in advance through a notice of meeting, along with the agenda and, except in certain cases, a file containing all the supporting documents relating to the items on the agenda. This information is sent via a secure platform, which only members of the Board can access, using individual personal logins. Where necessary, the Board of Directors draws on preliminary work carried out by the Committees.

All oral discussions and written materials, documents and/or communication, of any kind, are in English (except for documentation which has to be in French in accordance with the applicable laws and regulations).

Board members may take part in deliberations by videoconference or telecommunication, unless the use of such means is prohibited by the applicable laws and regulations. Such members are deemed to be present for the purposes of calculating the quorum and the majority.

The Board may only make decisions if at least half of its members are present or deemed to be present, without regard to represented members. Decisions are taken by a simple majority vote, apart from decisions for which the Board's Internal Rules provide for a qualified majority (see Section 4.2.2.1.4 below, "Restrictions on the Chairman and Chief Executive Officer's powers set by the Board of Directors"). The Board's Internal Rules set out the procedure to follow in the event of a tied vote for a decision subject to a simple majority (i.e., the same number of votes for and against the decision).

Meetings are led by the Chairman of the Board (or in his absence by the Vice-Chairman), who ensures that everyone has the opportunity to express their opinion on important matters on the agenda. Any conflicts of interest are handled in accordance with the principles described in Section 4.4.5 ("Management of conflicts of interest and sensitive information") of this Universal Registration Document.

The Company's Statutory Auditors attend the Board meetings at which the annual and half-year financial statements are reviewed.

In accordance with Article 10.4 of the Company's Articles of Association[(1)], the Board has the power to take certain decisions by written consultation, electronic mail and/or via the Board's remote communication system, such as:

(i) the provisional appointment of members of the Board in the event of a vacancy on the Board as a result of death or resignation;

(ii) the authorization of sureties, endorsements and guarantees given by the Company;

(iii) the transfer of the registered office in the same département;

and, more generally, any decision falling within the Board's own powers expressly referred to by the laws or regulations in force, as being able to be made through written consultation.

4.2.1.2.3 ROLE OF THE LEAD INDEPENDENT DIRECTOR: GUARANTEEING A BALANCED GOVERNANCE STRUCTURE

The Board of Directors pays particular attention to the balance of powers. With this in mind, the Board's Internal Rules provide for the appointment of a Lead Independent Director.

Therefore on July 1, 2021, the Board of Directors appointed Pierre Vareille, an independent director, as Vice-Chairman of the Board and Lead Independent Director.

The Lead Independent Director's roles and responsibilities are as follows:

- he ensures that there are no conflicts of interest between directors;
- he ensures compliance with the Company's corporate governance rules and the Board's Internal Rules;
- he ensures that the members of the Board are in a position to perform their duties under the best possible conditions;
- he participates in shareholder relations as required;
- he can communicate with the Company's shareholders by organizing formal meetings to listen to their questions and suggestions;
- he maintains a regular open dialogue with each Board member and, if necessary, may act as a spokesperson for any requests and/or suggestions made to the Chairman and Chief Executive Officer;
- he is in regular contact with the Chairman and Chief Executive Officer and ensures that any relevant information is reported to the Board;
- he reports to the Board on the execution of his duties on a semi-annual basis;
- he may convene Board sessions without the presence of the executive directors; and
- he may attend and take part in meetings of any Committee.

In 2024, Pierre Vareille's work in his role as Lead Independent Director notably included:

- holding regular discussions with the Chairman and Chief Executive Officer and the Executive Management teams about the governance and organization of the Board and relaying comments and remarks made by the directors;
- regularly organizing meetings with the directors without Executive Management in attendance;
- participating in most meetings of committees of which he is not a member; and
- participating in the work of the special committee set up to negotiate the agreement with ArcelorMittal in connection with its acquisition of Apollo's stake in the Company's share capital.

(1) Pursuant to Article L. 225-37 of the French Commercial Code, as amended by Law 2024-537 of June 13, 2024, shareholders will be asked at the Shareholders' Meeting of May 22, 2025 to amend Article 10.4 of the Articles of Association to permit written consultations on any decision taken by the Board of Directors, and granting directors the right to object.

4.2.1.2.4 BOARD OF DIRECTORS' INTERNAL RULES

The Board of Directors has adopted, and regularly updates, a set of Internal Rules, which are a formal documentation of the Board's operating and organizational rules, and its work methods. These Internal Rules are strictly intended for the Company's internal use and are not intended to and do not replace the Company's Articles of Association or the applicable laws and regulations governing commercial companies. They may be amended or added to at any time by way of a decision made by the Board of Directors. They are regularly revised to ensure that their terms are consistent with any new legal and/or regulatory provisions. The Internal Rules were most recently revised on February 26, 2025.

In accordance with their ethical obligations, each member of the Board of Directors is required to:

- familiarize themselves with their general or specific duties prior to assuming their role, including relevant laws and regulations, the Company's Articles of Association, the recommendations of the AFEP-MEDEF Code which may be supplemented by the Board, as well as the Board's Internal Rules;
- participate in person, unless specifically prevented from doing so, in Board meetings and, as appropriate, the Committee(s) they sit on, as well as shareholders' meetings;
- keep themselves abreast of business affairs, for which they must request from the Chairman and Chief Executive Officer and/or the Vice-Chairman and Lead Independent Director ahead of time any information required to effectively contribute to the items included on the Board's agenda and, as appropriate, the Committee(s) they sit on;
- comply with the legal and regulatory obligations attached to their office, and in particular, comply with the law and the recommendations of the AFEP-MEDEF Code on holding multiple directorships;
- conduct themselves as a representative of all shareholders and act in the Company's best interests at all times;
- notify the Board in the event of any actual or potential conflict of interest situation, and refrain from attending the debates or participating in the vote whenever it discusses a matter that would place them in such a conflict of interest situation;
- be a Company shareholder in a personal capacity for the duration of their term of office, holding at least 500 Vallourec shares, as specified in the Company's Articles of Association and the Board's Internal Rules;
- concerning the confidential information obtained in the course of their duties, consider themselves a person discharging managerial responsibilities within the meaning of the EU market abuse regulation (Regulation (EU) 516/2014 dated April 16, 2014) and as such to respect the closed periods *(fenêtres negatives)* set by the Company during which such persons may not purchase, sell or take positions in the Company's shares or in any other stock market instrument associated with the Company's shares (options, warrants, etc.), i.e., in the thirty calendar days prior to the publications of annual and half-yearly results, and fifteen calendar days prior to the publications of first- and third-quarter financial releases, as well as on the day of these publications, and the following day, without prejudice to the legal and regulatory provisions in force on insider trading;
- consider himself/herself/itself bound by a strict duty of confidentiality in relation to any non-public information, whatever the format (written or oral), gathered, as part of their duties, at a meeting of the Board or a Committee (Board and Committee files, discussions, debates and deliberations of the Board and Committees) or between two meetings (permanent information), and to take all appropriate measures to maintain confidentiality, in particular to refrain from sharing this information with a third party when this information has not been made public;
- declare, under the conditions set forth by legal and regulatory provisions, to the French financial markets authority (*Autorité des marchés financiers* – AMF) and to the Company, the transactions carried out in financial instruments issued by the Company;
- to refrain from hedging options and/or free shares until the expiration of the holding period set by the Board of Directors;
- comply with the "Code of Good Practice on Transactions in Vallourec Shares and Insider Trading";
- comply with the ethical rules set out in Article 21 of the AFEP-MEDEF Code.

Board members' compliance with the above rules will be taken into consideration before recommending their reappointment to the Shareholders' Meeting. When they are first appointed, the members of the Board of Directors receive a guide containing a set of documents related to the Group's governance (the Company's Articles of Association, the Board's Internal Rules, the AFEP-MEDEF Corporate Governance Code, the Code of Good Practice, etc.) and its activities. At the request of Board members, visits are arranged to plants in France and abroad.

The members also have the opportunity, if they so wish, to learn about specific aspects concerning the Group, its businesses, industry sector and organization. If the members so request, the Group may also organize in-house and external training sessions specific to the duties they are required to carry out on the Board. In-house training is provided by the Group Legal Officer. It is supplemented by external training provided by an independent organization specialized in training company directors.

Board members are able to meet with the Group's key executives, including in meetings where the Chief Executive Officer is not in attendance. In the latter case, Executive Management must be informed in advance.

4.2.1.2.5 COMMITTEES OF THE BOARD OF DIRECTORS

The Board of Directors is assisted by specialized committees, which have an advisory role and provide the Board with preparatory material for certain decisions. These committees issue proposals, make recommendations and provide advice in their respective areas of expertise.

As at February 26, 2025, the Board of Directors had four specialized committees:

- the Audit Committee;
- the Remuneration Committee;
- the Nomination and Governance Committee; and
- the Corporate Social Responsibility (CSR) Committee.

Up until August 10, 2024, the Board of Directors was also assisted by the Strategic and Finance Committee, which was disbanded as of that date as part of the revision of the Board of Directors' Internal Rules. Strategic and financial matters now revert directly to the remit of the Board of Directors.

Each Committee has a set of Internal Rules which specify its roles, membership structure and operating rules. These Internal Rules are strictly intended for the Company's internal use and are not intended to and do not replace its Articles of Association or the applicable laws and regulations governing commercial companies.

For each Committee meeting, a preparatory file is sent to Committee members a few days in advance. All presentations at Committee meetings are given by the senior executive specialized in the topic concerned and are followed by discussion and debate. A report of the meetings is drawn up for the members of the Board.

In order to perform their duties, the Committees may carry out any research or analyses they deem appropriate, or may commission any such research or analyses from external specialists, in which case the related fees are charged to the Board of Directors' operating budget. Where a Committee uses the services of external consultants, it must ensure that the consultants concerned are independent, objective and have the required skills.

A) Audit Committee

a) Membership

The Board of Directors' Audit Committee comprises at least three and no more than six members, selected from among the members of the Board of Directors. All of the Audit Committee's members have specific skills in finance, accounting and/or statutory audit, and have the necessary expertise, experience and qualifications to effectively perform their duties within the Committee. At least two thirds of the Committee's members must be independent. As at February 26, 2025, it had five members: Angela Minas (Chair), Corine de Bilbao, Luciano Siani Pires, Hera Siu and Genuino Magalhães Christino, all of whom are independent apart from Genuino Magalhães Christino. The proportion of independent members on the Audit Committee is therefore 80%.

The Committee Chair – Angela Minas – has over 20 years' experience of working in major groups (DCP Midstream Partners, Constellation Energy Partners and Arthur Andersen LLP), particularly in the areas of finance and management control, and has already chaired audit committees in several listed companies (see Section 4.2.1.1.5 above for a description of the expertise and experience of the Audit Committee members).

When they are first appointed, the members of the Audit Committee are sent detailed information on the Group's specific accounting, financial and operating processes.

The Vice-Chairman/Lead Independent Director may attend and participate in all CSR Committee meetings even if he is not a member of the Committee (in which case he is not entitled to vote at the meetings). He is in regular contact with the Committee Chair, whom he can contact at any time.

Board Observers may attend Audit Committee meetings at the invitation of its Chair, but may not participate in any votes.

b) Roles and responsibilities

The Audit Committee's role is to (i) prepare and facilitate the Board of Directors' deliberations concerning the monitoring of issues relating to the preparation and verification of accounting and financial information, and (ii) ensure the effectiveness of Vallourec's risk management and internal control systems and, where applicable, its internal audit systems, in accordance with Article L.823-19 of the French Commercial Code. To this end, it issues opinions, proposals and recommendations in its areas of expertise. The Audit Committee reports regularly to the Board, informing it of the results of the statutory audit, how the audit contributed to the integrity of the financial information, and the role the Committee played in the overall process. It immediately informs the Board of any difficulties it may encounter while executing its duties. The Audit Committee cannot take the place of the Board of Directors, which (i) is the only governance body that has decision-making power for the issues addressed by the Audit Committee, and (ii) remains responsible for the execution of the Committee's tasks.

Within this context, the Audit Committee's duties are to:

- monitor the process used to prepare the Group's financial information and, where applicable, make recommendations to ensure its integrity;
- monitor the effectiveness of the internal control and risk management systems as well as the internal audit procedures related to the preparation and processing of accounting and financial information, without compromising the independence of the internal audit system;
- make recommendations to the Board on the Statutory Auditors to be put forward for appointment or reappointment at the Shareholders' Meeting, having prepared such recommendations in accordance with the provisions of Article 16 of EU Regulation 537/2014, and make recommendations to the Board when the reappointment of the Statutory Auditor(s) is being considered under the conditions set out in Article L.823-3-1;
- monitor the work carried out by the Statutory Auditors, particularly the audit of the parent company and consolidated financial statements;
- ensure that the Statutory Auditors respect the applicable independence requirements and that the audit fees are capped in line with the relevant regulatory framework;
- approve any non-audit services provided by the Statutory Auditors where such services are permitted.

As part of its work, the Audit Committee reviews Group litigation and all off-balance sheet commitments, including guarantees and warranties, on a quarterly basis. It ensures that conflicts of interest are avoided and reviews related-party agreements.

The Audit Committee also reviews the process used to compile non-financial information, verifying its consistency with internal audit and financial data, along with the relevance and integrity of CSR information provided to the Board as part of its joint session with the CSR Committee. It also reviews CSR risks together with the CSR Committee.

c) Operating procedures

The Audit Committee meets at least four times a year to review the interim, half-year and annual financial statements before they are presented to the Board of Directors. Aside from these mandatory meetings, it decides on the frequency and timing of its meetings in agreement with the Chairman and Chief Executive Officer.

Audit Committee meetings are convened by the Committee Chair and have a specific agenda.

The Committee may also meet with those responsible for finance, accounting, treasury, internal audit, internal control and risk management, as well as with the Group Compliance Officer and the Statutory Auditors, including, at the request of the Committee, without the presence of the Chairman and Chief Executive Officer.

B) CSR Committee

a) Membership

The CSR Committee comprises a minimum of three and a maximum of six members. As at February 26, 2025, it had six members: Corine de Bilbao (Chair), Luciano Siani Pires, Angela Minas, Hera Siu, Frida Norrbom Sams, and Annelise Le Gall (employee director). Out of these members, only Annelise Le Gall is not independent. It being specified that as an employee director, Annelise Le Gall was not included in the calculation of the independence rate.

The Chairman and Chief Executive Officer is involved in the work of the Committee.

The Vice-Chairman/Lead Independent Director may attend and participate in all CSR Committee meetings even if he is not a member of the Committee (in which case he is not entitled to vote at the meetings). He is in regular contact with the Committee Chair, whom he can contact at any time.

Board Observers may attend CSR Committee meetings at the invitation of its Chair, but may not participate in any votes.

b) Roles and responsibilities

The CSR Committee is responsible for preparing the Board of Directors' deliberations concerning the review and oversight of CSR matters (social, environmental, climate and societal issues) and the way in which the Group strives to promote the creation of long-term value while taking into account the CSR aspects and imperatives of its business. To this end, it issues opinions, proposals and recommendations in its areas of expertise. It reports to the Board and informs it of any difficulties it may encounter while performing its duties. The CSR Committee cannot take the place of the Board of Directors, which (i) is the only governance body that has decision-making power for the issues addressed by the CSR Committee, and (ii) remains responsible for the execution of the Committee's tasks.

The duties of the CSR Committee are as follows:

- examining the Group's impacts, risks and opportunities related to CSR, the environment and climate change;
- making recommendations and proposals and providing opinions to the Board of Directors that are used to regularly determine the multi-year CSR and environmental strategy and for the regular review of the implementation of this strategy and of the Company's policies, commitments and action plans in the areas of CSR, the environment and climate change;
- reviewing the Group's CSR, environmental and climate policies and pledges, how these policies are implemented, and the results obtained;
- reviewing all non-financial information published by the Group;
- reviewing, where requested by the Chairman and Chief Executive Officer, the Group's gender equality objectives for its senior management team, and examining the overall non-discrimination and diversity policy applied within the Group;
- conducting a regular review of the Group's non-financial ratings; and
- issuing a recommendation on the appointment of the independent third party responsible for auditing sustainability information in accordance with Articles L.821-40 and L.822-17 of the French Commercial Code.

The CSR Committee may carry out any other regular or occasional duties assigned to it by the Board of Directors that fall within its area of expertise. It may suggest that the Board refer to it for any specific issues which it considers would be necessary or useful for the Committee to review.

c) Operating procedures

The CSR Committee meets at least twice a year. Aside from these mandatory meetings, it decides on the frequency and timing of its meetings in agreement with the Chairman and Chief Executive Officer.

C) Nomination and Governance Committee

a) Membership

The Nomination and Governance Committee comprises a minimum of three and a maximum of five members. As at February 26, 2025, it had four members: Pierre Vareille (Chairman), Hera Siu, Angela Minas and Keith James Howell. Pierre Vareille, Hera Siu and Angela Minas are independent directors.

Board Observers may attend Nomination and Governance Committee meetings at the invitation of its Chairman, but may not participate in any votes.

b) Roles and responsibilities

The Nomination and Governance Committee is responsible for preparing and facilitating the Board of Directors' work concerning (i) the appointment of directors and executive corporate officers, and (ii) the Group's governance. To this end, it formulates opinions, proposals and recommendations in its areas of expertise. It reports to the Board and informs it of any difficulties it may encounter while performing its duties. The Nomination and Governance Committee cannot take the place of the Board of Directors, which (i) is the only governance body that has decision-making power for the issues addressed by the Nomination and Governance Committee, and (ii) remains responsible for the performance of the Committee's tasks.

The responsibilities of the Nomination and Governance Committee are as follows:

Nominations

- Preparing the procedure for selecting members of the Board of Directors, particularly independent members, as well as the Chairman and Chief Executive Officer, and deciding on the selection criteria to be used.
- Submitting to the Board of Directors proposals for appointing and reappointing members of the Board of Directors (by the Shareholders' Meeting or by the Board, with subsequent ratification by the Shareholders' Meeting), the Chairman and Chief Executive Officer and Board Observers.
- Keeping an up-to-date succession plan for corporate officers and members of the Board of Directors, in order to be able to put forward succession options to the Board, particularly in the event of an unexpected vacancy or in cases where there is a risk of non-compliance with requirements related to gender equality and the proportion of independent members.
- Regularly reviewing the membership structure of the Board and its Committees and making recommendations on changes to this structure where appropriate.

Governance

- Reviewing each year, prior to the publication of the report on the Company's corporate governance, the situation of each member of the Board of Directors with respect to the independence criteria adopted by the Company, and submitting its opinions to the Board with a view to the Board's examination of the situation of each member in the light of those criteria.
- Preparing (i) the annual assessment of the Board of Directors and the recommendations resulting from the assessment, and (ii) the meetings held without Executive Management in attendance.
- Reviewing and following up on any situation involving a conflict of interest between a Board member and the Company or its Group, and recommending what information should not be shared with the member in question as a result of that situation.

- Reviewing requests from Board members concerning new offices or duties outside the Company.
- Reviewing the operating procedures of the management bodies, particularly as regards changes in French regulations concerning the governance of listed companies and in the recommendations of the AFEP-MEDEF Code and, where applicable, making proposals to the Board on updating the Company's corporate governance rules.
- Based on proposals put forward by the Chairman and Chief Executive Officer, examining the gender balance targets for the Board's membership structure and ensuring that the Chairman and Chief Executive Officer implements an overall non-discrimination and diversity policy within the Board. This policy is described in further detail in Section 2.2.4 Diversity and equal opportunities (ESRS S1), of this Universal Registration Document.

Specific assignment

- Issuing an opinion to the Chairman and Chief Executive Officer on any plan to (i) recruit, suspend or dismiss any members of the Group Executive Committee or any other senior manager or any employee reporting directly to the Chairman and Chief Executive Officer, (ii) make a significant change to the remuneration of such persons (including changes to their pension or profit-sharing plan(s) or introducing special departure conditions), and/or (iii) enter into, amend or terminate an agreement with any such person.

c) Operating procedures

The Nomination and Governance Committee meets at least twice a year and always before the Board examines the independence status of each Board member based on the independence criteria adopted by the Company. Aside from these mandatory meetings, it decides on the frequency and timing of its meetings.

D) Remuneration Committee

a) Membership

The Remuneration Committee comprises a minimum of three and a maximum of five members. As at February 26, 2025, it had five members: Pierre Vareille (Chairman), Hera Siu, Angela Minas, Patrick Poulin (employee director) and Genuino Magalhães Christino. Out of these members, all are independent except for Patrick Poulin – it being specified that as an employee director, he was not included in the calculation of the independence rate – and Genuino Magalhães Christino.

Board Observers may attend Remuneration Committee meetings at the invitation of its Chairman, but may not participate in any votes.

b) Roles and responsibilities

The Remuneration Committee is responsible for preparing and facilitating the Board of Directors' deliberations regarding the remuneration of Company Directors and the executive corporate officer. To this end, it formulates opinions, proposals and recommendations in its areas of expertise. It reports to the Board and informs it of any difficulties it may encounter while performing its duties. The Remuneration Committee cannot take the place of the Board of Directors, which (i) is the only governance body that has decision-making power for the issues addressed by the Remuneration Committee, and (ii) remains responsible for the performance of the Committee's tasks.

The responsibilities of the Remuneration Committee are as follows:

- proposing the amounts of directors' remuneration and the rules for allocating said remuneration, particularly taking into account their actual attendance at meetings of the Board and its Committees and whether they serve as Chair of a Committee;
- putting forward proposals to the Board regarding the remuneration policies for the executive corporate officer, as well as the structure and level of their remuneration (fixed portion, variable portion, benefits in kind, performance shares and stock options, where applicable);
- proposing a policy for granting performance shares and stock options to the Group's executives, managers and/or other staff;
- reviewing significant changes in pension/profit-sharing plans.

In addition, it is required that the Committee be informed of the remuneration policy applicable to Executive Committee members who are not corporate officers, in which case the executive corporate officer must be involved in the Committee's work.

c) Operating procedures

The Remuneration Committee meets at least twice a year and always before any meeting held to approve the executive corporate officer's remuneration or the allocation of directors' remuneration. Aside from these mandatory meetings, it decides on the frequency and timing of its meetings.

In order to prepare its work, the Remuneration Committee may request outside studies, and in particular compensation surveys, so that it can assess market conditions. It selects and oversees the consultants concerned, in order to ensure they have the required skills for the work concerned, and monitors their independence and objectivity.

The Remuneration Committee also meets with the heads of the corporate departments, particularly with the Human Resources Department and the Legal Department, with which it organizes interdepartmental meetings to ensure that its work is consistent with the Group's HR and governance policies.

In its deliberations, the Remuneration Committee also draws on the expectations and observations expressed by shareholders, with which the Company has discussions on a regular basis, in particular prior to the Annual Shareholders' Meetings.

4.2.1.3 Activities of the Board of Directors and the Board Committees in 2024

4.2.1.3.1 ACTIVITIES OF THE BOARD

The Board of Directors met thirteen times in 2024.

The average duration of the ordinary meetings was approximately three hours.

The work of the Board of Directors, concerning the Group's business activity primarily related to:

- the annual budget;
- oversight of the New Vallourec plan;
- safety developments at the Group's plants;
- market and competition trends;
- risk mapping;
- the system for preventing and detecting corruption and influence peddling;
- the carbon policy;
- the Group's audit and internal control policy;
- the Group's Corporate Social Responsibility priorities;
- the review of annual, half-yearly and quarterly financial statements, as well as the management report, and preparation of the 2023 Universal Registration Document, in particular the corporate governance report; and
- preparation for the Annual Shareholders' Meeting.

In regards to the governance plan, the Board's work focused on the following issues:

- ArcelorMittal replacing Apollo as the anchor shareholder and new shareholders' agreement entered into;
- adaptation of the Board's Internal Rules to the terms of the agreement with ArcelorMittal;
- the membership of the Board of Directors and the Board Committees further to the resignation of Gareth Turner as director and of Austin Anton as Board Observer, the appointments of Frida Norrbom Sams and Genuino Magalhães Christino, the co-option of Keith J. Howell, the election of Annelise Le Gall as employee director and the appointment of Aditya Mittal as Board Observer;
- the independence of the members of the Board of Directors;
- compliance of the Group's governance with the recommendations of the AFEP-MEDEF Code;
- the policy and action plans on gender equality and improving the gender balance in the Group's management bodies;
- corporate officer remuneration;
- the adoption of free performance share plans; and
- the implementation of an employee share ownership plan (Vallourec Invest 2025).

4.2.1.3.2 ACTIVITIES OF BOARD COMMITTEES

A) Activities of the Audit Committee

The Audit Committee met four times in 2024 and held regular discussions with the Statutory Auditors. At these meetings, the Committee examined and issued opinions on the following subjects:

- the annual and half-yearly financial statements and quarterly results;
- the Group's draft financial communications;
- the organization of internal audit within the Group and the audit plan;
- the organization of risk management and internal control within the Group, and the anti-corruption risk mapping process;
- the implementation of anti-money laundering, international sanctions and anti-corruption policies;
- the follow-up of the Group's off-balance sheet commitments;
- the review of outstanding litigation;
- the annual review of related-party transactions and routine transactions as well as the charter for evaluating them;
- the selection of the Statutory Auditors to be presented at the Shareholders' Meeting in 2024; and
- the review of the consistency of financial and non-financial information at a joint session with the CSR Committee.

The Statutory Auditors attended all Committee meetings in 2024. They reported to the Committee on their statutory audit work, highlighting the key findings of their audit and the accounting options selected.

B) Activities of the Strategic and Finance Committee

The Strategic and Finance Committee met once in 2024. It was disbanded on August 10, 2024.

C) Activities of the CSR Committee

The CSR Committee met four times in 2024.

During these meetings, the CSR Committee examined and issued opinions on the following subjects:

- the CSR objectives underlying the variable portion of corporate officers' remuneration;
- the deployment and analysis of the Women@Vallourec diversity plan;
- the safety improvement plan;
- the progress of the chemical substitution program (CMR);
- presentation of the findings of the double materiality assessment and on the European Taxonomy;
- water management, climate change adaptation and risk analysis;
- the preparation and implementation of the Corporate Sustainability Reporting Directive (CSRD);
- presentation of the CSR Committee roadmap; and
- responsible purchasing policy.

CSR Committee members were also involved in reviewing the Group's value creation model and in its double materiality assessment. Each member of the CSR Committee thereby had input in identifying the positive and negative impacts as well as the risks and opportunities posed by ESG issues for Vallourec and its value chain. This enabled the Group to identify the main material issues, as set out in chapter 2 of this Universal Registration Document.

In terms of climate-related issues, CSR Committee members reviewed the Group's 2035 Global CSR roadmap. This features specific targets for 2025, 2030 and 2035, as disclosed in chapter 2 of this Universal Registration Document, and includes an analysis of climate change adaptation risks.

Environmental issues such as water management, the use of chemicals and their replacement (notably under the Chemsafe program), enabled the directors on the CSR Committee to bring a strategic focus to Board meetings underpinned by climate, environmental and social concerns.

D) Activities of the Nomination and Governance Committee

The Nomination and Governance Committee met nine times in 2024. At these meetings, the Committee examined and issued opinions on the following subjects:

- the formal assessment of the Board of Directors and of the Board Committees by an external consultant and the adoption of an action plan to optimize its operating procedures;
- the review of the selection criteria for directors;
- the appointment and co-option of three directors (Genuino Magalhães Christino, Keith J. Howell and Frida Norrbom Sams) and a Board Observer (Aditya Mittal), as well as the integration of a new employee director (Annelise Le Gall);
- the re-appointment of Luciano Siani Pires and Corinne de Bilbao as directors;
- the modification of the Board of Directors' Internal Rules in connection with the shareholders' agreement entered into with ArcelorMittal;
- the recommendations of the French financial markets authority (Autorité des marchés financiers) in its 2024 report on corporate governance and executive remuneration;
- the review of director independence;
- the analysis of compliance with the AFEP-MEDEF Code;
- the succession plan for senior executives; and
- the preparation of the Universal Registration Document, and in particular the report on corporate governance.

E) Activities of the Remuneration Committee

The Remuneration Committee met eight times in 2024. At these meetings, the Committee examined and issued opinions on the following subjects:

- the review of 2023 variable remuneration, and the design of the 2024 remuneration policy for Philippe Guillemot in his capacity as Chairman and Chief Executive Officer;
- the free share plans subject to performance conditions (LTIP) and the granting of shares under Management Equity Plans (2021, 2023 and 2024 MEP) for Group employees and managers;
- the remuneration policy for directors and the approval of the amount of directors' remuneration in respect of their duties;
- the implementation of an employee share ownership plan (Vallourec Invest 2025).

4.2.1.3.3 ATTENDANCE OF THE MEMBERS OF THE BOARD OF DIRECTORS IN 2024

Attendance	Board of Directors	Audit Committee	Remuneration Committee	Nomination and Governance Committee	Strategic and Finance Committee	CSR Committee
Philippe Guillemot (Chairman of the Board)	100% (13/13)	–	–	–	–	–
Pierre Vareille (Vice-Chairman of the Board and Lead Independent Director)	100% (13/13)	–	100% (8/8)	100% (9/9)	100% (1/1)	–
Corine de Bilbao	61.54% (8/13)	100% (4/4)	–	–	100% (1/1)	100% (4/4)
Angela Minas	92.31% (12/13)	100% (4/4)	100% (8/8)	100% (9/9)	–	100% (4/4)
Hera Siu	84.62% (11/13)	100% (4/4)	87.50% (7/8)	100% (9/9)	–	100% (4/4)
Luciano Siani Pires	92.31% (12/13)	100% (4/4)	–	–	–	100% (4/4)
Patrick Poulin	100% (12/12)	–	100% (8/8)	–	–	–
Frida Norrbom Sams[(a)]	100% (7/7)					100% (2/2)
Genuino M. Christino[(b)]	100% (3/3)	100% (1/1)	100% (2/2)			
Keith J. Howell[(c)]	100% (3/3)			100% (1/1)		
Gareth Turner[(d)]	66.67% (6/9)	33.33% (1/3)	–	–	100% (1/1)	–
AVERAGE ATTENDANCE RATE	**90.67%**	**88.89%**	**97.50%**	**100%**	**100%**	**100%**

(a) Between May 23, 2024 and December 31, 2024.
(b) Between August 5, 2024 and December 31, 2024.
(c) Between August 10, 2024 and December 31, 2024.
(d) Between January 1, 2024 and August 5, 2024 (effective date of resignation).

4.2.1.4 Self-assessment of the Board of Directors

The Board of Directors must assess its ability to meet shareholders' expectations by periodically analyzing its composition, organization and operation. To this end, once a year, the Board of Directors – on the basis of a report from the Nomination and Governance Committee – devotes an item on its agenda to the assessment of its operating procedures. The aim is to ensure that important issues are properly prepared and debated, and to measure the effective contribution of each of its members to the Board's work.

As regards 2024, an external consultant was appointed to carry out a formal assessment, in accordance with the provisions of the AFEP-MEDEF Code.

In the first quarter of 2025, the Board of Directors assessed its membership structure, organization and operating procedures. This assessment was performed under the direction of the Nomination and Governance Committee.

For the purposes of this assessment, performed under the aegis of the Vice-Chairman and Lead Independent Director, the Group General Counsel sent a questionnaire to each member of the Board of Directors, covering the following topics:

- the operation and membership structure of the Board of Directors and its Committees;
- the organization of the work of the Board and its Committees;
- items on the agenda for meetings of the Board of Directors and its Committees;
- the quality of discussions between members of the Board of Directors and members of the Group's management team;
- the quality of the input and effective contribution of each Board member;
- the skills of the Board of Directors, particularly in terms of corporate social responsibility and corporate governance;
- the quality of information provided to Directors;
- the quality of the decision-making process within the Board of Directors; and
- the quality of the Board of Directors' work in terms of monitoring the Group's performance, managing risk, participating in the development of the Group's strategy and in innovation efforts within the Group's businesses, and in ESG matters.

The summary of the self-assessment prepared by the Vice-Chairman and Lead Independent Director, the Nomination and Governance Committee and the Group General Counsel, was as follows:

- in general, the Board of Directors considers that it has the characteristics needed to effectively perform its role;
- the membership of the Board of Directors is balanced and the skills identified as necessary or useful are duly represented: the members of the Board of Directors come from varied backgrounds and have appropriate and wide-ranging experience and expertise;
- the Board of Directors receives clear and comprehensive information, and the documentation is detailed and well-structured, and sent sufficiently in advance of Board and Committee meetings to allow their work to be properly prepared; the frequency of meetings is considered adequate; the quality and transparency of discussions and debates are good; the organization of meetings is clear and well-structured, with a good balance between discussions and presentations; and the near-systematic attendance of Board and Committee members in person contributes to the quality of discussions;
- the work of the Board of Directors and its Committees is planned throughout the year; Committee members are extremely diligent and effectively prepare the Board's decisions;
- the Board of Directors is offered an annual on-site meeting and visits to plants, with presentations given by management and/or operational teams to provide a better understanding of the Group's activities.
- the Board of Directors acknowledges the success of the New Vallourec plan and welcomes the Group's turnaround. The Board members acknowledge the good relationship with ArcelorMittal.

4.2.2 Executive Management

4.2.2.1 Chairman and Chief Executive Officer

4.2.2.1.1 COMBINING THE ROLES OF CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Since March 20, 2022, Philippe Guillemot has been Chairman of the Board of Directors and Chief Executive Officer, and Pierre Vareille has been Vice-Chairman and Lead Independent Director. The Board of Directors considers that combining the roles of Chairman and of Chief Executive Officer around a close-knit Board of Directors promotes agile decision-making and fluid information-sharing. It therefore ensures that the Company's governance is fully aligned with the execution of its strategy. The rollout of the New Vallourec plan has vindicated this decision.

4.2.2.1.2 STATUS OF THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The Chairman and Chief Executive Officer does not have an employment contract.

As an exception, a Group employee appointed as Chairman and Chief Executive Officer could continue to benefit from their employment contract, which would be suspended for the duration of their term as executive corporate officer, subject to this being justified, and provided that it does not give rise to situations of non-compliance with the other provisions of the AFEP-MEDEF Code, in particular in relation to severance pay. The possibility of maintaining employment contracts, on a case-by-case basis, can encourage internal applications from employees with significant seniority.

4.2.2.1.3 DUTIES OF THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The Chairman and Chief Executive Officer performs the duties of both the Chairman of the Board of Directors and the Chief Executive Officer as described below.

The Chairman exercises the duties and powers vested in his position by law. He chairs the meetings of the Board and sets the agenda thereof. He organizes and directs the Board's work and reports thereon to the Shareholders' Meeting. He ensures that the Company's governance bodies operate effectively, and particularly that the directors are able to perform their duties and have all the information they require in order to do so. He chairs the Shareholders' Meetings and draws up the reports required by law.

The Chief Executive Officer is responsible for the Company's executive management and represents the Company in its dealings with third parties. He has the broadest powers to act on behalf of the Company in all circumstances, within the scope of the corporate purpose, except for the powers which (i) are vested by law in the Board of Directors or Shareholders' Meetings, or (ii) require the Board of Directors' prior authorization pursuant to the Company's Articles of Association and/or the Board of Directors' Internal Rules.

4.2.2.1.4 RESTRICTIONS ON THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER'S POWERS SET BY THE BOARD OF DIRECTORS

For the purposes of the Company's internal organization, the matters listed below must be authorized by the Board prior to their implementation by the Chief Executive Officer and/or management ("Reserved Matters"). The following Reserved Matters are subject to the Qualified Majority rule ("Major Decisions").

"Qualified Majority" means that a Major Decision is deemed to be rejected if at least three (3) directors (one of whom is either (x) an independent director or (y) a director other than the employee director(s) and the director representing employee shareholders, if applicable) vote against such Major Decision.

Major Decisions are as follows:

a) any proposal or payment concerning any dividend, reserve distribution or any other distribution, of any nature whatsoever, by the Company for the benefit of its shareholders;

b) any redemption, repurchase and/or cancellation of Company shares (with the exception of transactions that would not result in the cancellation of a number of Company shares representing more than one percent (1%) of the share capital or theoretical voting rights);

c) the approval and amendment of the Group's business plan;

d) any material reorganization of the Company (and/or its subsidiaries), including any merger, demerger, partial transfer of assets, or any transaction having a similar effect (excluding intra-Group reorganizations), in each case with a transaction value in excess of €100 million either per transaction or per series of related transactions;

e) the delisting of the Company and/or the listing of a Group company;

f) any acquisition or disposal of significant shareholdings or strategic assets, or any transfer of any entity or activity, whether by the Company or a subsidiary, with a transaction value in excess of €100 million (either per transaction or per series of related transactions) (where applicable, with an enterprise value on a debt- and cash-free basis);

g) inception, material amendment or termination of a material joint venture or partnership, whether by the Company or its subsidiaries, subject to reaching a materiality threshold of €100 million in committed investments for the inception or amendment of a joint venture or a partnership, or if subject to the relevant Group company being liable to make a payment or incurring costs of more than €100 million for the termination of a joint venture or partnership;

h) any capital increase or issue of securities granting access, whether immediately or in the future, to the share capital of the Company or one of its material subsidiaries, of any kind whatsoever, in each case to the benefit of a third party to the Group (other than Group executives and employees);

i) any material change in the strategy of a material business segment or business lines (through the creation, abolition, reduction, restructuring or relocation of such material business segment or business lines);

j) any proposal to the Company's shareholders of material changes to the Articles of association of the Company or of one of its subsidiaries, that is not wholly owned, directly or indirectly, by the Company (except for amendments imposed by law or regulation);

k) any borrowings or other debt financing by the Company and/or its subsidiaries with third parties for an amount in excess of €100 million on an individual basis and/or €250 million on an aggregate annual basis (other than drawings under the RCF), guarantees or security interests given to third parties in relation to such borrowing or debt financing, excluding, for the avoidance of doubt, operational financing in the ordinary course of business (factoring, etc.), and bonds, endorsements, indemnity undertakings for contracts or agreements entered into in the operation of the business;

l) any decision to initiate or implement any insolvency procedure, dissolution, winding-up or liquidation (or any similar procedure in each applicable jurisdiction), of the Company or one of its subsidiaries, that is not wholly owned, directly or indirectly, by the Company, or to appoint a court-appointed administrator, in each case other than as required by law or regulations or which involves the liability of the relevant legal representatives for failing to take the relevant decision;

m) any decision to participate in any project or enter into any agreement (including contracts with guaranteed rents) provided that the Company's annual commitment per transaction or per series of related transactions exceeds €100 million;

n) the creation of or material amendment to pension plans, profit-sharing plans, stock option plans, stock subscription plans or plans for the granting of free shares of the Company or of any other Group company (or any other similar instrument or incentive plan) to the benefit of the officers and/or employees of the Group or of certain categories of employees;

o) any establishment of material operations in a new jurisdiction or starting up a new business involving material expenditures (excluding, for the avoidance of doubt, the launching of new seamless tubular products); and

p) the commitment or settlement by a Group company of any litigation or arbitral proceedings for an amount in excess of €50 million for the Group or concerning a claim having a material reputational impact on the Group.

The Chairman and Chief Executive Officer of the Company will discuss with the Board members on an ad hoc basis any item from the above Reserved Matters which falls below the threshold specified or any other item which is not specifically captured in the Reserved Matters but, in each case, is considered by the Chairman and Chief Executive Officer as material or important to the operations and affairs of the Company.

The following Reserved Matters are dealt with at the Board level based on a simple majority vote of members present or represented:

a) approval of the Company's financial statements and consolidated financial statements and of any material change in the accounting principles applied by the Group companies for the preparation of their financial statements, except for amendments imposed by applicable law or accounting standards;

b) any transaction between the Company and related parties (whether or not included in the budget) as defined under Articles L.225-38 of the French Commercial Code, save for intra-Group transactions referred to under L.225-39 of the French Commercial Code (which are not subject to any authorization from the Board);

c) the appointment, renewal or dismissal of the Company's Statutory Auditors;

d) any repayment, repurchase and/or cancellation of equity securities by a Group subsidiary (save for intra-Group transactions and transactions with a value of less than €100 million);

e) any decision submitted to the Board other than Major Decisions; and

f) approval and amendment of the Group's annual budget, it being specified that the Board will be informed quarterly on the performance of the Group in comparison to the budget.

4.2.2.2 Executive Committee

The Executive Committee assists Executive Management with implementing its strategies and key decisions. The Executive Committee examines and drafts proposals that it puts forward to Executive Management regarding all actions necessary for implementing the Group's overall business strategy. It is responsible for the day-to-day running of the Company and for overseeing support functions.

The members of the Executive Committee also contribute, as a team, to creating and relaying the Group's management culture. Vallourec's Executive Committee meets every month.

As at February 26, 2025, the Executive Committee members were:

13 MEMBERS

Philippe Guillemot
Chairman and Chief Executive Officer

Sascha Bibert
Group Chief Financial Officer

Philippe Carlier
Group Head of the Process and Engineering Department

Sarah Dib
Group General Counsel

Laurent Dubedout
Senior Vice-President, OCTG Services and Accessories Business Lines

Valeria Fernandes
Group Chief Digital and Information Officer

Bertrand Frischmann
Group Chief Operations Officer

André Lacerda
Senior Vice President South America (Tubes segment)

Jacky Massaglia
Senior Vice-President North America

Ludovic Oster
Group Chief Human Resources Officer

Damien Rebourg
Group Communication and Public Affairs Senior Vice President

Bertrand de Rotalier
Senior Vice-President, New Energies Business Line – Project Line Pipe and Process

Enrico Schiappacasse
Group Senior Vice-President Strategy and Development

4.3 Corporate officers' remuneration and benefits

This section, drawn up with the assistance of the Board's Remuneration Committee, describes the components of remuneration for directors, executive corporate officers and members of Group management, and presents the long-term remuneration plans in place within the Group.

4.3.1 Remuneration policies for corporate officers for 2025 submitted to the Shareholders' Meeting for approval

The sections below set out the remuneration policies for the Company's corporate officers, particularly for 2025. They describe the components of the corporate officers' fixed and variable remuneration and explain the decision-making process followed for setting, reviewing and applying the remuneration policies.

In accordance with Article L.22-10-8 of the French Commercial Code, the remuneration policies presented below are subject to the shareholders' approval at the Ordinary and Extraordinary Shareholders' Meeting to be held on May 22, 2025. The previous remuneration policies for corporate officers were approved at the May 23, 2024 Ordinary and Extraordinary Shareholders' Meeting.

Vallourec operates worldwide on the seamless tube production market, a sector that requires specific expertise possessed by only a limited number of talented people. Having people who have high potential and the capacity to tackle ambitious challenges is essential for ensuring the Group's profitability and for generating value. The remuneration policies aim to attain this objective by allowing the Group to attract and retain the most talented people, whose contributions help create more value for shareholders. The Board thus ensures that the remuneration policies for corporate officers are in the Company's best interests, contribute to its sustainability, and are in line with its business strategy.

The remuneration policies for corporate officers are determined by the Board of Directors based on proposals put forward by the Remuneration Committee, whose role is described in Section 4.2.1.2.5(D)b. The definition of these policies and their application take into account the work accomplished, the results obtained and the responsibilities assumed, and rely on analyses of the market context, which are notably based on compensation surveys carried out by external consultants. The policies are reviewed annually.

4.3.1.1 Remuneration policy for directors

In view of the reduced number of directors, the Shareholders' Meeting of May 23, 2024 approved the renewal of the directors' remuneration policy submitted to it in 2023, based on proposals put forward by the Remuneration Committee. The aim of this policy is to encourage directors to attend Board and Board Committee meetings in person. In light of its effectiveness – as observed on directors' attendance in 2024 – the Shareholders' Meeting of May 22, 2025 is asked to substantially renew the policy for 2025, as described below.

A) GENERAL PRINCIPLES

Members of the Board of Directors receive only monetary remuneration for the performance of their duties.

Based on proposals put forward by the Remuneration Committee, the Board of Directors allocates individual remuneration amounts to its members out of the €1,250,000 annual total set by the May 25, 2023 Ordinary and Extraordinary Shareholders' Meeting and renewed by the May 23, 2024 Ordinary and Extraordinary Shareholders' Meeting.

Members of the Board of Directors receive a portion of their remuneration as a fixed amount and another variable portion based on their attendance at Board meetings and meetings of Committees of which they are members.

The Vice Chairman and the Lead Independent Director receives an additional annual fixed amount for his duties. The Chair and members of the Board Committees receive an additional amount for their participation in such committees.

Directors (other than the Chairman and Chief Executive Officer) are not entitled to any grants of free shares or performance shares or to any severance pay or termination benefits of any kind in respect of their duties on the Board of Directors.

The Observers do not receive any remuneration.

B) ATTENDANCE AT MEETINGS OF THE BOARD OF DIRECTORS AND BOARD COMMITTEES

Remuneration of Directors comprises a fixed portion and a variable portion. This variable portion is predominant. It is based on a criterion of effective attendance at meetings of the Board of Directors and its Committees, in accordance with the recommendations of the AFEP-MEDEF Code, which require that the portion of directors' remuneration based on attendance should take precedence over the fixed portion.

The fixed portion will amount to €30,000 (€45,000 for the Vice Chairman and the Lead Independent Director).

The variable portion will be calculated on the basis of effective attendance at meetings of the Board of Directors or Committees under the following conditions:

- each meeting of the Board of Directors lasting at least one hour gives rise to payment of:
  - €3,000 (€15,000 for the Vice Chairman and the Lead Independent Director) for each meeting attended in person;
  - €1,500 (€7,500 for the Vice-Chairman and the Lead Independent Director) for each meeting of the Board of Directors lasting at least one hour in which the director participates via videoconference or conference call;

- each meeting of a Board Committee lasting at least one hour gives rise to payment of:
  - €5,000 (€10,000 for the Chair of the Committee concerned) when the director attends in person;
  - €2,500 (€5,000 for the Chair of the Committee concerned) when the director participates via videoconference.

As an exception, no remuneration is paid for meetings of the Remuneration Committee.

In any event, an "in-person attendance rule" applies to the above-mentioned variable portion. Directors' participation by videoconference or conference call should not exceed 40% of scheduled meetings. No remuneration will be payable for any meetings attended by videoconference or conference call rather than in person in excess of this threshold. While the Chairman is required to attend meetings of the Board of Directors, the participation of other members of the Board is equally important to ensure the smooth operation of the Board and the Board Committees.

C) TRAVEL ALLOWANCE

The directors will also receive a travel allowance for each Board meeting under the following conditions:

- if the Board meeting is held in France, an allowance of €8,000 will be paid to directors who travel from the United States, China or Brazil, and an allowance of €2,000 will be paid to directors who travel from Europe (outside France); and
- if the Board meeting is held in a country other than France, an allowance of €8,000 will be paid to directors who travel from a country other than the one in which the meeting is being held.

D) REIMBURSEMENT OF EXPENSES

Directors and the Observer are entitled to the reimbursement of expenses incurred in the performance of their duties (including any travel and accommodation expenses incurred in connection with Board and Committee meetings) within the limit of the applicable Group policy and subject to the provision of the supporting documentation.

4.3.1.2 Remuneration policy for executive corporate officers for 2025

Article L.22-10-8, II of the French Commercial Code requires that the remuneration policy for corporate officers be submitted to the Shareholders' Meeting for approval each year (ex ante vote). The shareholder vote on executive corporate officer remuneration is binding (as opposed to advisory).

At its meeting on February 26, 2025, the Board of Directors, acting on a proposal put forward by the Remuneration Committee, approved the general principles governing remuneration policy for executive corporate officers and the remuneration policy for the Chairman and Chief Executive Officer for 2025.

4.3.1.2.1 GENERAL PRINCIPLES OF THE REMUNERATION POLICY SET BY THE BOARD OF DIRECTORS FOR THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The Board of Directors conducts an overall assessment of the components of remuneration and benefits for the Chairman and Chief Executive Officer and its decisions are based on the following principles:

- balanced consideration of short-term performance: the structure of the remuneration and benefits for the Chairman and Chief Executive Officer includes a variable cash component based on performance during the past year. The performance criteria used correspond to the Company's financial and operating objectives, as well as CSR objectives. The Board is careful to balance the weighting of the short-term components of the executive corporate officers' remuneration and benefits (annual fixed and variable portions);
- taking into account mid- and long-term performance: a share-based compensation plan was set up in 2021 at the suggestion of a number of the Company's shareholders, in order to align the interests of the executive corporate officers with those of the shareholders. The remuneration provided for in the plan is contingent on performance and is based on the terms and conditions generally applied by private equity funds. The Board is careful to ensure that share awards are subject to stringent mandatory holding rules;
- competitiveness: the Board ensures that remuneration is in line with the market in which Vallourec operates. To that end, the Remuneration Committee analyzes the data of a panel of listed companies which are comparable to Vallourec in terms of revenue, headcount, international presence and market capitalization;
- consistency with the prevailing conditions governing employee remuneration and employment within the Group: a significant portion of the Group's managers and executives have a remuneration and benefits structure which, like that of the Chairman and Chief Executive Officer, is made up of a fixed portion and a variable portion, along with long-term incentive equity instruments.

4.3.1.2.2 COMPONENTS OF THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER'S REMUNERATION

The primary components of executive corporate officers' remuneration, along with their purposes, are as follows:

Components		Purposes
Fixed portion		Role and responsibility
Annual variable portion		Link to short-term performance by the achievement of annual objectives
Medium- and long-term incentive equity instruments	Performance shares	Link to medium- and long-term performance and alignment with shareholders' interests

A) Fixed portion

In general, the fixed portion of remuneration is reviewed regularly based on the responsibility assumed by the Chairman and Chief Executive Officer and with reference to Vallourec's business sector.

To that end, the Nomination and Governance Committee and the Remuneration Committee rely on compensation surveys conducted by external consultants. The Committees determine the panel used for these surveys and make any necessary adjustments based on the revenue, market capitalization and business sector of the companies on the panel in order to ensure complete comparability and therefore a high correlation between the fixed portion of executive corporate officers' remuneration and the Group's size.

In addition, as the variable portion of executive corporate officers' remuneration is based on their fixed portion, the Board of Directors devotes particular attention to ensuring that the fixed portion is reasonable, applying the principles described in Section 4.3.1.2.1 above.

The Board of Directors also ensures that changes in the fixed portion of the Chairman and Chief Executive Officer's remuneration are moderate as compared to the overall wage increases of Group employees over the same period.

For 2025, the fixed portion of remuneration will thus amount to €1,000,000 per annum, unchanged from 2024.

B) Variable portion

The aim of allocating a variable portion of annual remuneration is to ensure that the Chairman and Chief Executive Officer has a vested interest in the Group's short-term performance. The Board of Directors reviews and sets the structure of this remuneration each year based on proposals put forward by the Remuneration Committee.

Determined on an annual basis, it corresponds to a percentage of the fixed portion and contains minimum thresholds, below which no payment is made, target levels when the objectives set by the Board of Directors are met, and maximum levels when target objectives are exceeded. For 2025, the variable portion payable to the Chairman and Chief Executive Officer may vary from 0% to 100% of his target fixed portion and reach 135% of the fixed portion if the objectives are exceeded. For 2025, the variable portion of the Chairman and Chief Executive Officer's compensation (like the variable portion for the Group's other executives and managers) may be increased by an additional 30% if the Group exceeds its adjusted free cash flow targets. After assessing the impact of the introduction of this booster on recognizing outperformance on the "zero net debt" target, the Board decided to maintain this mechanism in 2025, and apply it to adjusted free cash flow generation.

Accordingly, the maximum variable portion of the Chairman and Chief Executive Officer's compensation could reach 175.5% of the target. This maximum amount is in line with the market analysis carried out in 2022 on a panel of comparable companies in terms of revenue, headcount and market capitalization. Observed market practices indicated the median maximum variable compensation percentage was 160% of target compensation, and up to 175% for the third quartile.

The variable portions are subject to achievement of several precise and pre-defined quantitative and/or qualitative objectives, for which the minimum, target and maximum levels are set by the Board of Directors based on recommendations from the Remuneration Committee. The quantitative criteria are predominant.

The objectives taken into account to determine the variable portion are set each year based on the Group's key operating and financial indicators and CSR objectives, which are in line with the nature of its activities, strategy and values, and the challenges it faces.

The achievement of quantitative objectives is verified by the Remuneration Committee (in agreement, depending on the indicators, with the Audit Committee and the CSR Committee), based on information provided by the various departments concerned, depending on the type of objective (Finance, Human Resources, Quality and Safety, Sustainable Development Department, etc.), and is audited. The achievement of qualitative objectives is assessed by the Remuneration Committee and the Board of Directors based on goals defined at the beginning of the year by reference to the Group's strategy, priorities and challenges.

For 2025, the Board of Directors has decided to structure the variable portion of the Chairman and Chief Executive Officer's remuneration as follows:

	Chairman and Chief Executive Officer ***(target variable portion: 100% of fixed portion)***
1. Financial performance: EBITDA by metric ton, EBITDA "Inventories" (Days On Hold)	Weighting: 60%
2. Operating performance: Rapid performance improvement	Weighting: 20%
3. CSR: Quality, safety, carbon emissions and diversity	Weighting: 20%

- quality: number of customer claims per month; Quality issues relating to the entire supply chain will now be taken into account for this indicator.
- security: TRIR (total recordable incident rate per million hours worked);
- carbon emissions;
- diversity: percentage of women managers recruited or promoted to posts corresponding to grade 20 and above.

Pursuant to Article L.22-10-16 of the French Commercial Code, payment of the Chairman and Chief Executive Officer's variable remuneration is subject to the shareholders' approval at the Ordinary and Extraordinary Shareholders' Meeting, as provided for in Article L.22-10-34 of the French Commercial Code.

C) Medium- and long-term incentive equity instruments (2021 MEP)

In an industrial group for which capital expenditure projects may have long time frames for achieving returns, medium- and long-term incentive equity instruments are particularly appropriate. Consequently, the Group has for many years implemented a pro-active policy of giving employees a vested interest in its financial performance by putting in place stock option and performance share plans.

Acting on a proposal of certain shareholders, and further to the authorization of the Ordinary and Extraordinary Shareholders' Meeting of September 7, 2021, on October 13, 2021 the Board of Directors set up a share-based compensation plan. The compensation under the plan is contingent on performance and is based on the terms and conditions generally applied by private equity funds (the "2021 MEP"). The terms and conditions of the 2021 MEP are detailed in Section 4.3.3.2.1(A) of this Universal Registration Document.

In accordance with the recommendations of the AFEP-MEDEF Code, the Board of Directors may provide, at the time of the grant of performance shares, for a stipulation authorizing it to decide whether beneficiaries should retain all or part of their long-term remuneration plans not yet vested or shares not yet vested at the time of their departure. Irrespective of the decision made in this respect, the performance conditions would apply for the entire performance assessment period prescribed by each plan.

In accordance with the recommendations of Article 26.3.3 of the AFEP-MEDEF Code, the Chairman and Chief Executive Officer is prohibited from engaging in any hedging transactions in respect of their own risks with regard to performance shares until the end of the holding period set by the Board of Directors.

The authorization granted to the Board of Directors by the Ordinary and Extraordinary Shareholders' Meeting of September 7, 2021 to award T2 and/or T3 and T4 preferred shares under the MEP 2021 expired in November 2024 and the Board of Directors decided not to propose its renewal to the 22 May 2025 General Meeting of Shareholders.

There are no plans to grant free shares to the Chairman and Chief Executive Officer in 2025.

D) Benefits in kind for the Chairman and Chief Executive Officer

In terms of benefits in kind, the Chairman and Chief Executive Officer is entitled, as are the majority of the Group's senior executives, to a company car.

E) Remuneration of the Chairman and Chief Executive Officer

The Chairman and Chief Executive Officer does not receive any remuneration or attendance fees for the corporate offices he holds in direct or indirect subsidiaries of the Vallourec Group.

F) Supplementary pension plans

In accordance with market practices and in order to retain the Group's senior executives, the Chairman and Chief Executive Officer is offered a comprehensive supplementary pension plan to enable them to save for retirement, while preserving the economic interests of the Company via defined performance conditions.

This system was set up in 2016 to replace the defined benefit supplementary pension plan previously in effect. The new plan will ensure that each of its beneficiaries, individually, receives a net annuity level equal to that of the previous plan, while allowing Vallourec to achieve savings of around 22%.

The supplementary pension plan introduced in 2016 includes two components:

a) Mandatory group defined contribution plan (Article 83 of the French Tax Code [Code général des impôts])

The Chairman and Chief Executive Officer benefits from a mandatory group defined contribution pension plan open to all employees who meet the eligibility requirements(1). This plan is detailed in Section 4.3.3.1.2 of this Universal Registration Document. The contribution to this plan is set at 12% of remuneration falling between four and eight times the social security ceiling. The benefits under this plan will only be received when the beneficiary claims their state pension.

The Company's financial obligation is strictly limited in terms of amount and time since it can close the plan at any time.

b) Individual plan subject to performance criteria (Article 82 of the French Tax Code)

Individual defined contribution pension plans have been set up for the Chairman and Chief Executive Officer, as well as for other eligible senior executives(2). In accordance with France's "Macron Law", performance criteria have been set for the contributions under these plans to be paid. This plan is detailed in Section 4.3.3.1.2 of this Universal Registration Document.

With respect to these performance conditions, the Board decided to determine the effective contribution rate based on the annual bonus rate: the maximum contribution will be payable for the year if the beneficiary's annual bonus amounts to 50% of the target; no contribution will be paid if the annual bonus equals zero. The contribution will vary on a straight-line basis if the bonus represents between 0% and 50%.

This mechanism applies for employees who have been beneficiaries under this plan since 2016.

For employees who were not beneficiaries under the 2016 plan, it is proposed that an individual plan subject to performance criteria (Article 82 of the French Tax Code) be put in place, with the contribution rate defined based on the age of the beneficiary as follows:

- under 50 years of age: 5%;
- between 51 and 54 years of age: 7.5%;
- between 55 and 59 years of age: 10%;
- over 60 years of age: 15%.

(1) Eligible beneficiaries are Vallourec employees in France whose annual remuneration exceeds four times the social security ceiling (in 2024: 4 x €46,368), i.e., around 68 senior executives of the Group, including corporate officers.

(2) Eligible employees are Vallourec and Vallourec Tubes employees who have at least three years' seniority in the Group and whose remuneration exceeds eight times the social security ceiling, i.e., potentially eight senior executives, including the Chairman and Chief Executive Officer.

This individual pension plan will be implemented for eligible new corporate officers and senior executives (members of the Executive Committee). Contributions will be based on the beneficiaries' fixed remuneration plus the variable portion actually paid during the reference fiscal year.

The Company's contribution will correspond to the gross amount required to finance the overall defined contribution after deducting employee contributions and the related income tax. The benefits under this plan will only be payable when the beneficiary claims their state pension.

The above-mentioned beneficiaries of this new plan will also be beneficiaries under the mandatory group defined contribution plan (Article 83 of the French Tax Code) set up in 2016.

The new performance-related pension plan does not represent a deferred obligation as the Company may terminate it at any time.

The Group's overall supplementary pension system (i.e., the various different plans) will be reviewed based on any new provisions introduced by the French pension reform process.

The plans are aimed at improving the replacement income of beneficiaries and do not provide any specific advantage to the Chairman and Chief Executive Officer compared with eligible senior executive employees of the Group.

The Chairman and Chief Executive Officer's overall remuneration was determined taking into account the benefits under this supplementary pension plan.

The Group's supplementary pension plan has a replacement rate that is well below market practices, regardless of the reference panel used.

G) Provisions applicable to termination of the duties of the Chairman and Chief Executive Officer

a) Non-compete obligation applicable to the Chairman and Chief Executive Officer

Considering the Chairman and Chief Executive Officer's steel industry expertise, with a view to enabling the Group to safeguard its know-how and activities, the Board decided that he would be subject to a conditional non-compete obligation should he leave the Group.

Consequently, at its entire discretion, at the time of the Chairman and Chief Executive Officer's departure, for any reason, the Board may decide to prohibit him, for a period of 18 months following the termination of his duties, from working in any manner with any company or group of companies that generates more than 50% of its annual consolidated revenue in the design, production, sale or use of seamless carbon tubes or any kind of solution that competes with seamless tubes in the steel industry for application in the energy field. This non-compete obligation covers the following geographical scope: Europe, Middle East, United States of America, Mexico, Argentina, Brazil, China, Ukraine and Russia. No payments shall be made under the non-compete compensation after the executive concerned retires, and no compensation can be paid beyond the age of 70.

Should this clause be implemented by the Board, it would result in a payment to the Chairman and Chief Executive Officer of non-compete compensation equal to 12 months of gross fixed and variable monetary remuneration, calculated based on the average of the gross fixed and variable annual monetary remuneration paid during the two fiscal years preceding his departure date.

This sum would be paid in equal monthly installments during the entire period in which the non-compete clause is applicable.

The cumulative amount of any compensation paid under the non-compete clause and any termination benefit paid to the Chairman and Chief Executive Officer may not under any circumstances exceed twice the average gross fixed and variable annual monetary remuneration payable in respect of the two fiscal years preceding his departure date.

b) Termination package of the Chairman and Chief Executive Officer

In the event of a forced departure of an executive corporate officer, the Board of Directors takes into account all of the compensation and benefits that they may claim in order to decide whether or not to grant them a monetary termination benefit. To this end the Board examines:

(i) any contractual severance pay that may be payable under the executive corporate officer's employment contract in the event of termination of said contract;

(ii) the executive corporate officer's seniority in the Vallourec Group and the amount of any severance pay to which they would be entitled under the applicable collective bargaining agreement in the event of termination of their employment contract for any reason other than serious misconduct.

The Board of Directors considers that when no contractual severance pay is awarded, the executive corporate officer in question may be eligible for a monetary termination benefit for the termination of their term of office.

In accordance with the AFEP-MEDEF Code, the termination benefit for the Chairman and Chief Executive Officer will only be due in the event of a forced departure. No benefit will be due if it is possible for the interested party to claim their pension entitlements within a short period of time.

The amount of the termination benefit is limited to twice the average gross fixed and variable annual remuneration payable in respect of the two fiscal years preceding the departure date (hereinafter the "Maximum Benefit").

The benefit will be calculated based on the fixed monetary remuneration payable in respect of the fiscal year preceding the departure date, plus the target variable monetary remuneration determined for the same fiscal year (the "Reference Remuneration") and may not under any circumstances exceed the Maximum Benefit.

In accordance with the AFEP-MEDEF Code, for the Chairman and Chief Executive Officer, the aggregate amount of (i) any severance pay due on the termination of the employment contract under the applicable collective bargaining agreement, (ii) any compensation due under the non-compete clause, and (iii) any termination benefit due, may not under any circumstances exceed the Maximum Benefit.

The amount of the termination benefit payable to the Chairman and Chief Executive Officer, and, where applicable, the Deputy Chief Executive Officer(s), will depend on the achievement of performance conditions as set out below.

The amount of the termination benefit will depend on the achievement rate of the objectives set by the Board for the annual variable monetary portion of executive corporate officers' remuneration over the three fiscal years preceding their departure date (the "Reference Period").

For an average achievement rate equal to or greater than 50%, the termination benefit will correspond to this average achievement rate multiplied by the Reference Remuneration, subject to a ceiling representing 100% of the Reference Remuneration. For an average achievement rate of less than 50%, no termination benefit will be paid.

The achievement rate taken into account is the achievement rate of the objectives set by the Board for the annual variable monetary portion of executive corporate officers' remuneration, i.e.:

- 2022: 68.15%;
- 2023: 95.06%;
- 2024: 59.55%

H) Extraordinary remuneration of the Chairman and Chief Executive Officer

As recommended in the AFEP-MEDEF Code, the Board of Directors may, on the recommendation of the Remuneration Committee, award extraordinary remuneration to the Chairman and Chief Executive Officer, where warranted by highly specific circumstances (for example, due to the importance of the circumstances to the Group, the involvement they require and the difficulties they present). Any decision taken by the Board to award such remuneration must be substantiated. The amount of this extraordinary remuneration may not under any circumstances exceed the amount of the fixed annual monetary portion of the interested party's remuneration.

Pursuant to Article L.22-10-26 of the French Commercial Code, payment of the Chairman and Chief Executive Officer's extraordinary remuneration is subject to the shareholders' approval at the Ordinary and Extraordinary Shareholders' Meeting, as provided for in Article L.22-10-34 of the French Commercial Code.

I) Signing bonuses

As recommended in the AFEP-MEDEF Code, the Board of Directors may, on the recommendation of the Remuneration Committee, award a new Chief Executive Officer coming from an outside company a signing bonus in order to compensate for the loss of benefits previously received by the executive. This bonus must be clearly stated and made public at the time it is decided.

4.3.2 Remuneration and benefits paid or awarded for 2024 (*ex-post*)

This report was drawn up pursuant to Articles L.22-10-9, L.22-10-16 and L.22-10-34 of the French Commercial Code, in preparation for the say-on-pay shareholder votes at the Shareholders' Meeting on May 22, 2025. These votes relate to the total remuneration and benefits paid or awarded during the year ended December 31, 2024 to all corporate officers.

The corporate officers' remuneration is set by the Board of Directors in compliance with the remuneration policies approved by the shareholders at the Shareholders' Meeting.

4.3.2.1 Compliance of total remuneration with the remuneration policies for corporate officers approved by the shareholders

At its meeting on February 26, 2025, the Board of Directors ensured that the fixed, variable and extraordinary components comprising the total remuneration and benefits paid or awarded for 2024 to the Company's corporate officers complies with the remuneration policies for corporate officers approved by the Shareholders' Meeting of May 23, 2024.

The Board also ensured that the remuneration for executive corporate officers contributes to the Company's long-term performance.

