



04 JUIN 2020

SAINT-GOBAIN ANNUAL GENERAL MEETING

THE VIDEO BROADCAST WILL BE
AVAILABLE ON JUNE 4, 2020 AT 3:00PM





04 JUIN 2020

SAINT-GOBAIN ANNUAL GENERAL MEETING





JUNE 4TH, 2020

SAINT-GOBAIN ANNUAL GENERAL MEETING

N. SREEDHAR



2019 KEY FIGURES

Sales

Actual

Like-for-like

€42.6bn

+1.9%

+2.4%



Operating income

Actual

Like-for-like

€3,390m

Operating margin:
8.0%, +30bps

+5.7%

+4.7%



Changes based on 2019 vs 2018 restated for IFRS 16

Recurring net income

€1,915m

EPS: €3.53, +11.0%

Actual

+10%



EBITDA

€4,870m

Actual

+4.8%



Net debt

€10,491m

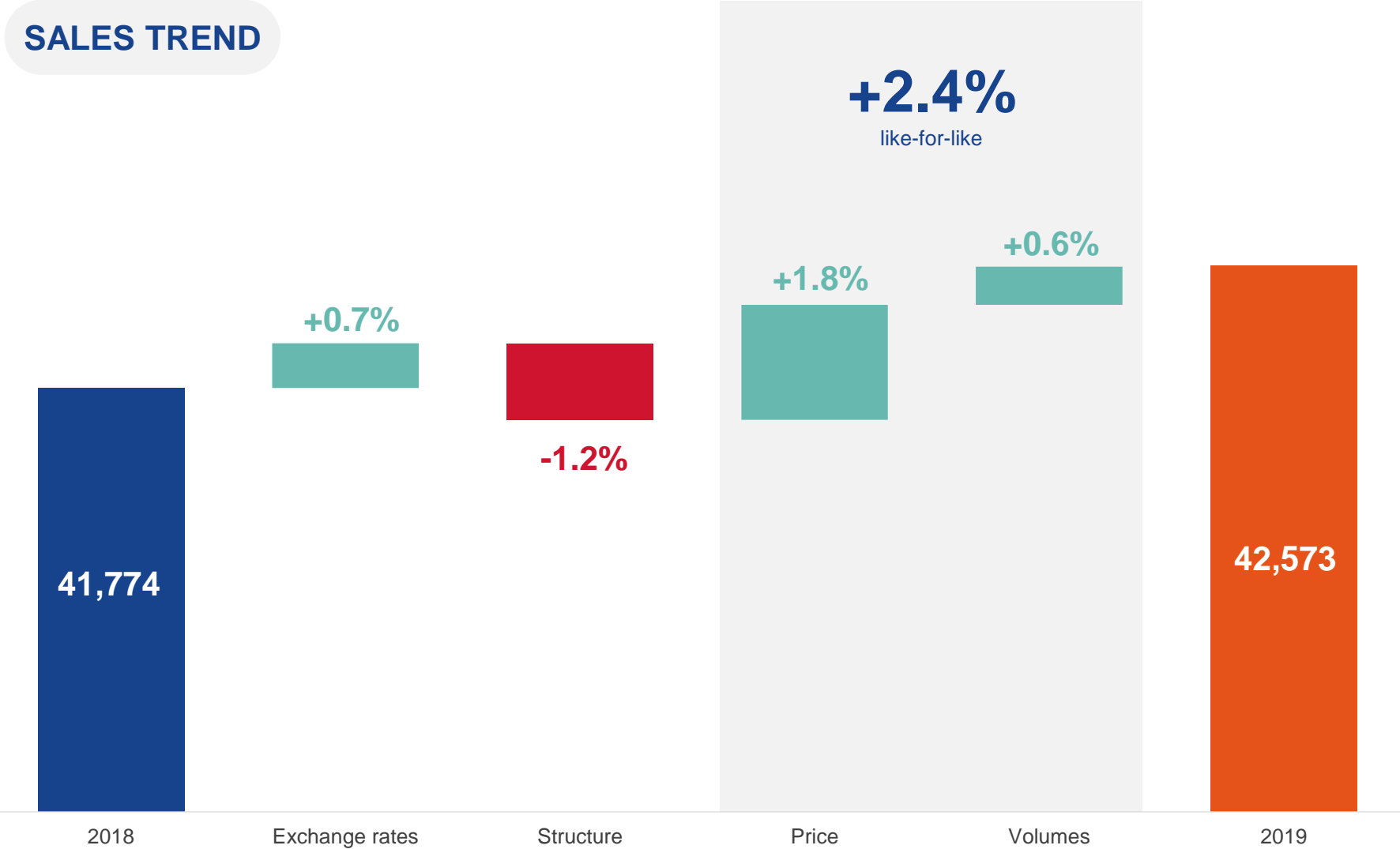
Actual

2.2 x
EBITDA



GOOD DYNAMIC IN VOLUMES AND PRICING

SALES TREND



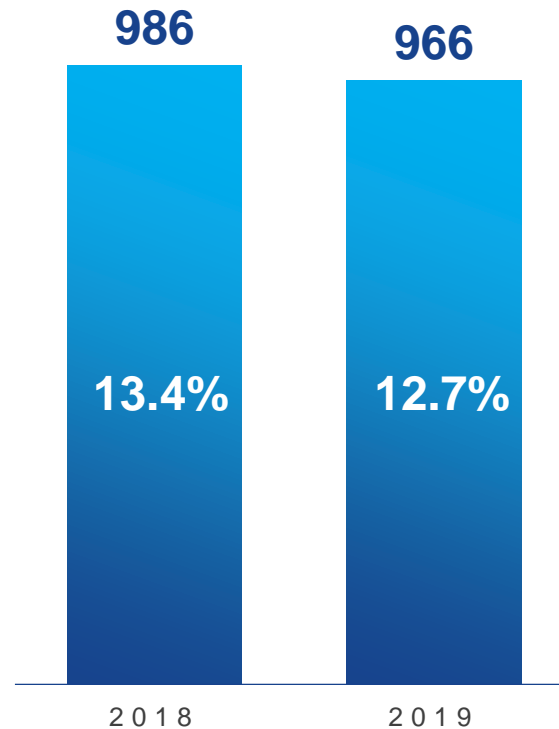
HIGH PERFORMANCE SOLUTIONS

Solid results in a difficult market environment



Sales & operating income

(€m; %)



