

Sustainable Development Report 2004



Technip



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Message from the Chairman

As an engineering and construction company, Technip extends the expertise of our teams to our customers to help them realize their investments. In doing this, Technip takes the greatest care in achieving the highest possible level of performance in all the sustainable development fields: safety at work, safeguarding the environment, quality of social relations, actions supporting local communities, corporate government, integrity and transparency and the creation of long-term shareholders' value.

Since 2001, we have fully integrated into our daily operations a Code of Business Ethics and an Ethics Committee. In 2003, we joined the United Nations Global Compact. Since September 2003, we have been the only global engineering-construction company to be included in the Dow Jones Sustainability World Index.

Our first Sustainable Development Report, published in 2004, presented a general overview of our ambitions and achievements. This second report has been enhanced with more precise statistical data, provided by the newly-established Sustainable Development Committee. This committee is responsible for data standardization across the Group as well as improvement in data quality control.

Our objective is ambitious: as our Mission and Vision Statement indicates, to become not only the best performing engineering-construction company in the world, but also the most respected one due to the quality services we provide to our customers and the constant implementation of the values that form the foundation of our company culture.

Technip is, above all, 19,000 people working in various areas around the world to develop, with the assistance of our subcontractors, oil and gas or industrial installations that are typically large and complex. In total, 190 million working hours were performed in 2004, with a safety performance ranking among the best in the industry.

You will find in this report some examples of truly extraordinary measures taken to preserve the environment while working on certain projects, such as North East Bab in Abu Dhabi or Otway in Australia. These projects are led in an exemplary manner by Technip teams, and we would hope that they may serve others as a guide on how to conduct projects while paying careful attention to the preservation of the natural environment.

Technip management is firmly convinced that the sustainable development of the company relies on the effective execution of the commitments contained in its Code of Business Ethics and those of the United Nations Global Compact. No effort will be spared in the years to come in giving shape to our central ambition: to become the best-performing and most respected engineering-construction company in the world.



Daniel VALOT
Chairman and Chief Executive Officer

A handwritten signature in blue ink, appearing to read 'dvalot'.

Profile

With over 40 years of experience, Technip has come to the forefront as a worldwide group and ranks among the five major players in engineering and construction for oil and gas, petrochemicals and industries and umbilicals.



OFFSHORE SURF

Within the domain of subsea hydrocarbon field development, Technip's subsea construction activities cover the design, manufacture and installation of rigid and flexible subsea pipelines and umbilicals.

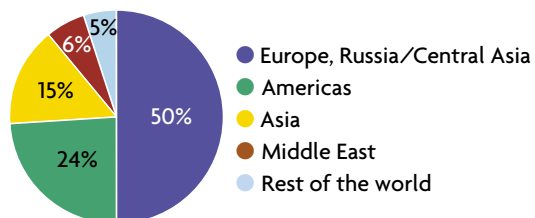


OFFSHORE FACILITIES

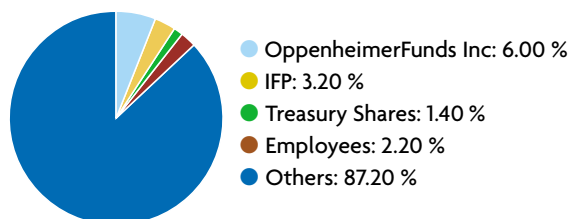
This segment consolidates the engineering activities as well as the development and construction of platforms for oil and gas production at sea, whether in shallow water (fixed platforms) or deepwater (floating platforms).

19,000 employees

(Breakdown by geographical area)



Shareholders as of February 28, 2005



2004 Revenues:
€5,141 billion
 (€4,711 billion in 2003)

Within the framework of their activities in more than 50 countries, Technip's 19,000 employees contribute their share to the quest for concrete answers to today's pressing issues of sustainable development in order to take into account current needs without compromising the capacity of future generations to satisfy theirs.



ONSHORE/DOWNSTREAM

Technip's Onshore/Downstream business segment covers the entire gas chain, from gas treatment and liquefaction complexes to downstream petrochemical units. The Group is also present in oil refining (refining, hydrogen and sulphur units), onshore pipelines and petrochemicals (ethylene, aromatics, olefins, polymers).



INDUSTRIES

The Group is also present in non-oil activities: the engineering and construction of manufacturing units in the sectors of fertilizers, chemistry, pyrotechnics, life science, metals, power plants, cement, buildings and infrastructures.

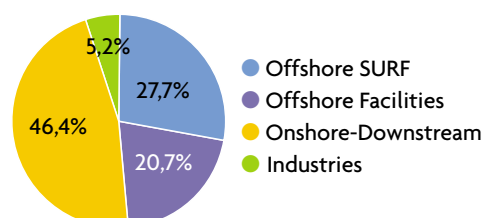
2004 Operating Income* (before goodwill amortization)

€258.5 million

(€227.6 million in 2003)

2004 Revenues

(Breakdown by activity)



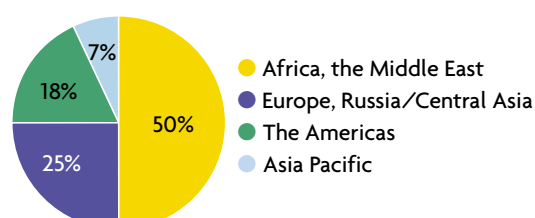
2004 Net Income* (before goodwill amortization and non-operating items):

€138.1 million

(€101.6 million in 2003)

2004 Revenues

(Breakdown by geographic area)



*French GAAP

Vision and Strategy

In a constantly changing world, Technip must maintain its capacity to evolve and execute increasingly complex projects while reconciling the technical aspects and stakeholders' expectations regarding sustainable development.

Technip's 2004 Sustainable Development Report is conceived in continuity with the report published for 2003 that laid the initial groundwork for communicating the Group's environmental, social and economic information.



Technip takes into account sustainable development in all of its activities and projects that it undertakes.

Technip's Stakes in Sustainable Development

An engineering and construction company for the oil and gas industry, Technip designs and constructs industrial units and offshore installations throughout the world.

Conscious of its responsibilities to its stakeholders, and more generally of the environmental impact of its installations executed on behalf of its customers, Technip

integrates the issues related to sustainable development beginning from the design phase of its projects.

Beyond the specific requirements of its clients, the Group also offers technological alternatives that favor the environment while leading its projects in a systematic approach of continual progress and improvement.

The Context of Technip's Industrial Activity

Technip's business is conducted primarily in the field of fossil fuels (oil and gas) in which humanity has a true stake in its sustainable development. By 2030, world energy consumption will have doubled. According to a study published in 2003 by the European Commission entitled, "World Energy, Technology and Climate Policy Outlook" (WETO - perspectives on world politics concerning energy, technology and the climate), fossil fuels, in particular oil, will still be the dominant sources of energy, and carbon dioxide emissions will be nearly twice as high as those recorded in 1990. This study gives a synopsis of the global challenges awaiting the field in the coming thirty years. It examines the long-term effects of environmental measures aimed at reducing greenhouse gas emissions and at encouraging the use of renewable energy sources. Developing countries will have a considerable influence

on the world energy situation because they will represent more than 50% of the world energy demand, and a consequent level of CO₂ emissions.

Increasing Energy Demand

The worldwide energy demand will increase by approximately 1.8% per year between 2000 and 2030. According to studies currently available, more than 50% of the world's energy demand will come from emerging countries, compared to the current 40%. CO₂ emissions will increase by an average of 2.1% per year. Industry will be responsible for 35% of the energy demand, transportation, 25% and services and households, 40%.

Increasing Oil and Gas Production

Worldwide oil production will increase by approximately 65%: it will exceed 120 million barrels per day in 2030. As three quarters of this increase will come from countries who are members of OPEC, this organization will represent 60% of the total oil supply in 2030 (versus 40% in 2000). Gas production should double between 2000 and 2030.

Power generation will see a steady average increase of 3% per year. The role of gas and coal will increase in the production of electricity.

Europe: Slowing Consumption but Stronger Dependence on Foreign Energy Sources

In 2030, European CO₂ emissions will increase by 18% compared to levels in 1990 (the increase will be approximately 50% in the United States). While emissions from developing countries represented 30% of the total in 1990, these countries will be responsible for more than half of worldwide CO₂ emissions in 2030. Gas as a source of energy will be increasingly utilized and its production will be concentrated in the former Soviet Union and the Middle East.

In this context, Technip serves its clients' needs throughout the entirety of their projects and puts in place the best performing and most environmentally respectful technologies for the production and treatment of hydrocarbons.

The Challenges Linked to Technip's Industrial Activity

Technip is an engineering and construction company that designs and constructs industrial units and offshore installations on behalf of its clients. In addition to taking into account its clients' technical specifications with regard to environmental matters and the increasingly strict international regulations currently in force, Technip's objective is to offer and implement the highest performing technologies. In addition, for the fabrication of its products as well as for the construction and installation of its work, Technip endeavors to be exemplary in social, civic and environmental matters.

Managing Sustainable Development in the Group

Creation of a Sustainable Development Committee

Responsibilities

A Sustainable Development Committee was created in 2004 in order to guide Technip's initiatives in this domain. Its mission essentially consists of taking inventory and following the performance of the numerous Group entities and establishing concrete and measurable objectives.

The Committee is composed of 10 members from the corporate departments involved including: QHSE, Legal, Human Resources, Research and Development, Strategy and Projects.

The Committee met five times in the course of 2004. The attendance rate at the Committee meetings was 94%.

The Committee members participated in the second Global Forum on Sustainable Development that took place in Paris on November 12 – 14, 2004, under the patronage of the President of the French Republic.