The Board took note of the conditions for the approval of the resolutions relating to the remuneration policies for corporate officers by the Shareholders' Meeting of May 23, 2024, as summarized below. The Board considers that the very high approval rate of these resolutions shows that the remuneration policies for the Company's corporate officers are in line with shareholder expectations.

May 23, 2024 Shareholders' Meeting resolutions	Approval rate
Thirteenth resolution – Approval of the amendment to the remuneration policy for the Chairman and Chief Executive Officer for 2024	90.49%
Fourteenth resolution – Approval of the amendment to the remuneration policy for directors (other than the Chairman) for 2024	99.33%

In addition, at its meeting on February 26, 2025, the Board of Directors considered (i) the conditions for approval of the twelfth resolution of the Shareholders' Meeting of May 23, 2024 concerning the ex-post approval of the fixed, variable and exceptional components of the total remuneration and benefits paid during or awarded for 2023 to the Chairman and Chief Executive Officer, this resolution having been approved by 63.42%, and (ii) the conditions for approval of the twenty-ninth resolution of the Shareholders' Meeting of May 23, 2024 aimed at aligning the terms and conditions of the preferred shares (appended to the Company's Articles of Association) with the documentation relating to the awarding of free ordinary and preferred shares subject to performance conditions, this resolution having been approved by 68.63%.

The Board of Directors noted that the delegation of authority granted by the tenth resolution of the Shareholders' Meeting of September 7, 2021 to award free ordinary or preferred shares subject to performance conditions expired in November 2024, and decided not to propose that the Shareholders' Meeting of May 22, 2025 renew this delegation.

4.3.2.2 Remuneration of directors

Pursuant to Articles L.22-10-34, I and L.22-10-9, I of the French Commercial Code, the fixed, variable and extraordinary components of the total remuneration and benefits paid during or awarded for a given fiscal year to the corporate officers are submitted each year to the Shareholders' Meeting for approval. The shareholder vote on director remuneration is binding (as opposed to advisory).

The table below sets out the individual remuneration received by members of the Board of Directors (fixed and variable portions combined) in consideration of their term of office as directors in 2023 and 2024, in application of the remuneration policies described in Section 4.3.1.1 and which were not modified for 2024.

REMUNERATION RECEIVED BY MEMBERS OF THE BOARD (BASED ON THE TABLE 3 TEMPLATE PROVIDED BY THE AFEP-MEDEF CODE):

Remuneration received by non-executive corporate officers in 2023 or 2024

Non-executive corporate officers	Amounts paid (in €) in respect of 2023	Amounts paid (in €) in respect of 2024 [i]
Pierre Vareille	203,000	197,500
Corine de Bilbao	116,000	99,000
Luciano Siani Pires	21,500	113,500
Angela Minas	174,000	167,500
Hera Siu	124,500	135,500
Frida Norrbom Sams[a]	N/A	47,000
Genuino Magalhães Christino[b]	N/A	N/A
Keith James Howell[c]	N/A	N/A
Patrick Poulin[d]	48,500	51,000
Annelise Le Gall[e]	N/A	N/A
Gareth Turner[f]	N/A	N/A
Guillaume Wolf[g]	N/A	N/A
Maria Silvia Marques[h]	41,000	N/A
TOTAL	**728,500**	**811,000**

(a) *Frida Norrbom Sams was appointed director on May 23, 2024.*
(b) *Genuino Magalhães Christino was appointed director on May 23, 2024, subject to completion of the disposal by Apollo of its holding to ArcelorMittal. The effective start date of his term of office was August 5, 2024, i.e., the completion date of the transaction. He has waived his entitlement to Directors' remuneration.*
(c) *Keith James Howell was co-opted as a director on August 10, 2024 to replace Gareth Turner. He has waived his entitlement to Directors' remuneration.*
(d) *Employee director as from March 6, 2023.*
(e) *Employee director as from December 10, 2024.*
(f) *Gareth Turner waived his entitlement to Directors' remuneration.*
(g) *Employee director until March 3, 2023. Guillaume Wolf waived his entitlement to Directors' remuneration.*
(h) *Term of office ended May 25, 2023.*
(i) *The annual fixed portion amounts to €30,000 (€45,000 for the Vice-Chairman), on a pro rata basis where applicable.*

With the exception of the employee directors, who received remuneration in respect of their salaried duties, non-executive corporate officers received no other remuneration from the Company or from a Group entity in connection with their corporate offices in 2023 or 2024.

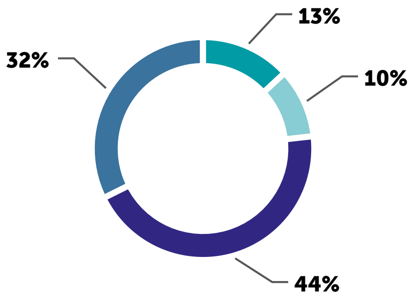
4.3.2.3 Executive corporate officers' remuneration

The remuneration for executive corporate officers presented below includes the fixed, variable and extraordinary components of their total remuneration and benefits paid or awarded for 2024.

The information contained in the following sections underpins the sustainability statement and, more specifically, the disclosure requirements of the GOV-3 standard under the Corporate Sustainability Reporting Directive.

4.3.2.3.1 COMPONENTS OF THE REMUNERATION AND BENEFITS OF EXECUTIVE CORPORATE OFFICERS

The respective weighting of each of the components of the remuneration of the Chairman and Chief Executive Officer was as follows in 2024 (as the 2021 MEP is intended to be a multi-year plan, one-quarter of its value has been taken into account for Philippe Guillemot):



In accordance with the remuneration policy for the Chairman and Chief Executive Officer approved by the Shareholders' Meeting of May 23, 2024, the various components of remuneration paid or awarded to Philippe Guillemot during 2024 are calculated as described below.

A) Fixed portion

In accordance with the remuneration policy, the annual fixed portion of remuneration payable to Philippe Guillemot, Chairman and Chief Executive Officer, amounted to €1,000,008 for 2024. This fixed portion has not changed since the remuneration policy was established for 2023.

In comparison, the fixed remuneration of the Group's French employees between 2020 and 2024 on a full-year basis increased by 11.3%.

B) Variable portion

The variable portion of executive corporate officers' remuneration corresponds to a percentage of the fixed portion. It includes minimum thresholds, below which no payment is made, target levels for when the objectives set by the Board are met, and maximum levels for when objectives are exceeded.

The 2024 variable portion was contingent on the achievement of several precise and pre-defined quantitative or qualitative objectives, for which the minimum, target and maximum amounts were initially set by the Supervisory Board and maintained by the Board of Directors.

Based on a proposal put forward by the Remuneration Committee, the Board of Directors determined the components and targets of Philippe Guillemot's variable compensation for 2024 at its February 29, 2024 meeting. The objectives set for the Chairman and Chief Executive Officer's remuneration were based on three fundamental priorities:

- the Group's financial performance (three objectives);
  - EBITDA by metric ton (Tubes),
  - Group EBITDA,
  - "Inventories" (Days On Hold);
- operating performance (one objective):
  - rapid performance improvement;
- CSR (four objectives);
  - quality: number of customer claims per month:
  - TRIR: total recordable incident rate per million hours worked,
  - carbon emissions,
  - diversity: percentage of women managers recruited or promoted to posts corresponding to grade 20 and above.

For 2024, the variable portion of the Chairman and Chief Executive Officer's compensation could be increased by an additional 30% if the Group exceeds its debt reduction targets ("booster").

In 2024, quantitative objectives represented 80% of the target variable portion of remuneration for the Chairman and Chief Executive Officer. The weighting of financial performance objectives was 60% of the target variable portion (identical to 2023) and the weighting of CSR performance objectives was 20% of the target variable portion.

In view of the results achieved and based on a proposal put forward by the Remuneration Committee, the Board of Directors determined the quantitative and qualitative variable remuneration for 2024 at its meeting of February 26, 2025, as follows:

- regarding Philippe Guillemot:

Variable portion 2024	Philippe Guillemot From January 1 to December 31 2024
STRUCTURE AND LEVEL OF THE VARIABLE PORTION *(as a percentage of the fixed portion)*	Variable portion: 100% if the objectives set by the Board are met and 135% if they are exceeded
FINANCIAL PERFORMANCE OBJECTIVES	Weighting in target variable portion: 60%
EBITDA by metric ton	Criterion ranging from 0 to 18% if the target was met, and up to a maximum of 24.30%
The achievement rate for this indicator is	0.000%
Group EBITDA	Criterion ranging from 0 to 24% if the target was met, and up to a maximum of 32.40%
The achievement rate for this indicator is	0.0000%
"Inventories" (Days On Hold)	Criterion ranging from 0 to 18% if the target was met, and up to a maximum of 24.30%
The achievement rate for this indicator is	19.575%
TOTAL AMOUNT AWARDED BASED ON FINANCIAL PERFORMANCE OBJECTIVES[(a)]	**€195,752**
OPERATING PERFORMANCE OBJECTIVES	Weighting in target variable portion: 20%
Accelerated operating performance	Criterion ranging from 0 to 20% if the target was met, and up to a maximum of 27%
The achievement rate for this indicator is	27.000%
TOTAL AMOUNT AWARDED BASED ON OPERATING PERFORMANCE OBJECTIVES	**€270,002**
CSR OBJECTIVES	Weighting in target variable portion: 20%
Quality	Criterion ranging from 0 to 5% if the target was met, and up to a maximum of 6.75%
The achievement rate for this indicator is	6.750%
Safety (TRIR)[(a)]	Criteria ranging from 0 to 10% if the target was met, and up to a maximum of 13.5%
The achievement rate for these indicators is	0.0000%
Carbon emissions	This criterion ranged from 0 to 2.50% if the target was met, and up to a maximum of 3.375%
The achievement rate for these indicators is	3.375%
Diversity: percentage of women managers recruited or promoted to posts corresponding to grade 20 and above	Criteria ranging from 0 to 2.50% if the target was met, and up to a maximum of 3.375%
The achievement rate for these indicators is	2.850%
TOTAL AMOUNT AWARDED BASED ON CSR PERFORMANCE OBJECTIVES	**€129,751**
Actual percentage of the variable portion in relation to the target variable portion	59.550%
ACTUAL VARIABLE PORTION AS A PERCENTAGE OF THE FIXED PORTION OF REMUNERATION	**59.550%**
"Accelerator" Group debt reduction objectives	Criterion ranging from 0 up to a maximum of 30%
The achievement rate for this indicator is	30%
Percentage of the variable portion calculated after application of the "Accelerator" objective	77.400%
Actual variable portion after application of the "Accelerator" objective as a percentage of the fixed portion of remuneration	77.400%
ACTUAL VARIABLE PORTION (IN €)	**€774,006**

(a) The safety objective is measured based on the results of the Total Recordable Injury Rate (TRIR), which measures the number of recordable injuries per million hours worked. Although the TRIR target was achieved this year, the fatality at our Muskogee site explains why the percentage target was nil.

In terms of the operating performance criteria, the Board of Directors – on the recommendation of the Remuneration Committee – decided to set the achievement rate at 135%, emphasizing:

The successful completion of the Group's refinancing in April 2024, including the issuance of 8-year USD 820 million in 7.5% senior notes and entry into a 4-year cross-currency swap to hedge Vallourec's currency exposure on its new senior notes, with a euro equivalent coupon of approximately 5.8%. Moreover, in the context of this transaction, Standard & Poor's again upgraded the Group's credit rating to BB+, Stable Outlook, and Vallourec was rated by Moody's and Fitch (Ba2, Positive Outlook, and BB+, Positive Outlook, respectively).

The identification in 2024 of €35 million in additional savings (full budgeted recurring impact in 2025). These programs added to cost savings programs are already identified in 2023 and budgeted in 2024.

Pursuant to Article L.22-10-34 of the French Commercial Code, payment of the Chairman and Chief Executive Officer's variable remuneration is subject to the shareholders' approval at the Annual Shareholders' Meeting of the remuneration for each executive corporate officer concerned, as provided for in Article L.22-10-34, II of the French Commercial Code.

C) Long-term incentive equity instruments (2021 MEP)

The 2023 remuneration policies approved by the Annual Shareholders' Meeting on May 25, 2023, and modified by the Annual Shareholders' Meeting on May 23, 2024, referred to the Company's share-based payment mechanism introduced by the Board of Directors on October 13, 2021 (2021 MEP). The specific features of this mechanism based on performance and on terms and conditions generally applied by private equity funds, are explained in Section 4.3.3.2.1(A) of this Universal Registration Document.

Table 7 in Section 4.3.2.3.2 of this Universal Registration Document details the number of free shares granted in this respect in 2023 and fully vested in 2024. These free share grants were approved ex post by the Shareholders' Meeting of May 23, 2024. No free shares were granted to the Chairman and Chief Executive Officer in 2024.

Table 9.1 in Section 4.3.3.2.1(D) of this Universal Registration Document details past performance share grants to executive corporate officers under the MEP mechanism.

D) Benefits in kind

In 2024, the Chairman and Chief Executive Officer had use of a Company car.

E) Remuneration in respect of corporate offices

The Chairman and Chief Executive Officer did not receive any remuneration or compensation in 2024 relating to corporate offices held in Vallourec Group subsidiaries included within the consolidation scope, within the meaning of Article L.233-16 of the French Commercial Code.

F) Supplementary pension plans

a) Mandatory group defined contribution plan (Article 83 of the French Tax Code)

In 2023, the contribution paid to the Chairman and Chief Executive Officer under the mandatory collective defined-contribution pension plan described in Section 4.3.3.1.2(B) of this Universal Registration Document represented €22,256.64 on a full-year basis. The contribution is partly subject to social security charges.

The estimated amount of the annuity that will be paid under this plan upon settlement of French social security pension rights, calculated as at December 31, 2024, is indicated below for the Chairman and Chief Executive Officer:

Corporate officers	Estimated annuity as at December 31, 2024[a]
Philippe Guillemot	€2,941

(a) On the basis of a post-retirement life expectancy of 20 years.

b) Individual plan subject to performance criteria (Article 82 of the French Tax Code)

Concerning the individual pension plan subject to performance criteria described in Section 4.3.3.1.2(C) of this Universal Registration Document, the Board of Directors validated the achievement of the performance condition applicable to the payment of the contribution to the Chairman and Chief Executive Officer's individual pension plan in respect of 2023. The maximum contribution was due as a result of the achievement of at least 50% of the annual bonus calculated for 2023. Note: Vallourec's commitment to this plan is limited to payment of an annual amount for retirement comprising 50% in contributions made to an insurance company and 50% in cash, given the tax features of the plan with taxation on entry.

Executive corporate officers	Total amount payable for 2024	Amount of contributions payable	Amount payable in cash
Philippe Guillemot	€335,366	€335,366	€670,732

Based on the applicable performance criteria and after deducting employer and employee contributions and the related income tax, the estimated annuity that will be paid under this plan when they claim their French social security retirement benefits, calculated as at December 31, 2024, is indicated below for the Chairman and Chief Executive Officer:

Corporate officers	Estimated annuity as at December 31, 2024[a]
Philippe Guillemot	€34,138

(a) On the basis of a post-retirement life expectancy of 20 years.

G) Provisions applicable to termination of the duties of the Chairman and Chief Executive Officer

None.

H) Extraordinary remuneration

No extraordinary remuneration was paid to Philippe Guillemot.

I) Signing bonuses

No signing bonus was paid to Philippe Guillemot.

J) Deferred variable remuneration

No deferred variable remuneration was paid to Philippe Guillemot.

4.3.2.3.2 OVERVIEW OF REMUNERATION AND BENEFITS PAID TO EXECUTIVE CORPORATE OFFICERS

The following tables summarize the compensation, performance shares and stock options granted to Philippe Guillemot for the years ended December 31, 2023 and December 31, 2024.

Table 1: Table summarizing the remuneration, stock options and performance shares granted or paid to executive corporate officers

The following table summarizes the remuneration and the value of the stock options and performance shares granted for 2023 and 2024:

In €	Fiscal year 2023	Fiscal year 2024
PHILIPPE GUILLEMOT CHAIRMAN AND CHIEF EXECUTIVE OFFICER SINCE MARCH 20, 2022		
Compensation awarded in respect of the financial year (see table 2)	2,470,288	2,114,804
Value of stock options granted during the year (see table 4 below)[a]		0
Value of performance shares granted during the year (see table 6 below)[b]		0
Value of preferred shares granted during the year	9,850,000[c]	0
TOTAL	**12,320,288**	**2,114,804**

(a) No stock options or performance shares were granted to the executive corporate officer in 2024.

(b) Grant made on June 4, 2022 under the 2021 MEP. Value of preferred shares is as indicated in Section 7.1.7.6.3 of this Universal Registration Document.

(c) Grant made on July 27, 2023 under the 2021 MEP.

Table 2: Summary of the remuneration awarded or paid to executive corporate officers

The tables below show the breakdown of fixed and variable remuneration and other benefits granted to Philippe Guillemot for the years ended December 31, 2023 and 2024.

	Fiscal year 2023		Fiscal year 2024	
In €	Amounts due for the year	Amounts paid during the year	Amounts due for the year	Amounts paid during the year
PHILIPPE GUILLEMOT CHAIRMAN AND CHIEF EXECUTIVE OFFICER FROM MARCH 20, 2022				
Fixed remuneration	1,000,008	1,000,008	1,000,008	1,000,008
Annual variable remuneration	1,235,764[c]	533,352	774,006	1,235,764[c]
Article 82 payment in cash[a]	230,004[c]	117,392	335,366[c]	230,004[c]
Extraordinary remuneration				
Remuneration in respect of directorships				
Benefits in kind[b]	4,512	4,512	5,424	5,424
TOTAL	**2,470,288**	**1,655,254**	**2,114,804**	**2,471,200**

(a) Amount paid in cash under the individual supplementary defined contribution pension plan (Article 82) under which 50% is paid in the form of a contribution and 50% in cash, as explained in Section 4.3.1.2.2.F b).

(b) Benefits in kind correspond to the value of a company car.

(c) In accordance with the applicable legal provisions, the payment of variable remuneration and "article 82" supplementary pension benefits was put to the vote of shareholders at the Ordinary and Extraordinary Shareholders' Meeting of May 23, 2024.

Table 4 – Stock options granted during the year by Vallourec or by any Group company to each executive corporate officer

No stock options were granted to the executive corporate officer in 2024.

Table 5 – Stock options exercised during the year by each executive corporate officer

No executive corporate officer exercised any stock options during 2024 under stock option plans set up in previous years.

Table 6 – Performance shares granted during the year by Vallourec or by any Group company to each executive corporate officer

No performance shares were awarded in 2024 to the executive corporate officer.

Table 7 – Performance shares that became available in 2024 for each executive corporate officer

Name of executive corporate officer	Plan number and date	Number and category of shares granted	Number and category of shares vested	Vesting date	Availability date	Performance conditions
Philippe Guillemot	2021 MEP of July 27, 2023	1,250,000 Tranche 2 shares	1,250,000 Tranche 2 shares	July 27, 2024	July 27, 2024	Yes[(a)]

(a) The performance condition was fulfilled on August 10, 2024, as recorded by the Remuneration Committee. The Tranche 2 Shares were converted into ordinary shares on a one-for-one basis on December 17, 2024. The conversion of the Tranche 2 preferred shares into ordinary shares is a simple modification of the attached rights, and does not entail any disposal of the shares (no issue of new shares and no impact on the amount of the share capital).

Table 10 – Table summarizing the multi-annual variable remuneration paid to each executive corporate officer

N/A.

Table 11 – Summary of the status and departure arrangements for executive corporate officers

	Employment contract		Supplementary pension plan[(a)]		Benefits or entitlements due or likely to become due as a result of termination or change of position[(b)]		Benefits relating to a non-compete clause[(c)]	
	Yes	No	Yes	No	Yes	No	Yes	No
PHILIPPE GUILLEMOT								
Chairman and Chief Executive Officer Term expires: 2026 OSM		X	X		X		X	

(a) For a description of the supplementary pension plan, see Section 4.3.1.2.2(F) above.

(b) For a description of payments or benefits that are due or that may be due as a result of a termination or change of office, see Section 4.3.1.2.2(G) above.

(c) For a description of the applicable non-compete compensation, see Section 4.3.1.2.2(G-a) above.

4.3.2.4 Remuneration ratios and year-on-year changes in remuneration, Company performance and the average remuneration of employees during the last five fiscal years

In accordance with Article L.22-10-9 of the French Commercial Code, the ratios between the level of remuneration of the executive corporate officers and (i) the average remuneration, on a full-time equivalent basis, of employees (excluding corporate officers), and (ii) the median remuneration, on a full-time equivalent basis, of employees (excluding corporate officers), are listed below. The tables also present the annual changes in remuneration, Company performance and the average remuneration of employees during the last five fiscal years.

Going forwards, Vallourec will analyze the possibilities of applying the method recommended by the CSRD and ESRS, along with any adjustments that may be made. This disclosure meets the requirements of data points 97.b and 97.c of ESRS S1-16, in accordance with the Corporate Sustainability Reporting Directive.

	2020	2021	2022	2023	2024
PHILIPPE CROUZET/ÉDOUARD GUINOTTE/PHILIPPE GUILLEMOT (SINCE MARCH 20, 2022)					
Remuneration[(a)]	786,785	2,929,036	4,386,532	€7,642,118	€8,579,531
(Year-on-year change)	*-58.75%*	*272.28%*	*49.76%*	*74.22%*	*12.27%*
Average remuneration of employees (full-time equivalent basis excluding corporate officers)[(b)(c)(d)]	49,462	49,354	60,279	€60,622	€67,242
(Year-on-year change)	*9.4%*	*-0.2%*	*22.1%*	*0.6%*	*10.9%*
Ratio compared with the average remuneration of employees (full-time equivalent basis excluding corporate officers)	15.9	59.3	72.8	126.1	127.6
(Year-on-year change)	*-62.3%*	*273.1%*	*22.6%*	*73.2%*	*1.2%*
Median remuneration of employees (full-time equivalent basis excluding corporate officers)[(b)(c)]	33,774	30,785	37,869	€41,068	€41,830
(Year-on-year change)	*7.7%*	*-8.8%*	*23.0%*	*8.4%*	*1.9%*
Ratio compared with the median remuneration of employees (full-time equivalent basis excluding corporate officers)	23.3	95.1	115.8	186.1	205.1
(Year-on-year change)	*-61.7%*	*308.4%*	*21.7%*	*60.6%*	*10.2%*
NET INCOME (LOSS) (COMPANY PERFORMANCE) *(In € thousands)*	**(1,328,397)**	**31,437**	**(363,707)**	**523,910**	**472,852**
(Year-on-year change)	*-290.6%*	*102.4%*	*-1,256.9%*	*244.1%*	*-0.097%*

(a) Philippe Guillemot's remuneration has been annualized. As the 2021 and 2023 MEPs can cover four years, one-quarter of the value of Philippe Guillemot's MEPs was taken into account for 2022 and 2023.

(b) The number of employees taken into account decreased from 901 in 2023 to 763 in 2024 (due to asset sales, site closures, redundancy plans, resignations, etc.).

(c) Remuneration taken into account: remuneration on a full-time equivalent basis paid or awarded during the year (basic fixed remuneration, seniority bonus, benefits in kind, year-end bonus, 13th-month bonus, annual variable portion, vacation bonus, foreign travel allowances, performance bonus, gross profit-sharing, gross employer matching contribution). Long-term profit-sharing plans were measured at the fair value applicable at the time of the award.

(d) Employees taken into account: employees on permanent and short-term employment contracts in any of the Group's French entities and continuously present between 2020 and 2024 (other than the Chairman and Chief Executive Officer and excluding Serimax Holding and Serimax SAS, considering the different specific remuneration structure relating to the business activity of these entities and which are therefore not representative).

4.3.3 Executive incentives and employee profit-sharing

4.3.3.1 Remuneration and retirement obligations for the Group's main executives

4.3.3.1.1 REMUNERATION OF THE GROUP'S MAIN SENIOR EXECUTIVES

The total amount of all direct and indirect remuneration paid in 2024 by the Group's French and foreign companies to all of the Group's main senior executives (i.e., the members of the Executive Committee as constituted in 2024, excluding the corporate officers) amounted to €10,111 thousand. Variable remuneration represented 26% of this total.

The value of the ordinary and preferred shares granted during the year to members of the Executive Committee – valued using the same method as for the consolidated financial statements – amounted to €8,946 thousand.

4.3.3.1.2 RETIREMENT COMMITMENTS

On the recommendation of the Nomination, Remuneration and Governance Committee, at its meeting on February 17, 2016, the Supervisory Board authorized the establishment of a new supplementary pension plan to replace the mandatory group defined benefit supplementary pension plan, which it authorized to be closed to the accrual of further benefits. In accordance with Articles L.225-86 and Article L.225-90-1 of the French Commercial Code, this new plan was approved by the Shareholders' Meeting of April 6, 2016.

As a result, the Company's obligations for pensions and other life annuities for corporate officers comprise, in addition to the ARRCO and AGIRC mandatory supplementary plans, a defined benefit plan (closed), a mandatory group defined contribution plan, and an individual defined contribution plan whose main characteristics are provided below.

A) Main characteristics of the closed defined benefit pension plan:

- the plan was covered by Article L.137-11 of the French Social Security Code (Code de la sécurité sociale) and was approved by the Shareholders' Meetings of June 1, 2006 and June 4, 2009;
- it was closed to new beneficiaries and the accrual of any further rights on December 31, 2015;
- it covered 20 senior executives and corporate officers, with the rights to the defined pension benefits entailing a risk factor. The seniority condition was three years at the time the plan was closed on December 31, 2015;
- the annuity under the plan could not exceed 20% of the beneficiaries' average basic remuneration for the last three years and was limited to four times the annual social security ceiling. The reference remuneration is the average remuneration for the last three years (excluding the variable portion) as at December 31, 2015;
- the plan is financed by contributions paid to an insurance company and is subject to an employer contribution as set out in Article L.137-11 of the French Social Security Code at the rate of 24%. The plan is not financed by Vallourec on an individual basis.

B) Main characteristics of the mandatory group defined contribution pension plan:

- this plan, which falls within the scope of Article L.242-1 of the French Social Security Code and Article 83 of the French Tax Code, was approved by the Shareholders' Meeting of April 6, 2016;
- it is mandatory for all Vallourec Tubes and Vallourec employees and corporate officers who meet the eligibility requirements, i.e., whose gross annual remuneration exceeds four times the annual social security ceiling. There is no seniority requirement. The plan covers around 50 managers and corporate officers;
- Vallourec's obligation is limited to payment to the insurance company of a contribution of 12% of the fixed and variable remuneration that falls between five and eight times the social security ceiling (Tranche C);
- Vallourec's financial obligation is strictly limited in terms of amount and time since it can close the plan at any time.

C) Main characteristics of the optional individual pension plan:

- this plan, which falls within the scope of Article 82 of the French Tax Code, was approved by the Shareholders' Meeting of April 6, 2016;
- it is individual and discretionary. In addition, beneficiaries must have three years' seniority within the Group and a gross annual remuneration exceeding eight times the annual social security ceiling. The plan covers around ten senior executives and corporate officers;
- Vallourec's commitment to this plan is limited to payment of an annual amount for retirement comprising 50% in contributions made to an insurance company and 50% in cash, given the tax features of the plan with taxation on entry;
- in accordance with France's "Macron Law", the contribution made under this plan for executive corporate officers is subject to performance conditions: the maximum contribution will be payable for the year if the beneficiary's annual bonus amounts to 50% of the target bonus; no contribution is paid if the annual bonus is zero. The contribution will vary on a straight-line basis if the bonus represents between 0% and 50%;
- Vallourec's financial obligation is strictly limited in terms of amount and time since it can close the plan at any time;
- for employees who were not beneficiaries under the 2016 plan, it is proposed that an individual plan subject to performance criteria (Article 82 of the French Tax Code) be put in place, with the contribution rate defined based on the age of the beneficiary as follows:
  - under 50 years of age: 5%,
  - between 51 and 54 years of age: 7.5%,
  - between 55 and 59 years of age: 10%,
  - over 60 years of age: 15%;
- this individual pension plan will be implemented for eligible new corporate officers and senior executives (members of the Executive Committee). Contributions will be based on the beneficiaries' fixed remuneration plus the variable portion actually paid during the reference fiscal year;
- the Company's contribution will correspond to the gross amount required to finance the overall defined contribution after deducting employee contributions and the related income tax. The benefits under this plan will only be payable when the beneficiary claims their state pension;
- the above-mentioned beneficiaries of this new plan will also be beneficiaries under the mandatory group defined contribution plan (Article 83 of the French Tax Code) set up in 2016.

4.3.3.2 Long-term remuneration plans (performance shares, stock options, employee share ownership)

Vallourec is pursuing its long-standing policy of (i) enabling employees to share in the Group's earnings with the aim of supplementing their remuneration through a number of long-term mechanisms, and (ii) closely aligning the interests of Vallourec's management and those of its shareholders over the long term through mechanisms such as annual grants of stock options and/or performance shares subject to the achievement of performance objectives assessed over several fiscal years.

These grants, designed for managerial staff members according to a predefined scope and volume, are implemented worldwide.

The stock options and/or performance shares granted are contingent upon:

- continuous service within the Group; and
- meeting pre-defined, objective performance conditions.

Out of a wish to involve the Group's employees and managers in value creation and to develop employee share ownership in recognition of the progress already achieved, the Board of Directors, acting on a proposal from the Remuneration Committee, decided:

- on June 22, 2024, to set up, in accordance with the authorization granted by the tenth resolution of the Shareholders' Meeting of September 7, 2021, a long-term incentive plan (2024 MEP) for certain Group managers.
- on November 12, 2024, to set up, in accordance with the twenty-fifth resolution of the Shareholders' Meeting of May 23, 2024, a long-term performance-based incentive plan for managers not eligible for the 2024 MEP plan mentioned above; and
- on December 11, 2024, to set up, in accordance with the twenty-sixth and twenty-seventh resolutions of the Shareholders' Meeting of May 23, 2024, an employee share ownership plan for Group employees in France, the United States, Brazil, Indonesia, Saudi Arabia, Singapore and the United Arab Emirates, to be rolled out during the first half of 2025 (Vallourec Invest 2025);

Consequently, their beneficiaries are incentivized to use their best efforts to contribute to improving the Group's performance and help it achieve the objectives it has set.

4.3.3.2.1 MEP

A) 2021 MEP

On October 13, 2021 the Board of Directors set up a share-based compensation plan in accordance with the authorization granted under the tenth resolution approved by the Annual Shareholders' Meeting of September 7, 2021. The remuneration provided for in this plan is contingent on performance and is based on the terms and conditions generally applied by private equity funds. Under the plan, provided that the applicable conditions relating to continuous service and/or performance are met, the beneficiaries (the Chairman and Chief Executive Officer, as well as Executive Committee members and certain managers) are awarded ordinary shares and preferred shares convertible into ordinary shares.

Ordinary shares granted under the 2021 MEP ("Tranche 1 Shares") will be acquired in successive tranches over five years as from their grant date, i.e., 20% on each anniversary of the initial grant date, subject to the continuous service condition and provided that the ordinary share price is at least equal to €8.09 on each relevant acquisition date. Tranche 1 Shares that are acquired in full on the first anniversary of their grant date are subject to a one-year holding period.

The acquisition period for the free preferred shares is one year, starting from their grant date. They are also subject to a one-year holding period.

Once acquired, these preferred shares may vest and become convertible into ordinary shares of the Company, in accordance with the terms of the Company's Articles of Association, under the following performance conditions:

- the Tranche 2 Shares will be convertible into ordinary shares, at the request of each holder, as from the date on which the volume-weighted average price of the Company's ordinary shares has been at least equal to €16.19 for a period of 90 consecutive trading sessions on the regulated market of Euronext Paris, during the Plan Duration;
- the Tranche 3 Shares will be convertible into ordinary shares, at the request of each holder, as from the date on which the volume-weighted average price of the Company's ordinary shares has been at least equal to €20.22 for a period of 90 consecutive trading sessions on the regulated market of Euronext Paris, during the Plan Duration;
- the Tranche 4 Shares will be convertible into ordinary shares, at the request of each holder, as from the date on which the volume-weighted average price of the Company's ordinary shares has been at least equal to €28.32 for a period of 90 consecutive trading sessions on the regulated market of Euronext Paris, during the Plan Duration.

The ordinary shares obtained upon conversion will be ordinary shares of the Company and will rank *pari passu* with all of the Company's other ordinary shares. Prior to their conversion, the Tranche 2, Tranche 3 and Tranche 4 Shares will not carry voting rights at Shareholders' Meetings, or any rights to dividends or any rights to a share of the Company's assets in the event of its liquidation. However, they will entitle their holders to pre-emptive subscription rights in the event of a capital increase.

Specific terms for the assessment of the performance conditions are provided for all beneficiaries of the preferred shares in certain circumstances:

- in case of a material transaction and under certain conditions, the assessment of the performance condition will be based on the transaction price or the share price following such transaction;
- the assessment of the condition linked to the share price will take into account distributions (or any transaction having the economic effect of a return to shareholders) made by the Company, such that performance triggers will be adjusted accordingly.

In 2021, the Board of Directors decided to award, subject to continuous service and/or performance conditions, to employees and executive corporate officers, under the 2021 MEP: a target number of 1,618,690 ordinary shares and 3,621,598 preferred shares, for 73 managers. Of these free shares, 300,571 ordinary shares and 2,548,628 preferred shares vested on October 13, 2022, 146,498 ordinary shares vested on October 13, 2023 and 93,881 ordinary shares vested on October 13, 2024.

In 2022, the Board of Directors decided to award, free of consideration and subject to continuous service and/or performance conditions, the following shares to employees and executive corporate officers, under the 2021 MEP:

- on June 4, 2022, a target number of 57,359 ordinary shares and 3,743,088 preferred shares[(1)]; of these free shares, 11,472 ordinary shares and 3,743,088 preferred shares vested on June 4, 2023;
- on July 4, 2022, a target number of 276,458 preferred shares; of these free shares, 276,458 preferred shares vested on July 4, 2023;
- on July 14, 2022, a target number of 810,416 preferred shares; of these free shares, 810,416 preferred shares vested on July 14, 2023;
- on July 26, 2022, a target number of 429,166 preferred shares; none of these free shares had vested on July 26, 2023;
- on September 12, 2022, a target number of 16,168 preferred shares; of these free shares, 16,168 preferred shares vested on July 26, 2023; and
- on December 14, 2022, a target number of 95,502 preferred shares; of these free shares, 66,254 preferred shares vested on December 14, 2023.

In 2023, the Board of Directors decided to award, free of consideration and subject to continuous service and/or performance conditions, the following shares to employees and executive corporate officers, under the 2021 MEPs:

- on February 1, 2023, a target number of 199,584 preferred shares awarded free of consideration. Of these shares, 174,780 vested on February 1, 2024;
- on March 1, 2023, a target number of 404,928 preferred shares awarded free of consideration. Of these shares, (i) 327,562 vested on March 10, 2024, (ii) 17,605 vested on March 13, 2024 and (iii) 37,037 vested on March 23, 2024, i.e., a total of 382,204;
- on July 27, 2023, a target number of 1,354,827 preferred shares[(2)] awarded free of consideration. Of these shares, (i) 1,250,000 shares vested on July 27, 2024 and (ii) 64,989 shares vested on December 14, 2024, i.e., a total of 1,314,989 shares; and
- on November 12, 2023, a target number of 49,608 preferred shares.

In 2024, the Board of Directors decided to award, free of consideration and subject to continuous service and/or performance conditions, the following shares to employees and executive corporate officers, under the 2021 MEP:

- on February 29, 2024, a target number of 184,888 preferred shares;
- on May 15, 2024, a target number of 104,500 preferred shares.

B) 2023 MEP

Under the tenth resolution relating to performance and preferred shares, adopted by the September 7, 2021 Ordinary and Extraordinary Shareholders' Meeting, on July 27, 2023, the Board of Directors approved the terms and conditions of a plan awarding free ordinary shares subject to performance conditions ("2023 MEP").

This plan provides for the granting of free ordinary shares subject to the same cumulative performance and continued service conditions as the Tranche 1 Shares granted under the 2021 MEP plan.

Under this plan, the shares granted will be acquired in successive tranches over three years, i.e., 20% on the first anniversary of the grant date, 30% on the second anniversary and 50% on the third anniversary, subject to the continuous service condition and provided that the ordinary share price is at least equal to €8.09 on each relevant acquisition date.

These ordinary shares are also subject to a one-year holding period, with the exception of ordinary shares that are acquired on or after the second anniversary of the grant date (for which the acquisition period will therefore be at least two years).

On the same day, the Board of Directors decided to grant a target number of 1,251,010 free ordinary shares to 48 managers (excluding Philippe Guillemot at his request), subject to continuous service and performance conditions. Of these free ordinary shares, 178,317 vested on July 27, 2024.

C) 2024 MEP

Under the tenth resolution relating to performance and preferred shares, adopted by the September 7, 2021 Ordinary and Extraordinary Shareholders' Meeting, on June 22, 2024, the Board of Directors approved the terms and conditions of a plan awarding free ordinary shares and Tranche 3 and Tranche 4 preferred shares subject to performance conditions ("2024 MEP").

This plan provides for the grant without consideration of (i) ordinary shares subject to the same cumulative performance and service conditions as the Tranche 1 Shares granted under the 2021 MEP, and (ii) Tranche 3 and Tranche 4 preferred shares subject to the same performance conditions as the Tranche 3 and Tranche 4 Shares granted under the 2021 MEP.

(1) *Including 2,058,876 preferred shares granted to Philippe Guillemot, breaking down as 957,938 T2 Shares, 957,938 T3 Shares and 143,000 T4 Shares.*
(2) *Including 1,250,000 T2 preferred shares granted to Philippe Guillemot.*

Under this plan:

- the ordinary shares granted will be acquired in successive tranches over two years, i.e., 50% on the first anniversary of the grant date, and 50% on the second anniversary, subject to the continuous service condition and provided that the ordinary share price is at least equal to €8.09 on each relevant acquisition date. These ordinary shares are also subject to a one-year holding period, with the exception of ordinary shares that vest on or after the second anniversary of the grant date (for which the acquisition period will therefore be at least two years);
- The acquisition period for the free preferred shares is one year, starting from their grant date. They are also subject to a one-year holding period.
- the Tranche 3 Shares will vest and be convertible into ordinary shares, at the request of each holder, as from the date on which the volume-weighted average price of the Company's ordinary shares has been at least equal to €20.22 for a period of 90 consecutive trading sessions on the regulated market of Euronext Paris, during the Plan Duration;
- the Tranche 4 Shares will vest and be convertible into ordinary shares, at the request of each holder, as from the date on which the volume-weighted average price of the Company's ordinary shares has been at least equal to €28.32 for a period of 90 consecutive trading sessions on the regulated market of Euronext Paris, during the Plan Duration.

The ordinary shares obtained upon conversion will be ordinary shares of the Company and will rank *pari passu* with all of the Company's other ordinary shares. Prior to their conversion, the Tranche 3 and Tranche 4 Shares will not carry voting rights at Shareholders' Meetings, or any rights to dividends or any rights to a share of the Company's assets in the event of its liquidation. However, they will entitle their holders to pre-emptive subscription rights in the event of a capital increase.

Specific terms for the assessment of the performance conditions are provided for all beneficiaries of the preferred shares in certain circumstances:

- in case of a material transaction and under certain conditions, the assessment of the performance condition will be based on the transaction price or the share price following such transaction;
- the assessment of the condition linked to the share price will take into account distributions (or any transaction having the economic effect of a return to shareholders) made by the Company, such that performance triggers will be adjusted accordingly.

In 2024, the Board of Directors decided to award, free of consideration and subject to continuous service and/or performance conditions, the following shares to employees and executive corporate officers, under the 2024 MEP:

- on June 22, 2024, a target number of 87,048 preferred shares; and
- on August 10, 2024, a target number of 593,000 ordinary shares and 693,000 preferred shares.

D) History of performance share awards under MEP plans

As at December 31, 2024, the number of shares not yet vested was (i) 192,186 preferred shares and 172,013 ordinary shares under the 2021 MEP, (ii) 705,712 ordinary shares under the 2023 MEP, and (iii) 655,513 ordinary shares and 876,730 preferred shares under the 2024 MEP, representing 1.09% of the Company's share capital and 1.11% of theoretical voting rights as at that date.

The table below shows past performance share grants outstanding as at December 31, 2024, based on the Table 9 template in the Appendix to the AFEP-MEDEF Code.

Table 9.1 – History of MEP performance share grants

	Plans approved by the Board of Directors pursuant to the tenth resolution of the Shareholders' Meeting of September 7, 2021									
	2021 Management Equity Plan									
Effective date granted by the Board of Directors	10/13/2021			06/04/2022			07/04/2022	07/14/2022	07/26/2022
Number of beneficiaries at plan launch date	73			6			1	1	1
Type of shares	Ordinary shares	Preferred shares	Total	Ordinary shares	Preferred shares	Total	Preferred shares	Preferred shares	Preferred shares
Total number of shares awarded, of which awarded to:	1,618,690	3,621,598	5,240,288	57,359	3,743,088	3,800,447	276,458	810,416	429,166
• Philippe Guillemot					2,058,876	2,058,876			
	-	-	-	-	i.e., 0.8648% of the Company's share capital[a]	i.e., 0.8648% of the Company's share capital[a]	-	-	-
• Édouard Guinotte	292,852	709,915	1,002,767	-	-	-	-	-	-
	i.e., 0.1230% of the Company's share capital[a]	i.e., 0.2982% of the Company's share capital[a]	i.e., 0.4212% of the Company's share capital[a]	-	-	-	-	-	-
• Olivier Mallet	194,751	472,473	667,224	-	-	-	-	-	-
	i.e., 0.0818% of the Company's share capital[a]	i.e., 0.1984% of the Company's share capital[a]	i.e., 0.2802% of the Company's share capital[a]	-	-	-	-	-	-
Percentage of the share capital that may potentially be granted to members of the Board of Directors[a]	0.2048%	0.4966%	0.7014%						
Total number of shares granted to the ten Group employees who are not corporate officers and to whom the largest number of shares was granted	461,842	1,091,431	1,553,273	57,359	1,684,212	1,741,571	276,458	810,416	429,166
Total potential dilutive impact of the plan at the grant date[a]			2.2010%	1.5722%			0.1161%	0.3404%	0.1803%
Performance conditions	Yes[b]	Yes[c]	-	Yes[b]	Yes[c]	-	Yes[c]	Yes[c]	Yes[c]
End of vesting period[b]	October 13, 2026	October 13, 2022		June 4, 2027	June 4, 2023		July 4, 2023	July 14, 2023	July 26, 2023
Total number of performance shares canceled or lapsed since the grant date	907,163	2,644,901	3,552,064	45,887	178,318	224,205	-	810,416	429,166
Performance shares not yet vested as at December 31, 2024	172,013	-	172,013	-	-	-	-	-	-
Total potential dilution of the plan as at December 31, 2024[a]	0.0722%	0.0000%	0.0722%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%

(a) Based on the 238,084,623 shares comprising the share capital as at December 31, 2024.

(b) The ordinary shares (Tranche 1) vest at a rate of 20% per year over five years. The shares will vest if the Vallourec share price is greater than or equal to €8.09 at each vesting date. At the end of the first year, vested shares are subject to a one-year holding obligation.

(c) The preferred shares (Tranches 2, 3 and 4 for members of the Vallourec Executive Committee) all vest after one year. At the end of the first year, vested shares are subject to a one-year holding obligation. The preferred shares will be convertible if the weighted average share price over a period of 90 days is greater than or equal to:

- *€16.19 for Tranche 2 Shares (the early fulfillment of this condition was recorded by the Board of Directors' Remuneration Committee on August 10, 2024 following the completion of the sale by Apollo of its stake to ArcelorMittal);*
- *€20.22 for Tranche 3;*
- *€28.32 for Tranche 4 (reserved for Vallourec's Executive Committee).*

	Plans approved by the Board of Directors pursuant to the tenth resolution of the Shareholders' Meeting of September 7, 2021 (cont'd)								
	2021 Management Equity Plan (cont.)								
Effective date granted by the Board of Directors	09/12/2022	12/14/2022	02/01/2023	03/10/2023	03/13/2023	03/23/2023	06/21/2023	07/27/2023	12/14/2023
Number of beneficiaries at plan launch date	1	4	7	1	1	1	3	1	2
Type of shares	Preferred shares	Preferred shares	Preferred shares	Preferred shares	Preferred shares	Preferred shares	Preferred shares	Preferred shares	Preferred shares
Total number of shares awarded, of which awarded to:	16,168	95,502	199,584	327,562	17,605	37,037	108,526	1,250,000	64,989
Philippe Guillemot								1,250,000 i.e., 0.5250% of the Company's share capital(a)	
Percentage of the share capital that may potentially be granted to members of the Board of Directors[(a)]								0.5250%	-
Total number of shares granted to the ten Group employees who are not corporate officers and to whom the largest number of shares was granted	16,168	95,502	199,584	327,562	17,605	37,037	108,526		64,989
Total potential dilutive impact of the plan at the grant date[(a)]	0.0068%	0.0401%	0.0838%	0.1376%	0.0074%	0.0156%	0.0456%	0.5250%	0.0273%
Performance conditions	Yes[(d)]	Yes[(d)]	Yes[(d)]	Yes[(d)]	Yes[(d)]	Yes[(d)]	Yes[(d)]	Yes[(d)]	Yes[(d)]
End of vesting period[(b)]	Sept. 12, 2023	Dec. 14, 2023	Feb. 1 2024	March 10, 2024	March 13, 2024	March 23, 2024	June 21, 2024	July 27, 2024	Dec. 14, 2024
Total number of performance shares canceled or lapsed since the grant date		29,248	24,804		8,802		59,888		
Performance shares not yet vested as at December 31, 2024	-	-	-	-	-	-	-	-	-
Total potential dilution of the plan as at December 31, 2024[(a)]	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%

(a) Based on the 238,084,623 shares comprising the share capital as at December 31, 2024.

(b) The ordinary shares (Tranche 1) vest at a rate of 20% after one year, 30% after two years and 50% after three years. The preferred shares (Tranches 2, 3 and 4 for members of the Vallourec Executive Committee) all vest after one year, after which the vested shares are subject to a one-year holding obligation.

(c) The shares will vest if the Vallourec share price is greater than or equal to €8.09 at each vesting date.

(d) The preferred shares will be convertible if the weighted average share price over a period of 90 days is greater than or equal to:

- *€16.19 for Tranche 2 Shares (the early fulfillment of this condition was recorded by the Board of Directors' Remuneration Committee on August 10, 2024 following the completion of the sale by Apollo of its stake to ArcelorMittal);*
- *€20.22 for Tranche 3;*
- *€28.32 for Tranche 4 (reserved for Vallourec's Executive Committee).*

	2021 Management Equity Plan (cont.)		2023 Management Equity Plan	2024 Management Equity Plan					
Effective date granted by the Board of Directors	3/18/2024	5/24/2024	7/27/2023	6/24/2024			8/10/2024		
Number of beneficiaries at plan launch date	3	2	48	4			16		
Type of shares	Preferred shares	Preferred shares	Ordinary shares	Ordinary shares	Preferred shares	Total	Ordinary shares	Preferred shares	Total
Total number of shares awarded, of which awarded to:	117,348	74,838	1,251,010	27,900	135,075	162,975	593,000	693,000	1,286,000
Total number of shares granted to the ten Group employees who are not corporate officers and to whom the largest number of shares was granted			1,088,830				521,000	621,000	1,142,000
Total potential dilutive impact of the plan at the grant date[(a)]	0.0493%	0.0314%	0.5254%	0.0117%	0.0567%	0.0685%	0.2491%	0.2911%	0.5401%
Performance conditions	Yes[(c)]	Yes[(c)]	Yes[(b)]	Yes[(b)]	Yes[(c)]		Yes[(b)]	Yes[(c)]	
End of vesting period[(b)]	3/18/2025	5/24/2025	7/27/2026	6/24/2025	6/24/2026		8/10/2026	8/10/2025	
Total number of performance shares canceled or lapsed since the grant date			366,981		20,680	20,680			
Performance shares not yet vested as at December 31, 2024	117,348	74,838	705,712	27,900	114,395	142,295	593,000	693,000	1,286,000
Total potential dilution of the plan as at December 31, 2024[(a)]	0.0493%	0.0314%	0.2964%	0.0117%	0.0480%	0.0598%	0.2491%	0.2911%	0.5401%

(a) Based on the 238,084,623 shares comprising the share capital as at December 31, 2024.

(b) The ordinary shares (Tranche 1) vest at a rate of 50% after one year and 50% after two years. The shares will vest if the Vallourec share price is greater than or equal to €8.09 at each vesting date. At the end of the first year, vested shares are subject to a one-year holding obligation.

(c) The preferred shares (Tranches 2, 3 and 4 for members of the Vallourec Executive Committee) all vest after one year. At the end of the first year, vested shares are subject to a one-year holding obligation. The preferred shares will be convertible if the weighted average share price over a period of 90 days is greater than or equal to:

- *€16.19 for Tranche 2 Shares (the early fulfillment of this condition was recorded by the Board of Directors' Remuneration Committee on August 10, 2024 following the completion of the sale by Apollo of its stake to ArcelorMittal);*
- *€20.22 for Tranche 3;*
- *€28.32 for Tranche 4 (reserved for Vallourec's Executive Committee).*

	Plans approved by the Board of Directors pursuant to the tenth resolution of the Shareholders' Meeting of September 7, 2021 (cont.)					
	2024 Management Equity Plan					
Effective date granted by the Board of Directors	09/02/2024			12/16/2024		
Number of beneficiaries at plan launch date	3			1		
Type of shares	Ordinary shares	Preferred shares	Total	Ordinary shares	Preferred shares	Total
Total number of shares that can vest, including for:	29,413	58,935	88,348	5,200	10,400	15,600
Total number of shares granted to the ten Group employees who are not corporate officers and to whom the largest number of shares was granted						
Total potential dilutive impact of the plan at the grant date[(a)]	0.0124%	0.0248%	0.0371%	0.0022%	0.0044%	0.0066%
Performance conditions	Yes(b)	Yes(c)		Yes(b)	Yes(c)	
End of vesting period[(b)]	09/02/2026	09/02/2025		12/16/2026	12/16/2025	
Total number of performance shares canceled or lapsed since the grant date						
Performance shares outstanding as at December 31, 2024	29,413	58,935	88,348	5,200	10,400	15,600
Total potential dilution of the plan as at December 31, 2024[(a)]	0.0124%	0.0248%	0.0371%	0.0022%	0.0044%	0.0066%

(a) Based on the 238,084,623 shares comprising the share capital as at December 31, 2024.

(b) The ordinary shares (Tranche 1) vest at a rate of 50% after one year and 50% after two years. The shares will vest if the Vallourec share price is greater than or equal to €8.09 at each vesting date. At the end of the first year, vested shares are subject to a one-year holding obligation.

(c) The preferred shares (Tranches 2, 3 and 4 for members of the Vallourec Executive Committee) all vest after one year. At the end of the first year, vested shares are subject to a one-year holding obligation. The preferred shares will be convertible if the weighted average share price over a period of 90 days is greater than or equal to:

- *€16.19 for Tranche 2 Shares (the early fulfillment of this condition was recorded by the Board of Directors' Remuneration Committee on August 10, 2024 following the completion of the sale by Apollo of its stake to ArcelorMittal);*
- *€20.22 for Tranche 3;*
- *€28.32 for Tranche 4 (reserved for Vallourec's Executive Committee).*

4.3.3.2.2 FREE PERFORMANCE SHARE PLANS

A) 2021 & 2022 LTIP

- On October 13, 2021 the Board of Directors decided to grant, subject to continuous service and performance conditions, a target number of 289,396 performance shares, or 0.13% of the share capital as at December 31, 2021, to 439 managers (the "2021 LTIP").

  Vesting of shares under this plan is subject to:

  - two absolute internal criteria:
    - group cost reductions (gross savings as a % of the Y-1 baseline and excluding DCOS) for 2021, 2022 and 2023;
    - the ratio of carbon emissions from Vallourec's industrial processes and the purchase of electricity generated by fossil fuels to sales volumes, in metric tons (emissions of non-biogenic carbon) between 2021 and 2023;
  - a relative external criterion:
    - growth in the EBITDA margin between 2021 and 2023 compared to a panel of comparable companies, comprising Hunting Plc, United States Steel Corp., Nippon Steel Corp., Tubacex SA, Tenaris SA, Schlumberger, Halliburton, Tubos Reunidos SA, TimkenSteel Corp., Salzgitter AG, ArcelorMittal SA, TMK and NOV;
  - on October 13, 2024, the Board of Directors placed on record the vesting of 173,939 ordinary shares under the 2021 LTIP. These shares were delivered to their beneficiaries further to the capital increase in the same amount.

As at December 31, 2024, there were no longer any performance shares still to vest under the 2021 LTIP.

- on June 4, 2022, the Board of Directors decided to grant, subject to continuous service conditions and, for management above grade 20, performance conditions, a target number of 231,410 performance shares, or 0.10% of the share capital as at December 31, 2022, to 389 managers (the "2022 LTIP").

  Vesting of shares under this plan is subject to:

  - two absolute internal criteria:
    - group cost reductions (gross savings as a % of the Y-1 baseline and excluding DCOS) for 2022, 2023 and 2024,
    - the ratio of carbon emissions from Vallourec's industrial processes and the purchase of electricity generated by fossil fuels to sales volumes, in metric tons (emissions of non-biogenic carbon) between 2022 and 2024;
  - a relative external criterion:
    - growth in the EBITDA margin between 2022 and 2024 compared to a panel of comparable companies, comprising Hunting Plc, United States Steel Corp., Nippon Steel Corp., Tubacex SA, Tenaris SA, Schlumberger, Halliburton, Tubos Reunidos SA, TimkenSteel Corp., Salzgitter AG, ArcelorMittal SA, TMK and NOV.

As at December 31, 2024, the performance shares not yet vested under the 2022 LTIP amounted to 168,180, i.e., a potential dilution of 0.0706% of the share capital and 0.0719% of theoretical voting rights.

B) 2023 LTIP

Under the twelfth resolution relating to performance shares, adopted by the May 25, 2023 Ordinary and Extraordinary Shareholders' Meeting, on November 12, 2023 the Board of Directors decided, with effect from November 17, 2023, to award, subject to continuous service and performance conditions, a target number of 371,950 performance shares, to 271 managers that are not beneficiaries of the 2023 MEP, representing 0.16% of Vallourec's share capital at December 31, 2023 (the "2023 LTIP").

Vesting of shares under this plan is subject to the following conditions for each beneficiary concerned:

- for 25%, the average of the daily-volume-weighted average price of the Vallourec share must be at least equal to €16.19 for a period of ninety (90) consecutive trading days during the vesting period; this condition was met on February 5, 2025;
- for 25%, the average of the daily-volume-weighted average price of the Vallourec share must be at least equal to €20.22 for a period of ninety (90) consecutive trading days during the vesting period;
- for the remaining 50%, only a continuous service condition applies.

As at December 31, 2024, the performance shares not yet vested under the 2023 LTIP amounted to 347,150, i.e., a potential dilution of 0.1458% of the share capital and 0.1484% of theoretical voting rights.

C) 2024 LTIP

Under the twenty-fifth resolution relating to performance shares, adopted by the May 23, 2024 Ordinary and Extraordinary Shareholders' Meeting, on November 14, 2024 the Board of Directors decided to award, without consideration but subject to continuous service and performance conditions, a target number of 343,700 performance shares, to 276 managers that are not beneficiaries of the MEP, representing 0.14% of Vallourec's share capital at December 31, 2024 (the "2024 LTIP").

As for the 2023 Plan, vesting of shares is subject to the following conditions for each beneficiary concerned:

- for 25%, the average of the daily-volume-weighted average price of the Vallourec share must be at least equal to €16.19 for a period of ninety (90) consecutive trading days during the vesting period; this condition was met on February 5, 2025;
- for 25%, the average of the daily-volume-weighted average price of the Vallourec share must be at least equal to €20.22 for a period of ninety (90) consecutive trading days during the vesting period;
- for the remaining 50%, only a continuous service condition applies.

As at December 31, 2024, the performance shares not yet vested under the 2024 LTIP amounted to 343,700, i.e., a potential dilution of 0.1444% of the share capital and 0.1469% of theoretical voting rights.

D) History of performance share grants

The table below shows past performance share grants outstanding as at December 31, 2024, based on the Table 9 template in the Appendix to the AFEP-MEDEF Code. After applying the adjustment terms provided for in Articles L.228-99 and R.228-91 of the French Commercial Code and in compliance with the regulations of the stock option and performance share plans, Vallourec's Management Board decided to preserve the rights of holders of performance shares and stock options by ensuring that the capital increase carried out on June 2, 2021 would be neutral for them. The figures below have been updated accordingly.

Table 9.2 – History of performance share grants

	Plan authorized by the Shareholders' Meeting of April 20, 2021		Plan authorized by the Shareholders' Meeting of May 25, 2023	Plan authorized by the Shareholders' Meeting of May 23, 2024
	2021 Plan	2022 Plan	2023 Plan	2024 Plan
Date granted by the Board of Directors	10/13/2021	06/04/2022	11/17/2023	11/14/2024
Number of beneficiaries at plan launch date	439	389	271	276
Total number of shares that can be awarded, including for[a]:	289,396	231,410	371,950	343,700
Total number of performance shares granted to the ten Group employees who are not corporate officers and to whom the largest number of shares was granted	20,175	17,080	44,500	48,000
Total potential dilutive impact of the plan at the grant date[a]	0.1216%	0.0972%	0.1562%	0.1444%
Performance conditions	Yes[b]	Yes[c]	Yes[d]	Yes[d]
End of vesting period	10/13/2024	06/04/2025	11/17/2025	11/14/2026
Total number of performance shares canceled or lapsed since the grant date	115,457	63,230	24,800	-
Performance shares not yet vested as at December 31, 2024	0	168,180	347,150	343,700
Total potential dilution of the plan as at December 31, 2024[a]	0.0%	0.0706%	0.1458%	0.1444%

(a) Based on the 238,084,623 shares comprising the share capital as at December 31, 2024.

(b) Two absolute internal criteria:

- *Group cost reductions (gross savings as a % of the Y-1 baseline and excluding DCOS) for 2021, 2022 and 2023;*
- *the ratio of carbon emissions from Vallourec's industrial processes and the purchase of electricity generated by fossil fuels to sales volumes, in metric tons (emissions of non-biogenic carbon) between 2021 and 2023.*

A relative external criterion:

- *growth in the EBITDA margin between 2021 and 2023 compared to a panel of comparable companies, comprising Hunting Plc, United States Steel Corp., Nippon Steel Corp., Tubacex SA, Tenaris SA, Schlumberger, Halliburton, Tubos Reunidos SA, TimkenSteel Corp., Salzgitter AG, ArcelorMittal SA, TMK and NOV.*

(c) Two absolute internal criteria:

- *Group cost reductions (gross savings as a % of the Y-1 baseline and excluding DCOS) for 2022, 2023 and 2024;*
- *the ratio of carbon emissions from Vallourec's industrial processes and the purchase of electricity generated by fossil fuels to sales volumes, in metric tons (emissions of non-biogenic carbon) between 2022 and 2024.*

A relative external criterion:

- *growth in the EBITDA margin between 2022 and 2024 compared to a panel of comparable companies, comprising Hunting Plc, United States Steel Corp., Nippon Steel Corp., Tubacex SA, Tenaris SA, Schlumberger, Halliburton, Tubos Reunidos SA, TimkenSteel Corp., Salzgitter AG, ArcelorMittal SA, TMK and NOV.*

(d) For 25% of the conditional share transfer rights, the average of the daily-volume-weighted average price of the Vallourec share must be at least equal to €16.19 for a period of ninety (90) consecutive trading days during the vesting period. This performance condition was achieved on February 5, 2025.

For 25% of the conditional share transfer rights, the average of the daily-volume-weighted average price of the Vallourec share must be at least equal to €20.22 for a period of ninety (90) consecutive trading days during the vesting period.

The remaining 50% of shares granted are not subject to performance conditions.

4.3.3.2.3 EMPLOYEE SHARE OWNERSHIP

A) EMPLOYEE SHARE OWNERSHIP PLANS

No employee share ownership plans were issued in 2024. An employee share ownership offering will be launched early 2025: Vallourec Invest 2025, which will concern seven countries (versus three in 2023): Brazil, France, Indonesia, Saudi Arabia, Singapore, United Arab Emirates and the United States.

Vallourec Invest 2025 will once again offer subscribing employers a 20% discount and a matching contribution. As in 2023, the proposed vesting period will be two years.

The new offering reflects Vallourec's continued desire to share the value created by the Group with its employees, and recognizes the progress made to date in the implementation of the New Vallourec Plan.

Shares held by employees represented 2.22% of Vallourec's share capital as at December 31, 2024, compared to 2.43% as at December 31, 2023.

B) EMPLOYEE PROFIT SHARING AND BONUSES

Profit sharing plans are designed to associate employees with the Company's performance. In 2024, the amount allocated to these plans was €13 million.

In France, a Company savings plan (PEE) and retirement savings plan (PERCOL) allow employees to invest the money they receive from profit sharing in order to build up savings with a favorable tax status and to benefit from employer contributions.

4.3.3.2.4 PROFIT-SHARING AND INCENTIVE PLANS

Most Group companies have put in place profit-sharing and incentive plans that give employees a stake in the financial performance of the Group's entities, based on the ratio of net income to revenue.

The amounts paid under these plans during the last five fiscal years were as follows:

In € millions	2019	2020	2021	2022	2023	2024
	31.65	17.32	35.55	29.49	30.14	13.17

4.3.3.2.5 COMPANY SAVINGS PLANS

The Group set up a company savings plan (plan d'épargne d'entreprise – PEE) in France in 1989, to help employees build up capital over the medium and long term. Since 2005, this plan has been supplemented by the implementation, by way of a collective agreement, of a Group retirement savings plan (plan d'épargne retraite collectif – PERCO).

Employees' voluntary payments are matched by the Company in accordance with a scale updated each year based on the Group's net income.

In 2023, under the Vallourec Invest 2023 plan described in paragraph 4.3.3.2.3 (III) above, 134,732 ordinary shares were subscribed by employees through the company savings plan pursuant to the thirteenth resolution of the Shareholders' Meeting of May 25, 2023, representing 0.06% of Vallourec's share capital as at December 31, 2023.

The amounts paid by way of the employer's matching contributions over the last five fiscal years were as follows:

	2020		2021		2022		2023		2024	
In € millions	PEE	PERCO	PEE	PERCO	PEE	PERCO	PEE	PERCO	PEE	PERCO
	2.0	0.4	1.3	0.3	1.6	0.3	1.2[(a)]	0.3	1.2	0.4

(a) Including €28,702.70 for Vallourec Invest 2023.

4.3.3.2.6 STOCK OPTION PLANS

In order to simplify the structure of the long-term incentive plans, no stock option plans were set up in 2024.

Under the plans set up until 2022, each beneficiary is granted the conditional right to exercise a certain number of options at a set price, with each option entitling the holder to subscribe for or purchase one Vallourec share subject to performance conditions.

The vesting of all of the stock options granted under the plan put in place on October 13, 2021 is subject to continuous service and performance conditions.

The value of the stock option plans is disclosed in Note 6 to the consolidated financial statements, in chapter 7 of this Universal Registration Document.

A) Stock options awarded to the top ten employee grantees who are not corporate officers and options exercised by those grantees

The table below presents stock options awarded to the top ten employee grantees who are not corporate officers and options exercised by those grantees in 2024 (aggregate information).

	Total number of stock options granted/shares subscribed or purchased	Weighted average exercise price *(in €)*	Stock option plans
Options granted during the year to the ten Group employees to whom the largest number of options was granted	0	0	0
Options exercised during the year by the ten Group employees who purchased or subscribed for the largest number of shares	–	–	–

B) History of stock option grants

The table below shows past stock option awards outstanding as at December 31, 2024. There are no other outstanding stock option plans, nor any other options on listed or unlisted shares of French or foreign Group companies, as set out in the Table 8 template in the Appendix to the AFEP-MEDEF Code. After applying the adjustment terms provided for in Articles L.228-99 and R.228-91 of the French Commercial Code and in compliance with the regulations of the stock option and performance share plans, Vallourec's Management Board decided to preserve the rights of holders of performance shares and stock options by ensuring that the capital increase carried out on June 2, 2021 would be neutral for them. The figures below have been updated accordingly.

	Plans authorized by the Shareholders' Meeting of May 28, 2014	Plans authorized by the Shareholders' Meeting of May 12, 2017
	2016 Plan	**2017 Plan**
Date granted by the Management Board	May 18, 2016	May 18, 2017
Number of beneficiaries at plan launch date	445	11
Total number of shares that can be subscribed, including by:	15,216	8,135
Philippe Crouzet	838 i.e., 0.0004% of the Company's share capital[a]	2,641 i.e., 0.0011% of the Company's share capital[a]
Jean-Pierre Michel	393 i.e., 0.0002% of the Company's share capital[a]	393 i.e., 0.0002% of the Company's share capital[a]
Olivier Mallet	393 i.e., 0.0002% of the Company's share capital[a]	1,237 i.e., 0.0005% of the Company's share capital[a]
Percentage of the share capital that may potentially be allocated to members of the Management Board[a]	0.0007%	0.0013%
Total number of stock options granted to the ten Group employees who are not corporate officers and to whom the largest number of options was granted	1,365	4,257
Total potential dilutive impact of the plan at the grant date	0.0064%	0.0034%
Start date of exercise period	May 18, 2020	May 18, 2021
Expiration date of exercise period	May 18, 2024	May 18, 2025
Exercise price[b]	€140.29	€216.55
Performance conditions	Yes[c]	Yes[d]
Number of shares subscribed	-	-
Total number of options canceled or lapsed since the grant date	15,216	5,829
Options outstanding as at December 31, 2024	0	2,306
Total potential dilution of the plan as at December 31, 2024[a]	0.00%	0.0010%

(a) Based on the 238,084,623 shares comprising the share capital as at December 31, 2024.

