



2020 ESG REPORT EXECUTIVE SUMMARY

FOCUSING FORWARD FOR
A SUSTAINABLE FUTURE

FOCUSING FORWARD FOR A SUSTAINABLE FUTURE

For more than two centuries, Flowserve has provided safe, reliable products and services that power cities, control flood waters, produce clean drinking water and more. We have made it our purpose to create extraordinary flow control solutions to make the world better for everyone.

We are purposeful about sustainability – from the products we design and build to reducing our carbon intensity and making a lasting impact in our communities around the world. Flowserve remains committed to helping create a better world for everyone and we will continue to adapt, innovate and deliver for current and future generations



As a part of our purpose, we are invested in supporting and solving the environmental and social issues we face today and tomorrow – whether it's through enhancing the safety of our operations, reducing our environmental footprint, enabling energy transition, or making a difference through our community impact program, Flowserve Cares.

— Scott Rowe
President and Chief Executive Officer

FLOWSERVE AT A GLANCE

Flowserve is a leading comprehensive flow control solutions provider, driven to building a more sustainable future and making the world a better place.



15,600+
Associates



50+
Countries



222
Facilities



10,000+
Customers



\$3.7B
in Sales
\$250M
in Operating Income



100%
of our global manufacturing
facilities have received ISO
9001:2015 certification



20+
New or improved
products launched
in 2020



2,066
Volunteer
hours used
in 2020



\$1,343,084 USD
Donated through
Flowserve Cares
in 2020



23
Approved
Flowserve Cares
grants in 2020

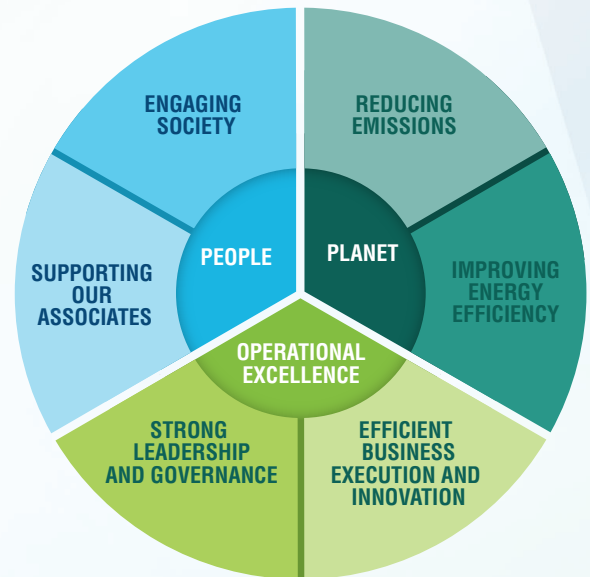
OUR APPROACH

Our approach to sustainability is structured around environmental, social and governance (ESG) principles and incorporates our values and business priorities so that every person across Flowserve can contribute to our purpose of making the world better. Our sustainability program is comprised of three key pillars – People, Planet and Operational Excellence.

People – Addresses our culture and how we support our associates and contribute to the communities where our team members live and work.

Planet – Focuses on reducing our environmental footprint and creating/advancing technology and solutions that support the energy transition.

Operational Excellence – Promotes strong leadership and governance and drives efficient business execution and innovation.



OUR PRIORITIES

In 2020, we set an ambitious target to reduce carbon emission intensity by 40% by 2030, using 2015 as a baseline. We also signed the WASH Pledge, committing to implement access to safe water, sanitation and hygiene in all of our facilities and to encourage our supply chain and communities to do the same.

Consistent with Global Reporting Initiative (GRI) principles, we define material ESG topics as those issues important to our stakeholders and necessary to manage enterprise risks and opportunities. In our 2020 ESG report, we discuss the eight ESG topics deemed material to both Flowserve and our stakeholders, along with focus areas relevant to each material topic.



OUR PROGRESS



57%
of the 2030 carbon
reduction target
achieved in 2020



4%
reduction in combined
direct and indirect
energy use in absolute
terms since 2017



19%
decrease in water
use versus 2017



72%
of our discarded
materials in 2020
were recycled
material



44
completed energy
efficiency projects
in 2020

ENABLING THE ENERGY TRANSITION THROUGH INNOVATION

As energy transition is changing all aspects of energy consumption, production and conservation, many of the markets and sectors we serve are at the forefront of this transition. As they shift toward cleaner forms of energy and reduce their carbon emissions, we are uniquely positioned to support our customers through this transition with our extensive portfolio of sustainable and innovative flow control solutions and services.

