



Neotiss

Corporate Social Responsibility report
2021



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President's message

Our Ambition

Today, more than ever before, our duty is to remain strong in our social and environmental responsibilities.

The Covid pandemic, climatic disasters, and financial tensions remind us just how urgent the situation is.

Faced with the complex and changing environment, our ambition is to defend our values and support the development of a more sustainable society.

Our Responsibilities

This duty covers four areas:

- The **Environment** that needs to be protected against increased threats.
- The **Health and Safety** of the communities who rely on our high professionalism.
- The **Society** that requests diversity recognition as well as empowerment.
- The **Business** whose practices must remain fair and ethical.

Implementation

Our organization has significantly evolved over the past three years in order to empower our local teams and the operational affiliates.

This allows fast and efficient actions close to the field.

A careful follow-up is implemented with at least monthly review and continuous benchmarks.



The direct applications

It is not a coincidence if our products are mainly used for environmental-friendly applications. This is for us the unique opportunity to build a sustainable development for Neotiss.

We believe in nuclear energy to supply low carbon emission electricity. We are also involved in solar concentration, geothermal energy and ocean thermal energy conversion. In the automotive market, our products are mainly used to limit pollution from exhaust gas. Our production close to markets limits logistics disturbances.

Report

We are proud to present you with our updated Corporate Social Responsibility Report.

I really hope you will enjoy reading this report and look forward to seeing you on our side to building a better future. There is no Planet B.

Albert Bruneau
President
Neotiss





OUR HISTORY

NEOTISS, world leader in thin welded tubes, serves all industry markets from power generation and process to desalination, automotive and aerospace.

We supply tubes in titanium, austenitic and ferritic stainless steel, but also duplex and specific high alloy grades in a wide range of dimensions and designs to all demanding customers.



France

1976
Les Laumes



China

1996
Changzhou



United States

1997
Morristown



India

2006
Hyderabad



With over 500 employees, and a presence in 4 countries, NEOTISS offers its customers innovative solutions to meet the challenges of the 21st century.

MORE THAN 40 YEARS OF EXPERIENCE

Development close to markets with strong local partners



Our innovation team deploys extensive research programs in two directions:

- New Products & Services to enhance the added value and coverage of our tubes.
- New Processes to optimize the efficiency and control of our lines to deliver tubes of high performance and longevity in the toughest environment.

OUR MARKETS

We serve all demanding industry markets : nuclear power, fossil power, renewable power, desalination, petrochemical & chemical, automotive, aerospace and others !



300 Nuclear condensers delivered
180 Nuclear LP & HP FWH delivered
185 Nuclear MSRs delivered
800 Fossil condensers delivered
800 Fossil LP & HP FWH delivered
100 Desalination plants delivered
10 000 km of titanium tubes delivered for Facility D desalination plant
20 LNG trains delivered



OUR PRODUCTS

GRADE

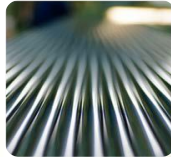
Titanium



Austenitic



Ferritic



High Alloys



SURFACE

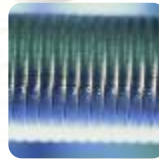
Smooth



Finned

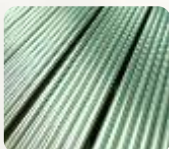


Helix

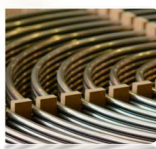


SHAPE

Straight



U-bent



Serpentine







ENVIRONMENT



Reduced ecological footprint

Since the 1990s, we've been **aware of the importance of protecting our environment** and the future of our planet. We took action to reduce our environmental impact, notably by implementing our **GLOCAL** (globally local) strategy. This brings us close to customers with lean and flexible local facilities because we know that transporting 25m tubes around the world is not a fast, economical or sustainable business model. This strategy resulted in the development of our 4 sites on 3 continents, all staffed with local teams. **This model has enabled us to alleviate our ecological footprint at a unique level within our industry.**

Our welding manufacturing process itself is **environmentally-friendly** compared to alternative ways of producing tubes. Piercing or redrawing calls for lubricant, degreasing and off-line heat treatment which generates contamination and consumes significantly more energy than our in-line welding process.

