



Communication on Progress 2021





The Ten Principles of the UN Global Compact

Human rights

Principle 1: businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2: make sure that they are not complicit in human rights abuses.

Labour

Principle 3: businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: the elimination of all forms of forced and compulsory labour;

Principle 5: the effective abolition of child labour; and

Principle 6: the elimination of discrimination in respect of employment and occupation.

Environment

Principle 7: businesses should support a precautionary approach to environmental challenges;

Principle 8: undertake initiatives to promote greater environmental responsibility; and

Principle 9: encourage the development and diffusion of environmentally friendly technologies.

Anti-corruption

Principle 10: businesses should work against corruption in all its forms, including extortion and bribery.



Saint-Gobain has been a member company of the Global Compact since 2003.

Saint-Gobain’s integration of the United Nations’ Sustainable Development Goals (SDGs) in its strategy:

- SDG 9** SDGs aligned with the strategy
- SDG 14** SDGs moderately aligned with the strategy
- SDG 15** Non-priority SDGs



Relevant documentation:

This report is based on Saint-Gobain’s Universal Registration Document for the financial year 2021, available at:

https://www.saint-gobain.com/sites/saint-gobain.com/files/media/document/SGO_URD_2021_EN_220330_MEL.pdf

This document is externally verified.

You can find the Group’s code of ethical conduct, the Principles of Conduct and Action, at this address:

https://www.saint-gobain.com/sites/sgcom.master/files/principles_en.pdf



Implementing the 10 Principles into strategies and operations

Criterion 1: The CoP describes mainstreaming into corporate functions and business units

In a changing world and faced with the challenges of climate change, urbanization and digitalization, the Saint-Gobain's new, simpler and more agile organization relies on internal and external resources to accelerate transformation, with the objective of creating shared value with its stakeholders (see the full model in the URD 2021, chapter 1, section 2.3).

This vision is embedded in the Principles of Conduct and Action, Saint-Gobain's code of ethics. They are made available to every employee and drive the Group's responsible corporate development. They permeate all activities and operations of the Group and constitute a reference for all.

Within the organization, corporate sustainability is managed at Group-level by the Senior Vice-President in charge of the Human Resources and Corporate Social Responsibility (CSR) and the CSR team. They supervise the operational implementation of corporate sustainability.

The Group's CSR roadmap guides Saint-Gobain's actions to reduce the environmental, social and societal impacts of its operations and solutions. It takes into account both the Group's strategy and its stakeholders' expectations. The Group has committed to report annually on its performance by publishing the evolution of its indicators. The roadmap is based on 6 priority CSR challenges:

- Business ethics;
- Climate change;
- Circular economy;
- Health and safety across the entire value chain;
- Employee engagement and diversity;
- Inclusive growth.

➤ URD 2021, chapter 2, section 3.4.3

Finally, the implementation of the Group's strategy is reflected in policies and commitments applied by all of its entities in all countries in which they operate.

➤ URD 2021, chapter 1, section 2.2.2

Criterion 2: The CoP describes value chain implementation

CSR risk mapping is done at several levels within Saint-Gobain. The Group's vigilance plan consists of two separate but complementary plans:

- Vigilance plan for the Group's operations
- Vigilance plan for the Group's purchasing

These two plans are structured as follows:

- Mapping of risks related to operations and procedures for assessing the situation in relation to the risk map
- Appropriate actions to mitigate risks or prevent serious harm
- A system for monitoring the measures implemented and evaluating their effectiveness
- A mechanism for alerting and collecting reports

➤ URD 2021, chapter 9, section 3.4

Within the Responsible Purchasing policy, the Suppliers' Charter is used to communicate Group expectations and sets the framework for partnerships that are aligned with Saint-Gobain's CSR vision. Compliance procedures can be engaged where necessary. The signature of the Global Compact by suppliers is valued by the Group.

These tools support Saint-Gobain's sustainable development of its activities while controlling the environmental, social and societal impacts of its processes, products and services along the value chain.