As we scale and expand our flow control solutions for emerging opportunities and evolve flow control technology into autonomous flow applications, innovation has been and will continue to be at the forefront of our approach to energy transition. At Flowserve, innovation is one of our core values. Our people are encouraged to expand their knowledge, be inquisitive, think creatively and learn from mistakes. Our people are innovating every day to not only help tackle some of the world's toughest flow control challenges but also deliver sustainable solutions that proactively address the needs of our customers and the demands of the marketplace.

We understand that to keep up with population growth and rising energy demands, technology, as well as innovative policies and frameworks, are critical to global sustainability. That's why we continue to embed innovation in our technology development and product lifecycle. From additive manufacturing (3D printing) to virtual product assembly, we're using innovation to improve energy efficiency and reduce carbon emissions, and we will continue to invest in breakthrough technologies to enable our customers through this energy transition.

Flowserve's historical annual revenue for energy transition projects ranges between \$100 million to \$150 million, and we continue to expand our market share in this critical market segment.

OUR INNOVATIVE SOLUTIONS



RedRaven is our complete industrial Internet of Things (IoT) solution that gives customers the tools and insights to monitor and optimize flow control equipment performance and proactively identify and address issues before they cause downtime and disruptions.



Flowserve's Design-to-Value (DtV) program enables us to redesign, rationalize and improve our products to deliver increased value to our customers while optimizing costs. Through DtV, we can increase energy efficiency and reduce carbon emissions and waste, ultimately helping us better serve our customers in a more sustainable way.



Our Reverse Osmosis Desalination Product Portfolio focuses on adaptable designs and leading-edge technology that maximizes hydraulic efficiency, helping our customers increase capacity, lower energy consumption, and operate a more economical membrane technology with a smaller footprint.

PRIORITIZING PEOPLE WHILE NAVIGATING THE CHALLENGES OF 2020

OUR ASSOCIATES, ESPECIALLY OUR FRONTLINE WORKERS, CONTINUED TO PROVIDE VITAL FLOW CONTROL PRODUCTS AND SERVICES TO KEEP THE WORLD RUNNING.

2020 brought unprecedented health, social and economic challenges to people and businesses everywhere. Our Flowserve 2.0 operating model enabled us to respond efficiently to changing business conditions created by the COVID-19 pandemic, as well as further operationalize our sustainability strategy

across our global business. Despite responding to COVID-19, a market downturn and uncertain geopolitical climates, we kept our associates safe, performed for our customers, and contributed to our local communities.

CULTURE OF INCLUSION

Through our purpose, values and behaviors, we create an inspired, engaged workforce that delivers extraordinary solutions – making the world better for everyone. At Flowserve, the collective energy of our people sets us apart. By building an inclusive culture strengthened by our Diversity, Equity & Inclusion (DE&I) journey, we can embrace differences, solve problems, and introduce product innovation to influence positive change around the world.

PRIORITIZING EMPLOYEE WELL-BEING

Our people-first philosophy drove our response to the COVID-19 pandemic, as we developed a comprehensive pandemic response plan that included safety precautions to prevent spread and contact tracing procedures to isolate affected personnel. We implemented a work-from-home policy for all associates who were able to do so to promote the safety of our employees. We continue to diligently

monitor the local and global impacts of the virus and continue to keep our team members informed of critical updates and changes through weekly communications and an internal website dedicated to the COVID-19 pandemic. Additionally, we continue to make operating decisions that prioritize the safety and well-being of our people.

SUPPORTING OUR COMMUNITIES

Supporting the communities where we do business and where our associates live and work is an important part of our philosophy at Flowserve. In 2020, we partnered with local organizations to help communities impacted by COVID-19, including Social Impact to deliver clean water filtration in Bali. Through Flowserve Cares and our partnership with United Way, we've

been able to provide vital COVID-19 relief materials across India during their fight against COVID-19. We provided "family kits" that contained food, medicine and safety equipment, vital medical supplies, as well as oxygen concentrators and a 'vaccine van' that is used to transport COVID-19 vaccines and syringes to those who can't reach vaccination centers.