We work constantly to **reduce the impact of our activities** on the environment: saving energy, reducing water consumption, improving waste recovery, optimizing freight transportation. For instance, we have replaced wood packaging with cardboard to ship our tubes for automotive applications. Also, for local shipments, small-sized wooden boxes are manufactured by reusing the wood from raw material boxes. Raw material scrap is sold for recycle, focusing on local applications, such as additive for the steel industry.



ISO 14001: 2015



Durable and long-lasting material

We are a world leader in welding titanium tubes. Titanium is the most efficient and cost-effective material for an increasing number of applications. It offers unmatched corrosion resistance combined with high mechanical properties. **Titanium's quality endures over time** (more than 40 years for some titanium condenser tubes in operation), which makes it an **environmentally-friendly product**. We also supply duplex finned tubes for refineries, replacing the historical use of carbon steel, allowing longer durability.

Make employees aware

Increasingly, Neotiss is asking its employees to consider how their behavior in all aspects of their work impacts the environment, so that **Neotiss will eventually be able to reduce such impact. Even small gestures can make a difference.** For instance, such contributions can take the form of cutting out unnecessary travel, saving water and energy and avoiding waste generation.





ENVIRONMENT

Treatment of Hazardous waste

In India, we work with a specialized company for our hazardous waste. Our main waste product, lubricating oil, is carefully isolated and treated.



Energy savings

Oil was replaced by natural gas. By 2023 all lighting on our shop floors will be LED.

Waste recycling & waste-to-energy conversion

In China, during 2020, we redesigned our drainage system to separate rain water from sewage water.

Dedicated organization

Our Plant in Changzhou has been certified to ISO 14001 in 2020.

Optimized freight transport

In the US, we combine several orders on the same shipment, and we favor local suppliers for wood and tooling.

Resource economy: Industrial gas and water

On a monthly basis for all facilities, we track consumption of all critical utilities. Continuous improvement actions are implemented in order to reduce the consumption per kilometer of tubes produced.





Offer a safe and secure working environment

Our goal is to make sure all our employees go home every day in good health and peace of mind.

This value was reinforced during the covid-19 pandemic. During this tough period, priority was given to employee's safety, combining strong protection barrier protocols and work organization. This resulted in no cluster development in any of our facilities over 2020. Clear health and safety rules were established and systematically applied for every Neotiss employee.

Security Training

Our goal is to allow our employees to work and grow in a safe environment. In achieving that goal, we train employees who want to become first-aid rescue workers. We also provide security training as well as training for handling hazardous goods. We offer a safe environment to prevent respiratory illnesses, and we use the SafeStart approach to involve each employee in the safety process. : Every incident or accident is analyzed and communicated.

Cybersecurity

Industry 4.0, digitization and automation in the broadest sense, offers unprecedented opportunities to optimize internal processes and improve production. This also presents new risks that need to be understood and managed in order to exploit its full potential. In front of the growing threat, our policy reinforces protection of corporate and industrial information systems. Best cybersecurity practices are shared with a focus on travelling employees whose mobile devices could be the weak point in our network.

Storage and Transportation

Our responsibility is not only covering production but also transportation and storage of products. Heavy box handling operations are among the riskiest of our activities. We pay particular attention to any feedback including from our subcontractors. Our logistic experts ensure that best practices related to logistics, packaging and transportation are applied and in compliance with regulatory requirements at worldwide levels.





HEALTH AND SAFETY

Management of the covid-19 crisis

Zero Covid-19 clusters within Neotiss affiliates in 2020.



Investment

In China new protection around the Hydrogen storage area, and new smoke alarm systems.

Accident & Incident

0 accidents in our Indian plant in 2020.



