

A Word from the Chairman of the Board

Vallourec, a world leader in premium seamless tubular solutions mainly for the energy markets and demanding industrial applications, is committed to combating corruption and influence peddling in all its forms, in the context of its activities.

As early as 2010, Vallourec signed up to the anti-corruption principles of the United Nations National Pact.

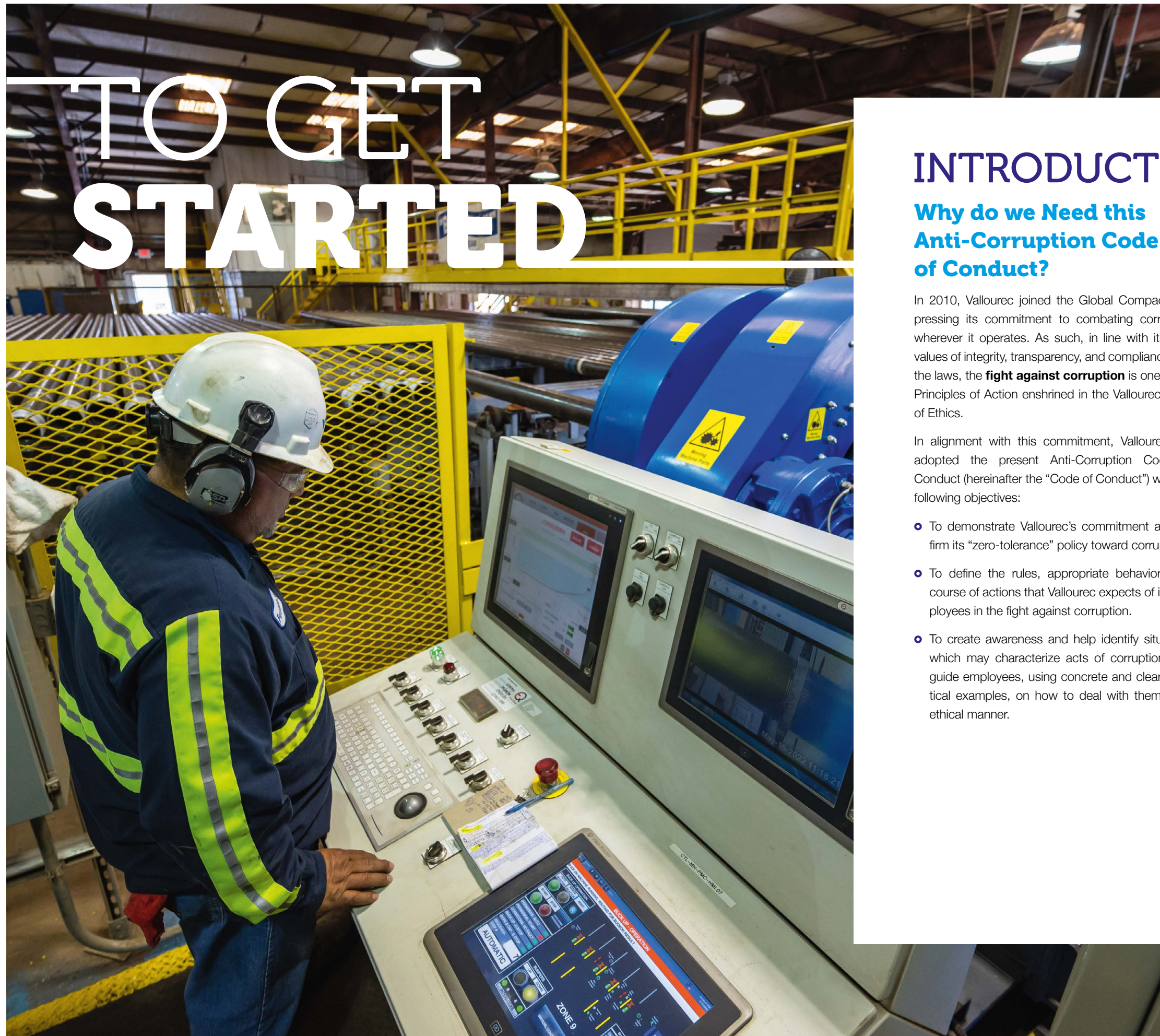
Our Group operates in an increasingly demanding international business environment and must meet the expectations of our stakeholders by giving them confidence. Our values of integrity and transparency in our business relationships guide our day-to-day activities.

This Anti-Corruption Code of Conduct is intended for Vallourec employees and all external stakeholders, in particular our customers, suppliers and investors. It is a key tool in the day-to-day management of our business. It presents situations that each of us may face and provides recommendations for dealing with them. Compliance with our values is everyone's business, and everyone is an ambassador.

This is why the Board of Directors, which I chair, and the Executive Committee are reaffirming our zero-tolerance policy toward corruption and influence peddling, and committing ourselves, to exemplify the values of our Group, the foundation of our sustainable growth.●

Philippe Guillemot
Chairman and Chief Executive Officer

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INTRODUCTION

Why do we Need this Anti-Corruption Code of Conduct?

In 2010, Vallourec joined the Global Compact, expressing its commitment to combating corruption wherever it operates. As such, in line with its core values of integrity, transparency, and compliance with the laws, the **fight against corruption** is one of the Principles of Action enshrined in the Vallourec Code of Ethics.

In alignment with this commitment, Vallourec has adopted the present Anti-Corruption Code of Conduct (hereinafter the “Code of Conduct”) with the following objectives:

- To demonstrate Vallourec’s commitment and affirm its “zero-tolerance” policy toward corruption.
- To define the rules, appropriate behaviors and course of actions that Vallourec expects of its employees in the fight against corruption.
- To create awareness and help identify situations which may characterize acts of corruption, and guide employees, using concrete and clear practical examples, on how to deal with them in an ethical manner.

Scope of Application

This Code of Conduct is intended for all members of Vallourec. It applies anywhere in the world, to all directors and employees within all companies whose capital and/or voting rights are directly or indirectly majority-owned by Vallourec SA (all these companies are hereinafter referred to as “Vallourec” or the “Group”).