(b) Average undiscounted price of the Vallourec share over the 20 trading days preceding the grant date. Changes were made to the exercise prices to take account of the adjustments linked to the capital increase carried out in June 2021.

(c) For grants to employees (other than members of the Executive Committee), performance is assessed over the fiscal years 2016, 2017, 2018 and 2019 and is based on the achievement of a target ratio of the Group's EBITDA compared with the budget. For grants to members of the Executive Committee, performance is assessed over four years and measured based on the following two quantitative criteria: consolidated EBITDA for 2016, 2017, 2018 and 2019, and the growth in the EBITDA margin between 2016 and 2019 (based on a comparison between the growth of Vallourec's gross margin and the average growth in gross margin of a panel of comparable companies, comprising NSSMC, Halliburton, NOV, Schlumberger, Technip, Baker Hughes, TMK, Tenaris, Alstom, Areva, US Steel, ThyssenKrupp, ArcelorMittal and Salzgitter AG).

(d) For grants to members of the Executive Committee, performance is assessed over four years and measured based on the following two quantitative criteria: free cash flow (FCF) for 2017, 2018, 2019 and 2020, and the change in Vallourec's TSR between 2017 and 2020 (versus a panel of competitors, comprising Hunting Plc, United States Steel Corp., Nippon Steel & Sumitomo Metal Corp., Tubacex SA, Tenaris SA, Voestalpine AG, Seah Steel Corp., Tubos Reunidos SA, TimkenSteel Corp., Salzgitter AG, ArcelorMittal SA, TMK, and NOV).

	Plans authorized by the Shareholders' Meeting of May 12, 2017	
	2018 Plan	**2019 Plan**
Date granted by the Management Board	June 15, 2018	June 17, 2019
Number of beneficiaries at plan launch date	10	10
Total number of shares that can be subscribed, including by:	9,851	9,851
Philippe Crouzet	3,392	3,392
	i.e., 0.0014% of the Company's share capital[(a)]	i.e., 0.0014% of the Company's share capital[(a)]
Olivier Mallet	1,563	1,563
	i.e., 0.0007% of the Company's share capital[(a)]	i.e., 0.0007% of the Company's share capital[(a)]
Percentage of the share capital that may potentially be allocated to members of the Management Board[(a)]	0.0062%	0.0062%
Total number of stock options granted to the ten Group employees who are not corporate officers and to whom the largest number of options was granted	4,896	4,896
Total potential dilutive impact of the plan at the grant date	0.0041%	0.0041%
Start date of exercise period	June 15, 2022	June 17, 2023
Expiration date of exercise period	June 15, 2026	June 17, 2027
Exercise price[(b)]	€197.84	€79.14
Performance conditions	Yes[(c)]	Yes[(d)]
Number of shares subscribed	-	-
Total number of options canceled or lapsed since the grant date	8,238	6,950
Options outstanding as at December 31, 2024	1,613	2,901
Total potential dilution of the plan as at December 31, 2024[(a)]	0.0007%	0.0012%

(a) Based on the 238,084,623 shares comprising the share capital as at December 31, 2024.

(b) Average undiscounted price of the Vallourec share over the 20 trading days preceding the grant date. Changes were made to the exercise prices to take account of the adjustments linked to the capital increase carried out in June 2021.

(c) For grants to members of the Executive Committee, performance is assessed over four years and measured based on the following two quantitative criteria: free cash flow (FCF) for 2018, 2019, 2020 and 2021, and the change in Vallourec's TSR between 2018 and 2021 (versus a panel of competitors, comprising Hunting Plc, United States Steel Corp., Nippon Steel & Sumitomo Metal Corp., Tubacex SA, Tenaris SA, Voestalpine AG, Seah Steel Corp., Tubos Reunidos SA, TimkenSteel Corp., Salzgitter AG, ArcelorMittal SA, TMK, and NOV).

(d) For grants to members of the Executive Committee, performance is assessed over four years and measured based on the following two quantitative criteria: free cash flow (FCF) for 2019, 2020, 2021 and 2022, and the change in Vallourec's TSR between 2019 and 2022 (versus a panel of competitors, comprising Hunting Plc, United States Steel Corp., Nippon Steel Corporation (NSC, formerly NSSMC), Tubacex SA, Tenaris SA, Voestalpine AG, Seah Steel Corp., Tubos Reunidos SA, TimkenSteel Corp., Salzgitter AG, ArcelorMittal SA, TMK, and NOV).

	Plans authorized by the Shareholders' Meeting of April 6, 2020		
	2020 Plan	2021 Plan	2022 Plan
Date granted by the Management Board	June 15, 2020	Oct. 13, 2021	June 4, 2022
Number of beneficiaries at plan launch date	113	36	29
Total number of shares that can be subscribed, including by:	89,462	123,518	58,425
Philippe Crouzet	-	-	-
Édouard Guinotte	16,291	-	-
	i.e., 0.0068% of the Company's share capital[(a)]	-	-
Olivier Mallet	11,165	-	-
	i.e., 0.0047% of the Company's share capital[(a)]	-	-
Percentage of the share capital that may potentially be allocated to members of the Management Board[(a)]	0.0115%	0.00%	0.00%
Total number of stock options granted to the ten Group employees who are not corporate officers and to whom the largest number of options was granted	21,757	48,388	25,905
Total potential dilutive impact of the plan at the grant date	0.0376%	0.0519%	0.0245%
Start date of exercise period	June 15, 2024	Oct. 13, 2025	June 4, 2026
Expiration date of exercise period	June 15, 2030	Oct. 13, 2031	June 4, 2032
Exercise price[(b)]	€33.60	€7.2565	€12.65
Performance conditions	Yes[(c)]	Yes[(d)]	Yes[(e)]
Number of shares subscribed	-	-	-
Total number of options canceled or lapsed since the grant date	69,653	39,218	14,090.00
Options outstanding as at December 31, 2024	19,809	84,300	44,335.00
Total potential dilution of the plan as at December 31, 2024[(a)]	0.0083%	0.0354%	0.0186%

(a) Based on the 238,084,623 shares comprising the share capital as at December 31, 2024.

(b) Average undiscounted price of the Vallourec share over the 20 trading days preceding the grant date. Changes were made to the exercise prices to take account of the adjustments linked to the capital increase carried out in June 2021.

(c) An absolute internal criterion:

- *the Group's cumulative free cash flow for 2020, 2021, 2022, and 2023 compared to the performance target in the Group's medium-term plan for the same period.*

Two relative external criteria:

- *Total Shareholder Return (TSR) for 2020, 2021, 2022 and 2023 compared to a panel of comparable companies comprising Hunting Plc, United States Steel Corp., Nippon Steel Corp., Tubacex SA, Tenaris SA, Schlumberger, Halliburton, Tubos Reunidos SA, TimkenSteel Corp., Salzgitter AG, ArcelorMittal SA, TMK and NOV;*
- *the average of the ratings attributed to the Company by the following three non-financial performance rating agencies: Vigeo, Sustainalytics and EcoVadis.*

(d) An absolute internal criterion:

- *the Group's cumulative free cash flow for 2021, 2022, 2023, and 2024 compared to the performance target in the Group's medium-term plan for the same period.*

Two relative external criteria:

- *Total Shareholder Return (TSR) for 2021, 2022, 2023 and 2024 compared to a panel of comparable companies comprising Hunting Plc, United States Steel Corp., Nippon Steel Corp., Tubacex SA, Tenaris SA, Schlumberger, Halliburton, Tubos Reunidos SA, TimkenSteel Corp., Salzgitter AG, ArcelorMittal SA, TMK and NOV;*
- *the average of the ratings attributed to the Company by the following three non-financial performance rating agencies: Vigeo, Sustainalytics and EcoVadis.*

(e) An absolute internal criterion:

- *the Group's cumulative free cash flow for 2022, 2023, 2024, and 2025 compared to the performance target in the Group's medium-term plan for the same period.*

Two relative external criteria:

- *Total Shareholder Return (TSR) for 2022, 2023, 2024 and 2025 compared to a panel of comparable companies comprising Hunting Plc, United States Steel Corp., Nippon Steel Corp., Tubacex SA, Tenaris SA, Schlumberger, Halliburton, Tubos Reunidos SA, TimkenSteel Corp., Salzgitter AG, ArcelorMittal SA, TMK and NOV;*
- *the average of the ratings attributed to the Company by the following three non-financial performance rating agencies: Vigeo, Sustainalytics and EcoVadis.*

4.4 Additional information

4.4.1 Statements concerning executives and Board members

To the Company's knowledge, no member of Executive Management or the Board of Directors has:

- been convicted of a fraudulent offense in the past five years;
- been involved with any bankruptcies, receiverships, liquidations or companies put into administration in the past five years. However, Corine de Bilbao informed the Company that she was a director of Orpéa at the time it was placed into accelerated safeguard proceedings in May 2023;
- been subject to any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies) in the past five years;
- been disqualified by a court, in the past five years, from acting as a member of an administrative, management or supervisory body of an issuer, or from acting in the management or conduct of the affairs of any issuer; and
- any actual or potential conflict of interest between their duties to Vallourec and their private interests and/or other duties.

4.4.1.1 Individual statements of executive managers

The following table summarizes individual statements relating to transactions involving Vallourec shares carried out by the persons referred to in Article L.621-18-2 of the French Monetary and Financial Code, during 2024:

Person concerned	Financial instruments	Nature of transaction	Transaction date	Unit price *(€)*	Volume	Transaction amount *(€)*
Sascha Bibert	T2, T3 and T4 preferred shares	Full vesting following the grant of free preferred shares on July 27, 2023	07/27/2024	0	78,663	0
Sascha Bibert	Shares	Conversion of T2 preferred shares on a 1:1 basis[(a)]	12/17/2024	0	515,556	0
Sascha Bibert	Shares	Sale	12/17/2024	16.58	51,000	845,580
Philippe Guillemot	T2 preferred shares	Full vesting following the grant of free preferred shares on July 27, 2023	07/27/2024	0	1,250,000	0
Philippe Guillemot	Shares	Conversion of T2 preferred shares on a 1:1 basis[(a)]	12/17/2024	0	2,207,938	0
Apollo Global Management Inc*	Shares	Sale	08/05/2024	14.6400	65,243,206	955,160,535.8
Frida Norrbom Sams	Shares	Purchase	09/05/2024	13.9805	1,000	13,980.50
Pierre Vareille	Shares	Sale	11/25/2024	16.6413	30,000	499,239

* *Person related to Gareth Turner within the meaning of Article L.621-18-2 of the French Monetary and Financial Code.*

(a) *The conversion of the Tranche 2 preferred shares into ordinary shares (on a one-for-one basis) is a simple modification of the attached rights, and does not entail any disposal of the shares (intermediary event without any issue of new shares and no impact on the amount of the share capital).*

4.4.2 Related-party agreements

The Statutory Auditors' special report on related-party agreements governed by Articles L. 225-38 *et seq.* of the French Commercial Code for the year ended December 31, 2024 is presented in Section 4.5 below.

No related-party agreements were authorized by the Board of Directors in 2024

The annual review carried out by the Board in 2024 did not result in any routine agreements being reclassified as regulated agreements.

4.4.2.1 Loans and guarantees

No loans or guarantees have been granted by the Company or by a Group company to any of the corporate officers.

4.4.2.2 Service agreements providing for the grant of benefits

To the best of the Company's knowledge, there are no service agreements between any corporate officer and the Company providing for the grant of benefits.

4.4.3 Agreements between management or shareholders of the Company and controlled companies

In accordance with Article L.225-37-4 of the French Commercial Code, this report presents agreements between (i) a corporate officer or shareholder holding more than 10% of a company's voting rights and (ii) another company controlled by the latter within the meaning of Article L.233-3 of the French Commercial Code.

These are not related-party agreements subject to prior authorization by the Board of Directors, as Vallourec SA is not a party to the agreement. Agreements with a wholly controlled subsidiary must also be identified (Order no. 2014-863 of July 31, 2014 on company law.)

In 2024, Vallourec was not aware of any agreements between management or shareholders of the Company and controlled companies.

4.4.4 Procedures used to regularly assess related-party agreements relating to routine transactions and entered into at arm's length conditions

The Audit Committee performs an annual review of the summary drawn up by the Company of the related-party agreements entered during the year between Vallourec and interested parties within the meaning of the regulation, in order to report to the Board of Directors as part of the procedure for the regular assessment of routine transactions entered into at arm's length conditions, pursuant to Article L. 22-10-12 of the French Commercial Code. If there is any doubt as to whether an agreement meets the definition of a related-party agreement, the Committee verifies that the agreement was entered into at arm's length and relates to routine transactions and where appropriate, the Board of Directors implements the related-party procedure.

In this case, persons directly or indirectly involved in the agreement do not take part in its assessment.

During 2024, the Company has no knowledge of any such agreements being entered into.

4.4.5 Management of conflicts of interest and sensitive information

To prevent any risk of a conflict of interest between a member of the Board of Directors and Executive Management or any of the Group's companies, the Nomination and Governance Committee constantly monitors the independence of Board members with respect to the criteria set out in the AFEP-MEDEF Corporate Governance Code. The Board of Directors also includes this issue as an item on its agenda at least once a year.

Each director is required to inform the Board of any situation involving a conflict of interest, even a potential one, to refrain from taking part in discussions or voting on any issue at Board meetings where there may be a conflict of interest, and to leave the Board meeting if a subject exposing the member to such a situation is discussed.

The Lead Independent Director plays a preventive role in relation to conflicts of interest by raising awareness of the issue among the members of the Board of Directors, and draws the Board's attention to any actual or potential conflicts of interest that he may identify.

If any of its members has a conflict of interest, whether actual or potential, regarding an issue to be debated by the Board, the Board ensures, through the Nomination and Governance Committee, that the information regarding the issue in question is not communicated to the member concerned. A director may not accept another position or appointment or make a significant investment in any company or business in competition with Vallourec or operating upstream or downstream of it, without the Board's prior approval. By way of exception, this rule does not apply to legal entities that are Board members but their acceptance of another similar directorship or position will in each case be subject to discussions with the Board with a view to avoiding any risk of a conflict of interest. Members of the Board and the Observers must inform the Chairman of the Board of Directors before accepting any new appointments in other companies. The Chairman then communicates an opinion to the Board after consulting with the Nomination and Governance Committee.

In addition, the Chairman and Chief Executive Officer, the Vice-Chairman and Lead Independent Director may take the necessary measures to ring fence exchanges of competition-sensitive information with a member of the Board or the Board Observer.

The information presented in this section is taken from the Internal Rules of the Board of Directors, which are available on the Company's website (**www.vallourec.com**).

4.4.6 Shareholder authorizations to issue shares and other securities

A table summarizing the current delegations of authority granted by the Shareholders' Meeting to increase the Company's share capital, showing the use made of these delegations of authority during the year, is provided in Section 5.2.3.1 of this Universal Registration Document.

4.4.7 Participation in Shareholders' Meetings

Every shareholder is entitled to attend the Company's Shareholders' Meetings in accordance with applicable legal and regulatory provisions and regardless of the number of shares held.

Article 12 of the Articles of Association concerning Shareholders' Meetings does not provide any specific conditions for attendance.

The double voting right was abolished by the Ordinary and Extraordinary Shareholders' Meeting and Special Meeting of shareholders entitled to double voting rights held on April 20, 2021, with effect from the date of completion of the Company's financial restructuring on June 30, 2021.

The attendance register at the Ordinary and Extraordinary Shareholders' Meeting of May 23, 2024 showed that 3,093 shareholders were in attendance, represented or had voted by post, owning 174,671,141 shares out of the 229,769,402 shares with voting rights, representing a quorum of 76.02%.

4.4.8 Information on factors likely to have an impact in the event of a public takeover bid or a public exchange offer

Items that may have an impact in the event of a public offer are described below:

4.4.8.1 Structure of share capital and direct or indirect shareholdings declared in accordance with Articles L.233-7 and L.233-12 of the French Commercial Code

A table showing the structure of Vallourec's share capital and direct or indirect shareholdings in the capital declared in accordance with Articles L.233-7 and L.233-12 of the French Commercial Code is presented in Section 5.3 of this Universal Registration Document.

4.4.8.2 Restrictions on the exercise of voting rights provided for in the Articles of Association

Article 8, paragraph 5 of the Company's Articles of Association lays down an obligation of disclosure on any person who comes to hold or to cease to hold a number of bearer shares of the Company equal to or greater than three (3), four (4), six (6), seven (7), eight (8), nine (9) or twelve and a half (12.5) percent of the total number of shares comprising the share capital (see Section 5.1.9 of this Universal Registration Document).

In the event of failure to comply with this disclosure obligation, and at the request of one or more shareholders holding at least 5% of the Company's shares, the voting rights attached to the shares exceeding the fraction that should have been disclosed cannot be exercised or delegated by the shareholder who failed to comply with the obligation. This applies for all Shareholders' Meetings held for a period of two years following the date on which the failure to comply with the disclosure obligation is remedied.

4.4.8.3 Holders of securities with special rights of control

There are no securities that have special rights of control.

4.4.8.4 Control mechanisms within an employee share ownership system

In accordance with Article L.214-40 of the French Monetary and Financial Code, the Supervisory Boards of Vallourec Actions and Vallourec New Shares company mutual funds (FCPEs) decide whether to contribute Company securities to a public offering to purchase or exchange these shares.

4.4.8.5 Agreements between shareholders of which the Company is aware that could lead to restrictions on the transfer of shares and the exercise of voting rights

Further to the sale by Apollo to ArcelorMittal of its holding in the Company's capital on August 5, 2024, Apollo has not held any shares since that date. The governance agreement with Apollo (the "Apollo Shareholder Agreement") has been terminated. An agreement with ArcelorMittal (the "ArcelorMittal Shareholder Agreement") has been concluded. The main terms of the ArcelorMittal Shareholder Agreement are described in Section 5.3.3 of this Universal Registration Document.

4.4.8.6 Rules applicable to the appointment and replacement of the Company's executive corporate officers

No provision in the Articles of Association, or agreement concluded between the Company and a third party, contains any obligations or particular rules regarding the appointment and/or replacement of the executive corporate officers and/or directors of the Company that is likely to have an impact in the event of a public offer.

The Shareholders' Agreements in force provide for certain obligations regarding the membership of the Board of Directors (see section 5.3.3.1 of this Universal Registration Document).

4.4.8.7 Powers of the Board of Directors in the event of a public offer

The Shareholders' Meeting of May 22, 2025 will be asked to renew the prohibition on share buybacks during public offers concerning the Company's shares, as in 2024.

The Shareholders' Meeting of May 23, 2024 suspended the Board of Directors' ability to use the resolutions to increase the Company's share capital (with the exception of capital increases reserved for grants of medium/long-term incentive instruments [performance shares and options]) during public offers concerning the Company's shares, except with the prior authorization of the Shareholders' Meeting.

The Board of Directors is not authorized by the Shareholders' Meeting to issue share subscription warrants during public offers concerning the Company's shares, as stipulated in Article L.233-32, II of the French Commercial Code. No proposed resolution for this purpose is due to be submitted to the Shareholders' Meeting of May 22, 2025.

4.4.8.8 Agreements made by the Company that would be amended or terminated in the event of a change of control of the Company

Certain agreements entered into by the Company contain change-of-control clauses. The most significant agreements that may have an impact in the event of a public offer are:

- in the event of a change of control of Vallourec Oil & Gas France (VOGFR), Vallourec Tubes, or Vallourec, Nippon Steel Corporation (NSC) has the right to cancel the Research and Development contract entered into between VOGFR and NSC on April 1, 2007, while retaining the right to use the collective research and development findings and to enable any licensees to benefit from such findings (VOGFR would have the same rights in the event of a change of control of NSC). If NSC exercises its right to terminate the contract, it will also be entitled to continue using the VAM® trademarks for six years from the date of such termination;
- the €550 million committed credit facility maturing in April 2029, entered into on April 12, 2024;
- the State-guaranteed loans entered into on June 30, 2021 for a total nominal amount of €262 million with a maturity of June 30, 2027, and of which €67.6 million was repaid ahead of term in April 2024;
- the asset-based credit facility for USD 210 million entered into on November 7, 2022 and increased in April 2024, the amount of which was increased to USD 350 million and the maturity extended to April 12, 2029;
- the USD 178 million committed bank facility issued on June 30, 2021 and maturing on June 30, 2026; and
- the €820 million bond issued on April 17, 2024 and maturing on April 15, 2032;
- the specific methods for assessing the MEP performance conditions (see Section 4.3.3.2) of this Universal Registration Document.

4.4.8.9 Agreements providing for payments to the executive corporate officers or employees if they resign or are dismissed for no real and serious cause, or if their employment is terminated due to a public offer

N/A.

4.5 Special report of the statutory auditors on regulated agreements

This is a free translation into English of the statutory auditors' special report on regulated agreements with third parties that is issued in the French language and is provided solely for the convenience of English speaking readers. This report on regulated agreements should be read in conjunction and construed in accordance with French law and professional auditing standards applicable in France. It should be understood that the agreements reported on are only those provided by the French Commercial Code ("Code de commerce") and that the report does not apply to those related party transactions described in IAS 24 or other equivalent accounting standards.

General meeting for the approval of the accounts for the fiscal year ended December 31, 2024

To the General Meeting of Vallourec S.A.,

As statutory auditors of your company, we present our report on regulated agreements.

It is our responsibility to inform you, based on the information provided to us, of the characteristics, essential terms, and reasons justifying the interest for the company of the agreements of which we have been informed or which we have discovered during our mission, without having to comment on their usefulness and appropriateness nor to seek the existence of other agreements. It is your responsibility, according to the terms of Article R. 225-31 of the Commercial Code, to assess the interest attached to the conclusion of these agreements for their approval.

Furthermore, it is our responsibility, if applicable, to inform you of the information provided for in Article R. 225-31 of the Commercial Code relating to the execution, during the past financial year, of agreements already approved by the general meeting.

We have carried out the due diligence that we deemed necessary in accordance with the professional standards of the National Company of Statutory Auditors related to this mission.

Agreements submitted for the approval of the General meeting

Agreements authorized and concluded during the past financial year

We inform you that we have not been notified of any agreement authorized and concluded during the past financial year to be submitted for the approval of the general meeting in accordance with the provisions of Article L. 225-38 of the Commercial Code.

Agreements already approved by the General meeting

We inform you that we have not been notified of any agreement already approved by the general meeting whose execution continued during the past financial year.

Paris-La Défense, March 11, 2025

The Statutory Auditors

KPMG SA	Ernst & Young et Autres
Philippe GRANDCLERC	May KASSIS-MORIN
Partner	Partner

CHAPTER 5

5 GENERAL INFORMATION ON THE COMPANY AND ITS CAPITAL

5.1 Main legal provisions and articles of association

5.1.1 Company name and registered office

The Company's corporate name is Vallourec.

Vallourec's registered office is located at 12, rue de la Verrerie, 92190 Meudon – France. The premises are occupied under the terms of a nine-year, three-month lease with effect from June 1, 2021.

Tel.: +33 (0)1 49 09 35 00

Vallourec website: **www.vallourec.com**

5.1.2 Legal form – Legislation – Trade and Companies Register

Vallourec is a French joint-stock corporation (société anonyme) with a Board of Directors.

The Company is registered in the Nanterre (Hauts-de-Seine) Trade and Companies Register under no. 552 142 200 and recorded under APE Code (Principal Activity Code) 7010Z. Vallourec's Legal Entity Identifier (LEI) is 969500P2Q1B47H4MCJ34.

5.1.3 Date of incorporation and term (Article 5 of the Articles of Association)

Vallourec was formed in 1899.

It will be wound up on June 17, 2067, unless its life is extended or it is wound up earlier.

5.1.4 Object (Article 3 of the Articles of Association)

The Company has the following object in all countries, either on its own behalf or on behalf of third parties, or in direct or indirect joint ventures with third parties:

- all industrial and commercial operations relating to all methods of preparing and manufacturing metals and all materials that may replace them in all their uses, by all known processes and any that may subsequently be discovered; and
- generally, all commercial, industrial and financial transactions, in real or personal property, directly or indirectly related to the above-mentioned company object.

5.1.5 Consultation of legal documents

The Company's Articles of Association, minutes of Shareholders' Meetings and other Company documents may be consulted at the registered office.

5.1.6 Fiscal year (Article 20 of the Articles of Association)

The Company's fiscal year is twelve (12) months, starting on January 1 and ending on December 31.

5.1.7 Distribution of profits (Article 20 of the Articles of Association)

The distributable profit, as defined by law, is available to General Meetings of the shareholders.

Unless there is an exception due to statutory provisions, General Meetings of the shareholders decide on the appropriation of this profit at their discretion.

General Meetings of the shareholders may also decide to grant each shareholder, for all or some of the dividends to be distributed, a choice between payment of the dividend in cash or in shares, in accordance with statutory and regulatory provisions in force.

5.1.8 Shareholders' Meetings (Article 16 of the Articles of Association)

5.1.8.1 General Meetings of the Shareholders (Article 16 of the Articles of Association)

General Meetings of shareholders shall be convened under the conditions laid down by law.

Shareholders' Meetings are open to all shareholders, regardless of the number of shares they hold.

By decision of the Board of Directors, shareholders may vote by all means of telecommunication and data transmission, including the internet, as provided by the regulations applicable at the time of use. If applicable, this decision is communicated in the Notice of Meeting (Avis de réunion) published in the French legal gazette (Bulletin des Annonces Légales Obligatoires).

Each member of a Shareholders' Meeting has as many votes as ordinary shares they own or represent, in the absence of legal provisions to the contrary.

As an exception to the provisions of Article L. 22-10-46 of the French Commercial Code, no double voting rights are attached to the Company's shares.

Shareholders' Meetings are chaired by the Chairman of the Board of Directors or, in their absence, by the Vice-Chairman or, failing this, by the oldest member of the Board of Directors.

In principle, the agenda is drawn up by the person who issues the convening notice.

The duties of scrutineers shall be performed by the two members of the General Meeting who are present and who accept these duties who have the largest number of votes.

The officers of the meeting appoint the secretary, who may but need not be a shareholder. An attendance register is drawn up under the conditions provided for by law.

Deliberations are recorded in minutes drawn up in a special register, on numbered and initialed pages held at the registered office, or on loose sheets which must be numbered and initialed without any discontinuity.

These minutes are signed by the officers of the meeting. Copies or excerpts therefrom may be validly certified by the Chairman of the Board of Directors, the Vice-Chairman, the Chief Executive Officer if they are also a director, or by the secretary of the Shareholders' Meeting.

5.1.8.2 Special Meetings of the Shareholders (Article 19 of the Articles of Association)

Holders of Preferred Shares of each class are consulted in accordance with the conditions provided by the applicable statutory provisions, regulations and articles of association in force, on matters within their competence. Holders of preferred shares of each class are convened to a special meeting to decide on any modification of their rights.

A special meeting of holders of each class of Preferred Shares can only validly deliberate if the shareholders present or represented own at least one third of the Preferred Shares of the class concerned upon the first convening, and one fifth upon the second convening. If not, the second meeting may be postponed to a date not more than two months after the date on which it was convened.

5.1.9 Disclosure of thresholds crossed and identification of shareholders (Article 8 of the Articles of Association)

Article 8 of the Articles of Association establishes an additional disclosure obligation in the case of thresholds crossed other than those provided for in applicable legal provisions. Consequently:

"In addition to the thresholds provided for by the applicable legal and regulatory provisions, any individual or legal entity, acting alone or in concert, that comes to hold, directly or indirectly, a fraction equal to or greater than three (3), four (4), six (6), seven (7), eight (8), nine (9) and twelve and a half (12.5) percent of the Company's share capital or voting rights, must inform the Company of the total number of shares and voting rights that it owns as well as the securities giving access to the capital and voting rights potentially attached thereto, by means of a registered letter, with acknowledgment of receipt, sent to the registered office (place of general management) no later than the close of the fourth trading day following the day on which the threshold is crossed.

The information referred to in the previous paragraph is also given within the same deadlines and under the same conditions, when the shareholding falls below the thresholds mentioned in that paragraph.

In determining the thresholds referred to in the preceding paragraphs, account is also taken of shares or voting rights held indirectly and shares or voting rights assimilated to shares or voting rights owned as defined by the provisions of Articles L. 233-7 et seq. *of the French Commercial Code.*

In the event of failure to comply with the provisions set out above, the penalties provided for by law in the event of failure to comply with the requirement to declare the crossing of legal thresholds will apply to the statutory thresholds only at the request, recorded in the minutes of the General Meeting, of one or more shareholders holding at least five percent (5%) of the Company's capital or voting rights.

The Company reserves the right to inform the public and shareholders either of the information notified to it or of any failure by the person concerned to comply with the aforementioned obligation."

In addition, the Company is entitled to request the identification of holders of securities conferring immediate or future voting rights at its Shareholders' Meetings, as well as the quantities held, in accordance with applicable regulations.

5.2 General information on share capital

5.2.1 Conditions set out in the Articles of Association for changes in share capital or rights in the Company (Article 7 of the Articles of Association)

The share capital may be increased or reduced pursuant to a decision of an Extraordinary General Meeting of the shareholders under the conditions laid down by law.

The Shareholders' Meeting may delegate to the Board of Directors the powers necessary for the purpose of increasing or reducing the capital.

Whenever it is necessary to hold a certain number of shares in order to exercise a right, especially in the case of a capital reduction, for any reason and in any manner whatsoever, the shareholders will be personally responsible for grouping, and, if applicable, buying or selling the number of shares or rights required.

5.2.2 Share capital

As at the start of the 2024 fiscal year on January 1, 2024, the subscribed, fully paid-up share capital amounted to €4,745,436.56, divided into 229,877,070 ordinary shares with a par value of €0.02 each, and 7,394,758 preferred shares with a par value of €0.02 each.

On July 27, 2024, the Chairman and Chief Executive Officer duly noted a capital increase for a nominal amount of €10,249.62 (ten thousand two hundred and forty-nine euros and sixty-two cents) through the issue of:

- 70,649 new ordinary shares vesting under the rules governing the free share plan for new or existing ordinary shares, adopted by the Board of Directors on July 27, 2023, subsequently amended, in accordance with the resolutions adopted by the Shareholders' Meeting on September 7, 2021 (the "2023 MEP");
- 441,832 new T2 preferred shares ("T2 Shares") vesting under the rules governing the free share plan awarding ordinary shares and preferred shares convertible into new or existing ordinary shares, as adopted on October 13, 2021 and amended on March 26, 2022 by the Board of Directors in accordance with the resolutions adopted by the Shareholders' Meeting on September 7, 2021 (the "2021 MEP").

On October 13, 2024, the Chairman and Chief Executive Officer duly noted a capital increase for a nominal amount of €5,356.40 (five thousand three hundred and fifty-six euros and forty cents) through the issue of:

- 93,881 new ordinary T1 shares vested under the MEP 2021;
- 173,939 ordinary shares in settlement of the 2021 LTIP free share grant plan.

On December 14, 2024, the Chairman and Chief Executive Officer decided to carry out a capital increase for a nominal amount of €649.88 (six hundred and forty-nine euros and eighty-eight cents) through the issue of 32,494 new T2 Shares vested under the 2021 MEP.

Further to the completion of the sale by Apollo to ArcelorMittal of its stake in the Company's share capital on August 5, 2024, the performance condition of the T2 Shares was deemed to be met and the latter became convertible into ordinary shares on a one-for-one basis[1]. Between the date on which the performance condition was met and December 31, 2024, a total of 3,701,686 T2 Shares were converted into ordinary shares.

As a result, the share capital was increased to €4,761,692.46 (four million seven hundred and sixty-one thousand six hundred and ninety-two euros and forty-six cents), divided into 233,917,225 (two hundred and thirty-three million nine hundred and seventeen thousand two hundred and twenty-five) ordinary shares with a par value of €0.02 each ("Ordinary Shares") and 4,167,398 (four million one hundred sixty-seven thousand three hundred and ninety-eight) preferred shares with a par value of €0.02 each ("Preferred Shares") convertible into Ordinary Shares and comprising:

- 164,353 T2 Shares;
- 3,391,715 T3 Shares; and
- 611,330 T4 Shares.

(1) *The conversion of the Tranche 2 preferred shares into ordinary shares (on a one-for-one basis) is a simple modification of the attached rights, and does not entail any disposal of the shares (no issue of new shares and no impact on the amount of the share capital).*

5.2.3 Authorized capital not issued

5.2.3.1 Financial authorizations to issue shares and securities carrying rights to the Company's shares as at December 31, 2024

Authorizations to issue shares and securities carrying rights to the Company's shares were as follows as at December 31, 2024:

	Maximum caps on capital increases *(in € or as a percentage of the share capital)*	Maximum nominal amounts of debt securities *(in €)*	Date of Shareholders' Meeting	Term of authorization	Expiration date
CAPITAL INCREASES WITH PRE-EMPTIVE SUBSCRIPTION RIGHTS (PSR)					
Capital increase by issuing shares and/or securities with immediate or deferred rights to shares, with PSR (16th resolution of the 2024 Shareholders' Meeting*)	€1,831,427[(a)]	€1.5 billion[(a')]	May 23, 2024	26 months	July 22, 2026
Capital increase paid up by capitalizing additional paid-in capital, reserves, profits, or any other amounts (24th resolution of the 2024 Shareholders' Meeting)	€1,373,570[(b)]	N/A	May 23, 2024	26 months	July 22, 2026
CAPITAL INCREASES WITHOUT PRE-EMPTIVE SUBSCRIPTION RIGHTS (PSR)					
Capital increase by issuing shares and/or securities with immediate or deferred rights to shares, without PSR, placed through a public offer other than an offer to the public governed by Article L. 411-2-1° of the French Monetary and Financial Code (17th resolution of the 2024 Shareholders' Meeting)	€457,857[(a'')(b)]	€1.5 billion[(a')]	May 23, 2024	26 months	July 22, 2026
Capital increase by issuing shares and/or securities with immediate or deferred rights to shares, without PSR, placed through an offer to the public governed by Article L. 411-2-1° of the French Monetary and Financial Code (18th resolution of the 2024 Shareholders' Meeting)	€457,857[(b)(c)]	€1.5 billion[(a')]	May 23, 2024	26 months	July 22, 2026
Capital increase by issuing shares and/or securities with immediate or deferred rights to shares, without PSR, in payment for contributions of equity securities or securities with rights to shares, except for securities tendered to a public exchange offer initiated by the Company (21st resolution of the 2024 Shareholders' Meeting)	10% of the Company's share capital €457,857[(b)(c)]	€1.5 billion[(a')]	May 23, 2024	26 months	July 22, 2026
Capital increase without PSR as consideration for shares tendered to a public exchange offer initiated by the Company (22nd resolution of the 2024 Shareholders' Meeting)	€457,857[(b)(c)]	€1.5 billion[(a')]	May 23, 2024	26 months	July 22, 2026
Capital increase, without PSR, as a result of the issue by the Company's subsidiaries of securities with rights to the Company's shares (23rd resolution of the 2024 Shareholders' Meeting)	€457,857[(b)(c)]	N/A	May 23, 2024	26 months	July 22, 2026

	Maximum caps on capital increases *(in € or as a percentage of the share capital)*	**Maximum nominal amounts of debt securities** *(in €)*	**Date of Shareholders' Meeting**	**Term of authorization**	**Expiration date**
EMPLOYEE STOCK OWNERSHIP PLAN					
Capital increase reserved for members of employee stock ownership plans (26th resolution of the 2024 Shareholders' Meeting)	0.75% of the Company's share capital[a''')(b)(e)]	N/A	May 23, 2024	26 months	July 22, 2026
Capital increase by issuing shares and/or securities with immediate or deferred rights to shares, without pre-emptive subscription rights, to employees and corporate officers of the Company and Vallourec Group companies related to the Company within the meaning of Article L. 225-180 of the French Commercial Code, other than members of an employee share ownership plan (27th resolution of the 2024 Shareholder's Meeting	0.75% of the Company's share capital[(a''')(b)(e)]	N/A	May 23, 2024	18 months	November 22, 2025
STOCK OPTIONS AND PERFORMANCE SHARES					
Ordinary and preferred shares awarded to Vallourec Group employees and corporate officers (10th resolution of the September 2021 Shareholders' Meeting**)	5% of the Company's share capital[(b)(c)(f)]	N/A	Sept. 7, 2021	38 months	Expired November 6, 2024
Performance shares (ordinary shares) awarded to Vallourec Group employees and corporate officers (25th resolution of the 2024 Shareholders' Meeting)	0.17% of the Company's share capital[(g)]	N/A	May 23, 2024	14 months	July 22, 2025
OTHER					
Determination of the issue price in the event of a capital increase without PSR through an offer to the public pursuant to the 17th or 18th resolutions of the 2024 Shareholders' Meeting (19th resolution of the 2024 Shareholders' Meeting)	10% of the Company's share capital per 12-month period[(b)(d)]	N/A	May 23, 2024	26 months	July 22, 2026
Greenshoe option for issues of ordinary shares or securities with rights to shares, with or without PSR (20th resolution of the 2024 Shareholders' Meeting)	For each issue, legal limit of 15% of the initial issue[(b)(d)]	N/A	May 23, 2024	26 months	July 22, 2026

	Maximum caps on capital increases *(in € or as a percentage of the share capital)*	Maximum nominal amounts of debt securities *(in €)*	Date of Shareholders' Meeting	Term of authorization	Expiration date
SHARE BUYBACK PROGRAM					
Share buybacks (15th resolution of the 2024 Shareholders' Meeting)(h)	10% of the total number of shares comprising the Company's share capital at the date of buyback(i)	N/A	May 23, 2024	18 months	October 22, 2025
Cancellation of treasury shares (28th resolution of the 2024 Shareholders' Meeting)	10% of the Company's share capital per 24-month period	N/A	May 23, 2024	26 months	July 22, 2026

Shareholders' Meeting of May 23, 2024 ("2024 Shareholders' Meeting").

(a) Aggregate ceiling covering all capital increases carried out pursuant to the 16th to 27th resolutions of the 2024 Shareholders' Meeting and the 10th resolution of the September 2021 Shareholders' Meeting.

(a') Ceiling covering all debt securities issued pursuant to resolutions 16 to 22 of the 2024 Shareholders' Meeting.

(a'') Ceiling covering all capital increases carried out pursuant to the 10th resolution of the September 2021 Shareholders' Meeting, the 24th and 26th resolutions of the 2024 Shareholders' Meeting and the 17th resolution of the 2024 Shareholders' Meeting.

(a''') This 0.75% ceiling applies to capital increases carried out pursuant to the 26th and 27th resolutions of the 2024 Shareholders' Meeting.

(b) This ceiling is included in the aggregate ceiling of €1,831,427 provided for under point 2. of the 16th resolution of the 2024 Shareholders' Meeting.

(c) This amount is included in the aggregate ceiling of €457,857 provided for under point 2. of the 17th resolution of the 2024 Shareholders' Meeting.

(d) Subject to the €457,857 ceiling on capital increases provided for in the 17th resolution or, as appropriate, the 18th resolution of the 2024 Shareholders' Meeting.

(e) This delegation of authority was not used in 2024. The Vallourec Invest 2025 employee share ownership plan will be rolled out in the first half of 2025.

(f) As at December 31, 2024, the cumulative amount used under this authorization represented 4.26% of the share capital (see Section 4.3.3.2.1.1 of this Universal Registration Document).

(g) As at December 31, 2024, the cumulative amount used under this authorization represented 0.14% of the share capital (see Section 4.3.3.2.2 of this Universal Registration Document).

(h) The objectives of the share buyback program are as follows: (i) to implement any stock option plan; (ii) to allocate or transfer shares to employees by way of profit-sharing and/or to implement any Company or Group savings plan (or similar plan); (iii) to award free shares or performance shares; (iv) to allocate Company shares to employees and/or corporate officers of the Group, particularly in connection with international employee stock ownership plans or long-term incentive plans; (v) to make a market in the Company's shares through an investment services provider under a liquidity agreement that complies with market practices approved by the French securities regulator (Autorité des marchés financiers – AMF); (vi) to hold shares for subsequent delivery (in payment, exchange or otherwise) in connection with any future acquisitions, mergers, demergers or asset contributions; (vii) to deliver shares upon the exercise of rights attached to securities convertible, redeemable, exchangeable or otherwise exercisable for shares, including through the exercise of a warrant or by any other means; (viii) to cancel all or some of the acquired shares; (ix) to carry out any other practice that may be authorized by the applicable law or regulations in the future, including any market practices that may be authorized by the AMF.

(i) It is specified that (i) the number of shares acquired for the purpose of being held for subsequent delivery (in payment, exchange, or otherwise) in connection with any future acquisitions, mergers, demergers or asset contributions may not exceed 5% of the Company's capital, (ii) for shares bought back to increase the liquidity of Vallourec shares under the conditions defined by the AMF's General Regulations, the number of shares taken into account to calculate the 10% ceiling will correspond to the number of shares purchased less the number of shares resold during the validity period of the authorization, and (iii) the number of shares that the Company may hold, at any given time, may not exceed 10% of the shares making up the Company's capital at the date in question.

5.2.3.2 Potential dilution as at 31 December 2024

5.2.3.2.1 SHARE SUBSCRIPTION WARRANTS

On June 30, 2021, as part of its financial restructuring, Vallourec issued 30,342,337 share subscription warrants (the "Warrants"), without pre-emptive subscription rights for existing shareholders, to BNP Paribas, Natixis, Banque Fédérative du Crédit Mutuel and CIC. Each Warrant entitles its holder to subscribe to one (1) new share in the Company, at an exercise price of €10.11 per Warrant.

The exercise ratio may be adjusted following transactions implemented by the Company after the issue date, in order to maintain the rights of the holders of Warrants, in accordance with the terms and conditions of the Warrants.

The Warrants may be exercised during a period of five years as from their issuance.

The potential dilution related to the Warrants amounted to 12.74% of the share capital and 12.97% of the theoretical voting rights[1] as at December 31, 2024.

[1] The calculation of the percentage of theoretical voting rights excludes the 7,394,758 preferred shares, which do not carry voting rights.

5.2.3.2.2 FREE PERFORMANCE SHARE PLANS (LTIP)

The ordinary free shares awarded until 2020 (see Section 4.3.3.2.2 of this Universal Registration Document) are covered by existing shares, so they have no dilutive impact.

With regard to the ordinary free share plans set up since 2021 (see Section 4.3.3.2.2 of this Universal Registration Document), the Board of Directors has decided that upon vesting they would be delivered to the beneficiaries concerned in the form of newly-issued shares.

These plans are therefore likely to result in shareholder dilution. Based on the total number of shares not yet vested under the plans laid out in Section 4.3.3.2.2 of this Universal Registration Document, as at December 31, 2024, this potential dilution amounted to 0.3608% of the Company's capital and 0.3672% of the theoretical voting rights.

5.2.3.2.3 FREE PERFORMANCE SHARE PLANS (MEP)

A) 2021 MEP

The Board of Directors has decided that the ordinary and preferred shares allocated under the 2021 MEP described in Section 4.3.3.2.1(A) of this Universal Registration Document could be delivered to the beneficiaries concerned in the form of new or existing shares. Given that preferred shares do not carry voting rights, their issue before conversion into ordinary shares, is only likely to result in capital dilution.

On the basis of the total number of unvested ordinary and preferred shares, as detailed in paragraph 4.3.3.2.1(A) of this Universal Registration Document, the potential dilution before conversion of the preferred shares amounts, at December 31, 2024, to 0.1530% of the share capital and 0.1557% of the theoretical voting rights[(1)].

The Board of Directors has also decided that if the performance conditions described in Section 4.3.3.2.1(A) of this Universal Registration Document are met, preferred shares could be converted into newly issued ordinary shares.

On the basis of the total number of vested or unvested preferred shares, as detailed in Section 4.3.3.2.1(A) and Section 4.3.3.2.1(C) of this Registration Document(), the potential dilution after conversion of the preferred shares amounts, as at December 31, 2024, to 1.33% of the share capital and 1.36% of the theoretical voting rights.

B) 2023 MEP

The Board of Directors has decided that the ordinary shares allocated under the 2023 MEP described in Section 4.3.3.2.1(B) of this Universal Registration Document could be delivered to the beneficiaries concerned in the form of new or existing shares.

On the basis of the total number of unvested ordinary shares, as detailed in Section 4.3.3.2.1(B) and Section 4.3.3.2.1(C) of this Universal Registration Document, the potential dilution amounts, at December 31, 2024, to 0.2964% of the share capital and 0.3017% of the theoretical voting rights[(1)].

C) 2024 MEP

The Board of Directors has decided that the ordinary and T3 Shares allocated under the 2024 MEP described in Section 4.3.3.2.1(C) of this Universal Registration Document could be delivered to the beneficiaries concerned in the form of new or existing shares.

On the basis of the total number of unvested T3 Shares, as detailed in paragraph 4.3.3.2.1(C) of this Universal Registration Document, the potential dilution before conversion of the preferred shares amounts, at December 31, 2024, to 0.6436% of the share capital and 0.6550% of the theoretical voting rights[(1)].

The Board of Directors has also decided that if the performance conditions described in Section 4.3.3.2.1(C) of this Universal Registration Document are met, preferred shares could be converted into newly issued ordinary shares.

On the basis of the total number of vested or unvested preferred shares, as detailed in Section 4.3.3.2.1(A) and Section 4.3.3.2.1(C) of this Registration Document(), the potential dilution after conversion of the preferred shares amounts, as at December 31, 2024, to 0.3682% of the share capital and 0.3748% of the theoretical voting rights.

5.2.3.2.4 STOCK OPTIONS

The award of share subscription options described in Section 4.3.3.2.6 of this Universal Registration Document could, if the options are exercised, entail a dilution of shareholders.

Based on the total number of options currently outstanding, net of those canceled or that have lapsed as described in Section 4.3.3.2.6(B), the potential dilution to shareholders as at December 31, 2024 was 0.0652% of the share capital and 0.0664% of the theoretical voting rights[(1)].

(1) The calculation of the percentage of theoretical voting rights excludes the preferred shares, which do not carry voting rights.

5.2.4 Share buybacks

5.2.4.1 Information on transactions under the share buyback program during 2024

5.2.4.1.1 SHARE BUYBACKS

As at January 1, 2024, Vallourec held 107,668 Vallourec ordinary shares representing 0.05% of the share capital, all earmarked to cover free share plans. In 2024, 107,668 of these shares were transferred to beneficiaries of free share plans upon vesting. Vallourec did not repurchase any ordinary shares between January 1 and December 31, 2024.

As a result of these transactions, at December 31, 2024, the Company held no Vallourec ordinary shares.

Total gross cash flows relating to purchases and disposals/transfers of ordinary shares between January 1 and December 31, 2024 were as follows:

	Purchasing	Transfers/sales
Number of shares	0	107,668
Average unit price (in €)	0	8.0665
AGGREGATE AMOUNT (IN €)	**0**	**332,460.80**

5.2.4.1.2 VALLOUREC SHARES HELD INDIRECTLY

None.

5.2.4.1.3 OPEN DERIVATIVE POSITIONS AS AT DECEMBER 31, 2024

None.

5.2.4.2 Description of the 2024-2025 share buyback program, to be submitted to the Ordinary and Extraordinary Shareholders' Meeting of May 22, 2025 (9th resolution)

The purpose of this description, pursuant to Articles 241-1 *et seq.* of the General Regulations of the French securities regulator, is to explain the objectives and the terms and conditions of Vallourec's share buyback program that will be submitted to the Ordinary and Extraordinary Shareholders' Meeting on May 22, 2025.

5.2.4.2.1 OBJECTIVES OF THE SHARE BUYBACK PROGRAM TO BE SUBMITTED TO THE ORDINARY AND EXTRAORDINARY SHAREHOLDERS' MEETING OF MAY 22, 2025

In accordance with the provisions of European Regulation 596/2014 of April 16, 2014 and the market practices accepted by the AMF, the objectives of the share buyback program subject to approval at the Ordinary and Extraordinary Shareholders' Meeting of May 22, 2025 are as follows:

1. to implement any Company share purchase options plan or any similar plan, in accordance with the provisions of Articles L. 225-177 *et seq.* and L. 22-10-56 to L. 22-10-58 of the French Commercial Code;
2. to allocate or transfer shares to employees as profit-sharing and/or to implement any Company or Group savings plan (or similar plan) as provided for by law, in particular Articles L. 3332-1 *et seq.* of the French Labor Code (Code du travail);
3. to award free shares or performance shares under the provisions of Articles L. 225-197-1 *et seq.* and L. 22-10-59 *et seq.* of the French Commercial Code;
4. to allocate shares to employees and/or corporate officers of the Group, particularly in the context of international employee share ownership plans or long-term incentive plans;
5. to make a market in the Company's shares on the secondary market or to increase the liquidity of Vallourec's shares through an investment services provider, under the terms of a liquidity agreement that complies with the Code of Conduct (Charte de déontologie) issued by the French financial markets association (Association Française des Marchés Financiers – AMAFI), approved by and in accordance with the market practices accepted by the AMF;
6. to be held for subsequent delivery (in payment, exchange, or otherwise) in connection with any future acquisitions, mergers, demergers or asset contributions;
7. to deliver shares upon the exercise of rights attached to securities convertible, redeemable, exchangeable or otherwise exercisable for shares, including through the exercise of a warrant or by any other means; or
8. to cancel some or all of the acquired shares, provided that the Board of Directors has a valid authorization from the Extraordinary Shareholders' Meeting allowing it to reduce the share capital by canceling shares acquired under a buyback program.

5.2.4.2.2 TERMS AND CONDITIONS OF THE SHARE BUYBACK PROGRAM TO BE SUBMITTED TO THE SHAREHOLDERS' MEETING OF MAY 22, 2025

The table below shows the maximum percentage of capital and the maximum number, and the characteristics, of the shares that the Company may acquire under the share buyback program to be submitted to the Ordinary and Extraordinary Shareholders' Meeting of May 22, 2025, as well as the maximum unit purchase price:

Share characteristics	Maximum percentage of capital	Maximum number of shares[a]	Maximum unit purchase price *(per share)*
Ordinary shares	10%	22,799,708	€25

(a) This number corresponds to the theoretical number of ordinary shares that the Company could acquire, calculated based on the share capital as at February 18, 2025, i.e., €4,761,692.46, divided into 233,966,259 ordinary shares with a par value of €0.02 each and 4,118,364 preferred shares with a par value of €0.02 each. On an indicative basis, based on the number of ordinary shares and preferred shares held by Vallourec at that date, the Company could acquire 22,799,708 of its own shares.

5.2.4.2.3 TERM OF THE SHARE BUYBACK PROGRAM TO BE SUBMITTED TO THE SHAREHOLDERS' MEETING OF MAY 22, 2025

The authorization given to the Board of Directors to implement the share buyback program will be granted for a term of 18 months from the date of the Shareholders' Meeting of May 22, 2025, i.e., until November 21, 2026, subject to the program's approval by the Ordinary Shareholders' Meeting.

5.2.5 Changes in share capital over the past five years

Transaction date	Exercise of stock options	Number of shares subscribed in cash	Class	Total number of shares after transaction	Nominal amount of capital increase (in €)	Additional paid-in capital (in €)	Total share capital after transaction (in €)
05/26/2020	-	-	-	11,449,694	-	-	228,993.88
06/30/2021	-	52,954,807	-	64,404,501	1,059,096.14	298,665,111.48	1,288,090.02
06/30/2021	-	164,523,927	-	228,928,428	3,290,478.54	1,327,708,090.89	4,578,568.56
10/13/2022	-	300,571	Ordinary shares	229,228,999	6,011.42	-	4,584,579.98
10/13/2022	-	1,160,164	T2 Shares	230,389,163	23,203.28	-	4,607,783.26
10/13/2022	-	1,160,165	T3 Shares	231,549,328	23,203.30	-	4,630,986.56
10/13/2022	-	228,299	T4 Shares	231,777,627	4,565.98	-	4,635,552.54
06/04/2023		11,472	Ordinary shares	231,789,099	229.44		4,635,781.98
06/04/2023		1,723,917	T2 Shares	233,513,016	34,478.34		4,670,260.32
06/04/2023		1,723,918	T3 Shares	235,236,934	34,478.36		4,704,738.68
06/04/2023		295,253	T4 Shares	235,532,187	5,905.06		4,710,643.74
TOTAL TRANSACTIONS FROM 06/04/2023		**3,754,560**		**235,532,187**	**75,091.2**		**4,710,643.74**
07/04/2023		124,896	T2 Shares	235,657,083	2,497.92		4,713,141.66
07/04/2023		124,896	T3 Shares	235,781,979	2,497.92		4,715,639.58
07/04/2023		26,666	T4 Shares	235,808,645	533.32		4,716,172.9
TOTAL TRANSACTIONS FROM 07/04/2023		**276,458**		**235,808,645**	**5,529.16**		**4,716,172.90**
07/14/2023		374,652	T2 Shares	236,183,297	7,493.04		4,723,665.94
07/14/2023		374,652	T3 Shares	236,557,949	7,493.04		4,731,158.98
07/14/2023		61,112	T4 Shares	236,619,061	1,222.24		4,732,381.22
TOTAL TRANSACTIONS FROM 07/14/2023		**810,416**		**236,619,061**	**16,208.32**		**4,732,381.22**
09/12/2023		8,084	T2 Shares	236,627,145	161.28		4,732,542.5
09/12/2023		8,084	T3 Shares	236,635,229	161.28		4,732,704.58
TOTAL TRANSACTIONS FROM 09/12/2023		**16,168**		**236,635,229**	**323.36**		**4,732,704.58**
TOTAL TRANSACTIONS FROM 10/05/2023		**0**		**236,635,229**	**0**		**4,732,704.58**
TOTAL TRANSACTIONS FROM 10/13/2023		**146,498**	**ORDINARY SHARES**	**236,781,727**	**2,929.96**		**4,735,634.54**
12/13/2023		134,732	Ordinary shares	236,916,459	2,694.64		4,738,329.18
12/13/2023		210,434	Ordinary shares	237,126,893	4,208.68		4,742,537.86
12/13/2023		144,935	Ordinary shares	237,271,828	2,898.7		4,745,436.56
TOTAL TRANSACTIONS FROM 12/13/2023		**490,101**	**ORDINARY SHARES**	**237,271,828**	**9,802.02**		**4,745,436.5**
07/27/2024		70,649	Ordinary shares	237,342,477	1,412.98		4,746,849.54
07/27/2024		441,832	T2 Shares	237,784,309	8,836.64		4,755,686.18
TOTAL TRANSACTIONS FROM 07/27/2024		**512,481**		**237,784,309**	**10,249.62**		**4,755,686.18**
10/13/2024		93,881	Ordinary shares	237,878,190	1,877.62		4,757,563.8
10/13/2024		173,939	Ordinary shares	238,052,129	3,478.78		4,761,042.58
TOTAL TRANSACTIONS FROM 10/13/2024		**267,820**		**238,052,129**	**5,356.4**		**4,761,042.58**
12/14/2024		32,494	T2 Shares	238,084,623	649.88		€4,761,692.46
TOTAL TRANSACTIONS FROM 12/14/2024		**32,494**		**238,084,623**	**5,356.4**		**€4,761,692.46**

5.2.6 Non-equity instruments

No securities exist that would be considered non-equity instruments.

5.2.6.1 Securities carrying rights to the allocation of debt securities

As at December 31, 2024, the Board of Directors has not decided to issue any marketable securities entitling their bearers to be allocated debt securities.

5.2.6.2 Commercial paper program

On October 12, 2011, Vallourec set up a commercial paper program to meet its short-term financing requirements. The program was updated on July 2, 2024, and has the following main characteristics:

Maximum ceiling on the program	**€1 billion**	
Duration	>1 day <365 days	
Minimum unit value	€150,000	
Paying agent	Crédit Industriel et Commercial	
Underwriters	Aurel BGC, BNP Paribas, BRED Banque Populaire, Crédit Industriel et Commercial, Crédit du Nord, GFI Securities Limited, HPC,	ING Bank (France) S.A., Kepler Capital Markets, Natixis, Société Générale, TSAF OTC.
Short-term rating (Standard & Poor's)	B	

The financial prospectus for the commercial paper issue program and the outstanding amounts of the issues are available on the websites of the Company (**www.vallourec.com**) and the Banque de France (**www.banque-france.fr/en**).

5.2.6.3 Bond issuances

In April 2024, Vallourec SA issued USD 820 million in unsecured bonds, maturing in 2032, with a fixed coupon of 7.5%. The eight-year bonds, with no early repayment obligation in the first three years, are guaranteed by the subsidiaries covered by the revolving credit agreement.

The bonds are subject to specific covenants, including negative pledge clauses and restrictions on mergers and sale and leasebacks, with certain exceptions.

In the event of a change of control resulting in a downgrade of Vallourec's credit rating, a clause allows for the compulsory early redemption of the bonds at the request of the bondholders. The issuer may also redeem the bonds before April 15, 2027, with a "make whole" premium. After this date, redemption can be made at specified prices. Up to 10% of the initial amount can be redeemed each year at a premium of 103%, and up to 40% with the proceeds of a share issue before April 2027.

In addition, early redemption of the bonds may be requested by the bondholder or the Company, as appropriate, should any of the common default scenarios for this type of transaction arise or in the event of a change in the Company's position or in tax regulations.

5.2.6.4 Rating

Vallourec obtained rating upgrades from the three major rating agencies in April 2024:

- S&P Global upgraded its long-term issuer credit rating to BB+ (stable outlook),
- Fitch has assigned Vallourec a BB+ rating, with a positive outlook.
- In March 2025, Moody's upgraded Vallourec's issuer rating from Ba2, positive outlook to Ba1, positive outlook.

These assessments confirm Vallourec's financial strength and reinforce its credibility with investors.

S&P Global also confirmed its B rating for Vallourec’s commercial paper program.

5.3 Share ownership

5.3.1 Changes in the distribution of the share capital in the last three fiscal years

2022 (as at December 31)

	Number of shares			Number of theoretical voting rights			
Shareholders	**Ordinary shares**	**Preferred shares**	**% of share capital**	**Ordinary shares**	**Preferred shares**	**% of theoretical voting rights**	**% of exercisable voting rights at Shareholders' Meetings**
Public[a]	163,201,291		70.41%	163,201,291		71.20%	71.24%
Apollo	65,243,206		28.15%	65,243,206		28.46%	28.48%
Group employees[b]	635,619	2,548,628	1.37%	635,619	0	0.28%	0.28%
Treasury shares[c]	148,883		0.06%	148,883		0.06%	-
TOTAL	**229,228,999**	**2,548,628**	**100.00%**	**229,228,999[d]**	**0**	**100.00%**	**100.00%**

(a) A summary of the thresholds crossed in 2022 is provided in the table below.

(b) Group statutory employee profit-sharing as at December 31, 2022 includes all of the shares subscribed via company mutual funds under the international employee share ownership plans that have been implemented by the Group since 2007, including shares loaned at that date. Under the leveraged formula of these plans, the performance multiple on the Vallourec shares is obtained by transferring the discount, dividends and other financial rights related to ownership of the shares to the bank structuring the transaction through a swap contract. As at December 31, 2022, 616,619 non-loaned shares were recorded as assets in the accounts of the company mutual funds, representing an employee stake of 0.27% in the share capital and of 0.27% in the voting rights at that date.

(c) Treasury shares include the shares held in treasury by the Company to cover free share and performance share plans. As a result, the number of treasury shares is subject to change at any time.

(d) This total does not include the 2,548,628 preferred shares without voting rights.

Legal thresholds crossed in 2022

AMF Notice no.	Date threshold crossed	Group	Number of securities after threshold crossed	% capital after threshold crossed	% voting rights after threshold crossed	Comments	Number of shares comprising the capital	Number of voting rights
222C0696	03/23/2022	Caisse des Dépôts et Consignations (CDC)	0	0	0	-	228,928,428	228,928,428
222C0696	03/23/2022	Bpifrance Participations SA	5,200,966	2.27	2.27	-	228,928,428	228,928,428
222C0696	03/23/2022	CNP Assurances	6,474,554	2.83	2.83	-	228,928,428	228,928,428
222C0696	**03/23/2022**	**CDC group**	**11,675,520**	**5.10**	**5.10**	**Above the 5% capital and voting rights thresholds**	**228,928,428**	**228,928,428**
222C0696	03/24/2022	Caisse des Dépôts et Consignations (CDC)	0	0	0	-	228,928,428	228,928,428
222C0696	03/24/2022	Bpifrance Participations SA	5,200,966	2.27	2.27	-	228,928,428	228,928,428
222C0696	03/24/2022	CNP Assurances	318,167	0.14	0.14	-	228,928,428	228,928,428
222C0696	**03/24/2022**	**CDC group**	**5,519,133**	**2.41**	**2.41**	**Below the 5% capital and voting rights thresholds**	**228,928,428**	**228,928,428**
222C0860	04/13/2022	Monarch Master Funding 2	11,386,598	4.97	4.97	Below the 5% capital and voting rights thresholds	228,928,428	228,928,428
222C1283	05/26/2022	Kings Forest Sarl	842,000	0.37	0.37		228,928,428	228,928,428
222C1283	05/26/2022	Rathgar Sarl	6,329,104	2.76	2.76		228,928,428	228,928,428
222C1283	05/26/2022	Queens Gate Sarl	3,468,725	1.52	1.52		228,928,428	228,928,428
222C1283	05/26/2022	Red Maple Sarl	3,783,811	1.65	1.65		228,928,428	228,928,428
222C1283	**05/26/2022**	**Total Strategic Value Partners, LLC**	**14,423,640**	**6.30**	**6.30**	**Below the 10% capital and voting rights thresholds**	**228,928,428**	**228,928,428**
222C1648	06/21/2022	Caisse des Dépôts et Consignations (CDC)	0	0	0	-	228,928,428	228,928,428
222C1648	06/21/2022	Bpifrance Participations SA	5,200,966	2.27	2.27	-	228,928,428	228,928,428
222C1648	06/21/2022	CNP Assurances	8,715,114	3.81	3.81	-	228,928,428	228,928,428
222C1648	**06/21/2022**	**CDC group**	**13,916,080**	**6.08**	**6.08**	**Above the 5% capital and voting rights thresholds**	**228,928,428**	**228,928,428**
222C1753	06/30/2022	Caisse des Dépôts et Consignations (CDC)	0	0	0	-	228,928,428	228,928,428
222C1753	06/30/2022	Bpifrance Participations SA	5,200,966	2.27	2.27	-	228,928,428	228,928,428
222C1753	06/30/2022	CNP Assurances	5,744,244	2.51	2.51	-	228,928,428	228,928,428
222C1753	**06/30/2022**	**CDC group**	**10,945,210**	**4.78**	**4.78**	**Below the 5% capital and voting rights thresholds**	**228,928,428**	**228,928,428**
222C2312	10/05/2022	Strategic Value Partners, LLC	0	0	0	Below the 5% capital and voting rights thresholds	228,928,428	228,928,428

As at December 31, 2022, Vallourec's free float amounted to 70.41%.

2023 (as at December 31)

Shareholders	Number of shares: Ordinary shares	Number of shares: Preferred shares	% of share capital	Number of theoretical voting rights: Ordinary shares	Number of theoretical voting rights: Preferred shares	% of theoretical voting rights	% of exercisable voting rights at Shareholders' Meetings
Public[(a)]	163,180,591		68.77%	163,180,591		70.99%	71.02%
Apollo	65,243,206		27.50%	65,243,206		28.38%	28.40%
Group employees[(b)]	1,345,605	6,482,631[(e)]	3.30%[(f)]	1,345,605	0	0.59%	0.59%
Treasury shares[(c)]	107,668	912,127	0.43%	107,668		0.05%	0.00%
TOTAL	**229,877,070**	**7,394,758**	**100%**	**229,877,070**	**0[(d)]**	**100%**	**100%**

(a) A summary of the legal thresholds crossed in 2023 is provided in the table below.
(b) Group statutory employee profit-sharing as at December 31, 2023 includes all of the shares subscribed via company mutual funds under the international employee share ownership plans.
(c) Treasury shares include the ordinary shares held in treasury by the Company to cover free share plans. It also includes preferred shares transferred automatically and free of charge to the Company in the event of the departure of a beneficiary of the MEP, in application of the 2021 MEP rules. As a result, the number of treasury shares may change at any time.
(d) Preferred shares have no voting rights attached, and are therefore excluded from the calculation of theoretical voting rights.
(e) Including the 2,058,876 preferred shares held by Philippe Guillemot.
(f) 2.43% excluding the 2,058,876 preferred shares held by Philippe Guillemot.

Legal thresholds crossed in 2023

AMF Notice no.	Date threshold crossed	Group	Number of securities after threshold crossed	% capital after threshold crossed	% voting rights after threshold crossed	Comments	Number of shares comprising the capital	Number of voting rights
223C0320	02/14/2023	The Capital Group Companies	11,617,911	5.01	5.07	Above the 5% capital and voting rights thresholds	231,777,627	229,228,999
223C0441	03/10/2023	Société Générale	11,465,602	4.95	5.002	Above the 5% voting rights threshold	231,777,627	229,228,999
223C0452	03/15/2023	Société Générale	11,811,202	5.10	5.15	Above the 5% capital and voting rights thresholds	231,777,627	229,228,999
223C0483	03/17/2023	Société Générale	8,809,593	3.80	3.84	Below the 5% capital and voting rights thresholds	231,777,627	229,228,999
223C0619	04/18/2023	Société Générale	12,002,408	5.18	5.24	Above the 5% capital and voting rights thresholds	231,777,627	229,228,999
223C0719	05/10/2023	Société Générale	11,360,083	4.90	4.96	Below the 5% capital and voting rights thresholds	231,777,627	229,228,999

As at December 31, 2023, Vallourec's free float amounted to 68.77%.