SALES

+0.4%

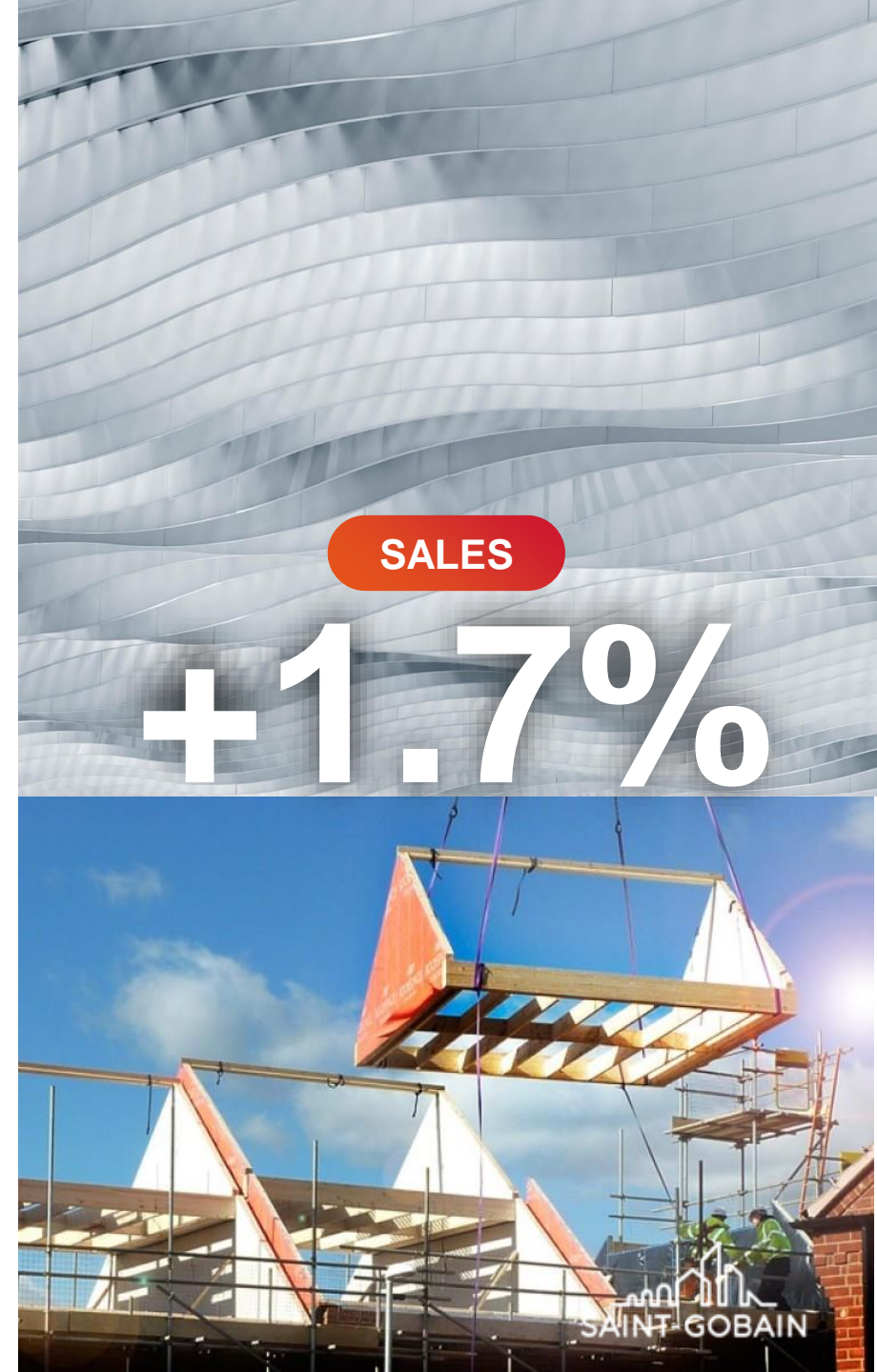
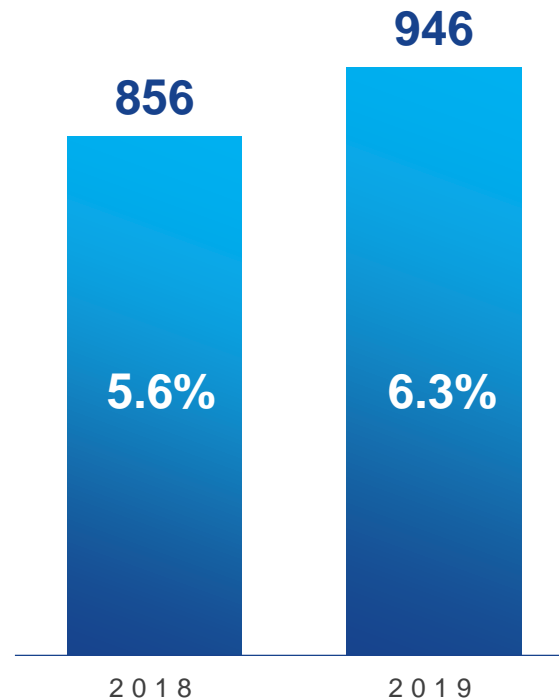
NORTHERN EUROPE

Strong margin growth



Sales & operating income

(€m; %)



SALES

+1.7%

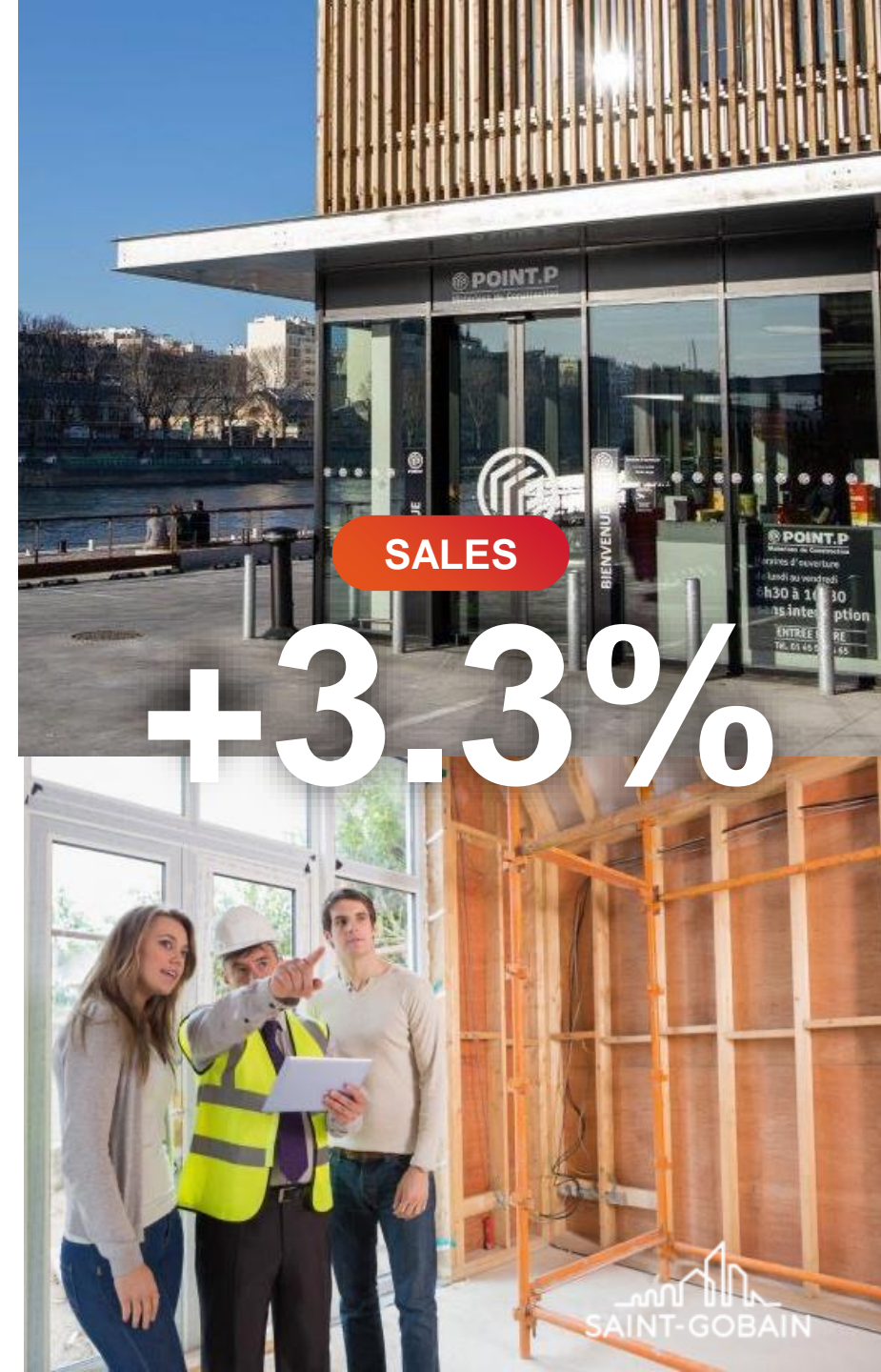
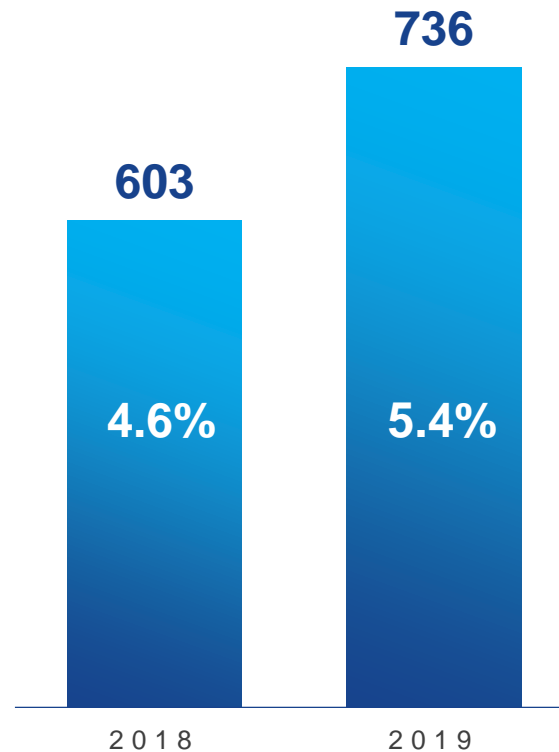
SOUTHERN – MIDDLE EAST & AFRICA

Good progression in sales
and strong margin growth



Sales & operating income

(€m; %)