Robust human rights management policies & procedures

Criterion 3: The CoP describes robust commitments, strategies or policies in the area of human rights

Saint-Gobain's values, formalized by the Principles of Conduct and Action, are an essential vector of mobilization for human rights due to their reference to international conventions, such as the International Charter for Human Rights or the applicable conventions of the International Labor Organization and in particular the conventions 87, 98, 111, and 135 on the freedom of association and protection of the right to organize, on the right to organize and collective bargaining, on discrimination, and on workers' representatives respectively.

In 2019, the Group published its policy on respect for human rights (https://www.saint-gobain.com/sites/sgcom.master/files/politique_dh_va.pdf). The policy has been presented to the Board of Directors. It describes how Saint-Gobain takes into account human rights impacts and outlines the associated due diligence process. The whole approach is based on the recommendations of the United Nations, particularly the guiding principles on business and human rights. Accordingly, Saint-Gobain is committed to respecting human rights wherever it conducts its activities and in its supply chain.

The Group is aware that the field of human rights is constantly changing and that the effective management of potentially negative incidents requires constant, transparent dialogue with the stakeholders involved.

Since 2014, the Group has increased the collection of information on discrimination. As early as 2011, and even before the law made it mandatory, Saint-Gobain had set up a whistleblowing system, which was revised in 2018. The Group's policy on this issue was updated and improved at the end of 2020 and the governance of the system was overhauled. A new alert system managed by an external company is now available on the Group's website. Its use has been opened to all stakeholders.

➤ URD 2021, chapter 3, section 1.6

Criterion 4: The CoP describes effective management systems to integrate the human rights principles

Saint-Gobain's main human rights issues are identified following the methodology proposed by the United Nations in the context of the application of its guiding principles and concern the human rights that are likely to be most seriously affected by the negative impact of the company's activities and its value chain.

The method to identify the risks of actual or potential negative impacts draws on the United Nations' reference base and on external sources recognized for their relevance. These sources are linked to international institutions such as the United Nations with the Human Development Index, specialist non-governmental organizations such as the Transparency International Corruption Perceptions Index, or foundations such as The Global Slavery Index by the Walk Free Foundation to end forced labor.

The analysis resulted in a mapping of the risks related to the Group's activities. It includes the risks related to the supply chain and respect for human rights described in the section on responsible purchasing (URD 2021, chapter 3, section 1.4).

The risk mapping covers the nature of the risks linked to activities and risks linked to the countries in which Saint-Gobain operates. The main risks identified concern four areas: respect for employee rights, health and safety at work, respect for the environment and anti-corruption.

The management of occupational health and safety risks is described in the URD 2021, chapter 3, section 4.2 and those concerning respect for the environment in chapter 3, section 2.1.3. The management of corruption risks is described in chapter 3, section 1.2.1.

In November 2021, the due diligence process was undertaken to update the Group's assessment of



human rights risks and impacts as well as the measures implemented to manage these risks, limit the risks of negative impacts, provide responses to impacted stakeholders if necessary, and improve situations that need to be improved. To this end, a questionnaire was sent to human resources and operational managers in 35 of the most exposed countries, and the responses were analyzed. This analysis allows us to verify that the Group's practices are in line with the human rights policy and the risks identified.

In terms of training, the Group's e-learning program Adhere focuses on the Principles of Conduct and Action, and by extension thus provides training on human rights (URD 2021, chapter 3, section 1.1.1).

Whistleblowers can raise any concerns anonymously about breaches related to human rights across the value chain through the alert system, the platform is open to all stakeholders.

Criterion 5: The CoP describes effective monitoring and evaluation mechanisms of human rights integration

At Group level, the compliance and CSR departments collaborate to monitor the evaluation of and control the respect of human rights.