2024 (as at December 31)

Shareholders	Number of shares: Ordinary shares	Number of shares: Preferred shares	% of share capital	Number of theoretical voting rights: Ordinary shares	Number of theoretical voting rights: Preferred shares	% of theoretical voting rights	% of exercisable voting rights at Shareholders' Meetings
Public[(a)]	162,774,236		68.37%	162,774,236		69.58%	69.58%
ArcelorMittal SA	65,243,206		27.40%	65,243,206		27.89%	27.89%
Group employees and Chairman and Chief Executive Officer[(b)]	5,899,783[(c)]	3,158,644[(d)]	3.81%[(e)]	5,899,783	0	2.52%[(f)]	2.52%[(f)]
Treasury shares[(g)]	0	1,008,754	0.42%	0	0	0%	0%
TOTAL	**233,917,225**	**4,167,398**	**100%**	**233,917,225**	**0[(h)]**	**100%**	**100%**

(a) A summary of the legal thresholds crossed in 2024 is provided in the table below.
(b) Group statutory employee profit-sharing as at December 31, 2024 includes all of the shares subscribed via company mutual funds under the international employee share ownership plans.
(c) Including the 2,670,938 ordinary shares held by Philippe Guillemot.
(d) Including the 1,100,938 preferred shares held by Philippe Guillemot.
(e) 2.22% excluding the shares held by Philippe Guillemot.
(f) 1.38% excluding the shares held by Philippe Guillemot.
(g) Treasury shares include the preferred shares transferred automatically and free of charge to the Company in the event of the departure of a beneficiary of the MEP, in application of the MEP rules. As a result, the number of treasury shares is subject to change at any time.
(h) Preferred shares have no voting rights attached, and are therefore excluded from the calculation of theoretical voting rights.

Legal thresholds crossed in 2024

AMF Notice no.	Date threshold crossed	Group	Number of securities after threshold crossed	% capital after threshold crossed	% voting rights after threshold crossed	Comments	Number of shares comprising the capital	Number of voting rights
224C1438	08/02/2024	FMR LLC (Fidelity Investments)	12,124,374	5.10	5.27	Above the 5% capital and voting rights thresholds	231,777,627	229,228,999
224C1415	08/05/2024	Apollo Global Management, Inc	65,243,206	0	0	Below the 5, 10, 15 and 25% voting rights threshold	237,784,309	229,947,719
224C1415	08/05/2024	ArcelorMittal SA	65,243,206	27.44	28.37	Above the 5, 10, 15 and 25% voting rights threshold	237,784,309	229,947,719
224C2385	11/18/2024	FMR LLC (Fidelity Investments)	16,960,804	7.12	7.34	Individual crossing of the 5% voting rights threshold (4.92% of the share capital) by a controlled company (Fidelity Management & Research Company LLC)	238,052,129	231,051,893
224C2830	12/24/2024	FMR LLC (Fidelity Investments)	17,536,477	7.37%	7.59	Individual crossing of the 5% share capital and voting rights threshold by a controlled company (Fidelity Management & Research Company LLC)	238,084,623	233,875,005

As at December 31, 2024, Vallourec's free float amounted to 68.37%.

Legal thresholds crossed since January 1, 2025

AMF Notice no.	Date threshold crossed	Group	Number of securities after threshold crossed	% capital after threshold crossed	% voting rights after threshold crossed	Comments	Number of shares comprising the capital	Number of voting rights
225C0457	03/07/2025	The Capital Group Companies, Inc.	11,761,860	4.94	5.03	Below the 5% capital threshold	238,084,623	233,993,941

5.3.2 Absence of control over the Company

No persons or entities exercise control over Vallourec.

5.3.3 Shareholders' agreements

Further to the sale by Apollo to ArcelorMittal of its holding in the Company's capital on August 5, 2024, Apollo has not held any shares since that date. The governance agreement with Apollo (the "Apollo Shareholders' Agreement") has been terminated, and an agreement has been entered into with ArcelorMittal (the "ArcelorMittal Shareholders' Agreement"). The main terms of the ArcelorMittal Shareholder Agreement are described in Section 5.3.3 of this Universal Registration Document.

The ArcelorMittal Agreement set certain rights and obligations in terms of governance and of sales of shares in the Company by ArcelorMittal.

5.3.3.1 Governance agreements

The membership of the Board of Directors is decided in compliance with the recommendations of the AFEP-MEDEF Code as well as with the following rules:

ArcelorMittal may propose the appointment of two directors for as long as it holds at least 20% of Vallourec's share capital and appointment of one director for as long as it holds at least 10% of the share capital.

If ArcelorMittal's interest falls below 20% of the share capital (except in the case of passive dilution), it shall cause one of the directors appointed on its proposal to resign; if ArcelorMittal's stake falls below 10% of the share capital (except in the case of passive dilution), it shall cause the remaining director appointed on its proposal to resign.

ArcelorMittal will also have the right to propose to the Board of Directors the appointment of a Board Observer (acting in an advisory capacity only), as long as it holds at least 20% of the share capital. The Board Observer proposed by ArcelorMittal will be convened and entitled to attend meetings of Vallourec's Board of Directors as long as the Board comprises at least 10 members. If the Board of Directors has fewer than 10 members, the Board Observer proposed by ArcelorMittal may attend Board meetings only if one of the two directors proposed by ArcelorMittal is absent from the meeting in question.

As long as ArcelorMittal holds at least 10% of Vallourec's share capital, Vallourec's Chairman and Chief Executive Officer undertakes to propose to the Board of Directors the appointment of one of the directors put forward by ArcelorMittal as a member of the Audit Committee, Remuneration Committee and Nomination and Governance Committee.

5.3.3.2 Transfer restrictions

- Restrictions on the sale of shares: ArcelorMittal undertakes not to sell on the market during the same trading session a number of Vallourec shares representing more than 25% of the average daily volume of shares traded during the 30 trading days preceding the date of the proposed sale (subject to certain exceptions, including in the case of transfers to affiliates, contributions to or transfers in the event of a public offer, in the event of a distribution by ArcelorMittal to its shareholders or in the event of a share buyback by Vallourec).
- Right of first offer: If ArcelorMittal wishes to sell all or part of its shareholding to one of Vallourec's competitors (except in the event of a transfer to an affiliate of ArcelorMittal or to an entity in which ArcelorMittal holds more than 25% of the share capital), Vallourec may, by right, make an offer to purchase the shares offered for sale at a price set by Vallourec (with a substitution option). If Vallourec exercises its right of first offer, ArcelorMittal may only sell the shares concerned to a third-party competitor on condition that (i) the price paid by said third party is higher than the price set by Vallourec in its purchase offer, and is paid in full in cash at the date of completion of said sale, (ii) in general, the terms of the sale are the same as, or more favorable to ArcelorMittal than, those proposed by Vallourec and (iii) the sale is completed within six months of the exercise or expiration (as the case may be) of the right of first offer.
- Prior information commitment: ArcelorMittal undertakes to inform Vallourec in advance of its intention to sell more than 5% of Vallourec's share capital, and to indicate the number and category of Vallourec shares concerned by the disposal and, to the extent possible, the identity of the potential transferee

5.3.3.3 Concert

ArcelorMittal has declared that it does not intend to act in concert and will not act in concert with the Company.

A description of the main provisions of these shareholders' agreements appears in the declarations submitted to the AMF regarding the communication of agreements between shareholders, pursuant to Article L. 233-11 of the French Commercial Code. These declarations are available on the AMF website: http://www.amf-france.org/en.

5.3.3.4 Duration

The agreement will terminate on the earliest of the following dates: (i) 15 years from the date of signature, it being specified that it will be tacitly renewed for successive five-year periods unless terminated by one of the parties no later than six months prior to the said renewal date, and (ii) the occurrence of one of the following events:

- termination of the agreement by decision of all parties; or
- in the event that ArcelorMittal comes to hold (x) less than 5% of Vallourec's share capital or (y) more than 50% of Vallourec's share capital or voting rights.

5.4 Stock market information

5.4.1 Stock market

The Company's shares are listed on Compartment A of the Euronext Paris regulated market (ISIN: FR0013506730-VK). They are a qualifying investment under French laws on equity savings plans (Plan d'Épargne en Actions – PEA) and are eligible for the deferred settlement service (SRD).

The Vallourec share is one of the shares traded on the CAC Mid 60, SBF 120 and Next 150 indexes.

The April 2032 Bonds are admitted to trading on The International Stock Exchange under the following CUSIP/ISIN codes:

- Rule 144A:92023R AA8 / US92023RAA86 and,
- Regulation S:P9682P AA1 / USP9682PAA14. (see Section 5.2.6 "Non-equity instruments above").

The share subscription warrants were admitted to trading in 2021 on Euronext Paris under ISIN code: FR00140030K7.

5.4.2 Other markets

In October 2010, Vallourec set up a sponsored Level 1 American Depositary Receipt (ADR) program in the United States.

An ADR is a US-dollar-denominated marketable security representing shares in a non-US company, which allows US investors to hold shares indirectly and to trade them on securities markets in the United States. Vallourec's ADRs may be traded on the US over-the-counter (OTC) market.

JPMorgan is the custodian bank responsible for administering the ADR program. Technical information about the ADR program is available on the Group's website in the "Shareholding information" Section. For further information, ADR holders may contact JPMorgan services, as follows:

- by phone: (800) 990-1135 (general) or (651) 453-2128 (if calling from outside the United States);
- online at www.shareowneronline.com;
- or by mail at the following address: EQ Shareowner Services P.O. Box 64504 St. Paul, MN 55164 – 0504 USA.

5.4.3 Movements in the share price and market capitalization in the last five years

Vallourec share price performance over the last five years compared to the SBF 120 index and *Brent*

Source: Bloomberg – base 100 as at January 1, 2020.

The table below summarizes Vallourec's market capitalization over the last five years:

In €	2020*	2021**	2022	2023	2024
Number of ordinary shares outstanding (as at December 31)	11,449,694	228,928,428	229,228,999	229,877,070	233,917,225***
High	114.68	14.53	14.28	14.57	18.20
Low	11.19	6.01	6.59	9.61	12.79
Average (closing) price for the year	41.35	8.79	10.43	11.95	15.05
Year-end price	26.75	8.80	12.27	14.03	16.42
Market capitalization (year-end price)	306,279,314	2,014,570,166	2,812,639,818	3,225,175,292	3,840,920,835

Source: Euronext.

* *1-for-40 reverse stock split of May 25, 2020.*

** *Financial restructuring finalized on June 30, 2021.*

*** *The preferred shares are not admitted to trading on a regulated market. As at December 31, 2024, there were 4,167,398.*

5.5 Dividend policy

5.5.1 Dividend policy

Vallourec aims to maintain a strong, crisis-proof balance sheet that affords the Company sufficient financial and strategic headroom. This implies:

- a target of maintaining the Group's available liquidity (i.e., cash, cash equivalents and unused committed bank lines) amounting to more than €1 billion;
- a cash and debt management policy that broadly maintains the Group's financial leverage (net debt/EBITDA) within a range of +/-0.5x.

As part of the above-mentioned commitment to maintaining a crisis-proof balance sheet, the Board of Directors put a shareholder return policy in place at its meeting on February 26, 2025.

Vallourec's ambition is to distribute 80% to 100% of its overall annual cash generation from 2025, through dividend distributions and/or share buybacks.

In light of the above, the Board of Directors will propose that the Shareholders' Meeting to be held on May 22, 2025, approve the payment of a dividend of €1.50 per share. Based on the number of shares at December 31, 2024, this would represent an indicative total amount of around €350 million.

The target ex-dividend date is May 26, 2025 and the target payment date is May 28, 2025.

Future dividends and share buyback authorizations will be assessed annually by the Board of Directors, taking into account any relevant future factors, and will be submitted to the shareholders for approval. The Board of Directors may buy back at its discretion shares throughout the year, within the limits authorized by the relevant resolution approved by the Shareholders' Meeting.

The dividends per share paid for the last five fiscal years are as follows:

Payment year	Number of paid shares	Dividend per share
2020	0	€0
2021	0	€0
2022	0	€0
2023	0	€0
2024[(a)]	0	€0

(a) Vallourec's dividend payment policy as from the fiscal year ended December 31, 2024 will take into account its results, its financial position and the restrictions applicable to the payment of dividends which the Company is subject to.

5.5.2 Restrictions on the distribution of dividends

Restrictions on the distribution of dividends are those provided for in the documentation of a State-guaranteed loan (PGE) for a principal amount of €262 million, of which €67.7 million has been repaid.

Under the terms of the State-guaranteed loan, the Company could not distribute dividends, reserves or premiums during 2021. In addition, regarding distributions for subsequent years, the documentation relating to the State-guaranteed loan only permits Vallourec to distribute dividends in certain cases, including those described below.

5.5.2.1 Distribution authorized on the basis of total consolidated net income

In this case, the distribution of dividends is authorized if (i) no default or event of default has occurred or is likely to occur following such a distribution; (ii) Vallourec is able to contract at least €1 in additional debt with regard to the hedging ratio of consolidated fixed financial expenses (as defined in the terms of the Bonds), which must be greater than 2:1 on a pro forma basis and (iii) the proposed total amount of the dividend (combined with the amounts of other payments subject to restrictions) plus the amount distributed since the issue date of these Bonds does not exceed 50% of consolidated net income for the period (treated as an accounting period) from the first quarter following the issue date until the end of the most recent financial quarter completed before the date of payment, and for which financial statements are available (or, for example, if consolidated net income is negative, after deducting 100% of this deficit), increased by certain amounts corresponding to capital contributions or conversions of securities into capital.

5.5.2.2 Distribution authorized specifically in respect of dividends

In this case, the distribution of dividends is authorized on the conditions that (i) no default occurs and persists or is likely to occur as a result of the distribution, (ii) Vallourec securities are still admitted for trading on Euronext Paris, (iii) the annual amount does not exceed 5% of Vallourec's market capitalization, and (iv) the consolidated net leverage ratio is less than or equal to 2.25:1 on a pro forma basis.

5.5.2.3 Distribution authorized in view of the leverage ratio

In this case, the distribution of dividends is authorized on the conditions that (i) no default or event of default occurs and persists or is likely to occur as a result of the distribution and (ii) the consolidated net leverage ratio is less than or equal to 2:1 on a pro forma basis (after taking into account the proposed distribution).

5.6 Financial communication policy

The Group's priority is to maintain lasting, trust-based relations with all its shareholders, both individual and institutional, French and international. The role of the Investor Relations team is to facilitate shareholders' access to accurate and precise information that faithfully reflects the Group's activities, results, outlook and strategic developments.

Accordingly, and with ongoing concern for clarity and transparency, a wide variety of dedicated communications media are made available, and regular meetings are arranged throughout the year.

5.6.1 Information available to all shareholders

Financial information and communications media are available in electronic format to all shareholders on the Group's website (www.vallourec.com) in the “Investors” Section, the Group's authoritative financial communications database. These include:

- all financial and strategic information issued to the financial markets, including quarterly results, press releases, financing, presentations and audio broadcasts of the annual results, and video broadcasts of the Shareholders’ Meeting;
- all the regulatory information disclosed pursuant to the European Transparency Directive of December 15, 2004 as amended, and specifically:
  - the Universal Registration Document, including the annual financial report, the half-year report and the management report of the Board of Directors, filed with the French securities regulator (Autorité des marchés financiers – AMF),
  - documents relating to the Shareholders’ Meeting (notice of meeting, proposed resolutions, voting forms, meeting brochure, etc.).

All Group press releases, presentations and publications are also available in the “Media” Section.

5.6.1.1 Shareholders' Meetings

The May 23, 2024 Annual Shareholders' Meeting was held with shareholders in attendance. The Investor Relations team is available to assist shareholders with the applicable procedures for voting and participating in Shareholders' Meetings.

5.6.1.2 Newsfeed

Vallourec offers shareholders and stakeholders the option to subscribe to a Group newsfeed via the internet at www.vallourec.com (“Investors” Section), through a simple online registration process. Subscribers to the newsfeed receive electronic notifications of the Group's financial publications and activities.

5.6.2 Relations with institutional investors and financial analysts

On a regular basis and in line with best business practices, the Investor Relations Department organizes meetings between various members of the Group's executive management and institutional investors and financial analysts, including SRI (socially responsible investment) specialists, in France and abroad:

- **each quarter, a conference call is organized** when the financial results are released. The Company's executive management presents the results and answers questions from analysts. The conference call is broadcast live and rebroadcast on the Group's website;
- **Vallourec regularly participates in events on socially responsible investment (SRI).** These meetings with investment funds and SRI analysts contribute to the Group's progress in the field of sustainable development;
- **periodic Capital Markets Days are organized.** On September 12, 2023, the Group organized a Capital Markets Day in London. During the event, Vallourec's key executives presented the Group's new strategic orientations, current projects and capital allocation priorities. Accessible to all in the form of a webcast available on the Group’s website, Capital Markets Days enable investors and analysts to hold detailed discussions on a wide range of topics, outside of the results reporting periods.

In addition, many events are organized throughout the year between the Group's executive management and the financial community**.**

5.6.3 Relations with individual shareholders

The Group seeks to promote sustained dialogue with its individual shareholders and strengthen the trust-based relationships it has built with them. This dialogue also gives Vallourec greater insight into the concerns of its individual shareholders so that it can better address their expectations.

Specific communications media have been developed to further this goal:

- an individual shareholders' sub-section in the "Investors" Section of the Group's website (www.vallourec.com);
- the posting of financial notices in compliance with the applicable regulations (results releases, notices of Shareholders' Meetings, etc.);
- a dedicated toll-free number for individual shareholders (0805 65 10 10, free from any landline in mainland France), allowing them to access information such as the financial calendar, or to get in touch with the Investor Relations team (or Uptevia if the shareholder has registered shares or is interested in acquiring such shares);
- a newsfeed which sends subscribers notifications of press releases and of financial publications to be received electronically, simply by registering online at www.vallourec.com ("Investors" Section);
- in certain years, participating in the Actionaria trade show, where the Investor Relations team, along with the business line experts, present or reintroduce the Group's business lines, know-how and solutions, and speak with the individual shareholders;
- a Shareholders' Club allowing members to participate in meetings dedicated to presenting financial results and to having more regular exchanges with Vallourec to gain a better understanding of its activities. The Shareholders' Club and the conditions for joining and registering are accessible online at www.vallourec.com ("Investors/Shareholder space" Section);
- lastly, the Investor Relations team is always available to answer shareholders' questions.

5.6.3.1 Directly registered shares

Vallourec offers shareholders direct registration of their shares, which includes the following benefits:

- **free management:** exemption from custody fees as well as other fees associated with the routine management of their shares such as:
  - conversion to bearer shares and share transfers,
  - changes to legal status (transfers, gifts, inheritance, etc.),
  - securities transactions (capital increases, share allocations, etc.),
  - dividend payments;
- **brokerage fees** of 0.25% of the amount of the transaction up to €200,000 and 0.15% above €200,000 (with a minimum of €4.10);
- transmission of paper stock market orders: €15 (excl. VAT);
- payment by check in the absence of bank details: €8 (excl. VAT);
- **guaranteed receipt of personalized information** on:
  - invitations to Shareholders' Meetings, with automatic receipt of notices of meetings, individual postal voting and proxy forms, and, upon request, admission cards and legal documentation,
  - securities management (purchase and sale orders, etc.), securities transactions organized by Vallourec, etc. A team of dedicated operators is available to answer shareholders' queries on these and other issues from 9:00 a.m. to 6:00 p.m. (Paris time), Monday to Friday, at +33 1 49 37 82 36 (from outside France) or 08 00 00 75 35 (from France);
- **easy access to Shareholders' Meetings**: automatic invitation to Shareholders' Meetings, and an exemption from having to first request a certificate of shareholding to vote;
- a dedicated site for registered shareholders – Uptevia Investors – accessible at https://www.investors.uptevia.com

This site allows shareholders to:

- manage assets,
- issue orders,
- access the Voteacces platform and take part in Shareholders' Meetings,
- directly download all communications relating to assets (portfolio trading, transaction notices, etc.).

Further information about direct registration and registration forms may be obtained from Uptevia:

- by mail at the following address:

  UPTEVIA

  CTO Relations Actionnaires La Défense – Cœur Défense Tour A, 90-110 esplanade du Général-de-Gaulle, 92400 Courbevoie;
- by telephone on: +33 1 49 37 82 36 (from outside France), 08 00 00 75 35 (from France)
- a dedicated site for holders of administered registered shares – Vote AG – accessible at https://www.voteag.com, for direct access to the Votaccess voting platform in order to take part in Shareholders' Meetings.

5.6.4 Contact for Investor Relations and Financial Communications

Investor Relations Department

- Address: 12 rue de la Verrerie – 92190 Meudon – France
- Telephone: 0805 65 10 10 (France only)
- E-mail: investor.relations@vallourec.com or actionnaires@vallourec.com

5.6.5 2025 financial calendar (dates subject to change)

February 27, 2025	Publication of fourth-quarter and FY results 2024
May 15, 2025	Publication of first-quarter results 2025
May 22, 2025	Ordinary and Extraordinary Shareholders' Meeting
July 25, 2025	Publication of second-quarter and first-half results 2025
November 17, 2025	Publication of third-quarter and nine-month results 2025

5.7 Scope of consolidation

5.7.1 Valllourec Group legal organization chart as at December 31, 2024[1]

VALLOUREC

100%

VALLOUREC TUBES

EUROPE/AFRICA (EA)

FRANCE

- 100% Vallourec Oil and Gas France
- 100% Vallourec Tubes France
- 100% Vallourec Umbilicals
- 80% Serimax Holdings

REST OF EUROPE

- 100% Vallourec Deutschland GmbH (Germany)
- 100% Vallourec Oil & Gas UK (United Kingdom)
- 20% Hüttenwerke Krupp Mannesmann (Germany)

AFRICA

- 100% VAM Field Service Angola, LDA (Angola)
- 100% Vallourec Nigeria Limited (Nigeria)
- 100% Vallourec Oil & Gas Egypt LLC (Egypt)
- 100% Vallourec Oil and Gas Kenya Limited (Kenya)
- 100% Vallourec O & G Nigeria Limited (Nigeria)
- 100% Vallourec Oil and Gas Uganda (Uganda)

MIDDLE EAST/ASIA (MEA)

MIDDLE EAST

- 75% Vallourec Al Qahtani LLC (Saudi Arabia)
- 100% Vallourec Middle East FZE (United Arab Emirates)
- 80% Vallourec Saudi Arabia LLC (Saudi Arabia)
- 49% Vallourec Tubular Services LLC (United Arab Emirates)

CHINA

- 99.7% Vallourec Tianda (Anhui) Co., Ltd.
- 100% Vallourec (China) Co., Ltd.
- 100% Vallourec Oil & Gas (China) Co., Ltd.

REST OF ASIA

- 81.7% PT Citra Tubindo Tbk (Indonesia)
- 100% Vallourec Asia Pacific Corp. Pte Ltd. (Singapore)
- 51% VAM Far East (Singapore)

SPECIALITY TUBES

- 100% Valinox Nucléaire Tubes (Guangzhou) Co., Ltd.

NORTH AMERICA (NA)

OCTG

- 100% Vallourec Canada Inc. (Canada)[2]
- 100% Vallourec Oil & Gas Mexico, SA de CV (Mexico)
- 100% Vallourec Star, LP (United States)
- 100% Vallourec Tube-Alloy, LLC (United States)
- 100% VAM USA LLC (United States)

MARKETING COMPANIES

- 100% Vallourec Canada Inc. (Canada)[2]
- 100% Vallourec USA Corp. (United States)

SOUTH AMERICA (SA)

BRAZIL & OTHER

- 100% Vallourec Tubos do Brasil Ltda
  - 100% Vallourec Tubular Solutions Ltda
  - 100% Vallourec Soluções Tubulares do Brasil S.A.
    - 75 % Vallourec Tubos para Indústria S.A.
  - 100% Vallourec Florestal Ltda
  - 100% Vallourec Transportes e Serviços Ltda
  - 100% Vallourec Uruguay S.A. (Uruguay)
  - 100% Vallourec Soluciones Tubulares Argentina S.A.U. (Argentina)

(1) Refers to the percentage of share capital and voting rights held directly or indirectly.
(2) Vallourec Canada Inc. performs both OCTG and marketing activities.

5.7.2 Changes in the Group's scope of consolidation in 2024

The main changes in the scope of consolidation during 2024 were as follows:

- on October 15, 2024, the amicable liquidation of Vallourec Norden, a Group subsidiary based in Sweden, was finalized;
- on January 1, 2024, Vam Far East Pte Ltd, Vam Field Service Angola LDA and Valinox Nucléaire Tubes (Guangzhou) Co., Ltd were integrated into the scope of consolidation.

CHAPTER 6

6 2024 BUSINESS REVIEW

6.1 Results of operations

6.1.1 Consolidated Group results

6.1.1.1 Income statement

Comparison of 2024 with 2023

Consolidated data (in € thousands)	2023	2024	Change (%)
Revenues	**5,113,719**	**4,033,919**	**-21%**
Cost of sales (a)	(3,519,664)	(2,845,008)	-19%
Industrial margin	**1,594,055**	**1,188,911**	**-25%**
(as a % of revenue)	*31%*	*29%*	*-1.7 p.p.*
Selling, general and administrative expenses (a)	(333,273)	(350,830)	5%
(as a % of revenue)	*(7)%*	*(9)%*	*-2.2 p.p.*
Other	(64,455)	(5,933)	-91%
EBITDA	**1,196,327**	**832,148**	**-30%**
(as a % of revenue)	*23%*	*21%*	*-2.8 p.p.*
Depreciation of industrial assets	(165,715)	(183,006)	10%
Amortization and other depreciation	(37,713)	(43,977)	17%
Impairment of assets	144,853	(21,830)	-115%
Asset disposals, restructuring costs and non-recurring items	(278,865)	43,065	-115%
Operating income (loss)	**858,887**	**626,400**	**-27%**
Financial income (loss)	(66,089)	(10,932)	-83%
Pre-tax income (loss)	**792,798**	**615,468**	**-22%**
Income tax	(268,959)	(143,015)	-47%
Share in net income (loss) of equity affiliates	71	399	n.a.
NET INCOME	**523,910**	**472,852**	**-10%**
Attributable to non-controlling interests	28,000	20,785	-26%
Net income, Group share	**495,910**	**452,067**	**-9%**
Basic earnings per share (€)	2.2	2.0	-9%
Diluted earnings per share (€)	2.1	1.9	-10%
Basic shares outstanding (millions)	229	230	—%
Diluted shares outstanding (millions)	240	244	2%

(a) Before depreciation and amortization.

6.1.1.2 Sales volume

Tubes volume sold

The following table provides a summary of Tubes production sold by Vallourec expressed in metric tons:

In million tons	2023	2024	Change
First quarter	431	292	-32%
Second quarter	396	351	-11%
Third quarter	343	292	-15%
Fourth quarter	382	362	-5%
TOTAL	**1,552**	**1,297**	**-16 %**

In FY 2024, Tubes volume decrease by 16% mainly driven by the decrease in Industry volumes following the closure of Vallourec's German rolling mills, as a result of the New Vallourec plan, and decreased volume sold in North America.

Iron ore production sold

In million tons	2023	2024	Change
First quarter	1.5	1.4	-9%
Second quarter	1.9	1.4	-25%
Third quarter	1.8	1.3	-26%
Fourth quarter	1.7	1.3	-24%
TOTAL	**6.9**	**5.4**	**-22 %**

In FY 2024, iron ore production sold was 5.4 million tonnes, decreasing by 1.5 million tonnes year over year. The reduction was due to the expected decrease in production capacity as a result of a change in mine operating procedures as well as weak market demand, particularly in the third quarter of 2024.

6.1.1.3 Revenues

CONSOLIDATED REVENUES[1]

Over the full year 2024, Vallourec recorded revenues of €4,034 million, down (21%) year over year, or (20%) at constant exchange rates. The decrease in Group revenues reflects a (16%) volume decrease mainly driven by the decrease in Industry volumes following the closure of Vallourec's German rolling mills, a (2%) price/mix effect, a (1%) reduction due to Mine & Forest, and a (2%) currency effect.

REVENUE BY QUARTER

In € thousands	First quarter	Second quarter	Third quarter	Fourth quarter	Full Year
2023	1,338,004	1,357,731	1,141,833	1,276,151	5,113,719
2024	990,112	1,084,611	894,470	1,064,726	4,033,919
% change year-on-year	-26%	-20%	-22%	-17%	-21%
o/w volume effect	-32%	-12%	-15%	-5%	-16%
o/w price/mix effect	+7%	-7%	-1%	-8%	-2%
o/w impact of Mine & Forest segment	-1%	-1%	-2%	-0.4%	-1%
o/w currency effect	+0.1%	-0.3%	-4%	-3%	-2%

In the first quarter of 2024, Vallourec recorded revenues of €990 million, down (26%) year over year, which was also (26%) at constant exchange rates. The decrease in Group revenues reflects a (32%) volume decrease mainly driven by the closure of Vallourec's German rolling mills and decreased shipments in Oil & Gas Tubes in North America, a 7% price/mix effect, a (1%) reduction due to Mine and Forest and a 0.1% currency effect.

In the second quarter of 2024, Vallourec recorded revenues of €1,085 million, down (20%) year over year, which was also (20%) at constant exchange rates. The decrease in Group revenues reflects a (12%) volume decrease mainly driven by the closure of the German rolling mills and decreased volume sold in North America, a (7%) price/mix effect, a (1%) reduction due to Mine & Forest as well as a (0.3%) currency effect.

In the third quarter of 2024, Vallourec recorded revenues of €894 million, down (22%) year over year, or (18%) at constant exchange rates. The decrease in Group revenues reflects a (15%) volume decrease mainly driven by lower Industry volumes following the closure of the German rolling mills, a (1%) price/mix effect, a (2%) reduction due to Mine & Forest, and a (4%) currency effect.

In the fourth quarter of 2024, Vallourec recorded revenues of €1,065 million, down (17%) year over year, or (14%) at constant exchange rates. The decrease in Group revenues reflects a (5%) volume decrease mainly driven by lower line pipe shipments, a (8%) price/mix effect, a (0.4%) reduction due to Mine & Forest, and a (3%) currency effect.

(1) Data presented at constant exchange rates are calculated by eliminating the impact of translating into euros revenue generated by Group subsidiaries whose functional currency is not the euro. The foreign exchange impact of translation is eliminated by applying 2023 exchange rates to these subsidiaries' 2024 revenue. However the transaction effect—resulting from commercial exposure from sales and purchases made by certain Group subsidiaries in currencies other than their functional currency—has not been eliminated.

REVENUE BY GEOGRAPHICAL MARKET

The following table shows the change in consolidated revenue by geographical region between 2023 and 2024:

In € thousands	2023	% of revenue	2024	% of revenue	2023/2024 change at current exchange rates	2023/2024 change at constant exchange rates
Europe	427,303	8.4%	227,520	5.6%	-47%	-47%
North America	2,328,864	45.5%	1,566,655	38.8%	-33%	-32%
South America	845,529	16.5%	589,623	14.6%	-30%	-25%
Asia	296,346	5.8%	412,105	10.2%	+39%	+40%
Middle East	643,422	12.6%	734,065	18.2%	+14%	+16%
Rest of the world	260,236	5.1%	256,140	6.3%	-2%	-2%
TOTAL TUBES	**4,801,700**	**93.9%**	**3,786,108**	**93.9%**	**-21 %**	**-20 %**
Mine & Forest	374,617	7.3%	289,675	7.2%	-23%	-17%
Holding companies & Other	196,655	3.8%	192,885	4.8%	-2%	-2%
Inter-segment transactions	(259,253)	(5.1%)	(234,749)	(5.8%)	-9%	-7%
TOTAL REVENUE	**5,113,719**	**100.0%**	**4,033,919**	**100.0%**	**-21%**	**-20%**

Due to rounding, the numbers shown in this table may not add up exactly to the totals provided and percentages may not precisely reflect the absolute figures.

In 2024, Vallourec's Tubes revenues decreased by (21%) year-over-year. Sales in Europe decreased by (47%), due to the exit of most European business lines following the closure of Vallourec's German rolling mills. Sales in North America were down (33%) largely due to reduced OCTG market prices. Sales in South America were down (30%) due to lower Industry volumes and mix effects. Sales in Asia and the Middle East were up 39% and 14%, respectively, due to improved market prices.

REVENUE BY BUSINESS

The following table shows the breakdown of the Group's revenue by business in 2023 and 2024:

In € thousands	2023	2024	% change at current exchange rates	% change at constant exchange rates [(a)]
Oil & Gas and Petrochemicals	3,922,630	3,187,359	-19%	-18%
Industry	709,352	379,527	-46%	-43%
Power Generation & Other	169,718	219,222	+29%	+34%
TOTAL – TUBES	**4,801,700**	**3,786,108**	**-21%**	**-20%**
Mine & Forest	374,617	289,675	-23%	-17%
Holding companies & Other	196,655	192,885	-2%	-2%
Inter-segment transactions	(259,253)	(234,749)	-9%	-7%
TOTAL	**5,113,719**	**4,033,919**	**-21%**	**-20%**

Due to rounding, the numbers presented in the table above may not add up precisely to the totals provided and the percentages may not precisely reflect the absolute figures.

(a) The change at constant exchange rates is defined as the change in revenue between two periods obtained by translating into euros the revenue of consolidated subsidiaries whose functional currency is not the euro at the average cumulative exchange rate for the prior period. It does not include foreign currency impacts on sales made by certain subsidiaries in currencies other than their functional currency, since these impacts are included in the price/mix effects.

Revenues in Oil & Gas and Petrochemicals declined (19%) year over year due largely to reduced prices in North America. Industry revenues declined by (46%) due to reduced volumes driven by the closure of Vallourec's German rolling mills. Revenues in Power Generation & Other increased by 29% due to higher volumes, largely in Asia.

Mine & Forest revenues were down 23% largely reflecting lower sales volumes and a lower realized price.

6.1.1.4 EBITDA

For FY 2024, EBITDA amounted to €832 million, above the mid-point of the €800 million to €850 million guidance range, versus €1,196 million in FY 2023. EBITDA represented 21% of revenues, compared to 23% of revenues in FY 2023. The decrease was driven by lower average selling prices in Tubes in North America, as well as lower realized iron ore prices and production sold. This was partially offset by improved Tubes results in international markets due to higher market pricing and the benefits of the New Vallourec plan.

Tubes EBITDA decreased from €1,051 million in FY 2023 to €777 million FY 2024. This was driven by a decrease in profitability in North America partly offset by improvements in the rest of the world due to higher market pricing and the benefits of the New Vallourec plan.

In FY 2024, Mine & Forest EBITDA reached €108 million, versus €180 million in FY 2023, largely reflecting lower sales volumes, a lower realized price, and higher costs.

The following table shows changes in the principal components of EBITDA in 2023 and 2024.

In € thousands	2023	2024	Change
Revenues	**5,113,719**	**4,033,919**	**-21%**
Cost of sales [(a)]	(3,519,664)	(2,845,008)	-19%
Industrial margin	**1,594,055**	**1,188,911**	**-25%**
(as a % of revenue)	*31.2%*	*29.5%*	*-1.7 p.p.*
Selling, general and administrative expenses	(333,273)	(350,830)	5%
(as a % of revenue)	*(6.5)%*	*(8.7)%*	*-2.2 p.p.*
Other	(64,455)	(5,955)	-91%
EBITDA	**1,196,327**	**832,126**	**-30 %**
(as a % of revenue)	*23.4 %*	*20.6 %*	*-2.8 p.p.*

(a) Before depreciation and amortization.

INDUSTRIAL MARGIN

Industrial margin is defined as the difference between revenue and cost of sales (excluding depreciation and amortization).

In FY 2024, the industrial margin was €1,189 million, or 29.5% of revenue, decreasing by €405 million year-on-year, predominantly due to lower Tubes pricing in North America.

The following table shows the breakdown of cost of sales (excluding depreciation and amortization) in 2023 and 2024:

In € thousands	2023	2024	Change
Direct cost of sales	286,357	242,084	-15%
Cost of raw materials consumed	1,438,676	1,144,073	-20%
Labor costs	707,525	568,320	-20%
Other manufacturing costs [(a)]	1,045,647	873,649	-16%
Change in non-raw materials inventories	41,459	16,882	na
TOTAL	**3,519,664**	**2,845,008**	**-19%**

(a) "Other manufacturing costs" mainly include energy and consumables, sub-contracting and maintenance expenditure, and provisions.

SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

In FY 2024, selling, general and administrative expenses amounted to €351 million, or 8.7% of revenue, versus €333 million (6.5% of revenue) in FY 2023.

The following table shows the breakdown in SG&A (excluding depreciation and amortization) in 2023 and 2024:

In € thousands	2023	2024	Change
Research and Development costs	29,573	32,334	+9%
Selling and marketing costs	64,520	57,566	-12%
General and administrative costs	239,180	260,930	+8%
TOTAL	**333,273**	**350,830**	**+5%**

PERSONNEL EXPENSES

Personnel expenses are divided among cost of sales, SG&A, and other operating expenses. In FY 2024, personnel expenses totaled €810 million compared to €909 million in FY 2023. Personnel expenses can be broken down as follows:

In € thousands	2023	2024	Change
Wages and salaries	703,056	606,637	-14%
Employee profit sharing and bonuses	30,136	13,172	-56%
Expenses related to stock options and performance shares	17,610	41,291	+134%
Social security costs	158,111	148,701	-6%
TOTAL	**908,914**	**809,801**	**-11%**

Group headcount as of December 31, 2024 was 13,202, compared to 15,348 as at December 31, 2023:

Headcount of consolidated companies as at December 31	2023	2024	Change
Managers (cadres)	2,703	2,630	(73)
Technical and supervisory staff	1,877	1,693	(184)
Production staff	10,768	8,879	(1,889)
TOTAL	**15,348**	**13,202**	**(2,146)**

For more details on the workforce, see Section 2.2.1 “Own workforce” of this Universal Registration Document.

6.1.1.5 Operating income (loss)

FY 2024 operating income was €626 million, versus €859 million incurred in 2023. Lower EBITDA and higher depreciation and amortization were partially offset by reduced asset disposals, restructuring and other charges in FY 2024. In addition, Vallourec recorded a €22 million charge related to impairment of assets, whereas in FY 2023 the Group recorded a net €145 million reversal of previously-booked impairments.

DEPRECIATION AND AMORTIZATION

Depreciation of industrial assets amounted to €183 million in FY 2024, a €17 million increase from FY 2023 level of €166 million. Non-industrial (Research and Development, sales and administrative) depreciation and amortization and depreciation of right-of-use assets represented a cost of €44 million in FY 2024, versus a cost of €38 million in 2023.

Depreciation and amortization expense can be broken down as follows:

In € thousands	2023	2024
Depreciation of industrial assets	(165,715)	-183,006
Depreciation of right-of-use assets	(20,717)	-30,020
Amortization of capitalized research and development costs	(1,383)	-1,362
Depreciation and amortization – sales and marketing costs	(795)	-116
Depreciation and amortization – general and administrative costs	(14,818)	-12,479
TOTAL DEPRECIATION AND AMORTIZATION	**(203,428)**	**-226,983**

Asset disposals, restructuring costs and non-recurring items

Asset disposals, restructuring costs and non-recurring items can be broken down as follows:

In € thousands	2023	2024
Reorganization measures (net of expenses and provisions)	(84,754)	(29,077)
Gains and losses on disposals of non-current assets and other non-recurring items	(194,111)	72,141
TOTAL	**(278,865)**	**43,065**

In FY 2024, Vallourec recorded a net positive impact of €43 million from asset disposals, restructuring costs and other items due to a €139 million benefit related to the disposal of Vallourec’s Rath production site, offset by €29 million charge in reorganization measures and a revision in the liability related to Vallourec’s supply agreement with HKM (see Note 2.6 in chapter 7).

Asset impairment

Asset impairment can be broken down as follows:

In € thousands	2023	2024
Impairment of property, plant and equipment	148,239	(17,744)
Other impairment of assets	(3,386)	(4,086)
TOTAL	**144,853**	**(21,830)**

In FY 2024, Vallourec recorded a net €22 million impairment charge related largely to select steelmaking assets in Brazil. In FY 2023, Vallourec recorded a €145 million income related to the reversal of previously-booked impairments. This reversal reflected an improved near-term earnings outlook in the Eastern Hemisphere. This improvement, which will be realized over the coming years, is due both to the successful results of the Group's restructuring efforts in Asia, including the premiumization strategy executed in China, as well as a favorable medium-term price outlook.

6.1.1.6 Net financial income (loss)

The Group recorded a net financial loss of €11 million in FY 2024, compared to a net financial loss of €66 million in FY 2023.

The 2023 result was supported by a one-time €40 million settlement of a supplier dispute. In Q2 2024, Vallourec's balance sheet refinancing had a net positive impact of approximately €70 million mainly related to the reversal of fair value accounting on the 2026 senior notes and State-guaranteed loan (PGE). In Q4 2024, Vallourec decided to retain the remaining portion of the PGE, leading to a partial reversal of these effects.

Financial income (loss) can be broken down as follows:

In € thousands	2023	2024	Change
Interest income	29,483	34,572	+5,089
Interest expense	(117,699)	(13,891)	+103,808
Net interest expense	**(88,216)**	**20,681**	**+108,897**
Other financial income and expenses	35,209	(17,588)	-52,797
Interest expense on leases	(8,321)	(10,188)	-1,867
Other discounting expenses	(4,761)	(3,837)	+924
NET FINANCIAL INCOME (LOSS)	**(66,089)**	**(10,932)**	**+55,157**

6.1.1.7 Income tax (expense) benefit

Income tax expense was (€143) million in FY 2024 compared to (€269) million in FY 2023. The decrease was largely attributable to lower profitability and changes in regional profit mix.

6.1.1.8 Net income (loss)

In FY 2024, net income, Group share, was positive, amounting to €452 million, compared to €496 million in FY 2023.

Earnings per diluted share was €1.85 versus €2.07 in FY 2023, reflecting the above changes in net income as well as an increase in potentially dilutive shares largely related to the Company's outstanding warrants, which are accounted for using the treasury share method.

6.1.2 Cash flow and financial position

6.1.2.1 Cash flow analysis

€ million, unless noted	2023	2024	Change
EBITDA	1,196	832	-364
Non-cash items in EBITDA	2	(9)	-11
Financial cash out	(88)	(113)	-25
Tax payments	(182)	(113)	69
Adjusted operating cash flow	**928**	**597**	**-331**
Change in working capital	145	112	-33
Gross capital expenditure	(213)	(167)	46
Foreign exchange differences	(16)	79	95
Adjusted free cash flow	**844**	**622**	**-222**
Restructuring charges & non-recurring items	(362)	(301)	61
Asset disposals & other cash items	70	214	144
TOTAL CASH GENERATION	**552**	**534**	**-18**
Shareholder returns	—	—	—
TOTAL CASH GENERATION AFTER SHAREHOLDER RETURNS	**552**	**534**	**-18**
Non-cash adjustments to net debt	8	57	49
(Increase) decrease in net debt	560	592	32

In FY 2024, adjusted operating cash flow was €597 million versus €928 million in FY 2023. The decrease was attributable to lower EBITDA and higher financial cash out, partly offset by reduced tax cash out.

Adjusted free cash flow was €622 million, versus €844 million in FY 2023. Lower adjusted operating cash flow and a smaller release of working capital were partially offset by lower capex versus the prior year period.

Total cash generation in FY 2024 was €534 million, versus €552 million in FY 2023. The decrease was driven by lower adjusted free cash flow offset by lower restructuring charges & non-recurring items, and higher proceeds from asset disposals.

6.1.2.2 Capital expenditures

INVESTMENT DECISIONS

Investment decisions are a central pillar of the Group's strategy, addressing requirements in terms of:

- keeping personnel and facilities safe and complying with legal obligations, such as those relating to safety and the environment;
- keeping machinery and equipment in good working order, and replacing them when obsolete;
- optimizing production units' economic performance and enhancing the quality of Group products;
- developing new products or services, along with digitalization;
- growing Vallourec's businesses through organic and acquisition-led investments;
- restructuring within the framework of the New Vallourec plan.

In all its investment projects, the Group looks to ensure that safety, environmental and energy performance concerns are optimized.

Investment decisions are made through a Front-End Loading process that systematically includes a business case and risk assessment to ensure that the selected projects will drive long-term growth and deliver an acceptable return on capital employed.

For projects worth more than €1 million, there is a stricter investment authorization process, with:

- individualized preparation through three front-end loading phases;
- qualification of each of the three phases by a Qualification Committee made up of Group experts. During this process, the essential aspects of the projects (safety, market assumptions, technical choices, budget, planning and risks) are systematically examined and fleshed out;
- authorization at each of the three phases by the Director of Capital Expenditure, and the Senior Vice President of Process and Engineering. Projects worth over €5 million are authorized by a committee comprising the members of the Executive Committee concerned. During these Committee meetings, the projects are verified for alignment with the Group's strategy, profitability requirements, and overall budget.

MAIN INVESTMENTS DURING THE 2023-2024 PERIOD

In recent years, capital expenditure programs have been focused mainly on streamlining production facilities, improving safety, quality and process control, adapting product lines to customers' changing requirements, expanding premium product finishing capacity and reducing production costs.

Investments over the past two years can be analyzed as follows:

Capital expenditure excluding changes in scope (property, plant and equipment, intangible and biological assets)

In € thousand	**2023**	**2024**
Europe	15,086	8,750
North America	39,277	40,384
Central & South America	156,934 [(a)]	105,970 [(b)]
Asia	15,921	10,574
Other	(213)	153
TOTAL CAPITAL EXPENDITURE [(c)]	**227,005**	**165,831**
o/w Capital expenditure payments during the year	*212,586*	*166,678*

(a) Including €10.6 million for biological assets.
(b) Including €12.3 million for biological assets.
(c) The difference between capital expenditure payments made during the year and total capital expenditure corresponds to the change in amounts payable on non-current assets.

The largest capital expenditure programs in 2023, 2024 and 2025 are outlined below.

2023

In 2023, the budget for capital expenditure totaled €227 million, i.e., an increase compared to 2022. The 2023 budget covered:

- the continuation of the New Vallourec plan to bring on stream additional production capabilities at the Brazilian plants;
- the completion of a project to build an automated furnace for the production of charcoal using the Carboval process (Brazil);
- the completion of a production line in Houston to implement the CLEANWELL process for OCTG products;
- numerous projects aimed at improving productivity and costs to support the Group's transformation;
- numerous projects to digitize, maintain and restore equipment, as well as improve the safety of people and facilities.

2024

In 2024, capital expenditure totaled €166 million, decreasing vs. 2023 due to the roll-off of major spending in Brazil related to the New Vallourec plan.

The main new investments in 2024 were related to:

- launch of the Phase 1 mine extension project
- large refurbishment of the pellet plan in Brazil
- the completion of the New Vallourec plan to bring on stream additional production capabilities at the Brazilian plants;
- the completion of the increase of premium production capacity in Saudi Arabia;
- numerous projects aiming at improving productivity and costs to support the Group's transformation
- numerous projects to digitalize, maintain and restore equipment, as well as improve the safety of people and facilities.

2025

The capital expenditure budget for 2025 is expected to range between €175 and 200 million. The 2025 budget covers:

- the launch of an investment in a new threading line for VAM® SPRINT in North America;
- the launch of the replacement of an obsolete threading line in North America;
- completion of Phase 1 of the mine extension projects;
- numerous projects aiming at improving productivity and costs to continue supporting the Group's transformation;
- numerous projects to digitalize, maintain and restore equipment;
- an ongoing focus to improve the safety of people and facilities.

6.1.2.3 Liquidity and debt

As of December 31, 2024, consolidated gross debt totaled €1,103 million, including €962 million in medium and long-term debt and €141 million in debt due within one year. As of that date, the Group had €1,103 million in cash and cash equivalents. Vallourec had a net cash position of €21 million at year-end 2024, versus net debt of €570 million at year-end 2023.

As of December 31, 2024, excluding the €77 million overdraft repaid early January 2025, the Group has no material repayment scheduled before June 2027.

The Group's financial resources comprise bank and market financing.

The majority of bank financing was arranged in Europe through Vallourec S.A., and to a lesser extent through the Group's subsidiaries in the United States and Brazil. In 2024, the Group established a €550 million committed revolving credit facility ("RCF") that matures in June 2029 and an extended and upsized Asset Backed Loan ("ABL") of USD 350 million with a five-year tenor. As of December 31, 2024, both instruments were undrawn excluding USD 9 million in letters of credit and other commitments issued under the ABL.

Financing on the capital markets (the USD 820 million unsecured bond issue due to mature in April 2032 with a fixed coupon of 7.5%) is arranged exclusively by Vallourec S.A.

The following table shows the Group's main debt as of December 31, 2023 and December 31, 2024:

In € thousands	Dec 31, 2023	Dec 31, 2024
8.500% 5-year EUR Senior Notes due 2026	1,105,354	—
7.500% 8-year USD Senior Notes due 2032	—	771,362
1.837% PGE due 2027	228,508	176,165
ACC ACE [(a)]	88,799	38,584
Other [(b)]	47,667	116,816
TOTAL GROSS FINANCIAL INDEBTEDNESS	**1,470,328**	**1,102,927**
Cash and cash equivalents	899,947	1,103,276
Fair value of cross currency swap [(c)]	—	(20,931)
TOTAL NET FINANCIAL INDEBTEDNESS	**570,381**	**(21,280)**

(a) Refers to ACC (Advances on Foreign Exchange Contract) and ACE (Advances on Export Shipment Documents) program in Brazil.
(b) Gross debt as of December 31, 2024 included a €77 million overdraft that was repaid in early January.
(c) Vallourec entered into 4-year cross-currency swaps (CCS) to hedge the EUR/USD currency exposure related to its USD 2032 Senior Notes. The fair value of the CCS related to the EUR/USD hedging of the principal of the notes is consequently included in net debt definition.

The following table shows the repayment schedule for the Group's medium and long-term debt as of December 31, 2024:

in thousand euro	2023	2024
> one year	4,136	2,262
> two years	1,106,955	178,982
> three years	230,158	2,113
> four years	1,709	1,885
Five years and more	5,173	777,127
TOTAL	**1,348,131**	**962,369**

6.1.2.4 Equity

The Group's equity totaled €2,601 million as of December 31, 2024, compared to €2,224 million as of December 31, 2023. This €377 million year-on-year increase is mainly due to the €473 million net income in 2024 (versus the €524 million in net income in 2023).

6.2 Outlook

6.2.1 Group outlook for 2025

Full Year 2025 EBITDA is expected to reflect a second half improvement:

- In Tubes, international shipments are expected to increase in H2 2025 compared to H1 2025 due to strong bookings over recent months. EBITDA per tonne should further improve in H2 2025 compared to H1 2025 due to higher invoiced international prices, expected US market price improvements, and cost savings.
- In Mine & Forest, production sold is expected to be around 6 million tonnes. Profitability will be determined by prevailing iron ore market prices.

The outlook presented above is based on data, assumptions and estimates considered reasonable by the Group, and was prepared in accordance with the provisions of Delegated Regulation (EU) No. 2019/980, supplementing Regulation (EU) 2017/1129, and ESMA's guidelines on profit forecasts. These data, assumptions and estimates could subsequently change on account of uncertainties relating in particular to the economic, financial, competitive, tax and/or regulatory environment. The occurrence of a certain number of known or unknown risks, uncertainties and other factors, the majority of which are difficult to foresee and often outside Vallourec's control, particularly the risks explained or identified in the public documents filed by Vallourec with the French Financial Markets Authority (*Autorité des marchés financiers* – AMF), including those listed in chapter 3.1 "Risk factors" of this Universal Registration Document, and especially the most significant risks which are marked with an asterisk, could have an impact on the Group's business, financial position, earnings or outlook and could therefore affect its ability to meet its objectives and forecasts. Accordingly, the Group does not make any commitments or provide any guarantees that the forecasts set out above will be achieved.

6.2.2 Main assumptions

The outlook for the year ending December 31, 2025 presented above were prepared on a comparable basis to the historical financial data and in accordance with the accounting methods applied in the Group's consolidated financial statements for the year ended December 31, 2024.

The outlook for 2025 is mainly based on the assumptions outlined below:

1. Vallourec assumes stable drilling activity and tubular demand throughout the world, which leads to OCTG market prices broadly in line with current levels.
2. Vallourec's iron ore production sold is expected to be approximately 6 million tons. Profitability will be determined by prevailing iron ore market prices.
3. Assumptions for the annual average price of raw materials for 2025 include higher prices for scrap steel in Brazil and the US, lower iron ore prices, a slight decrease in carbon steel prices in China, and a modest decrease in the prices of alloys used in specialty steels.
4. Inflation excluding raw materials is expected to be slightly lower than for 2024, as a result of lower inflation expected in the United States and Europe and slightly higher in Brazil.
5. For 2025, the Group expects the EUR to decrease on average year-over-year against the USD and CNY, and to rise against BRL.
6. A stable political, regulatory and fiscal environment.
7. The continuous implementation of savings measures which will enable the Group to continue to lower its cost base, as well as to maintain strict cash discipline.

6.3 Parent company earnings

Vallourec S.A. posted an operating loss of €11.3 million for 2024, comparing to the €7.7 million operating loss for 2023. The loss for 2024 stems from the costs incurred by the holding company (personnel expenses, legal and communications fees, loan issue costs and changes in provisions).

The Company reported net financial income of €527 million in 2024, versus €1,161 million in 2023. This decline can be explained by a reversal of the provision for impairment of shares in Vallourec Tubes in 2023 for €887 million, not repeated in 2024, partly offset by a higher dividend received in 2024 from Vallourec Tubes for €460 million compared to a dividend received for €250 million in 2023. Net interest expense consists of expenses and interest on bond issues and commercial paper, commitment fees under medium-term bank facilities, and interest income from financing granted by Vallourec to Vallourec Tubes.

Corporate income tax represented a benefit of €2.4 million.

Net income for the year amounted to €518 million, versus €1,155 million in 2023.

Subscribed capital, fully paid up, totaled €4,761,692 divided into 238,084,623 shares, each with a par value of €0.02.

Equity increased by €518 million to €6,446 million at December 31, 2024, from €5,928 million at December 31, 2023.

Borrowings totaled €1,012 million, down €300 million year-over-year.

To the Company's knowledge, no significant expenses referred to in Article 39-4 of the French General Tax Code (CGI) were incurred in 2024.

In accordance with Article D.441-4 of the French Commercial Code, the following tables provide a breakdown of the balance of trade payables and receivables by maturity as at December 31, 2024.

Due (D = 31/12/2024) (in € thousands)	Trade payables outstanding	0 to 30 days past due	31 to 60 days past due	61 to 90 days past due	91+ days past due	Total past due
including VAT	499	43	(5)	—	221	259
Number of invoices concerned	72	13	3	—	43	59
Percentage of purchases, including VAT	3.9%	0.3%	(0.04)%	— %	1.7%	2.0%
TOTAL	**499**	**43**	**(5)**	**—**	**221**	**259**

Due (D = 31/12/2024) (in € thousands)	Trade receivables outstanding	0 to 30 days past due	31 to 60 days past due	61 to 90 days past due	91+ days past due	Total past due
Total amount of invoices concerned, including VAT	1,440	—	—	—	—	—
Number of invoices concerned	1	—	—	—	1	—
Percentage of sales, including VAT	16.9%	— %	— %	— %	— %	— %
TOTAL	**1,440**	**—**	**—**	**—**	**—**	**—**

6.3.1 Changes in scope

On January 1, 2024 the following companies were integrated in the scope of consolidation:

- Vam Far East Pte Ltd;
- Vam Field Service Angola Lda;
- Valinox Nucleaire Tubes (Guangzhou) Co., Ltd.

CHAPTER 7

7 ASSETS, FINANCIAL POSITION AND RESULTS

7.1 Consolidated financial statements

7.1.1 Vallourec Group consolidated income statement

In € thousands	Notes	2023	2024
Revenue		**5,113,719**	**4,033,919**
Cost of sales [(a)]	2.3	(3,519,664)	(2,845,008)
Selling, general and administrative expenses [(a)]	2.3	(333,273)	(350,830)
Other	2.3	(64,455)	(5,933)
EBITDA	**2.3**	**1,196,327**	**832,148**
Depreciation and amortization	2.4	(203,428)	(226,983)
Impairment of assets and goodwill	2.5	144,853	(21,830)
Asset disposals, restructuring costs and non-recurring items	2.6	(278,865)	43,065
Operating income		**858,887**	**626,400**
Interest income	7.1.6	29,483	34,572
Interest expense	7.1.6	(117,699)	(13,891)
Net interest expense	**7.1.6**	**(88,216)**	**20,681**
Other financial income and expenses	7.1.6	22,127	(31,613)
Net financial income/(loss)	**7.1.6**	**(66,089)**	**(10,932)**
Pre-tax income/(loss)		**792,798**	**615,468**
Income tax	3.1	(268,959)	(143,015)
Share in net income/(loss) of equity-accounted companies	5	71	399
Net income from continuing operations		**523,910**	**472,852**
Net income		**523,910**	**472,852**
Attributable to non-controlling interests	6.1.6	28,000	20,785
Group share		**495,910**	**452,067**
Basic earnings per share	6.4	2.2	2.0
Diluted earnings per share	6.4	2,1	1,9

(a) Before depreciation and amortization

7.1.2 Statement of comprehensive income

In € thousands	2023	2024
NET INCOME (LOSS)	**523,910**	**472,852**
Actuarial gains and losses on post-employment benefits	(6,469)	6,758
Tax attributable to actuarial gains and losses on post-employment benefits	2	(544)
Items that will not be reclassified to profit or loss	**(6,467)**	**6,214**
Translation differences on translating net assets of foreign operations	(8,474)	(91,456)
Change in fair value of hedging instruments	12,414	(64,594)
Tax attributable to the change in fair value of hedging instruments	(782)	13,754
Items that may be reclassified subsequently to profit or loss	**3,158**	**(142,296)**
OTHER COMPREHENSIVE INCOME/ LOSS (NET OF TAX)	**(3,309)**	**(136,082)**
TOTAL COMPREHENSIVE INCOME	**520,601**	**336,770**
Attributable to non-controlling interests	27,080	22,296
Group share	**493,521**	**314,474**

7.1.3 Statement of cash flows

In € thousands	Notes	2023 Restated*	2024
Net income		**523,910**	**472,852**
Share in income (loss) of equity-accounted companies		(71)	(399)
Depreciation, amortization and impairment	2.7	58,576	248,813
Unrealized gains and losses on changes in fair value		139,578	3,174
Capital gains and losses on disposals of non-current assets and equity interests		(49,887)	(172,288)
Expense arising from share-based payments		17,610	41,291
Changes in provisions	2.7	(190,125)	(214,433)
Income taxes	3.1	268,959	143,015
Net financial income (loss)	7.1.6	66,089	10,932
Others, including net exchange differences		4,937	17,334
Cash flow from operating activities after net financial loss and taxes		**839,577**	**550,292**
Interest paid		(137,162)	(97,036)
Interest received		29,485	34,644
Tax paid		(181,703)	(112,701)
Change in operating working capital	2.8	144,664	112,441
Net cash from (used in) operating activities		**694,861**	**487,640**
Acquisitions of property, plant and equipment, and intangible and biological assets	4.6	(212,586)	(166,678)
Disposals of property, plant and equipment and intangible assets		80,376	205,309
Acquisition of subsidiary, net of cash acquired		(375)	2,825
Disposal of discontinued operations, net of cash disposed of		—	—
Other cash flow from investing activities		18,107	29,220
Net cash from (used in) investing activities		**(114,478)**	**70,676**
Increase or decrease in equity		4,326	—
Dividends paid to non-controlling interests		(4,708)	(2,259)
Proceeds from new borrowings	7.1.7	3,544	757,850
Repayment of borrowings	7.1.7	(206,027)	(1,135,524)
Repayment of lease liabilities		(23,340)	(31,515)
Other cash flows from (used in) financing activities		0	8,411
Net cash from (used in) financing activities		**(226,205)**	**(403,038)**
Change in net cash		**354,178**	**155,278**
Opening net cash		**546,788**	**898,215**
Change in net cash		**354,178**	**155,278**
Impact of changes in exchange rates		**(2,751)**	**(27,220)**
Closing net cash		**898,215**	**1,026,273**

* *Presentation of 2023 restated generating non material reclassification of €4 million between net cash from (used in) financing activities and net cash flow from (used in) operating activities, €12 million between impact of changes in exchange rates & Net cash flow from (used in) operating activities, mainly driven by the presentation of the foreign exchange effects of intra-group financing flows, incl. hedging within operating cash flow and €15 million between net cash from (used in) investing activities & net cash from (used in) financing activities.*

The statement of cash flows has been prepared on the basis of cash and cash equivalents as defined in note 7.1, net of overdrafts and other short-term bank facilities with an initial maturity of less than three months.

7.1.4 Vallourec Group statement of financial position

In € thousands	Notes	Dec. 31, 2023	Dec. 31, 2024
Non-current assets			
Net intangible assets	4.3	42,037	33,056
Goodwill	4.1	39,817	33,712
Net property, plant and equipment	4.4	1,980,445	1,842,172
Biological assets	4.5	69,704	61,237
Investment in equity-accounted companies	5	15,736	16,800
Other non-current financial assets	7.3	74,196	70,655
Other non-current assets	2.8.3	85,090	78,873
Deferred taxes	3.2	208,576	180,045
Total non-current assets		**2,515,601**	**2,316,550**
Current assets			
Inventories	2.8.1	1,241,798	1,169,666
Trade and other receivables	2.8.2	756,060	670,825
Other current financial assets	7.3	58,993	43,527
Other current assets	2.8.3	239,771	226,131
Cash and cash equivalents	7.1	899,948	1,103,276
Total current assets		**3,196,570**	**3,213,425**
Assets held for sale and discontinued operations	10.1	1,081	1,060
TOTAL ASSETS		**5,713,252**	**5,531,035**

In € thousands	Notes	Dec. 31, 2023	Dec. 31, 2024
Equity			—
Equity attributable to owners of the parent	7.1.5	2,156,640	2,512,176
Non-controlling interests	7.1.6	67,041	88,923
Total equity		**2,223,681**	**2,601,099**
Non-current liabilities			
Loans and other borrowings	7.1	1,348,131	962,097
Employee benefits	8	102,069	74,630
Long-term provisions	9	200,798	146,670
Deferred taxes	3.2	83,354	84,118
Other non-current financial liabilities	7.2	115,742	132,412
Other non-current liabilities	2.8.3	39,867	27,647
Total non-current liabilities		**1,889,961**	**1,427,574**
Current liabilities			
Overdrafts and other short-term bank facilities	7.1	122,197	140,830
Short-term provisions	9	249,405	83,461
Trade payables	2.8.4	762,508	795,045
Other current financial liabilities	7.2	95,850	158,145
Other current liabilities	2.8.3	369,650	324,881
Total current liabilities		**1,599,610**	**1,502,362**
Liabilities related to assets held for sale and discontinued operations	10.1	—	—
TOTAL EQUITY AND LIABILITIES		**5,713,252**	**5,531,035**

7.1.5 Statement of changes in equity

In € thousands	Share capital	Additional paid-in capital	Consolidated reserves	Foreign currency translation reserve	Revaluation reserve, net of tax	Treasury shares	Net income (loss) for the period	Equity attributable to owners of the parent	Non-controlling interests	Total equity
AS AT DECEMBER 31, 2022	4,636	3,951,472	(1,189,552)	(751,355)	(5,009)	(557)	(366,383)	1,643,252	42,356	1,685,608
Change in foreign currency translation reserve	—	—	—	(7,662)	—	—	—	(7,662)	(812)	(8,474)
Financial instruments	—	—	—	—	11,632	—	—	11,632	—	11,632
Actuarial gains and losses on retirement commitments	—	—	(6,359)	—	—	—	—	(6,359)	(108)	(6,467)
Other comprehensive income	—	—	(6,359)	(7,662)	11,632	—	—	(2,389)	(920)	(3,309)
Net income for 2023	**—**	**—**	**—**	**—**	**—**	**—**	**495,910**	**495,910**	**28,000**	**523,910**
Total comprehensive income	—	—	(6,359)	(7,662)	11,632	—	495,910	493,521	27,080	520,601
Appropriation of 2022 net income	—	—	(366,383)	—	—	—	366,383	—	—	—
Capital increase	10	4,316	—	—	—	—	—	4,326	—	4,326
Change in treasury shares	—	—	(557)	—	—	557	—	—	—	—
Dividends paid	—	—	—	—	—	—	—	—	(4,517)	(4,517)
Share-based payments	99	(99)	17,610	—	—	—	—	17,610	—	17,610
Changes in consolidation scope and other	—	—	(4,441)	2,945	(573)	—	—	(2,069)	2,122	53
AS AT DECEMBER 31, 2023	4,745	3,955,689	(1,549,682)	(756,072)	6,050	—	495,910	2,156,640	67,041	2,223,681
Change in foreign currency translation reserve	—	—	—	(93,060)	—	—	—	(93,060)	1,604	(91,456)
Financial instruments	—	—	—	—	(50,837)	—	—	(50,837)	(3)	(50,840)
Actuarial gains and losses on retirement commitments	—	—	6,304	—	—	—	—	6,304	(90)	6,214
Other comprehensive income	—	—	6,304	(93,060)	(50,837)	—	—	(137,592)	1,511	(136,082)
Net income for 2024	**—**	**—**	**—**	**—**	**—**	**—**	**452,067**	**452,067**	**20,785**	**472,852**
Total comprehensive income	—	—	6,304	(93,060)	(50,837)	—	452,067	314,474	22,296	336,770
Appropriation of 2023 net income	—	—	495,910	—	—	—	(495,910)	—	—	—
Capital increase	17	(17)	—	—	—	—	—	—	—	—
Change in treasury shares	—	—	—	—	—	—	—	—	—	—
Dividends paid	—	—	—	—	—	—	—	—	(2,183)	(2,183)
Share-based payments	—	—	41,291	—	—	—	—	41,291	—	41,291
Changes in consolidation scope and other	—	—	(227)	(1)	—	—	—	(228)	1,769	1,540
AS AT DECEMBER 31, 2024	**4,762**	**3,955,672**	**(1,006,405)**	**(849,133)**	**(44,787)**	**—**	**452,067**	**2,512,176**	**88,923**	**2,601,099**

7.1.6 Notes to the consolidated financial statements for the year ended December 31, 2024

The Group's reporting currency is the euro. All amounts are expressed in thousands of euros (€ thousands), unless otherwise specified. Certain numerical figures contained in this document, including financial information and certain operating data, have been subject to rounding adjustments.