SALES

+3.3%

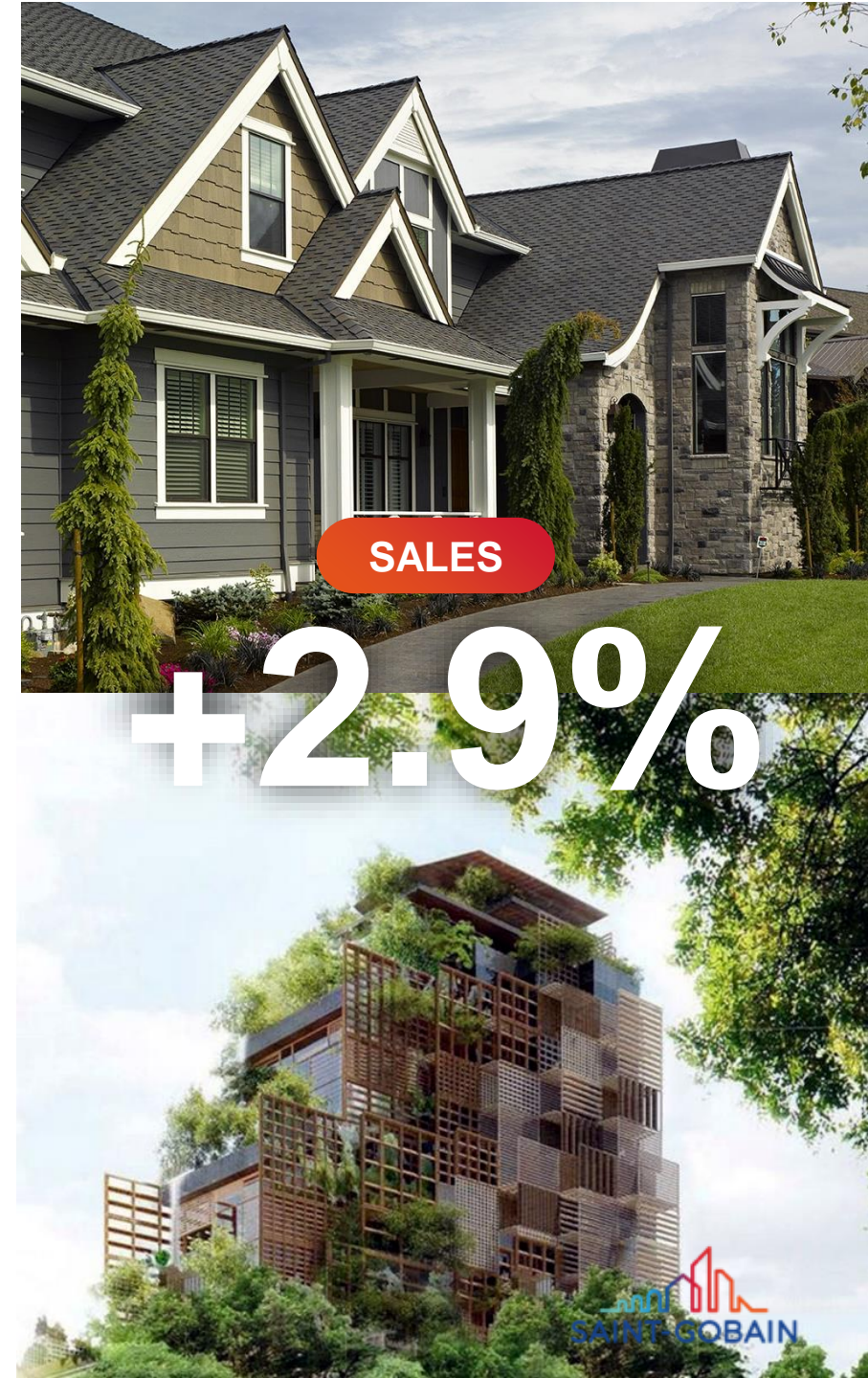
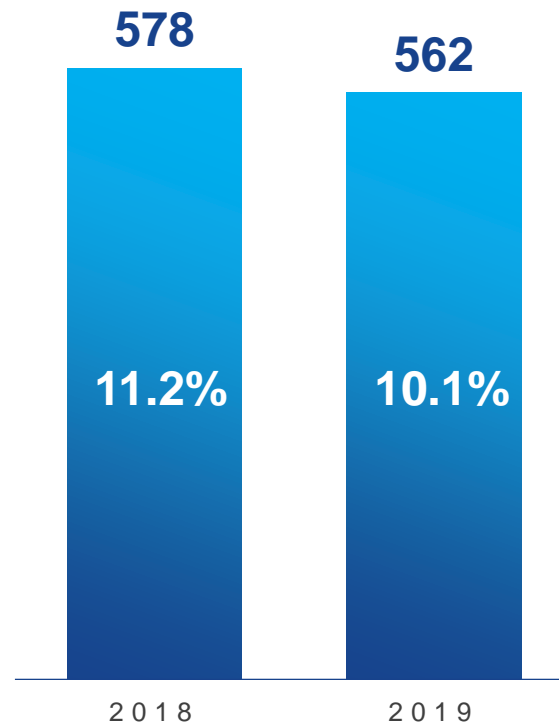
AMERICAS

Solid results in the US and a more difficult environment in Canada and Latin America



Sales & operating income

(€m; %)



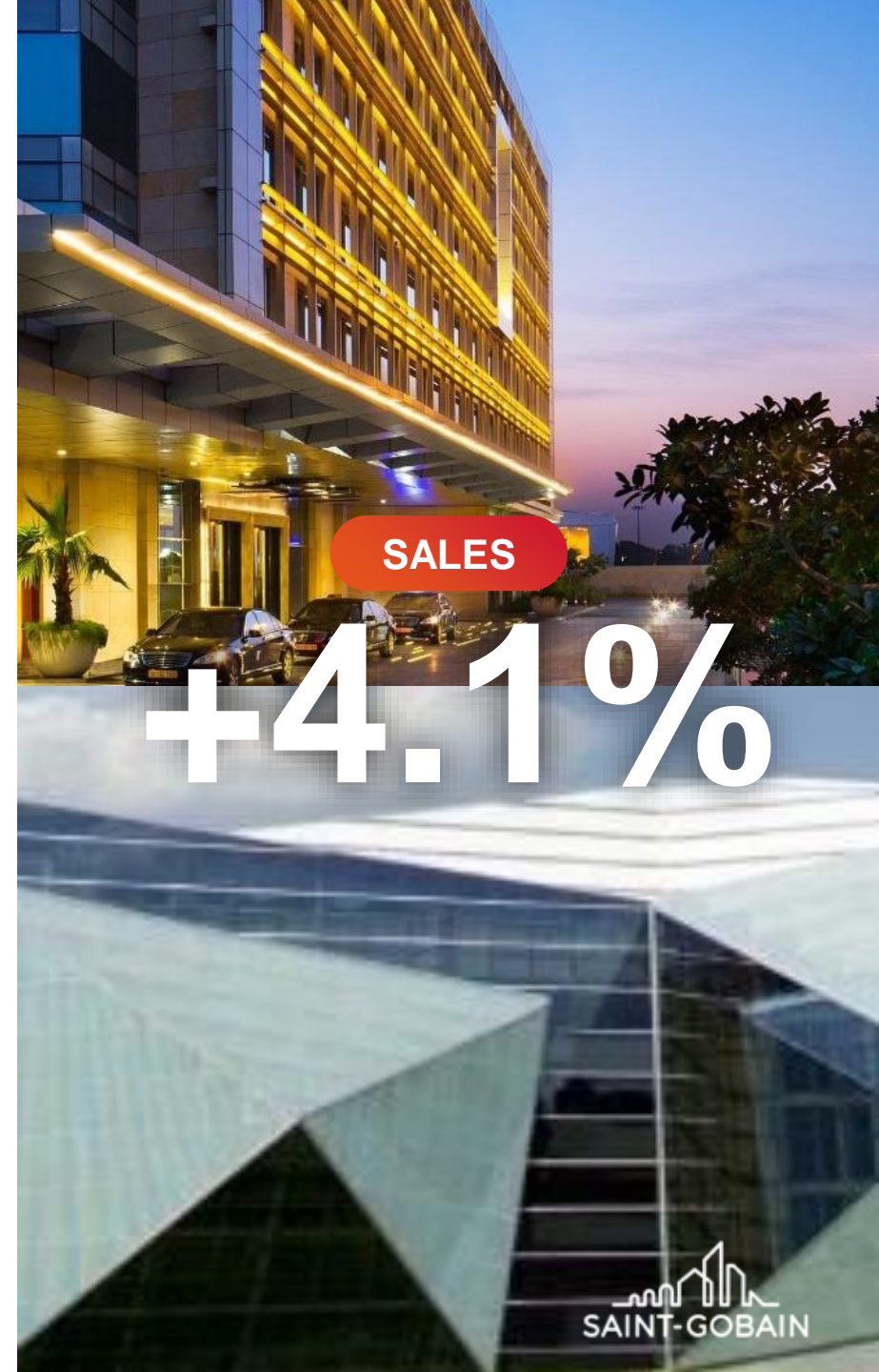
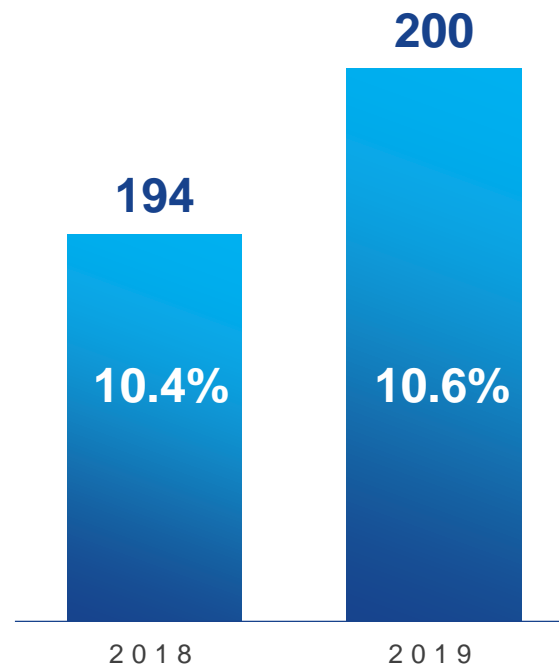
ASIA-PACIFIC