2004 Objectives

- Creation of a Committee for Sustainable Development at the Group level
- Development of indicators in accordance with the Global Reporting Initiative
- Establishment of a reporting system
- Elaboration of a performance-tracking chart

Elaborating the Sustainable Development Report

In 2004, the Committee developed a scale of performance indicators and a performance-tracking chart. The Committee adopted the GRI (Global Reporting Initiative) standards instituted in 1997 that define the framework for the establishment of a sustainable development report.

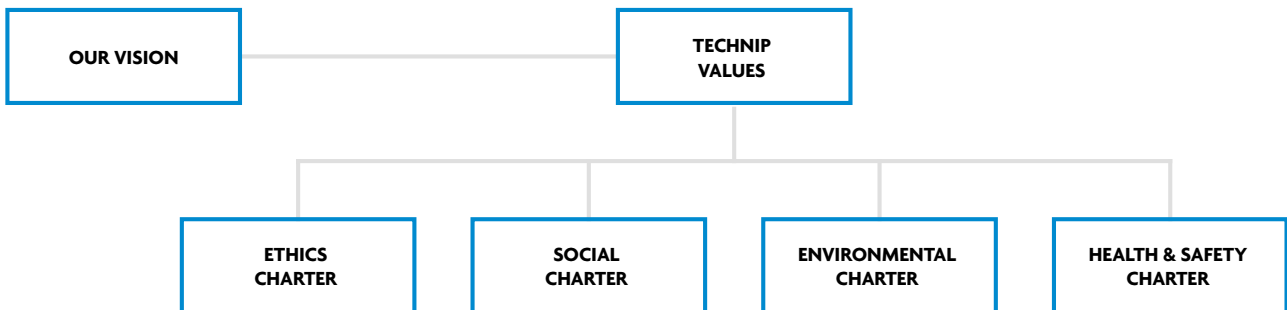
These global standards, whose indicators are precisely defined, allow companies to be evaluated based on the environmental, social and civic domains of sustainable development, especially on an international level.

These standards are also in accordance with the French legislation, article 16 of the legal text on the Nouvelles Régulations Economique (NRE) from May 15, 2001, which “set the obligation, for French companies listed on a regulated market to account for, in their annual report, their social and environmental management across their activity.”

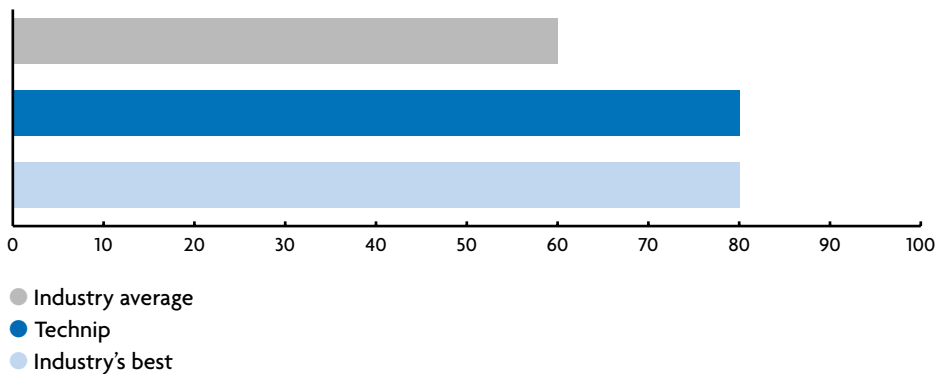
The objective of this current report is to provide reliable and quantified information as concrete examples in the three previously mentioned fields for most of the Group’s entities. This report allows performance to be measured against that of last year and to identify the targets for progress to be carried out.

The Sustainable Development Committee undertook the streamlining of the internal reporting system for the environmental, social and civic domains. This endeavor consisted of harmonizing terms and specifying the application criteria and calculation methods for the various indicators. The consolidation of this system required correspondents to be identified within the Group’s principal operational units. This network of correspondents was established in 2004 and will be enlarged.

The Sustainable Development Committee was also tasked to re-examine the architecture of the Group’s source documents as adopted by the Board of Directors on December 15, 2004 (illustrated below).



Corporate Governance Performance (Source: DJSI 2004)



Governance

The company's management and activities are supported by the practices of corporate governance put in place within the Group. Therefore the Technip Board of Directors, which is made up of a majority of independent Directors (7 out of 11), has the role of defining strategic directions and overseeing their implementation. The Board met seven times in 2004, with a members' attendance rate of 84%.

The rules of corporate governance to which the Group subscribed guide its management practices and employee conduct. As a global economic player, Technip applies its rules of ethics and corporate governance wherever it operates.

These rules, reinforced in 2003, were supplemented in 2004 by a brainstorming session focused on the harmonization of Technip's Code of Business Ethics with the principles of the United Nations Global Compact to which the Group joined in 2003.

Decisions Prepared by Three Specialized Committees:

Technip is a public limited company with a Board of Directors governed by company regulations. It relies upon the recommendations of three Committees whose members come from the Board of Directors:

- the Audit Committee, made up entirely of independent Directors and chaired by D. Lebègue;
- the Nomination and Remuneration Committee, chaired by B. Weymuller;
- the Strategic Committee, chaired by J. Deyirmendjian.

These three Committees have their own regulations describing their scope of activities and areas of intervention as well as their operating procedures.

Internal Control

In 2004, the Group enhanced its internal auditing tools and procedures within the framework of the Financial Security Law (LSF) and the Sarbanes-Oxley Act.

Ethics Charter

Integrity is one of the core values of Technip. This Charter defines the Group's Objectives in this area and the corresponding Rules of good conduct.

Our Objectives

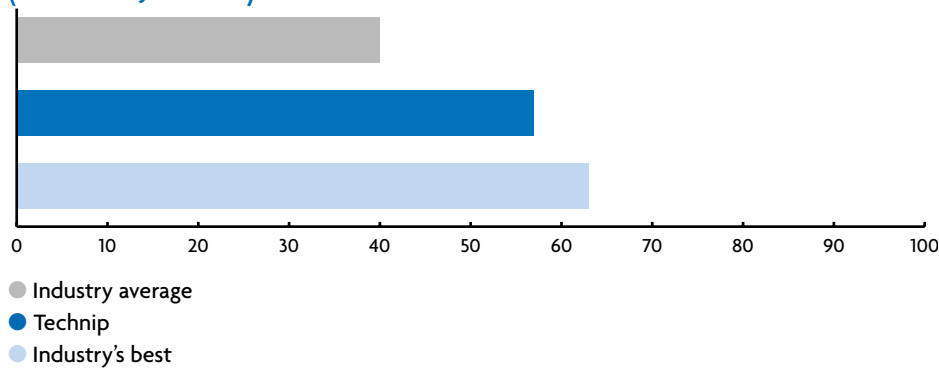
- To offer opportunities for success to all our suppliers, partners and sub-contractors in a spirit of fair competition and mutually rewarding collaboration.
- To conduct our business everywhere in the world with the highest standards of honesty, integrity and fairness, in accordance with the Global Compact principles.
- To put our staff as at the heart of our strategic development, and create conditions for the individual men and women of Technip to reach their full potential.
- To disclose relevant information openly and transparently with our shareholders and the financial community.

Our Rules of Good Conduct

In carrying out their professional activities, the women and men of Technip strive to achieve our referred Group Objectives, throughout the world, by complying with the following rules of good conduct:

- Not granting, directly or indirectly, any kind of benefit to any public official for the purposes of obtaining a contract.
- Not using for their personal profit or disclosing to a third party any insider information to which they may have access through their professional activities, and in particular, not buying or selling, or having bought or sold by a third party, any security of Technip until such information has been made public by Technip.
- Avoiding any conflict of interest between their roles in the Group's business and their private interests, particularly in their relations with clients, competitors and suppliers. In this regard, Technip staff must refrain from offering or accepting gifts or invitations which would not be consistent with acceptable practices or applicable laws. They must also refrain from investing or acquiring interests in clients, competitors or suppliers without the prior written consent of management.
- Protecting the confidentiality of the information to which they have access through their professional activities.
- Informing the Ethics Committee of the Group about any behaviour which is not compliant with the rules set forth in this Charter.

Technip's overall sustainable development performance (Source: DJSI 2004)



Participation in International Initiatives

The concerns of sustainable development are integrated into the Group's approach to realizing its projects and defining its own values.

The Global Compact

Technip committed to the Global Compact in April 2003 and has, within this framework, launched in 2004 four initiatives:

- Revamping the Code of Business Ethics so that it conforms with the principles of the Global Compact,
- Creating a Social Charter, which presents Technip's values in the field of human rights and work standards and which dictates the Group's human resources policy,
- Creating an Environmental Charter which presents Technip's policy with respect to the environment
- Creating a Health and Safety Charter which presents Technip's policy with respect to employees' health and safety.

Dow Jones Sustainability Index

In September 2003, Technip was selected to be part of the Dow Jones Sustainability Index.

In 2004, the Group's performance placed it among the best of its sector in the three fields of sustainable development (environmental, social, economic).



Indicators for Sustainable Development

Within the framework of the Group's approach to continual progress, a chart of indicators was established in order to control the implementation policy for sustainable development within Technip. The following chart provides an action's progress and defines the next steps.



