Our Commitment to Sustainability

Valmont® Industries, Inc. is committed to providing products and services that enhance the lives of our customers, employees, and communities, and to do so in an increasingly efficient and environmentally friendly manner.

As part of this commitment, we will provide products and services that support sustainable infrastructure development and the efficient use of water for agriculture.

We will work to improve our use of raw materials, energy and water in the manufacture of our products and provision of our services. We will strive to reduce the emissions, discharges and wastes that our operations generate.

Our commitment to sustainability is a natural extension of the core values that guide our company.

We have a **passion** for our products, services, and customers.

We operate with absolute **integrity**.

We strive for **continuous improvement** removing waste everywhere with a true sense of urgency.

We consistently **deliver results**.
Our Sustainability Program

The Sustainability Program at Valmont will be a grass roots effort led by Green Teams established primarily at our global facilities. A Green Team is a site-based committee that evaluates the usage of energy, water, and waste, and implements strategies and projects to reduce the costs associated with these metrics. The Green Team may be organized as a separate group or may be integrated into a site’s Lean, Maintenance, production or Health & Safety Team.

The impacts of the improved practices implemented by the Green Teams will be measured to confirm their benefit and the beneficial practices will be shared with other Green Teams.

The Sustainability Program will grow with demonstrated success. The steps to implement the first phase of our Sustainability Program will be:

• Support the formation of Green Teams

• Provide the tools and training necessary for Green Teams to measure and report the improved use of:
  - Electricity
  - Natural gas
  - Water
  - Waste to Landfill
  - Other combustion fuels

As our program grows, additional programs will be added, including supplier sustainability, energy management, additional metric collection and alternative energy.

Further, Valmont is implementing a Global Reporting System to better collect data and manage environmental and sustainability impacts. This system replaces several regional and home-grown systems in use around the world and will better allow our Green Teams and businesses to track, report and improve their sustainability performance. The Global Reporting System is expected to be fully implemented by the end of 2019.
Valmont Sustainability Roadmap and Milestones

2018 Accomplishments

• Collected data globally on hazardous waste, as well as additional stationary and transportation related combustion fuels directly used at our sites.
• 80 Green Teams established worldwide.
• North American Operations achieved an 8.2% normalized reduction in electrical usage from 2016 baseline resulting in ~$400K in cost avoidance.
• North American Operations achieved a 33% reduction in waste to landfill.
• Evaluate 2018 targeted energy efficiency goals for NA Steel and set new 2019 goals.
• Implemented the Valmont Sustainability Award.

2019

• Review, refine and audit the data sets globally for natural gas, electricity, waste to landfill, hazardous waste, water, gasoline, diesel, propane and fuel oil.
• Evaluate senior leadership support for the publication of data and the setting of global sustainability goals.
• Enhance our Sustainability Report to include additional sustainability metrics.
• Implement a supplier sustainability commitment.

2020

• Update Sustainability report to include usage data for Scope 1 emissions and Valmont Global Carbon footprint.
• Senior management to evaluate setting global sustainability goals.

2021

• Conduct life-cycle assessments on selected product lines.
• Evaluate the suitability of creating Environmental Product Declarations (EPD) for selected product lines.
Impact of Sustainability Trends on Financial Performance

Valmont Product and Solution Categories:
- Lighting
- Transportation
- Utility
- Coatings
- Mining & Energy
- Irrigation
- Telecommunications
- Industrial & Civil
- Architectural
Our commitment to Conserving Resources and Improving Life is delivered around the world through our four key business segments:

**Engineered Support Structures (ESS)**

Developing the essential infrastructure required by growing global economies.

*Key Industry Sectors:*
- Lighting (commercial, civil, sports, decorative)
- Mass transit structures
- Traffic control structures
- Roadway safety
- Wireless communications towers, components and concealment
- Gratings
- Screening media

**Utility Support Structures (USS)**

Transferring electric power from the generation facility to the customer.

*Products:*
- Transmission poles
- Substations
- Distribution poles
- Engineering and support services
- Oil and gas equipment
- Wind turbine towers and rotor housings
- Renewable energy sources

**Irrigation**

A leader in optimizing fresh water usage for global agricultural production

*Products:*
- Control technologies
- Irrigation management
- Irrigation products (center pivots, linears, pumping stations, sprinklers, drive train, flotation & traction)
- Water management

**Coatings**

Extending the life, value and aesthetic properties of metal products.

*Products:*
- Galvanizing
- Anodizing
- CorroCote
- Coatings
  - Electro-Deposition (E-Coat)
  - Liquid
  - Powder
  - Duplex
Countries of Operations

USA, Canada, Mexico, Brazil, Morocco, India, South Africa, Estonia, Finland, Denmark, France, The Netherlands, Poland, U.A.E., United Kingdom, China, Australia, New Zealand, Malaysia, Philippines, Indonesia, Thailand, Argentina
Markets Served

Infrastructure & Agriculture

- 69% North America
- 31% International

Scale of the Organization

- $2.8 billion net revenue (F.Y. 2018)
- $2.5 billion total assets (F.Y. 2018)
- $741.9 million long term debt (F.Y. 2018)

Approximately 10,300 employees
Governance

Valmont is governed by a Board of Directors. The board’s leadership structure consists of a Chairman and a Lead Director. All directors, including the Chairman and Lead Director, are independent. The following committees are established at the board level.