Sales and margin growth



Sales & operating income

(€m; %)



SALES

+4.1%

CONTINUED FINANCIAL DISCIPLINE

Cost savings

Calculated on the 2018 cost base

€310m Operational excellence program

€120m "Transform & Grow"

Operating working capital requirement

27 days' sales



Demonstration of Group's ability to remain below 30 days on a long-term basis

Free cash flow

+50%



With the free cash flow conversion ratio up sharply at 44% versus 31% in 2018

Net debt / EBITDA

2.2 x



Solid balance sheet and rating



A RENEWED AMBITION

Research & Development

€466m

→ Around 400 patents filed

→ 3,700 R&D employees

Investissements industriels

€1,818m

→ Decrease -2.0% versus 2018

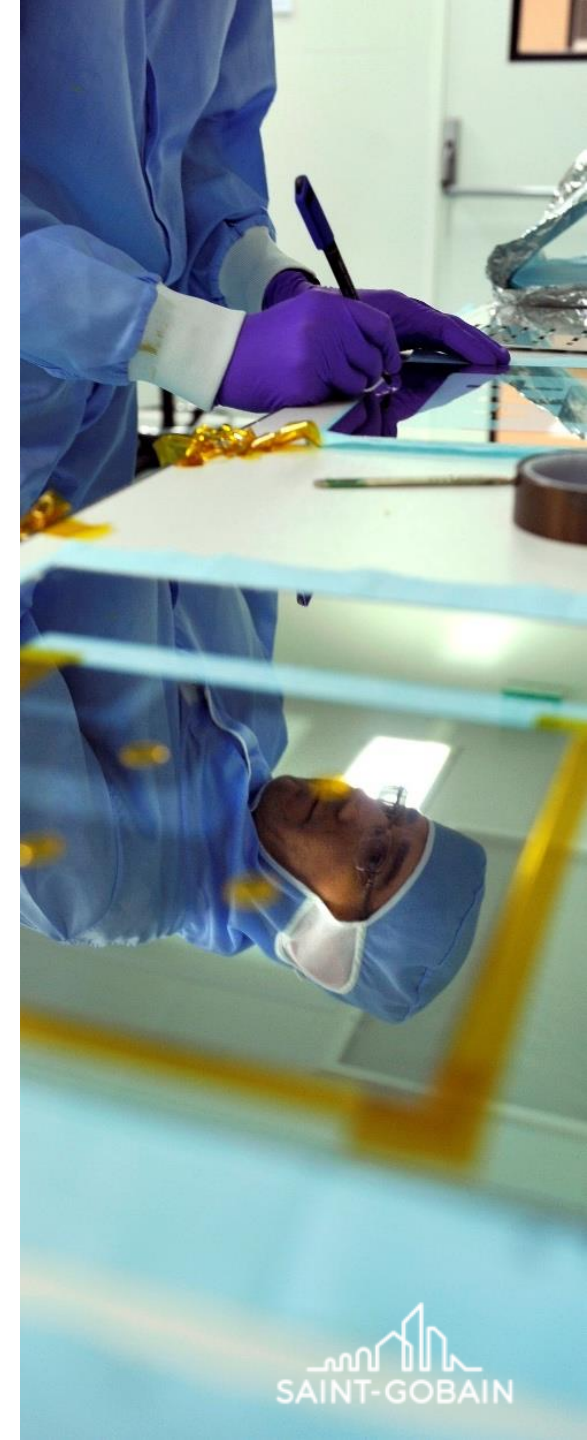
→ including €536m of additional capacity investments for organic growth

Acquisitions

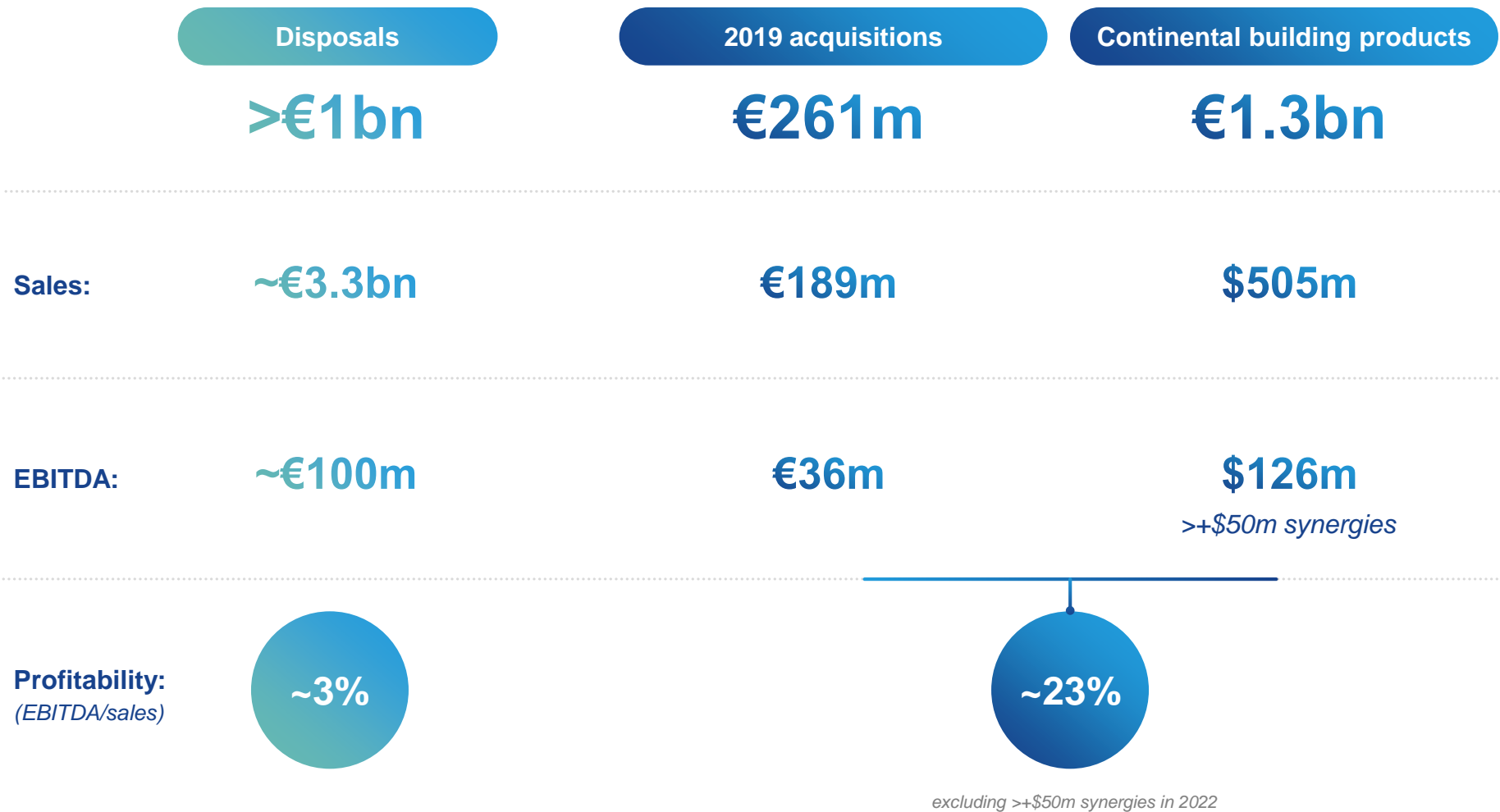
€261m

→ Innovative niches, emerging countries, consolidation

→ Closing of Continental Building Products acquisition completed on February 3, 2020