CONTENTS

Note 1 • Accounting standards, basis for the preparation of the consolidated financial statements and key events during the period

1.1 Accounting standards

The consolidated financial statements for the year ended December 31, 2024, including the accompanying notes to the consolidated financial statements, were approved by Vallourec's Board of Directors on February 26, 2025 and will be submitted for approval at the Shareholders' Meeting.

In application of Regulation No. 1606/2002 of the European Commission which was adopted on July 19, 2002 for all listed companies in the European Union, Vallourec has prepared its consolidated financial statements in accordance with International Financial Reporting Standards (IFRS), based on the standards and interpretations applicable as at December 31, 2024.

These financial statements are available on the Company's website at www.vallourec.com.

International Financial Reporting Standards comprise the IFRS standards issued by the International Accounting Standards Board (IASB), as well as the International Accounting Standards (IAS) and the related interpretations issued by the Standing Interpretations Committee (SIC) and the International Financial Reporting Interpretations Committee (IFRIC).

The accounting principles and measurement methods have been applied consistently to the periods presented, with the exception of the changes to the standards presented below:

1.1.1 NEW MANDATORY STANDARDS

Main mandatory standards in 2024

The new mandatory standards and amendments applicable to financial periods beginning on or after January 1, 2024 correspond to amendments to IAS 1 ("Presentation of Consolidated Financial Statements") regarding the classification of liabilities as current or non-current, IAS 7 ("Statement of Cash Flows") and IFRS 7 ("Financial Instruments: Disclosures") related to the supplier financing agreements disclosure and IFRS 16 ("Leases") related to lease liabilities in sale-and-leaseback transactions. These amendments have been implemented within the Group. The amendments to IAS 1 ("Presentation of consolidated Financial Statements") and IFRS 16 ("Leases") have no material impact on the Group's consolidated financial statements. The amendment to IAS 7 ("Statement of Cash Flows") and IFRS 7 ("Financial Instruments: Disclosures") are included in the Group's disclosures in note 2.8.4.

1.1.2 NEW STANDARDS NOT EARLY ADOPTED

The Group has not elected to early adopt any other standards or interpretations that are mandatory for financial periods beginning after January 1, 2025.

1.2 Measurement basis and presentation of the consolidated financial statements

1.2.1 HISTORICAL COST CONVENTION

The Group's consolidated financial statements are prepared using the historical cost convention, except for biological assets, derivative financial instruments that are measured at fair value, and financial assets measured at fair value through profit and loss or OCI.

1.2.2 FOREIGN CURRENCY TRANSACTIONS

Translation of the financial statements of subsidiaries whose functional currency is not the euro

The presentation currency of the consolidated financial statements is the euro.

Assets and liabilities of foreign subsidiaries, including goodwill, are translated at the official exchange rates on the reporting date. The income statements of foreign subsidiaries are translated at the average exchange rate for the period.

Any ensuing translation differences are recorded in other comprehensive income. The portion of translation differences attributable to the Group is recorded separately within "Foreign currency translation reserve".

Translation of foreign currency transactions

Foreign currency transactions are translated into the functional currency. Foreign currency transactions are translated at the exchange rates prevailing on the transaction date. When the transaction is subject to a hedge, it is translated at the spot rate on the day the hedging instrument is implemented.

At each reporting date, monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate prevailing at that date (the closing rate). Translation differences resulting from differences between these rates and the rates at which the transactions were initially recorded are included in net financial income (loss).

The main exchange rates used (euro/currency) are as follows:

	USD	GBP	BRL	CNY
AS AT DECEMBER 31, 2023				
Average rate	1.08	0.87	5.40	7.66
Closing rate	1.11	0.87	5.36	7.85
AS AT DECEMBER 31, 2024				
Average rate	1.08	0.85	5.83	7.79
Closing rate	1.04	0.83	6.43	7.58

1.2.3 CONSOLIDATION PRINCIPLES

Subsidiaries are fully consolidated from the date on which control is acquired and cease to be consolidated when control is transferred outside the Group.

Definition

Control is deemed to exist when the Group (i) has power over an entity, (ii) is exposed to, or has rights to, variable returns from its involvement with the entity, and (iii) has the ability to use its power over the entity to affect the amount of the returns it obtains.

Accounting method

The consolidated financial statements include all of the assets, liabilities and comprehensive income of the subsidiary.

Non-controlling interests represent the share of interest which is not directly or indirectly attributable to the Group. Profits, losses and all components of other comprehensive income are divided between the Group and non-controlling interests. Subsidiaries' comprehensive income is divided between the Group and non-controlling interests, even when this results in allocating a loss to the non-controlling interests.

Changes in the ownership interest in subsidiaries that do not result in a change of control are treated as equity transactions (i.e., transactions with equity owners in their capacity as equity owners).

The effects of these transactions are recorded in equity for the amount net of tax and do not therefore impact the Group's consolidated income statement.

They are presented in the statement of cash flows within investing when related to acquisition of controlling interests; or within financing when referring to transaction between shareholders.

Profits and losses of acquired companies are included in the income statement from the date the Group effectively gains control. Profits and losses of companies sold are included until the date control ceases.

All intra-Group assets and liabilities and income and expenses relating to commercial and financial transactions between members of the Group are eliminated on consolidation.

The consolidation scope is presented in note 10.2.

1.2.4 USE OF ESTIMATES AND JUDGMENT

Estimates

The preparation of IFRS consolidated financial statements requires Vallourec's management to use estimates and assumptions that affect the carrying values of certain assets and liabilities, income and expenses, as well as certain information in the explanatory notes.

Such assumptions are inherently uncertain, and actual results could differ from these estimates. The Group regularly reviews its estimates and assumptions in order to take into account past experience and any factors deemed relevant in prevailing economic conditions. In the current economic climate (uncertainty about the economic outlook, a highly competitive international environment and volatility in the costs of raw materials and energy), the uncertain nature of some estimates may be more pronounced.

Significant estimates made with respect to accounting items and disclosures concern the measurement of:

- the recoverable amount of property, plant and equipment, intangible assets and goodwill (see notes 4.1, 4.3 and 4.4);
- deferred tax assets recognized on tax loss carryforwards (see note 3.2);
- provisions for disputes, onerous contracts, restructuring and contingent liabilities (see note 9);
- fair value derivative related to the HKM contract (see note 2.6, 7.2 and 7.4.2).

Judgment

The Group has to use assumptions and judgments to determine the extent to which it controls certain investments, notably to define relevant activities and identify substantive rights, as well as the type of joint arrangement that exists in the event of jointly controlled businesses. These judgments are revised if facts and circumstances change.

1.3 Key events during the period

ARCELORMITTAL BECOMES THE ANCHOR SHAREHOLDER OF VALLOUREC

In March 2024, Vallourec announced that ArcelorMittal had reached an agreement to purchase Apollo's stake in Vallourec (65,243,206 shares) representing 28.4% of the voting rights and 27.5% of the share capital, at a price of €14.64 per share, for a total purchase price of €955 million. This marked the final step of the financial restructuring of Vallourec initiated in 2021, when Apollo became Vallourec's reference shareholder.

On August 6, 2024, Vallourec announced the completion of the acquisition.

This new investment by a world-class industrial player speaks to the breadth of the operational turnaround since that time, as well as the robust outlook for the premium seamless tubes business over the coming years.

Related party transactions are accordingly disclosed in note 5.2.

COMPLETION OF DEBT AND LIQUIDITY REFINANCING

In April 2024, Vallourec executed a significant and comprehensive refinancing operation that has substantially extended its debt and liquidity maturities and reduced its financial costs. The key elements of this operation include:

- entry into a new 5-year €550 million multi-currency revolving credit facility (RCF) with a substantially diversified, global banking group;
- entry into an upsized and extended 5-year USD 350 million asset-backed lending facility (ABL) in the United States;
- issuance of 8-year USD 820 million 7.5% senior notes and entry into a 4-year cross-currency swap to hedge Vallourec's currency exposure on its new senior notes with a euro equivalent coupon of approximately 5.8%;
- redemption of the entire €1,023 million of previously outstanding 8.5% senior notes due 2026;
- repayment of approximately €68 million of the €262 million PGE *(Prêts garantis par l'État)*.

The successful completion of this refinancing operation further strengthens Vallourec's financial position and sustainably improves its cash flow generation. Accordingly, the Group will benefit from both greater visibility and financial flexibility over the coming years.

Furthermore, Vallourec now maintains credit ratings with all three of the major ratings agencies. Vallourec's issuer rating with S&P has been upgraded for the fourth time since it announced the New Vallourec plan and now stands at BB+, Outlook stable. Moody's and Fitch now rate Vallourec Ba2, Outlook positive and BB+, Outlook positive, respectively.

All related impacts are disclosed in note 7. Financing and financial instruments of the consolidated financial statements.

Note 2 • Operating activities

2.1 Segment information

The Vallourec Group is a world leader in premium tubular solutions, with leading positions in the United States, Brazil, Europe, the Middle East and Asia. The Group provides a wide range of premium tubular solutions – high-performance solutions whose manufacturing requires significant technological and industrial expertise – in addition to related specialized services that provide customers with a comprehensive range of innovative solutions. The Group's customer-focused organizational structure is designed to provide a growing number of integrated services for delivery of comprehensive turnkey solutions and involves analysis of financial information according to a number of areas (markets, regions, sites, and products). None of these areas taken independently can comprehensively measure profits and losses or assets and liabilities for individual segments.

The Executive Committee is the Group's Chief Operating Decision Maker (CODM).

The Group monitors its performance and profitability and consequently presents its segment information based on the following Operating segments:

Tubes

This segment covers all entities with production and marketing facilities dedicated to the Group's main business, i.e., the production of hot-rolled seamless carbon and alloy steel tubes, both smooth and threaded. The activity is characterized by a highly integrated manufacturing process, from production of steel, tube rolling, heat treatment and threading activities. The Tubes segment supplies products suitable for a variety of markets (Oil & Gas, Industry, etc.). The Tubes business is highly dependent on the level of investment undertaken by Oil & Gas companies in the exploration, production and development of oil and natural gas reserves. Decisions to allocate customer orders are managed centrally by a Group S&OP team, based on criteria such as available production capacity and margin optimization at the Group level, while taking into account supply chain constraints and required factory certifications.

The CODM's decisions on capital/resource allocation are made at this level and performance is monitored at this level based on various indicators, including EBITDA per/tonnes and Days in Inventory (DII).

Vallourec presents geographical information for the Tubes segment for Europe, North America, South America, Asia, the Middle East and the Rest of the World, among others.

Mine & Forest

The iron ore mine and the forests (which supply charcoal to the blast furnace located in Jeceaba in the Brazilian state of Minas Gerais) constitute a separate segment in the Group's internal reporting.

The mine is currently capable of producing approximately 6 million tonnes per year.

Following the commissioning of the Phase 2 extension work in 2027, the Group sees potential to increase this production rate. Surplus production that exceeds internal consumption (currently estimated at approximately 1 million tonnes) is sold on the market.

The profitability of this activity is strongly correlated with international iron ore market prices, in particular the Iron Ore CFR China index published by Platts.

The following tables provide information on the revenue and results of each operating segment, as well as on assets, liabilities and capital expenditure.

RESULTS, ASSETS AND LIABILITIES BY OPERATING SEGMENT

in € thousands	Tubes	Mine & Forest	Holding companies & Other	Inter-segment transactions	Total
INCOME STATEMENT AS AT DECEMBER 31, 2024					
Revenue	3,786,108	289,675	192,885	(234,749)	4,033,919
EBITDA	776,900	107,738	(50,779)	(1,712)	832,148
Depreciation of industrial assets	(195,489)	(21,883)	(9,612)	—	(226,983)
Impairment of assets and goodwill	(21,777)	—	(53)	—	(21,830)
Asset disposals, restructuring costs and non-recurring items	64,086	(10,165)	(10,858)	3	43,065
OPERATING INCOME (LOSS)	623,720	75,690	(71,302)	(1,709)	626,400
STATEMENT OF FINANCIAL POSITION AT DECEMBER 31, 2024					
Non-current assets	1,946,042	308,322	41,255	—	2,295,619
Current assets	1,973,536	81,527	551,735	(475,719)	2,131,080
Cash and cash equivalents	1,169,251	40,094	1,295,385	(1,401,454)	1,103,276
Assets held for sale and discontinued operations	—	1,060	—	—	1,060
TOTAL ASSETS	**5,088,829**	**431,003**	**1,888,376**	**(1,877,173)**	**5,531,035**
CASH FLOWS					
INCOME STATEMENT AS AT DECEMBER 31, 2024					
Investments in property, plant and equipment, intangible assets and biological assets	125,193	36,991	4,495	—	166,678

As at December 31, 2024	Tubes	Mine & Forests	Holding companies & Other	Inter-segment transactions	Total
INCOME STATEMENT AS AT DECEMBER 31, 2023					
Revenue	4,801,700	374,617	196,655	(259,253)	5,113,719
EBITDA	1,050,643	179,613	(31,994)	(1,935)	1,196,327
Depreciation of industrial assets	(170,193)	(21,238)	(11,997)	—	(203,428)
Impairment of assets and goodwill	147,686	(517)	(2,316)	—	144,853
Asset disposals, restructuring costs and non-recurring items	(263,417)	6,076	(21,130)	(394)	(278,865)
OPERATING INCOME (LOSS)	764,719	163,934	(67,437)	(2,329)	858,887
STATEMENT OF FINANCIAL POSITION AT DECEMBER 31, 2023					
Non-current assets	2,110,115	320,916	84,570	—	2,515,601
Current assets	2,182,530	104,419	408,589	(398,916)	2,296,622
Cash and cash equivalents	1,080,445	50,482	1,135,012	(1,365,991)	899,948
Assets held for sale and discontinued operations	—	1,081	—	—	1,081
TOTAL ASSETS	**5,373,090**	**476,898**	**1,628,171**	**(1,764,907)**	**5,713,252**
INVESTMENTS AS AT DECEMBER 31, 2023					
Investments in property, plant and equipment, intangible assets and biological assets	183,078	25,933	3,575	—	212,586

GEOGRAPHIC AREAS

The tables below present information on (i) revenue by geographic area (based on customer location) and (ii) non-current assets by geographic area. The main areas are North America (mainly the United States), South America (mainly Brazil), Asia and the Middle East. The information reported for revenue is broken down by customer location and the breakdown for non-current assets is based on the location of the assets.

	Revenue		Non-current assets	
	2023	2024	2023	2024
Europe	427,303	227,520	69,228	69,148
North America	2,328,864	1,566,655	857,300	847,236
South America	845,529	589,623	876,098	737,184
Asia	296,346	412,105	193,279	179,106
Middle East	643,422	734,065	113,689	112,592
Rest of the world	260,236	256,140	521	776
Total – Tubes	**4,801,700**	**3,786,108**	**2,110,115**	**1,946,042**
Mine & Forests	**374,617**	**289,675**	**320,916**	**308,322**
Holding companies & Other	**196,655**	**192,885**	**84,570**	**41,255**
Inter-segment transactions	**(259,253)**	**(234,749)**	**–**	**–**
TOTAL	**5,113,719**	**4,033,919**	**2,515,601**	**2,295,619**

2.2 Revenue

Revenue is generated from sales of finished products and services. The Group uses the following five-step approach to determine the principle for revenue recognition:

1. identify contract;
2. identify distinct performance obligations within the contract;
3. determine contract (transaction) price;
4. allocate overall price to each performance obligation in proportion to their stand-alone selling price;
5. recognize revenue when a performance obligation has been satisfied.

Revenue is recognized either at a point in time, when the Group has satisfied the performance obligation by transferring control of the asset, or over time based on the percentage of completion, as calculated by reference to costs incurred at the reporting date.

No revenue is recognized if there are significant uncertainties as to the recovery of the amount due.

Revenue corresponds primarily to sales of product (tubes and iron ore) and is recognized in full at a point in time, i.e., when the Group has satisfied the performance obligation by transferring control of the asset. In most cases, this is determined by the Incoterms (International Commercial Terminologies) of a given contract. For some of the revenues, services and in particular welding activities, the Group recognize revenue for contract using the percentage of completion. A smaller proportion of revenue is derived from royalties and sales of iron ore.

A breakdown of revenue by segment, market and geographical area is shown in note 2.1.

ORDER BOOK

As required by IFRS 15, the order book reflects fixed revenue contracts with customers for which the services have not yet been delivered or have only been partially delivered at the reporting date. The Group's order book corresponds mainly to revenue from contracts of less than 12 months, and primarily concerns sales of tubes. This revenue is not presented, in accordance with the practical expedient provided for in paragraph 121 of IFRS 15.

REVENUE BY BUSINESS

The following table shows the breakdown of the Group's revenue by business in 2023 and 2024:

	2023	2024
Oil & Gas	3,922,630	3,187,359
Industry	709,352	379,527
Other	169,718	219,222
Total – Tubes	**4,801,700**	**3,786,108**
Mine & Forests	**374,617**	**289,675**
Holding companies & Other	**196,655**	**192,885**
Inter-segment transactions	**(259,253)**	**(234,749)**
TOTAL	**5,113,719**	**4,033,919**

2.3 EBITDA

EBITDA is an important indicator for the Group, enabling it to measure its performance from continuing operations. It is calculated by taking operating income (loss) before depreciation and amortization, and excluding certain operating revenues and expenses that are unusual in nature or occur rarely, such as:

- impairment of goodwill and non-current assets as determined within the scope of impairment tests carried out in accordance with IAS 36;
- significant restructuring expenses, particularly resulting from headcount reorganization measures, in respect of major events or decisions;
- capital gains or losses on disposals;
- income and expenses resulting from major litigation, significant rollouts or capital transactions (e.g., costs of integrating a new activity).

The Group's income statement is presented by function.

EBITDA breaks down as follows:

	2023	2024
Revenue	**5,113,719**	**4,033,919**
Cost of sales	**(3,519,664)**	**(2,845,008)**
of which direct cost of sales	(286,357)	(242,084)
of which cost of raw materials consumed	(1,438,676)	(1,144,073)
of which labor costs	(707,525)	(568,320)
of which other manufacturing costs [(a)]	(1,045,647)	(873,649)
of which change in non-raw-material inventories	(41,459)	(16,882)
Selling, general and administrative expenses	**(333,273)**	**(350,830)**
of which research and development costs	(29,573)	(32,334)
of which selling and marketing costs	(64,520)	(57,566)
of which general and administrative costs	(239,180)	(260,930)
Other	**(64,455)**	**(5,933)**
of which employee profit-sharing, bonuses and other	(30,136)	(13,172)
of which other income and expenses	(34,319)	7,239
Total gross operating expenses	**(3,917,392)**	**(3,201,771)**
EBITDA	**1,196,327**	**832,148**

(a) "Other manufacturing costs" mainly include energy and consumables, subcontracting and maintenance expenditure, and provisions.

PERSONNEL EXPENSES

	2023	2024
Wages and salaries	(703,056)	(606,637)
Employee profit-sharing	(30,136)	(13,172)
Expenses related to stock options and performance shares	(17,610)	(41,291)
Social security costs	(158,111)	(148,701)
TOTAL	**(908,914)**	**(809,801)**

See note 8 for information about retirement commitments.

Headcount of consolidated companies at December 31	2023	2024
Managers	2,703	2,630
Technical and supervisory staff	1,877	1,693
Production staff	10,768	8,879
TOTAL	**15,348**	**13,202**

2.4 Depreciation and amortization

Depreciation and amortization breaks down as follows:

	2023	2024
Depreciation of industrial assets	(165,715)	(183,006)
Depreciation of right-of-use assets	(20,717)	(30,020)
Amortization of capitalized research and development costs	(1,383)	(1,362)
Depreciation and amortization – sales and marketing costs	(795)	(116)
Depreciation and amortization – general and administrative costs	(14,818)	(12,479)
TOTAL DEPRECIATION AND AMORTIZATION	**(203,428)**	**(226,983)**

2.5 Impairment of assets and goodwill

	2023	2024
Impairment of goodwill	(3,677)	—
Impairment of property, plant and equipment	148,239	(17,744)
Impairment of right-of-use assets	808	(4,086)
Impairment of biological assets	(517)	—
TOTAL	**144,853**	**(21,830)**

As at December 31, 2024, the group recognized an impairment by €22 million on individual assets related to group projects restructuring.

As a reminder at December 31, 2023 the Group has recognized net reversal of provisions for a total of €145 million, mainly constituted by a reversal of €153 million on Eastern Hemisphere CGU, following the impairments test carried out as at December 31, 2023.

2.6 Asset disposals, restructuring costs and non-recurring items

	2023	2024
Reorganization measures (net of expenses and provisions)	(84,754)	(29,077)
Gains and losses on disposals of non-current assets and other non-recurring items	(194,111)	72,141
TOTAL	**(278,865)**	**43,065**

The Group continued its restructuring in 2024, which led to the recognition of €29 million in costs for adaptation measures (net of expenses and provisions).

Other non-recurring items in 2024 (corresponding to a gain of €72 million) were mainly attributable to following:

- a positive impact of €139 million further to the disposal of the Rath site;
- the execution of the HKM contract as well as the reevaluation of the derivative, now by 132M€ (see note 7.2 and 7.4.2). This amount corresponds to the estimated fair value of the expected losses on the contract being regularly revised until the effective end of the supply agreement, to take into consideration the market conditions prevailing at that time, together with the developments in the trading business model. In accordance with IFRS 9, this supply agreement has therefore been treated as a derivative in Vallourec's financial statements;
- the remaining non-recurring items for 2024 are related to gains and losses on asset disposal, scrapped assets and other restructuring cost (fees and operating expenses related to the discontinuation of manufacturing operations).

As a reminder, in 2023:

The Group recognized €85 million in costs for adaptation measures (net of expenses and provisions) as it continued its restructuring throughout 2023.

Other non-recurring items (amounting to €194 million) were mainly attributable to following:

- a negative fair value on a derivative contract amounting to €127 million in relation to the HKM contract. Given the decision taken in 2022 to close the German operations by the end of 2023, Vallourec has developed an international client portfolio to which it has started to sell the steel purchased from HKM, mainly in the form of slabs. Though Vallourec has been successful in setting up alternative outlets for the 625 kt of steel supply required by its contract, This amount corresponds to Vallourec's best estimate of the present fair value of the expected cash flows resulting from the execution of this contract over the residual period until the end of 2028;
- a positive impact of €39 million further to the disposal of the Mülheim site;
- the remaining non-recurring items for 2023 are related to gains and losses on asset disposal, scrapped assets and other restructuring costs (fees and operating expenses related to the discontinuation of manufacturing operations)

2.7 Reconciliation of net additions to provisions with the statement of cash flows

	Notes	2023	2024
Depreciation and amortization	**2.4**	**(203,428)**	**(226,983)**
Impairment of assets and goodwill	**2.5**	**144,853**	**(21,830)**
Additions to provisions net of reversals included in EBITDA		11,735	25,028
Additions to provisions net of reversals included in asset disposals, restructuring costs and non-recurring items		178,389	189,405
TOTAL		**131,549**	**(34,380)**
Net depreciation, amortization and provisions recorded in the statement of cash flows		**(131,549)**	**34,380**

2.8 Working capital

2.8.1 INVENTORIES AND WORK-IN-PROGRESS

Inventories are valued at the lower of cost and net realizable value, and provisions for impairment are recognized if necessary.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

The cost of inventories of raw materials, goods for resale and other supplies corresponds to the purchase price excluding taxes, less any discounts, rebates and other payment reductions obtained, plus any incidental costs of purchase (transportation, unloading expenses, customs duties, purchase commissions, etc.). These inventories are measured at weighted average cost.

The cost of work-in-progress, semi-finished and finished goods consists of the production cost excluding financial expenses. Production costs comprise raw materials, plant supplies and labor, and direct and indirect industrial overheads attributable to processing and production, based on normal capacity. General and administrative expenses are excluded from production cost.

With the exception of security stocks recorded in property, plant and equipment, spare parts and consumables are included in inventory, including if they are expected to be used over more than one year.

The cost of any idle capacity is excluded from the value of inventories. Where appropriate, the unallocated portion of made-to-order products is written down and valued at scrap prices (if applicable). Inventories are written down based on their net realizable values.

	12/31/2023			12/31/2024		
	Gross value	Impairment	Net value	Gross value	Impairment	Net value
Raw materials and goods for resale	423,481	(61,036)	362,445	375,386	(70,614)	304,772
Work-in-progress	341,494	(6,478)	335,016	295,004	(7,977)	287,027
Semi-finished and finished goods	562,243	(17,906)	544,337	601,791	(23,924)	577,867
TOTAL	**1,327,218**	**(85,420)**	**1,241,798**	**1,272,181**	**(102,515)**	**1,169,666**
Additions to provisions	—	(51,561)	—	—	(54,780)	—
Reversals of provisions	—	67,853	—	—	41,013	—

Raw materials and goods for resale mainly comprise ferrous alloys, electrodes, refractories, steel rounds/billets, scrap and consumables. Work-in-progress represents products and services at intermediate stages of processing. Semi-finished goods are products that have reached a point of completion but require subsequent finishing.

2.8.2 TRADE AND OTHER RECEIVABLES

Receivables are recorded at the transaction price. The Group bases its measurement of expected credit losses on the default rates previously observed by customer, current conditions, and forecasts of future economic conditions.

The Group derecognizes a financial asset when the contractual rights to the cash flows generated by the asset expire, or, in the case of transactions involving receivables factored without recourse, when the rights to receive contractual cash flows and substantially all of the risks and rewards of ownership of the asset have been transferred.

	12/31/2023			12/31/2024		
	Gross value	Impairment	Net value	Gross value	Impairment	Net value
Advances and partial payments on orders	32,970	—	32,970	30,248	—	30,248
Trade and other receivables	739,988	(16,898)	723,090	669,019	(28,442)	640,577
TOTAL CURRENT	**772,958**	**(16,898)**	**756,060**	**699,267**	**(28,442)**	**670,825**
Non-current trade receivables	5,016	(4,946)	70	4,712	(4,651)	61
TOTAL CURRENT AND NON-CURRENT	**777,974**	**(21,844)**	**756,130**	**703,979**	**(33,093)**	**670,886**
Additions to allowances for impairment		(10,976)			(16,563)	
Reversals of allowances for impairment		6,976			4,480	

The majority of the Group's business is with companies with sound credit quality, namely national and international oil companies or their subcontractors. A residual portion of revenue is generated with industrial customers which may have higher risk profiles and for which credit insurance arrangements are in place.

In the event of country risk, the Group makes specific arrangements when the order is placed to protect itself from any financial loss (for example, it may set up a confirmed letter of credit, or payment in advance). The amount of trade receivables covered by insurance or a letter of credit as at December 31, 2024 was less than 20% of total outstanding trade receivables. Reversals of surplus provisions are not material at Group level.

The Group did not incur any significant losses on trade receivables during the year.

The Group considers that it has low credit risk, although the trade receivables portfolio has been impacted by heightened political risk. The consolidated analysis shows a low loss rate, with the five-year average representing 0.1% of revenue.

Trade receivables net of impairment are analyzed by maturity in the "Credit risk" Section of note 7.4.4.

2.8.3 OTHER ASSETS AND LIABILITIES

	12/31/2023				12/31/2024			
	Assets		Liabilities		Assets		Liablities	
	Non-current	Current	Non-current	Current	Non-current	Current	Non-current	Current
Tax receivables/liabilities	46,721	128,137	7,600	110,602	39,789	125,403	8,047	99,929
Social security receivables/liabilities	—	3,815	—	178,458	—	3,815	—	151,880
Other	43,359	117,863	32,267	80,590	43,943	102,324	19,600	73,072
Provisions	(4,990)	(10,044)	—	—	(4,859)	(5,411)	—	—
TOTAL	**85,090**	**239,771**	**39,867**	**369,650**	**78,873**	**226,131**	**27,647**	**324,881**

Other assets (current and non-current) consist primarily of tax receivables in Brazil and the United States, deposits and a surety bond paid (see note 9), and prepaid expenses.

2.8.4 RECONCILIATION OF WORKING CAPITAL

Changes in working capital during 2024 were as follows:

Gross amounts (in € thousands)	12/31/2023	Translation difference	Change	Reclassification and other	12/31/2024
Inventories	1,327,218	(48,305)	2,024	(8,756)	1,272,181
Trade receivables and supplier advances	777,974	(11,715)	(82,003)	19,723	703,979
Trade payables	(762,508)	458	(40,045)	7,050	(795,045)
Working capital	**1,342,684**	**(59,562)**	**(120,024)**	**18,017**	**1,181,115**
Other receivables and payables	(50,209)	5,646	30,614	17,478	3,529
OPERATING WORKING CAPITAL	1,292,475	(53,916)	(89,410)	35,495	1,184,644
Impact of hedging instruments			(23,031)		
TOTAL			**(112,441)**		
Change in operating working capital in the statement of cash flows			112,441		

Vallourec has a reverse factoring program in Brazil. This program enables local suppliers to benefit from early payment by discounting their invoices without recourse. Vallourec does not use this program to extend its payment terms with the suppliers.

The Group has another reverse factoring program in Germany. On December 31, 2024, €84 million of trade payables were eligible for this program of which the supplier received payment of €65 million from the bank managing this reverse factoring arrangement. The maximum payment terms as part of the program are 95 days after invoicing compared to 30 days without such program.

Changes in working capital during 2023 were as follows:

Gross amounts (in € thousands)	12/31/2022	Translation difference	Change	Reclassification and other	12/31/2023
Inventories	1,409,864	2,082	(71,456)	(13,272)	1,327,218
Trade receivables and supplier advances	838,121	(2,438)	(59,990)	2,281	777,974
Trade payables	(786,918)	10,488	9,123	4,799	(762,508)
Working capital	**1,461,067**	**10,132**	**(122,323)**	**(6,192)**	**1,342,684**
Other receivables and payables	(5,347)	(701)	(31,581)	(12,580)	(50,209)
OPERATING WORKING CAPITAL	1,455,720	9,431	(153,904)	(18,772)	1,292,475
Impact of hedging instruments			9,240		
TOTAL			**(144,664)**		
Change in operating working capital in the statement of cash flows			144,664		

Note 3 • Income taxes

Income tax expense comprises current income related to consolidated companies, deferred tax resulting from temporary differences, and the change in uncertain tax positions if applicable.

Deferred taxes are recognized in respect of temporary differences arising between the value of assets and liabilities for purposes of consolidation and the value resulting from the application of tax regulations.

The main types of deferred tax recognized are:

- tax loss carryforwards;
- long-term deferred tax assets which are likely to be recovered in the foreseeable future;
- deferred tax assets for short-term recurring items (provision for paid leave, etc.) or non-recurring items (employee profit-sharing, provisions for liabilities that are not deductible for tax purposes, etc.) when they are likely to be recovered in the foreseeable future;
- deferred tax arising on adjustments resulting from the reconciliation of statutory financial statements with IFRS financial statements and on consolidation adjustments.

The rates used to calculate deferred taxes are the tax rates expected to apply during the period in which the asset will be realized or the liability settled, based on tax regulations that have been enacted or substantively enacted at the reporting date.

Deferred taxes are not discounted to present value.

Current and deferred tax expenses are recognized as income or expenditure in the income statement unless they relate to a transaction or event that is recognized under other comprehensive income or directly in equity (see note 7.4.3 dealing with hedge accounting and note 8 dealing with actuarial gains and losses on post-employment benefit obligations).

Deferred taxes are presented on separate lines in the statement of financial position under non-current assets and non-current liabilities.

Net deferred tax assets are recognized only for those companies and tax groups that, based on a review at each reporting date, appear reasonably likely to recover these assets in the foreseeable future.

3.1 Reconciliation of theoretical and effective tax expense

	2023	2024
Current tax expense	(201,830)	(132,822)
Deferred taxes	(67,129)	(10,193)
Net expense (-), Net benefit (+)	**(268,959)**	**(143,015)**
Consolidated net income (loss)	523,839	472,453
Tax expense	(268,959)	(143,015)
Pre-tax income (loss)	**792,798**	**615,468**
Statutory tax rate applicable to the parent	25.83%	25.83%
Theoretical tax	(204,780)	(158,945)
Impact of main tax loss carryforwards	(64,594)	39,300
Impact of permanent differences	(18,372)	(10,927)
Other impacts	(40)	(11,174)
Impact of differences in tax rates	18,827	(1,269)
Net expense (-), Net benefit (+)	**(268,959)**	**(143,015)**
Effective tax rate	**34%**	**23%**

The 23% effective tax rate can be analyzed as follows:

- income recognized in jurisdictions where Nols were not recognized/or deferred tax assets impaired (Germany for instance with real estate disposal);
- release of reserves for deferred tax assets reflecting the improved income outlook for some jurisdictions;
- permanent differences mostly reflect the unused tax credits (tax credits from withholding taxes on financial and license income mostly);
- differences in tax rates mainly reflect the diverse range of tax rates applied in the Group's various countries (United States 21% excluding State taxes, Brazil 34%, China 25%, and Saudi Arabia 20%).

3.2 Deferred tax assets and liabilities

The rates used are the recovery rates known at the reporting date.

	12/31/2023	12/31/2024
Deferred tax assets	208,576	180,045
Deferred tax liabilities	83,354	84,118
NET DEFERRED TAX ASSETS / (DEFERRED TAX LIABILITIES)	**125,222**	**95,927**

	12/31/2023	12/31/2024
Non-current assets	(57,614)	(74,659)
Other assets and liabilities	47,002	52,797
Inventories	16,381	32,320
Employee benefits	8,354	13,367
Derivatives	2,940	(10,254)
Net balance	**17,063**	**13,571**
Recognition of tax losses	108,159	82,356
TOTAL	**125,222**	**95,927**

Deferred taxes (gross values) as at December 31, 2024 and December 31, 2023 break down as follows:

12/31/2024	Gross value	Corresponding deferred tax	Recognized deferred tax	Unrecognized deferred tax
Tax loss carryforwards	4,683,051	1,335,418	82,356	1,253,062
Other tax assets			97,689	131,648
Total tax assets		**1,335,418**	**180,045**	**(1,384,710)**
Tax liabilities			(84,118)	
Total tax liabilities			**(84,118)**	
TOTAL			**95,927**	**(1,384,710)**

12/31/2023	Gross value	Corresponding deferred tax	Recognized deferred tax	Unrecognized deferred tax
Tax loss carryforwards	4,777,188	1,359,646	108,159	1,251,487
Other tax assets	—	—	100,417	55,625
Total tax assets	**—**	**1,359,646**	**208,576**	**(1,307,112)**
Tax liabilities	—	—	(83,354)	—
Total tax liabilities	**—**	**—**	**(83,354)**	**—**
TOTAL	**—**	**—**	**125,222**	**(1,307,112)**

Deferred tax assets are recognized when the realization is deemed probable. Where an affiliate has a history of tax losses, this affiliate recognizes a deferred tax asset only to the extent that the affiliate has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available. Recognized deferred taxes as at December 31, 2024 mainly relate to Brazil, representing €145 million that the Group expects to recover within five years.

Unrecognized deferred taxes as at December 31, 2024 relate primarily to France and Germany due losses and the lack of near-term prospects of recovery.

Tax loss carryforwards not recognized as at December 31, 2024 correspond to companies which are structurally loss-making and will not return to profit during the period covered by the business plan or the period during which the losses can be utilized.

There is no time bar for the losses of France, Germany and Brazil. However, the use of the losses is limited to a taxable income proportion (50%, 60% of the yearly taxable income in excess of € 1 million in France and Germany respectively, 30% of the annual taxable income for Brazil

Changes in deferred taxes break down as follows:

	12/31/2023	12/31/2024
As at January 1	**185,889**	**125,222**
Impact of changes in exchange rates	7,252	(32,343)
Recognized in profit or loss	(67,129)	(10,208)
Recognized in other comprehensive income (loss)	(796)	13,174
Changes in consolidation scope	5	—
Other	1	82
Assets held for sale and discontinued operations	—	—
AS AT DECEMBER 31	**125,222**	**95,927**

The amount of the deferred tax recognized in other comprehensive income corresponds mainly to the change in deferred taxes arising on derivatives, and actuarial gains and losses on post-employment benefit obligations.

The EU Pillar Two Directive of 16 December 2022 setting a minimum level of taxation for multinational companies at 15% has been transposed into French law. The EU Pillar Two Directive has no material impact on the Group's financial statements as of December 31, 2024.

Note 4 • Property, plant and equipment, intangible assets, goodwill and biological assets

4.1 Goodwill

Goodwill is measured as the difference between:

- the aggregate of:
  - the fair value of the consideration transferred,
  - the amount of any non-controlling interests in the acquired entity,
  - in the case of a business combination achieved in stages (step acquisition), the fair value at the acquisition date of the acquirer's previously held interest in the acquiree; and
- the net of the acquisition-date fair values of the identifiable assets acquired and liabilities assumed.

For major acquisitions, fair value measurements are performed with the help of independent experts and reflect the best estimates of management. Non-controlling interests may be valued either at the share of the identifiable net assets of the acquired company, or at fair value.

For transactions with non-controlling interests, the Group recognizes within equity attributable to owners of the parent the difference between the price paid and the carrying amount of the share of non-controlling interests acquired or sold in controlled companies.

Acquisition costs incurred by the Group in carrying out the business combination, such as referral agents' commissions, legal and due diligence fees and other professional or consultancy fees, are expensed when they are incurred.

Impairment risks: Pursuant to IAS 36 "Impairment of Assets", goodwill is tested for impairment at least once a year, or more frequently if there is an indication of impairment. The testing procedures are designed to ensure that the recoverable amount of the cash-generating unit (CGU) to which the goodwill is assigned or allocated is at least equal to its net carrying amount (see note 4.2). If an impairment loss is identified, a provision is recorded in operating income (loss) under "Impairment of assets and goodwill". Impairment of goodwill may not be reversed.

	12/31/2023			12/31/2024		
	Gross value	Impairment	Net value	Gross value	Impairment	Net value
Goodwill	577,431	(537,614)	39,817	599,789	(566,077)	33,712

BREAKDOWN OF GOODWILL BY CASH-GENERATING UNIT

	Vallourec South America Tubes	Vallourec Eastern Hemisphere Tubes	Total
As at December 31, 2022	**38,007**	**1,593**	**39,600**
Impact of changes in exchange rates	1,810	31	1,841
Impairment during the year	—	(3,677)	(3,677)
Impact of changes in consolidation scope	—	2,053	2,053
As at December 31, 2023	**39,817**	**—**	**39,817**
Impact of changes in exchange rates	(6.105)	—	(6.105)
Impairment during the year	—	—	—
Impact of changes in consolidation scope	—	—	—
AS AT DECEMBER 31, 2024	**33.712**	**—**	**33.712**

4.2 Impairment tests

Impairment of assets

To perform impairment tests, goodwill was allocated to cash generating units (CGUs). CGUs are groups of assets whose continuing use generates cash inflows that are largely independent of the cash inflows from other groups of assets.

When an asset within a CGU is discontinued or put up for sale and no longer contributes to the cash flows of the CGU, it is tested separately.

The recoverable amount of an asset or CGU is the higher of:

- its value in use, which corresponds to the present value of the forecast future cash flows it generates, without taking into account planned capacity investments and expected gains in terms of productivity; and
- its fair value less the costs of disposal.

The carrying amount of a CGU comprises net current and non-current operating assets.

An impairment test is carried out:

- at least once a year for CGUs with indefinite useful lives, a category that, for the Vallourec Group, comprises goodwill; and
- for the other CGUs, if there is an indication of impairment. The external and internal impairment indicators monitored are mainly reduction in Oil & Gas demand, reduction in forecast investments by Oil & Gas players analyzed by geographical area, loss of a major contract, non-use or destruction of industrial assets, and restructuring of activities.

A stock market value for the Group that is less than the value of its consolidated net assets during a business cycle, or a negative outlook associated with the economic, legislative or technological environment or with the business sector, represent general indications of impairment liable to result in impairment tests on all the Group's CGUs.

When the recoverable amount of a CGU is less than its net carrying amount, an impairment loss is recognized and presented on the "Impairment of assets and goodwill" line in operating income (loss). When a CGU includes goodwill, the impairment loss is first deducted from goodwill and then, where applicable, from the CGU's other assets.

CASH GENERATING UNITS AND GROUP OF CASH GENERATING UNITS

The Group has four main CGUs which group together the assets of several subsidiaries involved in the production cycle of the products sold by these CGUs, and represent 99% of the Group's net assets and all of its goodwill:

- Vallourec Eastern Hemisphere Tubes, comprising a tube mill (China) and finishing lines (in France, the Middle East and Asia);
- Vallourec North America Tubes, comprising a steel mill and tube mills in the United States as well as finishing lines (in the United States and Mexico);
- Vallourec South America Tubes, comprising a steel mill, tube mills and the finishing lines that these mills supply;
- Vallourec Mine & Forests, regrouping the Pau Branco iron ore mine in Minas Gerais, and the eucalyptus forests which supply charcoal to the blast furnace located in Jeceaba in the Brazilian state of Minas Gerais.

IMPAIRMENT INDICATIONS

Considering the absence of remaining unamortized assets, such as goodwill, related to the above described CGUs except for South America Tubes, for which an annual impairment test is performed, impairment indications are assessed at the level of the underlying individual assets when necessary.

RECOVERABLE VALUE

For each CGU tested, the recoverable value of the assets is considered equal to the higher of fair value less costs to sell and the value in use, which corresponds to the present value of the forecast future cash flows the related assets are expected to generate.

The recoverable amount of individual assets was deemed to represent the higher of fair value less costs of disposal or value in use, defined as the present value of forecast future cash flows generated by the asset.

The forecasts used are those contained in the five-year strategic business plan, which is based on macroeconomic assumptions per market relying on external sources (E&P Oil & Gas investment forecasts by region, currencies, raw materials, inflation, etc.). In particular, several external sources including IEA, Rystad, Enverus, Westwood were taken into account to estimate the volume of E&P Oil & Gas investments by region. On the basis of these elements, the central departments, coordinating with regional teams, establish sales forecasts (volumes and prices). The assumptions of the strategic plan are aligned with Vallourec's climate change commitments.

It should be noted that the bulk of Group revenue comes from the sale of seamless tubes and connections for the Oil & Gas industry (tubing and casing for oil and gas wells, pipelines, refining tubes and petrochemicals, etc.). The buying patterns of group customers may differ based on their own business model and how they adapt structurally to price trends (cost structure, stock policy, risk aversion, project portfolio, financing capacity).

All forecast information is derived from the budget and from the mid-term forecasts reviewed by the Group's Board of Directors in November and December 2024.

Vallourec expects that over the term of the strategic plan, it will continue to derive benefits from the New Vallourec competitiveness plans launched by the Group over the past three years.

In addition to the five-year strategic plan, cash flows are extrapolated over a terminal year, to converge towards the perpetuity growth rate.

PERPETUITY GROWTH RATE

The projected long-term earnings growth rate (LTGR) assumption for each CGU is calculated for the terminal year considering the following outlooks:

- sales evolution for Oil & Gas tubes, on a region per region basis, which is based on the Oil & Gas production assumption stated in the Announced Pledge Scenario (APS) of the International Energy Agency (IEA) published in 2024;
- positive sales growth for tubes designed for renewable energies, such as hydrogen, geothermal energy, carbon capture and storage, and carbon reuse, are also based on IEA projections (APS scenario);
- inflation by region, using forecasts by the International Monetary Fund (IMF).

The resulting growth rates used are 2.07% for the Vallourec Eastern Hemisphere Tubes CGU, and 2.9% for the Vallourec South America Tubes CGU.

These rates take into account the long-term outlook of the Oil & Gas market.

CGUs are tested in the main currency in which the future cash flows will be derived, namely:

- in EUR for the Eastern Hemisphere Tubes CGU;
- in BRL for the Vallourec South America Tubes CGU and Mine & Forest CGU.

DISCOUNT RATE

The CGUs' discount rates correspond to their Weighted Average Cost of Capital (WACC).

The cost of equity of each CGU has been estimated using the Capital Asset Pricing Model (CAPM) which main components are:

- the risk-free rate, fixed by reference to the current yield on 10-year government bonds;
- a systematic risk premium obtained by multiplying the CGU's equity market risk premium by a beta calculated using market data from a sample of listed companies operating similar businesses;
- a country risk premium.

The after-tax cost of debt of each CGU is calculated by increasing the risk-free rate by a market credit spread.

The Gearing (or debt-to-equity ratio) of each CGU's WACC has been fixed considering the observed debt/market capitalization ratio of the listed companies comprised in the sample used to estimate the appropriate beta.

The discount rate for each CGU is estimated in line with the main currency in which future cash flows are generated.

The use of this approach results in discount rates of 10.4% for the Vallourec Eastern Hemisphere Tubes CGU and 14.2% for the Vallourec South America Tubes CGU.

In 2023, the use of this approach resulted in discount rates of 10.7% for the Vallourec Eastern Hemisphere Tubes CGU and 14.0% for the Vallourec South America Tubes CGU.

CLIMATE RISKS

Vallourec is standing by its ambitions to reduce its direct and indirect carbon footprint by 2025, in line with the Paris Agreement. While 2025 emissions reduction goals are already achieved, our 2030 and 2035 targets will be met through a specific action plan, which includes the transfer of production from Germany to Brazil, reducing methane emissions for biomass charcoal production in Brazil, and a higher proportion of steel made from recovered scrap. The Group took these factors into account when drawing up its strategic plan.

Regarding challenges incurred by the transition to a more sustainable economy, the impairment tests also take into account the outlooks of the Oil & Gas sector as set out in the "Perpetuity growth rate" Section above.

In addition, the Group has identified physical climate risks. The analysis covers all Vallourec sites, key suppliers and ports. It takes into account 28 climate hazards (e.g., floods, heat waves, water stress, landslides, storms, etc.) projected under the SSP5-8.5 scenario by 2030 and 2050, modeling local events expected to occur on a planet more than 4°C warmer on average. Climate events that did occur will constitute an impairment indicator for the assets concerned and the Group will include it in its impairment tests and in the useful lives of the related assets.

IMPAIRMENT TEST RESULTS

The impairment tests carried out as at December 31, 2024 did not result in the recognition of any impairment losses, except an amount of €22 million corresponding to an impairment on on individual assets, as related to group projects restructing.

As a reminder in 2023, for the Vallourec Eastern Hemisphere Tubes CGU, the tests performed on the assets resulted in a net reversal of impairments recognized previously, for a total of €153 million, reflecting the improved outlook for the main entities comprised in this CGU.

The South America Tubes CGU, which has been subject to impairment tests, presents the following sensitivity analyses:

SENSITIVITY ANALYSIS

The sensitivity analyses presented in the table below were calculated by changing a single parameter.

Analysis *(in BRL millions)*		**Vallourec South America Tubes**
Net assets		
• Of which current		2,766
• Of which non-current		3,636
Base tested as at 12/31/2024		6,402
CGU value in use		8,737
Delta		2,335
Sensitivity analysis (in BRL millions)		
Sensitivity to the discount rate	+0.5 pts	(333)
	-0.5 pts	359
EBITDA sensitivity	+10% per year	1,141
	-10% per year	(1,141)
BRL/USD foreign exchange rate sensitivity	+5 cts	(240)
	-5 cts	240
Sensitivity to the perpetuity growth rate	+0.5 pts	211
	-0.5 pts	(196)

4.3 Intangible assets

Intangible assets acquired separately are recognized at cost. They are mainly patents and trademarks, which are amortized on a straight-line basis over their useful lives.

Intangible assets acquired as part of a business combination are recorded separately from goodwill if their fair value can be measured during the acquisition phase. Those with a finite life are amortized over their estimated useful lives for the Company.

	12/31/2023			12/31/2024		
	Gross value	Depreciation and impairment	Net value	Gross value	Depreciation and impairment	Net value
Intangible assets	376,950	(334,912)	42,037	362,784	(329,728)	33,056

Intangible assets	Gross value	Depreciation and impairment	Net value
As at December 31, 2022	**369,023**	**(332,203)**	**36,820**
Acquisitions	483	—	483
Disposals	(4,851)	4,440	(411)
Depreciation expense	—	(11,261)	(11,261)
Impairment expense	—	—	—
Impact of changes in exchange rates	(6,555)	6,327	(228)
Reclassifications and other changes	18,850	(2,216)	16,634
Assets held for sale and discontinued operations	—	—	—
As at December 31, 2023	376,950	(334,913)	42,037
Acquisitions	235	—	235
Disposals	(17,111)	17,098	(13)
Depreciation expense	—	(9,346)	(9,346)
Impairment expense	—	—	—
Impact of changes in exchange rates	2,663	(4,743)	(2,080)
Reclassifications and other changes	47	2,176	2,223
Assets held for sale and discontinued operations	—	—	—
AS AT DECEMBER 31, 2024	**362,784**	**(329,728)**	**33,056**

Intangible assets include technology, software, patents and licenses, as well as know-how and customer relations acquired mainly in connection with business combinations.

Other than goodwill, there are no intangible assets with indefinite useful lives.

4.4 Property, plant and equipment

Measurement at cost net of depreciation and impairment

Except when acquired as part of a business combination, property, plant and equipment are recognized at their acquisition or production cost. They are not subject to remeasurement. At each reporting date, their cost is reduced by accumulated depreciation and any provisions for impairment determined in accordance with IAS 36 “Impairment of Assets”.

Component approach

The main components of an asset with a useful life different from that of the main asset (furnaces, heavy industrial equipment, etc.) are identified by the technical departments and depreciated over their own useful lives.

Subsequent expenditure on replacement of the component (i.e., the cost of the new component) is capitalized, provided that future economic benefits are still expected to be derived from the main asset.

The components approach is also applied to expenditure on major overhauls that are planned and carried out at intervals of over one year. Such expenditure is identified as a component of the asset’s acquisition cost, and is depreciated over the period between two overhauls.

Maintenance and repair costs

Recurring maintenance and repair costs that do not meet the criteria for the components approach are expensed when they are incurred.

Property, plant and equipment acquired as part of a business combination

Property, plant and equipment acquired as part of a business combination are measured at fair value on the acquisition date. They are depreciated using the straight-line method over the remaining useful life at the acquisition date.

Right-of-use assets

Lease agreements, as defined by IFRS 16 “Leases”, are carried in the statement of financial position, resulting in the recognition of:

- an asset that corresponds to the right to use the leased asset for the term of the lease;
- a liability representing the obligation to make lease payments.

The Group’s leases are primarily for property and industrial equipment used to manufacture and transport products.

The Group uses the exemptions permitted by the standard and does not recognize within right-of-use assets:

- short-term leases (with a term of 12 months or less);
- leases with a low-value underlying asset (unit value when new under USD 5,000);
- leases of intangible assets.

Measurement of right-of-use assets

At the inception of a lease agreement, the right to use the leased asset is measured at cost and includes:

- the initial amount of the lease liability, plus any advance payments made to the lessor, less any lease incentives received from the lessor;
- any initial direct costs incurred by the lessee in concluding the agreement and any estimated site clean-up costs.

Right-of-use assets are depreciated on a straight-line basis over the term of the lease.

Depreciation

Depreciation of property, plant and equipment is calculated on a straight-line basis over the useful lives indicated below. Land is not depreciated.

Main categories ot property, plant and equipment	Useful life
BUILDINGS	
Buildings	30-40
Fixtures and fittings	10
TECHNICAL PLANT, EQUIPMENT AND TOOLS	
Industrial plant	20-25
Other (automated equipment, etc.)	5-10
OTHER PROPERTY, PLANT AND EQUIPMENT	
Vehicles and office furniture	5-10
Computer equipment	3

Depreciation of new industrial sites in the start-up stage is calculated according to the production-units method for assets used directly in the production process, and the straight-line method for other assets.

	12/31/2023			12/31/2024		
	Gross value	Depreciation and impairment	Net value	Gross value	Depreciation and impairment	Net value
Land	107,711	(45,924)	61,787	86,895	(34,405)	52,490
Buildings	798,748	(442,791)	355,957	717,545	(373,773)	343,772
Technical installations, industrial equipment and tools	3,812,284	(2,635,553)	1,176,731	2,940,541	(1,835,651)	1,104,890
Property, plant and equipment in progress	282,614	(4,684)	277,930	240,422	—	240,422
Other property, plant and equipment	317,850	(209,810)	108,040	290,460	(189,862)	100,598
TOTAL	**5,319,207**	**(3,338,762)**	**1,980,445**	**4,275,863**	**(2,433,691)**	**1,842,172**

Property, plant and equipment (excluding right-ot-use assets)	Gross value	Depreciation and impairment	Net value
As at December 31, 2022	**5,393,182**	**(3,615,789)**	**1,777,393**
Acquisitions	215,966	—	215,966
Disposals	(368,025)	344,736	(23,289)
Depreciation expense	—	(165,274)	(165,274)
Impairment expense	—	148,238	148,238
Impact of changes in exchange rates	(43,008)	46,214	3,206
Reclassifications and other changes	9,255	(30,407)	(21,152)
Assets held for sale and discontinued operations	—	—	—
As at December 31, 2023	**5,207,370**	**(3,272,282)**	**1,935,088**
Acquisitions	153,278	—	153,278
Disposals	(1,030,742)	1,003,871	(26,871)
Depreciation expense	—	(182,630)	(182,630)
Impairment expense	—	(17,744)	(17,744)
Impact of changes in exchange rates	(93,585)	11,629	(81,956)
Reclassifications and other changes	(89,712)	98,459	8,747
Assets held for sale and discontinued operations	—	—	—
AS AT DECEMBER 31, 2024	**4,146,609**	**(2,358,699)**	**1,787,910**

RIGHT-OF-USE ASSETS

	Gross value	Depreciation and impairment	Net value
As at December 31, 2022	**133,283**	**(81,905)**	**51,378**
New leases entered into	13,515	—	13,515
Leases ended or canceled	(37,855)	37,209	(646)
Depreciation expense	—	(19,910)	(19,910)
Impairment expense	—	808	808
Impact of changes in exchange rates	(180)	283	103
Other	3,074	(2,965)	109
Assets held for sale and discontinued operations	—	—	—
As at December 31, 2023	**111,837**	**(66,480)**	**45,357**
New leases entered into	28,027	—	28,027
Leases ended or canceled	(20,459)	20,830	371
Depreciation expense	—	(30,020)	(30,020)
Impairment expense	—	(4,086)	(4,086)
Impact of changes in exchange rates	(4,916)	2,669	(2,247)
Other	14,766	2,076	16,842
Assets held for sale and discontinued operations	—	17	17
AS AT DECEMBER 31, 2024	**129,255**	**(74,992)**	**54,263**

4.5 Biological assets

The Group owns biological assets in Brazil, which mainly consist of eucalyptus plantations cultivated for the Group's coke requirements. These assets are valued according to the principles defined by IAS 41 "Agriculture". The existence of an active market in Brazil requires the Group to measure these assets at fair value less the costs of disposal upon initial recognition and at each reporting date.

	12/31/2023	12/31/2024
As at January 1	**62,501**	**69,704**
Investments	10,557	12,319
Measurement at fair value	19,606	21,239
Impairment	(517)	—
Disposals	(8,546)	(2,217)
Impact of changes in exchange rates	3,255	(11,852)
Reclassification to inventory	(17,152)	(27,956)
AS AT DECEMBER 31	**69,704**	**61,237**

As at December 31, 2024, the company cultivated approximately 42,254 hectares of eucalyptus over a total area of 164,193 hectares.

4.6 Reconciliation of outflows related to acquisitions of non-current assets with the statement of cash flows

	2023		2024	
	Property, plant and equipment and intangible assets	Biological assets	Property, plant and equipment and intangible assets	Biological assets
Acquisitions of intangible assets	483	—	235	—
Acquisitions of property, plant and equipment	215,966	10,557	153,278	12,319
Total capital expenditure	**216,448**	**10,557**	**153,512**	**12,319**
Changes in liabilities on non-current assets and partner contributions	(14,419)	—	847	—
TOTAL	**202,029**	**10,557**	**154,359**	**12,319**
Statement of cash flows: cash outflows for acquisitions of property, plant and equipment and intangible and biological assets:	212,586		166,678	

4.7 Operating off-balance sheet commitments

Off-balance sheet commitments received amounted to €4 million as at December 31, 2024, compared with €4.5 million as at December 31, 2023, and primarily corresponded to orders for non-current assets.

COMMITMENTS GIVEN BY MATURITY

	12/31/2023	12/31/2024	<1 year	1 to 5 years	>5 years
Trade receivables	676	2,905	2,905	—	—
Other commitments	74,449	93,012	36,695	50,633	5,684
TOTAL	**75,125**	**95,917**	**39,600**	**50,633**	**5,684**

Note 5 • Investments in equity-accounted companies

Definition

Associates are companies in which the Group exercises significant influence over operating and financial policies without having control.

A joint venture is a joint arrangement whereby the parties that have joint control of the entity have rights to its net assets.

The Group's investments in joint ventures and associates are accounted for using the equity method.

Equity method

Under the equity method, the Group's investment in the entity is initially recognized at cost, which is then subsequently adjusted for the change in the Group's share in its income (loss) and other comprehensive income (loss).

An investment is accounted for under the equity method as of the date the entity becomes an associate or joint venture. When an associate or joint venture is acquired, the difference between the cost of the investment and the Group's share in the net fair value of its identifiable assets and liabilities is recorded under goodwill. In the event that the net fair value of the identifiable assets and liabilities of the entity is higher than the cost of the investment, the difference is recorded in the income statement.

The Group's share in the net income (loss) of equity-accounted companies is included in net income (loss) from continuing operations, irrespective of whether or not the investee's activities are an extension of the Group's activities.

Impairment testing

If there is an indication of impairment, the total carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 "Impairment of assets".

Loss of significant influence or joint control

When an investment no longer meets the definition of an associate or joint venture, the equity method is no longer applied. Any continuing interest in the associate or joint venture that represents a financial asset is measured at fair value on the date the investment ceases to be an associate or joint venture.

Acquisition of control of a joint operation or equity-accounted company

Pursuant to IFRS 3, previously held equity interests are remeasured at fair value, with the related gain or loss recognized as a disposal gain or loss in “Asset disposals, restructuring costs and non-recurring items”, and the assets acquired and liabilities assumed are accounted for at fair value at the date control is obtained.

The Group’s main equity-accounted companies (individual carrying amount greater than €20 million) are listed below.

	HKM	Other	Total associates	Total joint ventures	Total
Activity	Steel mill				
Location	Germany				
As at December 31, 2023	**—**	**15,736**	**15,736**	**—**	**15,736**
Net income (loss) for the year	—	399	399	—	399
Dividends paid	—	(416)	(416)	—	(416)
Impairment	—	—	—	—	—
Impact of changes in exchange rates	—	972	972	—	972
Reclassification and other changes	—	109	109	—	109
AS AT DECEMBER 31, 2024	**—**	**16,800**	**16,800**	**—**	**16,800**

Hüttenwerke Krupp Mannesmann (HKM) is an associate that produces steel rounds exclusively for its shareholders. It primarily supplies European tube mills and is part of the Vallourec Eastern Hemisphere Tubes CGU. Its value in use was determined on the same basis as that used to carry out the impairment test (in accordance with IAS 36) on the Vallourec Eastern Hemisphere Tubes CGU.

In 2021, based on the business outlook, Vallourec decided that it would be unable to absorb the volumes to which it is entitled and therefore decided to terminate the cooperation and supply agreements, effective December 31, 2028, i.e., at the end of the contractually agreed seven-year notice period (see note 2.6).

5.1 Data relating to associates

Condensed financial data (100%) for HKM is presented below.

HKM	12/31/2023	12/31/2024
Non-current assets	504,608	486,531
Current assets	673,659	674,515
Non-current liabilities	411,093	310,593
Current liabilities	363,754	447,023
Net assets	**403,420**	**403,430**
Sales	3,276,210	2,979,921
Operating income (loss)	(1,409)	11,853
Total comprehensive income	15	24

The reconciliation of the condensed financial data relating to the HKM associate with the carrying amount of the Group’s interest in this associate is as follows:

HKM	12/31/2023	12/31/2024
Net assets	403,420	403,430
Vallourec Group percentage interest in HKM	20%	20%
Value of equity-accounted investment	—	—
HKM net income	15	24
Vallourec Group percentage interest in HKM	20%	20%
Share of net income	3	5

The Group also holds interests in other associates (which, considered individually, are not material), representing an aggregate carrying amount of €16 million as at December 31, 2024 and December 31, 2023.

5.2 Related-party transactions

	HKM	ArcelorMittal
Sales to related parties	3,466	11,942
Purchases from related parties	413,839	1,268
Receivables from related parties	51	5,569
Payables from related parties	77,374	357

Purchases from HKM mainly concern steel rounds for Vallourec own operations and slabs as well as the resold to third parties as part of Vallourec's commitment through the supply agreement contract (see note 2.6 "Asset disposals, restructuring costs and non-recurring items").

Transactions with ArcelorMittal consist in sales of pellet industrialization and purchase of raw materials.

5.3 Executive compensation

Total compensation for members of the Executive Committee based on its membership structure as at December 31, 2024, as well as retirement commitments at the reporting date, can be analyzed as follows:

	2023	2024
Compensation and benefits in kind	6,816	10,111
Share-based payments [a]	16,534	8,946
Retirement commitments	525	601
Supplementary retirement commitments	1,003	1,035

(a) Information provided based on the 2023 and 2024 Management Equity Plans.

There is no specific plan in terms of retirement commitments for executive management. Executive management is covered by the Vallourec Group's supplementary pension plan (a defined-benefit plan introduced in 2005 and closed to new entrants on December 31, 2015), as well as by plans set up on April 1, 2016 under Articles 82 and 83 of the French Tax Code *(Code général des impôts)*. These plans do not give rise to any commitments.

As at December 31, 2024, no loans or guarantees had been granted to executive management by Vallourec as the parent company or by its controlled subsidiaries.

The amount of attendance fees and other compensation received by members was €0.8 million in 2024, compared with €0.7 million in 2023.

Note 6 • Equity, share-based payment and earnings per share

6.1 Equity attributable to owners of the parent

SHARE CAPITAL

At December 31, 2024, Vallourec's share capital comprised 238,084,623 shares with a par value of €0.02 per share, all fully paid up, versus shares 237,271,828 at December 31, 2023. The Group issued 16,255 new shares during the year.

Changes in the Company's share capital over the year are shown below:

(in euros, except for number of shares)	Number of shares	Par value	Share capital in euros
Share capital at December 31, 2023	237,271,828	0.02	4,745,437
Capital increase without pre-emptive subscription rights by issuance of new shares	812,795	0.02	16.255
SHARE CAPITAL AT DECEMBER 31, 2024	**238,084,623**	**0.02**	**4,761,692**

As at December 31, 2024, the price of the Vallourec share was €16.42.

RESERVES AND FINANCIAL INSTRUMENTS

Reserves for changes in the fair value of hedging instruments net of tax (revaluation reserves) arise primarily from two types of transaction:

- effective currency hedges assigned to the order book and commercial tenders, for which changes in the currency impact at the reporting date are recognized in other comprehensive income;
- variable-rate borrowings for which interest rate swaps (fixed rate) have been contracted, and which are accounted for in accordance with the cash flow hedge method, changes in the fair value of swaps attributable to fluctuations in interest rates, which are recognized in OCI.

FOREIGN CURRENCY TRANSLATION RESERVE

This reserve arises as a result of translating the equity of subsidiaries outside the eurozone into euros. The change in the reserve corresponds to fluctuations in exchange rates used to translate the equity and net income (loss) of these subsidiaries. Components of the reserve are only written back to income in the case of a partial or total disposal and loss of control of the foreign entity.

	USD	GBP	BRL	CNY	Other	Total
As at December 31, 2022	**386,852**	**(12,938)**	**(1,132,280)**	**25,453**	**(18,442)**	**(751,355)**
Change	(51,220)	219	62,312	(11,683)	(4,345)	(4,717)
As at December 31, 2023	**335,632**	**(12,719)**	**(1,069,968)**	**13,770**	**(22,787)**	**(756,072)**
Change	75,926	305	(199,803)	12,344	18,168	(93,061)
AS AT DECEMBER 31, 2024	**411,558**	**(12,414)**	**(1,269,771)**	**26,114**	**(4,619)**	**(849,133)**

6.2 Non-controlling interests

Non-controlling interests mainly correspond to Incotep's stake in Vallourec Tubos para Industria Ltda and non-controlling interests in Saudi Arabia (Al Qhatani).