- Audit Committee
- Human Resources Committee
- Governance and Nominating Committee

The board has adopted corporate governance principals and the following documents are posted on valmont.com for inspection.

- Code of Business Conduct
- Code of Ethics for Senior Officers
- Audit Committee Charter
- Human Resources Committee Charter
- Governance and Nominating Committee Charter
- Conflict Minerals Reporting Statement

Procedures for bringing concerns or complaints can be directed to the Lead Director or the Audit committee. A “whistle-blower” mechanism has been implemented for all global employees.

Report Profile

Financial data is as of Fiscal Year-end 29 December, 2018.

Contact Point

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Report Scope and Boundary

Valmont Industries, Inc. and its divisions and subsidiaries constitute the boundaries of this report.
Limitations on Scope and/or Boundary

Our initial GRI report focused on Valmont products. A subsequent update provided increased content on commitment to sustainability and its focus on grass roots efforts to reduce the costs associated with water, electricity, natural gas, and waste sent to the landfill. Future updates will introduce environmental performance as data is accumulated and indexed, later labor and human rights performance will be updated. Valmont anticipates incremental updates could take five to ten years to complete.

Basis for Reporting

Consolidated financial reporting.

Stakeholders

Customers
Employees
Shareholders
Suppliers
Communities where Valmont has manufacturing locations.
Society in general with respect to food production, highway and roadway safety and night-time safety.

Basis for Identification and Selection of Stakeholders

Materiality

Report Scope and Boundary

The test for materiality comes from the sustainability context as defined by GRI. “How an organization contributes or aims to contribute in the future to the improvement or deterioration of economic, environmental and social conditions, developments and trends at the local, regional or global level.”

Under the above stated context, our products have the greatest impact in contributing to the future improvement of economic, environmental and social conditions at the regional and global level.

Our approach to sustainability is outlined in our Sustainability White Paper and includes our Commitment to Sustainability and our implementation strategy for its sustainability initiative. Future updates will include metrics reporting, sustainability commitments from our suppliers and where justified, alternative energy usage.

GRI Sustainability Reporting Standards

Valmont has chosen the GRI Reporting Standards for our Sustainability Reporting. The GRI Standards represent global best practice for public reporting on a range of economic, environmental and social impacts. GRI Standards were the first global standards for sustainability reporting, and the GRI reporting framework is the most widely used across the world.
Data on performance:

**Indicator 1:** Environmental

As population growth forces agriculture to increase production, water use by agriculture will increase. Irrigated farms make up just fewer than 20% of total cultivated lands, but produce nearly half of total output. 15% of irrigated lands are occupied with precision irrigation equipment. Mechanized irrigation equipment uses up to 70% less water than flood irrigation.

*Comment:*

Approximately 2/3 of fresh water is used by agriculture. Valmont irrigation equipment has a greater potential to reduce fresh water use than any other technology available. Efficient irrigation equipment is the most viable solution to global water shortages. Our environmental impact from the sale of this equipment eclipses any negative environmental consequence of its manufacture.

**Indicator 2:** Environmental

Track the global usage of electricity, natural gas, and other hydrocarbon fuels and waste sent to landfill.

*Comment:*

Valmont is currently tracking electricity, natural gas, water and waste to landfill metrics. This data is being used to develop business specific energy efficiency goals and to support our site based Green Teams. Plans are being developed to expand these metrics to include hazardous waste and other combustion fuels used in our production processes, buildings and company owned vehicles.

**Indicator 3:** Environmental

Calculate carbon emissions associated with natural gas usage.

*Comment:*

In 2018, Valmont estimates that it emitted ~106K metric tons of carbon from natural gas used in our processes and to heat our buildings.
Data on performance (continued):

**Indicator 4: Environmental**

Our sale of engineered support structures and utility support structures was approximately $1.8 billion in 2018.

*Comment:*

Our lighting and traffic products impact society through increased night-time safety and improved traffic flow. Our utility support structures benefit society by enabling delivery of electricity. Our societal impact from the sale of engineered support structures eclipses any negative environmental consequences of manufacturing this equipment.

**Indicator 5: Society**

Valmont enforces a code of Business Conduct for its employees and a Code of Ethics for senior officers. Valmont is governed by the Foreign Corrupt Practices Act and expects its employees to abide by local and international standards and practices regarding trade.

**Indicator 6: Environmental**

Comment: Our Sustainability White Paper and Commitment to Sustainability are available on Valmont.com. Valmont has implemented an Environmental and Sustainability Playbook which serves as the management system our businesses use to address their environmental and sustainability challenges.
Data on performance: (continued):

**Indicator 7:** Economic (FY 2018 {GAAP Results})

Revenue: $2.8 billion  
COGS: $2.1 billion  
SG&A: $456 million  
**Operating Income:** $202 million  
Net Earnings: $94 million  
**Earnings per Share (diluted):** $4.20  
**Number of Shares Outstanding:** 21.9 million

**Indicator 8:** Labor practices & decent work

Valmont offers competitive wages in all locations. In North America, employees are offered health insurance, 401K plan, employee stock purchase plan and invited to participate in wellness activities. Valmont has 2 unionized facilities.

**Comment:**

Valmont recognizes its employee’s right to organize.

**Indicator 9:** Environmental

Facilitate the establishment of at least 25 Green Teams across our locations.

**Comment:**

As of March 2019, our businesses have established Green Teams at 80 sites worldwide.