PORTFOLIO ROTATION ENHANCES GROUP PROFITABILITY



FIRST-QUARTER 2020

Sales in €m and like-for-like change in %

GROUP TOTAL

€9,363m

-4.9%

Northern Europe

-0.2%

3,219

Q 1 - 2 0 2 0

Southern Europe,
Middle East, Africa

-8.9%

2,983

Q 1 - 2 0 2 0

High Performance Solutions

-8.4%

1,712

Q 1 - 2 0 2 0

Americas

-0.5%

1,370

Q 1 - 2 0 2 0

Asia-Pacific

-12.7%

337

Q 1 - 2 0 2 0

RETURN TO SHAREHOLDERS

SHARE BUYBACK



Buyback of 6 million shares

DIVIDEND



A difficult decision due to 2020 uncertainties

Depending on how situation evolves, shareholder return policy to be reviewed by year end



04 JUIN 2020

SAINT-GOBAIN ANNUAL GENERAL MEETING



The background of the slide features a low-angle photograph of the Saint-Gobain headquarters building, a modern structure with a glass facade and a green roof. A large, semi-transparent watermark of the Saint-Gobain logo is overlaid on the left side of the image. The logo consists of a stylized, white line-art building silhouette above the company name in a sans-serif font.

SAINT-GOBAIN ANNUAL GENERAL MEETING

Pierre-André de Chalendar
Benoit Bazin

JUNE 04TH 2020



SAINT-GOBAIN GROUP



Saint-Gobain designs, manufactures and distributes materials and solutions which are key ingredients in the well-being of each of us and the future of all



SUSTAINABILITY



PRODUCTIVITY



COMFORT



A PERTINENT AND STRENGTHENED STRATEGY

2019: an excellent year

An agility proven in the crisis

Reinforced strategic decisions

FINANCIAL RESULTS UP IN 2019



Sales

2019

2019/2018

€42.6bn

+2.4%*

Operating Profit

€3.4bn

8.0% of sales

+5.7%

Recurring Net Income

€1.9bn

+10%

Free Cash Flow

€1.9bn

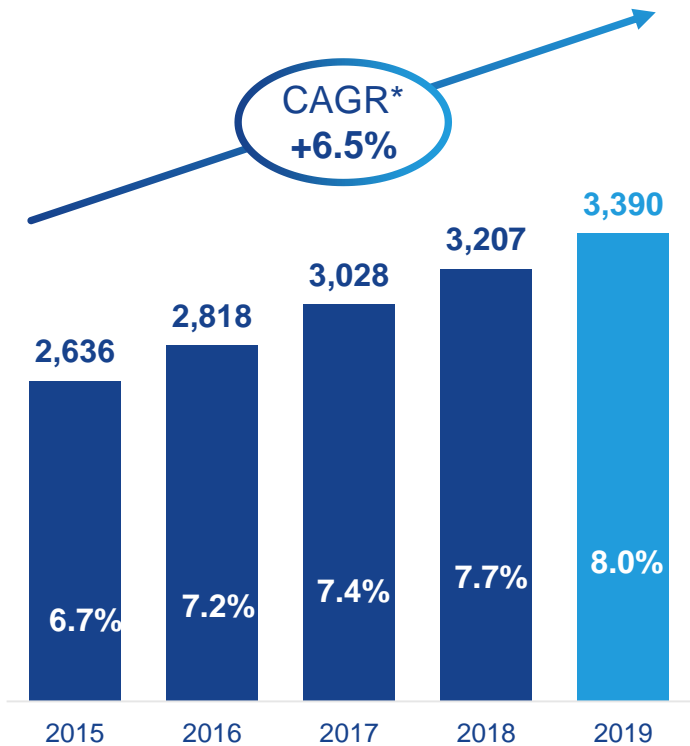
+50%

** On a like-for-like basis*

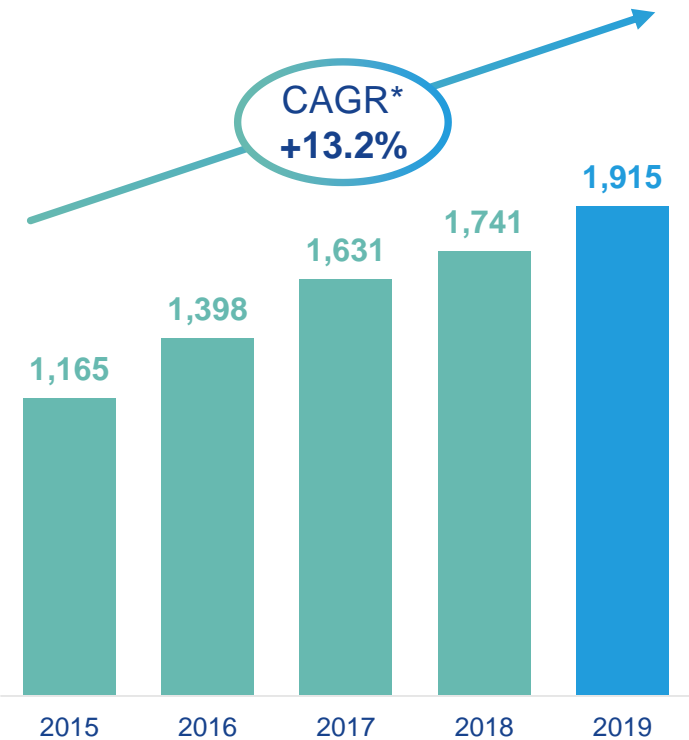
A SUSTAINED INCREASE IN PERFORMANCE



Operating income
(€m)



Recurring net income
(€m)



SUCCESSFUL SALE OF SIKA STAKE ON EXCELLENT TERMS

Ownership stake	10.75%	Further reinforced Balance Sheet
Purchase price in May 2018	€933m	
Sale price in May 2020 via private placement to institutional investors	€2.41bn	Disciplined execution and timing
Gross gains in 2 years*	€1.54bn	Significant capital gain

* Calculated as the difference between expected cash proceeds from disposals (current and in May 2018), dividends received (€61 million) and purchase consideration paid for stake in May 2018. This excludes taxes, transaction costs and funding costs

A PROFITABLE GROWTH PROFILE FURTHER REINFORCED IN 2019

LEADING SUSTAINABLE SOLUTIONS



ISOVER for mass insulation with blowing wool solutions



New Placo Drywall systems: -50% in CO2 equivalent



Lightweight façade: -50% in CO2 equivalent

~60%

POSITIONED ON FAST-GROWING MARKETS



Home & Hospitality business in India



Ventilation and air quality distribution



Electric vehicles, **Sekurit** thermal/acoustic efficiency glazing

of our portfolio contributes directly or indirectly to the reduction of CO₂ emissions

Saint-Gobain outperforms its markets by providing innovative sustainable solutions, targeting fast growing segments

A LEADER IN CORPORATE SOCIAL RESPONSIBILITY



To ensure the **HEALTH** and **SAFETY** of our employees and our stakeholders



To aim for a **LOW-CARBON** economy with the objective of group neutrality in 2050



To design, produce and distribute our products differently in the **CIRCULAR ECONOMY**



A LEADER IN CORPORATE SOCIAL RESPONSIBILITY



SUCCESS OF OUR TRANSFORM & GROW TRANSFORMATION PLAN



**An active and value
creating portfolio
management**



**A customer-oriented,
lean and agile
organization**

A DYNAMIC PORTFOLIO MANAGEMENT STRATEGY...