COMMITMENTS	2004 OBJECTIVES
Corporate Governance	<ul style="list-style-type: none"> • Creation of a Sustainable Development Committee at the Group level
Global Compact	<ul style="list-style-type: none"> • Promotion of the Global Compact principles • Harmonization of Technip's Code of Business Ethics with the Global Compact • Creation of an Environmental Charter • Definition of the Group's Social Commitment
Indicators and Reporting/Methodology	
Group Profitability/ Economic Performance	<ul style="list-style-type: none"> • Revenues up 9% • Operating Income before Goodwill Amortization up 13% • Net income up 35% • Net debt below 20%
Environmental Protection	<ul style="list-style-type: none"> • ISO 14001 certification for the Technip's main operational units • Development of technologies that favor the protection of the environment
Safety, Health and Security	<ul style="list-style-type: none"> • Improvement of health and safety at work performances
Skill Development	<ul style="list-style-type: none"> • Identification and recognition of the skills within the Group • Development of the qualification for the Group's personnel • Development of leadership qualities and reinforcement of the corporate culture
Social Awareness	<ul style="list-style-type: none"> • Sponsorship, humanitarian projects
Dialogue and Idea Exchange	<ul style="list-style-type: none"> • Reinforcing the social dialogue

MAJOR ACHIEVEMENTS IN 2004

NEXT STEPS

Creation of the Committee on October 7, 2004

Work essentially focused on the following points:

- Updating Technip's Code of Business Ethics
- Creating three new charters: Social, Environment, Health and Safety in addition to the Ethics Charter
- Identifying Sustainable Development indicators pertinent to Technip
- Collecting data in order to elaborate upon the Sustainable Development Report
- Managing the report's elaboration

Deployment and promotion at the Group level
Deployment and promotion at the Group level

Ongoing action

Ongoing action

Ongoing action

- Objectives reached within the framework of activity by the Sustainable Development Committee (see above)

Publishing the principles on Internet site

Diffusing to the whole of the Group's personnel and creating awareness

- Putting in place the indicators and reporting system to ensure that social and environmental information is brought to the Sustainable Development Committee level

Improving the data collection protocol beginning from the acquired experience

Putting in place complementary indicators

- + 9.10%
- + 13.50%
- + 35.90%
- + 7.20%

- 10 of the Group's 26 main operational units are ISO 14001 certified, comprising nearly 50% of the Group's total workforce

Increasing the number of certified units by 20%

- Putting in place measurement indicators
- Submitting candidature to a European R&D program concerning the production of "clean" power

Using the results for the first time

Maintaining and reinforcing the R&D program's ties to Sustainable Development

Performance again improved in 2004:

Ongoing action

- Frequency of recorded accidents: 0.30 in 2004 versus 0.54 in 2003
- Level of seriousness: 1.08 in 2004 versus 3.29 in 2003
- Creation of a Security function at the Group level and recruitment of its manager

Confirmation of 2004 performance

Confirmation of 2004 performance

Improve the reporting of dangerous situations and acts

- Assignments abroad: publication of the "Travel and Security" pamphlet distributed to all Technip employees traveling abroad (toll-free, around the clock assistance)

Expand upon the actions of all of the Group's units, establish a specific site on the Group's intranet

- 53 new experts were identified in the 2nd year of the College of Experts
- Knowledge exchange. New skills development in certain operational units
- Training through exchange programs, international mobility and know-how transfer

Creation of the "Best Paper Award" to recognize the best article or publication within the Group

- Technip, in partnership with UNICEF, supported the victims of the tsunami that struck Asia in late December 2004

Reinforcing the bonds between local communities communities throughout the world where Technip operates

- The Group's units contributed to nearly thirty activities favoring charitable organizations and local communities

Wider use of local resources

- Signature of the agreement on the European Works Council
- Approval of the Social Charter
- Implementation of the "2005 Technip Think Tanks" – internal brainstorming sessions were held covering numerous subjects

Establishing the European Works Council

Internal deployment and promotion

Board of Director's decisions on the suggestions submitted in early 2005 and the implementation of the corresponding action plans.

Environmental Responsibility

Technip's approach to sustainable development has for many years been based on certified management systems and the continual improvement of all of its processes, products and services.



Saint John's, Newfoundland, Canada

2004 Objectives

- ISO 14001 Certification for Technip's main operational units
- Pursuance and reinforcement of reporting systems
- Adoption of an Environmental Charter

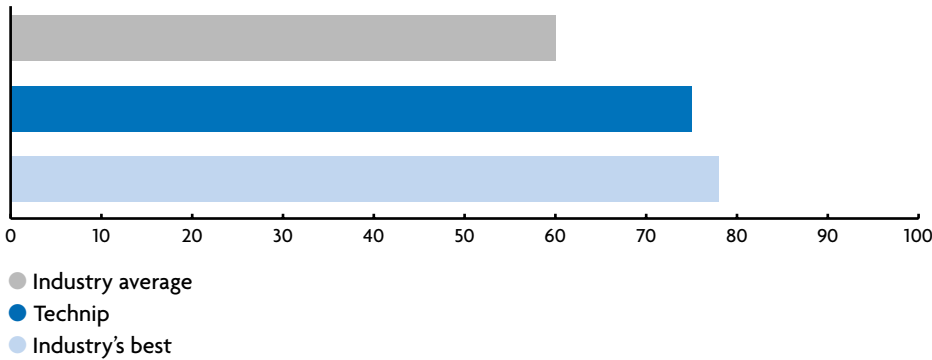
Environmental Policies

To achieve the environmental protection goals set at the Group level, Technip's primary operational units established their own environmental management systems to ensure that each project is carried out according to clients' specific requirements.

In 2004, indicators were set up at the Group level that allow, from the data transmitted by each operational unit, consolidated values to be obtained for Technip in particular regard to water and electricity consumption as well as waste production. These indicators will also make it possible to measure in future years the progress made by the Group in these areas.

Environmental Management Systems

Environmental Management Systems
(Source DJSI 2004)

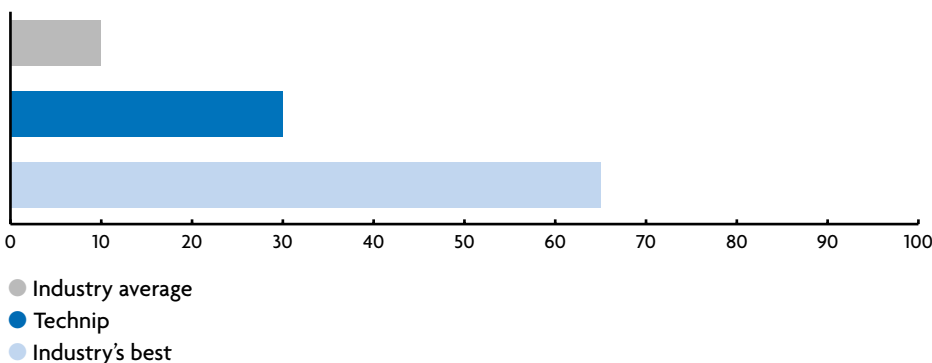


Achieved Environmental Results

At the end of 2004, 10 of the Group's 26 main operational units were ISO 14001 certified, comprising nearly 50% of the total Technip workforce. During the year, three

additional operational units of the Group based respectively in France, Germany and China, saw their management system certified based on the ISO 14001 reference. In 2005, Technip's objective is to have an additional 20% of its units ISO 14001 certified.

Environmental performance (eco-efficiency)
(Source DJSI 2004)



Results Obtained in the Field of Quality

In the field of quality management, the tremendous effort carried out in 2003 by the operational entities made it possible for

the 26 main Technip operational units to be ISO 9001 : 2000 certified. Technip's objective is to continue its leadership with regard to quality management and to see that each new operational unit is certified ISO 9001 : 2000 within two years of its creation.

2004 Key Figures Consumption Figures for Technip's Principal Production Sites

- Water consumption: 117,786 m³/year
- Electricity consumption: 38,469,976 KWh/year
- Gas consumption: 6,017,010 Kwh/year
- Quantity of waste produced: 47,124 t/year
- Quantity of waste recycled: 38,845 t/year
- % of recycled waste: 82.43 %



Mr. Daniel Valot planting a Champa tree (*Plumaria Alba*) during a visit to New Dehli, India

Technological Innovation, Improvement of Environmental Quality

According to the WETO study, costs associated with the achievement of the Kyoto emissions targets could be reduced by as much as 30% if large scale nuclear or renewable sources of energy were used. Emissions could also be reduced significantly by limiting the energy demand and the carbon intensity of the energy consumption. This will probably be the sector to make the largest strides in reducing energy demand. The replacement of coal with gas, the biomass and to a lesser extent, oil, will lead to a reduction in high intensity carbon consumption. This scenario also takes into account a considerable increase in windmill, solar and hydroelectric energy production.

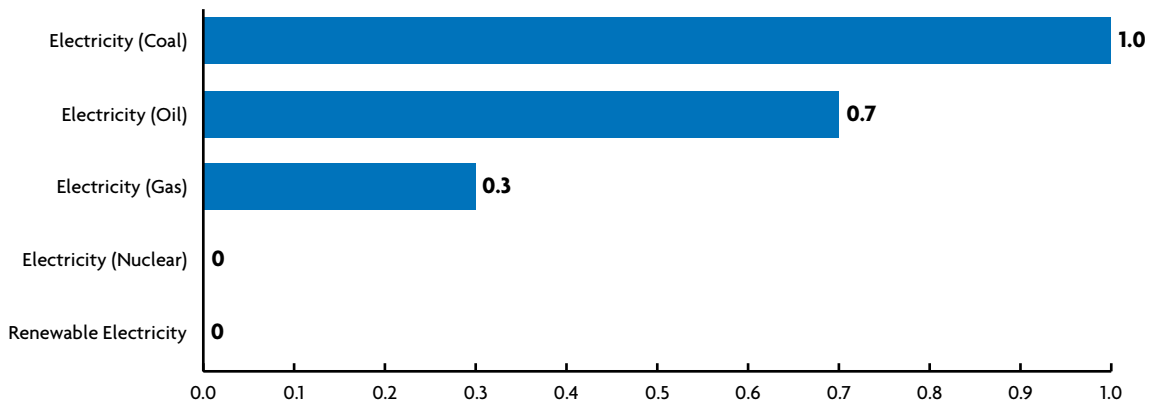
Technip's spheres of activity that cover plant construction for the sectors of oil, gas, petrochemicals and various industries such as pharmaceuticals, metals or power plants contribute, to some extent, to the improvement of environmental quality. This issue is continuously addressed throughout the course of the various project phases. From the study phase, specific reviews allow verification that the aspects related to safety and the environment were taken into account. During the onsite construction phase, an impact study is conducted on each new building site, and preventive measures are defined.