Following the analysis of the questionnaires completed by Saint-Gobain's local teams at the end of 2021 as part of the due diligence process, preventive actions have been launched to further limit the risk of human rights incidents. Good practices identified in certain countries and recommendations on topics such as recruitment practices and the adoption of the code of ethics when integrating new employees have been shared within the Group.

The system for collecting grievances reported by the network of local HR has been improved to encourage employees to express themselves directly to their superiors or the human resources network. Entities declare any incidents of discrimination leading to a complaint or otherwise, in the course of judgment or finally judged and characterized as such. Every incident is examined and dealt with in the subsidiaries concerned. Group employees and stakeholders also have access to a whistle-blowing system that guarantees their anonymity, described in the URD 2021, chapter 3, section 1.6. Particular attention is paid to risks of harassment.



Robust labour management policies and procedures

Criterion 6: The CoP describes robust commitments, strategies or policies in the area of labour

The [Principles of Conduct and Action](#) refer to the ILO Standards and incorporate the fundamental rights defended there in:

- Employee rights principle: Group companies must scrupulously ensure that employees' rights are respected. They must promote an active dialogue with their employees. In addition, and without limitation, they must respect the following rules, even if not provided for by applicable local law. They must refrain from any form of recourse to forced labour, compulsory labour, or child labour – whether directly or indirectly or through sub-contractors when the latter are working on a Group site; and they must refrain from any form of discrimination with respect to their employees, whether in the recruitment process, at hiring, or during or at the end of the employment relationship.
- Respect for others principle: "It implies an acceptance of pluralism and other cultures and of people of all origins".

Criterion 7: The CoP describes effective management systems to integrate the labour principles

Saint-Gobain has made the quality of social dialogue an essential criterion for the performance of its HR policy. The principle of consultation and negotiation, either directly with employees or through their representatives, is universal, with the aim of translating this dialogue into collective agreements. Freedom of association is one of the values embedded in Saint-Gobain's code of ethics and respect for it is a prerequisite for quality social dialogue (URD 2021, chapter 3, section 4.3.1). Whistleblowers can raise any concerns anonymously about breaches to the code of ethics through the alert system, the platform is open to all stakeholders.

To address social issues specifically, dialogues are held and applied to local priorities. The Group's country CEOs periodically meet employee representatives to exchange views on the strategy and local challenges. In France, besides the numerous meetings held within the companies in particular, the Chief Executive Officer of Saint-Gobain meets with the central union coordinators several times a year and chairs the Group Committee (the authority representing employees at Group level in France) at least twice a year. At European level, he chairs the Convention for social dialogue, which brings together 70 union representatives from 22 European countries annually. With the aid of an independent expert, this Convention makes it possible to supplement the national dialogue by dealing with subjects of common interest such as safety, corporate social responsibility or the trend of employment on European industrial sites. These subjects are raised in particular by the members of the Select Committee, which acts as spokesman for the Convention, who benefit from specific training to perform their role.

During the Covid-19 crisis, the historic quality of Social Dialogue in the countries and regions made it possible for Saint-Gobain to be responsive and flexible to the local pandemic situation.

In an uncertain economic context, Saint-Gobain is committed, as far as possible, to implementing solutions to safeguard employment and only to making job cuts as a last resort. The aim is initially to reorganize to deal with situations on a temporary basis, as in the case of temporary lay-off, or to favor internal mobility agreements which, associated with incentive measures, make it possible to maintain jobs within the Group. When restructuring is inevitable, the employees affected by workforce adjustments benefit from personalized support programs which may result in training associated with retraining, assistance for geographic mobility or



support for the execution of a personal project, such as the creation of a business.

Countries ensure that the right of association is respected when it is allowed in the country of activity, or try when it is not the case to have employees engage in dialogue in another way. Suppliers are committed to making efforts in this regard through the Supplier Charter to which they adhere. In terms of diversity, the OPEN program ("Our People in an Empowering Network") has among its four priorities for action "to pursue the diversification of our teams". Figures on gender, disability, nationality and generations are regularly monitored (URD 2021, chapter 3, section 4.3.4 and chapter 4, section 2.2.2).

