



**Public Summary
of the Forest
Management Plan**

Updated August 2021.



Presentation of the Management Plan

The Management Plan of Vallourec Tubos do Brasil Forestry unit documents the production processes and supports the planning of the Company's actions, with regard to sustainable forest production. For that, it uses a documentation structure that is hierarchic to meet the guidelines of the ISO 14001: 2015 certification standards, which deals with the Environmental Management System, ISO 45001: 2018, which deals with the Occupational Health and Safety Management System and NBR 14789: 2012 which, in turn, establishes principles and criteria for the sustainable management of planted forests.

Objectives of the Management Plan

The Management Plan's main objective is to ensure that the Company's actions are based on the search for current and future sustainability, within social, environmental and economic expectations.

Our Company

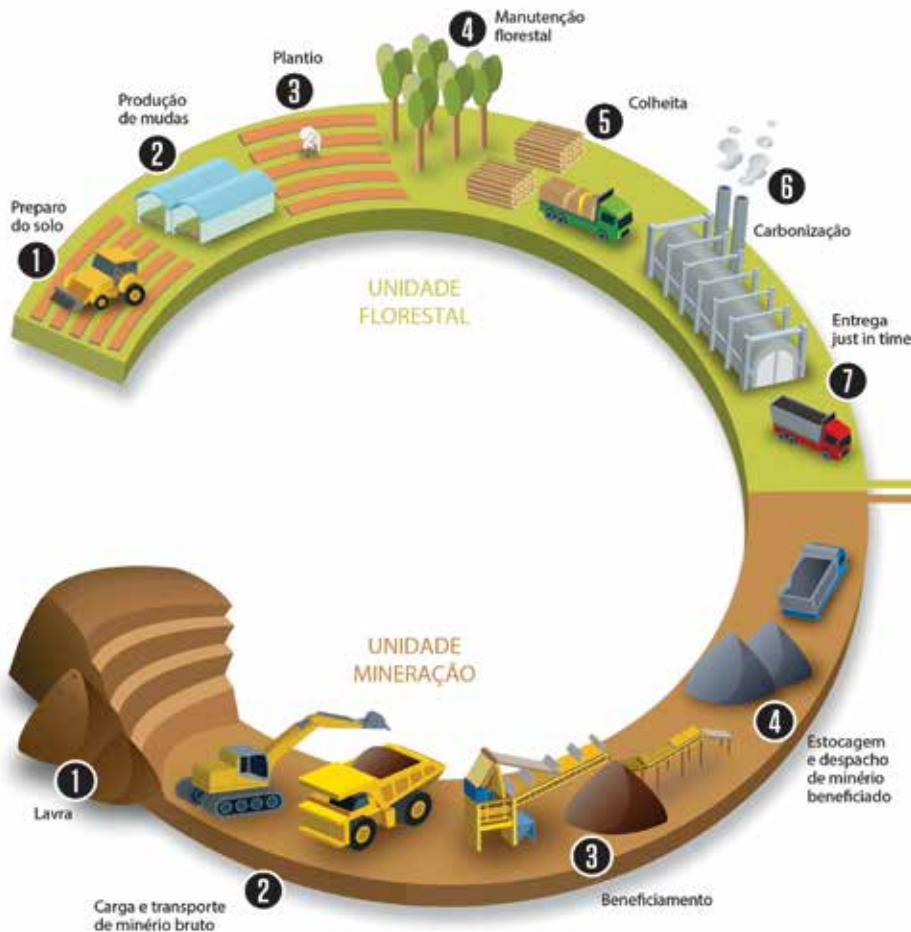
The Company In 1969, the Vallourec Tubos do Brasil Forestry unit was created with the objective of supplying the demand for charcoal from the blast furnaces of the Vallourec group companies in Brazil, in the production of pig iron.

Vallourec Tubos do Brasil Forestry unit is located in the Center, North and Northwest regions of the State of Minas Gerais, covering 15 municipalities with a total of 18 farms, subdivided into 4 regions, being: Curvelo, Bocaiúva, Serra do Cabral and João Pinheiro.