In addition, outside of the realization of its projects, Technip continues to develop less polluting processes and puts in place its expertise in particular in fields like liquefied natural gas, bio-fuels or power plants.

Processes for Natural Gas Treatment and Liquefaction

Less pollutant than oil and offering longer-term reserves, natural gas has taken on a major stake in energy. Its consumption should practically double between now and 2030, but with the main areas of production being far away from the centers of consumption, natural gas liquefaction today represents one of the best solutions for its routing towards the consumer countries. Today, as companies integrate sustainable development into their operations, the demand for "clean" energy increases. Natural gas gives off less carbon dioxide (cf table: source ATEE) and nitrogen oxide, while ensuring outputs in excess of 50% in modern electric power plants.

Emission of CO₂ t/MWh



Source ATEE

The International Energy Agency estimates that gas as the primary energy for electricity production will go from 21% in 2002 to 29% in 2030. In 2003, world exports of LNG represented nearly 155 billion m³, a progression of almost 11%. In 2010, the LNG market could reach 200 billion m³.

In the area of liquefied natural gas, Technip is today one of the major players able to engineer liquefaction units using processes that permit the reduction of energy consumption per ton of product. These patented processes such as Cryomax[®] MRE (Multi Reflux Ethane Recovery) and Cryomax[®] DCP (Dual Column Propane Recovery) allow the thorough extraction of ethane, propane and heavier components.

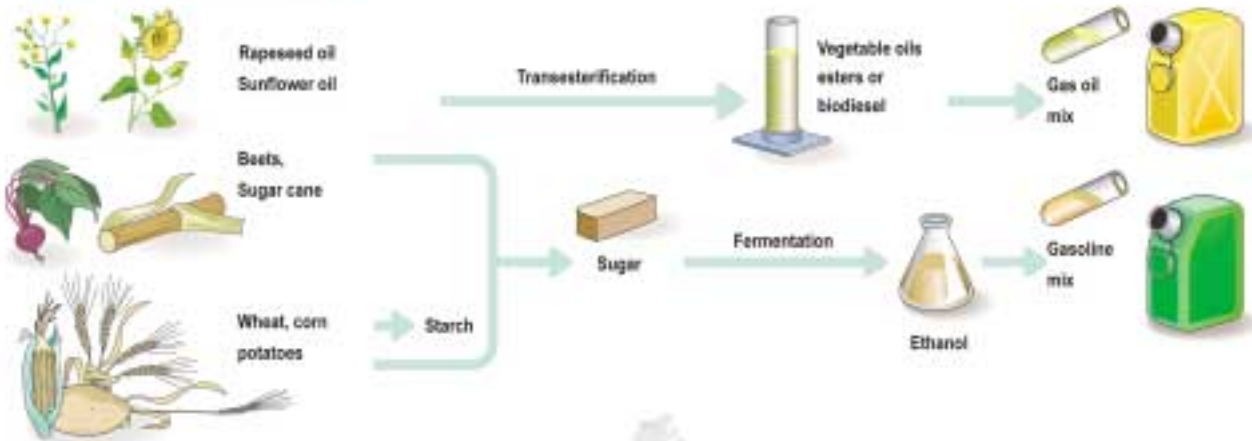
The Group has a notable track record of major achievements, in particular the Bonny Island complex in Nigeria. In 2004, the Group was also awarded by Qatar Liquefied Gas Company Limited ("Qatargas II") a major contract for the construction of the two largest liquefied natural gas trains (LNG) in the world.

Cleaner Fuels

The European environmental standards that come into effect in 2008 currently impose a reduction of aromatics and sulfur in fuel content. In 2004, Technip delivered to Total a gasoline hydro-treating unit for its Antwerp refinery in Belgium. The unit is designed to produce "clean" gasoline by using the "Prime G" technology developed by Axens. Contrary to traditional hydro-treating processes, this technology makes it possible to reduce the gasoline's sulfur rate from the FCC unit, without lowering octane, the essential element in commercial gasoline. With a production of 57,000 barrels per day, the Antwerp unit is the largest ever built to date using this process. This unit will make it possible to maintain production of the entire refinery while respecting the quality standards for refined gasoline.

Biofuels production

TODAY'S PROCESSES



FUTURE PROCESSES



106 / Source: IFP / © Les Echos

Biofuels

The development of biofuels, intended to reduce transportation-related air pollution, is in an acceleration phase in Western Europe, particularly in France.

Produced by raw material fermentation of agricultural origin (biomass), ethanol is a product that can be used in various applications: beverages, pharmaceuticals, cosmetics, solvents, chemistry, and in growing frequency, as fuel: either in the form of a gasoline additive (ETBE: Ethyl Tertiary-Butyl Ether), or by way of direct mixture to oil-based gasoline. In the field of ethanol production, Technip has its own production by fermentation technology. This technology allows for the dehydration and purification of the product. The use of a molecular sieve in these two operations allows for lower investment costs and a reduction of approximately 40% of energy consumption.

Biodiesel, obtained by vegetable oil transesterification (colza or sunflower oils), is used in a mixture with gas oil in diesel engines. Ethanol fuel and biodiesel are biofuels representing a clean and renewable energy. A recent study (2002) led by CONCAWE concluded that: "compared to the use of traditional fuel, ethanol fuel and biodiesel make it possible to reduce greenhouse gas emissions by 17% and 45%, respectively. Additionally, taking into account the CO₂ consumption of plants and the side-effect production of plant proteins, the profits are 37% and 58%, respectively, compared to that of traditional fuel." In 2004, Technip launched the creation of six ethanol and biodiesel units, for which the majority uses the Group's Speichim processes.

Power Generation

Increasing environmental protection demands have led electrical power producers to build combined cycle power plants. These plants make it possible to increase energy efficiency by approximately 50% compared to traditional power plants, emit less CO₂ into the atmosphere and less thermal discharges into surrounding water (ocean or river). Electrical power producers have also built power plants using municipal or industrial waste feedstock to produce heat or electricity. To that end, Technip built a 300t/day factory in Italy for the incineration of printing ink recycled mud, and is currently working on two projects for units aimed to treat and incinerate nearly 2,000 tons of waste per day and intended to produce 85 MW of electricity.



Power Plant - Termoli, Italy

Offshore Installations

Underwater hydrocarbon fields ("offshore") currently provide 34% of the world production of oil and 28% of gas. In volume, global offshore oil production is expected to increase from 27 million barrels per day in 2004, to 33 million barrels per day in 2015. Offshore natural gas will go from 750 billion m³ to 1300 billion m³. Deep offshore (more than 500m depth water) and ultra-deep (beyond 1500m) provide 40% of the growth in world oil production.

Within the offshore segments, which represent about half of its revenues, Technip designs with its customers, production platforms at sea that operate with respect to environmental restrictions. In addition, the Group designs, manufactures and installs pipes that allow hydrocarbons to rise from subsea reservoirs to surface installations (platforms, floating production storage and offloading units). The Group designs and fabricates flexible and rigid pipe for deep-water which comply with specific requirements in this application field: internal and external pressure, flow assurance at low temperature, and implementing specific means and methods.

During project execution, Technip also takes into account, the challenges related to the flow of fluids in subsea pipe. These fluids contain, in addition to hydrocarbons, water and various impurities (solid, liquid or gas). In production phase, these impurities can lead to the formation of solids, which then prevents the hydrocarbon flow. Technip's Research and Development has contributed to reducing these risks thanks to the production and multiphase pumping export system and installation of high-performance production flowlines and risers.

Technip has conducted studies related to the decrease in energy demand for oil production systems. In order to reduce gas emissions, they are combined with heat recovery systems on the platform. Lastly, Technip conducts studies in order to re-inject cuttings into geological under layers thus limiting their environmental impact. The cuttings are trapped in the porous rocks and not emitted into the environment.

In the field of offshore gas terminals development, Technip developed a cryogenic flexible pipe and a cryogenic "Pipe in Pipe" in order to increase operations safety by reducing the sensitivity to sea conditions. The production of liquefied natural gas at sea, far from inhabited areas, aims to reduce the environmental impact of the gas installations, and to enhance safety by moving the liquefied natural gas stocks away from the coasts. In addition, Technip developed systems that allow the dismantling of existing platforms and also, in this way, developed self-installing platforms that ensure a higher level of safety in these operations. Finally, Technip is very much involved in CO₂ sequestration studies.



Manatee (Dugong Dugon)

Significant Achievements in Environmental Protection

North East Bab Project (NEB) Phase-1 in the Emirate of Abu Dhabi (Arab Emirates)

This turnkey contract is designed to increase the output of oil fields Al-Dabb' iya and Rumaitha/Shanayel, located in the Abu Dhabi Emirate, which contain the highest level of oil reserves not yet developed by ADCO.

To preserve the ecological diversity and sensitivity of Al-Dabb' iya, whose coast and islands should be classified on the UNESCO World Heritage Site, and in order not to compromise the balance of a fragile ecosystem, very strict environmental protection measures were defined from the onset of the project's preliminary stages. Technip, alongside ADCO, committed to integrating as much as possible during the design phases and project construction, a minimum of 13 predefined environmental objectives:

One of the most significant achievements in sustainable development and environmental protection is the adoption of the 'zero flaring' (absence of gas flaring) concept on the NEB project. Waste gases collected from each unit, instead of being burned in a flare stack as is usually done, are entirely recycled and re-injected in the wells. This "zero flaring" principle also applies to the flare stack pilot light, which was replaced by a double automatic ignition system that eliminates emissions into the atmosphere under normal operation. The greenhouse gas emissions such as CO₂ are therefore reduced significantly, as is the flare stack's audible and visual impact surrounding the sites*.