Launched on January 1, 2020, CARE by Saint-Gobain is a social protection program for all Group employees and their families. The coverage is defined to meet basic daily healthcare needs but also to support key moments of family life.

The program is being implemented on a country-by-country basis, with the aim of being applied worldwide and for all employees by early 2023. Parenthood measures were rolled out in 2020, and all Saint-Gobain employees currently enjoy minimum guaranteed parental leave at their full salaries. Monitoring of the program's deployment is available in the URD 2021, chapter 4, section 2.2. The minimum applicable cover is:

- daily medical monitoring of families and access to care, by covering health costs (doctor visits or hospitalization) at a rate of at least 80%;
- the birth of a child, including adoption procedures, by paying at least 14 weeks of maternity leave with full pay and three days of paternity leave with full pay;
- death, by providing the family with financial capital representing at least one year of the employee's salary.

➤ URD 2021, chapter 3, section 4.3.2

Furthermore, the Group has set up a target to reduce the Group accident frequency rate (TRAR) for employees, temporary workers and permanent subcontractors to 1.5 by 2030.

Criterion 8: The CoP describes effective monitoring and evaluation mechanisms of labour principles integration

The compliance program and internal audit procedures allow for the assessment and monitoring of compliance with labour standards. A regular dialogue is held with employee representative bodies to identify any breaches of labour standards.

Indicators relating to the Group's diversity, social relations and values are available in the URD 2021, chapter 4, section 2.2.2.



Robust environmental management policies & procedures

Criterion 9: The CoP describes robust commitments, strategies or policies in the area of environmental stewardship

According to the “Caring for the Environment” section of the Principles of Conduct and Action, “Group companies are to actively promote the protection of the environment”.

The Group wishes to ensure the preservation of the environment, to meet the expectations of the stakeholders involved and to offer its customers the greatest value added for a minimum environmental impact. Our EHS Charter sets a target of zero environmental accidents and to maximize the reduction of the impact of the Group’s activities on the environment (URD 2021, chapter 3, section 3.3.2).

Saint-Gobain is engaged in several partnerships for the climate and the environment: the French Business Climate Pledge, the Task Force on Financial Disclosure (TCFD), the Global Climate Action Agenda, Act4nature International. In addition, the Group is a founding member of the "Global Alliance for Buildings and Construction" launched during the COP21, which aims to establish a common roadmap for stakeholders in the sector to promote energy efficient and low greenhouse gas buildings.

About policies:

- The Group’s policy on Energy, atmospheric emissions and climate change aims to reduce its energy consumption and greenhouse gas emissions.
- The Saint-Gobain water policy was adopted in 2011 and updated in 2020. It affirms the desire to reduce the impacts of Saint-Gobain’s activities on water resources, whether in terms of water uptake or discharge, as much as possible.
- Developed in 2015, the sustainable resource management thematic policy aims to promote

the responsible management of resources to facilitate the transition to the circular economy.

- In June 2018, the Group adopted a biodiversity policy with the intention of preserving, restoring, strengthening and enhancing biodiversity, and to that end encouraging the involvement of all parties concerned.

Criterion 10: The CoP describes effective management systems to integrate the environmental principles

The Group’s environmental approach is distributed across short- and medium-term objectives which concern the five main environmental challenges identified by the Group: resources; energy, atmospheric emissions and climate; water; biodiversity and the use of soil; environmental accidents and nuisances. The methodology of the Environment pillar of the WCM makes it possible to identify environmental aspects and gaps and to reduce and control them.

The EHS Department ensures that the Research and Development division integrates health and environmental concerns into its specifications. In addition, the group involves its supply chain in its approach to reducing environmental impact and commits its suppliers to reducing their air emissions and water footprint.