The Company's Head Office is located in the city of Curvelo, in the central region of Minas Gerais, 170 km from Belo Horizonte.

The Vallourec Forestry unit has approximately 224,542 thousand ha, of which 211,686 thousand ha are planted forests, and approximately 12,800 thousand ha are destined to other uses, such as improvements, roads and mainly environmental conservation.

The production system comprises the following stages: production of seedling, preparation of the area, planting, forest maintenance and logistics. All operational activities are performed with proprietary technology, developed in partnership with Brazilian and international research centers.



Principles of Social Responsibility

Vallourec Tubos do Brasil Forestry unit has a relationship policy based on the CERFLOR Principles and Criteria, which in turn is based on the relationship with forestry workers and local communities, with evidence of the benefits of forestry activity in social, environmental and economic aspects.

Vision

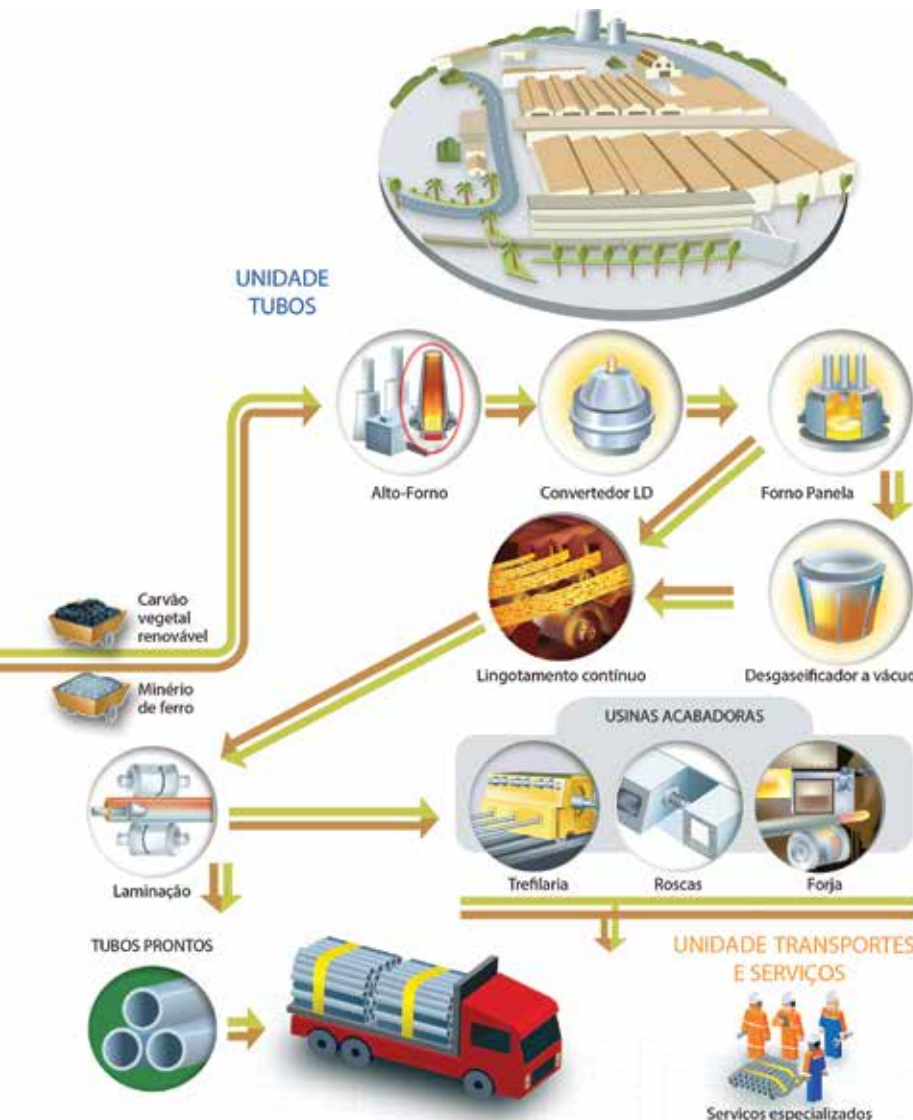
To be a company admired by people.