In the present Code of Conduct, the term “employee” refers to all natural persons working for one of Vallourec’s companies, including corporate officers, employees, apprentices and interns. However, the rules contained within the Code apply also to individual agency contractors working on a temporary contract assignment for the benefit of Vallourec and within its premises.

In its relations with customers, suppliers, subcontractors, agents, distributors and partners, Vallourec conveys the values and principles outlined in this Code and may require them to adopt and implement equivalent provisions.

“
Preventing corruption
is everyone’s business.
”

DEFINITIONS

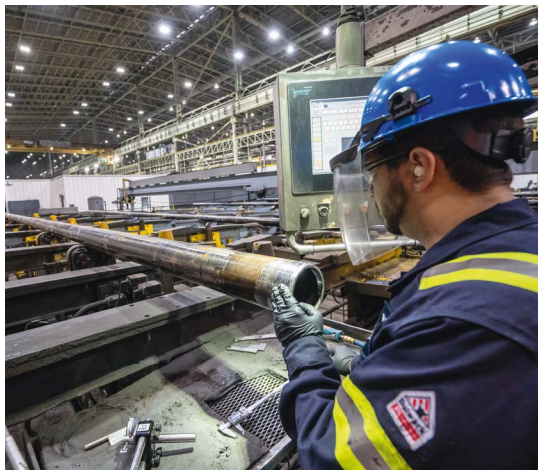
Corruption

Corruption is broadly defined as **the abuse of entrusted power for private gain, the act of doing something with an intent to give some advantage inconsistent with official duty and the rights of others**. It includes **bribery**, which is the act of offering, giving, promising or agreeing to give, **any undue advantage** (money, gifts, or otherwise, commonly referred to as a “**bribe**”), to a person (for his/her own benefit, or to the benefit of another or a company) with the intent to induce that person to do, or omit to do, an act in violation of his or her duty.

Hereinafter “**bribery**” and “**corruption**” are used interchangeably.

Corruption includes an “**undue advantage**” or “**bribe**” which can take a wide variety of forms, such as:

- **Payment** of money, or directly in the form of cash, or in any other form, including but not limited to kickbacks.
- **Gifts** (items considered to have a certain value for the recipient such as jewelry, electronics, wines and spirits, perfumes, etc.).
- **Invitations** (such as leisure trips, dinners, sporting events, seminars, expensive meals, etc.).
- **Preferential treatment** (such as a promise of employment, or internship).
- **In-kind advantages** (such as paying or providing a leisure trip or accommodation, hospitalization, school fees, etc.).
- **Patronage or sponsorship** concealing an undue advantage.



Corruption can be:

- **Direct**, or **indirect**.

The bribe can be given directly, or by an intermediary acting in the interest of the principal. It can also be given directly to the person, or indirectly for the benefit of his or her relatives or associates.

- **Really given**, or **merely offered**.

The simple act of soliciting, or mere suggestion or promise that the person will receive something in return, constitutes bribery.

- **Public**, or **private**.

Corruption concerns private individuals, just as much as public officials. However, corruption involving public official is usually associated with much higher sanctions.

- **Active** and **passive**.

There are two parties involved: the person offering/giving the bribe (active party, the “briber”), and the person soliciting/receiving the bribe (passive party, the “bribee”). All parties involved are liable.

- **Solicited**, as well as **initiated**.

A person can be liable even if he/she did not initiate the act, but simply answered with the solicitations of the person requesting the bribe, by providing, or agreeing to provide what was requested.

For the **performance of an act**, as well as for an **omission or delay in performance**.

Typically, corruption is performed with the intent of obtaining something: for instance, obtaining:

- *a contract, renewal, favorable pricing conditions or advantages,*
- *a favorable administrative authorization or decision,*
- *sensitive information, namely on competitors.*

However, corruption can be used with the intent to block or avoid:

- *an administrative decision, or regulation,*
- *a litigation or legal action, a fine or sentence.*

Regardless of the compensation sought, any act or omission obtained by corruption will incur the liability of the persons involved.

Influence peddling

Influence peddling is a form of corruption, it involves three parties:

- a “**briber**”, A, the beneficiary looking for a favorable decision,
- a “**bribee**”, B, with the capacity to influence someone with authority (C) and receiving the payment or benefits from A,
- a target, C, with perceived authority to make decisions favorable to A.

Influence peddling is when A pays or offers a gift or benefit to B to obtain a favor from C. A believes that if B intervenes with C, B will be able to get C to make a decision which is beneficial to A's interests. In this case, the bribee, B, uses their influence without engaging in any actions related to their role or office.



Examples of prohibited conduct

A company hires an individual to use his family connections within a targeted national oil company, with an eye to helping it obtain a procurement contract by influencing his family members and obtaining competitors information from them. **This is of course prohibited, as it constitutes influence peddling.**

An employee contracts a consultant with connections in the administration to influence the official in charge of granting a regulatory authorization for a production site. The employee suggests that the consultant should offer a gift to the official to accelerate the process. **This is also prohibited: Even if committed by an intermediary (here, the consultant) Vallourec would be held liable for corruption.**

What is a “Public Official”?

A public official is a public servant. The involvement of a public official in an act of corruption significantly raises the associated sanctions. A public official is:

- any officer or employee of a domestic or foreign government, at the federal, state, province or municipal level, or any department, agency, or **instrumentality** thereof,
- any person acting in an official capacity for or on behalf of any such government or department,
- any official of public international organizations (e.g., the United Nations, World Bank),
- any political party official and candidate for public office in foreign countries.

The term “**instrumentality**” refers to any entity through which a foreign government carries out its official functions, it is broad and can include state-owned or state-controlled entities. For example, wholly state-owned companies such as **national oil companies**, their representatives and employees may be considered as public officials.

LEGAL FRAMEWORK & RISKS

What are the laws for acts of corruption?

The laws of various countries (United States, United Kingdom, Brazil, France, China, Saudi Arabia, etc.) prohibit and punish acts of corruption and influence peddling. These laws often have extraterritorial applications, enabling authorities in one country to

punish acts of corruption committed by individuals or companies in another country. As an international company operating worldwide, Vallourec is likely to be the subject of one or more of the laws, which may have **cumulative effects**.