(*) Based on 30 years of operation for the two manufacturing units to Al Dabb' iya and Rumaitha, more than 1.7 million tons of CO₂ will be saved from being emitted into the atmosphere, which is equivalent to the production of CO₂ of a European city of 10 000 inhabitants.



Onshore Site, Otway, Australia

The study of the layout and the installation of the pipeline network was the subject of a thorough environmental analysis so that no damage occurred in the most significant ecological zones. In addition, dredging work and pipe installation in certain offshore zones known to be frequented by the Green Turtle (*Chelonia mydas*) and by manatees (*Dugong dugon*) was suspended between August and June, their periods of migration and reproduction.

The work completed during the construction phase can be the source of harmful effects on the environment. To reduce these impacts, the environmental manager on the site ensures permanent surveillance, in particular during construction work of the offshore pipelines. The increase in water turbidity associated with the work could have detrimental consequences on the mangrove swamps and marine ecosystem that shelter threatened species such as the dugong or the Green Turtle. The generally large quantities of water used while hydro-testing the pipelines, for this project, will be re-used section by section thus allowing optimal and economic use of this resource.

Other environmental aspects like waste management for the site and energy consumption are controlled periodically within the framework of the project's environmental management, which falls under Technip's application of the ISO 14001 standard.

Otway Gas Project (Australia)

The Otway gas project, awarded to Technip in 2004, includes the development of the Geographe and Thylacine gas fields, located approximately 70 km south of Campbell Port, in the area of Victoria. The contracts awarded to Technip by Woodside Energy Ltd include fabrication and installation of the production platform, which will be installed in 100 meters water depth, as well as the gas treatment unit, which will use CRYOMAX® technology developed by Technip.

This patented cryogenic process for the treatment of gas allows for the recovery of hydrocarbons C2+ (ethane) or C3+ (propane) of natural gas and residual gases of refineries. This project, is located near the national natural reserve of Port Campbell in a prime

NEB Project: 13 Environmental Objectives

Objective 1

To be, at a minimum, in conformity with the environmental standards

Objective 2

To ensure there is no gas flaring during unit's normal operation

Objective 3

To minimize energy consumption

Objective 4

To optimize the various sources of energy

Objective 5

To ensure that the units emit no gas into the atmosphere under normal operation

Objective 6

To minimize the escaping emissions

Objective 7

To use products that do not destroy the Ozone layer

Objective 8

No releasing of production water waste into the sea

Objective 9

No releasing of hydrocarbons or chemicals into the environment

Objective 10

No releasing of mud cutting into the sea

Objective 11

To minimize waste production

Objective 12

To minimize the installation's mark on the natural landscape

Objective 13

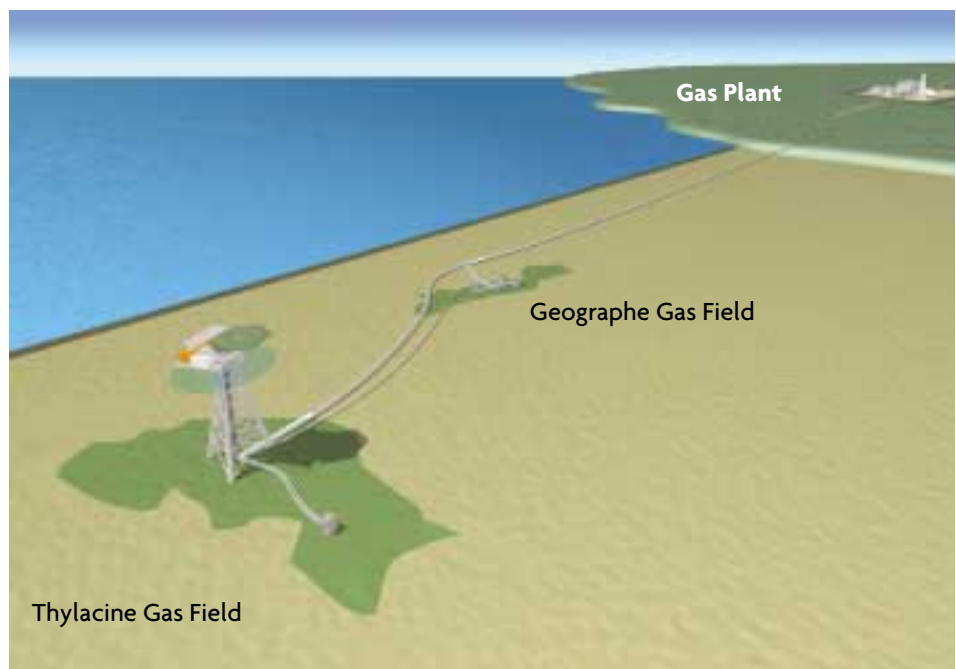
To minimize the visual, olfactory and auditory impacts



tourist area and represents exceptional social and environmental aspects. From the preliminary phase, the operator Woodside Energy drew up a document synthesizing the whole of the environmental impacts related to the project. This document, in line with the strict environmental rules in the Victoria region, was given to local authorities for agreement and was placed at the disposal of the local communities for comments. Nearly 450 environmental objectives related to the terrestrial project and 100 objectives related to the project at sea were established.

These objectives cover topics as varied as the limitation of harmful audible effects, luminosity, greenhouse gas emissions or

discharge. The approval process for this project includes complete involvement of local communities and various stakeholders (State, nongovernmental organizations). A working group called "Otway Community Reference Group" was established. This group constitutes the key element in the realization of the project. Its role was to re-examine and report to local communities on the project's advancement and on the progress toward the environmental objectives. Technip's role, present throughout the project, is to inform this group on a regular basis of the project advancement as well as the results of audits and inspections carried out that are linked to the established environmental management plans.



Development Scheme of the Otway Gas Project, Australia

Environment Charter

Environmental responsibility is one of the core values of Technip. This Charter defines the Group's Objectives in this area and the corresponding Environmental Guidelines.

Our Objectives

- To strive to minimize the impact of our activities on the environment and risks to nature and others.
 - To strive persistently and with determination to avoid any environmental incidents.
- Management's commitment is a critical success factor in achieving these goals.

Our Guidelines

In order to achieve our Objectives, we have established the following guidelines:

- To comply with applicable environmental legislation and our own standards.
- To set clear and meaningful objectives for environmental performance, placing an emphasis on key indicators.
- To measure our performance and communicate our progress, regularly and openly.
- To hold managers, supervisors and employees accountable for compliance with our environmental management systems.
- To implement environmental management systems which comply with ISO 14001 requirements.
- To use and develop our engineering knowledge to reduce the environmental impact of the facilities we design, build or operate together with our clients.
- To combine our engineering and technology know-how with sound assessment principles in order to minimize environmental impacts and mitigate, as much as is reasonably practicable, residual consequences that may arise.
- To promote employees awareness so that they may integrate environmental considerations into their daily activity.
- To work with our clients, partners and subcontractors to build a common environmental management system on each project.
- To strive to continually improve our environmental performance.

Social and Civic Responsibility

Technip's human resources policy aims to reinforce employees' skills and give them the opportunity to contribute to the growth of the Group while developing their potential.



2004 Objectives

- Definition of Technip's International Social Engagement
- Agreement of installation of the European Works Council (EWC)
- New initiative to reinforce the processes of continuous improvement of operations

Reinforcing Skills

Continuous skill development is essential for Technip whose success rests on the knowledge, experience and expertise of its employees.

Training

Each operational unit has a training plan in place that corresponds to its own needs. In complement, at the Group level, international training was developed to ensure a common base of expertise; this training also aims at supporting multicultural teamwork and facilitating the diffusion of best practices throughout the Group.

On the technical level, several modules came together to form "Technip Education". These make it possible to train new recruits in technologies for which Technip has unique experience, such as in rigid or flexible subsea pipe.

On the managerial level, a new training program "Technip Leading Edge" was established in 2004, which brings together 28 employees from 12 of the Group's units. Its goal is to develop participants' leadership capacities, by providing them not with one-size-fits-all management recipes, but rather with methods allowing them, in complex situations, to make the best possible decisions with respect to the Group's values.

Technip has also defined its international social engagement in the form of Technip's Social Charter, which was adopted by the Board of Directors at its meeting on December 14, 2004. It clarifies Technip's social values.

Social Charter

Social responsibility is one of the core values of Technip. This Charter defines the Group's Objectives in this area and the corresponding guidelines.

Our Objectives

- To have employment relationships guided by the Group's values.
- To implement this Charter to all entities of the Technip Group which will adapt this Charter to local legislations, cultural differences and local specificities of the countries in which they operate.

Our Guidelines

In order to achieve the above mentioned objectives in terms of social responsibility, Technip:

- Will not, as a principle, practice any discrimination among its employees or applicants on the basis of sex, age, race, religion, political or trade union affiliations, nationality or disability;
- Is committed to providing the necessary training for the Group's skill base and its advancement, as well as for the professional development of its employees;
- Promotes and facilitates mobility within the Group;
- Will not employ children under the minimum working age for completing compulsory schooling in the countries where we do business, and in any event, not under the age of 15 years old;
- Is committed to not using forced or compulsory labor;
- Will continue to maintain a positive work environment in which employees and management work together to strengthen our business;
- Respects the freedom of association, which includes the right of each employee to join or refuse to join a trade union in accordance with the applicable legislation in the relevant country;
- Endeavors to develop an open dialogue with its employees and their representatives, if any, concerning significant decisions that will directly affect them;
- Encourages its suppliers and sub-contractors to implement the values set forth in this Charter in their own business policies; and
- Endeavors to distribute this Charter to all employees within the Technip Group through our local entities.

Managing Expertise

Created in 2001, the network of Experts intends to facilitate experts' identification, to allow for the implementation of specific management processes and to contribute to a better definition of their role. Experts play a major part in skill reinforcement and the development of the Group's technological image, which is key to long-term success.