Mission

Guarantee the supply of charcoal to Vallourec Soluções Tubulares do Brasil (VSB), with environmental and social responsibility, quality and cost that enable the competitiveness of steel.

Conduct

- Integrity and transparency;
- Requirement and professionalism;
- Performance and responsiveness;
- Respect for people;
- Common commitment.





Integrated Management Policy (South America)

The Vallourec Group companies, located in South America, are committed to providing their stakeholders with the information and resources necessary for the maintenance, development and continuous improvement of their Integrated Management System, thus promoting the sustainability of their business. Therefore, it has as policy:

→ Commitments assumed by the Company:

- To remain in the leadership of its market of performance through the trust of its customers in the attendance of the quality, time and price;
- Practice ethical and socially responsible management;
- Promote health and safety at work;
- Preserve and protect the environment, preventing its pollution;
- Identify, assess and control occupational risks and environmental impacts;
- Support and improve energy performance;
- Comply with applicable legislation and standards;
- Continuously improve the performance and effectiveness of its integrated management system.

The GIS policy is communicated to all employees and service providers through lectures, training, meetings, cards, among other sources of communication. It is also available for consultation on the Intranet and on the Internet, on the Company's website.

Seedling Production

The seedling production nursery is located in Bocaiúva - MG and has an installed capacity of approximately 15 million seedlings/year.

Vallourec Tubos do Brasil Forestry unit has a program for the development of genetic materials for the production of charcoal, adaptation to cerrado conditions, resistance to pests and diseases, tolerance to water stress and increased productivity.





Area Preparation

The preparation of the area begins with the topographic survey and the marking of the conservation areas, reserves and ecological corridors. The corridors are 25 m wide strips demarcated throughout the project and interconnect the reserve areas. These actions allow for better preservation of native vegetation, water resources and native fauna, aiming at

greater ecological balance. The preparation of the land for planting is carried out using low impact equipment, aiming at the maximum conservation of water in the system, with the adoption of techniques such as minimum cultivation. At this stage, road maintenance is also carried out to prevent possible erosion and also to maintain rainwater.



Planting

Planting takes place throughout the year and is carried out taking into account the technical recommendation of the research and development areas, with regard to the genetic material and spacing indicated for each regional, farm or field. The technical recommendation aims to provide greater final productivity and, consequently, to minimize possible problems with pests, diseases, water stress and other external problems that may occur due to the lack of adaptation of a type of clone for a given region.

The most favorable time for planting occurs between the months of November and January, when rains are more frequent. To avoid concentrating this activity only at that time, the company adopts irrigated planting, enabling the distribution of this process throughout the year.



Forest Maintenance

Forest maintenance plays a key role in ensuring forest productivity. It is in this stage that the nutritional program of the eucalyptus is consolidated with the availability of essential nutrients for the complete development of the trees, the replacement of macro and micro-nutrients identified as limiting in the nutritional monitoring carried out before and after planting in the areas of reform and forest management.

The control of bush-competition, leaf-cutting ants, pests and the fire prevention and fighting program, which occur during the dry season (May to October), are also part of this forest production phase.

Vallourec Tubos do Brasil Forestry unit carries out pest monitoring all year round, aiming to study outbreaks and optimize biological control with predatory bedbugs and other biological products for the control of these defoliating pests.



Forest Harvest

The planning of the forest harvest has as main objectives to ensure the optimization of tools and resources, meet the guidelines and goals of the Company and seek to organize, relate and optimize the operating system for the harvest, making it technically consistent to comply with the principles of sustainable activity.

The Forest Inventory Sector defines, together with the operational sector, which forests will be cut during the

year and the areas are selected to meet the flow of charcoal supply. Forests are chosen according to their age and growth curve, and the cost of exhaustion, the average distance to the carbonization plant, rain and drought period and availability of raw material on the farm can also be part of the analysis. Eucalyptus can be cut up to two times with a shallow cut every seven years. After the cut, the trees regrow, creating a new forest.