Saint-Gobain has been involved for many years in the promotion of Life Cycle Assessments (LCA) to better understand and control the environmental impacts of its products. These analyzes are useful for guiding innovation, better informing customers and responding to a growing market demand for greater transparency. Saint-Gobain is committed to ensuring that, by 2030, 100% of the Group’s revenue generated with products covered by verified LCAs (Life Cycle Analyses), or EPDs (Environmental Product Declarations), excluding distribution activity. By the end of 2021, 29.1% of revenues came



from products covered by verified LCAs, or EPDs, excluding distribution activity.

Also, the Solutions For Growth program is driven by Saint-Gobain's ambition to offer solutions that combine performance and sustainability in order to meet the expectations of its stakeholders, in particular its customers, and to enable acceleration towards a more sustainable and low-carbon economy. The objective is to determine a standard method that is easy to deploy in the organization and to adapt to local markets and contexts in order to identify the most relevant solutions and measure the benefits. The impacts of the solutions are assessed across the entire value chain and for the main stakeholders involved, right through to the end user.

If a stakeholder witnesses or expresses concerns over an environmental incident, he can report it on the Group's alert system for whistleblowers.

Saint-Gobain employees have access to a wide range of trainings focused on environmental challenges faces by the Group and the society in general.

- URD 2021, chapter 3, sections 3.4.2 & 3.4.4

Saint-Gobain set two internal carbon price levels in 2016, an increase of these price levels was made in October 2021. Setting an internal carbon price enables the current or potential impact of a regulatory carbon price on the Group's activities to be assessed, opportunities for growth in low-carbon sectors to be identified, investments in manufacturing and R&D to be refocused, and actions to reduce CO2 emissions to be ranked.

Criterion 11: The CoP describes effective monitoring and evaluation mechanisms for environmental stewardship

Environmental incidents are reported by the Group's EHS department. Each country communicates incidents according to severity according to a shared grid that is explained to the entire EHS network. Annual data are published in the Group's extra-financial results (URD 2021, chapter 4, section 2.2).

Saint-Gobain uses a methodology developed internally to estimate the greenhouse gas emissions avoided by its insulation solutions worldwide:

- after three months of use on average, the Group's insulation solutions compensate the emissions linked to their production. Beyond these three months, the gains continue to accumulate;
- it is estimated that the solutions sold each year by Saint-Gobain enable the avoidance of 1,300 million tons of CO2 over their lifetime, i.e. exceeding by far the Group's total carbon footprint;
- the estimated potential prevention of the said solutions corresponds to about 90 times the Group's greenhouse gas emissions in 2016 over the same geographical scope.

The reporting of environmental indicators for the entire Group is available in the chapter 4, section 2.2.1 of the URD 2021.



Robust anti-corruption policies & procedures

Criterion 12: The CoP describes robust commitments, strategies or policies in the area of anti-corruption

The Principles of Conduct and Action state a zero tolerance of Group companies towards corruption. They “must [...] reject all forms of active or passive corruption whether in domestic or international transactions”. This code of ethical conduct is a condition of belonging to the Group and refers explicitly to the OECD Convention of December 17 1997 against the bribery of foreign public officials.

The Compliance department is in charge of the subject of anti-corruption.

Saint-Gobain is a member of the forum of committed companies within Transparency International France. In this capacity, the Group is committed to rejecting and combating corruption in all its forms, and to implementing a solid prevention system based on best practices in the corporate world.

Criterion 13: The CoP describes effective management systems to integrate the anti-corruption principles

In addition, the Group has since then set up a program to prevent the risks of corruption and influence peddling, including a commitment from directors and strict compliance with the principle of “zero tolerance”.

This program is based on:

- a mapping of the risks of corruption and influence peddling;
- policies and procedures;
- training, in particular the digital training called “ACT”, which is followed by all managers when they are onboarded as well as every two years;
- communication actions;
- audits conducted internally or by external service providers.

In 2020, the Group publicly released the new version of its anti-corruption policy on the fight against corruption and influence peddling.