A college of 12 experts is in charge of evaluating the skills available to the Group in its principal technological niches. It identifies the experts within the Group. Three levels of expertise were appropriated.

Today 201 Expert Engineers, 92 Principal Expert Engineers and 40 General Expert Engineers are identified within the Group.

Management specifically adapted to the Experts profile was put in place that takes into account individual career management, forward-looking management and training policy.

An Expertise Charter Was Defined

The experts have an essential function in their center of operation, inside and outside of the Group.

Internally, they perform the following functions:

- Technip reference
- "knowledge management"
- training and tutoring

Externally, they take part in sales proposals and associated technological support. Moreover, they play a part in the Group's public and technological image through their publications and involvement in schools, seminars, committees or international conferences.

Anticipating Evolution in the Group's Professions

Technip continues to examine its main disciplines in order to anticipate trends and adapt to them. In 2004, a review of the "Project Management" function, a Technip core discipline, was conducted throughout the Group. This process will continue across the other main disciplines of the Group.

Developing Mobility

The company runs an active policy of international mobility adapted to the needs of the projects it executes. In addition, mobility, whether geographical or functional, proves to be a very effective tool for the diffusion of best practices, the sharing of skills, the increasing of the career opportunities, and the development of a strong Group culture based on its values.

In 2004, a little more than 800 people were expatriates in the Group.

An intranet site called "Technip Mobility" gives Group employees access to internal career opportunities, enabling them to select, in their unit of origin or abroad, an available position appropriate to them.

The site encourages employees to develop their career path, with the support of the specialists in human resources development.



Contribution to the Group Development through Innovation

In 2004, Technip continued its policy of fostering the innovation and creativity of its employees. The Jacques Franquelin award, open to all Group employees, aims to encourage those who contribute to the dynamism and development of Technip by their resourcefulness. The award includes three categories: Initiative, Technological Innovation, and Cooperation within the Group. Each year it honors about fifteen prize-winners among more than one hundred employee-nominated candidates. In 2004, 113 proposals were submitted to the jury who selected 19 of them from across all domains of the Group.

Technip also calls upon the imagination, creativity and entrepreneurship of its teams to implement continuous improvement processes for its methods and for reducing costs.

The "Technip 2005 Think Tanks," launched in September 2004, were tasked with making concrete proposals to the Executive Management Committee on seven broad diverse topics on the development of Technip. The 84 participants chosen to participate in the Think Tanks represent the Group's diversity through their complementary skills, experience and cultural background. Additionally, all employees had the opportunity to contribute to the reflection of these Think Tanks by submitting suggestions via email to an address created for each of the topics. The seven Think Tanks presented 150 proposals thoroughly covering their defined topics. After analyzing these recommendations, the General Management Committee selected 135 for implementation by naming a person in charge for each and a plan for its implementation.

Strengthening Social Dialogue

At the European level, 2004 was the year of the finalization of negotiations for the installation of the Technip European Works Council.

At the end of three meetings with the Special Negotiation Group, composed of 12 employee representatives of the 10 European countries where the Group is established, an agreement for the Technip European Works Council was signed unanimously.

The partners in this agreement for the establishment of an authority of information and dialogue at the European level emphasized in the preamble that they:

- recognize that the process of information and dialogue at the European level must supplement and improve the already existing processes at Technip and not replace the procedures of communication and consultation such as defined in the national legislations and/or practices,
- share a common desire to establish effective and reciprocal communication between employees and Technip Management,
- recognize the need to conform, in a positive way, with the European directive of September 22, 1994 as with its adaptation to French law,
- take into account their respective responsibilities as for the Group's interests, its employees, its customers and its shareholders.

The countries represented within the European Works Council (EWC) are Germany, Belgium, Spain, Finland, France, Italy, Norway, the Netherlands, Portugal and the United Kingdom.

The term of office for the EWC staff representatives is one four year renewable duration, which allows this new European authority to carry out in-depth work, in continuity.

A board of three people (a secretary, an assistant secretary and a third member), creating a liaison between the Group's management representatives and EWC staff representatives, provides a permanent authority that will ensure the information flow between the EWC meetings.

The EWC provides for the exchange of information and a dialogue commitment on the following subjects at the European level:

- activities and strategy of the Technip Group, its organization, its social, economic and financial condition and its competitive position, and their prospects for evolution,
- the situation and forecasts regarding employment,
- actions in the environmental and civic field,
- workplace hygiene and safety

Two annual meetings are planned to be held in one of the representative countries, rotating each year, if possible, and near one of the Technip sites so that EWC staff representatives can develop their knowledge of the Group diversity.

The EWC agreement specifies that the first annual meeting aims to examine, in particular, the annual summary of the Group's general position including the environmental and civic report, if available. If not, it is examined during the second annual meeting.

This provision stresses the importance in which the partners of Technip's EWC agreement aim to contribute to sustainable development.

In France, the year 2004 was marked by the finalization of the harmonization of the collective statutes of Coflexip employees with those of Technip. After much negotiation, (17 meetings between September 2003 to June 2004) a company agreement on the harmonization of the collective statutes was unanimously signed on July 1, 2004.

• **Candidacies Through the Groups Internet Site:**

18,400 in 2004 (+20% from 2003)

• **Mobility:**

815 Technip employees work outside of their country of origin

2004 Key Figures

Total workforce	19,086
Total employees	15,319
Number of employees under determined duration contract	2,128
Recruitment	2,062
% of woman in workforce	24
% of woman among management	14
% of employees evaluated throughout the year	86

Health and Safety at Work

The health monitoring system for all expatriates was further consolidated in 2004 with collaboration from the World Health Organization and from specialists in tropical medicine. Technip's contribution to

health was enhanced by the creation of educational programs dedicated to its personnel, and more largely to the local communities. In 2004, a vast campaign against malaria was launched. This parasitic disease affects nearly 500 million people in the world and kills nearly 2 million people per year. New procedures were established

and actions taken to alert and inform employees of the risks and precautions to take in high-risk regions. These risks include malaria, HIV, dengue and yellow fever. Additionally, medical-related information on at-risk countries was made available to all Group employees. Technip aims to contribute not only to the health of its employees, but also to that of local communities.

Regarding safety at work, the Group regrets that three fatal accidents occurred during work conducted by its subcontractors. Overall, however, the 2004 safety performance improved considerably. The number of hours worked (for Technip and its subcontractors) reached the record level of 190 million hours. 2004 key data are as follows:



Technip's Performance

	2003	2004
Frequency of Recorded Serious Injuries*	0.54	0.3
Level of Seriousness**	3.29	1.17
Frequency of Accidents with Lost Time	0.11	0.05

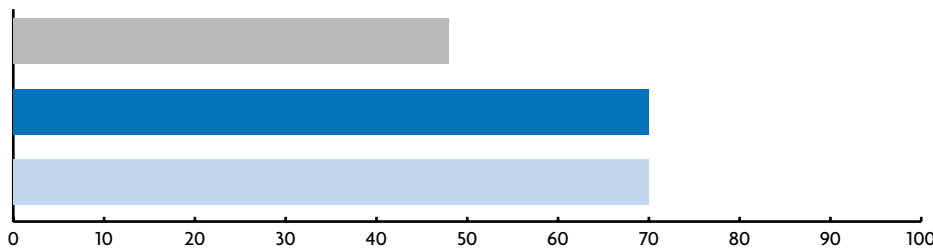
*Number of recorded serious injuries x 200,000 hours / number of actual hours worked

**Number of days of lost time x 200,000 hours / number of actual hours worked

Number of Accidents with Lost Time per Million of Hours Worked

	2002	2003	2004
Technip	0.45	0.54	0.28
European Construction Institute	0.20	0.61	0.56
Oil and Gas Producers	1.09	1.16	1.09
International Marine Contractors Association	1.24	0.99	1.13

Health and Safety at Work Performance (Source: DJSI 2004)



- Industry average
- Technip
- Industry's best

Security

Security relates to the protection against malicious acts of human origin. This forms an integral part of measures allowing the quality of employee working conditions to be monitored.

For Technip, it is articulated around the following:

- the protection of people, always a priority whether stationary, mobile - in particular while traveling domestically or abroad – or expatriated.

2004 Safety Performance

OMIFCO Project in Oman:

2 x 12 million hours without LTI

NLNG Plus Project in Nigeria:

30 million hours without LTI

Qatar Gas DBN Project in Qatar:

4 million hours without LTI

NEB Project in the United Arab Emirates:

4 million hours without LTI

Technip Supports UNICEF on Behalf of the Children in Asia

After the tsunami that devastated the countries along the shores of the Indian Ocean, Technip made a donation of €100,000 to UNICEF to support its efforts to help the children victims in South Asia. At the same time, the Group sent vaccines necessary to protect the employees and their families in the subsidiaries who might be affected by possible epidemics. Additionally, in order to strengthen its efforts, Technip created on its Internet and intranet sites a link to UNICEF's site allowing each of its employees to express their solidarity by making a donation.



- the protection of information and the measures taken for this purpose, whether coming from Technip's own needs (protecting our expertise, patents and technologies), or from those expressed by our clients while implementing projects.
- the protection measures for access to buildings, industrial and naval assets, and infrastructures.

The topic of security concerns the Group's employees and, as much as possible, its partners and subcontractors.

In 2004, a security director was named on the Group level. Standards were established that aim at obtaining consistent levels of access and infrastructures protection. A network of correspondents was created in the main subsidiaries in order to develop synergies and to share knowledge and experiences. In addition, on July 1, 2004, all the ships of the fleet were subject to ISPS (International Ship and Port Security) certification.

Nearly 200 employees took part in consciousness-raising courses and training in information protection and travel security. A pamphlet "Travel and Security," was published and distributed to all of the Group's future expatriates or travelers. Since

2004, the intranet site has made it possible to access, prior to travel, practical information by country and city. Lastly, a 24h "Group" hotline was established in order to provide a permanent contact for all Group employees.