To ensure the survival of the sprouting, the same work already described in the Forest Maintenance stage is repeated. The tree is felled and split into logs and they remain in the stand or on the road for at least 90 days to ensure their drying, and then they are transported directly to the carbonization plant. At the end of the second cut of the forest, the whole process is restarted and a new forest is replanted with all available technology.



Carbonization



Steel charcoal is produced within operational standards in masonry furnaces with temperature control by optical reading instruments and a process monitoring system that defines the production parameters and ideal cycle. The carbonization process, from ignition to complete cooling, takes ten to fifteen days, and varies with the type of oven used.

The Long-Term Planning (PLP) of the production is aligned with the forest ordering of the existing massifs, which considers the consumption demand of the Plants and the availability of wood in ton of charcoal, thus, each year, the revision of this plan is made due to the number of existing ovens for production, the need to build ovens and the purchase of market charcoal.

Charcoal Logistics

All charcoal is transported, as a priority, to Vallourec Soluções Tubulares do Brasil (VSB), through the *JUST IN TIME* programmed delivery system.



Environment

The Company's geographical location, considering the biodiversity of the Brazilian Cerrado and the proximity of the São Francisco and Jequitinhonha hydrographic basins, combined with the Vallourec Group's environmental responsibility, means that the Company acts with the best conservation and environmental protection practices.

Vallourec Tubos do Brasil Forestry unit has an environmental management system based on ISO 14001:2015 and NBR 14789:2012 - CERFLOR. Among its actions, environmental monitoring stands out.

In partnership with various higher education institutions, projects for monitoring native fauna and flora are developed to identify and mitigate the impacts of the Company's activities, seeking in research the development of new products, markets and the improvement in all its processes, based on sustainable development.

The Forestry unit is authorized to operate from an environmental perspective through Operating Licenses 41/2008; 291/2012 and 054/2019; issued by the State Council for Environmental Policy - COPAM, which attest that the environmental aspects and impacts raised by the enterprise, as well as the environmental studies and practices adopted to minimize and mitigate these impacts, are in compliance with the applicable legislation. It also has programs for monitoring avifauna, mastofauna and the quantity and quality of water. The poultry project indicates that there is an expressive genetic heritage (biodiversity) within the Company's reserve areas. Species richness is an ecological index that means number of species; this index is used as an indicator to compare the conservation status of different sampled areas. In this way, Vallourec Tubos do Brasil Forestry unit carries out all its activities with faithful compliance with the requirements of environmental inspection and control agencies.





→ Among the positive results obtained from the Environmental Management of Vallourec Tubos do Brasil Forestry unit, in addition to the socioeconomic benefits, we can mention:

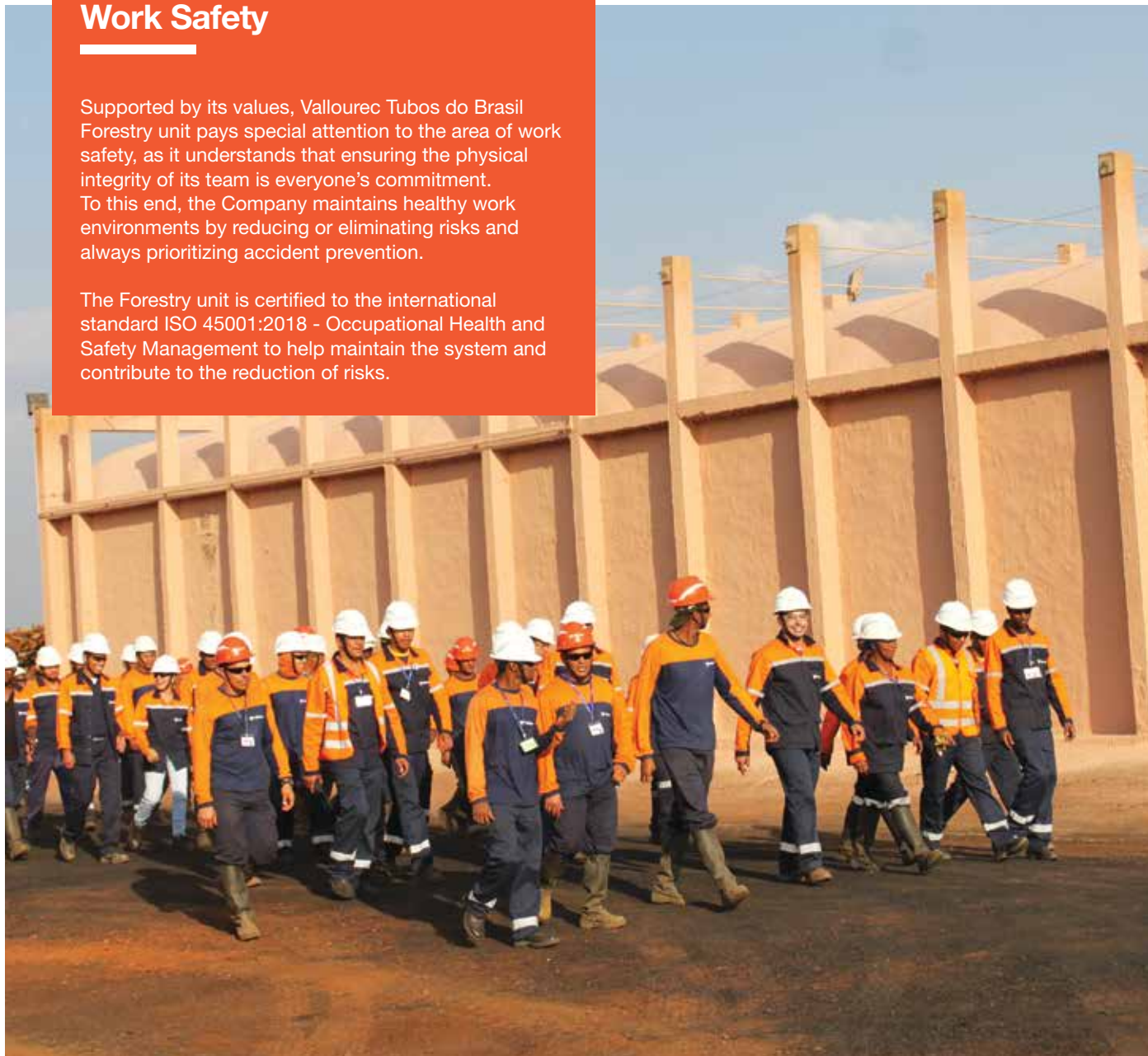
- Conservation of the natural composition of flora and fauna, with an increase in preservation areas, through the implementation of ecological bands, that is, corridors that promote the interconnection of areas of native vegetation;
- Reduction of the intensification of the Greenhouse Effect, through the fixation of CO₂ by the forests;
- Maintenance of ecological balance, through investment in research for biological control and pest control;
- Rationalization of the use of areas and resources, through forest research and development;
- Soil protection, since the decomposition of organic material provides a thick layer of litter, which promotes, in addition to protecting runoff, improving the quality of this soil;
- Improvement of soil quality, through the use of fertilizers that add nutrients, promoting gains in soil quality in the Brazilian cerrado region;
- Reduction of forest fires, through annual campaigns of prevention and fire fighting, with training, simulations and training of brigade members.



Work Safety

Supported by its values, Vallourec Tubos do Brasil Forestry unit pays special attention to the area of work safety, as it understands that ensuring the physical integrity of its team is everyone's commitment. To this end, the Company maintains healthy work environments by reducing or eliminating risks and always prioritizing accident prevention.

The Forestry unit is certified to the international standard ISO 45001:2018 - Occupational Health and Safety Management to help maintain the system and contribute to the reduction of risks.



Community Relations



Vallourec Tubos do Brasil Forestry unit carries out its activities in order to meet the needs and requirements of its customers, concomitant with the commitment to develop a policy, in the forestry area, of a sustainable character from an environmental, social and economic point of view.