In France, the French Penal Code and the Sapin II Law. The French Penal Code imposes strict penalties for public or private corruption, including fines, exclusion from public procurement, withdrawal of authorizations, repayment of undue profits, and prison sentences. Furthermore, the Sapin II Law, which came into effect in 2017, has significantly reinforced the legal framework by requiring that French companies, such as Vallourec, implement robust compliance programs to prevent and detect corruption and influence peddling, wherever they operate in the world. **This Code of Conduct is part of the Vallourec Sapin II Law Compliance Program.**

In the United States, the FCPA “Foreign Corrupt Practices Act”. The FCPA forbids US individuals and entities, from bribing foreign officials, including through intermediaries with broad implications. It prohibits payments made to anyone, knowing such payments will be passed or offered to a foreign official. The FCPA imposes severe penalties, including hefty fines for companies, sometimes ranging to the hundreds of millions, and prison sentences for individuals.

In the United Kingdom, the “UK Bribery Act”. In the United Kingdom, the UKBA has a wide scope of application as it concerns companies conducting part of their business in the United Kingdom. It prohibits acts of private or public corruption, and the criminal penalties for individuals can be up to ten years in prison with associated fines. For corporations, the maximum penalty is an unlimited fine with certain collateral consequences for officers, including the disqualification of directors.



What are the sanctions for acts of corruption?

The penalties associated with infringement of anti-corruption laws are usually extremely severe:

- For individuals involved in the offense or attempted offense (whether as perpetrators or accomplices): prison sentences and/or fines and additional penalties such as, loss of civil and civic rights, disqualification from holding public office or confiscation of funds received because of corruption.
- For legal entities involved in the offense or attempted offense: fines and additional penalties such as exclusion from access to public contracts, withdrawal of authorization or licenses, or repayment of undue profits.

Furthermore, being found guilty of corruption can lead to other significant consequences:

- Suspension or termination of contracts, exclusion from public procurement processes, termination, immediate reimbursement or restricted access to financing.
- The costs associated with legal proceedings, effects on employees, and potential damage to the organization's reputation are critical impacts in their own right.

Corruption thus poses significant risks for Vallourec, its employees and stakeholders.

Finally, corruption leads to the diversion of public funding, thwarts the efficiency of policies, damages trust in political institutions and prevents the economic development of countries. It goes against the core values of Vallourec.

Any act of corruption committed anywhere in the world, is prohibited by anti-corruption laws, which Vallourec is committed to comply with.

The present code is a way of ensuring compliance with those laws, and the rules it contains must be followed.



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RULES OF CONDUCT

General Rules of Conduct

Employees must comply with the rules set out in the Anti-Corruption Code of Conduct.

In no case shall a Vallourec employee commit an act which, in application of the present Code, could be considered as corruption.

For managers and leaders of our organization, you are expected to lead by example and promote the values of our Code of Ethics and support the application of the rules of our Anti-Corruption Code of Conduct.

Vallourec has issued internal policies and procedures which are referred to in the present Code and supplement it. Employees must comply with those associated policies and procedures, available on our intranet at My Vallourec.

From time to time, local legislation or even rules implemented by the Group's entities, may be stricter than the present document. **Should you find such a rule, always ensure you apply the stricter one.**

Acting in breach of the present Anti-Corruption Code of Conduct will lead to sanctions (see §. Disciplinary Actions page 26).

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The Board of Directors and the Executive Committee are reaffirming our zero-tolerance policy toward corruption and influence peddling.

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Specific Risks and Associated Rules of Conduct

In its operations, the Group may be exposed to situations which in themselves may present specific risks of the occurrence of acts of corruption. As such, the Code of Conduct provides for specific rules and an associated line of conduct for the following situations:

1. Relationship with public officials
2. Facilitation payments
3. Gift & invitations
4. Call for tenders
5. Commercial partners
 - 5.A. Business intermediaries & agents
 - 5.B. Purchasing and subcontracting
6. Lobbying (interest representation)
7. Societal initiatives (donations, sponsorships, volunteering)
8. Conflicts of interest

In addition to rules, the Code of Conduct provides examples of expected behavior and lines of conduct to be followed in certain situations.

This Code of Conduct does not provide an exhaustive list of authorized or prohibited behaviors, given the plurality of scenarios that may arise. As such, you are expected to use good judgment and common sense, and act, in any situation, in accordance with the values set out in the Group Code of Ethics.

1. RELATIONSHIP WITH PUBLIC OFFICIALS

Definition

Public officials, as defined under the present Code of Conduct (§. Definitions page 7), are individuals exercising a function of government, such as a legislative, executive or judicial office, or representing, or working within, an organization providing such a function. Under many legislations, employees of public and state-owned or controlled organizations or companies are considered public officials (i.e. **National Oil Companies - NOCs**), which are Vallourec customers).

Understanding the Risks

When it involves a public official, the sanctions associated with corruption are much more severe. Also, some regulations may apply more restrictive rules and requirements regarding relationships with public officials. The NGO Transparency International (www.transparency.org) points out that the governments and administrations of certain countries may have corruption problems, warranting a high level of vigilance when interacting with those authorities.

Key Rules

In line with its “zero-tolerance” policy, Vallourec prohibits its employees from offering, giving, promising, attempting, or agreeing to give, any undue advantage (money, gifts, or otherwise) to influence a public official.

Solicitations by a public official to perform a bribe must be firmly refused, in a manner that leaves no doubt or ambiguity as to the refusal, and raised to the attention of a compliance officer.

Employees should be vigilant and strictly adhere to the present Code of Conduct and related policies in any interactions they have with public officials. Stick to the rules of conduct of the present Code of Conduct, and in doubt, seek the assistance of a compliance officer.

Meetings with Public Officials

- Systematically formalize interactions with public officials (other than routine), through written minutes of meetings, send those minutes to the attendees and record them.
- When meeting with a public official about a sensitive or strategic topic, or if you have doubt as to the integrity of the official, you should be accompanied by at least one other Vallourec employee.

These practices help maintain a formal setting and protect you from receiving any undue solicitation.