The purpose of this manual is to define and illustrate the various types of behaviour to be prohibited, review the Group’s rules and the best practices to adopt, i.e., the procedures relating to all areas in which corruption and influence peddling risks are likely to materialize, such as gifts and invitations, conflicts of interest, recruitment, mergers and acquisitions, or the management of intermediaries.

All Saint-Gobain employees must feel responsible for the fight against corruption. Therefore, the policy is based on concrete and educational examples of what is and is not allowed in the practice of the professional. It recalls the following fundamental principle: the fight against corruption and influence peddling presupposes a principle of “zero tolerance”.

- URD 2021, chapter 3, Section 1.2.1

Criterion 14: The CoP describes effective monitoring and evaluation mechanisms for the integration of anti-corruption

Compliance, and in particular the fight against corruption, is monitored by the internal control. The management of the anti-corruption policy is the responsibility of the Group’s senior management, which delegates design and deployment to the Ethics and Compliance Department.

The CSR risk mapping carried out as part of the Responsible Purchasing Policy focuses in particular on risks related to the fight against corruption. As a result of this mapping, a dialogue with suppliers at risk is initiated, action plans are put in place and Saint-Gobain buyers reserve the right to terminate business relationships that do not comply with their requirements.

Alert systems are also available to collect reports related to the fight against corruption.



Taking action in support of broader UN goals and issues

Criterion 15: The CoP describes core business contributions to UN goals and issues

The Saint-Gobain Group has been involved in promoting sustainable construction through the creation of the "Global Alliance for Buildings and Construction". According to Benoit Bazin, "Our vision is to become the worldwide leader in light and sustainable construction. In a world moving towards net-zero carbon, Saint-Gobain aims to provide a full range of solutions that address three major issues of our time: drastically reducing the 40% of CO2 emissions linked to construction, protecting natural resources, and facing the challenge of rapid urbanization in emerging countries." (https://www.saint-gobain.com/sites/saint-gobain.com/files/media/document/20211006_Investor%20Day%20COP_VA.pdf). In this way, the Group seeks to fully integrate sustainable development issues into its business sector.

In November 2021, during the COP26 in Glasgow, Saint-Gobain took part in the global mobilization in the industry for a decarbonized construction and further contribute to a more circular economy, by organizing a series of round table meetings on the subject before and during the COP, with several speeches, in particular from Benoit Bazin and Pierre-André de Chalendar.

In 2019, Saint-Gobain formalized its support for the "Business Ambition for 1.5°C" initiative driven by the Global Compact. This initiative urges business leaders to commit their companies to concrete targets aligned with limiting the global temperature increase to 1.5°C above pre-industrial levels, with the ultimate goal being to support a "truly systemic transformation". The Group has thus committed to achieving the objective of "net zero emissions" by 2050, whereas Saint-Gobain had already committed to reducing its CO₂ emissions on scopes 1 and 2 by 33% between 2017 and 2030 (in absolute value) and on scope 3 by 16% between 2017 and 2030 (in absolute value). Several programs and tools have been implemented to support this objective, such as

internal carbon pricing, one for investment projects and one for research and development projects, to guide company decisions and encourage low-carbon solutions.

- URD 2021, chapter 3, section 1.5.2

To integrate the Sustainable Development Goals (SDGs) into its CSR approach, Saint-Gobain has relied on materiality analysis, its dialogue with stakeholders and its knowledge of its value chain. The 17 SDGs have been classified into three levels of linkage with the Group's strategy and activities: strategic, moderate or non-priority. Saint-Gobain recognizes the importance of SDG 17, a partnership for achieving the objectives, and is developing multi-stakeholder partnerships to mobilize for the achievement of this SDG (URD 2021, chapter 4, section 2.3).

Criterion 16: The CoP describes strategic social investments and philanthropy

All Group employees can be proactive and sponsor actions via NGOs for the Saint-Gobain Initiatives International Corporate Foundation. The Foundation was created in 2008. Over the period 2008-2021, 320 projects received funding, including 39 in 2021. Foundations have also been initiated in North America, India or within certain activities to support local social causes.