Local Initiatives

Within the framework of its industrial activities, Technip has set up action plans for training sessions everywhere it operates in the world.

Training Programs for Young Engineers in Local Companies

An innovative program was launched in 2003 by the Group's engineering center in Abu Dhabi. This program trains engineers from local oil companies in the Emirates by integrating them into teams for projects currently underway, therefore giving them, in a relatively short span of time (3 to 9 months) basic training. This initiative made it possible for the Group to reinforce the bonds with the principal clients in Abu Dhabi, and in the long term should extend to other oil companies.



Flexibras, Brazil

Health & Safety Charter

The health and safety of persons and property are among the core values of Technip. This Charter defines the Group's objectives in this area and the corresponding Health & Safety Guidelines.

Our Objectives

- To insist upon and protect the health and safety of persons and property, when in conflict with other strategic goals.
- To strive persistently and with determination to avoid incidents and losses in the workplace and elsewhere.

Management's commitment is a critical success factor in achieving our Health and Safety goals.

Our Guidelines

In order to achieve our Health and Safety Objectives, Technip set up the following guidelines:

- To comply with applicable Health and Safety legislation and Technip's own standards.
- To set clear and meaningful objectives for Health and Safety performance, placing an emphasis on key indicators.
- To measure our performance and communicate our progress regularly and openly.
- Hold managers, supervisors and employees accountable for compliance with our Health and Safety management systems.
- To implement Health and Safety management systems which comply with internationally recognised industry standards.
- To combine our engineering and technology know-how with sound assessment principles in order to minimize risks and mitigate, as much as is reasonably practicable, any residual consequences.
- To ensure all relevant personnel receive appropriate training and advice to allow them to undertake their work safely and without any detriment to their health.
- To work with our clients, partners and subcontractors to build a common Health and Safety management system on each project.
- To strive to continually improve our Health and Safety performance.

Economic Responsibility

The continuation of Technip's sustainable development requires the continuation of a solid financial standing and having the capacity to create long-term value for its shareholders.



Creating Shareholders' Value: a Permanent Concern for Technip Management

Further Improve ROCE and ROE

The Group measures value creation through its returns on capital employed and equity (ROCE and ROE)

With the exception of the manufacturing and installation of subsea pipe, which require significant industrial assets (factories) and

construction vessels, Technip's activities remain primarily focused on strengthening the skills of its engineers and technicians. Consequently, the Group's annual capital expenditures are relatively limited (an average of about 3% of revenue).

In addition, Technip's policy is to maintain positive cash flows on its projects, which further contributes to reducing capital employed.

At the Group level, the capital employed takes into account the amount of goodwill related to various acquisitions.

This conservative approach leads to a higher level of capital employed, which nonetheless has been consistently reduced since 2001.

The Group's objective is to attain a ROCE of 15% (pretax) by 2008.

The ROE objective is also 15% pretax in the medium term.

Technip also believes that it is in its shareholders' long-term interest to maintain a low gearing.

The solidity of Technip's consolidated balance sheet is a key factor of success for obtaining large-scale contracts. A high level of net debt would positively impact the

Group's ROE, in the short term but it would also strongly limit the Group's growth potential in the long term, and would be, therefore, a creator of low value for Technip's shareholders.

Remunerating Our Shareholders

In 2004, Technip distributed, as dividend to its shareholders approximately 60% of its net income (before non-operating items and goodwill amortization). This represents one of highest dividend pay-out ratios in the industry.

Technip's policy in the mid-term is to maintain a stable dividend amount per share with a targeted pay-out ratio of about 50%.

	2001	2002	2003	2004
Yearly average price (€) ¹	151.92	107.72	75.44	114.68
EPS on a fully diluted basis (€) ²	6.93	3.91	3.98	5.26
Dividend per share (€)	3.30	3.30	3.30	3.30
Pay out ratio (%)	59.6	76.1	83.6	28.9
Net yield (%) ³	2.17	3.06	4.37	2.87

1) Before share split with effect on May 13, 2005.

2) Assuming that the convertible bonds are fully converted into new shares, that all of the stock options are exercised, and excluding treasury stock.

3) Based on the yearly average price.

Investing for the Future

The Group continues its selective investment policy in line with its business development goals.

Throughout the last three years and according to French GAAP, gross investment amounted to approximately 122 million euros per year (approximately 2.5% of the consolidated revenue). This ratio is higher in the subsea construction business segment (SURF) where it reached 5.6%. In 2004, Technip completed the 21 million euro acquisition of the subsea construction vessel Deep Pioneer.

It also began the construction of a new "spool base" (assembly plant) in Angola, in order to serve SURF projects in West Africa. This project, totaling approximately \$30 million, has created 30 local jobs.

Conversely, Technip continues a disposal policy for activities that are no longer relevant to its development strategy. In 2004, it sold several activities:

- EHR (piping, Germany)
- KTI S.A. (engineering, Italy)
- IG SpA (maintenance, Italy)
- TOMI (anchoring, the United States)

The Group also sold two office buildings located in Western Europe.

2005 Objectives

This second Sustainable Development report demonstrates Technip's desire to pursue the approach to active sustainable development and to reinforce the Group's commitments everywhere it operates.

For 2005, the Group has fixed concrete objectives in order to communicate more comprehensive information in its next report:

Corporate Governance

- Deploy and promote the Group's new Charters (Social Charter, Environmental Charter and Health and Safety Charter)
- Deploy within the Group, the internal control procedures compliant with American Sarbanes Oxley Act requirements

Global Compact

- Diffuse the actions implemented via the Global Compact's Internet site

Reporting

- Improve the data collection system necessary to establish performance indicators in the three areas of sustainable development (environment, social & civic and economic)

Environmental Protection

- To obtain ISO 14001 certification for the following main operational centers: Technip Abu Dhabi, Technip Benelux, Technip Finland, Technip Indonesia, Technip Norway, Technip Thailand, Genesis and Duco; this is in addition to the 10 entities already certified.
- To have 60 to 80% of the entities reporting on the following environmental indicators: water consumption, power consumption, production and treatment of waste.
- To establish performance objectives for the main Group entities from the data collected throughout 2004.

Safety, Health, Security

For all of Technip personnel, its partners and subcontractors:

- Frequency of accidents with lost time (LTIR=Lost Time Injury Rate) $\leq 0.056^*$

- Frequency of recorded serious injuries (TRIR=Total Recordable Injury Rate) $\leq 0.30^*$
- Level of seriousness (SR=Severity Rate) $\leq 1.17^*$

- To improve the reporting of safety-related risks on our projects

** All these rates are calculated based on 200,000 hours worked*

Skill Development

- To pursue the examination of the main engineering professions in order to anticipate trends and adapt to them
- To put in place the 135 actions defined by the 2005 Technip Think Tanks

Socially Aware Company

- To develop new solidarity initiatives
- To widen the Group's actions toward local communities

Dialogue and Idea Exchange

- To supplement and improve the existing information exchange processes due to the function of the European Works Council (EWC)

Clients, Partners and Subcontractors

- To cooperate with our clients, partners and subcontractors in order to work out a common Health and Safety management system and a common Environmental management system.
- To encourage our suppliers and subcontractors to introduce the Social Charter's action rules into their own company's policies.

GRI and Global Compact table of correspondence

The Global Reporting Initiative (GRI) provides themes or reporting indicators in the economic, environment, social or civic fields.

The listed themes were selected for their pertinence within the company's business and organization. Certain indicators make reference to financial data while others are more qualitative. These are represented in either the Group's annual report or in this sustainable development report.

A certain number of subjects are not yet covered by a reporting system within the Group. These will be covered in the years to come and are marked by an asterisk (*) that indicates that the actions are ongoing.

PRINCIPLES OF THE GLOBAL COMPACT

Human Rights

1. Businesses are asked to support and respect the protection of international human rights within their spheres of influence
2. To make sure their own corporations are not complicit in human rights abuses

Working Standards

3. Businesses are asked to uphold the freedom of association and the effective recognition of the right to collective bargaining
4. The elimination of all forms of forced and compulsory labor
5. The effective abolition of child labor
6. The elimination of discrimination in respect of employment and occupation

Environment

7. Businesses are asked to support a precautionary approach to environmental challenges
8. To undertake initiatives to promote greater environmental responsibility
9. To encourage the development and diffusion of environmentally friendly technologies

Anti-corruption

10. Businesses should work against all forms of corruption, including extortion and bribery

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GLOBAL REPORTING INITIATIVE

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2.7	Markets served	AR
2.8	Scale of group operations	RA and 2-3
2.9	List of stakeholders	*
2.10	Contact people for the report	*
2.11	Frequency of updates	5-6
2.12	Date of most recent published report, if any	4
2.13	Scope of the report	6
2.14	Significant changes in size, structure, ownership	NA
2.15	Basis for reporting on subsidiaries	*
2.16	Explanation of any restatements of information provided in earlier reports	*
2.20	Data verification policy and measures	*
2.21	Explanation for the use of any independent certification	*

Governance and Management Systems

3.1	Governance structure	AR and 7
3.2	Percentage of independent Board members	AR and 7
3.3	Determination of scope of authority of Board	AR and 7
3.4	Process of risk identification and management	AR
3.5	Policy of financial and sustainable development performance incentives for management	*
3.6	Organization pertaining to sustainable development	5
3.7	Charters, missions, values and codes	AR and 1,6,8,10,11,21,23
3.9	Identification of major stakeholders	*
3.10	Method and schedule for consulting stakeholders	*
3.11	Type of information collected after consulting	*
3.12	Use of collected information	12
3.13	Application of precaution principle	*
3.14	Membership in independent charters and adherence to external principles	1-9
3.15	Major organizations and associations of which the group is a member	23
3.16	Operative management systems	AR and 7
3.17	Management of indirect impacts of operations	AR
3.18	Key decisions relating to operations and their location	AR
3.19	Sustainable development program and procedures	Whole report
3.20	Certification of management systems	AR and 13