6.3 Share-based payments (stock options and performance shares)

IFRS 2 "Share-based Payment", requires the measurement and recognition of awards arising from stock option and performance share plans that are equivalent to compensation of the beneficiaries: these are recognized as personnel expenses over the vesting period of the instruments, with a corresponding increase in equity.

Changes in value after the award date have no impact on the option's initial measurement. The number of options taken into account in measuring the plan is adjusted at each reporting date to reflect the probability of the beneficiaries' continued service at the end of the vesting period.

Some members of executive management and employees benefit from stock options and performance shares where vesting conditions are related to performance criteria. Vallourec also operates shareholding plans reserved for its employees.These plans are measured using a binomial model to project share prices.

The impact on the income statement of employee share ownership plans is presented in note 2.3.

Stock option plans

CHARACTERISTICS OF THE PLANS

Vallourec's Management Board authorized stock option plans from 2010 to 2022 for some of the Group's senior executives, corporate officers and employees.

It should be noted that the characteristics of the 2011 to 2020 plans were revised to take account of the decision of the Chairman of the Management Board on June 30, 2021 to adjust the number and exercise price of the options concerned in order to protect the rights of the holders following the capital increase of June, 30 2021 (adjustment factor of 1.89929156 applied to the number of options awarded and to the exercise price).

The characteristics of the plans are as follows:

	2015 Plan	2016 Plan	2017 Plan	2018 Plan
Award date	April 15, 2015	May 18, 2016	May 18, 2017	June 15, 2018
Maturity date	April 15, 2019	May 18, 2020	May 18, 2021	June 15, 2022
Expiration date	April 15, 2023	May 18, 2024	May 18, 2025	June 15, 2026
Exercise price (in euros)	488.14	140.29	216.55	197.84
Number of options awarded	17,656	15,216	8,135	9,851

	2019 Plan	2020 Plan	2021 Plan	2022 Plan
Award date	June 17, 2019	June 15, 2020	October 13, 2021	June 4, 2022
Maturity date	June 17, 2023	June 15, 2024	October 13, 2025	June 4, 2026
Expiration date	June 17, 2027	June 15, 2030	October 13, 2031	June 4, 2032
Exercise price (in euros)	79.14	33.60	7.26	12.65
Number of options awarded	9,851	89,462	123,518	58,425

CHANGE IN NUMBER OF UNEXPIRED OPTIONS

For all of these plans, the change in the number of unexpired options is as follows:

In number of options	2023	2024
Options outstanding as at 1 January	**295,174**	**209,595**
Options exercised	—	—
Options lapsed	(6,328)	(5,620)
Options canceled	(79,251)	(48,711)
Options distributed	—	—
OPTIONS OUTSTANDING AS AT DECEMBER 31	**209,595**	**155,264**
Of which exercisable options	12,440	26,629

The reported figures correspond to the number of options, with a performance factor of 1 for plans not yet vested, and to the actual number of shares awarded for plans that have matured.

As at December 31, 2024, the average exercise price was €22.44.

Performance share plans

CHARACTERISTICS OF THE PLANS

Vallourec's Management Board authorized performance share plans from 2017 to 2024 for some employees and corporate officers of the Group.

It should be noted that the characteristics of the 2017 to 2020 plans were revised to take account of the decision of the Chairman of the Management Board on June 30, 2021 to adjust the number and exercise price of the shares in order to protect the rights of the holders following the capital increase of June 30, 2021 (adjustment factor of 1.89929156 applied to the number of shares awarded).

The characteristics of the plans are as follows:

Performance share plans	2020 Plan	2021 Plan	2022 Plan	2023 Plan	2024 Plan
Award date	June 15, 2020	October 13, 2021	June 4, 2022	November 17, 2023	November 14, 2024
Vesting period	3 years	3 years	3 years	2 years	2 years
Holding period	None	None	None	None	None
Performance conditions	Yes [(a)]	Yes, only for management (cadres) above grade 20 [(b)]	Yes, only for management (cadres) above grade 20 [(c)]	Yes [(d)]	Yes (e)
Theoretical number of shares awarded	64,747	289,396	231,410	371,950	343,700

(a) For all beneficiaries, vesting will depend on two "absolute" internal criteria:
- *Group cost reductions (gross savings as a % of the Y-1 baseline and excluding DCOS) for 2020, 2021 and 2022;*
- *the ratio of carbon emissions from Vallourec's industrial processes and purchases of electricity generated by fossil fuels to sales volumes, in metric tons (emissions of non-biogenic carbon) between 2020 and 2022.*

A further external criterion will be applied: growth in the EBITDA margin between 2020 and 2022 compared to a panel of comparable companies comprising Hunting PLC, United States Steel Corp., Nippon Steel Corp., Tubacex S.A., Tenaris S.A., Schlumberger, Halliburton, Tubos Reunidos S.A., Timken Steel Corp., Salzgitter AG, ArcelorMittal S.A., TMK and NOV.

(b) The conditional rights to receive performance shares granted to management (cadres) at grade 20 or below are not subject to any performance conditions. For beneficiaries at grade 21 or above, the award is based on two "absolute" internal criteria:
- *Group cost reductions (gross savings as a % of the Y-1 baseline and excluding DCOS) for 2021, 2022 and 2023;*
- *the ratio of carbon emissions from Vallourec's industrial processes and purchases of electricity generated by fossil fuels to sales volumes, in metric tons (emissions of non-biogenic carbon) between 2021 and 2023.*

A further external criterion will be applied: growth in the EBITDA margin between 2021 and 2023 compared to a panel of comparable companies comprising Hunting PLC, United States Steel Corp., Nippon Steel Corp., Tubacex S.A., Tenaris S.A., Schlumberger, Halliburton, Tubos Reunidos S.A., Timken Steel Corp., Salzgitter AG, ArcelorMittal S.A., TMK and NOV.

(c) The conditional rights to receive performance shares granted to management (cadres) *at grade 20 or below are not subject to any performance conditions. For beneficiaries at grade 21 or above, the award is based on two "absolute" internal criteria:*
- *Group cost reductions (gross savings as a % of the Y-1 baseline and excluding DCOS) for 2022, 2023 and 2024;*
- *the ratio of carbon emissions from Vallourec's industrial processes and purchases of electricity generated by fossil fuels to sales volumes, in metric tons (emissions of non-biogenic carbon) between 2022 and 2024.*

A further external criterion will be applied: growth in the EBITDA margin between 2022 and 2024 compared to a panel of comparable companies comprising Hunting PLC, United States Steel Corp., Nippon Steel Corp., Tubacex S.A., Tenaris S.A., Schlumberger, Halliburton, Tubos Reunidos S.A., Timken Steel Corp., Salzgitter AG, ArcelorMittal S.A., TMK and NOV.

(d) The performance conditions are as follows:
- *50% of the award is subject to continued presence only. The number of performance shares affected by this condition is 185,975;*
- *25%, the average daily trading volume weighted average price of the Vallourec share must be equal to or greater than €16.19 for a period of ninety (90) consecutive trading days during the Vesting Period. The number of performance shares affected by this condition is 93,030;*
- *25%, the average daily trading volume weighted average price of the Vallourec share must be equal to or greater than €20.22 for a period of ninety (90) consecutive trading days during the Vesting Period. The number of performance shares affected by this condition is 92,945.*

(e) The performance conditions are as follows:
- *50% of the award is subject to continued presence only. The number of performance shares affected by this condition is 171,850;*
- *25%, the average daily trading volume weighted average price of the Vallourec share must be equal to or greater than €16.19 for a period of ninety (90) consecutive trading days during the Vesting Period. The number of performance shares affected by this condition is 85,978;*
- *25%, the average daily trading volume weighted average price of the Vallourec share must be equal to or greater than €20.22 for a period of ninety (90) consecutive trading days during the Vesting Period. The number of performance shares affected by this condition is 85,872.*

CHANGE IN NUMBER OF SHARES

For all of these plans, the change in the number of shares not yet vested is as follows:

In number of shares	2023	2024
Number of shares not yet vested as at January 1	**578,087**	**839,022**
Shares delivered over the year	(41,215)	(173,939)
Shares awarded for outperformance	—	—
Shares canceled	(69,800)	(149,753)
Shares awarded over the year	371,950	343,700
NUMBER OF SHARES NOT YET VESTED AS AT DECEMBER 31	**839,022**	**859,030**

The reported figures correspond to the number of shares, with a performance factor of 1 for plans not yet vested, and to the actual number of shares awarded for plans that have matured.

Valuation [a]	2023 Plan	2024 Plan
Share price on the award date	€13.18	€15.11
Risk-free rate [b]	3.15%	2.33%
Dividend rate [c]	0% in 2024 and 9.00% in 2025	6% in 2025 and 9% in 2026
Fair value of the share	Continuous service only: €11.98 Share price condition €16.19: €7.56 Share price condition €20.22: €4.87	Continuous service only: €12.98 Share price condition €16.19: €8.55 Share price condition €20.22: €3.91
NUMBER OF SHARES AWARDED	**371,950**	**343,700**

(a) The binomial pricing model has been used to measure the fair value of the shares awarded. The employee benefit corresponds to the fair value of the shares awarded, taking into account the loss of dividend rights during the vesting period and the cost to the employee of the non-transferability of shares during the holding period.

(b) The risk-free rate corresponds to the zero-coupon rate (source: French Institute of Actuaries – (Institut des Actuaires).

(c) The expected dividend rates were determined based on analysts' expectations (external information) and the Group's dividend policy.

Management Equity Plans

During 2024, the Vallourec Group set up new Management Equity Plans (MEP) for its employees and executive corporate officers.

MARCH 18, 2024 MEP

Under the MEP set up on 18 March 2024, 117,348 free performance shares were awarded to Group employees and executive corporate officers. The award comprises preferred shares, broken down into three tranches.

Characteristics of the plan

The characteristics of the performance share plan are as follows:

Valuation	Tranche 2	Tranche 3	Tranche 4
Share price on the award date	€15.69	€15.69	€15.69
Vesting period	0.52 years	0.94 years	1.39 years
Performance conditions [(a)]	Yes	Yes	Yes
Volatility [(b)]	37.50%	37.50%	37.50%
Risk-free rate [(c)]	2.47%	2.47%	2.47%
Dividend rate [(d)]	0% in 2024 and 9% in 2025 and 2026	0% in 2024 and 9% in 2025 and 2026	0% in 2024 and 9% in 2025 and 2026
Fair value of the share [(e)]	€12.63	€8.42	€3.62
Number of shares awarded	54,912	54,909	7,527

(a) The tranche 2, 3 and 4 performance share rights will be exercisable for ordinary shares if the volume-weighted average Vallourec share price represents at least €16.19, €20.22 and €28.32 over 90 trading days in the 5-year period following the financial restructuring. The valuation models show average vesting periods of 0.52 years, 0.94 years and 1.39 years, respectively.

(b) Volatility corresponds to historical volatility observed over a period corresponding to the life of the plans.

(c) The risk-free rate used was determined based on the maturity of each of the tranches (the French Institute of Actuaries' yield curve).

(d) The expected dividend rates were determined based on analysts' expectations (external information) and the Group's dividend policy.

(e) Following amendments to the applicable performance conditions voted at the May 23, 2024 Shareholders' Meeting, the fair values of tranches 2, 3 and 4 were revised upwards, by adding €0.10, €1.25 and €1.30 respectively to their previous fair values.

MAY 24, 2024 MEP

Under the MEP set up on May 24, 2024, 74,838 free performance shares were awarded to executive corporate officers. The award comprises preferred shares, broken down into two tranches.

Characteristics of the plan

The characteristics of the performance share plan are as follows:

Valuation	Tranche 2	Tranche 3
Share price on the award date	€16.65	€16.65
Vesting period	0.15 years	0.91 years
Performance conditions [(a)]	Yes	Yes
Volatility [(b)]	34.50%	34.50%
Risk-free rate [(c)]	3.12%	3.12%
Dividend rate [(d)]	0% in 2024 and 9% in 2025 and 2026	0% in 2024 and 9% in 2025 and 2026
Fair value of the share	€16.00	€10.56
Number of shares awarded	37,419	37,419

(a) The tranche 2, 3 performance share rights will be exercisable for ordinary shares if the volume-weighted average Vallourec share price represents at least €16.19 and €20.22 over 90 trading days in the 5-year period following the financial restructuring. The valuation models show average vesting periods of 0.15 years and 0.91 years, respectively.

(b) Volatility corresponds to historical volatility observed over a period corresponding to the life of the plans.

(c) The risk-free rate used was determined based on the maturity of each of the tranches (the French Institute of Actuaries' yield curve).

(d) The expected dividend rates were determined based on analysts' expectations (external information) and the Group's dividend policy.

JUNE 26, 2024 MEP

On June 26, 2024, the Vallourec Group decided to set up a Management Equity Plan ("MEP") for its employees and executive corporate officers.

The MEP plan of June 26, 2024 awards 162,975 free shares to employees and executive corporate officers. This free share award comprises 27,900 ordinary shares and 135,075 preferred shares.

Characteristics of the plan

The characteristics of the plan awarding ordinary shares are as follows:

Valuation	Tranche 1	Tranche 2
Share price on the award date	€14.81	€14.81
Vesting period	1 year	2 years
Performance conditions [(a)]	Yes	Yes
Volatility [(b)]	27.00%	33.00%
Risk-free rate [(c)]	3.48%	3.18%
Dividend rate [(d)]	0% in 2024 and 9% in 2025 and 2026	0% in 2024 and 9% in 2025 and 2026
Fair value of the share	€13.26	€11.05
Number of shares awarded	13,950	13,950

(a) Each tranche will vest only if, on the vesting date, the market price of the Vallourec share is above €8.09.
(b) Volatility corresponds to historical volatility observed over a period corresponding to the life of the plans.
(c) The risk-free rate used was determined based on the maturity of each of the tranches (the French Institute of Actuaries' yield curve).
(d) The expected dividend rates were determined based on analysts' expectations (external information) and the Group's dividend policy.

The characteristics of the performance share plan are as follows:

Valuation	Tranche 2	Tranche 3	Tranche 4
Share price on the award date	€14.81	€14.81	€14.81
Vesting period	0.31 years	1.09 years	1.47 years
Performance conditions [(a)]	Yes	Yes	Yes
Volatility [(b)]	33.00%	33.00%	33.00%
Risk-free rate [(c)]	3.18%	3.18%	3.18%
Dividend rate [(d)]	0% in 2024 and 9% in 2025 and 2026	0% in 2024 and 9% in 2025 and 2026	0% in 2024 and 9% in 2025 and 2026
Fair value of the share	€12.58	€6.99	€2.50
Number of shares awarded	39,363	90,212	5,500

(a) The tranche 2, 3 and 4 performance share rights will be exercisable for ordinary shares if the volume-weighted average Vallourec share price represents at least €16.19, €20.22 and €28.32 over 90 trading days in the 5-year period following the financial restructuring. The valuation models show average vesting periods of 0.31 years, 1.09 years and 1.47 years, respectively.
(b) Volatility corresponds to historical volatility observed over a period corresponding to the life of the plans.
(c) The risk-free rate used was determined based on the maturity of each of the tranches (the French Institute of Actuaries' yield curve).
(d) The expected dividend rates were determined based on analysts' expectations (external information) and the Group's dividend policy.

AUGUST 10, 2024 MEP

On August 10, 2024, the Vallourec Group decided to set up a Management Equity Plan ("MEP") for its employees and executive corporate officers.

The MEP plan of August 10, 2024 awards 1,286,000 free shares to employees and executive corporate officers. This free share award comprises 593,000 ordinary shares and 693,000 preferred shares.

Characteristics of the plan

The characteristics of the plan awarding ordinary shares are as follows:

Valuation	Tranche 1	Tranche 2
Share price on the award date	€13.45	€13.45
Vesting period	1 year	2 years
Performance conditions (a)	Yes	Yes
Volatility (b)	25.90%	31.90%
Risk-free rate (c)	3.15%	2.77%
Dividend rate (d)	9%	9%
Fair value of the share	€11.81	€9.58
Number of shares awarded	296,500	296,500

(a) Each tranche will vest only if, on the vesting date, the market price of the Vallourec share is above €8.09.
(b) Volatility corresponds to historical volatility observed over a period corresponding to the life of the plans.
(c) The risk-free rate used was determined based on the maturity of each of the tranches (the French Institute of Actuaries' yield curve).
(d) The expected dividend rates were determined based on analysts' expectations (external information) and the Group's dividend policy.

The characteristics of the performance share plan are as follows:

Valuation	Tranche 3
Share price on the award date	€13.45
Vesting period	1.21 years
Performance conditions (a)	Yes
Volatility (b)	29.60%
Risk-free rate (c)	2.79%
Dividend rate (d)	9%
Fair value of the share	€4.01
Number of shares awarded	693,000

(a) The tranche 3 performance share rights will be exercisable for ordinary shares if the volume-weighted average Vallourec share price represents at least €20.22 over 90 trading days in the 5-year period following the financial restructuring. The valuation models show average vesting periods of 1.21 years.
(b) Volatility corresponds to historical volatility observed over a period corresponding to the life of the plans.
(c) The risk-free rate used was determined based on the maturity of each of the tranches (the French Institute of Actuaries' yield curve).
(d) The expected dividend rates were determined based on analysts' expectations (external information) and the Group's dividend policy.

SEPTEMBER 2, 2024 MEP

On September 2, 2024, the Vallourec Group decided to set up a Management Equity Plan ("MEP") for its employees and executive corporate officers.

The MEP plan of September 2, 2024 awards 88,348 free shares to employees and executive corporate officers. This free share award comprises 29,413 ordinary shares and 58,935 preferred shares.

Characteristics of the plan

The characteristics of the plan awarding ordinary shares are as follows:

Valuation	Tranche 1.1	Tranche 1.2
Share price on the award date	€14.43	€14.43
Vesting period	1 year	2 years
Performance conditions (a)	Yes	Yes
Volatility (b)	26.20%	30.90%
Risk-free rate (c)	3.09%	2.76%
Dividend rate (d)	9%	9%
Fair value of the share	€12.91	€10.68
Number of shares awarded	14,707	14,706

(a) Each tranche will vest only if, on the vesting date, the market price of the Vallourec share is above €8.09.
(b) Volatility corresponds to historical volatility observed over a period corresponding to the life of the plans.
(c) The risk-free rate used was determined based on the maturity of each of the tranches (the French Institute of Actuaries' yield curve).
(d) The expected dividend rates were determined based on analysts' expectations (external information) and the Group's dividend policy.

The characteristics of the performance share plan are as follows:

Valuation	Tranche 3	Tranche 4
Share price on the award date	€14.43	€14.43
Vesting period	0.74 years	1.11 years
Performance conditions (a)	Yes	Yes
Volatility (b)	28.30%	28.30%
Risk-free rate (c)	2.79%	2.79%
Dividend rate (d)	9%	9%
Fair value of the share	€5.10	€1.08
Number of shares awarded	55,305	3,630

(a) The tranche 3 and 4 performance share rights will be exercisable for ordinary shares if the volume-weighted average Vallourec share price represents at least €20.22 and €28.32 over 90 trading days in the 5-year period following the financial restructuring. The valuation models show average vesting periods of 0.74 years and 1.11 years, respectively.
(b) Volatility corresponds to historical volatility observed over a period corresponding to the life of the plans.
(c) The risk-free rate used was determined based on the maturity of each of the tranches (the French Institute of Actuaries' yield curve).
(d) The expected dividend rates were determined based on analysts' expectations (external information) and the Group's dividend policy.

DECEMBER 16, 2024 MEP

On December 16, 2024, the Vallourec Group decided to set up a Management Equity Plan ("MEP") for its employees and executive corporate officers.

The MEP plan of December 16, 2024 awards 15,600 free shares to employees and executive corporate officers. This free share award comprises 5,200 ordinary shares and 10,400 preferred shares.

Characteristics of the plan

The characteristics of the plan awarding ordinary shares are as follows:

Valuation	Tranche 1	Tranche 2
Share price on the award date	€16.54	€16.54
Vesting period	1 year	2 years
Performance conditions [a]	Yes	Yes
Volatility [b]	25.50%	27.70%
Risk-free rate [c]	2.57%	2.53%
Dividend rate [d]	6% in 2025 9% in 2026	6% in 2025 9% in 2026
Fair value of the share	€15.49	€13.59
Number of shares awarded	2,600	2,600

(a) Each tranche will vest only if, on the vesting date, the market price of the Vallourec share is above €8.09.
(b) Volatility corresponds to historical volatility observed over a period corresponding to the life of the plans.
(c) The risk-free rate used was determined based on the maturity of each of the tranches (the French Institute of Actuaries' yield curve).
(d) The expected dividend rates were determined based on analysts' expectations (external information) and the Group's dividend policy.

The characteristics of the performance share plan are as follows:

Valuation	Tranche 3
Share price on the award date	€16.54
Vesting period	0.85 years
Performance conditions [a]	Yes
Volatility [b]	24.90%
Risk-free rate [c]	2.52%
Dividend rate [d]	6% in 2025 9% in 2026
Fair value of the share	€3.97
Number of shares awarded	10,400

(a) The tranche 3 performance share rights will be exercisable for ordinary shares if the volume-weighted average Vallourec share price represents at least €20.22 over 90 trading days in the 5-year period following the financial restructuring. The valuation models show average vesting periods of 0.85 year.
(b) Volatility corresponds to historical volatility observed over a period corresponding to the life of the plans.
(c) The risk-free rate used was determined based on the maturity of each of the tranches (the French Institute of Actuaries' yield curve).
(d) The expected dividend rates were determined based on analysts' expectations (external information) and the Group's dividend policy.

CHANGE IN NUMBER OF SHARES

The change in the number of shares not yet vested under the 2024 Management Equity Plans is as follows:

In number of shares	Ordinary shares	Performance shares
Number of shares not yet vested as at January 1, 2024	**1,308,762**	**1,920,611**
Shares delivered over the year	(272,198)	4,350,542
Shares canceled	(158,839)	(2,590,147)
Performance shares converted		(3,701,686)
Shares awarded over the year	655,513	1,089,596
NUMBER OF SHARES NOT YET VESTED AS AT DECEMBER 31, 2024	**1,533,238**	**1,068,916**

6.4 Earnings per share

Basic earnings per share are calculated by dividing net income (loss) for the year attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding in the same period.

Diluted earnings per share are calculated by taking into account the maximum impact of the conversion of dilutive instruments into ordinary shares (options, performance shares) and using the “share repurchase” method as defined in IAS 33 “Earnings per Share”.

Details of the net income (loss) and numbers of shares used to calculate basic and diluted earnings (loss) per share are presented below:

	2023	2024
Net income (loss) attributable to ordinary shareholders for basic earnings (loss) per share	**495,910**	**452,067**
Weighted average number of ordinary shares for basic earnings (loss) per share	229,293,252	230,162,268
Weighted average number of treasury shares for basic earnings (loss) per share	(126,694)	(53,834)
Weighted average number of shares for basic earnings (loss) per share	229,166,558	230,108,434
EARNINGS (LOSS) PER SHARE (IN EUROS)	**2.2**	**2.0**
Dilution effect - warrants	8,469,893	11,660,179
Dilution effect - stock purchase options and performance shares	2,109,064	2,265,309
Weighted average number of ordinary shares for diluted earnings per share	239,745,515	244,033,922
Diluted earnings per share (in euros)	**2.1**	**1.9**

Dividends paid during the year	2023	2024
In respect of the prior year (in euros)	—	—
Interim dividend for the current year (in euros)	—	—

Note 7 • Financing and financial instruments

7.1 Net debt

Loans and other borrowings include interest-bearing bank loans and bonds.

Borrowings are classified as current liabilities for the portion to be repaid within 12 months of the reporting date and as non-current liabilities for payments due in more than 12 months.

Borrowings are initially recorded at fair value less any directly attributable transaction costs. These costs (loan issue expenses and premiums) are taken into account in the calculation of the amortized cost using the effective interest rate method, and are recognized in net financial income or loss on an actuarial basis over the term of the liability.

At each reporting date, financial liabilities are then measured at amortized cost using the effective interest rate method, and also subject to specific procedures associated with hedge accounting (see below).

Cash and cash equivalents consist of current bank account balances and marketable securities (units in short-term cash UCITS and mutual and investment funds) that are immediately available (i.e., not pledged), risk-free and have extremely low volatility.

Consolidated net debt (or "net financial debt") is defined as bank loans and other borrowings plus overdrafts and other short-term borrowings minus cash and cash equivalents plus the fair value of the 4-year cross-currency swaps related to the EUR/USD hedging of the principal of the USD 820 million 7.5% senior notes. Net debt excludes lease debt.

In April 2024, Vallourec executed a significant and comprehensive refinancing that has substantially extended its debt and liquidity maturities and reduced its financial costs. The key elements of this operation include:

- entry into a new 5-year €550 million multi-currency revolving credit facility (RCF) with a substantially diversified, global banking group;
- entry into an upsized and extended 5-year USD 350 million asset-backed lending facility (ABL) in the United States;
- issuance of 8-year USD 820 million 7.5% senior notes and entry into a 4-year cross-currency swap to hedge Vallourec's currency exposure on its new senior notes with an euro equivalent coupon of approximately 5.8%;
- redemption of the entire €1,023 million of previously outstanding 8.5% senior notes due 2026;
- repayment of approximately €68 million of the €262 million State-guaranteed loan *(Prêt Garantis par l'État)*.

	12/31/2023			12/31/2024		
	Total	Non-current	Current	Total	Non-current	Current
Bonds	1,105,354	1,105,354	—	771,362	771,362	—
Bank borrowings	242,582	241,394	1,188	190,694	189,213	1,481
Other borrowings	120,660	1,383	119,277	63,868	1,522	62,346
Short-term bank facilities	1,732	—	1,732	77,003	—	77,003
Total current and non-current loans and borrowings	**1,470,328**	**1,348,131**	**122,197**	**1,102,927**	**962,097**	**140,830**
Marketable securities	718,423	—	718,423	788,754	—	788,754
Cash at bank and in hand	181,525	—	181,525	314,522	—	314,522
Cash and cash equivalents	**899,947**	**—**	**899,947**	**1,103,276**	**—**	**1,103,276**
Fair value hedge cross-currency swap *	**—**	**—**	**—**	**(20,931)**	**(20,931)**	**—**
NET DEBT	**570,381**	**1,348,131**	**(777,750)**	**(21,280)**	**941,166**	**(962,446)**

* *Following the issuance of its 8-year USD 820 million 7.5% senior notes, Vallourec entered into 4-year cross-currency swaps to hedge the related EUR/USD currency exposure. The fair value of the cross-currency swaps related to the EUR/USD hedging of the principal of the notes is consequently considered to meet the definition of net debt*

7.1.1 BONDS

In millions of currency units	Currency	Initial nominal amount	Principal amount remaining due	Maturity	Face rate	Carrying amount (in €m)
Bond issue – April 2024 (a)	USD	820	820	April-32	7.50 %	771
State -guaranteed loan – June 2021	EUR	262	194	June-27	1.84 %	176
TOTAL						**948**

(a) Vallourec entered into a 4-year cross currency swap to hedge currency exposure resulting into a EUR fixed interest rate of approximately 5.8%.

In April 2024, Vallourec S.A. issued an unsecured bond of USD 820 million maturing in 2032 with a fixed coupon of 7.5%. This bond, with a term of 8 years and a non-call period of 3 years, is guaranteed by the same subsidiaries that guarantee the revolving credit facility (RCF). The Notes are subject to specific covenants, including liens, mergers, the consolidation or sale of assets and sale and leaseback, with certain baskets and exceptions (See note 7.1.5).

The bond indenture specifically includes a change-of-control clause that could trigger mandatory early redemption of the bonds at the request of each bondholder in the event of a change of control of Vallourec (in favor of a person or a group of people acting in concert) leading to a downgrade of its credit rating. The agreement also stipulates that the entire debt will be immediately due and payable if the Group defaults on one of its debt obligations (cross default), or in case of a major event impacting the Group's business or financial position and/or its ability to repay its debt.

Additionally, the Issuer has the option to redeem the Notes prior to April 15, 2027, at 100% of the principal amount plus a "make whole" premium. After April 15, 2027, redemption can occur at specified prices. Annually, up to 10% of the original principal amount can be redeemed at a 103% premium, and up to 40% can be redeemed using equity offering proceeds before April 15, 2027.

For information, the fair value (mark-to-market) of this bond was €826 million as of December 31, 2024.

7.1.2 BANK BORROWINGS

Bank borrowings consist mainly of drawdowns on the State-guaranteed loans granted to Vallourec S.A. for €176 million (see Note 7.1.5).

7.1.3 OTHER BORROWINGS

Other financial liabilities primarily correspond to an ACC (Advance on Exchange Contract) and ACE (Advance on Deposits) program in Brazil.

The ACC and ACE program was arranged in relation to Vallourec Soluções Tubulares do Brasil and is used to finance its export operating requirements. As of December 31, 2024, this program represented €39 million.

7.1.4 BREAKDOWN BY CURRENCY, INTEREST RATE AND MATURITY OF LOANS AND OTHER BORROWINGS

Debt by currency

	12/31/2023	%	12/31/2024	%
USD	45,476	3%	803,120	73%
EUR	1,410,809	96%	284,358	26%
BRL	14,043	1%	15,449	1%
Other	—	—%	—	—%
TOTAL	**1,470,328**	**100%**	**1,102,927**	**100%**

Breakdown by maturity of loans and other borrowings

	12/31/2023	12/31/2024
<3 months	46,851	91,871
>3 months and <1 year	75,346	48,687
>1 year	4,136	2,262
>2 years	1,106,955	178,982
>3 years	230,158	2,113
>4 years	1,709	1,885
5 years and beyond	5,173	777,127
TOTAL	**1,470,328**	**1,102,927**

Debt by interest rate

	12/31/2023	%	12/31/2024	%
Fixed rate	1,459,609	99%	1,025,071	93%
Variable rate	10,719	1%	77,856	7%
TOTAL	**1,470,328**	**100%**	**1,102,927**	**100%**

The variable rate portion corresponds mainly to a short-term bank overdraft at December 31, 2024.

7.1.5 CREDIT FACILITIES AND COVENANTS

Vallourec S.A. credit facilities

In millions of currency units	Currency	Initial nominal amount	Drawn amount	Maturity	Available amount (in €m)
Asset-based Loan – November 2022 [(a)]	USD	350	—	April 1	224
Revolving credit facility – April 2024	EUR	550	—	April 1	550
TOTAL					**774**

(a) In April 2024, Vallourec upsized and extended its Asset Based Loan facility to 350m USD and for 5 years. As of December 31, 2024 approximately 9.5m USD of letters of credit was outstanding under this facility. Availability under this facility not to exceed the applicable borrowing base.

A change of control at Vallourec could trigger the repayment and cancellation of all or part of its €550 million committed credit facility, the US "asset-based" credit facility and its State-guaranteed loans ("the credit"), as decided by each participating bank. The agreements also stipulate that the entire credit will be immediately due and payable if the Group defaults on one of its debt obligations (cross default), or in case of a major event impacting the Group's business or financial position and/or its ability to repay its debt.

The €550 million committed credit facility (the "RCF") includes a banking covenant stipulating that Vallourec's gearing ratio must not exceed 100%. The gearing ratio is defined as the ratio of consolidated net debt (including financial lease debt) to consolidated equity, adjusted for gains and losses on derivatives and foreign currency translation differences (exchange differences on translating net assets of consolidated foreign subsidiaries). As of december 31, 2024 Vallourec complies with the covenants.

The debt covenant ("banking covenant") will be tested on a trailing 12-month basis on June 30, and December 31, of each year, with the first test scheduled for end-June 2024. The Group complied with the banking covenant as of December 31, 2024. A breach of the banking covenant could trigger the mandatory early repayment and cancellation of the credit facility and redemption of the bonds.

At inception, Vallourec SA's RCF is guaranteed by its US subsidiaries, Vallourec Soluções Tubulares do Brasil SA and Vallourec Tubos do Brasil Ltda. Thereafter, on a yearly basis, Vallourec must ensure that the RCF is secured by subsidiaries incorporated in France, Brazil and the United States (i) representing not less than 80% of the Group's total assets in these jurisdictions and (ii) whose total assets have a book value representing 5% or more of the Group's total assets. The RCF is also secured by share pledges over equity covering certain subsidiaries, security over material bank accounts and significant intercompany loans of Vallourec SA, and by standard crossing-lien arrangements with the asset-backed lending facility (ABL).

Credit facility set up for certain US subsidiaries

In April 2024, as part of the Group's refinancing, the USD 210 million committed "asset-based" credit facility initially granted on November 7, 2022 by leading international banks to certain US subsidiaries of the Vallourec Group – Vallourec Star, VAM USA and Vallourec USA (all three are wholly and indirectly owned by Vallourec S.A) – was upsized to USD 350 million and extended for 5 years to April 2029. This credit facility can also be used in the form of letters of credit up to a maximum aggregate amount of USD 20 million.

This "asset-based" credit facility is notably secured by inventories and trade receivables held by the US companies. Vallourec S.A. also provides a parent company guarantee to the lenders.

As of December 31, 2024, USD 9.5 million of this facility had been used (USD 9 million as of December 31, 2023), exclusively in the form of letters of credit. However, no drawdowns had been made for financing purposes.

7.1.6 NET FINANCIAL INCOME (LOSS)

Net interest expense consists of interests on debt, borrowings net of income from cash and cash equivalents, hereafter referred as Income from marketable securities and Proceeds from disposals of marketable securities.

Income from securities, loans and receivables mainly includes income received from participating interests.

	2023	2024
INTEREST INCOME		
Income from marketable securities	11,676	13,578
Proceeds from disposals of marketable securities	17,807	20,994
Total	**29,483**	**34,572**
Interest expense	**(117,699)**	**(13,891)**
Net interest expense	**(88,216)**	**20,681**
OTHER FINANCIAL INCOME AND EXPENSES		
Income from securities, loans and receivables	729	1,817
Exchange (losses) and gains and impact of contango/backwardation	(24,564)	(25,561)
Additions to provisions, net of reversals	(194)	2,472
Other financial income and expenses	59,238	3,684
Total	**35,209**	**(17,588)**
INTEREST EXPENSES ON LEASES	**(8,321)**	**(10,188)**
OTHER DISCOUNTING EXPENSES		
Financial expense on discounting pension obligations	(4,556)	(3,801)
Financial income on discounting assets and liabilities	(205)	(36)
Total	**(4,761)**	**(3,837)**
NET FINANCIAL INCOME (LOSS)	**(66,089)**	**(10,932)**

In April 2024, Vallourec's balance sheet refinancing had a net positive impact of approximately €70 million mainly related to the reversal of fair value accounting on the 2026 senior notes and State-guaranteed loan (PGE), of which €44 million impacted interest income. In Q4 2024, Vallourec decided to retain the remaining portion of the PGE until its original maturity in 2027, leading to a partial reversal of these effects.

The net financial income of 2024 is a loss of €11 million compared with a loss of €66 million for 2023. The main impact is in Net interest expense with a profit of €21 million in 2024, mainly driven by Vallourec refinancing in April 2024 leading to the reversal of the fair value accounting on the €1,023 million 8.5% senior notes due in 2026 and the adjustment of the fair value of the State-guaranteed loan.

As a reminder, in 2023 the addition to provisions for financial risks mainly covers the impairment recognized against the financial receivable owed by Vallourec Umbilicals.

7.1.7 RECONCILIATION WITH FINANCIAL LIABILITIES IN THE STATEMENT OF CASH FLOWS

	12/31/2023	Translation difference	Proceeds from new borrowings	Repayments of borrowings	Financial restructuring	Current/ non-current reclassifications and other	12/31/2024
Non-current financial liabilities	1,348,132	(2,391)	754,454	(1,088,411)	—	(49,687)	962,097
Current financial liabilities	122,197	(11,552)	3,396	(43,127)	—	69,915	140,830
Financial liabilities (1)	**1,470,329**	**(13,943)**	**757,850**	**(1,131,538)**	**—**	**20,228**	**1,102,927**
Impact of hedging instruments and other (2)			**—**	**(3,986)**			
TOTAL (1) + (2)			**757,850**	**(1,135,524)**			
Change in financial liabilities in the statement of cash flows			757,850	(1,135,524)			

	12/31/2022	Translation difference	Proceeds from new borrowings	Repayments of borrowings	Financial restructuring	Current/ non-current reclassifications and other	12/31/2023
Non-current financial liabilities	1,367,194	706	(4,957)	(5,920)	—	(8,892)	1,348,131
Current financial liabilities	314,127	27,014	14,285	(203,941)	—	(29,288)	122,197
Financial liabilities (1)	**1,681,321**	**27,720**	**9,328**	**(209,861)**	**—**	**(38,180)**	**1,470,328**
Impact of hedging instruments and other (2)	—	—	(5,784)	—	—	—	—
TOTAL (1) + (2)	**—**	**—**	**3,544**	**(209,861)**	**—**	**—**	**—**
Change in financial liabilities in the statement of cash flows	—	—	3,544	(209,861)	—	—	—

Cash inflows and outflows related to financial liabilities in 2024 and 2023 mainly concerned drawdowns and repayments of short-term credit lines such as the ACC ACE lines (Note 7.1.3).

7.1.8 Reconciliation of net cash in the statements of cash flows and financial position – December 31, 2023 and 2024

In € thousands	Notes	12/31/2023	Change	Forex impact	12/31/2024
Cash and cash equivalents (1)	7.1	899,948	230,548	(27,220)	1,103,276
Short-term bank facilities (2)	7.1	1,733	75,270	0	77,003
NET CASH (3) = (1) – (2)		**898,215**	**155,278**	**(27,220)**	**1,026,273**

In € thousands	12/31/2022	Change	Forex impact	12/31/2023
Cash and cash equivalents (1)	551,603	351,101	(2,756)	899,948
Short-term bank facilities (2)	4,815	(3,077)	(5)	1,733
NET CASH (3) = (1) – (2)	**546,788**	**354,178**	**(2,751)**	**898,215**

7.1.9 FINANCIAL OFF-BALANCE SHEET COMMITMENTS

Financial off-balance sheet commitments received amounted to €286 million as of December 31, 2024, compared with €277 million as of December 31, 2023, and primarily correspond to guarantees issued by financial institutions. These market guarantees and letters of credit mentioned below consist mainly of performance guarantees, advance payment guarantees or bid bonds in connection with Vallourec commercial activity.

	12/31/2023	12/31/2024	<1 year	1 to 5 years	>5 years
Market guarantees and letters of credit given	276,848	285,663	159,251	113,291	13,121
TOTAL	**276,848**	**285,663**	**159,251**	**113,291**	**13,121**

7.2 Other financial liabilities

Other financial liabilities consist primarily of lease liabilities and derivatives (see note 7.4.3 for a description of the related accounting principles).

At the inception of a lease, a lease liability is recognized in an amount equal to the present value of the lease payments over the term of the lease. The amounts included in measuring the lease liability are:

- fixed lease payments (including in-substance fixed payments);
- variable lease payments that depend on a rate or an index, initially measured using the rate or index at lease inception;
- payments to be made by the lessee under residual value guarantees;
- penalties to be paid for terminating or not renewing the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

Discount rates are calculated individually over the ultimate term of the lease.

Lease liabilities are increased by interest expense as determined by applying the discount rate to the liabilities at the start of the period, less any payments made.

	12/31/2023			12/31/2024		
	Total	Non-current	Current	Total	Non-current	Current
Lease liabilities	56,435	39,742	16,693	67,327	40,981	26,346
Other financial liabilities	—	—	—	7,431	7,431	—
Derivatives	155,157	76,000	79,157	215,799	84,000	131,799
TOTAL	**211,592**	**115,742**	**95,850**	**290,557**	**132,412**	**158,145**

As described in the note 2.6 “Asset disposals, restructuring and non-recurring items of the period”, Vallourec accounted for €132 million negative fair value related to the HKM supply contract. This was accounted for as a derivative, corresponding to Vallourec’s best estimate of the present value of the expected cash flows related to the execution of this contract until its termination at the end of 2028.

It also includes fair value of hedging derivatives as described note 7.4.3 "Hedge accounting”.

MATURITY SCHEDULE

	>1 year	>2 years	>3 years	>4 years	>5 years	Total
Lease liabilities	20,719	9,474	4,110	2,568	4,113	40,981

7.3 Other financial assets

	12/31/2023			12/31/2024		
	Total	Non-current	Current	Total	Non-current	Current
Loans	2,877	2,823	54	1,897	1,666	231
Security deposits	66,218	54,018	12,200	40,137	32,875	7,262
Derivatives	46,660	—	46,660	56,965	20,931	36,034
Investments in subsidiaries and others	17,434	17,355	79	15,183	15,183	—
TOTAL	**133,189**	**74,196**	**58,993**	**114,182**	**70,655**	**43,527**

7.4 Financial instruments

7.4.1 FINANCIAL ASSET AND LIABILITY ACCOUNTING MODEL

Financial assets include:

- non-current financial assets: other equity interests and associated receivables, construction participation loans, and guarantees;
- current financial assets, including trade and other operating receivables, short-term derivative instruments and cash and cash equivalents (marketable securities).

Initial measurement

Non-derivative financial assets are initially measured at fair value plus transaction costs on the transaction date, except for financial assets measured at fair value through profit or loss.

In most cases, fair value on the transaction date represents the historical cost, (i.e., the acquisition cost of the asset).

Classification and measurement at the end of each reporting period

Financial assets (excluding hedging derivatives) are classified according to IFRS 9 in one of the following three categories:

- financial assets at amortized cost;
- financial assets at fair value through other comprehensive income;
- financial assets at fair value through profit or loss.

Classification is based on:

- the Group's business model for managing the financial asset;
- the contractual cash flow characteristics of the financial asset.

Financial assets at amortized cost

These financial assets meet the following two conditions:

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows;
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

In the Group, this category includes:

- receivables associated with participating interests, long-term loans and construction participation loans;
- trade and other operating receivables.

The amortized cost of short-term receivables such as trade receivables is usually equal to their historical cost.

Loans to employees are measured using the effective interest rate method applied to estimated future cash flows until the maturity dates of the loans.

Financial assets at fair value through other comprehensive income

This concerns the following financial assets:

1. Instruments resulting in cash flows that correspond solely to payments of principal and interest on the principal amount outstanding (SPPI instruments) and which are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

   This line item essentially includes bonds and futures.

   When a financial asset is derecognized, the cumulative loss or gain that was previously recorded under other comprehensive income (loss) is reclassified from equity to the income statement.

   Interest as calculated according to the amortized cost method along with impairment losses are recorded in the income statement.

2. Equity instruments classified as fair value through other comprehensive income using the fair value option.

   Changes in the fair value of such instruments are recorded directly in equity and may not be recycled to income. Interest as calculated according to the amortized cost method along with impairment losses are recorded in the income statement.

In the Group, the main assets in this category are investments in equity instruments, generally:

- unlisted shares whose fair value cannot be reliably estimated. These are recorded at cost and tested for impairment at the end of each reporting period;
- listed shares which are measured at their fair value at the reporting date. This fair value is determined based on the stock market price at the reporting date.

Financial assets at fair value through profit or loss

This category includes financial assets that are not measured at amortized cost or through other comprehensive income.

They are primarily certain cash assets (marketable securities, cash and cash equivalents, etc.) and derivatives with a positive fair value that have not been expressly designated as hedging instruments (security deposits and guarantees).

These cash assets are measured at fair value at the reporting date, and changes in fair value are recognized in net financial income (loss). Accordingly, they are not tested for impairment. Fair value is determined mainly by reference to market quotations.

Impairment assessment model for financial assets

At initial recognition, financial assets at amortized cost and at fair value through other comprehensive income (debt instruments) are written down according to the credit losses expected over the life of the asset. At each reporting date, the Group assesses whether there has been a significant increase in the credit risk associated with a financial instrument since initial recognition. This assessment is based on the change in credit risk over the expected term of the financial instrument.

Vallourec uses several criteria to determine whether the credit risk has increased, including the counterparty credit rating and an assessment of the level of risk.

The amounts recognized in the statement of financial position are based on the measurement methods used for each financial instrument.

12/31/2024	Amortized cost	Fair value through profit or loss	Fair value through other comprehensive income	Fair value of hedging instruments	Total	Fair value
ASSETS						
Trade and other receivables	669,019	—	—	—	669,019	669,019
Other current and non-current financial assets	41,870	—	15,347	56,965	114,182	114,182
Other current and non-current assets	305,004	—	—	—	305,004	305,004
Cash and cash equivalents	—	1,103,276	—	—	1,103,276	1,103,276
Total financial assets	**1,015,893**	**1,103,276**	**15,347**	**56,965**	**2,191,481**	**2,191,481**
Total non-financial assets	**—**	**—**	**—**	**—**	**3,339,554**	**3,339,554**
TOTAL ASSETS	**—**	**—**	**—**	**—**	**5,531,035**	**5,531,035**
LIABILITIES	—	—	—	—	—	—
Borrowings	1,102,927	—	—	—	1,102,927	1,139,747
Trade payables	795,045	—	—	—	795,045	795,045
Other current and non-current financial liabilities	74,758	132,000	—	83,799	290,557	290,557
Other current and non-current liabilities	352,528	—	—	—	352,528	352,531
Total financial liabilities	**2,325,258**	**132,000**	**—**	**83,799**	**2,541,057**	**2,577,881**
Total non-financial liabilities	**—**	**—**	**—**	**—**	**2,989,978**	**2,989,975**
TOTAL LIABILITIES	**—**	**—**	**—**	**—**	**5,531,035**	**5,567,856**

12/31/2023	Amortized cost	Fair value through profit or loss	Fair value through other comprehensive income	Fair value of hedging instruments	Total	Fair value
ASSETS						
Trade and other receivables	739,988	—	—	—	739,988	739,988
Other current and non-current financial assets	68,996	—	17,533	46,660	133,189	133,189
Other current and non-current assets	324,861	—	—	—	324,861	324,861
Cash and cash equivalents	—	899,948	—	—	899,948	899,948
Total financial assets	**1,133,845**	**899,948**	**17,533**	**46,660**	**2,097,986**	**2,097,986**
Total non-financial assets	**—**	**—**	**—**	**—**	**3,615,266**	**3,615,266**
TOTAL ASSETS	**—**	**—**	**—**	**—**	**5,713,252**	**5,713,252**
LIABILITIES						
Borrowings	1,470,328	—	—	—	1,470,328	1,401,104
Trade payables	762,508	—	—	—	762,508	762,508
Other current and non-current financial liabilities	56,435	127,000	—	28,157	211,592	211,592
Other current and non-current liabilities	409,517	—	—	—	409,517	409,517
Total financial liabilities	**2,698,788**	**127,000**	**—**	**28,157**	**2,853,945**	**2,784,721**
Total non-financial liabilities	**—**	**—**	**—**	**—**	**2,859,307**	**2,859,307**
TOTAL LIABILITIES	**—**	**—**	**—**	**—**	**5,713,252**	**5,644,028**

7.4.2 FAIR VALUE HIERARCHY

Financial instruments measured at fair value are classified by category on the basis of their measurement method. Fair value is measured as follows:

- level 1: on the basis of prices quoted on an active market;
- level 2: on the basis of observable financial market inputs other than quoted prices (yield curve, forward prices, etc.);
- level 3: on the basis of an internal model using unobservable inputs.

	12/31/2023			12/31/2024		
	Carrying amount	Fair value	Level	Carrying amount	Fair value	Level
ASSETS						
Other current and non-current financial assets (other investments in equity instruments)	17,533	17,533	2	15,347	15,347	2
Other current and non-current financial assets (derivative instruments)	46,660	46,660	2	56,965	56,965	2
Cash and cash equivalents	899,948	899,948	1	1,103,276	1,103,276	1
LIABILITIES						
Other current and non-current financial liabilities (derivative instruments)	127,000	127,000	3	132,000	132,000	3
Other current and non-current financial liabilities (derivative instruments)	28,157	28,157	2	83,799	83,799	2

The Other current and non-current financial liabilities (derivative instruments) categorized as level 3 corresponds to the fair value of the derivative related to the HKM contract for a amount of €132 million as of December 31, 2024.This amount corresponds to Vallourec’s best estimate of the present fair value of the expected cash flows resulting from the execution of this contract over the residual period until the end of 2028. The estimated fair value of these expected losses is regularly revised until the effective end of the supply agreement, to take into consideration the market conditions prevailing at that time, together with the developments in the trading business model. In accordance with IFRS 9, this supply agreement has therefore been treated as a derivative in Vallourec’s financial statements (see notes 4.2 and 7.4).

7.4.3 HEDGE ACCOUNTING

The measurement and recognition of financial instruments are governed by IFRS 9.

Group exposure to foreign exchange risk on commercial transactions

In addition to the hedging of certain financial liabilities, the Group enters into hedging contracts mainly to manage its exposure to foreign exchange risks arising from orders taken and sales made by certain subsidiaries in currencies other than their functional currency. In particular, a significant portion of Vallourec's revenue is invoiced by European companies in US dollars. Fluctuations in the EUR/USD exchange rate may therefore affect the Group's operating margin.

The Group manages its exposure to foreign exchange risk by setting up hedges based on regularly updated forecasts of customer orders. Operating receivables and revenue that will be generated by the orders are therefore hedged by financial instruments, mainly forward currency sales.

To a lesser extent, the Group also enters into forward currency purchases to hedge its foreign currency purchase commitments.

Measurement and presentation of derivatives

Changes in the value of derivatives since they were initially put in place are measured at each reporting date.

The fair value of forward currency contracts is calculated on the basis of market data and conditions. Since they hedge commercial transactions, these derivatives are presented on the statement of financial position under current assets and current liabilities.

Hedge accounting

Hedges of commercial transactions fall within the category of cash flow hedges.

The Group applies hedge accounting in strict compliance with the criteria of IFRS 9:

- documentation of the hedging relationship: nature of the underlying hedged item, term of the hedge, hedging instrument used, spot rate of the hedge, forward points, etc.; and
- in the case of cash flow hedges, an effectiveness test is carried out at hedge inception and at least at each quarter-end.

Hedge accounting within the Group is organized as follows:

- at the reporting date, changes in the hedging instrument since inception are measured at fair value and recognized in the statement of financial position as derivatives with a positive or negative fair value;
- the currency impact (difference between the spot rate on the date the hedge is set up and the spot rate at the measurement date, i.e., the period-end) is presented separately.

If the hedge is effective, and as long as the hedged revenue (or purchase) is not recognized, the change in the fair value of the hedging instrument attributable to the currency impact is recognized under other comprehensive income in accordance with the principles of cash flow hedge accounting.

If the hedge is ineffective (a rare occurrence, given the procedures introduced by the Group), the change in the fair value of the hedging instrument attributable to the currency impact is recognized in the income statement, under net financial income or loss.

Change in the fair value of the hedging instrument attributable to the interest rate impact (premium/discount)

The Group has chosen to recognize this change in net financial income or loss, since this component is not included in the hedging relationship.

The revenue (purchase) corresponding to the sales forecasts (purchase orders) hedged is recognized at the spot rate at hedge inception. The trade receivable (trade payable) is initially recognized at the same spot rate.

At the end of each reporting period, hedged foreign currency trade receivables and payables are recognized and measured at the exchange rate applicable on the reporting date. The difference between that rate and the rate used on initial recognition (spot rate at hedge inception) or the rate applicable on the last reporting date constitutes an exchange gain or loss which is recognized in net financial income or loss for the period.

Once the hedged item (foreign currency receivable or payable) is recorded on the statement of financial position, the change in the fair value of the hedging instrument attributable to the currency impact and previously recognized in equity is recorded in net financial income or loss. This change in fair value from OCI to financial income and the reevaluation of the hedged item (foreign currency receivable or payable) have a symmetrical impact.

During 2024, the Group did not make any significant changes to the classification of financial instruments, and there were no significant transfers between different levels of the fair value hierarchy.

In April 2024, Vallourec entered into a 4-year cross-currency swap to hedge Vallourec's currency exposure related to its USD 820 million Senior Notes with a euro-equivalent coupon of approximately 5.8%.

As of December 31, 2024, hedging instruments had a net negative fair value of €26.8 million, versus a net positive fair value of €18.5 million as of December 31, 2023.

Fluctuations in the euro against the US dollar in 2024 account for most of the negative €23.0 million change in the currency impact of hedges of forecast sales and purchases in foreign currencies.

Financial instruments of a speculative nature remain exceptional and are only entered into when a hedging relationship is ineffective under the terms of IFRS 9. Changes in the fair value of these instruments do not have a material impact on foreign exchange gains or losses.

	Accounting classfication	OCI reserves [(a)]	12/31/2024	12/31/2023
Currency hedging instruments on commercial transactions	Cash flow hedge	(23,004)	(18,970)	4,034
Currency hedging instruments on commercial transactions	Fair value hedge	(139)	(11,128)	6,990
Currency hedging instruments on financial transactions	Cash flow hedge	(8,200)	(8,200)	
Currency hedging instruments on financial transactions	Fair value hedge	—	11,340	7,357
Hedging instruments set up in the context of employee share ownership plans	Fair value hedge	2	126	122
Sub-total derivatives		**(31,341)**	**(26,833)**	**18,503**
of which derivatives – positive fair value		—	*56,965*	*46,660*
of which derivatives – negative fair value		—	*(83,799)*	*(28,157)*
Receivables (payables) used for commercial hedges	*Cash flow hedge*	*(33,253)*	*(31,012)*	*2,240*
Receivables (payables) used for commercial hedges	Fair value hedge	—	(20,259)	126,950
TOTAL		**(64,594)**	**(78,105)**	**147,693**

(a) Assets and liabilities presented in this table are offset: + = positive fair value, () = negative fair value.

The change in the fair value of commercial financial instruments hedging foreign exchange risk, which affected equity as of December 31, 2023, was a positive €4.0 million. In 2024, around 116% of the negative change in fair value associated with the order book and commercial tenders at the end of 2023 was transferred from equity to the income statement, under "Group translation gain/loss". This amount represents the impact of the changes in the fair value of foreign exchange hedges on the order book and commercial tenders as of December 31, 2023, which were fully or partially unwound or converted into receivables during 2024.

This impact corresponds mainly to hedges of US dollar receivables.

	Accounting classfication	OCI reserves [(a)]	12/31/2023	12/31/2022
Currency hedging instruments on commercial transactions	Cash flow hedge	5,487	4,034	(1,454)
Currency hedging instruments on commercial transactions	Fair value hedge	302	6,990	(2,250)
Currency hedging instruments on financial transactions	Fair value hedge	—	7,357	1,573
Hedging instruments set up in the context of employee share ownership plans	Fair value hedge	(5)	122	342
Sub-total derivatives		**5,784**	**18,503**	**(1,789)**
of which derivatives – positive fair value		—	*46,660*	*33,731*
of which derivatives – negative fair value		—	*(28,157)*	*(35,522)*
Receivables (payables) used for commercial hedges	Cash flow hedge	6,630	2,240	(4,390)
Receivables (payables) used for commercial hedges	Fair value hedge	—	126,950	(785)
TOTAL		**12,414**	**147,693**	**(6,964)**

(a) Assets and liabilities presented in this table are offset: + = positive fair value, () = negative fair value.

The change in the fair value of financial instruments hedging foreign exchange risk, which affected OCI as of December 31, 2022, was a negative €1.6 million. In 2023, around -374% of the negative change in fair value associated with the order book and commercial tenders at the end of 2021 was transferred from OCI reserve to the income statement, under "Group translation gain/loss". This amount represents the impact of the changes in the fair value of foreign exchange hedges on the order book and commercial tenders as of December 31, 2022, which were fully or partially unwound or converted into receivables during 2023.

7.4.4 FINANCIAL RISK MANAGEMENT

Market risk is comprised of interest rate, foreign exchange (translation and transaction risk), liquidity, credit and equity risk.

Foreign currency translation risk

The assets, liabilities, income and expenses of the Group's subsidiaries are expressed in various currencies. The Group's financial statements are presented in euros. The assets, liabilities, income and expenses denominated in currencies other than the euro have to be translated into euros at the applicable rate so that they can be consolidated.

If the euro rises (or falls) against another currency, the value in euros of the various assets, liabilities, income and expenses initially recognized in that other currency will fall (or rise). Therefore, changes in the value of the euro may have an impact on the euro value of assets, liabilities, income and expenses not denominated in euros, even if the value of these items in their original currency has not changed.

In 2024, a large portion of net income Group share was generated by subsidiaries that prepare their financial statements in currencies other than the euro (mainly in US dollars and Brazilian real). A 10% increase in exchange rates would have decreased net income Group share by around €35 million.

In addition, the Group's sensitivity to long-term foreign exchange rate risk is reflected by previous changes in the foreign currency translation reserves deducted from equity (€850 million negative impact as of December 31, 2024) which, in recent years, were mainly attributable to changes in the US dollar and Brazilian real.

Foreign currency translation reserves are detailed in note 6.1.

Liquidity risk

The Group's financial resources include financing with banks and on the capital markets.

The vast majority of bank financing was arranged in Europe through Vallourec SA, and to a lesser extent through the Group's subsidiaries in Brazil and in the United States.

USD 820 million 7.5% senior notes

Vallourec SA's 8-year USD 820 million 7.5% senior notes have a non-call period of 3 years. They are guaranteed by the same subsidiaries that guarantee the revolving credit facility (RCF). The notes are subject to certain covenants, notably on liens, mergers, the consolidation or sale of assets and sale and leasebacks, with certain baskets and exceptions.

The bond indenture specifically includes a change-of-control clause that could trigger mandatory early redemption of the bonds at the request of each bondholder in the event of a change of control of Vallourec (in favor of a person or a group of people acting in concert) leading to a downgrade of its credit rating. The agreement also stipulates that the entire debt will be immediately due and payable if the Group defaults on one of its debt obligations (cross default), or in case of a major event with consequences for the Group's business or financial position and/or its ability to repay its debt.

€550 million multi-currency revolving credit facility

At inception, Vallourec SA's RCF is guaranteed by its US subsidiaries, Vallourec Soluções Tubulares do Brasil SA and Vallourec Tubos do Brasil Ltda. Thereafter, on a yearly basis, Vallourec must ensure that the RCF is secured by subsidiaries incorporated in France, Brazil and the United States (i) representing not less than 80% of the Group's total assets in these jurisdictions and (ii) whose total assets have a book value representing 5% or more of the Group's total assets.

The RCF is also secured by share pledges over equity covering certain subsidiaries, security over material bank accounts and significant intercompany loans of Vallourec SA, and by standard crossing-lien arrangements with the asset-backed lending facility (ABL).

It also includes a banking covenant stipulating that Vallourec's gearing ratio must not exceed 100%. The gearing ratio is defined as the ratio of consolidated net debt (including lease liabilities) to consolidated equity, adjusted for gains and losses on derivatives and foreign currency translation differences (exchange differences on translating net assets of consolidated foreign subsidiaries).

Additionally, upon the occurrence of a change of control, each lender is entitled to demand the repayment of any outstanding amounts and the cancellation of its commitments within a prescribed time period. The agreement also stipulates that the entire debt will be immediately due and payable if the Group defaults on one of its debt obligations (cross default), or in case of a major event with consequences for the Group's business or financial position and/or its ability to repay its debt.

USD 350 million asset-backed lending facility (ABL)

The upsized and extended ABL is notably secured by inventories and trade receivables held by the US companies. Vallourec SA also provides a parent company guarantee to the lenders.

This facility also includes a change of control clause.

€194 million state-guaranteed loans ("PGE"))

In 2021, Vallourec set up State-guaranteed loans ("PGE") for a total nominal drawn amount of €262 million. The initial maturity of the State-guaranteed loans was June 30, 2022, but Vallourec had an option to extend them to June 30, 2027. Vallourec exercised this extension option and the State-guaranteed loans now have a maturity date of June 30, 2027.

It includes a change of control clause that could trigger repayment of all or part of the credit facility or State-guaranteed loans, as decided by each participating bank. The agreement also stipulates that the entire debt will be immediately due and payable if the Group defaults on one of its debt obligations (cross default), or in case of a major event with consequences for the Group's business or financial position and/or its ability to repay its debt.

In April 2024, as part of its refinancing, Vallourec repaid about €68 million of this loan. Consequently, as of December 31, 2024, the outstanding amount of the PGE is €194 million.

€1 billion commercial paper program

Vallourec S.A. launched a commercial paper program on October 12, 2011 to meet its short-term needs. The program has a €1 billion ceiling.

As of December 31, 2024, Vallourec S.A. had no outstanding commercial paper. This commercial paper program has a short-term rating of B from Standard & Poor's.

Breakdown by maturity of loans and other borrowings

	2025	2026	2027	2028	More than 5 years	Total
Bonds	59,197	59,197	59,197	59,197	978,552	1,215,341
Commercial papers						
Bank borrowings	3,931	3,888	185,969	—	—	193,788
Other borrowings	65,993	2,432	2,963	1,992	7,967	81,347
Short-term bank facilities	76,807					76,807
TOTAL	**205,928**	**65,517**	**248,129**	**61,189**	**986,519**	**1,567,283**

Transaction risk

The Group is subject to foreign exchange risks owing to its exposure to the sale and purchase transactions entered into by some of its subsidiaries in currencies other than their functional currency.

The main foreign currency concerned is the US dollar (USD), since a significant portion of the Group's transactions (approximately 33% of consolidated revenue in 2024) is invoiced in US dollars by companies whose functional currency is not the US dollar.

Exchange rate fluctuations between the euro, the Brazilian real (BRL) and the US dollar may therefore affect the Group's operating margin. However, the impact of such fluctuations is very difficult to quantify for two reasons:

1. there is an adjustment mechanism on sales prices denominated in US dollars which is related to market conditions in the various industries in which Vallourec operates;
2. certain sales and purchases are influenced by the price of the US dollar, even though they are denominated in euros or Brazilian real. They are therefore indirectly, and at some point in the future, affected by movements in the US currency.

The Group actively manages its exposure to foreign exchange risk to reduce the sensitivity of its earnings to currency fluctuations. Forex exposure is managed by setting up hedges as soon as orders are placed and sometimes when a quotation is given.

Orders, receivables, payables and operating cash flows are hedged using financial instruments, mainly forward purchases and sales.

Order cancellations could therefore result in the cancellation of existing hedges, leading to the recognition in the consolidated income statement of gains and losses with regard to these canceled hedges.

We estimate that a 10% rise or fall in the currencies used in all hedges arranged by the Group would result in a €68.5 million decrease or increase in the currency impact recognized in consolidated equity as of December 31, 2024. Most of these amounts would be due to changes in the US dollar against the euro.

To be eligible for hedge accounting as defined under IFRS 9, the Group has developed cash management and invoicing systems to facilitate the traceability of hedged transactions throughout the term of the hedging instruments.

As of December 31, 2024, forward foreign exchange contracts hedging purchases and sales denominated in foreign currencies concerned the following amounts:

Hedging contracts with regard to commercial transactions – Foreign exchange risk	12/31/2023	12/31/2024
Forward exchange contract – forward sales	1,535,526	1,007,819
Forward exchange contract – forward purchases	135,518	100,908
TOTAL	**1,671,044**	**1,108,727**

Contract maturities as of December 31, 2024

Contracts on commercial transactions	Total	<1 year	1 to 5 years	>5 years
Forward exchange contract - forward sales	1,007,819	974,606	33,213	0
Forward exchange contract - forward purchases	100,908	100,908	0	0
TOTAL	**1,108,727**	**1,075,514**	**33,213**	**0**

In 2024, forward sales – corresponding mainly to sales of US dollars (€669 million out of €1,008 million) – were carried out at an average short and medium-term forward rate of EUR/USD 1,1 USD/CNY of 7.07 and USD/BRL of 5.57.

In 2024, as in 2023, the hedges entered into generally covered an average period of about 10 months and mainly hedged highly probable future transactions and foreign currency receivables.

In addition to hedges of commercial transactions, the Group has entered into hedging contracts for financial loans and receivables denominated in foreign currencies:

- forward purchases for USD 969.9 million (€925.3 million);
- forward sales for GBP 20.9 million (€25.1 million);
- forward purchases for RMB 1,456 million (€191.2 million);
- forward purchases for MXN 347.2 million (€16.1 million);
- forward sales for CAD 0.3 million (€0.2 million);
- forward sales for BRL 541.6 million (€82.1 million).

These instruments are intended to hedge either debt denominated in USD, or the foreign currency loans set up by the financial holding company Vallourec Tubes in the currency of the subsidiaries receiving them. The forward purchases and sales mature at various times in 2024, as and when the hedged loans and borrowings mature.

Vallourec entered into a 4-year cross-currency swap to hedge Vallourec's currency exposure related to its USD 820 million Senior Notes with a euro-equivalent coupon of approximately 5.8%;

Other than its foreign-currency-denominated borrowings, the Group does not hedge any of the other foreign currency assets and liabilities in its consolidated statement of financial position (foreign currency translation risks).

Interest rate risk

Management of medium- and long-term financing within the eurozone is centralized at Vallourec S.A.

The breakdown of debt between fixed and variable rates is presented in note 7.1.4.

Loans initially contracted at fixed rates primarily consist of the bonds issued by Vallourec S.A. (see note 7.1), and the State-guaranteed loans granted to Vallourec S.A.

Debt contracted at an interest rate higher than 6% corresponds to the million bond issue.

Debt initially contracted at a fixed rate of less than 3% relates to the €262 million State-guaranteed loan. As of December 31, 2024 the outstanding amount of the State-guaranteed loan amounts to €194.4 million.

As of December 31, 2024, borrowings exposed to changes in variable interest rates amounted to €78 million (around 7% of total gross debt).

Credit risks

The Group is subject to credit risk on unimpaired financial assets whose non-recovery could affect the Company's earnings and financial position.

The Group has identified four main types of receivables that have these characteristics:

- loans granted to Group employees as part of the 1% construction lending scheme;
- security deposits paid in connection with tax disputes and tax receivables due to the Group in Brazil;
- trade and other receivables;
- derivatives with a positive fair value.