CASE STUDY & LINE OF CONDUCT

Case: In a meeting, a government representative requests payment of a sum of money to his personal bank account in return for his decision to maintain Vallourec's right of access to a port.

What should you do this situation? Refuse firmly, and report to a compliance officer. This is a clear solicitation of corruption. In addition, attending a meeting about a topic which concerns the continuity of the Group's operation, you should be accompanied by at least another Vallourec employee.

2. FACILITATION PAYMENTS

Definition

Facilitation payments are bribes (payments or gifts) made to public officials to speed up or guarantee the execution of an administrative act. They are generally small amounts.

The most common instances in which facilitation payments may be requested involve:

- obtaining an administrative authorization (visa, permit or license),
- obtaining police protection,
- registering a vehicle,
- expediting taxes,
- installing a telephone or electricity line,
- accessing to a port,
- unloading or clearing goods through customs.

Understanding the Risks

There is no minimum threshold for corruption, and as such, facilitation payments are prohibited under most legislation.

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There is no minimum
threshold for corruption.
”

Key Rules

It is strictly prohibited to give or offer, directly or indirectly any facilitation payment (gift or cash payments) to a public official.

When traveling, employees should plan ahead, have all necessary documentation and undertake to always act in compliance with local laws to avoid facing solicitations.

If you are asked for a facilitation payment:

- you must refuse, citing or even presenting the present Code of Conduct to explain our “zero-tolerance” policy,
- and if the requestor is persistent, ask that the request be made formally (in writing, and stating the name and position of the requestor),
- always inform a compliance officer.

Facilitation payments are prohibited by Vallourec. The single exception to this rule is if the payment is necessary to protect the life, health or safety of a Vallourec employee. If this is the case, the employee must inform a compliance officer as soon as possible.

CASE STUDY & LINE OF CONDUCT

Case: A customs official proposes to clear Vallourec product immediately. He/she then explains that this process usually takes a few days under the normal process, but he/she would be willing to accelerate it under the condition that he/she receives payment directly in cash. He/she explains he/she will not be providing an receipt.

What should you do this situation? You must refuse to provide the money: an official request would never require payment in cash to a person, without receipt. Explain our rules to the official and ask if he/she can issue an official request, in writing, that you will escalate to your manager and compliance officer.

3. GIFTS AND INVITATIONS

Definition

Gifts: any given benefit, monetary or otherwise, whatever its nature, such as an object (watches, pens, books, scarves, bottles of wine or champagne, tickets for a sporting event, etc.) or covering the cost of an expense on behalf of someone (travel costs, accommodation, expense reports, etc.).

Invitations: any form of invitation, offered or received to an event outside a professional context reception, such as a meal, a sporting event or cultural event, a charity dinner, without this list being exhaustive.

Understanding the Risks

Gifts or invitations intended to show consideration for a business partner are an acceptable and legitimate business practice, if they are occasional, reasonable and of proportionate value.

However, these practices may constitute acts of corruption if their purpose is to obtain an undue advantage or to influence the decision-making of the recipient.

Key Rules

It is strictly forbidden to receive or offer a payment, a gift or a promise, or to give an advantage, whether directly or indirectly, in order to influence an act or a decision, or to obtain an undue advantage.

Vallourec has implemented a dedicated Gift & Hospitality Policy which provides specific rules regarding gifts & invitations.

In all cases, gifts & invitations must be validated by the line manager and recorded in Vallourec's internal Gifts & Invitations Register, when above a nominal value (>20USD).

✓ Do's

- ✓ Must be appropriate, moderate and non-repetitive.
- ✓ Must be given or offered transparently, always in a business context.
- ✓ Must comply with the thresholds set in the **Gift & Hospitality Policy**.
- ✓ Must comply with local laws, and the rules of the organization of the recipient.
- ✓ Must be authorized by your manager.

✗ Don'ts

- ✗ Must never be offered or received to obtain consideration or to influence a decision.
- ✗ Must never be solicited/requested.
- ✗ Must never be given or received at a time when a contract is being negotiated with the recipient, or during a call for tenders to influence decision maker.
- ✗ Must never take the form of cash (sums of money or equivalent).
- ✗ Must never be given to someone with whom the company does not have a business relationship (spouses, children, etc.) unless expressly authorized by a compliance officer.
- ✗ Must never be given to a public official (including employees of a state-owned company), unless expressly authorized by a compliance officer.

Invitation

Vallourec employees may accept or issue an invitation, insofar as this remains in a professional context. The value of invitations must be **below** the thresholds **per invitee** set by region:

- o Europe: 75€
- o Asia & Africa: 50\$
- o South America: 75\$
- o Middle East & Singapore: 100\$
- o North America: 100\$



CASE STUDY & LINE OF CONDUCT

Case: A Vallourec employee supports the Purchasing team in negotiating a contract with a supplier. While this is still ongoing, the supplier representative offers the employee a ticket to a sport event.
What should you do this situation? This gift must be refused. Regardless of the amount of the gift, the sensitive context in which it is given here (the negotiation of a contract), can give the appearance that this gesture is intended to influence the judgment of the recipient. This is why receiving or offering gifts & invitations to decision-makers at sensitive times is not acceptable.

How should you refuse?

Refuse politely, pointing out Vallourec's ethical commitments. If it is difficult to decline without offending the partner, the gift may be accepted but must be returned to the Compliance or Human Resources Department. Note that promotional gifts ("goodies") may be kept and given freely by the employee. Finally, whatever the nature of the gift, the employee's line manager must be notified about it and it must be recorded in the internal Gifts and Invitations Register.

4. CALL FOR TENDERS

Definition

A **call for tenders** is a process by which a public or private company calls on several companies to respond competitively to specific contracts: The goal is to provide a fair, independent process to select the best candidate according to objective criteria. In most countries, procurement of goods or services by public entities (such as state-owned public companies, or the national oil companies that Vallourec works with on a regular basis) must be done through a call for tenders, obeying specific regulations.

Understanding the Risks

During tenders, participants may be tempted to use undue influence on the representatives of the buyer, namely, to have the tender specifications modified in a favorable manner, by-pass the process, obtain favorable payment terms, influence the judgment of the examiner, or obtain sensitive information, such as confidential information on the process or on competitors.