Environmental Performance

EN1	Total consumption of raw materials in metric tons (excluding water and energy)	*
EN2	Share of raw materials resulting from waste (recycled or otherwise) from outside the group	13
EN3	Direct consumption of energy by type	13
EN4	Indirection consumption of energy	*
EN5	Total water consumption	13
EN7	Location and area of land owned, leased or developed in a sensitive environment	*
EN8	Description of principal impacts on biodiversity	AR and 14
EN9	Direct and indirect emissions of greenhouse gases	*
EN10	Consumption and emissions of substances that destroy the ozone layer	*

EN11	NOx, SOx and other significant emissions *
EN12	Total quantity of waste by type and disposal method *
EN13	Significant aqueous releases by type *
EN14	Significant environmental impacts of major products and services *
EN15	Percentage of products recovered after use (recycled or reused)	..... 13
EN16	Penalties for non-compliance with international declarations, agreements and treaties and with national, regional and local regulations pertaining to the environment	..... NA
EN17	Initiatives for using renewable energy sources and improving energy efficiency	..... 14,15,16,17,18

Social and Societal Performance

LA1	Workforce by status, type of job and type of employment agreement	..... AR and 26
LA2	Net job creation and average turnover	..... 26
LA3	Percentage of employees represented by an independent labor organization *
LA4	LA4 Policy and procedures for informing, consulting and negotiating with employees in the event of changes in the group (e.g. restructuring)	..... NA
LA5	Recording and notification practices for work-related accidents and illnesses, and relation to ILO principles	..... AR and 27
LA6	Description of health and safety committees (% of workforce covered)	..... 26-*
LA7	Rates for accident severity, accident frequency and lost work days, and number of mortal accidents	..... AR and 27
LA8	Description of AIDS-related policies and programs (at and outside the workplace)	..... AR and 27
LA9	Average number of training hours per employee by year and category of personnel *
LA10	Equal opportunity policies and programs	..... 23
LA11	Composition of executive committees, including number of men/women and other relevant diversity indicators (cultural context-specific)	..... AR and 26
HR1	Existing policies, guidelines and procedures on human rights	..... AR and 8,9,23
HR2	Factoring human rights into investment and contracting decisions	..... 8-9-*
HR3	Policies and procedures to monitor respect for human rights throughout the supply chain	..... 8-9-*
HR4	Policies and procedures for combating discrimination	..... AR and 8,9,23
HR5	Policy and procedures for freedom of association	..... AR and 8,9,23
HR6	Policy and procedures for combating child labor	..... AR and 8,9,23
HR7	Policy and procedures for combating forced and compulsory labor	..... AR and 8,9,23
SO1	Management of impacts on local communities	..... 28-*
SO2	Policy and procedures on blackmail and corruption	..... AR and 8,9,23
SO3	Policy and procedures on lobbying and political contributions *
PR1	Policy and procedures on protecting consumer health and safety during use of the group's products and services *
PR2	Policy and procedures on information relating to the products *
PR3	Policy and procedures on respecting customer privacy	..... NA

Financial Performance

EC1	Net sales revenue	..... AR and 2
EC2	Geographic location of key sales markets	..... AR
EC3	Cost of purchased goods and services	..... AR
EC4	Percentage of contracts paid per terms and on the due date *
EC5	Total salaries and benefits	..... AR *
EC6	Interest and dividends	..... AR and 31
EC7	Change in ROACE over the year	..... AR and 31
EC8	Total taxes paid	..... AR
EC9	Subsidies received *
EC10	Gifts to the community (financial and in kind) by type of beneficiary *

Glossary

API Gravity

American Petroleum Institute index for assessing liquid hydrocarbon density.

Biodiesel

Diesel produced from biomass (colza, sunflower, beets etc.).

Cogeneration

Combined production of electricity and steam.

Development (of a gas or oil field)

All operations associated with oil and gas field production.

Carbon Dioxide (CO₂)

Colourless gas naturally produced in the atmosphere. Human activities, notably the combustion of fossil energies can increase the level of carbon dioxide. This phenomenon is said to have an influence on the climate. Carbon dioxide is the main greenhouse gas because of the large quantities released into the atmosphere.

DJSI (Dow Jones Sustainability Index)

Launched in 1999, this index was the first to rate the companies with the best performances in terms of sustainable development (economics, environment, social).

Liquefied Natural Gas (LNG)

Natural gas, liquefied through the reduction of its temperature to -160°C , thus reducing its volume by 600 times, allowing its transport by boat.

Environmental Impact Assessment

Study which assesses and measures impacts for each main type of pollution (air, water, noise, waste) for all industrial installations prior to start-up.

ISO 9001 (version 2000)

Quality Management system standard which includes : management responsibility, resources management, manufacturing of products, measure, analysis and corrective actions. The process and client oriented approach are the two main points of the new version of this standard.

ISO 14000

International standard covering various environmental subjects. It includes the ISO 14001 standard which defines environmental management and the ISO 14040 comprising the Life Cycle Assessment (LCA).

LTI

Lost Time Injury.

Natural Gas Liquefaction

Transformation of natural gas into liquid gas to facilitate its transport by boat.

NRE

French law on new economic regulations, passed on May 15, 2001, regulating three areas: finance, competition, and business.

Offshore Oil and Gas Installation

Subsea or surface (platform) oil and gas drilling/production installations.

Nitrogen Oxide

Nitrogen form a number of oxides such as Nitrogen dioxide (NO₂), Nitric oxide (NO) and Nitrous oxide (N₂O). Human activities and especially industrial processes and fossil energy combustion produce large quantities of nitrogen oxide which are released into the atmosphere and contribute to the formation of the "smog" and ozone at ground level.

Environmental Management System

Management system allowing the establishment of an environment policy and the achievement of objectives associated with the environmental impact of a company's activity, respectful of the regulation in force.

Severity Rate of Accidents

Number of days of lost time for 200 000 hours worked.

Flaring

Burning of excess gas associated with hydrocarbon production.

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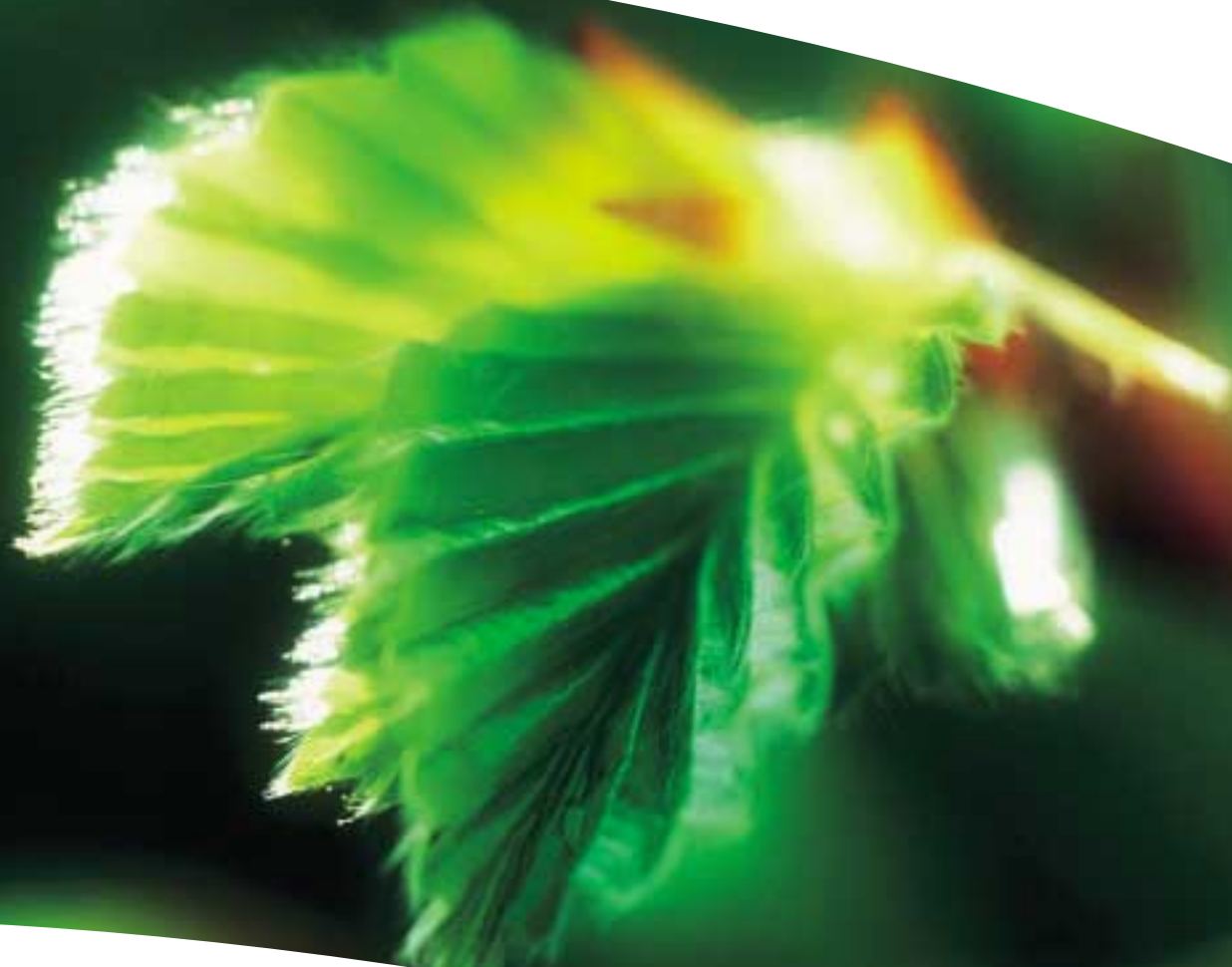
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