18 acquisitions

CONSOLIDATION
OF LEADERSHIP
POSITIONS TO
SERVE

OUR CUSTOMERS



TECHNOLOGICAL
NICHES
SUPPORTING

OUR INNOVATION



SELECTIVE
ADAPTATION OF

OUR FOOTPRINT

ON PROMISING
MARKETS



Divestments



*Expanded polystyrene





ACQUISITIONS¹

DIVESTMENTS²

Sales

€1.6 bn

> €1 bn

€640m

~€3.3 bn

Profitability
(% EBITDA / CA)

~23%

~3%

Multiple
(EV / EBITDA)

~8x³

~10x

1. Closed from 2019 to February 2020

2. Closed between 2018 and 2019

3. After Continental Building Products synergies

AN ORGANIZATION THAT MAKES SAINT-GOBAIN STRONGER



A customer-oriented, lean and agile organization



Reinforced operational performance

Country organization for
LOCAL construction markets

Global organization by market for
GLOBAL customers

A single hierarchy decision line
and simplified internal processes

€120m cost savings realized in 2019

€250m secured savings in total

Productivity and growth **SYNERGIES**
deployed in each country

A culture of responsibility and commitment
"Trust, Empowerment, Collaboration"



AN ORGANIZATION THAT UNLEASHES OUR SYNERGIES



A market-based approach



Support functions mutualizing



Integration of industrial and commercial forces



Operational services optimization



**Productivity and growth synergies
deployed at country level and centrally**



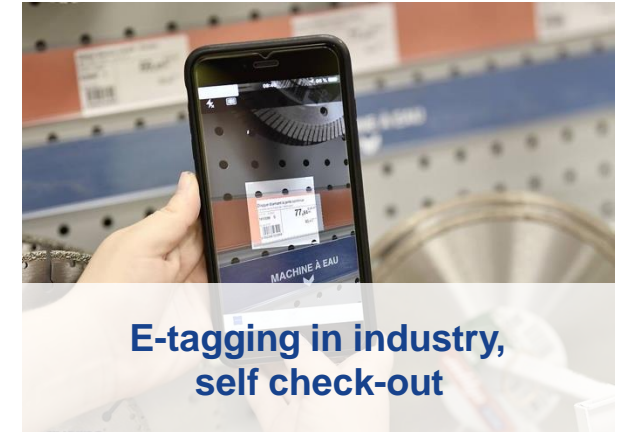
INNOVATION AS A TRANSFORMATION ENABLER



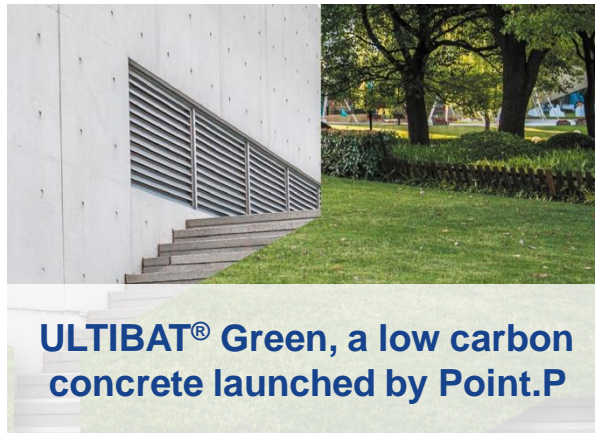
Optimax Habito systems for internal wall insulation



Predictive analytics to increase sales



E-tagging in industry, self check-out



ULTIBAT® Green, a low carbon concrete launched by Point.P



Artificial Intelligence in distribution to enhance the value of data



Switching to collaborative IT environment



A PERTINENT AND STRENGTHENED STRATEGY

2019: an excellent year

An agility proven in the crisis

Reinforced strategic decisions

FACING CORONAVIRUS, HEALTH AS AN ABSOLUTE PRIORITY



Country **LEADERSHIP** to manage the crisis closely depending on given health situation

International **COOPERATION** to share best practices and mutualize needs

CUSTOMERS and **TEAMS** at the heart of the recovery

PROACTIVE & ENGAGED TEAMS

SOLIDARITY AND MOBILIZATION THROUGHOUT SAINT-GOBAIN



OUR CULTURE & OUR VALUES



OUR INITIATIVES ON PRODUCTION SITES & DISTRIBUTION NETWORKS



GENEROUS DEEDS AND DONATIONS



Our culture is our strength

AGILITY TO RESPOND TO CRISIS



ASSETS

Preserve our equipment and human capital

- Close to our customers
- Manufacturing and warehousing sites
- Distribution centers and outlets



CASH

Secure financial liquidity

- Working capital
- Capex & M&A



P&L

Preserve margins

- Purchasing & rebates
- Costs & Pricing

Adapt swiftly to local business evolution
Progressive restart of our activity



A PERTINENT AND STRENGTHENED STRATEGY

2019: an excellent year

An agility proven in the crisis

Reinforced strategic decisions

POST-CORONAVIRUS, RESHAPING OUR MARKETS WITH OUR STRATEGY

Increased use of data and digital



- E-commerce
- Customer journey and new ways of working
- Supply chain integration and automation

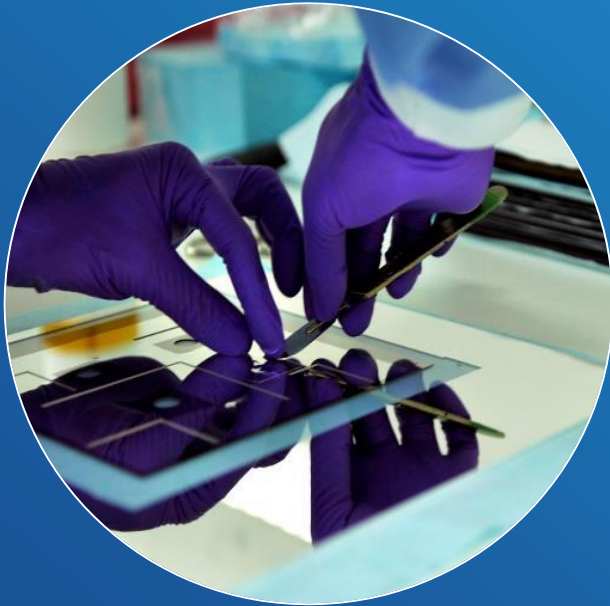
Further productivity gains



- Prefabrication and kitting
- New building systems
- Customer relationship
- Business models as a service

POST-CORONAVIRUS, RESHAPING OUR MARKETS WITH OUR STRATEGY

More innovation closer to the customer



- To reduce Time-to-market
- To predict demand with AI¹
- To adapt our solutions to post-coronavirus needs

Towards a green recovery



- To be at the heart of recovery plans
- To scale renovation for energy efficiency
- To secure our resources in a circular economy

A VALUE CREATION MODEL FOR TOMORROW

MISSION

Working for the well-being of each and the future of all

Assets

Multi-local and
global

Differentiated
solutions

Respected
and inspiring
brands

Innovation,
operational
excellence

Caring for
People and
Planet

Long-term vision shared with our stakeholders

SOLID PERSPECTIVES SUPPORTED BY OUR STRATEGY



Teams mobilized around the world



04 JUIN 2020

SAINT-GOBAIN ANNUAL GENERAL MEETING





Jean-Dominique SENARD

Lead Independent Director

04 JUNE 2020



LEAD INDEPENDENT DIRECTOR: 2019 REVIEW

1. **Key Board activities**
2. **Board's assessment**
3. **Principal other activities**

KEY BOARD ACTIVITIES IN 2019 (1/3)

GROUP ORGANIZATION AND STRATEGY

- Monitoring the execution of the Transform & Grow transformation plan: implementation of the new organizational structure, monitoring the progress of the cost reduction plan and the execution of the portfolio rotation
- At each Board meeting, including during its yearly seminar: analysis of the evolution of the Group's situation, presentation and review of the Group's strategic orientations or a specific aspect of the strategy
- Planned acquisitions (in particular Continental Building Products in the United States) and contemplated disposals (in particular Building Distribution in Germany) implemented as part of the Group's portfolio optimization strategy, one of the two pillars of the Transform & Grow program
- Benchmark with main competitors
- Capital allocation
- Digital transformation: follow-up on the implementation of the roadmap

KEY BOARD ACTIVITIES IN 2019 (2/3)

RISK MANAGEMENT

- Financial and non-financial risk mapping and risk management system (annual review)
- Cybersecurity
- Review of the main litigation proceedings and the evolving regulatory environment
- Compliance

KEY BOARD ACTIVITIES IN 2019 (3/3)