Cyber Security

We have defined a business cyber-strategy and have a proper recovery plan in place to restore normal operations.

Fire Fighting

In India, we installed new fire hydrant systems and new emergency wire pull system on all lines.

Reinforcement of Process

In the USA, we increased the automation on some risky manual operations and on some repetitive motion operations.



SOCIAL



Diversity and skill improvement

Diversity is at the heart of our priorities: gender equality, employment for seniors and youth are important themes for us. That is **why we follow a policy of equal opportunity** for all employees and applicants regardless of race, age, color, religion, gender, sexual orientation or disability.

We integrate **skill improvement** of our employees in our company's strategy. For that reason, we offer them the opportunity to benefit from professional development and further training in all our sites.

Professional gender equality

At Neotiss, we **attach great importance to professional gender equality**. Within the holding organization, 50% of the Vice President positions are managed by women.



Employment for everyone

We have several contracts with companies working with disabled employees, for example gardening or waste sorting.

We also believe our company should balance equally between young and senior employees.

Our size and organization is ideal to integrate and train newly-graduated employees. We have partnerships with professional high schools.

Special health support

In France and in the USA, the company offers health benefits allowing the staff to get access to the medical system with reduced costs. In India, we provide medical health insurance.





SOCIAL

Employee saving plan

New incentive plan signed for Neotiss France in 2021.

Professional gender equality

➤ 29 women currently have a **management position** including three at the top level of the organization.



Diversity

7 disabled employees in France in 2020

Company and employees civic engagement

- Sports and gatherings
- Partner with the technical school of Montbard.

Trainees

In 2020 we hired more than 40 trainees.

Age of our employees

<40 => 47%
+40 => 53%
Good balance with pivotal age at 40.



Women on Shop floor

25% at group level.
43% in China, 23% in France, 13% in the USA, 2% in India.



ECONOMIC AND GOVERNANCE



Business ethic and fight against corruption

Neotiss believes and always acts using ethical business practices and fights against corruption. This is why gifts can only be accepted and given if they have a symbolic value and are not paid in cash.

Also forbidden is any practice that consists in offering or accepting undue retribution or granting undue advantages, directly or through third parties, to any person for the purpose of obtaining special treatment or influencing the outcome of negotiations involving the Group.

We make very clear that we do not tolerate any commercial fraud or money laundering.



Offer reliable services and products

We care about customers and offer only reliable services and products with careful analysis of specifications and clear deviation statements if any.

Thanks to our many years of experience, our good quality control and our mastering of packaging rules, we are able to offer extended product guarantees. Traceability is a key element of our global quality system with high focus on raw material.

Measure changes in employees' well-being

In our French Plant, we developed a quality-of-life-at-work questionnaire, and we hold quarterly information and exchange meetings with our employees. In our US Plant, we have good communication between employees and management.





ECONOMIC AND GOVERNANCE



Socially-responsible investment (ISR) and extra financial evaluation

Environmental Policies and Programs based on our **inputs and outputs**

Responsible Purchasing policy

- We **promote local suppliers** at equivalent prices.
- Corporate terms & conditions created.
- **Local monitoring of spending.** Multiple Supplier Quoting Process.

Ethics Charter

Find out more about our **ethics** charter on www.neotiss.com



Neotiss Organization

Neotiss SAS is the mother company of Neotiss Group, **instilling main policies** and ensuring **assistance to its subsidiaries** thanks to dedicated resources



Product Warranties

We offer **product liability** over a long period adapted to concerned material

Neotiss Organization

Neotiss is a simplified **joint stock company** with a capital of 21 660 986 euros

Company governance

- A supervisory Board validates **all major decisions**
- A detailed **delegation matrix** is in place

APPLICATIONS

Our fight to reduce air pollution

NOx is a key contributor to outdoor air pollution in the forms of ground level ozone and secondary fine particulate. Long-term exposure to these pollutants is linked to a range of adverse health outcomes, including disability and years of life lost.