Third parties may present a particular risk: for instance, a representative of the buyer could push participants to use a particular subcontractor or intermediary it has interests in, to allow them to circumvent the tender process.

Finally, breaching the rules of the tender process can incur penalties. When it comes to public procurement, violating those rules in itself can lead to severe sanctions, and the blacklisting of the offender.

Key Rules

Vigilance and compliance with the line of conduct set out in the present Code of Conduct are especially important when participating in a public procurement process.

✓ Do's

- ✓ Vallourec employees must comply with laws and with the rules specified in the tender regulation issued by customers.
- ✓ When involved in a call for tenders, Vallourec employees should ensure that they do not have any personal links of interest toward a bidder or toward the customer.

✗ Don'ts

- ✗ Vallourec employees must never grant, offer or promise an undue advantage, namely to obtain, maintain or renew a contract of sale.
- ✗ Vallourec employee must not offer any gift or invitation to a decision-maker during a tender process.

CASE STUDY & LINE OF CONDUCT

Case: A representative of a national oil company ("NOC") would be interested in purchasing products from Vallourec. The representative of the customer explains to Vallourec's team that a public call for tenders could be avoided if Vallourec organizes a trip to Brazil for herself and her family.

What should you do this situation? This is a solicitation of corruption! The request must be rejected. NOCs may often be required by public procurement rules to implement a call for tenders, the proposed scheme may be an attempt to circumvent those rules. In addition, the rules set by Vallourec clearly prohibit any invitation with the aim of gaining an undue advantage or influencing a decision.

5. COMMERCIAL PARTNERS

Definition

Commercial partners include third parties with whom Vallourec maintains a relationship to support its sales **(5.A) (commercial intermediaries)** as well as for its purchasing and subcontracting needs **(5.B) (its vendors, suppliers and subcontracting)**.

Understanding the Risks

Vallourec may be responsible for the behavior and actions of its commercial partners. In addition, anti-corruption laws impose liability not only on those with actual knowledge of wrongdoing, but also on those who purposefully avoid actual knowledge: **It is thus never acceptable to turn a blind eye to corruption.**

Being Vigilant and Identifying "Red Flags"

"Red flags" are warning signs, suspicious behavior or situations that can indicate you may be faced with corruption. Whenever such a "red flag" occurs, an assessment, also called due diligence, must be conducted before contracting to dispel any suspicions of corruption.

Such "red flags" can be:

- A commercial partner being introduced or requested by a public official or representative of a customer.
- A commercial partner related to or closely associated to a public official or representative of a customer.
- Excessive commissions or unreasonably large discounts.
- Vaguely described or undocumented services.

- Contracting with a shell company incorporated in an offshore jurisdiction or free zone.
- Requests of payment to offshore bank accounts.
- A commercial partner refusing to comply with anti-corruption laws or the principles set out in the present Code of Conduct, namely during contract negotiation.

The Group has implemented third party assessment programs to detect corruption risks prior to entering into a binding relationship. Namely, the Group has set a **"Know Your Customer" Procedure** to properly identify and categorize third parties involved in its sales activities and evaluate the associated risks, as well as other dedicated processes referenced below to ensure the integrity of its commercial partners.

Key Rules

The hiring of any commercial provider must be legitimate. The anticipated services must be legal and reflect a genuine need for Vallourec.

Vallourec's commercial partners must be familiar with the company's Code of Ethics and this Code of Conduct, and adhere to the principles and rules of conduct they contain.

Vallourec employees must choose commercial partners based on their merits and on objective criteria, obtaining the adequate approvals and ensuring that the commercial partner is subject to reasonable due diligence, in compliance with internal procedures.

5.A.Business Intermediaries

Definition

A **business intermediary** acts as a channel or point of contact between a buyer and a seller. Business intermediaries may take different forms, such as business advisers or consultants, brokers, traders, distributors or resellers, but also as agents or **sales representatives**. They can be remunerated through fees, commissions, discounts or rebates.

Understanding the Risks

The actions of its business intermediaries directly reflect on Vallourec and may even result in legal proceedings. The presence of an intermediary in a transaction can facilitate the payment of a bribe, or the obtaining of an undue advantage. A large majority of corruption cases involve payments made by intermediaries. Vallourec employees should thus be particularly vigilant when an intermediary is involved.

Under many anti-corruption laws, even if the principal (the seller) has not provided instructions to the intermediary, the principal may still be held liable for corruption if he/she had, or could have, benefited from the act of corruption directly or indirectly.

Key Rules

The use of business intermediaries is framed by a dedicated procedure, with specific requirements regarding due diligence and internal validations, namely for sales representatives.

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”

✓ Do's

- ✓ The use of intermediaries must always be for a clear and legitimate purpose.
- ✓ Each business intermediary must be authorized by the relevant members of senior management and compliance, in accordance with rules set in the **Business Intermediaries Procedure**, prior to the relationship.
- ✓ Business intermediaries must operate under a contract defining clearly the relationship, the condition of remuneration, and binding the intermediary to strong commitments of transparency and ethical business conduct in line with the present Code of Conduct.
- ✓ The remuneration of the intermediary, be it through fees, commission, discounts or rebates, must always be transparent and proportionate to the services provided and supported by clear documentation of the services performed.

✗ Don'ts

- ✗ Do not start work or enter into any kind of commitment, with an intermediary before having received the necessary senior management and compliance validations.
- ✗ Do not grant or accept to provide additional discounts, rebates, fees or commissions to commercial intermediaries in violation of the contract or internal procedures.
- ✗ Do not stay silent! Reach out to a compliance officer if you are made aware of any behavior contrary to anti-corruption laws by a business intermediary or a customer.

Sales Representatives

Sales representatives (or “agents”) are intermediaries that assist Vallourec in the development of its sales, particularly in certain countries where regulations require representation by a qualified local party.

As per the **Business Intermediaries Procedure**, specific rules apply for the appointment of any sales representatives:

- The use of a sales representative is limited to cases of strict necessity for Vallourec, such as compliance with local representation regulations.
- An in-depth due diligence, approved by the Group Compliance Department must be conducted prior to the relationship.
- The sales representative is formally approved by the relevant members of the Executive Committee.
- A contract is signed in accordance with the Vallourec standard template, including a formal commitment to comply with the values and principles of the Code.
- The sales agent provides a regular written report on its activities.
- The amount paid does not exceed what is indicated in the contract.
- The payments are made to the bank account specified in the contract.