In this way, social issues must be treated with responsibility and transparency, valuing the human being and establishing relationships of trust and partnerships. Thus, the Company positively develops the relationship with stakeholders, supports and implements social, cultural, educational and environmental actions, aiming at the development and strengthening of those involved.

To this end, it established a Relationship Policy with the Community and Stakeholders that aims to propose communication and integration actions with communities, social organizations and public authorities where the FMUs (Forest Management Units) are inserted.

Through the Annual Community Action and Integration Program - PAIC, the Company does integration work with the communities. Using monitoring and social insertion techniques, it is possible to meet the socioenvironmental demands of these communities. Its social commitment is perceived in the development of projects such as "Apicultura", which promotes the generation of work and income and other projects, such as Pequeno Grande Leitor, to encourage reading.



SIDERTUBE Foundation

The Sidertube Foundation was created in 1966 to provide benefits and services to its members and dependents of Vallourec. It is a non-profit entity maintained by the Group, endowed with its own assets and administrative and financial autonomy.

Its Mission is to promote sociocultural initiatives that aim at the protagonism of its beneficiaries for the construction of a conscious, healthy and happy lifestyle, respecting diversity, with employees motivated and connected to the values of Vallourec. At its headquarters at the Forestry Unit, there is a space for socializing that enables socialization and interaction between the company, employees and family members.

→ The following social projects are developed:

- Support
- Learning
- Monitoring
- Family in the Field
- Coexist
- Free Agent

→ Hands of Value - Volunteer Program:

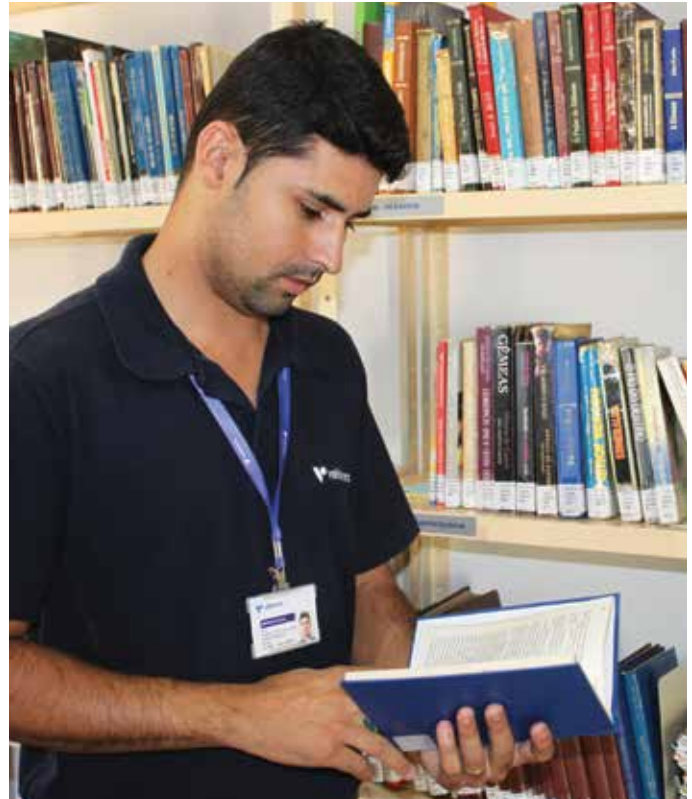
- V Day
- Volunteers of knowledge
- Responsible tax
- Donate blood donate marrow
- Winter clothing campaign
- Letters from Santa Claus

→ Leisure, culture and sport projects:

- Toy distribution - Children's Days and Christmas;
- Library and DVD library.
- Leisure Day
- Online games
- Virgen Puls GO
- Summer Camp
- Children's week

Developed activities:

Social Service: Through Social Service, the Foundation offers differentiated service to employees and their families. Through humanized listening, it monitors cases; socio-educational programs and projects and income generation; seeks the development of employees, retirees and their families; improving the quality of life and working relationships; provides assistance to former employees, in addition to various guidelines.



Contacts

If you want more information about the Company, want to make suggestions, comments or even complaints, contact us at the address below:

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