MAKING THE WORLD BETTER, TOGETHER

UNITED NATIONS GOALS ALIGNMENT

Flowserve is in alignment with the United Nations' Sustainable Development Goals (SDG) to end poverty, protect the planet and improve the lives and prospects of the global population. Our operating practices and flow control products directly contribute to achieving select SDGs, including (6) Clean Water and Sanitation, (7) Affordable and Clean Energy, (12) Responsible Consumption and Production, (13) Climate Action and (16) Peace, Justice and Strong Institutions.



PURPOSE IN ACTION

We are purposeful about our commitment to sustainability and addressing the environmental and social issues we face as a society. Flowserve is dedicated to reducing the company's environmental footprint and delivering environmentally responsible solutions that help customers become more sustainable. We do this by providing our

customers with innovative and high-quality products, which reduce emissions, minimize leaks and enhance efficiency. As we look to the future, we have no doubt that we will continue to provide unparalleled service to our customers while building a more sustainable future for generations to come.

ENABLING THE DEVELOPMENT OF SUSTAINABLE FEED SOLUTION

Flowserve's Durco Mark 3 ANSI pumps and CPXV sump pumps will be used in Calysseo's new FeedKind® production facility – the first of its kind in China. FeedKind is a protein family made up of sustainable and traceable feed ingredients for fish, livestock and pets. The production process uses no agricultural land and relatively little water, helping meet the world's ever-increasing need for more food without placing more stress on scarce resources.



CREATING ELECTRICITY WHILE DRIVING ENERGY EFFICIENCY

Flowserve supplied gas seals and associated panels to Enertime, a turbine manufacturer. Our products will be used in an energy recovery turbine – these turbines use excess pressure in the gas pipeline to drive a generator and create electricity. This innovative solution is a direct contribution to driving energy efficiency and conservation – helping make the world better for everyone.



BIODEGRADABLE PLASTICS FOR A CLEANER FUTURE

Flowserve's vacuum pumps are being used in Kanghui Petrochemical Company Ltd.'s production of PBS (Polybutylene Succinate), a biodegradable plastic. Biodegradable plastics not only help reduce our level of waste, but they also potentially reduce the level of greenhouse gas emissions, consume less energy and reduce carbon emissions – providing an alternative product for global sustainability efforts.



ABOUT THIS REPORT

Unless otherwise specifically stated, this report covers Flowserve's performance in 2020. This report, which speaks only as of its date, is not comprehensive, and for that reason, this report should be read in conjunction with our 2020 Annual Report on Form 10-K and our 2021 Proxy Statement, which can be found at <https://ir.flowserve.com>.

The goals and projects described in this report are aspirational; as such, no guarantees or promises are made that these goals and projects will be met or successfully executed. Furthermore, data, statistics, and metrics included in this report are non-audited estimates, not prepared in accordance with generally accepted accounting principles (GAAP), continue to evolve and may be based on assumptions believed to be reasonable at the time of preparation, but should not be considered guarantees or subject to future revision. This report uses certain terms including those that GRI or others refer to as "material" to reflect the issues or priorities of Flowserve and its stakeholders. Used in this context, however, these terms are distinct from, and should not be confused with, the terms "material" and "materiality" as defined by or construed in accordance with securities, or other, laws or as used in the context of financial statements and reporting.

The information covered in this report contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including statements regarding our ESG goals and strategies and related business and stakeholder impacts. These statements can be identified by words such as "future," "anticipate," "believe," "estimate," "expect," "intend," "plan," "aim," "strategy," "goal," "commit," "target," "objective," "predict," "will," "would," "could," "can," "may," and similar terms. These statements involve risks and uncertainties, and actual results may differ materially from any future results expressed or implied by the forward-looking statements. More information on risks, uncertainties, and other potential factors that could affect our business and performance is included in our filings with the SEC, including in the "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" sections of Flowserve's most recently filed periodic reports on Form 10-K and Form 10-Q and subsequent filings. The forward-looking statements in our report are made as of the date first published, unless otherwise indicated, and we undertake no obligation to update these forward-looking statements to reflect subsequent events or circumstances.