CORPORATE SOCIAL RESPONSIBILITY / CLIMATE ⁽¹⁾

- **Strong focus of the Board on climate change and CO₂ emissions reduction**
 - During the yearly strategic seminar: review of the initiatives in terms of climate change, CO₂ emissions and energy consumption reduction
 - **Saint-Gobain's objective:** playing a role in the fight against climate change
 - Reduction of CO₂ emissions (net-zero carbon emission by 2050, reducing emissions by 20% on iso-production by 2025 – base 2010)
 - Promotion of the contribution of Saint-Gobain solutions
- **Circular economy:** presentation to the Board and specific seminar held in 2019 with international experts
- **Safety:** presentation of the results at every Board meeting
- **Others:** diversity, CSR roadmap, biodiversity

⁽¹⁾ As from June 4, 2020, the CSR Committee, which will be chaired by Ms. Agnès Lemarchand, will replace the Strategy and CSR Committee

BOARD OF DIRECTORS AND COVID-19 IN 2020

- **2 exceptional meetings held in March and in April in addition to the 2 usual meetings, focused on the impact of the Covid-19 on the Group's situation and the steps taken to adapt to the reduction of activities due to the health situation**
- **Operational impact on the activities:** sites reorganization, priority given to the health of the employees when maintaining or resuming activities in an orderly manner according to local situations
- **Strengthening of the Group's liquidity**
- **Dividend**
- **Remuneration of the Executive corporate officers and the Directors**

2019 BOARD ASSESSMENT (1/2)

- **Conducted between September and November 2019, this year with the assistance of a specialized consulting firm**
- **Scope, as every year**
 - Operation of the Board and the Committees
 - Composition of the Board
 - Assessment of the individual contributions
- **Main conclusions**
 - **Operation of the Board:** positive opinion, very constructive discussions in 2019 in the context of the implementation of the Transform & Grow plan
 - **Composition of the Board:** balanced, varied and complementary experiences
 - **Potential future nominations:** consider increasing the internationalization, and continuing lowering the average age of the Board; maintain the proportion of Directors who hold or held office as executive in other large groups
 - **Explore the following topics in more detail:** climate issue and its strategic impact, value creation, stock price trends

2019 BOARD ASSESSMENT (2/2)

- **Conclusions on the combination or separation of the Chairman of the Board and CEO roles: confirmation of the combination (Chairman and Chief Executive Officer)**
 - Well suited to Saint-Gobain current situation and to the experience and highly transparent approach of the Chairman and Chief Executive Officer, helping to ensure more responsive and efficient corporate governance and strategy implementation
- **Balance of power insured**
 - High ratio of independent Directors (including the Committees' Chairmen)
 - Lead Independent Director
 - Role of the Chief Operating Officer
 - Executive sessions
 - Main shareholders' representatives (the employee shareholders' - the PEG corporate mutual fund and, until this General Meeting, Wendel)
 - Employee Directors
 - Prior approval of the Board for specific significant transactions
- **Usual governance structure in France**

PRINCIPAL OTHER ACTIVITIES IN 2019

- **Identification of conflicts of interests** (none) **and their management** (as the case may be)
- Examine the **independence status** of the Directors and of potential independent Directors
- **Succession plans** for the Chairman and Chief Executive Officer in the event of an unanticipated vacancy as well in the long-term
- **Executive sessions**
- **Meeting and engaging in dialogue with several shareholders** about Saint-Gobain's principles of governance



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JUNE 4TH 2020

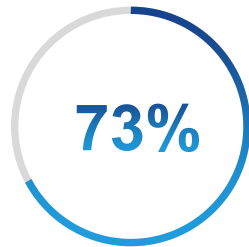
Anne-Marie IDRAC

Chairwoman of the Nomination
and Remuneration Committee

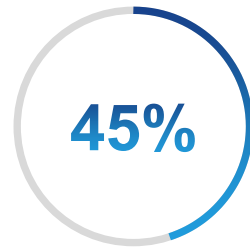


BOARD OF DIRECTORS

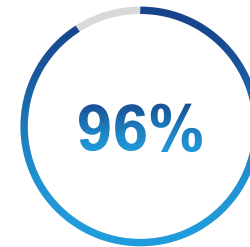
The Board of Directors comprises 14 members



Independent Directors,
Committee Chairmen all
independent



Women



Attendance rate



9 meetings



1 Lead Independent Director
2 Employee Directors
1 Director representing employee shareholders

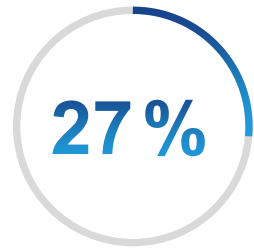


Average seniority
7.1 years



Compagnie de Saint-Gobain refers to the AFEP-MEDEF Corporate
Governance Code

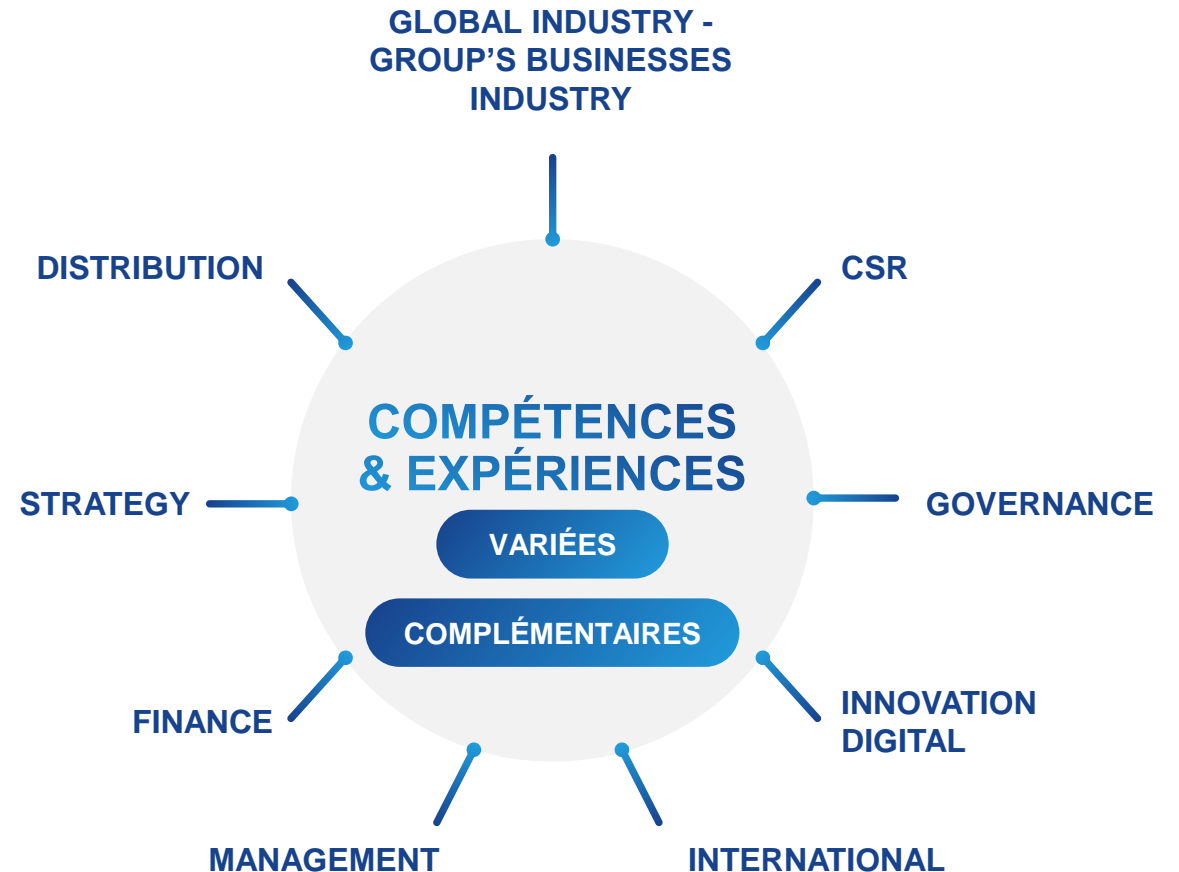
DIRECTORS' SKILLS AND EXPERIENCE (1/2)



Non-French Directors
(excluding employee Directors)



A majority of Directors has or has had a very strong international exposure: managing groups with a significant proportion of their activities, or exercising significant duties, outside France



See details on page 131 of the 2019 Universal Registration Document

DIRECTORS' SKILLS AND EXPERIENCE (2/2)

Diversity policy at the Board

In the context of future appointments (results of the Board's assessment conducted with a specialized consulting firm):