1. Loans granted to Group employees as part of the 1% construction lending scheme: these loans do not expose the Group to any credit risk since the full amount of the loan is written off as soon as there is any delay in the collection of the amounts due. It should be noted that these loans are valued using the effective interest rate method applied to the cash flows expected through to maturity (contractual interest rates may be lower).
2. Security deposits and tax receivables due to the Group in Brazil: there is no specific risk in respect of these receivables even if the outcome of the disputes is unfavorable, since the risk has already been assessed and a provision recognized in respect of the related receivables; the funds have already been paid in full or in part.
3. Derivatives with a positive fair value: the Group only deals with highly-rated counterparties and the credit risk is therefore not considered to be significant.
4. Trade and other receivables: the Group's impairment policy is to recognize a provision for impairment whenever there is an indication of impairment. The impairment loss is equal to the difference between the carrying amount of the asset and the present value of expected future cash flows, taking into account the situation of the counterparty.

The Group considers that, as of December 31, 2024, there is no reason to assume that there is any risk in respect of unimpaired receivables which are less than 90 days past due. Unimpaired trade receivables more than 90 days past due amounted to €126 million as of December 31, 2024, or 19% of the Group's total net trade receivables.

The Group considers that the risk is limited given its existing customer risk management procedures, which include:

- the use of credit insurance and documentary credits;
- the long-standing nature of its commercial relations with its major customers;
- the collection policy for its trade receivables.

The Group remains subject to country risk, which could impact the payment of some of its receivables.

As of December 31, 2024, trade receivables not yet due amounted to €523 million, or 78% of total net trade receivables.

The maturities of these trade receivables are as follows in € thousands:

As at December 31, 2024	0 to 30 days	30 to 60 days	60 to 90 days	90 to 180 days	>180 days	Total
Gross	425,277	90,924	31,380	15,719	110,370	673,670
Impairment	(3,868)	0	(9,539)	0	(19,686)	(33,093)
Total net trade receivables	**421,409**	**90,924**	**21,841**	**15,719**	**90,684**	**640,577**
Advances and prepayments to suppliers						30,248
TOTAL TRADE AND OTHER RECEIVABLES						**670,825**

Equity risk

Treasury shares held by the Group are recognized at their acquisition cost as a deduction from equity. Proceeds from the sale of these shares are recognized directly as an increase in equity such that the corresponding disposal gains or losses do not affect consolidated net income (loss).

Treasury shares held by the Group as of December 31, 2024 include shares allocated for share awards to certain members of the Group's staff, executive management or corporate officers.

Vallourec does not hold any Treasury shares as of December 31, 2024.

To the best of its knowledge, the Group had no other exposure to equity risk as of December 31, 2024.

Note 8 • Employee benefits

The Group participates in the funding of supplementary retirement plans and other long-term employee benefits in accordance with obligations under law or usual practice. The Group offers these benefits by means of either defined contribution or defined benefit plans.

In the case of defined contribution plans, the Group's only obligation is the payment of premiums. Contributions paid into the plans are recognized as expenses for the period. Where applicable, provisions are recognized for outstanding contributions at the reporting date.

Provisions for employee benefits are recognized for retirement commitments and similar obligations arising from defined benefit plans and are measured based on an actuarial calculation performed at least once a year by independent actuaries. The projected unit credit method is applied as follows: each period of service creates an additional unit of benefit entitlement, and each of these units is measured separately to determine the Group's employee benefit obligations.

The calculations take into account the specific features of the various plans and assumptions as to the retirement date, career advancement, salary increases, as well as the probability of the employee still being employed by the Group at retirement age (turnover rates, mortality tables, etc.). The obligation is discounted based on the yield on long-term bonds of prime issuers.

Retirement commitments and similar obligations mainly relate to the Group's French subsidiaries and its subsidiaries in Germany, the United Kingdom, the United States and Brazil. Other employee and similar benefits for which the Group recognizes provisions are:

- in the case of French and foreign subsidiaries, benefits in connection with long-service awards;
- in the case of certain subsidiaries in the United States and Brazil, coverage of medical expenses. The obligation is presented in the statement of financial position, net of the fair value of plan assets, if any.

	Germany		France		United Kingdom		Other		Total	
	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024
Retirement benefits	202,798	197,462	13,119	14,313	69,065	61,708	85,728	72,736	370,710	346,219
Early retirement commitments	12,308	5,386	—	—	—	—	—	—	12,308	5,386
Long-service awards and medical benefits	2,767	1,775	764	934	—	—	3,651	3,149	7,182	5,858
Present value of the obligation	**217,873**	**204,623**	**13,883**	**15,247**	**69,065**	**61,708**	**89,379**	**75,885**	**390,200**	**357,463**
Fair value of plan assets	(153,738)	(152,661)	(81)	(108)	(86,313)	(80,144)	(48,029)	(49,980)	(288,161)	(282,893)
Reclassification	—		30	49	—		—	11	30	60
PROVISIONS	**64,135**	**51,962**	**13,832**	**15,188**	**(17,248)**	**(18,436)**	**41,350**	**25,916**	**102,069**	**74,630**

	Germany		France		United Kingdom		Other		Total	
Changes in the obligation	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024
As at 1 January	**221,761**	**217,873**	**14,835**	**13,883**	**66,057**	**69,065**	**85,615**	**89,379**	**388,268**	**390,200**
Current service cost	2,079	918	768	824	453	615	2,454	2,706	5,754	5,063
Interest cost	7,575	6,486	494	430	3,157	3,102	5,401	5,317	16,627	15,335
Employee contributions	—	—	—	—	—	—	—	—	—	—
Remeasurements	—	—	—	—	—	—	—	—	—	—
Experience adjustments	3,453	1,839	(314)	572	3,325	(2,860)	(179)	(775)	6,285	(1,224)
Actuarial gains and losses arising from changes in demographic assumptions	—	—	—	—	(1,799)	523	(504)	(676)	(2,303)	(153)
Actuarial gains and losses arising from changes in financial assumptions	8,247	(1,621)	600	(169)	937	(6,989)	2,719	(5,042)	12,503	(13,821)
Acquisitions/disposals	—		—		—		—		—	—
Benefit payments	(25,445)	(20,989)	(2,018)	(357)	(4,431)	(4,853)	(5,334)	(6,995)	(37,228)	(33,194)
Plan amendments	—	—	(12)	162	—	—	(194)	(8,212)	(206)	(8,050)
Foreign exchange differences	—	—	—	—	1,356	3,105	(702)	632	654	3,737
Other [a]	203	117	(470)	(97)	10		103	(449)	(154)	(429)
AS AT 31 DECEMBER	**217,873**	**204,623**	**13,883**	**15,248**	**69,065**	**61,708**	**89,379**	**75,885**	**390,200**	**357,464**

(a) Primarily relating to restructuring in Germany (increase in early retirement plan).

Changes in plan assets are as follows:

	Germany		France		United Kingdom		Other		Total	
	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024
Value of plan assets	**147,605**	**153,738**	**1,858**	**81**	**87,554**	**86,312**	**46,642**	**48,029**	**283,659**	**288,161**
Actual return on plan assets	14,714	5,923	36	26	952	(5,716)	5,209	3,048	20,911	3,281
Contributions	—		—		446	458	277	1,042	723	1,500
Benefits paid	(8,581)	(7,000)	(1,813)		(4,431)	(4,853)	(2,576)	(4,838)	(17,401)	(16,691)
Acquisitions, disposals, settlements	—		—		—	—	—	—	—	—
Foreign exchange differences	—		—	1	1,791	3,943	(1,523)	2,699	269	6,643
VALUE OF PLAN ASSETS	**153,738**	**152,661**	**81**	**108**	**86,312**	**80,144**	**48,029**	**49,980**	**288,161**	**282,894**

EXPENSE FOR THE YEAR

	Germany		France		United Kingdom		Other		Total	
	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024
Current service cost	2,079	918	768	824	453	615	2,454	2,706	5,754	5,063
Interest cost	7,575	6,486	494	430	3,157	3,102	5,401	5,317	16,627	15,335
Long-term return on plan assets	(5,388)	(4,843)	(68)	(3)	(4,203)	(3,896)	(2,319)	(2,375)	(11,978)	(11,117)
Net actuarial losses (+)/ gains (-) for the year	876	4	11	1	—	—	5	(538)	892	(533)
Past service cost	—	—	(12)	162	—	—	(194)	(8,212)	(206)	(8,050)
Gains/(losses) on plan curtailments or settlements	203	117	(465)	(102)	—	—	(68)	(239)	(330)	(224)
NET EXPENSE RECOGNIZED	**5,345**	**2,682**	**728**	**1,312**	**(593)**	**(179)**	**5,279**	**(3,341)**	**10,759**	**474**
ACTUAL RETURN ON PLAN ASSETS	**14,714**	**5,923**	**36**	**26**	**952**	**(5,716)**	**5,209**	**3,048**	**20,911**	**3,281**

Movements during the year in the net benefit obligation recognized on the statement of financial position were as follows:

	Germany		France		United Kingdom		Other		Total	
	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024
Net obligation/(surplus) at January 1	74,154	64,135	12,977	13,832	(21,397)	(17,248)	38,974	41,350	104,708	102,069
Total expenses for the year	5,345	2,683	728	1,312	(593)	(178)	5,279	(3,341)	10,759	476
Amount recognized in other comprehensive income – Remeasurement	1,499	(867)	305	377	5,623	286	(958)	(6,554)	6,469	(6,758)
Benefits or contributions to funds	(16,863)	(13,989)	(206)	(357)	(446)	(458)	(3,035)	(3,199)	(20,550)	(18,003)
Reclassification as assets/ liabilities held for sale	—	—	—	—	—	—	—	—	—	—
Foreign exchange differences	—	—	—	—	(435)	(838)	821	(2,340)	385	(3,178)
Changes in scope and other	**—**	**—**	**28**	**24**	**—**	**—**	**269**	**—**	**297**	**24**
NET OBLIGATION/(SURPLUS) AT DECEMBER 31	**64,135**	**51,962**	**13,832**	**15,188**	**(17,248)**	**(18,436)**	**41,350**	**25,916**	**102,069**	**74,630**

The main actuarial assumptions used for the measurement of post-employment benefit obligations, taking account of the duration of the plans, are as follows:

Main actuarial assumptions	Germany	France	United Kingdom	Other
AS AT DECEMBER 31, 2023				
Discount rate	3.15%	3.15%	4.50%	from 4.56% to 9.35%
Expected return on plan assets	3.15%	3.15%	4.50%	from 0% to 9.42%
Salary increase rate	from 1.25% to 2%	2.50%	N/A	from 5% to 7.5%
AS AT DECEMBER 31, 2024				
Discount rate	3%	3%	6%	from 4.77% to 11.93%
Expected return on plan assets	3%	3%	6%	from 4.77% to 11.93%
Salary increase rate	from 1.25% to 2%	3 %	N/A	from 5% to 7.5%

Benefit obligations are valued by the Group's independent actuaries. The assumptions used take account of the specific characteristics of the plans and companies concerned.

Experience adjustments in 2024 represented €1.2 million losses for the Group (losses of €6.2 million in 2023).

In 2025, the Group expects to pay €29.5 million in benefits under defined benefit plans, including €17.1 million in Germany, €4.4 million in the United Kingdom, €0.9 million in France and €0.7 million in Brazil.

Plans that are fully or partially outsourced represented a total obligation of €316 million as at December 31, 2024 and plan assets of €283 million.

In the eurozone, the discount rate is based on the iBoxx index (AA-rated corporate bonds with a maturity of 10 or more years, as estimated on the date the obligation is measured). This index uses a basket of bonds issued by financial and non-financial companies. The rates have not been restated to reflect credit risk not factored into the selected bond baskets.

In 2024, a general increase in discount rates resulted in an overall decrease in the obligation, generating actuarial gains for the year of €13.8 million.

France

Benefit obligations in France correspond to statutory retirement bonuses, supplementary pension plans and long-service awards.

As at December 31, 2024, based on a sensitivity analysis of the discount rate, a 1% increase in the discount rate would result in a decrease of around €1.5 million in these benefit obligations.

On September 14, 2005, a supplementary pension plan along with corresponding plan assets was set up for executive management. Management of the plan is partially outsourced to an insurance company. As a defined benefit plan, it is valued on an actuarial basis and recognized in accordance with IAS 19 in the case of active employees. The plan was closed in 2016 and the rights frozen.

As at December 31, 2024, the benefit obligation represented €1.5 million and plan assets €0.1 million.

Germany

The Group's employees in Germany benefit from various schemes (retirement benefits, deferred compensation, long-service awards and early retirement) which constitute long-term obligations for the Group.

As at December 31, 2024, based on a sensitivity analysis of the discount rate, a 1% increase in the discount rate would result in a decrease of around €14.9 million in these benefit obligations.

United Kingdom

The Group participates in the funding of a defined benefit pension plan for Group employees. The obligations are outsourced and managed by leading institutions in the financial markets.

As at December 31, 2024, based on a sensitivity analysis of the discount rate, a 1% increase in the discount rate would result in a decrease of around €6.6 million in these benefit obligations.

Brazil

In Brazil, the Group participates in the funding of statutory retirement bonuses, long-service awards and a retirement healthcare plan (closed to new entrants).

Management of retirement benefits is partially outsourced to a fund with total assets of €0.3 million in 2024 (vs. €0.3 million in 2023). The Group did not pay any contributions for these benefit plans in 2024 or 2023.

Mexico/Indonesia/Saudi Arabia

Benefit obligations in Mexico, Indonesia and Saudi Arabia are not material for the Group.

United States

The Group's employees in the United States are eligible for pension plans that represent long-term commitments for the Group. These plans are partially funded by plan assets.

Other countries

Provisions are made for obligations in other countries in accordance with local laws and regulations. These obligations are not considered material at Group level.

Expenses recognized during the year relate to additional entitlement obtained for an additional year of service, the change in existing entitlement at the beginning of the year due to discounting, past service costs recorded in the period, the expected return on plan assets, the effects of plan curtailments or settlements, and the amortization of actuarial gains and losses. The portion of expenses relating to discounting is recognized in net financial income (loss) and the return on plan assets is recorded in interest income.

Plan assets break down as follows:

	United Kingdom		United States		Germany	
	12/31/2023	12/31/2024	12/31/2023	12/31/2024	12/31/2023	12/31/2024
	Allocation	Allocation	Allocation	Allocation	Allocation	Allocation
Equities	—%	—%	55.82%	77.17%	21.37%	21.15%
Bonds	—%	99.86%	37.36%	—%	78.63%	78.85%
Real Estate	—%	—%	—%	—%	—%	—%
Other	100.00%	0.14%	6.82%	22.83%	—%	—%

The "Other" item for the United Kingdom relates to cash and index-linked gilts. In France, all assets are invested in the general assets of an insurance company.

SENSITIVITY ANALYSIS

The Group's obligation under defined benefit plans is sensitive to the above assumptions.

A change of 1 percentage point in the respective assumptions would have the following impacts on the defined benefit obligation at the reporting date:

In € millions	One percentage-point increase	One percentage-point decrease
Discount rate	(30)	35
Salary increase rate	3	(3)
Pension increase rate	19	(14)

Note 9 • Provisions for contingencies and charges and contingent liabilities

A provision is recognized when, at the reporting date, the Group has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying future economic benefits will be required to settle the obligation.

Provisions are discounted if the impact of discounting is material (for example, in the case of provisions for environmental risks or site clean-up costs). The increase in the provisions associated with the passage of time is recognized as a financial expense.

In the case of restructuring, a provision may be recognized if, and only if, the Company has announced the restructuring and drawn up a detailed plan or started to implement the plan at the reporting date.

Provisions are booked for disputes (technical, warranties, tax audits, etc.) whenever the Group has an obligation to a third party at the reporting date. They are determined based on the best estimate of the expense required to settle the obligation.

	12/31/2023			12/31/2024		
	Total	Non-current	Current	Total	Non current	Current
Disputes and commercial commitments	24,016	18,522	5,494	18,851	7,008	11,843
Backlog – losses on completion	44,161	—	44,161	10,036	—	10,036
Reorganization and restructuring measures	272,489	119,769	152,720	117,776	71,696	46,080
Tax risks (indirect tax, other levies, etc.)	11,078	11,069	9	7,369	7,369	—
Environmental provisions	17,627	16,927	700	27,024	19,398	7,626
Other	80,832	34,511	46,321	49,075	41,199	7,876
TOTAL	**450,203**	**200,798**	**249,405**	**230,131**	**146,670**	**83,461**
As at January 1	**600,868**	**246,143**	**354,725**	**450,203**	**200,798**	**249,405**
Additions	176,593	20,971	155,622	68,883	22,419	46,464
Utilizations	(315,858)	(28,033)	(287,825)	(280,592)	(58,199)	(222,393)
Reversals of surplus provisions	(16,032)	(3,962)	(12,070)	(4,152)	—	(4,152)
Impact of changes in exchange rates	5,815	3,789	2,026	(18,833)	(10,471)	(8,362)
Reclassifications and other changes	(1,183)	(38,110)	36,927	14,622	(7,877)	22,499
AS AT DECEMBER 31	**450,203**	**200,798**	**249,405**	**230,131**	**146,670**	**83,461**

9.1 Provisions for disputes, commercial commitments and losses on the backlog

Provisions are booked for disputes whenever the Group has an obligation to a third party at the reporting date. They are determined based on the best estimate of the expense required to settle the obligation.

9.2 Provisions for reorganization and restructuring measures

Provisions are recognized for the cost of redundancy plans and reorganization measures when a detailed formal plan exists and an announcement has been made or the plan has begun to be implemented before the reporting date. They include the following costs:

- severance and compensation paid to personnel no longer required by the Company;
- costs of maintaining personnel after a business has been discontinued and until the site closure (e.g., compensation for unworked notice periods);
- contract termination compensation paid to suppliers;

The provision amounted to €118 million as at December 31, 2024, compared with €272 million as at December 31, 2023.

9.3 Provision for tax risks

This provision mainly relates to risks in connection with tax disputes in Brazil, some of which are covered by security deposits (see note 2.8.3).

9.4 Environmental provisions

These provisions cover the future costs of decommissioning the Pau Branco mine and other environmental liability claims.

9.5 Other short-term and long-term provisions

Other long-term provisions mainly related to the following as at December 31, 2024:

- compensation and penalties to be paid for damage caused by exceptional rainfall in January 2022 at the Pau Branco mine in the state of Minas Gerais (Brazil);
- other costs related to the closure of manufacturing sites (dismantling costs, site clean-up costs, etc.);
- customer discounts, late payment penalties and other contingencies identified at the reporting date, none of which are material taken individually;
- employee-related disputes.

In 2024, only the Aulnoye-Aymeries Forge is still subject to the EU-ETS, further to the closing of VAD (2023) Montbard (2022), Saint-Saulve (2022) and Déville (2021). Leftover quotas from German sites were acquired by the French plant, for a total of 13,773 tons of CO_2. Combined with its own stock of 27,344 quotas, the French plant has collected much more than the amount it will need to restitute for 2024 and 2025.

Note 10 • Assets held for sale and consolidation scope

10.1 Assets held for sale, liabilities related to assets held for sale, and discontinued operations

When the Group expects to recover the value of an asset or group of assets through a sale transaction rather than through continuing use, the assets concerned are presented separately on the "Assets held for sale and discontinued operations" line of the statement of financial position in accordance with IFRS 5 "Non-current assets held for sale and discontinued operations".

Liabilities related to assets held for sale are also shown on a separate line of the statement of financial position ("Liabilities related to assets held for sale and discontinued operations").

An asset classified as held for sale is valued at the lower of its carrying amount and its fair value less the costs of disposal, and is therefore no longer depreciated/amortized.

Assets and liabilities held for sale at December 31, 2024 are presented in the table below:

	12/31/2023	12/31/2024
Assets held for sale and discontinued operations	1,081	1,060
Liabilities related to assets held for sale and discontinued operations	—	—
NET ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS	**1,081**	**1,060**

10.2 Scope of consolidation

The Group consists of the holding company Vallourec S.A. and its subsidiaries consolidated in accordance with the principles described in note 1.2.3.

	12/31/2023	12/31/2024
Fully consolidated companies	49	52
Joint ventures	—	—
Associates	2	2
TOTAL	**51**	**54**

On January 1, 2024 the following companies were integrated in the scope of consolidation:

- Vam Far East Pte Ltd;
- Vam Field Service Angola Lda;
- Valinox Nucleaire Tubes (Guangzhou) Co., Ltd.

	Business activity	% interest	Country
FULLY CONSOLIDATED COMPANIES			
Europe			
Serimax Angola Ltd	Services	80.00	United Kingdom
Serimax Field Joint Coating Ltd	Services	80.00	United Kingdom
Serimax Holdings S.A.S.	Services	80.00	France
Serimax Ltd	Services	80.00	United Kingdom
Serimax S.A.S.	Services	80.00	France
Vallourec Deutschland GmbH	Manufacturing and sales of products, services	100.00	Germany
Vallourec Oil & Gas France S.A.S.	Manufacturing and sales of products, services	100.00	France
Vallourec Oil & Gas UK Ltd	Manufacturing and sales of products, services	100.00	United Kingdom
Vallourec S.A.	Holding company	100.00	France
Vallourec Services S.A.	Holding company	100.00	France
Vallourec Tubes France S.A.S.	Manufacturing and sales of products, services	100.00	France
Vallourec Tubes S.A.S.	Holding company	100.00	France
Vallourec Umbilicals S.A.S.	Manufacturing and sales of products	100.00	France
North America			
Serimax North America LLC	Services	80.00	United States
Vallourec Canada Inc.	Sales of products, services	100.00	Canada
Vallourec Holdings Inc.	Holding company	100.00	United States
Vallourec Industries Inc.	Holding company	100.00	United States
Vallourec Oil and Gas Mexico SA de CV	Manufacturing and sales of products, services	100.00	Mexico
Vallourec Star, LP	Manufacturing and sales of products, services	100.00	United States
Vallourec Tube-Alloy LP	Manufacturing and sales of products, services	100.00	United States
Vallourec USA Corporation	Sales of products, services	100.00	United States
VAM USA	Manufacturing and sales of products, services	100.00	United States
Vallourec Digital Solutions	Sales of products, services	100.00	United States
South America			
Serimax Do Brasil Serviços de Soldagem e Fabricaçao Ltda	Services	100.00	Brazil
Tubos Soldados Atlântico	Manufacturing and sales of products, services	100.00	Brazil
Vallourec Florestal Ltda	Manufacturing and sales of products	100.00	Brazil
Vallourec Soluções Tubulares do Brasil	Manufacturing and sales of products, services	100.00	Brazil
Vallourec Transportes e Serviços do Brasil Ltda	Services	100.00	Brazil
Vallourec Tubos do Brasil S.A.	Manufacturing and sales of products, services	100.00	Brazil
Vallourec Uruguay S.A.	Sales of products, services	100.00	Uruguay
Vallourec Tubos para Industria Ltda	Manufacturing and sales of products, services	75.00	Brazil

	Business activity	% interest	Country
Asia			
Kestrel Wave Investment Ltd	Holding company	100.00	Hong Kong
P.T. Citra Tubindo Tbk	Manufacturing and sales of products, services	81.72	Indonesia
Serimax South East Asia Pte Ltd	Services	80.00	Singapore
Serimax Welding Services Malaysia sdn bhd	Services	80.00	Malaysia
Serimax Saudi Arabia Corp.	Services	80.00	Saudi Arabia
Vallourec Al Qahtani Tubes Llc	Sales of products, services	75.00	Saudi Arabia
Vallourec Asia Pacific Corp Pte Ltd	Manufacturing and sales of products, services	100.00	Singapore
Vallourec Changzhou Co. Ltd	Manufacturing and sales of products, services	100.00	China
Vallourec Middle East FZE	Sales of products, services	100.00	United Arab Emirates
Vallourec Oil & Gas (China) Co., Ltd	Sales of products, services	100.00	China
Vallourec Saudi Arabia Ltd	Manufacturing	80.00	Saudi Arabia
Vallourec Tianda (Anhui) Co., Ltd.	Manufacturing and sales of products, services	99.73	China
Vallourec Tubular Services AD	Services	49.00	United Arab Emirates
VAM Far East	Services	51.00	Singapore
Valinox Nucleaire Tubes Guangzhiu Co. Ltd	Manufacturing and sales of products, services	100.00	China
Rest of the world			
Serimax Australia Pty Ltd	Services	80.00	Australia
Serimax OOO	Services	80.00	Russia
Vallourec Nigeria Ltd	Manufacturing and sales of products, services	100.00	Nigeria
Vallourec Oil and Gas Nigeria Ltd	Sales of products, services	100.00	Nigeria
Vallourec Oil and Gas Uganda	Services	100.00	Uganda
VAM Field Services Angola	Services	100.00	Angola

Note 11 • Other information and subsequent events

11.1 Fees paid to Statutory Auditors and members of their networks

	KPMG		Deloitte		EY	
	Amount (excl. Tax)		Amount (excl. Tax)		Amount (excl. Tax)	
	2023	2024	2023	2024	2023	2024
STATUTORY AUDIT OF PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS [(a)]						
Issuer	278	350	278	—	—	690
%	17%	18%	24%	—%	—%	35%
Fully consolidated subsidiaries	1,179	1,379	857	—	—	1,254
%	73%	71%	74%	—%	—%	65%
Sub-total	**1,456**	**1,729**	**1,135**	**—**	**—**	**1,944**
OTHER NON-AUDIT SERVICES [(b)]						
Issuer	75	119	11	—	—	—
%	5%	6%	1%	—%	—%	—%
Fully consolidated subsidiaries	79	91	15	—	—	—
%	5%	5%	1%	—%	—%	—%
Sub-total	**154**	**210**	**26**	**—**	**—**	**—**
TOTAL	**1,611**	**1,939**	**1,161**	**—**	**—**	**1,944**

(a) *For EY in 2024, the statutory audit fees of the issuer include the fees related to CSRD (Corporate Sustainability Reporting Directives).*

(b) *The services provided cover the non-audit services required by applicable laws and regulations, as well as those services provided at the Group's request. For KPMG for 2024, these services primarily relate to procedures conducted within the framework of (i) the engagement of an independent third-party entity in relation to CSR information in the management report, and (ii) compliance reviews of tax returns for subsidiaries outside the European Union.*

11.2 Subsequent events

No significant events occurred after the end of the reporting period.

7.2 Statutory Auditors' report on the consolidated financial statements

This is a free translation into English of the Statutory Auditor’s Report on the consolidated financial statements of the Company issued in French and it is provided solely for the convenience of English-speaking users.

The Statutory Auditor’s Report includes information required by European regulations and French law, such as information regarding the appointment of the Statutory Auditor or verification of the management report and other documents provided to shareholders.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

Fiscal year ended December 31, 2024,

To the General Meeting of Vallourec S.A.,

Opinion

In accordance with the assignment entrusted to us by the General Meeting, we have audited the consolidated financial statements of Vallourec S.A. for the fiscal year ended December 31, 2024, as attached to this report.

We certify that the consolidated financial statements are, in accordance with the IFRS framework as adopted by the European Union, regular and sincere and give a true and fair view of the results of operations for the past fiscal year as well as the financial position and assets, at the end of the fiscal year, of the group formed by the entities included in the consolidation.

The opinion expressed above is consistent with the content of our report to the audit committee.

Basis for Opinion

AUDIT FRAMEWORK

We conducted our audit in accordance with professional standards applicable in France. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

The responsibilities incumbent upon us under these standards are indicated in the Section "Responsibilities of the Auditors with respect to the Audit of the Consolidated Financial Statements" of this report.

INDEPENDENCE

We conducted our audit in compliance with the independence rules set forth by the Commercial Code and the Code of Ethics for Statutory Auditors for the period from January 1, 2024, to the date of issuance of our report, and in particular, we did not provide any services prohibited by Article 5, paragraph 1, of Regulation (EU) No. 537/2014.

Justification of assessments - Key Audit Matters

In accordance with the provisions of Articles L.821-53 and R.821-180 of the Commercial Code relating to the justification of our assessments, we bring to your attention the key audit matters related to the risks of significant anomalies which, in our professional judgment, were the most important for the audit of the consolidated financial statements for the fiscal year, as well as the responses we provided to address these risks.

The assessments thus made are set in the context of the audit of the consolidated financial statements taken as a whole and the formation of our opinion expressed above. We do not express an opinion on individual elements of these consolidated financial statements.

Evaluation of Goodwill and Intangible and Tangible Assets of the CGU "Vallourec South America Tubes"

Note 4.2 – "Impairment Tests" of the notes to the consolidated financial statements

Key Audit Matter	Audit response
As of Dec. 31, 2024, the net book value of current and non-current assets of the Cash Generating Unit (CGU) "Vallourec South America Tubes" amounts to €996 million (R$ 6,402 million), including a net goodwill amounting to €33.7 million. As indicated in Note 4.2 of the consolidated financial statements, an impairment test is performed at least once a year for CGUs that include indefinite-lived assets, i.e., goodwill in the case of the Vallourec group. An impairment test was conducted on Dec. 31, 2024, on the CGU "Vallourec South America Tubes," to which goodwill has been allocated. Non-current assets represent €566 million (R$ 3,636 million), and current assets represent €430 million (R$ 2,766 million). The methodology used to perform the impairment test, and the assumptions made, are described in Note 4.2 of the consolidated financial statements, including: • The projected cash flows used to determine the value in use are those of the five-year strategic plan, which relies on macroeconomic assumptions by market, based on external sources. • The perpetual growth rate takes into account, among other things, regional inflation and sales perspectives based on the oil and gas production assumptions assumed in the Announced Pledges Scenario (APS) by the International Energy Agency (IEA) published in 2024. The group has also considered issues related to climate change and sustainable development. We consider the evaluation of goodwill, intangible assets, and property, plant, and equipment of the CGU "Vallourec South America Tubes" to be a key audit matter, given the materiality of these assets in the Group's consolidated financial statements, and the method of determining the value in use, which requires management to exercise judgment and use estimates to forecast the discounted future cash flows used in the tests.	As part of our work, we gained an understanding of: • the process of developing and approving the estimates and assumptions used by Management in the impairment tests, and • the procedures for approving the results of these tests by the Board of directors. We: • Examined the model used to determine the recoverable amount of the CGU "Vallourec South America Tubes"; • Reconciled the carrying amount of the assets subject to impairment tests with the consolidated financial statements; • Analyzed the consistency of the cash flow forecasts and assumptions prepared by management for the tested CGU with the 2025 budget and the five-year strategic plan approved by the Board of Directors; • Verified the arithmetic accuracy of the calculations. With the support of our valuation experts included in the audit team, we: • Assessed the appropriateness of the various assumptions underlying the cash flow forecasts, in light of the Group's internal data and external sectoral and macroeconomic data, including: • Price and volume assumptions by region, which depend particularly on investments in oil and gas exploration and production, • Cost evolution forecasts within the framework of the "New Vallourec" strategic plan, and • Exchange rates, long-term growth rates, and discount rates used. • Conducted our own sensitivity analyses. We also: • Analyzed the consistency of the cash flow forecasts with past performances used in previous impairment tests; • Compared the tube sales assumptions with public sectoral assumptions for oil and gas production. Finally, we assessed the appropriateness of the information provided in this regard in the appendix to the consolidated financial statements.

Specific Verifications

We also carried out, in accordance with professional standards applicable in France, the specific verifications required by legal and regulatory texts of the information relating to the group, provided in the management report of the Board of Directors. We have no comments to make on their sincerity and their consistency with the consolidated financial statements.

Other verifications or information required by legal and regulatory texts

FORMAT OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS TO BE INCLUDED IN THE ANNUAL FINANCIAL REPORT

We also carried out, in accordance with the professional standard on the diligence of the statutory auditor relating to annual and consolidated financial statements presented in the European Single Electronic Format, the verification of compliance with this format defined by the European Delegated Regulation No. 2019/815 of December 17, 2018, in the presentation of the consolidated financial statements to be included in the annual financial report mentioned in Article L. 451-1-2 of the Monetary and Financial Code, prepared under the responsibility of the Chief Executive Officer. As these are consolidated financial statements, our diligence includes verifying the compliance of the tagging of these statements with the format defined by the aforementioned regulation.

Based on our work, we conclude that the presentation of the consolidated financial statements to be included in the annual financial report complies, in all significant respects, with the European Single Electronic Format.

Furthermore, it is not our responsibility to verify that the consolidated financial statements that will actually be included by your company in the annual financial report filed with the AMF correspond to those on which we have carried out our work.

APPOINTMENT OF AUDITORS

We were appointed statutory auditors of Vallourec S.A. by the General Meeting of June 1, 2006, for KPMG SA and May 23, 2024, for Ernst & Young et Autres.

As of December 31, 2024, KPMG SA was in its 19th year of uninterrupted service and Ernst & Young et Autres in its 1st year of uninterrupted service.

Responsibilities of Management and Corporate Governance with respect to the Consolidated Financial Statements

Management is responsible for preparing consolidated financial statements that give a true and fair view in accordance with IFRS as adopted by the European Union, and for implementing the internal control it deems necessary to ensure that the consolidated financial statements are free from material misstatement, whether due to fraud or error.

When preparing the consolidated financial statements, management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations.

The audit committee is responsible for overseeing the financial reporting process and monitoring the effectiveness of internal control and risk management systems, as well as, where applicable, internal audit, with respect to the procedures relating to the preparation and processing of accounting and financial information.

The consolidated financial statements were approved by the board of directors.

Responsibilities of the Auditors with respect to the Audit of the Consolidated Financial Statements

AUDIT OBJECTIVE AND APPROACH

It is our responsibility to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance that the consolidated financial statements taken as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but it does not guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if it is reasonable to expect that they could, individually or in aggregate, influence the economic decisions that users make based on the financial statements.

As specified by Article L.821-55 of the Commercial Code, our certification mission does not consist of guaranteeing the viability or the quality of the management of your company.

In the context of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit. Additionally:

- They identify and assess the risks of material misstatement in the consolidated financial statements, whether due to fraud or error, design and implement audit procedures to address those risks, and gather evidence that they deem sufficient and appropriate to form their opinion. The risk of not detecting a material misstatement resulting from fraud is higher than that of one resulting from error, as fraud may involve collusion, falsification, intentional omissions, misrepresentations, or the override of internal control;
- They consider internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control;
- They evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as the related disclosures in the consolidated financial statements;

- They assess the appropriateness of management's use of the going concern basis of accounting and, based on the evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. This assessment is based on the evidence obtained up to the date of their report, although subsequent events or conditions may cause the company to cease to continue as a going concern. If they conclude that a material uncertainty exists, they draw attention in their report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, they modify their opinion. Their conclusions are based on the evidence obtained up to the date of their report;
- They evaluate the overall presentation of the consolidated financial statements and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- Regarding the financial information of entities included in the consolidation scope, they gather evidence that they deem sufficient and appropriate to express an opinion on the consolidated financial statements. They are responsible for the direction, supervision, and performance of the audit of the consolidated financial statements, as well as for the opinion expressed on these statements.

REPORT TO THE AUDIT COMMITTEE

We submit to the audit committee a report that presents, among other things, the scope of the audit work and the work program implemented, as well as the conclusions resulting from our work. We also bring to their attention, where applicable, significant weaknesses in internal control that we have identified regarding procedures related to the preparation and processing of accounting and financial information.

Among the elements communicated in the report to the audit committee are the risks of significant anomalies that we consider to have been the most important for the audit of the consolidated financial statements for the fiscal year and which therefore constitute the key audit matters that we must describe in this report.

We also provide the audit committee with the declaration required by Article 6 of Regulation (EU) No. 537-2014 confirming our independence, in accordance with the applicable rules in France as set out in Articles L.821-27 to L.821-34 of the Commercial Code and in the Code of Ethics for Statutory Auditors. Where applicable, we discuss with the audit committee the risks to our independence and the safeguards applied.

Paris-La Défense, March 11, 2025

The Statutory Auditors

KPMG SA	Ernst & Young et Autres
Philippe GRANDCLERC	May KASSIS-MORIN
Partner	Partner

7.3 Vallourec SA parent company financial statements

7.3.1 Statement of financial position

Assets

In € thousands	31/12/2023	31/12/2024
NON-CURRENT ASSETS		
Intangible assets	414	414
Property, plant and equipment	88	88
Equity interests	4,856,429	4,856,429
Receivables, loans and other financial fixed assets	1,700,532	1,700,050
Total I	**6,557,463**	**6,556,981**
CURRENT ASSETS		
Operating receivables	1,249	2,228
Other receivables	690,254	862,245
Marketable securities	366	—
Cash at bank and in hand	26	55
Prepaid expenses	257	110
Deferred expenses	—	24,737
Unrealized foreign exchange losses	**1**	**20,931**
Total II	**692,153**	**910,305**
TOTAL ASSETS (I + II)	**7,249,616**	**7,467,286**

Equity and liabilities

In € thousands	31/12/2023	31/12/2024
EQUITY		
Share capital	4,745	4,762
Additional paid-in capital	3,959,379	3,959,363
Revaluation reserve	634	634
Other reserves	85,886	85,886
Retained earnings (accumulated losses)	722,398	1,877,461
Net income for the period	1,155,062	518,019
Total I	**5,928,104**	**6,446,125**
Provisions for contingencies and charges	610	25
Borrowings	1,312,026	1,012,384
Operating liabilities	3,016	4,356
Other liabilities	5,860	4,396
Translation differences	—	—
Total II	**1,321,511**	**1,021,161**
TOTAL EQUITY AND LIABILITIES (I + II)	**7,249,616**	**7,467,286**

7.3.2 Income statement

In € thousands	31/12/2023	31/12/2024
Revenue	4,534	7,055
Provision reversals and expenses transferred	479	594
Other operating income	—	362
External services	(7,133)	(10,668)
Taxes other than on income	(345)	(434)
Personnel expenses:	(4,138)	(6,046)
Wages and salaries	(1,261)	(2,429)
Social security contributions	(2,876)	(3,617)
Other	(1,061)	(2,100)
Depreciation, amortization and provisions	—	25
Operating income (loss)	**(7,664)**	**(11,262)**
Financial income	**1,263,151**	**600,507**
Investment revenue	250,000	459,866
Other marketable securities and non-current receivables	112,035	112,342
Other interest income	14,085	28,159
Foreign exchange gains	22	124
Provision reversals and financial expenses transferred	887,009	16
Financial expenses	**(102,309)**	**(73,642)**
Depreciation, amortization and provisions – financial items	(9)	—
Interest expense	(102,284)	(73,534)
Foreign exchange losses	(16)	(108)
Net financial income	**1,160,842**	**526,865**
Net income from recurring operations before tax	**1,153,178**	**515,603**
Non-recurring income	—	—
Non-recurring expenses		
Net non-recurring income		**—**
Income tax	1,884	2,415
NET INCOME	**1,155,062**	**518,018**

7.3.3 Notes to the parent company financial statements for the year ended December 31, 2024

In € thousands unless stated otherwise.

Notes to the statement of financial position (before allocation) as at December 31, 2024, which shows total assets of €7,467 million, and to the income statement for the year then ended, which shows net income of €518 million.

The reporting period runs for 12 months, from January 1 to December 31.

Vallourec SA prepares consolidated financial statements.

A - Significant events, basis of measurement and comparability of financial statements

Key events during the period

COMPLETION OF DEBT AND LIQUIDITY REFINANCING

In April 2024, Vallourec executed a significant and comprehensive refinancing operation that has extended its debt and liquidity maturities and reduced its financial costs. The key elements of this operation include:

- entry into a new five-year €550 million multi-currency revolving credit facility (RCF) with a diversified, global banking group;
- entry into an upsized and extended five-year USD 350 million asset-backed lending facility (ABL) in the United States;
- issuance of eight-year USD 820 million 7.5% senior notes and entry into a 4-year cross-currency swap to hedge Vallourec's currency exposure on its new senior notes with a euro equivalent coupon of approximately 5.8%;
- redemption of the entire €1,023 million of previously outstanding 8.5% senior notes due 2026;
- repayment of approximately €68 million of the €262 million PGE *(Prêts garantis par l'État)*.

The successful completion of this refinancing operation further strengthens Vallourec's financial position and sustainably improves its cash flow generation. Accordingly, the Group will benefit from both greater visibility and financial flexibility over the coming years.

Furthermore, Vallourec now maintains credit ratings with all three of the major ratings agencies. Vallourec's issuer rating with S&P has been upgraded for the fourth time since it announced the New Vallourec plan and now stands at BB+, outlook stable. Moody's and Fitch now rate Vallourec Ba2, outlook positive and BB+, outlook positive, respectively.

ARCELORMITTAL BECOMES THE ANCHOR SHAREHOLDER OF VALLOUREC

In March 2024, Vallourec announced that ArcelorMittal had reached an agreement to purchase Apollo's stake in Vallourec (65,243,206 shares) representing 28.4% of the voting rights and 27.5% of the share capital, at a price of €14.64 per share, for a total purchase price of €955 million. This marked the final step of the financial restructuring of Vallourec initiated in 2021, when Apollo became Vallourec's anchor shareholder.

On August 6, 2024, Vallourec announced the completion of the acquisition.

This new investment by a world-class industrial player speaks to the breadth of the operational turnaround since that time, as well as the robust outlook for the premium seamless tubes business over the coming years.

Basis of measurement and comparability of financial statements

The bases of presentation and measurement used in the preparation of the financial statements for the year under review are the same as those used for the previous year.

Impairment of equity interests is recorded under financial items.

B – Accounting principles

The parent company financial statements are prepared in accordance with French GAAP (ANC Regulation No. 2014-03) and the fundamental accounting principles (accrual basis, no offset, historical cost, prohibition to restate the opening balance sheet, going concern, true and fair view, prudence and consistency of accounting methods).

Intangible assets

Intangible assets consist of trademarks valued at €414 thousand.

Property, plant and equipment

In accordance with ANC Regulation No. 2014-03, the Company uses the components approach, which relies on technical analyses to individually account for significant parts of an item of property, plant and equipment based on their specific respective uses and patterns of consumption.

The carrying amount of property, plant and equipment reflects:

- the acquisition or production cost, except for assets acquired before December 31, 1976, which were remeasured. These assets are stated at their transfer value;
- any discounts, rebates and other payment reductions;
- costs directly attributable to putting the assets in place;
- any dismantling costs;
- excluding financial expenses (e.g., borrowing costs) related to the asset's acquisition.

Depreciation of property, plant and equipment for accounting purposes is calculated on a straight-line or accelerated basis over the expected useful life of the asset.

Depreciation for tax purposes is calculated using the declining balance method over the shorter of the useful life and the duration of use, except for components depreciated over their actual lives.

Financial fixed assets

Financial fixed assets comprise Vallourec Tubes shares for €4,856 million

Equity interests

The gross value of equity interests comprises their purchase cost, excluding incidental expenses, and the amount of any capital increases.

Securities acquired in foreign currencies are recognized at their acquisition price translated into euros at the exchange rate applicable as at the date of the transaction.

At each reporting date, the Company compares the net carrying amount of its equity interests with their value in use and recognizes a provision in financial expenses when value in use is less than the net carrying amount.

At December 31, 2024, the investment in Vallourec Tubes SAS, which acts as holding company for all of the Vallourec Group's equity interests, was tested for impairment by comparing the net carrying amount of the shares with the recoverable amount determined using forecast cash flows. This test uses the same basis as that used to carry out the impairment tests on subsidiaries, and involves determining value in use, calculated based on expected future cash flows, using forecast cash flows for the first five years and a terminal value.

Treasury shares

Treasury shares acquired and available to be allocated to employees are classified as marketable securities. Surplus shares not allocated to specific plans are classified as non-current financial assets.

Pursuant to CRC Regulation No. 2008-15 dated December 4, 2008 relating to the accounting treatment of stock option and performance share plans for employees, shares allocated to these plans are not impaired based on market value due to the obligation to allocate such shares to employees and the provision recognized as a liability (see below in the section relating to provisions for contingencies and charges).

Receivables and payables

Receivables and payables are measured at their nominal value.

Trade receivables are impaired when there is a risk of non-recovery.

Impairment ratios are applied to each receivable based on probabilities of recovery.

Marketable securities

Marketable securities are measured at acquisition cost plus accrued income for the period, or at market value if lower.

Treasury shares acquired and available to be allocated to employees are classified as marketable securities.

Translation of transactions in foreign currencies and financial instruments

Receivables, cash and cash equivalents and payables in foreign currencies on the statement of financial position are translated into euros at the exchange rate applicable as at the reporting date.

Hedged transactions denominated in foreign currencies and eligible for hedge accounting are recorded at the spot rate.

The aggregate amount of the change in time value (i.e., the difference between the forward price of the hedge as at the reporting date and the initial spot rate) is recognized in the statement of financial position at each reporting date within derivative instruments. The change in the premium/discount between the beginning and the end of the period impacts net income for that period. Since January 1, 2017, these changes have been recorded under operating income (loss) (see ANC Regulation 2015-05). They were previously recognized in financial items.

The change in time value (premium/discount) is recognized separately from revenue.

In application of ANC Regulation No. 2015-05, the change in the value of isolated open positions is recorded in the statement of financial position, with an adjusting entry to suspense accounts:

- within assets for changes that correspond to an unrealized loss;
- within liabilities for changes that correspond to an unrealized gain.

Unrealized gains are not included in the income statement. When a transaction results in an unrealized loss, a provision is recognized in financial expenses for the amount of the unrealized loss.

Provisions for contingencies and charges

PROVISIONS FOR IMPAIRMENT OF SHARES EARMARKED FOR EMPLOYEE SHARE AWARDS

Pursuant to CRC Regulation No. 2008-15 dated December 4, 2008 relating to the accounting treatment of stock option and performance share plans for employees, the Company recognizes a provision related to these plans as soon as an outflow of resources becomes probable. This provision is measured based on:

- the acquisition cost of the shares or, if they were already owned prior to the date they were allocated to the plan, their net carrying amount less the price likely to be paid by the beneficiaries; multiplied by
- the number of shares that are expected to be awarded given the terms of the plan (satisfaction of conditions regarding continuous service and performance) as assessed at the reporting date.

A provision for contingencies and charges has been recognized on a pro rata basis at each reporting date since these plans were put in place, in an amount representing the cost of the awards of performance shares to employees, executive management and corporate officers of Vallourec and its subsidiaries.

OTHER PROVISIONS

Provisions have been recognized for all disputes (technical, tax, etc.) and other risks at the amount of the estimated probable risk at the reporting date.

Non-recurring income and expenses

In general, non-recurring income and expenses comprise amounts of an extraordinary nature, i.e., those that arise outside the scope of the Company's continuing operations.

C – Notes to the statement of financial position

1. Movements in non-current assets

Movements in the net carrying amounts of non-current assets were as follows during the year:

Non-current assets – Net values	12/31/2023	Increases/ Additions	Decreases/ Reversals	12/31/2024	Of which revaluation reserve	Of which related parties
Intangible assets	**414**	**-**	**-**	**414**	**-**	**-**
Trademarks	414	-	-	414	-	-
Property, plant and equipment	**88**	**-**	**-**	**88**	**-**	**-**
Land	88	-	-	88	-	-
Equity interests	**4,856,429**	**-**		**4,856,429**	**-**	**-**
Equity interests	4,856,429			4,856,429		
Provision for impairment of equity interests		-		-	-	-
Long-term securities and treasury shares	**-**	**-**	**-**	**-**	**-**	**-**
Receivables, loans, other investments	**1,700,532**	**20**	**502**	**1,700,050**	**-**	**-**
Loans	1,700,502	-	502	1,700,000	-	-
Accrued interest	-	-	-	-	-	-
Other receivables	30	20		50	-	-
TOTAL	**6,557,463**	**20**	**502**	**6,556,982**	**-**	**-**

EQUITY INTERESTS

The valuation carried out as at December 31, 2024 did not lead to the recognition of impairment against Vallourec Tubes shares.

RECEIVABLES, LOANS AND OTHER FINANCIAL FIXED ASSETS

Loans

Vallourec SA arranged a €1.7 billion loan for its subsidiary Vallourec Tubes to finance its long-term requirements. The interest rate on the loan is 6.50% and it matures on December 31, 2025.

2. Marketable securities

Marketable securities include:

MUTUAL AND INVESTMENT FUNDS

Vallourec SA centralizes cash in euros and US dollars for its main European companies as well as hedges of US dollar sales set up at the level of Vallourec Tubes.

Cash is invested in risk-free money market funds. Vallourec SA only enters into financial transactions with leading financial institutions.

TREASURY SHARES

In € thousands	12/31/2023	Increases	Decreases	12/31/2024
Treasury shares	366	-	366	-
Provision for impairment	-	-	-	-
TOTAL	**366**	**-**	**366**	**-**

Treasury shares recorded in marketable securities are allocated to members of the Group's staff, executive management and corporate officers under performance and free share plans for Vallourec Group employees.

3. Statement of receivables and payables

Receivables	Gross value	Of which accrued income	Of which related parties	Gross value	Gross value
Receivables, loans and other financial fixed assets	**1,700,000**		**1,700,000**	**1,700,000**	
Operating receivables	**2,228**	**—**	**1,616**	**2,228**	—
Trade and other receivables	1,440		1,440	1,440	
Other operating receivables	612	—		612	
Amounts due from suppliers/Prepayments	176		176	176	
Other receivables	**862,245**	**—**	**858,816**	**862,245**	**—**
Income tax receivables	3,429	—		3,429	—
Intercompany cash advance	858,816		858,816	858,816	—
TOTAL	**2,564,473**	**—**	**2,560,431**	**2,564,473**	**—**

Payables	Gross value	Of which accrued expenses	Of which related parties	<1 year	>1 year	>5 years
Borrowings	**1,012,384**	**21,257**	**—**	**21,257**	**201,831**	**789,296**
Non-convertible bonds	789,296		—	—		789,296
Convertible bonds	—		—	—	—	
Bank loans and borrowings	21,257	21,257	—	21,257		
Other loans and borrowings	201,831		—	—	201,831	
Operating liabilities	**4,356**	**3,285**	**282**	**4,356**	**—**	**—**
Trade payables	2,694	1,929	282	2,694		
Tax and social security liabilities	1,662	1,357		1,662		
Other liabilities	**4,396**	**1,934**	**2,458**	**4,396**	**—**	**—**
Other non-operating liabilities	4,396	1,934	2,458	4,396		
TOTAL	**1,021,137**	**26,476**	**2,740**	**30,009**	**201,831**	**789,296**

Loans granted during the year: USD 820 million bond.

Loans repaid during the year: State-backed loan for €68 million.

Receivables under commercial paper: None.

BORROWINGS

Bonds

Bond *In € thousands*	Nominal amount	Maturity	Rate	Amount in statement of financial position as at December 31, 2024
Bond issue – April 2024 (USD 820 million)	820,000	April 2032	7.500%	789,296
TOTAL	**820,000**			**789,296**

In April 2024, Vallourec SA issued a USD 820 million unsecured bond maturing in 2032 with a fixed coupon of 7.5%.

This bond, with a term of eight years and a non-call period of three years, is guaranteed by the same subsidiaries that guarantee the revolving credit facility (RCF). The notes are subject to certain covenants, notably on liens, mergers, the consolidation or sale of assets and sale and leasebacks, with certain baskets and exceptions.

In particular, it includes a change-of-control clause liable to result in the mandatory early redemption of bonds at the request of each bondholder in the event of a change of control of Vallourec (to the benefit of a person or group of persons acting in concert) leading to a downgrade in the latter's credit rating. It is also envisaged that the loan will become immediately repayable if the Group defaults on the repayment of one of its borrowings ("cross default"), or if a significant event occurs affecting the Group's business or financial condition and its ability to repay its debt.

Additionally, the Issuer has the option to redeem the Notes prior to April 15, 2027, at 100% of the principal amount plus a “make whole” premium. After April 15. 2027, redemption can occur at specified prices. Annually, up to 10% of the original principal amount can be redeemed at a 103% premium, and up to 40% can be redeemed using equity offering proceeds before April 15. 2027.

Bank borrowings

In € thousands	Nominal amount	Principal amount remaining due	Maturity	Rate	Amount in statement of financial position as at December 31, 2024
State-guaranteed loans – June 2021[(a)]	262,000	194,400	June 2027	1.837%	194,400
TOTAL	**262,000**	**194,400**			**194,400**

(a) *The initial maturity of the State-guaranteed loans was June 30, 2022, but Vallourec had an option to extend them to June 30, 2027. Vallourec exercised this extension option and the State-guaranteed loans now have a maturity date of June 30, 2027. The State-guaranteed loans are presented at an effective interest rate of 1.8370%, including the underwriting fee.*

In 2021, Vallourec set up State-guaranteed loans ("PGE") for a total nominal drawn amount of €262 million. The initial maturity of the State-guaranteed loans was June 30, 2022, but Vallourec had an option to extend them to June 30, 2027. Vallourec exercised this extension option and the State-guaranteed loans now have a maturity date of June 30, 2027.

This includes a change of control at Vallourec could trigger repayment of all or part of its committed credit facility and its State-guaranteed loans as decided by each participating banks. The agreements also stipulate that the entire debt will be immediately due and payable if the Group defaults on one of its debt obligations (cross default), or in case of a major event with consequences for the Group's business or financial position and/or its ability to repay its debt.

In April 2024, as part of its refinancing, Vallourec repaid about €68 million of this loan. Consequently, as of December 31, 2024, the outstanding amount of the PGE is €194 million.

Credit facility and covenant

The €550 million committed credit facility includes a banking covenant stipulating that Vallourec's gearing ratio must not exceed 100%. The gearing ratio is defined as the ratio of consolidated net debt (including financial lease debt) to consolidated equity, adjusted for gains and losses on derivatives and foreign currency translation differences (exchange differences on translating net assets of consolidated foreign subsidiaries).

The adjusted debt covenant ("banking covenant") is tested on a trailing 12-month basis on December 31 of each year. The Group complied with the covenant at December 31, 2024.

Liquidity risk

The Group's financial resources include financing with banks and on the capital markets.

The vast majority of bank financing was arranged in Europe through Vallourec SA, and to a lesser extent through the Group's subsidiaries in Brazil and China.

Further to its refinancing in April 2024,Vallourec SA's €550 million credit facility, which was drawn as at December 31, 2024, and ranks *pari passu* with its State-guaranteed loans and bonds. Bond financing is arranged exclusively by Vallourec SA.

In addition to bank and bond financing, the Group has sought to diversify its funding sources by using market financing. For example, Vallourec SA launched a commercial paper program on October 12, 2011 to meet its short-term needs. The program has a €1 billion ceiling. Vallourec SA did not issue any commercial paper during the year.

As at December 31, 2024, Vallourec SA had no outstanding commercial paper. This commercial paper program has a short-term rating of B from Standard & Poor's.

4. Bond issue costs

In accordance with the method recommended by the French Accounting Board (Conseil National de la Comptabilité), bond issue costs are recognized on a straight-line basis over the life of the bonds concerned. The bond issue costs set out below are stated in euros.

In €	12/31/2023	Increase	Decrease	12/31/2024
Bond issue costs	–	19,166,188	1,663,311	**17,502,877**
RCF issue costs	–	8,396,552	1,162,741	**7,233,811**
TOTAL	**–**	**27,562,741**	**2,826,052**	**24,736,688**

5. Equity

Changes in equity were as follows:

	Number of shares	Share capital	Net income (loss) for the period	Additional paid-in capital and reserves	Equity
Position as at December 31, 2022	**228,928,428**	**4,636**	**1,657,926**	**3,106,155**	**4,768,717**
Appropriation of 2022 net income (loss)	-	-	(1,657,926)	1,657,926	-
Capital increase	-	110	-	4,218	4,328
Dividends paid	-	-	-	-	-
2023 net income (loss)	-	-	1,155,062	-	1,155,062
Change	-	110	(502,864)	1,662,144	1,159,390
Position as at December 31, 2023	**237,271,828**	**4,746**	**1,155,062**	**4,768,299**	**5,928,107**
Appropriation of 2023 net income (loss)	-	-	(1,155,062)	1,155,062	-
Capital increase	-	16	-	(16)	-
Dividends paid	-	-	-	-	-
2024 net income	-	-	518,019	-	518,019
Change	-	16	(637,043)	1,155,045	518,019
POSITION AS AT DECEMBER 31, 2024	**238,084,623**	**4,762**	**518,019**	**5,923,344**	**6,446,125**

At December 31, 2024, Vallourec's share capital comprised 233,917,225 ordinary shares and 4,167,398 preferred shares with a par value of €0.02 per share, fully paid up.

Changes in the Company's share capital over the year are shown below:

(in euros, except for number of shares)	Number of shares	Par value	Share capital *(in euros)*
Share capital at December 31, 2023	237,271,828	0.02	4,745,437
Capital increase with pre-emptive subscription rights by issuance of new shares	812,795	0.02	16,256
Capital increase	—	—	—
SHARE CAPITAL AT DECEMBER 31, 2024	**238,084,623**	**0.02**	**4,761,693**

Equity totaled €6,446 million as at December 31, 2024, compared with €5,928 million as at December 31, 2023.

6. Employee share ownership

Some members of executive management and employees benefit from stock options and performance shares where vesting conditions are related to performance criteria. Vallourec also operates shareholding plans reserved for employees.

These plans are measured using a binomial model to project share prices.

STOCK OPTION PLANS

CHARACTERISTICS OF THE PLANS

Vallourec's Management Board authorized stock option plans from 2010 to 2022 for some of the Group's senior executives, corporate officers and employees.

It should be noted that the characteristics of the 2011 to 2020 plans were revised to take account of the decision of the Chairman of the Management Board on June 30, 2021 to adjust the number and exercise price of the options in order to protect the rights of the holders following the capital increase of June 30, 2021 (adjustment factor of 1.89929156 applied to the number of options awarded and to the exercise price).

The characteristics of the plans are as follows:

	2015 Plan	2016 Plan	2017 Plan	2018 Plan
Award date	April 15, 2015	May 18, 2016	May 18, 2017	June 15, 2018
Maturity date	April 15, 2019	May 18, 2020	May 18, 2021	June 15, 2022
Expiration date	April 15, 2023	May 18, 2024	May 18, 2025	June 15, 2026
Exercise price in euros	488.14	140.29	216.55	197.84
Number of options awarded	17,656	15,216	8,135	9,851

	2019 Plan	2020 Plan	2021 Plan	2022 Plan
Award date	June 17, 2019	June 15, 2020	October 13, 2021	June 4, 2022
Maturity date	June 17, 2023	June 15, 2024	October 13, 2025	June 4, 2026
Expiration date	June 17, 2027	June 15, 2030	October 13, 2031	June 4, 2032
Exercise price in euros	79.14	33.60	7.26	12.65
Number of options awarded	9,851	89,462	123,518	58,425

CHANGE IN NUMBER OF UNEXPIRED OPTIONS

For all of these plans, the change in the number of unexpired options is as follows:

In number of options	2023	2024
Options outstanding as at January 1	**295,174**	**209,595**
Options exercised	—	—
Options lapsed	(6,328)	(5,620)
Options canceled	(79,251)	(48,711)
Options distributed	—	—
OPTIONS OUTSTANDING AS AT DECEMBER 31	**209,595**	**155,264**
Of which exercisable options	12,440	26,629

The reported figures correspond to the number of options, with a performance factor of 1 for plans not yet vested, and to the actual number of shares awarded for plans that had matured.

As at December 31, 2024, the average exercise price was €22.44.

Performance share plans

CHARACTERISTICS OF THE PLANS

Vallourec's Management Board authorized performance share plans from 2017 to 2024 for some employees and corporate officers of the Group.

It should be noted that the characteristics of the 2017 to 2020 plans were revised to take account of the decision of the Chairman of the Management Board on June 30, 2021 to adjust the number and exercise price of the shares in order to protect the rights of the holders following the capital increase of June 30, 2021 (adjustment factor of 1.89929156 applied to the number of shares awarded).

The characteristics of the plans are as follows:

Performance share plans	2020 Plan	2021 Plan	2022 Plan	2023 Plan	2024 Plan
Award date	15-Jun-20	13-Oct-21	4-Jun-22	17-Nov-23	14-Nov-24
Vesting period	3 years	3 years	3 years	2 years	2 years
Holding period	None	None	None	None	None
Performance conditions	Yes[(a)]	Yes, only for management (cadres) above grade 20[(b)]	Yes, only for management (cadres) above grade 20[(c)]	Yes[(d)]	Yes[(e)]
Theoretical number of shares awarded	64,747	289,396	231,410	371,950	343,700

(a) *For all beneficiaries, vesting will depend on two "absolute" internal criteria:*
- *Group cost reductions (gross savings as a % of the Y-1 baseline and excluding DCOS) for 2020, 2021 and 2022;*
- *the ratio of carbon emissions from Vallourec's industrial processes and purchases of electricity generated by fossil fuels to sales volumes, in metric tons (emissions of non-biogenic carbon) between 2020 and 2022;*

a further external criterion will be applied: growth in the EBITDA margin between 2020 and 2022 compared to a panel of comparable companies comprising: Hunting Plc, United States Steel Corp., Nippon Steel Corp., Tubacex SA, Tenaris SA, Schlumberger, Halliburton, Tubos Reunidos SA, TimkenSteel Corp, Salzgitter AG, ArcelorMittal SA, TMK and NOV.

(b) *The conditional rights to receive performance shares granted to management (cadres) at grade 20 or below are not subject to any performance conditions. For beneficiaries at grade 21 or above, the award is based on two "absolute" internal criteria:*
- *Group cost reductions (gross savings as a % of the Y-1 baseline and excluding DCOS) for 2021, 2022 and 2023;*
- *the ratio of carbon emissions from Vallourec's industrial processes and purchases of electricity generated by fossil fuels to sales volumes, in metric tons (emissions of non-biogenic carbon) between 2021 and 2023;*

a further external criterion will be applied: growth in the EBITDA margin between 2021 and 2023 compared to a panel of comparable companies comprising: Hunting Plc, United States Steel Corp., Nippon Steel Corp., Tubacex SA, Tenaris SA, Schlumberger, Halliburton, Tubos Reunidos SA, TimkenSteel Corp, Salzgitter AG, ArcelorMittal SA, TMK and NOV.

(c) *The conditional rights to receive performance shares granted to management (cadres) at grade 20 or below are not subject to any performance conditions. For beneficiaries at grade 21 or above, the award is based on two "absolute" internal criteria:*
- *Group cost reductions (gross savings as a % of the Y-1 baseline and excluding DCOS) for 2022, 2023 and 2024;*
- *the ratio of carbon emissions from Vallourec's industrial processes and purchases of electricity generated by fossil fuels to sales volumes, in metric tons (emissions of non-biogenic carbon) between 2022 and 2024;*

a further external criterion will be applied: growth in the EBITDA margin between 2022 and 2024 compared to a panel of comparable companies comprising: Hunting Plc, United States Steel Corp., Nippon Steel Corp., Tubacex SA, Tenaris SA, Schlumberger, Halliburton, Tubos Reunidos SA, TimkenSteel Corp, Salzgitter AG, ArcelorMittal SA, TMK and NOV.

(d) *The performance conditions are as follows:*
- *50% of the award is subject to a continuous service condition only. The number of performance shares affected by this condition is 185,975;*
- *25%, the average daily trading volume weighted average price of the Vallourec share must be equal to or greater than €16.19 for a period of ninety (90) consecutive trading days during the Vesting Period. The number of performance shares affected by this condition is 93,030;*
- *25%, the daily trading volume weighted average price of the Vallourec share must be equal to or greater than €20.22 for a period of ninety (90) consecutive trading days during the Vesting Period. The number of performance shares affected by this condition is 92,945.*

(e) *The performance conditions are as follows:*
- *50% of the award is subject to a continuous service condition only. The number of performance shares affected by this condition is 171,850;*
- *25%, the average daily trading volume weighted average price of the Vallourec share must be equal to or greater than €16.19 for a period of ninety (90) consecutive trading days during the Vesting Period. The number of performance shares affected by this condition is 85,978;*
- *25%, the daily trading volume weighted average price of the Vallourec share must be equal to or greater than €20.22 for a period of ninety (90) consecutive trading days during the Vesting Period. The number of performance shares affected by this condition is 85,972.*

CHANGE IN NUMBER OF SHARES

For all of these plans, the change in the number of shares not yet vested is as follows:

In number of shares	2023	2024
Number of shares not yet vested as at January 1	**578,087**	**839,022**
Shares delivered over the year	(41,215)	(173,939)
Shares awarded for outperformance	—	—
Shares canceled	(69,800)	(149,753)
Shares awarded over the year	371,950	343,700
NUMBER OF SHARES NOT YET VESTED AS AT DECEMBER 31	**839,022**	**859,030**

The reported figures correspond to the number of shares, with a performance factor of 1 for plans not yet vested, and to the actual number of shares awarded for plans that had matured.

Valuation[a]	2023 Plan	2024 Plan
Share price on the award date	€13.18	€15.11
Risk-free rate[b]	3.15%	2.33%
Dividend rate[c]	0% in 2024 and 9.00% in 2025	6% in 2025 and 9% in 2026
Fair value of the share	Continuous service condition only: €11.98 Share price condition: €16.19: €7.56 Share price condition: €20.22: €4.87	Continuous service condition only: €12.98 Share price condition: €16.19: €8.55 Share price condition: €20.22: €3.91
NUMBER OF SHARES AWARDED	**371,950**	**343,700**

(a) The binomial pricing model has been used to measure the fair value of the shares awarded. The employee benefit corresponds to the fair value of the shares awarded, taking into account the loss of dividend rights during the vesting period and the cost to the employee of the non-transferability of shares during the holding period.

(b) The risk-free rate corresponds to the zero-coupon rate (source: French Institute of Actuaries – Institut des Actuaires).