CASE STUDIES & LINES OF CONDUCT

Case: A Vallourec sales representative, on their own initiative, plans to offer bribes, in the form of gifts, to promote Vallourec products.

What should you do this situation? This situation is not acceptable and constitutes a corruption scheme. The sales representative must be reminded that, as a Vallourec business partner, he must comply with applicable laws, and that non-compliance with this commitment will lead to the termination of the contract. This behavior must be raised to the attention of a compliance officer.

Case: A customer wants to involve a local distributor in an envisioned contract for the provision of products by Vallourec. As explained by the customer, this condition would be justified by compliance with local content legislation.

What should you do this situation? This is a high-risk situation! This request should not be accepted and should be raised to the attention of the Compliance Department, so that appropriate due diligence can be conducted. In general, any third party required or recommended by a customer is a “red flag”, especially an intermediary. In the present case the request could be justified by a legal basis, but the intermediary could still provide a vehicle for corruption, for example if the representative of the customer could receive an undue advantage from the involvement of the distributor.

5.B.Purchasing and Subcontracting

Definition

Purchasing, is the activity of procuring the goods or services from a third party (referred to as a “supplier” or “vendor”) that are necessary for the pursuit of Vallourec’s activities.

Understanding the Risks

Vallourec may be held liable for acts of corruption and influence peddling committed by one of its suppliers or service providers, even in the absence of direct involvement or positive action by Vallourec. Also, the use of a particular supplier may be requested by a third party as a vector for the payment of a bribe, or in return for an undue advantage.

In addition, through the improper influence of a bribe or a conflict of interest with a Vallourec employee or director, a supplier could be unfairly favored during process, or during the performance of a contract, disadvantaging more suitable candidates.

Key Rules

The Group undertakes to work with suppliers aligned with its values, namely regarding the fight against bribery.

All Vallourec suppliers are required to abide by the values and principles detailed in the present Code of Conduct, and act in compliance with applicable anti-corruption laws.

A formal contract must be established with:

- a precise definition of the services expected, with an obligation to document their execution before any fee can be paid,
- the payment terms and conditions,
- a commitment to adhere to the values and principles laid out in the Code of Ethics and the present Code of Conduct.

Vallourec has implemented strict **Purchasing Policies and Procedures** for the independent selection of suppliers, under the control of the Group Purchasing Department. You must comply with these rules.

✓ Do’s

You must ensure that you:

- ✓ adhere strictly to the **Group Purchasing policies and procedures**, namely, always refer to a member of the Sourcing Department before making a purchase,
- ✓ comply with the rules regarding **Managing Conflicts of Interest** and avoid placing yourself in a situation of conflicts of interest in relation to the Group’s suppliers,
- ✓ ensure that relevant due diligence on third parties is conducted in accordance with internal processes,
- ✓ raise to the attention of the Compliance Department any “red flags” or suspicion of misbehavior in relation to the present Code of Conduct involving a supplier.

✗ Don’ts

You must ensure that you:

- ✗ never decide on your own to use a new supplier **without obtaining the approval of the Purchasing Department**,
- ✗ never hide the use of a supplier or dis-simulate spendings to circumvent Group processes,
- ✗ you do not request the use of a supplier with which you may have a direct, potential or apparent conflict of interest, or be involved in its selection,
- ✗ never agree to the use of a supplier in exchange for the performance of an act or the obtention of a benefit, or if you have reason to believe the use of the supplier could lead to the payment of a bribe.

Intermediaries

Other than business intermediaries (see dedicated chapter on Business Intermediaries, in the present Code), Vallourec may be required to use the services of intermediaries for a variety of purposes, such as to obtain authorizations, visas, or permits, to assist in procurement of goods or services, or even for representing its interests before other parties, including administrations and authorities, or helping in negotiations. These suppliers can be called consultants, lawyers, brokers, customs agents, lobbyists, etc.

Any such service provider, acting on behalf, or in the interest of Vallourec, must:

- answer a legitimate need, and provide a specific and objective expertise in the field,

- be selected on objective criteria and on merit,
- have received the appropriate internal approvals,
- be the subject of a specific due diligence to ensure their perfect integrity, and absence of conflicting interests,
- have a contract clearly describing its missions, binding the intermediary to act in compliance with the principles and values of the present Code, and setting out the conditions of their remuneration, which must be strictly contractually regulated and provide for a clear reporting of activity detailing the services performed.

CASE STUDIES & LINES OF CONDUCT

Case: In the context of a tender organized by a Vallourec customer, the customer’s representative requests that Vallourec use a specific logistics service provider. They indicate that they will award the tender to Vallourec if the sales team agrees to this request.

What should you do this situation? This situation is high-risk! A supplier being pushed by a third party is considered a “red flag”. The representative of the customer could have ties to the proposed supplier and financially benefit from the payment made by Vallourec to the supplier. This supplier must go through the **Group Purchasing Process**, and the situation must be raised to the attention of the Group Compliance Department so that adequate due diligence can be performed.

Case: In the context of an ongoing call for tenders, a supplier promises a Vallourec employee he/she will hire the employee’s daughter in case of award.

What should you do this situation? This is prohibited! It could constitute a corruption attempt by the supplier. You must very firmly reject his request, documenting your refusal and escalating the matter to a member of the Compliance Department.

6. LOBBYING

(Interest Representation)

Definition

Lobbying, also called **interest representation**, is the act of initiating communication (through contacts including phone calls, meetings — organized by a third party or through an association — email or letters) with a public official, with a view to influencing a decision, namely by informing the public officials of the interests at stake. Lobbying can be performed **directly** by an employee, or **indirectly**, through a dedicated third party (a consultant, lawyer, also called a “lobbyist”) or through a trade or professional association.