As a fabricator of tubes for EGR and SCR, Neotiss is playing an important role in the global reduction of NOx emission in the world and is contributing to improve the air quality. In 2020 alone, Neotiss contributed to the reduction of more than 6000 Tons of NOx emissions thanks to its products.

Thanks to its global organization, Neotiss took advantage of its experience in China and opened a new factory in India dedicated to the automotive market. By being close to the customer, the factory contributes in the reduction of carbon footprint of each tube sold to Indian customers.

Exhaust Gas Recirculation (EGR): EGR is an effective strategy to control NOx emissions. The EGR reduces NOx by lowering the oxygen concentration in the combustion chamber.

Selective Catalytic Reduction (SCR) : SCR is a means of converting NOx with the aid of a catalyst into diatomic nitrogen (N₂) and water (H₂O). A catalyst is added to a stream of exhaust gas. SCR systems are now the preferred method for meeting the most stringent regulations such as Tier 4 and Euro 6 diesel emission for heavy trucks, as well as for cars and light commercial vehicles.



NEOTISS provides a wide range of adapted solutions

The current fight for “carbon free” energy has generated interest in the exploitation of alternative energy sources. Thus, renewable resources such as geothermal, solar or ocean thermal energy conversion are being considered for widespread development.

Each of these technologies has needs for corrosion and/or high temperature and/or high-pressure resistant tubes. NEOTISS provides a wide range of products matching the needs of these new technologies.

NEOTISS believes in and supports nuclear power generation

Nuclear power plants produce no greenhouse gas emissions during operation, and over the course of its life-cycle, nuclear produces about the same amount of carbon dioxide-equivalent emissions per unit of electricity as wind and even less when compared with solar. Considering the emergency of the climate situation, it is our responsibility to support this solution with reliable products. Neotiss relies on 40 years of experience to guarantee the best technical solutions.





APPLICATIONS

Ocean Thermal Energy conversion

OTEC is a power generation technology. A working fluid with low boiling point is vaporized using the ocean's warm surface water. The vapor expands and spins a turbine coupled to a generator to produce electricity. The vapor is then cooled by seawater that has been pumped from the deeper ocean layer. This condenses the working fluid back into a liquid so it can be reused.

Geothermal

Uses steam produced from reservoirs of hot water found deep below the Earth's surface to produce electricity. The steam rotates a turbine that activates a generator, which produces electricity.



Finned & Helix Tubes

Neotiss offers tubular solutions able to improve up to 3 times the heat exchange surface area of a tube. Using NEOTISS tubes allows reduced capital cost for new equipment, reduced retrofitting cost for existing equipment, but also space, weight and structural savings.



Concentrated Solar Power

CSP is a solar power generation technology where mirrors are used to concentrate the sun's rays in order to heat a working fluid and produce steam through heat exchangers. The steam drives a turbine and generates power.

Nuclear Power

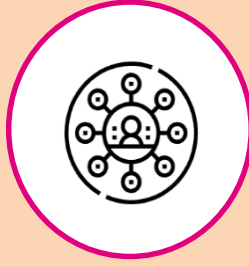
Nuclear is a very efficient source of energy to fight climate change. with zero carbon emission. Significant investments are being launched in France to support this market.



EGR Cooler Gas tubes

The Exhaust Gas Recirculation cooler is a heat exchanger located in the engine compartment which functions to recycle part of the exhaust gas and re-inject it into the intake manifold of the engine. This mixture leads to lower combustion temperatures and less oxygen excess resulting in a reduction of NOx emissions.

OUR VALUES



Honesty 诚实
Innovation 创新
Team Spirit 团队精神
Esprit d'équipe
Sécurité 安全
Safety First 安全第一

Yes Spirit 开放的精神
Engagement 参与
Be accountable 负责

Profitability 持续改进
Rentabilité 盈利
Amélioration continue 持续改进
Continuous Improvement
100% Quality 100% 质量
Qualité 质量
Glocal 全球
Santé 健康
Santé 健康
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