Finally, the Group is committed to cultural, artistic, educational and general interest sponsorship actions.

- URD 2021, chapter 3, sections 2.3.2 & 2.3.3

Criterion 17: The CoP describes advocacy and public policy engagement

The Group participates in public debates on the challenges that are strategic for its activity and its environment.

In response to climate change and the risks linked to rising temperatures, Saint-Gobain's goal is to



encourage the emergence of low-carbon economies in the countries in which it operates. The Group has engaged in strong climate commitments, in particular the recent Conferences of Parties (COPs). Saint-Gobain has been campaigning for the introduction of a carbon price. The carbon price should enable a transition which does not disrupt competition between different companies and countries. In 2016, two internal carbon prices have been introduced to support the viability of the Group's projects and strategy, and were increased in October 2021 (URD 2021, chapter 3, section 2.1.5.1).

As part of the Global Climate Action Agenda, Saint-Gobain is a member of the Alliance of companies for water and climate change. This initiative supports the actions of cities and watersheds involved in the sustainable management of water resources and adaptation to the consequences of climate change. Saint-Gobain upholds the recommendations of the G20 Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD). In February 2018, the Group signed up to Science Based Targets.

Saint-Gobain takes part in the debate on the circular economy and is involved in collective initiatives to promote the transition to a circular economy. The Group is active in the World Business Council for Sustainable Development (WBCSD). WBCSD is a worldwide grouping of 200 companies that deliberate on and develop solutions for a more sustainable world. Saint-Gobain has been a member of the WBCSD Board since 2017, with responsibility for "climate, energy, the circular economy, towns and cities, and mobility".

Criterion 18: The CoP describes partnerships and collective action

Saint-Gobain acts to favour the emergence of a strong, low-carbon economic growth.

The Group belongs to the ETC (Energy Transition Commission), a group of about fifty leaders from the energy and climate community. The aim of the ETC is to accelerate the move to a low-carbon energy system that enables strong economic growth, while limiting global warming to levels well below 2°C.

Many stakeholders share this desire to promote more sustainable buildings. Saint-Gobain is building partnerships with them. The Green Building Councils (GBC) are a vital partner in this regard. The GBCs form a global network of national associations of construction market professionals and players. The GBC network offers a fast path for the deployment of sustainable construction technologies and dissemination of good practices, particularly via education for market players. The Group is a member of 40 local GBCs worldwide, a partner of the European network of GBCs (ERN), and chairs the Corporate Advisory Board of the World Green Building Council (WGBC).

The Group is a founder member of the Global Alliance for Buildings and Construction (GABC) and sits on its steering committee.

The challenge of developing a circular economy being a local one, Saint-Gobain organizations in the countries spearhead or take part in initiatives with local stakeholders: industrial stakeholders involved in an area, customers, local authorities and communities. For instance, The Commitment to Green Growth for flat glass signed by the trade associations in 2017 could lead to the collection and sorting of 80,000 tons of cullet per year in 2025 for the whole of the subsidiary in France.

➤ URD 2021, chapter 3, section 2.1.6



Corporate sustainability governance and leadership

Criterion 19: The CoP describes CEO commitment and leadership

Corporate Social Responsibility is fully integrated into the strategy by the Group's top management. Benoit Bazin has highlighted his commitment to sustainable development in 2021 by stating:

“Because our strategy is implemented in an integrated manner, our operational performance systematically takes into account environmental, social and governance criteria. We are resolutely deploying our CSR strategy, which is at the heart of our development model. The Group has an ambitious CO₂ roadmap for 2030; details of the reduction of our direct and indirect emissions, contained in this roadmap, have been validated by the SBTi (Science-Based Targets initiative). Minimizing our footprint and maximizing the positive impact of our solutions are the two aspects of Saint-Gobain’s day-to-day actions. We have been included in the “Climate Change A List” established by CDP. Emissions avoided thanks to the environmental performance of the solutions sold by the Group in one year are 40 times larger than its current carbon footprint. In addition, thanks to the attractiveness of the Saint-Gobain brand as an employer, for the 7th consecutive year we have been recognized as a “Top Employer Global”, a distinction that reflects the exceptional level of commitment of our employees around the world. We can be proud of that, and I would like to congratulate and thank them.”