Understanding the Risks

Lobbying is a legal practice in most countries. However, it must be carried out with a high degree of ethics and transparency, without exerting any undue pressure on the administrative authority or its representatives, and always in compliance with the law. In certain countries, namely in France, lobbying is associated with additional regulatory requirements of transparency and reporting on actions and expenditures carried out.

Funding of Political Parties

Legislation regarding the funding of political parties varies from country to country. To avoid any ambiguity, Vallourec prohibits any transfer of funds, and/or provision of services on behalf of Vallourec to political parties' organizations and figures.

Key Rules

All lobbying activities, conducted directly or indirectly, are subject to the prior approval of a compliance officer, and a member of the Legal Department. This includes activities carried out through a trade or professional association.

In addition, any lobbying activity must:

- be approved by the Group Compliance Officer first. The validation of the Group Compliance Officer is also required for hiring a lobbyist, or joining a professional or trade association,
- be carried out in a transparent and professional manner,
- be thoroughly documented: systematically keep records and written minutes of meetings with public officials in the context of lobbying initiatives.

Focus on lobbyists

A lobbyist must:

- be authorized by a compliance officer, in compliance with internal policies.
- answer a legitimate need, and provide a specific and objective expertise in the field.
- be registered and act in accordance with applicable regulations, namely regarding transparency reporting requirements.
- comply with the contractual requirements of the Group for vendors [See § Purchasing and Subcontracting page 20].

A lobbyist must not:

- make selections because of his personal relationship (friendship or family ties) with a public official, employee or Vallourec third party.
- use unethical practices, and provide or offer an undue advantage to obtain a favorable decision for Vallourec.

7. SOCIETAL INITIATIVES

(Donations, Sponsorships, Volunteering)

Definition

Societal initiatives are charitable actions undertaken by Vallourec to contribute to the development of local communities in line with its commitments to Corporate Social Responsibility (CSR). They can take several forms, such as donations (through funding or goods), sponsorship (also called “patronage”) or employee volunteering.

Understanding the Risks

Although virtuous in nature, such actions can be used to conceal acts of corruption. Namely, a charitable organization can be misused to provide funds or an undue advantage to a public official.

A donation or sponsorship can also be requested in exchange for an undue advantage.

Key Rules

Vallourec has implemented a **Societal Initiatives Policy**, completed by a specific procedure. Any societal initiative beneficiary must be the subject of due diligence to ensure its integrity and that it is not improperly affiliated to a politically exposed person.

✓ Do's

- ✓ Must be made to organizations whose principles of action comply with Vallourec's Code of Ethics and the Vallourec's Anti-Corruption Code of Conduct.
- ✓ Must be made in compliance with applicable laws.
- ✓ Must be approved by the responsible Societal Initiatives Committee & registered within the Vallourec internal Societal Investments Register.

✗ Don'ts

- ✗ Must not be made to secure an improper advantage, or to influence a public decision or administrative authorization.
- ✗ Must not be made, directly or indirectly, to public officials (e.g. police representatives, mayors, administrations or public services representatives).
- ✗ Must not agree to, or commit the company to perform, a donation under the pressure of solicitations, or in violation of the **Societal Investment Procedure**.

CASE STUDY & LINE OF CONDUCT

Case: Vallourec is in the process of applying for an operating license for one of its production sites. A public official in charge of delivering the license says he will grant it since Vallourec meets all requirements, but wants Vallourec to make a substantial donation to an association of his choice.

What should you do this situation? The request must not be accepted. The fact that a third party is pushed by a public official is a “red flag”. Societal Initiatives are managed according to the strategy set by the CSR Department and Societal Initiatives Committee, and cannot be made to obtain an administrative authorization. Here, there is a possibility that public officials could have ties with the proposed association and benefit from the donation.

8. CONFLICTS OF INTEREST

Definition

A **conflict of interest** arises when the personal interests of an employee, or of the natural or legal persons with which they are associated, are likely to conflict with the interests of Vallourec.

The personal interests, also referred to as “links of interests”, which can come into conflict with those of Vallourec are extremely varied. They can, as an example, result from

- financial interests (such as ownership of a vendor or customer, prospected or current);
- professional activities outside Vallourec (employment within a competitor, activity of consultancy competing with Vallourec, etc.);
- personal activities (e.g. political mandates, associative, charitable activities in a Vallourec funded organization, etc.);
- close relationships (family members, spouse or partners applying for positions at Vallourec, etc.), or even from a feeling of indebtedness toward another party (e.g. in return for a benefit or service received from a third party).

Understanding the Risks

A conflict of interest is not inherently unlawful, but it may impact or appear to impact the independent, impartial, and objective judgment of a person, leading him/her to defend an interest distinct from the one he/she is required to defend in the performance of his/her functions. This can damage the reputation of the people involved, as well as the company.

When it comes to the risk of corruption, conflicts of interest may act as a facilitating factor leading to acts of corruption or weakening the culture of ethics and compliance.

“
This can damage the reputation
of the people involved,
as well as the company.
”



Key Rules

The Group has set up a dedicated “**Procedure for the Management of Conflicts of Interest**”, and compliance with the rules set out in this procedure is mandatory.

At all times, act with integrity and transparency, and apply your best efforts to avoid placing yourself in a situation which could lead to a conflict of interest.

However, not all conflicts of interest can be avoided, and if you are ever faced with one, you must act with transparency and **proactively declare your situation**.

✓ Do's

- ✓ Proactively declare to your line manager and HR Business Partner, through the dedicated internal register, any situation placing you in a conflict of interest, be it potential, current or only perceived.
- ✓ Update this declaration as soon as there is any significant change.

✗ Don'ts

- ✗ Do not take a direct or indirect interest in a competitor, vendor or customer (prospective or current) unless it concerns the purchase of listed securities and adheres to the rules on insider information.
- ✗ Do not enter into a personal or professional commitment which may interfere with your work for Vallourec.
- ✗ Never be involved, or exercise influence, in negotiations for a contract for Vallourec in which you have a personal interest.
- ✗ Never use confidential information that you possess due to your position at Vallourec to your personal benefit, or to the benefit of your family or friends.