(c) The expected dividend rates were determined based on analysts' expectations (external information) and the Group's dividend policy.

Management Equity Plans

During 2024, the Group set up new Management Equity Plans (MEPs) for employees and executive corporate officers.

MARCH 18, 2024 MEP

Under the MEP set up on March 18, 2024, 117,348 free shares were awarded to the Group's employees and executive corporate officers. This free share award comprises 3 tranches.

Characteristics of the plan

The characteristics of the performance share plan are as follows:

Valuation	Tranche 2	Tranche 3	Tranche 4
Share price on the award date	€15.69	€15.69	€15.69
Vesting period	0.52 years	0.94 years	1.39 years
Performance conditions[a]	Yes	Yes	Yes
Volatility[b]	37.50%	37.50%	37.50%
Risk-free rate[c]	2.47%	2.47%	2.47%
Dividend rate[d]	0% in 2024 and 9% in 2025 and 2026	0% in 2024 and 9% in 2025 and 2026	0% in 2024 and 9% in 2025 and 2026
Fair value of the share[e]	€12.63	€8.42	€3.62
Number of shares awarded	54,912	54,909	7,527

(a) The tranche 2, 3 and 4 performance share rights will be exercisable for ordinary shares if the volume-weighted average Vallourec share price is on average €16.19, €20.22 and €28.32 for 90 days in the five-year period following the financial restructuring. The valuation models show average vesting periods of 0.52 years, 0.94 years and 1.39 years, respectively.

(b) Volatility corresponds to historical volatility observed over a period corresponding to the life of the plans.

(c) The risk-free rate used was determined based on the maturity of each of the tranches (French Institute of Actuaries (Institut des Actuaires) yield curve).

(d) The expected dividend rates were determined based on analysts' expectations (external information) and the Group's dividend policy.

(e) Following amendments to the applicable performance conditions voted at the May 23, 2024 Shareholders' Meeting, the fair values of tranches 2, 3 and 4 were revised upwards, by adding €0.10, €1.25 and €1.30 respectively to their previous fair values.

MAY 24, 2024 MEP

Under the MEP set up on May 24, 2024, 74,838 performance shares were awarded free of consideration to the Group's employees and executive corporate officers. This free share award comprises 2 tranches.

Characteristics of the plan

The characteristics of the performance share plan are as follows:

Valuation	Tranche 2	Tranche 3
Share price on the award date	€16.65	€16.65
Vesting period	0.15 years	0.91 years
Performance conditions[a]	Yes	Yes
Volatility[b]	34.50%	34.50%
Risk-free rate[c]	3.12%	3.12%
Dividend rate[d]	0% in 2024 and 9% in 2025 and 2026	0% in 2024 and 9% in 2025 and 2026
Fair value of the share	€16.00	€10.56
Number of shares awarded	37,419	37,419

(a) The tranche 2 and 3 performance share rights will be exercisable for ordinary shares if the volume-weighted average Vallourec share price is on average €16.19 and €20.22 for 90 days in the five-year period following the financial restructuring. The valuation models show average vesting periods of 0.15 years and 0.91 years respectively.

(b) Volatility corresponds to historical volatility observed over a period corresponding to the life of the plans.

(c) The risk-free rate used was determined based on the maturity of each of the tranches (French Institute of Actuaries (Institut des Actuaires) yield curve).

(d) The expected dividend rates were determined based on analysts' expectations (external information) and the Group's dividend policy.

JUNE 26, 2024 MEP

On June 26, 2024, the Vallourec Group decided to set up a Management Equity Plan ("MEP") for its employees and executive corporate officers.

Under this plan, 162,975 free shares were awarded to the Group's employees and executive corporate officers. This free share award comprises: 27,900 ordinary shares and 135,075 preferred shares.

Characteristics of the plan

The characteristics of the plan awarding ordinary shares are as follows:

Valuation	Tranche 1	Tranche 2
Share price on the award date	€14.81	€14.81
Vesting period	1 year	2 years
Performance conditions [(a)]	Yes	Yes
Volatility [(b)]	27.00%	33.00%
Risk-free rate [(c)]	3.48 %	3.18 %
Dividend rate [(d)]	0% in 2024 and 9% in 2025 and 2026	0% in 2024 and 9% in 2025 and 2026
Fair value of the share	€13.26	€11.05
Number of shares awarded	13,950	13,950

(a) Each tranche will only vest if, on the vesting date, the Vallourec share price is above €8.09.
(b) Volatility corresponds to historical volatility observed over a period corresponding to the life of the plans.
(c) The risk-free rate used was determined based on the maturity of each of the tranches (French Institute of Actuaries (Institut des Actuaires) yield curve).
(d) The expected dividend rates were determined based on analysts' expectations (external information) and the Group's dividend policy.

The characteristics of the performance share plan are as follows:

Valuation	Tranche 2	Tranche 3	Tranche 4
Share price on the award date	€14.81	€14.81	€14.81
Vesting period	0.31 years	1.09 years	1.47 years
Performance conditions[(a)]	Yes	Yes	Yes
Volatility[(b)]	33.00 %	33.00 %	33.00 %
Risk-free rate[(c)]	3.18 %	3.18 %	3.18 %
Dividend rate[(d)]	0% in 2024 and 9% in 2025 and 2026	0% in 2024 and 9% in 2025 and 2026	0% in 2024 and 9% in 2025 and 2026
Fair value of the share	€12.58	€6.99	€2.50
Number of shares awarded	39,363	90,212	5,500

(a) The tranche 2, 3 and 4 performance share rights will be exercisable for ordinary shares if the volume-weighted average Vallourec share price is on average €16.19, €20.22 and €28.32 for 90 days in the five-year period following the financial restructuring. The valuation models show average vesting periods of 0.31 years, 1.09 years and 1.47 years, respectively.
(b) Volatility corresponds to historical volatility observed over a period corresponding to the life of the plans.
(c) The risk-free rate used was determined based on the maturity of each of the tranches (French Institute of Actuaries (Institut des Actuaires) yield curve).
(d) The expected dividend rates were determined based on analysts' expectations (external information) and the Group's dividend policy.

AUGUST 10, 2024 MEP

On August 10, 2024, the Vallourec Group decided to set up a Management Equity Plan ("MEP") for its employees and executive corporate officers.

Under this plan, 1,286,000 free shares were awarded to the Group's employees and executive corporate officers. This free share award comprises: 593,000 ordinary shares and 693,000 preferred shares.

Characteristics of the plan

The characteristics of the plan awarding ordinary shares are as follows:

Valuation	Tranche 1	Tranche 2
Share price on the award date	€13.45	€13.45
Vesting period	1 year	2 years
Performance conditions[a]	Yes	Yes
Volatility[b]	25.90%	31.90%
Risk-free rate[c]	3.15%	2.77%
Dividend rate[d]	9%	9%
Fair value of the share	€11.81	€9.58
Number of shares awarded	296,500	296,500

(a) Each tranche will only vest if, on the vesting date, the Vallourec share price is above €8.09.
(b) Volatility corresponds to historical volatility observed over a period corresponding to the life of the plans.
(c) The risk-free rate used was determined based on the maturity of each of the tranches (French Institute of Actuaries (Institut des Actuaires) yield curve).
(d) The expected dividend rates were determined based on analysts' expectations (external information) and the Group's dividend policy.

The characteristics of the performance share plan are as follows:

Valuation	Tranche 3
Share price on the award date	€13.45
Vesting period	1.21 years
Performance conditions[a]	Yes
Volatility[b]	29.60%
Risk-free rate[c]	2.79%
Dividend rate[d]	9%
Fair value of the share	€4.01
Number of shares awarded	693,000

(a) The tranche 3 performance share rights will be exercisable for ordinary shares if the volume-weighted average Vallourec share price is on average €20.22 for 90 days in the five-year period following the financial restructuring. The valuation models show average vesting periods of 1.21 years.
(b) Volatility corresponds to historical volatility observed over a period corresponding to the life of the plans.
(c) The risk-free rate used was determined based on the maturity of each of the tranches (French Institute of Actuaries (Institut des Actuaires) yield curve).
(d) The expected dividend rates were determined based on analysts' expectations (external information) and the Group's dividend policy.

SEPTEMBER 2, 2024 MEP

On September 2, 2024, the Vallourec Group decided to set up a Management Equity Plan ("MEP") for its employees and executive corporate officers.

Under this plan, 88,348 free shares were awarded to the Group's employees and executive corporate officers. This free share award comprises: 29,413 ordinary shares and 58,935 preferred shares.

Characteristics of the plan

The characteristics of the plan awarding ordinary shares are as follows:

Valuation	Tranche 1.1	Tranche 1.2
Share price on the award date	€14.43	€14.43
Vesting period	1 year	2 years
Performance conditions[a]	Yes	Yes
Volatility[b]	26.20%	30.90%
Risk-free rate[c]	3.09%	2.76%
Dividend rate[d]	9%	9%
Fair value of the share	€12.91	€10.68
Number of shares awarded	14,707	14,706

(a) Each tranche will only vest if, on the vesting date, the Vallourec share price is above €8.09.
(b) Volatility corresponds to historical volatility observed over a period corresponding to the life of the plans.
(c) The risk-free rate used was determined based on the maturity of each of the tranches (French Institute of Actuaries (Institut des Actuaires) yield curve).
(d) The expected dividend rates were determined based on analysts' expectations (external information) and the Group's dividend policy.

The characteristics of the performance share plan are as follows:

Valuation	Tranche 3	Tranche 4
Share price on the award date	€14.43	€14.43
Vesting period	0.74 years	1.11 years
Performance conditions[a]	Yes	Yes
Volatility[b]	28.30%	28.30%
Risk-free rate[c]	2.79%	2.79%
Dividend rate[d]	9%	9%
Fair value of the share	€5.10	€1.08
Number of shares awarded	55,305	3,630

(a) The tranche 3 and 4 performance share rights will be exercisable for ordinary shares if the volume-weighted average Vallourec share price is on average €20.22 and €28.32 for 90 days in the five-year period following the financial restructuring. The valuation models show average vesting periods of 0.74 years and 1.11 years respectively.
(b) Volatility corresponds to historical volatility observed over a period corresponding to the life of the plans.
(c) The risk-free rate used was determined based on the maturity of each of the tranches (French Institute of Actuaries (Institut des Actuaires) yield curve).
(d) The expected dividend rates were determined based on analysts' expectations (external information) and the Group's dividend policy.

DECEMBER 16, 2024 MEP

On December 16, 2024, the Vallourec Group decided to set up a Management Equity Plan ("MEP") for its employees and executive corporate officers.

Under this plan, 15,600 free shares were awarded to the Group's employees and executive corporate officers. This free share award comprises: 5,200 ordinary shares and 10,400 preferred shares.

Characteristics of the plan

The characteristics of the plan awarding ordinary shares are as follows:

Valuation	Tranche 1	Tranche 2
Share price on the award date	€16.54	€16.54
Vesting period	1 year	2 years
Performance conditions[(a)]	Yes	Yes
Volatility[(b)]	25.50%	27.70%
Risk-free rate[(c)]	2.57%	2.53%
Dividend rate[(d)]	6% in 2025 9% in 2026	6% in 2025 9% in 2026
Fair value of the share	€15.49	€13.59
Number of shares awarded	2,600	2,600

(a) Each tranche will only vest if, on the vesting date, the Vallourec share price is above €8.09.
(b) Volatility corresponds to historical volatility observed over a period corresponding to the life of the plans.
(c) The risk-free rate used was determined based on the maturity of each of the tranches (French Institute of Actuaries (Institut des Actuaires) yield curve).
(d) The expected dividend rates were determined based on analysts' expectations (external information) and the Group's dividend policy.

The characteristics of the performance share plan are as follows:

Valuation	Tranche 3
Share price on the award date	€16.54
Vesting period	0.85 years
Performance conditions[(a)]	Yes
Volatility[(b)]	24.90%
Risk-free rate[(c)]	2.52%
Dividend rate[(d)]	6% in 2025 9% in 2026
Fair value of the share	€3.97
Number of shares awarded	10,400

(a) The tranche 3 performance share rights will be exercisable for ordinary shares if the volume-weighted average Vallourec share price is on average €20.22 for 90 days in the five-year period following the financial restructuring. The valuation models show average vesting periods of 0.85 years.
(b) Volatility corresponds to historical volatility observed over a period corresponding to the life of the plans.
(c) The risk-free rate used was determined based on the maturity of each of the tranches (French Institute of Actuaries (Institut des Actuaires) yield curve).
(d) The expected dividend rates were determined based on analysts' expectations (external information) and the Group's dividend policy.

CHANGE IN NUMBER OF SHARES

The change in the number of shares not yet vested under the 2024 Management Equity Plans is as follows:

In number of shares	Ordinary shares	Performance shares
Number of shares not yet vested as at January 1, 2024	**1,308,762**	**1,920,611**
Shares delivered over the year	(272,198)	4,350,542
Shares canceled	(158,839)	(2,590,147)
Performance shares converted		(3,701,686)
Shares awarded over the year	655,513	1,089,596
NUMBER OF SHARES NOT YET VESTED AS AT DECEMBER 31, 2024	**1,533,238**	**1,068,916**

7. Provisions for contingencies and charges

The change in provisions for contingencies and charges is shown below:

	12/31/2023	Additions	Utilizations	12/31/2024
Provisions for foreign exchange losses	1	—	1	—
Provisions for retirement commitments	—	—	—	—
Provisions for supplementary pension obligations	—	—	—	—
Provisions for performance share expenses	594	—	594	—
Provisions for claims and litigation	15	25	15	25
TOTAL	**610**	**25**	**610**	**25**
Of which recognized in operating income (loss)	—	—	594	—
Of which recognized in financial income (expense)	—	—	16	—

Provisions are booked for disputes according to the estimated probable risk at each reporting date, in application of CRC Regulation No. 2000-06 on liabilities.

PROVISIONS FOR RETIREMENT COMMITMENTS

Total retirement commitments, net of plan assets, were a nil amount as at December 31, 2024, unchanged from December 31, 2023.

PROVISIONS FOR SUPPLEMENTARY PENSION OBLIGATIONS

As at December 31, 2024, the total supplementary pension obligation, net of plan assets, amounted to nil.

Actuarial losses and unrecognized past service costs were a nil amount. Commitments not recognized in the statement of financial position would correspond to changes in assumptions or to the failure of assumptions to materialize, the effect of which is amortized over time using the corridor method.

INFORMATION ON INTEREST RATE RISK

Vallourec SA may at times use swaps, to convert variable-rate interest on its debt into a fixed rate.

In April 2024, Vallourec executed a significant and holistic refinancing that has extended its debt and liquidity maturities and reduced its financial costs. Key elements of this operation were the issuance of eight-year USD 820 million 7.5% senior notes as well as the entry into a cross-currency swap to hedge Vallourec's currency exposure on its new senior notes with a euro equivalent coupon of approximately 5.8%. The cross-currency swap consists of six transactions designed to convert the USD 820 million senior notes into euros for an amount of €768 million.

INFORMATION ON FOREIGN EXCHANGE RISK

As at December 31, 2024, Vallourec SA had no significant exposure to foreign exchange risk and therefore has not set up any currency hedging instruments.

D – Notes to the income statement

8. Operating income (loss)

REVENUE

The Company's 2024 revenue – amounting to €7.1 million – mainly corresponds to services rebilled to the subsidiary Vallourec Tubes (€7.3 million), and the costs of employee performance share award plans rebilled to Group subsidiaries.

OPERATING EXPENSES

Operating expenses amounted to €19.2 million, consisting mainly of fees, personnel costs, and the impact of free share plans and commissions, loan issue fees and additions to provisions.

9. Financial income and expenses concerning related companies

Financial expenses: €73.6 million.

Financial income: €600 million.

10. Net financial income

The Company reported net financial income of €527 million for the year.

	12/31/2023	12/31/2024
Interest income[(a)]	126,119	140,501
Interest expense	(102,284)	(73,534)
Net interest expense	**23,836**	**66,967**
Change in provisions for equity interests	887,001	16
Other financial income and expenses[(b)]	250,006	459,882
NET FINANCIAL INCOME	**1,160,842**	**526,866**

(a) Of which €112.0 million corresponding to interest on loans to Vallourec Tubes SAS.
(b) Of which €460 million corresponding to interest on dividends receivable from Vallourec Tubes SAS.

11. Net non-recurring income

None.

E – Other information

12. Breakdown of average headcount

As at December 31, 2024, the Company had one employee.

13. Taxation

TAX CONSOLIDATION

Since 1 January 1988, the Company has been a member of a tax consolidation group formed under the provisions of Article 223-A of the French Tax Code.

The tax consolidation agreement has been renewed automatically for five-year periods since 1999.

In 2024, the tax consolidation group comprised Vallourec SA, Vallourec Umbilicals, Vallourec Tubes, Vallourec Tubes France, Vallourec Oil & Gas France, and Vallourec Services.

The tax consolidation agreement requires subsidiaries of the tax group to record a tax expense equivalent to the amount they would have borne in the absence of tax consolidation.

Any income resulting from tax consolidation recorded by Vallourec SA corresponds mainly to the charge to income of the losses generated by Vallourec SA and the tax loss carryforwards recognized by Vallourec SA.

The Vallourec tax group reported a tax loss in 2024. The tax loss to be carried forward amounts to €108,033,511.

Increase and decrease in future tax liabilities

Nature of temporary differences	Amount (base) as at Dec. 31, 2023	Amount (base) as at Dec. 31, 2024
Increase		
Decrease	**197**	**10**
Provision for retirement commitments	10	10
Provision for employee share ownership plans	187	—
Provision for paid leave	—	—
Provision for tax on passenger vehicles	—	—

Breakdown of income tax between recurring and non-recurring items

	Pre-tax income (loss)	Tax due	Net income (loss)
Recurring	515,603	—	515,603
Non-recurring	—	—	—
Sub-total	**515,603**	**—**	**515,603**
Expense relating to Vallourec (tax credit)	—	(7,733)	7,733
Income from tax consolidation	—	10,148	(10,148)
TOTAL VALLOUREC	**515,603**	**2,415**	**518,019**

14. Executive compensation

ADMINISTRATIVE BODIES

Attendance fees and other compensation paid to members of the administrative bodies during the year amounted to €0.858 million.

MANAGEMENT BODIES

This information is not provided as it is not relevant in relation to the assets and liabilities, financial position and earnings of Vallourec SA.

15. Off-balance sheet commitments

Off-balance sheet commitments are as follows:

- retirement benefits: none;
- supplementary pension benefits: none;
- long-term vehicle leases: €9 thousand.

None of the Company's debt is secured by collateral.

16. Subsequent events

None.

17. Vallourec subsidiaries and directly-held equity interests as at December 31, 2024

Company *(in € thousands)*	**Share capital**	**Other equity before appropriation of net income**	**Percentage of capital held** *(%)*	**Carrying amount of the securities held**		**Outstanding loans and advances granted by the Company**	**Securities and guarantees given by the Company**	**Prior-year revenue excluding taxes**	**Prior-year net income (loss)**	**Dividends received by the Company during the year**
				Gross	**Net**					
A) SUBSIDIARIES AND EQUITY INTERESTS WITH A CARRYING AMOUNT IN EXCESS OF 1% OF VALLOUREC'S CAPITAL										
I. Subsidiaries (at least 50%-owned)										
French company										
Vallourec Tubes 12, rue de la Verrerie, 92190 Meudon – France	622,643,175	2,368,570	100%	4,856,429	4,856,429	2,558,542		70,165	463,033	-

18. Five-year financial summary

In €, except number of shares and number of employees	2020	2021	2022	2023	12/31/2024
SHARE CAPITAL					
Share capital	**228,994**	**4,578,569**	**4,635,552**	**4,745,437**	**4,761,692**
Number of ordinary shares in issue	11,449,694	228,928,428	231,777,627	237,271,828	233,875,005
Number of preferred non-voting shares in issue	—	—	—	—	—
Maximum number of new shares to be issued:	—				
• via bond conversions					
• via exercise of subscription rights		—	—	—	—
• via bond redemptions					
Revenue, excluding taxes	2,706,419	2,932,804	2,086,313	4,533,997	7,055,284
Income (loss) before tax, employee profit-sharing, depreciation, amortization, and provisions	(88,504,562)	66,001,676	(4,174,959)	265,698,949	515,017,730
Income tax	56,340	35,360	172,726	1,883,837	2,415,418
Employee profit-sharing for the year	—	—			
Income (loss) after tax, employee profit-sharing, depreciation, amortization, and provisions	(3,093,523,915)	510,763,663	1,657,926,018	1,15, 062,178	518,018,604
Distributed earnings	-	-	-	-	-
EARNINGS PER SHARE					
Income (loss) after tax and employee profit-sharing but before depreciation, amortization and provisions	(7.73)	0.29	(0.02)	1.13	2.21
Income (loss) after tax, employee profit-sharing, depreciation, amortization, and provisions	(270.18)	2.23	7.15	4.87	2.21
Dividend allotted to each existing share	—	—	—	—	—
HEADCOUNT					
Average number of employees during the year	4	4	3	1	1
Total payroll costs for the year	1,532,830	2,359,910	3,679,977	1,26, 389	2,428,878
Payroll-related costs (social security, employee benefits, etc.)	1,102,907	1,330,544	1,448,593	2,789,959	3,821,737

7.4 Statutory Auditors' report on the annual financial statements

This is a free translation into English of the Statutory Auditors' Report on the financial statements of the Company issued in French and it is provided solely for the convenience of English-speaking users.

This Statutory Auditors' Report includes information required by European regulations and French law, such as information regarding the appointment of the Statutory Auditors or verification of the management report and other documents provided to shareholders.This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

Fiscal year ended December 31, 2024

To the General Meeting of Vallourec S.A.,

Opinion

In accordance with the assignment entrusted to us by the General Meeting, we have audited the annual financial statements of Vallourec S.A. for the fiscal year ended December 31, 2024, as attached to this report.

We certify that the annual financial statements are, in accordance with French accounting rules and principles, regular and sincere and give a true and fair view of the results of operations for the past fiscal year as well as the financial position and assets of the company at the end of this fiscal year.

The opinion expressed above is consistent with the content of our report to the audit committee.

Basis for Opinion

AUDIT FRAMEWORK

We conducted our audit in accordance with professional standards applicable in France. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

The responsibilities incumbent upon us under these standards are indicated in the Section "Responsibilities of the Auditors with respect to the Audit of the Annual Financial Statements" of this report.

INDEPENDENCE

We conducted our audit in compliance with the independence rules set forth by the Commercial Code and the Code of Ethics for Statutory Auditors for the period from January 1, 2024, to the date of issuance of our report, and in particular, we did not provide any services prohibited by Article 5, paragraph 1, of Regulation (EU) No. 537/2014.

Justification of assessments - Key Audit Matters

In accordance with the provisions of Articles L.821-53 and R.821-180 of the Commercial Code relating to the justification of our assessments, we bring to your attention the key audit matters related to the risks of significant anomalies which, in our professional judgment, were the most important for the audit of the annual financial statements for the fiscal year, as well as the responses we provided to address these risks.

The assessments thus made are set in the context of the audit of the annual financial statements taken as a whole and the formation of our opinion expressed above. We do not express an opinion on individual elements of these annual financial statements.

Evaluation of Equity Investments and Related Receivables of Vallourec Tubes

Notes B "Accounting Principles - Equity Investments" and C.1 "Variation of Fixed Assets"

Key Audit Matter	Audit response
As of December 31, 2024, equity investments are recorded on the balance sheet for a net amount of €4,856 million. They correspond to the shares of Vallourec Tubes SAS, which holds all the investments of the Vallourec group. Receivables related to investments amount to €1,700 million. As described in the "Equity Investments" Section of Note B of the annual financial statements, the company sets up a provision for impairment when the value in use of the equity investments is lower than the net book value. Similarly, related receivables are impaired, if necessary, when the risk exceeds the value of the investments, and the investments have already been impaired. The value in use is determined based on expected cash flows, estimated based on the Vallourec group's strategic plan for the first five years and a terminal value. The evaluation carried out on Dec. 31, 2024, by the company, as indicated in the "Equity Investments" Section of Note C.1 of the annual financial statements, did not lead to the recognition of an impairment of the shares of Vallourec Tubes SAS at the end of the fiscal year. We considered the evaluation of the equity investments and related receivables of Vallourec Tubes SAS to be a key audit matter, due to the materiality of these assets in the company's annual financial statements, and the method of determining the value in use of these investments, which requires management to exercise judgment and use estimates in preparing the discounted future cash flow forecasts used to determine this value.	As part of our work, we gained an understanding of: • the process of developing and approving the estimates and assumptions used by Management in determining the value in use of the shares of Vallourec Tubes SAS, and • the procedures for approving the results of these tests by the Board of directors. We: • Examined the model used to determine the value in use of these shares and related receivables; • Analyzed the consistency of the cash flow forecasts and assumptions prepared by management with the 2025 budget and the five-year strategic plan approved by the Board of Directors; • Verified the arithmetic accuracy of the calculations. With the support of our valuation experts included in the audit team, we: • Assessed the appropriateness of the various assumptions underlying the cash flow forecasts, in light of the Group's internal data and external sectoral and macroeconomic data, including: • Price and volume assumptions by region, which depend particularly on investments in oil and gas exploration and production, • Cost evolution forecasts within the framework of the "New Vallourec" strategic plan, and • Exchange rates, long-term growth rates, and discount rates used. • Conducted our own sensitivity analyses. We also: • Analyzed the consistency of the cash flow forecasts with past performances used in previous impairment tests; • Verified that the value resulting from the cash flow forecasts was adjusted for the net debt of the Vallourec group. Finally, we assessed the appropriateness of the information provided in this regard in the appendix to the annual financial statements.

Specific Verifications

We also carried out, in accordance with professional standards applicable in France, the specific verifications required by legal and regulatory texts.

INFORMATION PROVIDED IN THE MANAGEMENT REPORT AND OTHER DOCUMENTS ON THE FINANCIAL SITUATION AND ANNUAL FINANCIAL STATEMENTS ADDRESSED TO SHAREHOLDERS

We have no comments to make on the sincerity and consistency with the annual financial statements of the information provided in the management report of the board of directors and in other documents on the financial situation and annual financial statements addressed to shareholders.

We certify the sincerity and consistency with the annual financial statements of the information relating to payment terms mentioned in Article D.441-6 of the Commercial Code.

INFORMATION RELATING TO CORPORATE GOVERNANCE

We certify the existence, in the section of the management report of the board of directors dedicated to corporate governance, of the information required by Articles L.225-37-4, L.22-10-10, and L.22-10-9 of the Commercial Code.

Regarding the information provided in accordance with the provisions of Article L.22-10-9 of the Commercial Code on the remuneration and benefits paid or awarded to corporate officers as well as on the commitments made in their favor, we have verified their consistency with the accounts or with the data used to prepare these accounts and, where applicable, with the elements collected by your company from the controlled entities included in the consolidation scope. Based on this work, we certify the accuracy and sincerity of this information.

Regarding the information relating to the elements that your company has considered likely to have an impact in the event of a public offer or exchange, provided in accordance with the provisions of Article L.22-10-11 of the Commercial Code, we have verified their compliance with the documents from which they originate and which were communicated to us. Based on this work, we have no comments to make on this information.

OTHER INFORMATIONS

In accordance with the law, we have ensured that the various information relating to the identity of the holders of capital or voting rights has been communicated to you in the management report.

Other verifications or information required by legal and regulatory texts

FORMAT OF PRESENTATION OF THE ANNUAL FINANCIAL STATEMENTS TO BE INCLUDED IN THE ANNUAL FINANCIAL REPORT

We also carried out, in accordance with the professional standard on the diligence of the statutory auditor relating to annual and consolidated financial statements presented in the European Single Electronic Format, the verification of compliance with this format defined by the European Delegated Regulation No. 2019/815 of December 17, 2018, in the presentation of the annual financial statements to be included in the annual financial report mentioned in Article L. 451-1-2 of the Monetary and Financial Code, prepared under the responsibility of the Chief Executive Officer.

Based on our work, we conclude that the presentation of the annual financial statements to be included in the annual financial report complies, in all significant respects, with the European Single Electronic Format.

APPOINTMENT OF AUDITORS

We were appointed statutory auditors of Vallourec S.A. by the General Meeting of June 1, 2006, for KPMG SA and May 23, 2024, for Ernst & Young et Autres.

As of December 31, 2024, KPMG SA was in its 19th year of uninterrupted service and Ernst & Young et Autres in its 1st year of uninterrupted service.

Responsibilities of Management and Corporate Governance with respect to the Annual Financial Statements

Management is responsible for preparing annual financial statements that give a true and fair view in accordance with French accounting rules and principles, and for implementing the internal control it deems necessary to ensure that the annual financial statements are free from material misstatement, whether due to fraud or error.

When preparing the annual financial statements, management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations.

The audit committee is responsible for overseeing the financial reporting process and monitoring the effectiveness of internal control and risk management systems, as well as, where applicable, internal audit, with respect to the procedures relating to the preparation and processing of accounting and financial information.

The annual financial statements were approved by the board of directors.

Responsibilities of the Auditors with respect to the Audit of the Annual Financial Statements

AUDIT OBJECTIVE AND APPROACH

It is our responsibility to issue a report on the annual financial statements. Our objective is to obtain reasonable assurance that the annual financial statements taken as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but it does not guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if it is reasonable to expect that they could, individually or in aggregate, influence the economic decisions that users make based on the financial statements.

As specified by Article L.821-55 of the Commercial Code, our certification mission does not consist of guaranteeing the viability or the quality of the management of your company.

In the context of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit. Additionally:

- They identify and assess the risks of material misstatement in the annual financial statements, whether due to fraud or error, design and implement audit procedures to address those risks, and gather evidence that they deem sufficient and appropriate to form their opinion. The risk of not detecting a material misstatement resulting from fraud is higher than that of one resulting from error, as fraud may involve collusion, falsification, intentional omissions, misrepresentations, or the override of internal control;
- They consider internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control;
- They evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as the related disclosures in the annual financial statements;
- They assess the appropriateness of management's use of the going concern basis of accounting and, based on the evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. This assessment is based on the evidence obtained up to the date of their report, although subsequent events or conditions may cause the company to cease to continue as a going concern. If they conclude that a material uncertainty exists, they draw attention in their report to the related disclosures in the annual financial statements or, if such disclosures are inadequate, they modify their opinion. Their conclusions are based on the evidence obtained up to the date of their report;
- They evaluate the overall presentation of the annual financial statements and whether the annual financial statements represent the underlying transactions and events in a manner that achieves fair presentation;

REPORT TO THE AUDIT COMMITTEE

We submit to the audit committee a report that presents, among other things, the scope of the audit work and the work program implemented, as well as the conclusions resulting from our work. We also bring to their attention, where applicable, significant weaknesses in internal control that we have identified regarding procedures related to the preparation and processing of accounting and financial information.

Among the elements communicated in the report to the audit committee are the risks of significant anomalies that we consider to have been the most important for the audit of the annual financial statements for the fiscal year and which therefore constitute the key audit matters that we must describe in this report.

We also provide the audit committee with the declaration required by Article 6 of Regulation (EU) No. 537-2014 confirming our independence, in accordance with the applicable rules in France as set out in Articles L.821-27 to L.821-34 of the Commercial Code and in the Code of Ethics for Statutory Auditors. Where applicable, we discuss with the audit committee the risks to our independence and the safeguards applied.

Paris La Défense, March 11, 2025

The Statutory Auditors

KPMG SA	Ernst & Young et Autres
Philippe GRANDCLERC	May KASSIS-MORIN
Partner	Partner

CHAPTER 8

8 ADDITIONAL INFORMATION

8.1 Persons responsible

8.1.1 Person responsible for the Universal Registration Document

Philippe Guillemot

Chairman and Chief Executive Officer of Vallourec (hereinafter "**Vallourec**", "**the Company**", or "**the Group**")

8.1.2 Statement by the person responsible for the Universal Registration Document

I certify that, to the best of my knowledge, the financial statements have been prepared in accordance with applicable accounting standards and give a true and fair view of the assets and liabilities, financial position and profit or loss of the issuer and all consolidated companies, and that the management report, the various headings of which are provided in the cross-reference table on page 405 of this Universal Registration Document (Section 8.4.1), presents a true and fair view of the business trends, results and financial position of the Company and all consolidated companies, and that it describes the main risks and uncertainties that they face and that it is prepared in accordance with applicable sustainability reporting standards.

Meudon, March 26, 2025

Chairman and Chief Executive Officer

Philippe Guillemot

8.1.3 Person responsible for the Group's legal affairs

Sarah Dib

Group General Counsel

Vallourec

12, rue de la Verrerie

92190 Meudon – France

E-mail: sarah.dib@vallourec.com

Vallourec website: www.vallourec.com

8.1.4 Person responsible for financial communications

Connor Lynagh

Investor Relations Director

Vallourec

12, rue de la Verrerie

92190 Meudon – France

E-mail: connor.lynagh@vallourec.com

Vallourec website: www.vallourec.com

8.2 Persons responsible for the audit of the financial statements

Statutory Auditors

KPMG SA

Represented by:

Philippe Grandclerc

Tour Eqho – 2, avenue Gambetta
92066 Paris-La Défense Cedex – France

Date of first appointment: June 1, 2006
Date reappointed: May 23, 2024

The Ordinary and Extraordinary Shareholders' Meeting of May 23, 2024 reappointed KPMG SA as Statutory Auditor for a term of six (6) fiscal years expiring at the close of the Ordinary Shareholders' Meeting called to approve the financial statements for the fiscal year ending December 31, 2029.

Ernst & YOUNG ET AUTRES

Represented by:

May Kassis-Morin

Tour First – 1-2, place des Saisons
92400 Courbevoie - Paris-La Défense 1 – France

Date of first appointment: May 23, 2024

The Ordinary and Extraordinary Shareholders' Meeting of May 23, 2024 appointed Ernst & Young et Autres as Statutory Auditor for a term of six (6) fiscal years expiring at the close of the Ordinary Shareholders' Meeting called to approve the financial statements for the fiscal year ending December 31, 2029.

8.3 Report on payments made to governments (Article L.225-102-3 of the French Commercial Code)

Article L.225-102-3 of the French Commercial Code[1] requires large undertakings and public interest entities active in the extractive industry or operation of primary forestry to disclose in an annual report any payment equal to or greater than €100,000 made to governments in the countries and territories in which they operate.

Vallourec's consolidated report is presented below in accordance with the above-mentioned provisions. This report details the payments made by Vallourec's Extractive Companies, as defined below, to each government in the states and territories in which Vallourec operates, specifying the total amount, the total amount by payment type and the total amount by project.

This report was approved by the Board of Directors of Vallourec SA.

DEFINITIONS

The terms defined below are used in this report as follows:

- **Extractive Companies:** any company or undertaking whose activities partially or fully entail the exploration, prospection, discovery, exploitation and extraction of mineral, oil and natural gas deposits in particular, that are fully consolidated by Vallourec SA, including the parent company.
- **Payment:** any single payment or series of related payments, equal to or greater than €100,000 (or the equivalent), made in cash or in kind.

  The types of payments included in this report are as follows:
  - **Taxes and other levies:** taxes and levies paid on income, production or profits, excluding consumption taxes such as VAT, customs duties, personal income tax and sales taxes.
  - **License fees:** annual license fees, surface rights or rental fees, and any other form of levy related to licenses and/or concessions for extraction areas.
  - **Infrastructure upgrade payments:** payments made for local development, including infrastructure upgrades, that are not directly necessary for extractive activities but are required as part of a production-sharing agreement or in accordance with a law relating specifically to oil and gas operations.
- **Government:** any national, regional or local authority of a state or territory, or any administration, agency or undertaking controlled by it.
- **Project:** operating activities governed by a single agreement, license, lease, concession or similar arrangement and forming the basis for obligations to pay consideration to a government. Where several such agreements are interrelated, they are considered a single project.

(1) *Article L.225-102-3 of the French Commercial Code transposes into French law certain provisions of Directive 2013/34/EU of the European Parliament and of the Council of June 26, 2013.*

REPORTING

This report details all payments made for their extractive activities by the Extractive Companies that are Project operators to Governments of the countries or territories in which they operate, as they appear in the financial statements of the Extractive Companies.

In 2024, the Group made the following payments in respect of taxes due on the operation of its Pau Branco mine in the state of Minas Gerais:

Vallourec Group company	Project	Payment justification	Government	Amount
Vallourec Tubos do Brasil Ltda	Operation of the Pau Branco mine, Brazil	Tax on financial compensation for the exploration of mineral resources - CFEM (Compensação Financeira pela Exploração Mineral)	Brazilian Federal Government	€8,462,990
Vallourec Tubos do Brasil Ltda	Operation of the Pau Branco mine, Brazil	Levy on tax assessments, monitoring and inspection of research, mining, exploration and use of mineral resources (Taxas de Fiscalização sobre Recursos Minerais – TFRM)	Brazilian Federal Government	€2,669,263
Vallourec Tubos do Brasil Ltda	Operation of the Pau Branco mine, Brazil	Income tax	Brazilian Federal Government	€11,106,345

8.4 Cross-reference tables and information incorporated by reference

8.4.1 Cross-reference table between the Universal Registration Document and Annexes 1 and 2 to Commission Delegated Regulation (EU) 2019/980 of March 14, 2019

	Universal Registration Document	
Annex 1 and 2 to Commission Delegated Regulation (EU) 2019/980 of March 14, 2019	**Chapters/Sections**	**Pages**
1. Persons responsible, third party information, experts' reports and competent authority approval		
1.1. Persons responsible	8.1.1	402
1.2. Statement by the persons responsible	8.1.2	402
1.3. Experts' statement or report	N/A	N/A
1.4. Certifications relating to third-party information	N/A	N/A
1.5. Declaration without prior approval of the competent authority	-	1
2. Statutory Auditors		
2.1. Name and address of the Statutory Auditors	8.2	403
2.2. Statutory Auditors who have resigned, been removed or not been re-appointed during the period covered	N/A	N/A
3. Risk factors		
3.1. Risks related to the Group's strategy and operations	3.1.1	178 to 180
3.2. Operational risks	3.1.2	180 to 182
3.3. Legal and tax risks	3.1.3	182 to 184
3.4. Financial and market risks	3.1.4	184 to 187
4. Information about the Company		
4.1. Legal and commercial name	5.1.1	268
4.2. Place of registration, registration number and legal entity identifier (LEI)	5.1.2	268
4.3. Date of incorporation and term	5.1.3	268
4.4. Registered office, legal form, legislation, country of incorporation, address and telephone number of the registered office and website	5.1.1, 5.1.2	268
5. Business overview		
5.1. Principal activities		
5.1.1. Nature of operations and principal activities	Profile, 1.1, 1.3.1, 7.1.6 Note 2.1	4, 6, 14 to 20, 33 to 38, 317
5.1.2. New products and/or services	1.2.3	30 to 32
5.2. Principal markets	Profile, 1 (Introduction), 1.1.1, 1.2.1, 1.3.1, 7.1.6 Note 2.1	4, 6, 14, 21 to 25, 33 to 38, 317
5.3. Key business development events	Profile, 1.1.1, 1.2.2, 1.2.3 1.4, 7.1.6 Note 1.3	3, 14 to 16, 25 to 29, 30 to 33, 39 to 42, 316
5.4. Strategy and objectives	Profile, 1.1.1, 1.1.2.3, 1.1.3, 1.2, 2 (Introduction)	2-3, 7, 16, 19 to 33, 49 to 53
5.5. Dependence on patents, licenses, industrial, commercial or financial contracts and new manufacturing processes	1.2.3, 3.1.1.1 to 3.1.1.5, 3.1.2.1	30 to 33, 178-179, 180
5.6. Basis for any statements made regarding the competitive position	1.3.1.1.4, 1.3.1.2.3	36-37
5.7. Investments		
5.7.1. Material investments made	6.1.2.3	300-301
5.7.2. Investments in progress or for which firm commitments have already been made	6.1.2.3	301
5.7.3. Joint ventures and undertakings in which the Company holds a proportion of the capital likely to have a significant effect on the assessment of its own assets and liabilities, financial position or profits and losses	7.1.6 Notes 5 and Note 10.2	336 to 338, 369-370
5.7.4. Environmental issues that may affect the utilization of property, plant and equipment	2.1, 3.1.2.3, 7.1.6 Note 4.2	63 to 105, 181, 331

Annex 1 and 2 to Commission Delegated Regulation (EU) 2019/980 of March 14, 2019	Universal Registration Document Chapters/Sections	Universal Registration Document Pages
6. Organizational structure		
6.1. Brief description of the Group	1.2.2, 5.7	25 to 29, 290
6.2. List of significant subsidiaries	1.2.2.1.2, 5.7.1, 7.1.6 Note 10.2, 7.3.3 Note E17	26 to 28, 290, 369-370, 393
7. Operating and financial review		
7.1. Financial position		
7.1.1. Development and performance of the issuer's business and changes in its financial position, including both financial and, where appropriate, non-financial key performance indicators	Profile, 1.1.3, 6.1, 6.3, 7.1.1 to 7.1.4, 7.1.6 Notes 2.1 to 2.3, 7.3.1, 7.3.2, 7.3.3 Note D8 to D11	3 to 5, 7, 10, 20, 294 to 302, 304, 308 to 311, 318 to 321, 375, 376, 391-392
7.1.2. Likely future development of the issuer's business and activities in the field of research and development	Profile, 1.1.2.2, 1.1.2.3.2, 1.1.3, 1.2.1, 1.2.2, 1.2.3, 1.4.1.7, 1.4.2, 3.2.2.6.3, 6.2	3, 6-7, 17-18, 20 to 24, 25 to 33, 41-42, 193, 303
7.2. Operating results		
7.2.1. Significant factors, unusual or infrequent events or new developments, materially affecting income from operations	Profile, 1.2.2, 1.4.1, 7.1.6 Notes 1.3 and 2.6	3, 6, 25 to 29, 39 to 42, 316, 322
7.2.2. Reason for material changes in revenue or income	Profile, 7.1.6 Notes 2.3 and 2.6	3, 320-322
8. Capital resources		
8.1. Information on capital resources	6.1.2.5, 7.1.4, 7.1.5, 7.1.6 Note 6.1, 7.3.1, 7.3.3 Note C5	302, 311, 312, 339, 375, 382
8.2. Sources, amounts and description of cash flows	Profile, 6.1.2, 7.1.3, 7.1.6 Notes 7.1.7 and 7.1.8	3, 300 to 302, 310, 353
8.3. Borrowing requirements and funding structure	Profile, 1.1.1, 1.4.1.1, 5.2.6.2 to 5.2.6.3, 6.1.2.1, 6.1.2.4, 7.1.4, 7.1.6 Notes 2.8, 7.1 and 7.2, 7.3.3 Notes A and C3	3, 16, 39, 278, 300-302, 311, 323, 349 to 353, 354, 376-377, 379 to 381
8.4. Information regarding any restrictions on the use of capital resources that have materially affected, or could materially affect, directly or indirectly, operations	7.1.6 Notes 7.1.1 and 7.1.3, 7.3.3 Note C3	350, 379 to 381
8.5. Information regarding the anticipated sources of funds needed to fulfill the commitments referred to in item 5.7.2	7.1.6 Notes 7.1, 7.3.3 Note C3	349 to 352, 379 to 381
9. Regulatory environment		
9.1. Description of the regulatory environment that may materially affect the business, together with information regarding any governmental, economic, fiscal, monetary or political policies or factors that have materially affected, or could materially affect, directly or indirectly, operations	1.2.3.1.5, 2.1.3.2 to 2.1.3.3, 3.1.2.2, 3.2.2.6.1	33, 80-81, 180-181, 192
10. Trend information		
10.1. Significant recent trends in production, sales and inventory, and costs and selling prices since the end of the last financial year up to the date of the Universal Registration Document	1.4.2	42
10.2. Known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on prospects for at least the current financial year	Profile, 1.2.2, 1.4.1, 1.4.2, 6.2.1	3, 25 to 29, 39 to 42, 303
11. Profit forecasts or estimates		
11.1. Published profit forecasts or estimates	6.2.1	303
11.2. Main assumptions upon which the issuer has based its forecasts or estimates	6.2.2	303
11.3. Statement of comparability with historical financial information and consistency with the issuer's accounting policies	6.2.2	303

Annex 1 and 2 to Commission Delegated Regulation (EU) 2019/980 of March 14, 2019	Universal Registration Document Chapters/Sections	Pages
12. Administrative, management and supervisory bodies and senior management		
12.1. Information concerning members of the administrative and management bodies	1.4.1.5.2, 4.2.1.1, 4.2.2	40, 203 to 222, 230 to 232
12.2. Administrative and management bodies and conflicts of interest	4.2.1.1.3, 4.2.1.1.4, 4.2.1.2.2, 4.2.1.2.4, 4.2.1.2.5, 4.4.1, 4.4.5	207, 208, 223, 224, 225, 261-263
13. Remuneration and benefits		
13.1. Amount of remuneration paid and benefits in kind granted	4.3.2, 7.1.6 Note 5.3	239 to 245, 338
13.2. The total amounts set aside or accrued to provide for pension and retirement benefits	4.3.2.3.1, 7.1.6 Notes 5.3, 8 and 9, 7.3.3 Note C7	243, 338, 363 to 367, 391
14. Board practices		
14.1. Date of expiration of the current terms of office and the dates the persons took office	4.2.1.1.1, 4.2.1.1.6	205, 210 to 221
14.2. Information on service agreements with members of the administrative, management and supervisory bodies	4.4.2.2, 4.5	262, 265
14.3. Information about the Audit committee and Remuneration committee	3.2.3.3, 4.2.1.1.1, 4.2.1.2.5, 4.2.1.3.2, 4.2.1.3.3	195, 205, 224 to 227-229
14.4. Statement as to whether or not the issuer complies with the corporate governance regime(s) applicable to the issuer	4.1	202
14.5. Potential material impacts on corporate governance	4.2.1.1.2	206
15. Employees		
15.1. Number of employees at the end of the period or the average for each financial year for the period covered by the historical financial information and a breakdown of persons employed by main category of activity and geographic location	Profile, 2.2.1, 6.1.1.4, 7.1.6 Note 2.3, 7.3.3 Note E12	4, 106 to 114, 298, 321, 392
15.2. Shareholdings, stock options and performance share awards concerning persons referred to in point 12.1	4.2.1.1.1, 4.2.1.1.6, 4.3.2.3.1, 4.3.2.3.2, 4.3.3.1.1, 4.3.3.2, 4.3.3.2, 7.1.6 Note 6.3, 7.3.3 Note C6	205, 210 to 221, 243, 244-245, 248 to 254, 260, 339 to 347, 383 to 390
15.3. Arrangements for involving the employees in the share capital	2.2.2.4, 4.3.3.2, 7.1.6 Note 1.3, 7.3.3 Note C6	121-122, 248 to 260, 316, 383 to 390
16. Major shareholders		
16.1. Name of any person other than a member of the administrative, management or supervisory bodies who, directly or indirectly, has an interest in the share capital or voting rights which is notifiable under the issuer's national law, together with the amount of each such person's interest or, if there are no such persons, an appropriate statement to that effect	1.4.1.3, 5.3.1	40, 279 to 282
16.2. Existence of different voting rights	4.4.7, 5.1.8	263, 269
16.3. Direct or indirect ownership or control	5.3.2, 5.3.3.3	283
16.4. Arrangements, the operation of which may at a subsequent date result in a change of control	N/A	N/A
17. Related-party transactions		
17.1. Details of related-party transactions	7.1.6 Notes 5.1 and 5.2, 7.3.3 Note D9	337-338, 391
18. Financial information concerning assets and liabilities, financial position and profits and losses		
18.1. Historical financial information		
18.1.1. Audited historical financial information covering the latest three financial years and the audit report in respect of each year	7	308 to 398
18.1.2. Change of accounting reference date	N/A	N/A
18.1.3. Accounting standards	7.1.6 Note 1.1, 7.3.3 Note B	314, 377
18.1.4. Change of accounting framework	N/A	N/A

Annex 1 and 2 to Commission Delegated Regulation (EU) 2019/980 of March 14, 2019	Universal Registration Document Chapters/Sections	Pages
18.1.5. Audited financial information prepared according to national accounting standards	7	308 to 398
18.1.6. Consolidated financial statements	7.1	308 to 370
18.1.7. Age of financial information		
18.2. Interim and other financial information	N/A	N/A
18.2.1. Half-yearly or quarterly financial information		
18.3. Auditing of historical annual financial information	7.2, 7.4	371 to 374, 395 to 398
18.3.1. Independent audit of historical annual financial information	Chapter 2 Appendix 3	149 to 153
18.3.2. Other information audited by the auditors	N/A	N/A
18.3.3. Financial information not extracted from the audited financial statements		
18.4. Pro forma financial information	N/A	N/A
18.4.1. Significant change in gross values		
18.5. Dividend policy	5.1.7, 5.5	268, 286-287
18.5.1. Description of the policy on dividend distributions and any restrictions thereon	5.5.1	286
18.5.2. Amount of dividend per share		
18.6. Legal and arbitration proceedings	7.1.6 Notes 2.8.3 and 9, 7.3.3 Note C7	324, 367-368, 391
18.6.1. Significant proceedings		
18.7. Significant change in the financial position after the reporting date	1.4.2, 7.1.6 Note 11.2, 7.3.3 Note E16	42, 370, 393
18.7.1. Description		
19. Additional information		
19.1. Share capital	5.2.2, 7.1.6 Note 6.1	270, 339
19.1.1. Amount of capital issued and authorized, number of shares issued and fully paid and issued but not fully paid, par value per share, reconciliation of the number of shares outstanding at the beginning and end of the year	5.2.6	278
19.1.2. Information about shares not representing capital	5.2.4	275-276
19.1.3. Number, book value and face value of shares in the issuer held by or on behalf of the issuer itself or by subsidiaries of the issuer	5.2.3.2.1, 5.2.6.1, 7.3.3 Note C2	273, 278, 379
19.1.4. Information about convertible securities, exchangeable securities or securities with warrants	4.4.6, 5.2.3.1	263, 271 to 273
19.1.5. Information about and terms of any acquisition rights and/or obligations over authorized but unissued capital or an undertaking to increase the capital	N/A	N/A
19.1.6. Information about any capital of any member of the Group which is under option or agreed conditionally or unconditionally to be put under option	5.2.5	277
19.1.7. History of share capital		
19.2. Memorandum and Articles of Association	5.1.2, 5.1.4	268
19.2.1. Register and issuer's objects and purposes	4.4.7, 5.1.8	263, 269
19.2.2. Rights, preferences and restrictions attaching to each class of existing shares	N/A	N/A
19.2.3. Provisions of the issuer's Memorandum and Articles of Association, charter or rules that would have an effect of delaying, deferring or preventing a change in control of the issuer		
20. Material contracts	N/A	N/A
20.1. Summary of each material contract		
21. Documents available		
21.1. Statement on available documents	5.1.5, 5.6.1	268, 287

8.4.2 Cross-reference table between the Universal Registration Document and the Annual Financial Report

Annual financial report *Article L. 451-1-2 of the French Monetary and Financial Code and Article 222-3 of the AMF General Regulations*	**Universal Registration Document**	
	Chapters/Sections	**Pages**
1. Parent company financial statements	7.3	375 to 394
2. Consolidated financial statements	7.1	308 to 370
3. Statutory Auditors' report on the parent company financial statements	7.4	395 to 398
4. Statutory Auditors' report on the consolidated financial statements	7.2	371 to 374
5. Management report	See cross-reference table in the management report	410-411
6. Statement by the person responsible for the annual financial report	8.1.2	402
7. Corporate governance report	See the table on the corporate governance report	412-413
8. Report on the certification of sustainability information	Chapter 2 of Appendix 3	149 to 153

8.4.3 Cross-reference table between the Universal Registration Document and the Board of Directors' management report

This Universal Registration Document includes all elements from the Board of Directors' management report as required by the applicable law and regulations. The table below identifies the sections and pages of this Universal Registration Document constituting the management report.

Reference texts	Required disclosures	Sections/Chapters	Pages
	SITUATION AND BUSINESS OF THE COMPANY		
French Commercial Code Articles L. 232-1, II, L. 233-6 and L. 233-26	Situation of the Company and an objective, exhaustive analysis of business trends, earnings and the financial position of the Company and the Group, in particular its debt profile in relation to the volume and complexity of its business	Profile, 6.1, 6.3, 7.1.1 to 7.1.5, 7.3.1, 7.3.2	3, 6-7, 294 to 302, 304, 308 to 312, 375-376
French Commercial Code Article L. 232-1, II	Financial key performance indicators	Profile, 7.1.1 to 7.1.5, 7.3.1 to 7.3.2	4, 10, 308 to 312, 375-376
French Commercial Code Articles L. 232-1, II and L. 233-26	Material events between the reporting date and the date the report was prepared	1.4.2, 7.1.6 Note 11.2, 7.3.3 Note E16	42, 370, 393
French Commercial Code Article L. 232-1, II	Existing branches	1.2.2.2.3	29
French Commercial Code Article L. 233-6 para. 1	Significant equity stakes in companies headquartered in French territory	N/A	N/A
French Commercial Code Articles L. 233-29, L. 233-30 and R. 233-19	Disposal of cross-shareholdings	N/A	N/A
French Commercial Code Articles L. 232-1, II and L. 233-26	Foreseeable developments in the situation of the Company and the Group and outlook	Profile, 1.1.2.3.2, 1.2.2.1.1, 1.3.1.1.2, 1.3.1.3.1, 1.3.1.4.1, 1.4.1, 1.4.2, 6.2,	3, 20, 25-26, 35, 37, 38, 39 to 42, 42, 303
French Commercial Code Articles L. 232-1, II and L. 233-26	Research and development activities	Profile, 1.1.2.2, 1.1.3, 1.2.3, 3.2.2.6.3, 6.1.1.4	3, 4, 6-7, 17-18, 20, 30 to 33, 193, 297
French Commercial Code Article L. 232-11, II	Essential intangible resources, the way in which the Company's business model fundamentally depends on these resources and how they constitute a source of value creation for the Company	1.2.3.1.4, 3.1.3.2, 7.1.6 Note 4.3, 7.3.3 Note B	32, 183, 332, 377
French Commercial Code Article L. 22-10-35, I	The impact of the Company's activities on the fight against tax evasion	2.3.3, 3.1.3.3	133, 183-184
French Commercial Code Article L. 22-10-35, II	Actions to promote the link between the Nation and its armed forces	2.2.2.3	120
French Commercial Code Article R. 225-102	Company five-year financial summary	7.3.3 Note E18	394
French Commercial Code Articles L. 441-14 and D. 441-6	Information on payment terms for suppliers and customers	6.3	304
French Monetary and Financial Code Articles L. 511-6 and R. 511-2-1-3	Amount of intercompany loans granted and statement by the Statutory Auditor	4.4.2.1, 7.3.3 Note C1	262, 379
	INTERNAL CONTROL AND RISK MANAGEMENT		
French Commercial Code Article L. 232-1, II	Main risks and uncertainties facing the Company	3.1	178 to 187
French Commercial Code Article L. 232-1, II	Hedging objectives and policy for each category of transaction and the Company's exposure to price, credit, liquidity and cash flow risks. This information includes the Company's use of financial instruments.	3.1.4, 7.1.6 Notes 6.1, 7.4.3 and 7.4.4, 7.3.3 Notes B, C3 and C7	184 to 187, 339, 358-359, 360 to 368, 378, 381, 391
Law No. 2016-1691 of December 9, 2016 ("Sapin II")	Anti-corruption measures	2.3.1, 2.3.2, 3.1.3.1, 3.2.2.3	130 to 132, 137-138, 182-183, 190
French Commercial Code Article L. 225-102-1	Vigilance Plan and implementation report	2.4	133 to 138
	SHAREHOLDING STRUCTURE AND SHARE CAPITAL		
French Commercial Code Article L. 233-13	Structure and changes in the Company's share capital and crossing of share ownership thresholds	5.1.9, 5.2.2, 5.2.5, 5.3.1	269-270, 277, 282

Reference texts	Required disclosures	Sections/Chapters	Pages
French Commercial Code Articles L. 225-211 and R. 225-160	Acquisition and sale by the Company of its own shares	5.2.4, 7.3.3 Note C2	275-276, 379
French Commercial Code Article L. 225-102 paragraph 1	Update on employee share ownership	2.2.2.4, 4.3.3.2.3, 5.3.1	122, 256, 282
French Commercial Code Articles R. 228-90 and R. 28-91	Any adjustments made for securities granting access to the capital in the event of share buybacks or financial transactions	N/A	N/A
French Monetary and Financial Code Articles L. 621-18-2 and R. 621-43-1 AMF General Regulations Article 223-26	Transactions in the Company's securities by management and related persons	4.4.1.1	261
French Tax Code Article 243 *bis*	Amount of dividends paid during the past three years	5.5.1	286
	SUSTAINABILITY STATEMENT		
French Commercial Code Article L. 232-6-3	Sustainability information	Chapter 2	46 to 174
	ADDITIONAL INFORMATION REQUIRED FOR THE PREPARATION OF THE MANAGEMENT REPORT		
French Tax Code Articles 223 *quater* and 223 *quinquies*	Additional tax information	6.3	304
French Commercial Code Article L. 464-2	Injunctions or monetary penalties for anti-competitive practices	N/A	N/A

8.4.4 Cross-reference table between the Universal Registration Document and the Board of Directors' corporate governance report

This Universal Registration Document includes all elements from the Board of Directors' corporate governance report as required by the applicable law and regulations. The table below identifies the sections and pages of this Universal Registration Document constituting the corporate governance report.

Reference texts	Required disclosures	Sections/Chapters	Pages
	INFORMATION ON REMUNERATION		
French Commercial Code Articles L. 22-10-8, I. and R. 22-10-14	Remuneration policies for corporate officers	4.3.1	234 to 239
French Commercial Code Article L. 22-10-9, I. 1° and R. 22-10-15	Total remuneration and benefits of any kind paid during or awarded for the year to each corporate officer	4.3.2	239 to 245
French Commercial Code Article L. 22-10-9, I., 2°	Relative proportion of fixed and variable remuneration	4.3.2.3	241 to 245
French Commercial Code Article L. 22-10-9, I., 3°	Use of the possibility of clawing back variable compensation	N/A	N/A
French Commercial Code Article L. 22-10-9, I., 4°	Commitments of any kind made by the Company in favor of its corporate officers	4.3.2.3, 4.3.3.1.2	241 to 245, 247
French Commercial Code Article L. 22-10-9, I., 5°	Remuneration paid or awarded by consolidated companies as defined by Article L. 233-16 of the French Commercial Code	N/A	N/A
French Commercial Code Article L. 22-10-9, I., 6°	Ratios between the remuneration of each executive corporate officer and the average and median remuneration of Company employees	4.3.2.4	246
French Commercial Code Article L. 22-10-9, I., 7°	Annual change in remuneration, Company performance, average remuneration of Company employees and the above-mentioned ratios over the last five fiscal years	4.3.2.4	246
French Commercial Code Article L. 22-10-9, I., 8°	Explanation of how total remuneration complies with the adopted remuneration policy, including how it contributes to the Company's long-term performance, and how performance criteria have been applied	4.3.2.1	239
French Commercial Code Article L. 22-10-9, I., 9°	How the vote of the last Ordinary Shareholders' Meeting was taken into account, in accordance with Article L. 22-10-34, I. of the French Commercial Code	4.3.2.1	239
French Commercial Code Article L. 22-10-9, I., 10°	Discrepancies as regards the procedure for implementing the remuneration policy and any departures from said procedure	N/A	N/A
French Commercial Code Article L. 22-10-9, I., 11°	Application of the provisions set out in Article L. 225-45, paragraph 2, of the French Commercial Code	N/A	N/A
French Commercial Code Articles L. 225-185 and L. 22-10-57	Award and mandatory holding of stock options by corporate officers	4.3.2.3.2, 4.3.3.2.6, 5.2.3.2.4, 7.1.6 Note 6.3, 7.3.3 Note C6	244, 257 to 260, 274, 339-340, 383
French Commercial Code Articles L. 225-197-1 and L. 22-10-59	Award and mandatory holding of free shares by executive corporate officers	4.3.2.3.1, 4.3.2.3.2, 4.3.3.2, 5.2.3.2.2, 5.2.3.2.3, 7.1.6 Note 6.3, 7.3.3 Note C6	243, 244-245, 248 to 256, 274, 341 to 347, 383 to 390
	INFORMATION ON CORPORATE GOVERNANCE		
French Commercial Code Article L. 225-37-4, 1°	List of all offices and positions held in any company by each corporate officer during the year	4.2.1.1.6	210 to 221
French Commercial Code Article L. 225-37-4, 2°	Agreements between an executive or a major shareholder and a subsidiary	4.4.2, 4.4.3, 4.5	262, 265

Reference texts	Required disclosures	Sections/Chapters	Pages
French Commercial Code Article L. 225-37-4, 3°	Table summarizing current delegations of authority granted by the Shareholders' Meeting for capital increases	4.4.6, 5.2.3.1	263, 271 to 273
French Commercial Code Article L. 225-37-4, 4°	Method of exercising executive management	4.2.2	230 to 233
French Commercial Code Article L. 22-10-10, 1°	Membership of the Board and conditions for preparation and organization of its work	1.4.1.5.2, 3.2.3.2, 4.2.1, 5.3.3.1	40, 195, 203 to 230, 283
French Commercial Code Article L. 22-10-10, 2°	Diversity policy and application of the principle of gender balance on the Board of Directors	4.2.1.1.1, 4.2.1.1.3	203, 207
French Commercial Code Article L. 22-10-10, 3°	Any restrictions on the Chief Executive Officer’s powers set by the Board of Directors	4.2.2.1.4	231-232
French Commercial Code Article L. 22-10-10, 4°	Reference to a corporate governance code and application of the “comply or explain” principle	4.1	202
French Commercial Code Article L. 22-10-10, 5°	Special arrangements for shareholder participation in the Shareholders’ Meeting	4.4.7, 5.1.8	263, 269
French Commercial Code Article L. 22-10-10, 6°	Procedure for assessing agreements relating to routine transactions entered into at arm’s length conditions (ordinary agreements) and implementation of that procedure	4.4.4	262
French Commercial Code Article L. 22-10-10, 7°	Main characteristics of internal control procedures relating to the preparation and processing of accounting and financial information	3.2	188 to 196
French Commercial Code Article L. 22-10-11	**INFORMATION THAT MAY HAVE AN IMPACT IN THE EVENT OF A PUBLIC PURCHASE OR EXCHANGE OFFER**		
	Capital structure of the Company	4.4.8.1	263
	Restrictions in the Articles of Association on the exercise of voting rights and on transfers of shares, or clauses of agreements brought to the attention of the Company pursuant to Article L. 233-11 of the French Commercial Code	4.4.8.2	263
	Direct or indirect shareholdings in the Company's capital of which the Company is aware pursuant to Articles L. 233-7 and L. 233-12 of the French Commercial Code	4.4.8.1	263
	List and description of holders of any securities with special rights	4.4.8.3	263
	Agreements between shareholders of which the Company is aware that could lead to restrictions on the transfer of shares and the exercise of voting rights	4.4.8.5, 5.3.3.2	263, 283
	Rules applicable to the appointment and replacement of the members of the Company’s Board of Directors and to the amendment of its Articles of Association	4.4.8.6, 5.3.3.1	264, 283
	Powers of the Board of Directors, in particular with regard to the issue or repurchase of shares	4.4.8.7	264
	Agreements entered into by the Company that are modified or terminated in the event of a change of control of the Company, unless such disclosure – except in cases where disclosure is required by law – would seriously harm the Company's interests	4.4.8.8	264
	Agreements providing for payments to members of the Board of Directors or to employees if they resign or are dismissed for no real or serious cause, or if their employment is terminated due to a public purchase or exchange offer	4.4.8.9	264

8.4.5 Information incorporated by reference

In accordance with Article 19 of European regulation (EU) No. 2017/1129, this Universal Registration Document incorporates the following information by reference (available on Vallourec's website: https://www.vallourec.com/en/investors/regulated-information):

- the parent company and consolidated financial statements for the year ended December 31, 2022, the Statutory Auditors' reports thereon, and the management report, presented respectively in Sections 6.3 (pages 264 to 281), 6.1 (pages 198 to 259), 6.2 (pages 260 to 263), 6.4 (pages 282 to 285), 8.1 (pages 350 to 351) and 8.2 (page 352) of the 2022 Universal Registration Document, filed with the AMF on April 17, 2023 under No. D.23-0293;
- the parent company and consolidated financial statements for the year ended December 31, 2023, the Statutory Auditors' reports thereon, and the management report, presented respectively in Sections 7.1 (pages 272 to 332), 7.3 (pages 333 to 336), 6.3 (pages 337 to 355), 7.4 (pages 356 to 359) and 8.3 (page 363) of the 2023 Universal Registration Document, filed with the AMF on March 14, 2024 under No. D.24-0113.

Other than the information incorporated by reference, the information on Vallourec's website www.vallourec.com does not form part of this Universal Registration Document.

8.5 Other periodic information required under the General Regulations of the AMF

The Universal Registration Document includes some of the periodic information required under the terms of the General Regulations of the French securities regulator (*Autorité des marchés financiers* – AMF). The following table provides details of the pages of this Universal Registration Document on which this information appears.

	Universal Registration Document	
	Sections	Pages
Board of Directors' report on remuneration for 2024 for corporate officers	4.3.2	239 to 245
Statutory Auditors' fees	7.1.6 (Note 11.1)	370
Description of the share buyback program (Article 241-2 of the AMF's General Regulations)	5.2.4.2	275-276

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A French limited company (société anonyme) with a Board of Directors
and issued capital of €4,762,790.70