



Press Release

Vallourec maintains its commitment to sustainable development

- **-72% accidents with lost time over the last 5 years**
- **12% increase in energy efficiency between 2008 and 2012**
- **50% of the steel used by the Group coming from recycled scrap metal**
- **A pro-active approach to measuring the Group's water footprint**
- **€6 million devoted to local communities in Brazil**

Boulogne-Billancourt, 28 March 2013 – With France's *Sustainable Development Week* taking place from April 1 to April 7, Vallourec reports on its commitment to this cause. In 2011, Vallourec published a new Sustainable Development Charter that sets the Group's sustainable development targets, defines areas for improvement, and reinforces communication with its stakeholders. Designed for the Company's external partners as well as its employees, the Charter is in line with proposals made by the French Round Table on the Environment (le Grenelle de l'Environnement) and new regulations.

The new Charter and its performance indicators

Vallourec's new Sustainable Development Charter is structured around three main areas:

1. Ensuring the sustainability of our business with competitive and innovative products.
2. Maintaining sustainable relations with our stakeholders.
3. Protecting our environment and using our resources judiciously.

It also integrates performance indicators and five key goals:

COMMITMENTS	INDICATORS	2012 RESULTS	2013 OBJECTIVES
Ensure the safety and protect the health of our employees; offer each employee good working conditions	TRIR (Total Recordable Incidence Rate: number of accidents recorded per million hours worked)	7.6	6.5
Train and motivate our employees through skills development, recognition of expertise, promotion of talents and career development	Results of the "Opinion" survey (employee satisfaction rate)	-	62%

Satisfy our shareholders over the long term	Assessment by non-financial rating agencies	B	B
Improve the energy efficiency of our facilities and reduce the carbon emissions from our production processes	kWh/metric ton processed	975	945
Respect our environment and protect biodiversity by preventing all forms of pollution, decreasing water consumption, recycling waste and reducing noise	Percentage of waste recycled	90 %	92 %

For more information: http://www.vallourec.com/en/group/sustainable-development/Documents/SDCharter-2011_Vallourec.pdf

2012 Highlights

- **-72%** accidents with lost time between 2008 and 2012

Keen to continuously and permanently improve safety within the Group, Vallourec extended in 2011 its ambitious safety improvement program for a further three years, based on four tools: steering committees at every level to infuse the Group's safety culture, safety visits at work stations (over 30,000 visits in 2012), permanent deployment of risk assessment tools and prevention actions, as well as the implementation of Continuous Improvement Teams (over 300 in 2012).

In five years, the LTIR (Lost Time Injury Rate: number of accidents with lost time per million hours worked) decreased by 72%. By the end of 2012, it was 2.60 and the TRIR (*Total Recordable Incidence Rate*: number of accidents recorded per million hours worked) was at 7.6, surpassing the Group's targets.

- **12%** increase in energy efficiency compared to 2008

In 2012, energy consumption by the total tonnage utilized was 654 kWh/metric ton for gas and 322 kWh/metric ton for electricity. Although these figures appear higher than those from 2008, the benchmark year when the GreenHouse project was launched to reduce the Group's energy consumption, they actually show a big improvement in energy efficiency, since the proportion of premium products manufactured by Vallourec has grown significantly and these require more complicated and energy-intensive heat treatment and finishing processes. By equivalent orders and volumes, efficiency has improved by over 12% compared to 2008.

Vallourec's plant in Düsseldorf-Rath (Germany) is a shining example of this increase in energy efficiency. Thanks to the installation of new regenerative burners in its main furnace in 2012, the plant has reduced its natural gas consumption by 30% and carbon dioxide emissions by 8,000 metric tons per year.

- **50%** of the steel used by the Group comes from recycled scrap metal

In 2012, 50% of the steel used by the Group to produce its tubes, whether it was made internally or bought from steel companies, came from recycled scrap metal, leading to an equivalent reduction in the amount of iron ore extracted. This figure is as high as 65% if only the steel produced by Vallourec's steel mills is taken into account.

- A pro-active approach to [measuring the Group's water footprint](#)

Water is essential in the industrial production process of Vallourec, which is why the Group pays particular attention to the subject and has developed a pro-active approach to reducing the quantities of water used. Over the past 10 years, the Group's water withdrawals have been reduced by 40% per metric ton of tube produced. In 2012 Vallourec decided to do more by measuring the full impact of its activity on local water resources, and by targeting more efficiently improvement actions. Vallourec has turned to Veolia Water to implement a new measurement tool: the Water Impact Index (WIIX) at 7 sites. This multi-criteria approach goes further than simply quantifying the volumes of water used, i.e. quantities of water withdrawn and discharged. It also assesses the level of stress on local water resources, and the overall quality of the water withdrawn and discharged.

- **€6 million** for local communities in Brazil

In Brazil, for historical, cultural and regulatory reasons, and due to its plant being located in the heart of the urbanized district of Barreiro in Belo Horizonte, Vallourec has been providing local communities, and especially the poor living in these communities, a long-standing structured support program. Particular emphasis is placed on schooling and pathways towards employment, encouraging and funding individual economic activity, and participating in various cultural and sporting events. In 2012, €6 million were devoted to these projects.

ABOUT VALLOUREC

Vallourec is a world leader in premium tubular solutions primarily serving the energy markets, as well as other industrial applications.

With over 23,000 employees, integrated manufacturing facilities, advanced R&D, and presence in more than 20 countries, Vallourec offers its customers innovative global solutions to meet the growing energy challenges of the 21st century.

Listed on NYSE Euronext in Paris (ISIN code: FR0000120354, Ticker VK) and eligible for the Deferred Settlement System, Vallourec is included in the following indices: MSCI World Index, Euronext 100 and CAC 40.

In the United States, Vallourec has a sponsored Level 1 American Depository Receipt (ADR) program (ISIN code: US92023R2094, Ticker: VLOWY). The ratio of Vallourec ADR to ordinary shares is 5:1.

www.vallourec.com

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