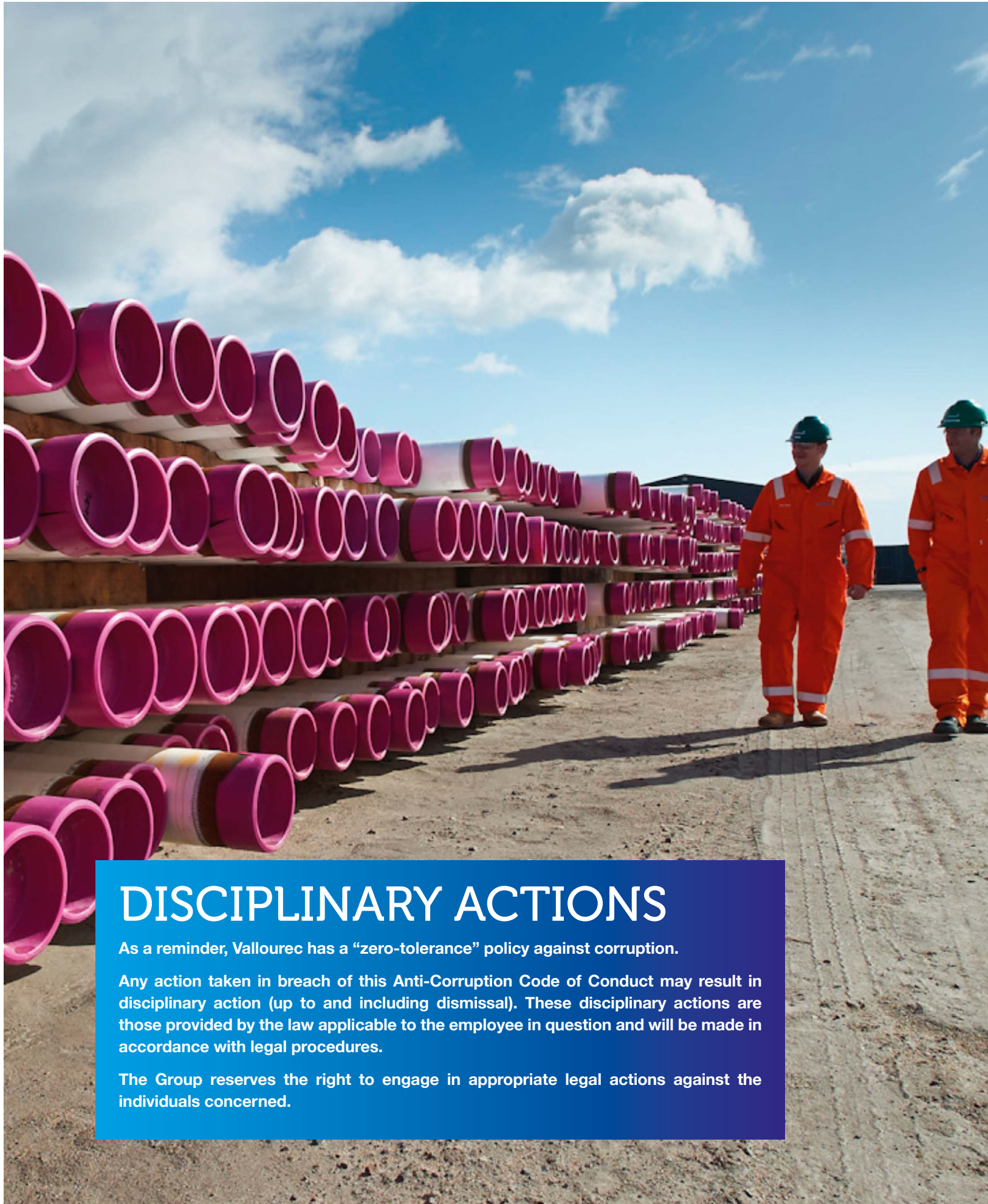
CASE STUDIES & LINES OF CONDUCT

Case: A Vallourec employee inherits shares within a prospective client. As part of his functions at Vallourec, he could be involved in contractual negotiations with this third party.

What should you do this situation? This is permitted but must be declared and managed transparently. Being a shareholder of a Vallourec client is not in itself prohibited, however it must be declared to your line manager and the HR Business Partner, who will recommend mitigation measures. The employee concerned cannot take part in negotiations or decisions involving this client.

Case: A Vallourec plant director has decided to open a maintenance company. He has decided to use his own new company to perform the services for Vallourec. He does not disclose this to his manager or the Sourcing Department.

What should you do this situation? This is prohibited. This situation should have been disclosed. A Vallourec employee should not actively place himself into a conflict of interest. Employees, and especially senior managers, have a duty to act, always, with transparency and integrity.



DISCIPLINARY ACTIONS

As a reminder, Vallourec has a “zero-tolerance” policy against corruption.

Any action taken in breach of this Anti-Corruption Code of Conduct may result in disciplinary action (up to and including dismissal). These disciplinary actions are those provided by the law applicable to the employee in question and will be made in accordance with legal procedures.

The Group reserves the right to engage in appropriate legal actions against the individuals concerned.

HOW SHOULD YOU RAISE AN ALERT?

“
If you witness something that goes against our Anti-Corruption Code of Conduct, don’t stay silent, speak up!
”

Vallourec has set up a whistleblowing system designed to receive allegations of acts contrary to its Code of Ethics and this Anti-Corruption Code of Conduct, or any act that appears to be contrary to the Laws or Regulations.

If you wish to report a behavior that is contrary to anti-corruption laws and regulations or contrary to the rules of this Code of Conduct, you may do so through the **Vallourec Integrity Line – Speak Up**. The Integrity Line provides full confidentiality, the possibility of anonymity and the protection owed to whistleblowers raising a concern in good faith, set out by the French Sapin II Law.

The **Vallourec Integrity Line** is accessible to Vallourec employees as well as to third parties (customers, suppliers, service providers, etc.). It can be used to report behavior anonymously, without fear of retaliation.



Refer to the “*Vallourec Integrity Line – Speak Up Policy*” for more information on how to raise an alert.

Vallourec Integrity Line is accessible, 24/7, in 8 languages: French, English, Spanish, Portuguese, Chinese, Indonesian, Arabic and German. Wherever you are.

7d/7d

24h/24h

365d/year





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