- URD 2021, “Message from Benoit Bazin, CEO of Saint-Gobain”

Criterion 20: The CoP describes Board adoption and oversight

Among the Board of Directors' Committees, the Strategy and Corporate Social Responsibility Committee ensures that corporate social responsibility issues are taken into account in defining the Group's strategy and implementing it.

According to the Board of Directors’ internal rules effective on February 1, 2022, it has the following responsibilities:

- The Corporate Social Responsibility Committee is responsible for reviewing the Corporate Social Responsibility roadmap, its potential for improvement and the related topics proposed by its members;
- It ensures that Corporate Social Responsibility topics are taken into account when defining and implementing the Group’s strategy.

The Committee reported to the Board of Directors on its activities in its meetings of February 25, July 29, September 30 and November 25, 2021.

- URD 2021, chapter 5, section 1.2.3.2 (Corporate Social Responsibility Committee)

Criterion 21: The CoP describes stakeholder engagement

The Group is attentive to its ecosystem in order to regularly update CSR policies and action plans. In order to manage a constructive, transparent and trustworthy dialogue with our priority stakeholders, they are factored in into the Group’s long-term strategy (URD 2021, chapter 2, section 3.4).

In 2015, the completion of the Group's materiality matrix required the full collaboration of internal and external stakeholders. This matrix is the basis of the Group's priority challenges.

The CSR roadmap describes the integration of stakeholders’ expectations for each priority issue.

The CSR roadmap replies to stakeholders’ expectations on each part of the roadmap:

Business ethics:

- A long-term partner for stakeholders must share values such as respect for human rights and ethical business practices. This involves



building trusting relationships through constant dialogue and transparent communication.

- When choosing suppliers and subcontractors, the focus must be based on companies that share our values, ensure decent work for their employees, respect human rights and limit their impact on the environment.

Climate change:

- The climate emergency is a reality. Beyond commitments, stakeholders expect an effective reduction in the carbon footprint of production and consumption. This requires actions, innovation, investments and a range of solutions to reduce their own carbon impact.
- The effects of climate change are already visible in the increase in areas under water stress, violent storms, flooding and the loss of biodiversity... Limiting the effects of climate change on the environment is essential for the future of the planet.

Circular economy:

- The planet's resources are not infinite. Not wasting them is therefore a priority. Products must be designed to limit the use of natural resources and promote recycling.
- While resources are limited and the preservation of the planet is essential, waste is not acceptable for production and consumption. Limiting waste and recovering and recycling it for a true circular economy means that everyone must be involved.

Health and safety across the entire value chain:

- Creating a safe working environment is an essential expectation to establishing a climate of trust with stakeholders, especially employees.
- The health crisis reminded us that health and safety are absolute priorities. In addition to direct operations, the consideration of health and safety risks must include the entire value chain.

Employee engagement and diversity:

- Employee trust and commitment are essential to the success of a company and its attractiveness, performance and ability to adapt to crises, technical changes and new social expectations.
- Fostering inclusion and diversity demonstrates a company's capacity for openness. Actions to promote a fairer society are evidence expected by all stakeholders of a company's commitment.

Inclusive Growth:

- Expectations of greater comfort and well-being, and improvement of living conditions in general, are closely linked to the local culture in countries and regions. The adaptation of the offering and the commitment of brands takes into account the expectations of local stakeholders.
- To stand in solidarity with local stakeholders to tackle the societal challenges of communities and participate in collective efforts to improve living conditions, fight against inequality and include vulnerable populations.

➤ URD 2021, chapter 2, section 3.4.3