- Strengthen among its members **distribution, digital and e-commerce skills**
- Consider increasing **internationalization**
- Continue **lowering the average age** of the Board while maintaining a good balance between Directors with more seniority and more recently appointed Directors
- Maintain the proportion of **CEOs** who hold office in another large group or have such experience

The proposal to appoint Mr. Jean-François Cirelli and of Ms. Sibylle Daunis co-opted in March 2020) as Directors fully satisfies these objectives

BOARD OF DIRECTORS' COMMITTEES



Audit and Risk Committee



- 100 % attendance
- 4 meetings
- 100 % of independent Directors, including its Chairman, Mr. Philippe Varin



Nomination and Remuneration Committee



- 90 % attendance
- 3 meetings
- 75% of independent Directors, including its Chairwoman, Ms. Anne-Marie Idrac



CSR Committee



- As from June 4, 2020
- Integration of CSR topics in the Group's strategy
- Chaired by Ms. Agnès Lemarchand

CHANGES IN THE COMPOSITION OF THE BOARD OF DIRECTORS PROPOSED TO THE GENERAL MEETING (1/4)



Proposed renewal of Mr. Jean-dominique Senard as Independent director

- Chairman of the Board of Directors of Renault
- Lead Independent Director, Chairman of the Strategy and Corporate Social Responsibility until today
- Director since 2012, Mr. Jean-Dominique Senard brings in particular to the Board of Directors of Saint-Gobain **his in-depth knowledge of the Saint-Gobain Group**, within which he spent part of the beginning of his career, and **his expertise in strategy and finance as well as his experience as a manager of a major listed industrial group with an international dimension**
- Full biography on page 23 of the Notice of Meeting

CHANGES IN THE COMPOSITION OF THE BOARD OF DIRECTORS PROPOSED TO THE GENERAL MEETING (2/4)



Proposed renewal of Ms. Ieda Gomes Yell's term as independent Director

- Director and member of the Audit & Risk Committee of **Bureau Veritas**
Director and member of the Nomination and Corporate Governance Committee and of the Remuneration Committee of **Exterran Corporation** (United States) Director and Chairwoman of the Governance Committee of **InterEnergy Holdings**
Director and member of the Strategy Committee and of the Human Resources, Compliance and Sustainability Committee of **Prumo Logistica** (Brazil)
- **Independent Director, member of the Nomination and Remuneration Committee**
- Director since 2016, Mrs. Iêda GOMES YELL brings to the Board of Directors the **international and multicultural dimension** of her experience, **her knowledge of emerging markets**, particularly in Latin America, South Asia, the Middle East and Africa, **her management experience in a large international group and her financial skills**
- Full biography on page 22 of the Notice of Meeting

CHANGES IN THE COMPOSITION OF THE BOARD OF DIRECTORS PROPOSED TO THE GENERAL MEETING (3/4)



Proposed appointment of Mr. Jean-François Cirelli as new independent director

- President of **BlackRock France, Belgium, Luxembourg***
Senior Advisor of **Advent International**
Director of **Idemia**
- Mr. Jean-François Cirelli would contribute to the Board of Directors of Saint-Gobain **his experience as a former executive Director of GDF Suez** and his **experience in investments** as Senior Advisor of Advent International, his **in-depth knowledge of major international investors** in his capacity as Chairman of BlackRock France, Belgium and Luxembourg, one of the world's leading asset management companies, as well as his expertise in **finance, strategy and management**
- Full biography on page 25 of the Notice of Meeting

** Candidat administrateur à titre personnel ; ne représenterait pas BlackRock au Conseil*

CHANGES IN THE COMPOSITION OF THE BOARD OF DIRECTORS PROPOSED TO THE GENERAL MEETING (4/4)



Proposed appointment of Ms. Sibylle Daunis as director representing employee shareholders

- **Chief Executive Officer of PUM**, Saint-Gobain's distribution network in France specialized in the sale of products and solutions in synthetic materials for the construction and public works markets, with 210 branches throughout the country
- **Director representing employee shareholders co-opted on March 26, 2020**, to replace Mr. Jacques Pestre, who retired
- Ms. Sibylle Daunis brings to the Board of Directors **her in-depth knowledge of the Group**, within which she has been working for more than 15 years, especially in the distribution business, as well as **her experience in marketing, transformation and digital innovation**, given her particularly successful experience in the digitalization of the business she currently manages.
- Full biography on page 24 of the Notice of Meeting

GENERAL PRINCIPLES OF THE COMPENSATION POLICY OF THE EXECUTIVE CORPORATE OFFICERS

The compensation policy

- Is decided by the Board of Directors at the proposal of the Nomination and Remuneration Committee
- **Reflects the Group's strategy and aims at aligning the compensation of the Executive Corporate Officers with the Group's performance and the long-term interests of its shareholders**

The Board of Directors, with the Nomination and Remuneration Committee

- Ensures the remuneration complies **with the recommendations of the AFEP-MEDEF Corporate Governance Code** and meets transparency and performance measurement requirements
- Ensures the compensation of the Chairman and Chief Executive Officer evolves taking into account the **Group's performance and market practices**
- Takes into consideration **benchmarks** of CAC 40 companies comparable to Saint-Gobain in terms of sales, workforce and international scope of operations

CSR commitments of the Group

- Are one of the qualitative objectives of the Executive Corporate Officer's variable compensation (since 2013 for the Chairman and Chief Executive Officer)
- Are part of the criteria applicable to the long-term compensation since 2017

UPON PROPOSAL OF THE EXECUTIVE CORPORATE OFFICERS, REDUCTION OF THEIR REMUNERATION TO BE PAID IN 2020

In the context of the coronavirus pandemic, in order to show solidarity with the efforts of the Group's employees and its stakeholders who are suffering the effects of an unprecedented crisis, Mr. Pierre-André de Chalendar and Mr. Benoit Bazin decided, in March 2020, **to waive 25 % of:**

The **variable compensation in respect of 2019** to be paid after approval of the Shareholders' Meeting

Their **fixed compensation for 2020**

for the period during which employees of the Saint-Gobain Group will be in partial activity as part of the emergency measures taken by the French Government to halt the spread of the coronavirus pandemic.



The amounts corresponding to the reduction in remuneration will be donated by Saint-Gobain to the **Paris public hospitals foundation** (Fondation de l'Assistance Publique -Hôpitaux de Paris, AP-HP)



The Nomination and Remuneration Committee and the Board took note of this decision at their meetings on April 22 and 23, 2020 and unanimously welcomed it. They consequently reduced the amount of remuneration due.



Upon the proposal of Mr. Benoît Bazin and in the same spirit of solidarity, the increase from **120% to 150% of the ceiling of his annual variable compensation for 2020, initially decided in February 2020, was cancelled.** The Board of Directors had in fact noted the successful implementation by the Chief Operating Officer of the Transform & Grow plan - the objectives set having been met or exceeded - and that the new organization had been implemented in an effective and sustainable manner. This level placed it at the median of the benchmark of similar large companies in terms of turnover, workforce and international footprint.

REDUCTION OF THE COMPENSATION OF THE DIRECTORS FOR 2020 AND SOLIDARITY OF THE SAINT-GOBAIN MANAGERS



In the same spirit of solidarity as the corporate executive officers, the Board of Directors decided, at its meeting of 23 April 2020, to join their efforts by **also reducing by 25% the amount of compensation that will be due to the Directors for the same period** - during which Group employees will be in partial activity as part of the emergency measures taken by the French Government to halt the spread of the coronavirus pandemic.

Saint-Gobain will donate the amounts corresponding to the reduction in remuneration to **charitable organizations whose purpose is to support fragile populations affected by the coronavirus**.



The managers, whether or not members of the Executive Committee, were invited to follow on a voluntary basis the solidarity initiative initiated by Mr. de Chalendar and Mr. Bazin, by donating the equivalent of what it **would mean for them to be placed on short-time working in France during the crisis**.

Similarly, each country CEO, depending on the modalities, rules and sacrifices that may be required in their different countries, was invited to reflect on how to implement a mechanism that would show the **solidarity of managers at these critical moments; this resulted in local initiatives, on a voluntary basis, which were widely deployed within the Group**.

SUMMARY OF COMPENSATION COMPONENTS PAID OR GRANTED TO MR. PIERRE-ANDRÉ DE CHALENDAR IN RESPECT OF 2019

(SAY ON PAY EX POST)

(in euros, before social charges and income tax)

FISCAL YEAR 2019

FISCAL YEAR 2018

Fixed compensation	1,200,000	1,200,000
Annual variable compensation	1,536,630 ⁽¹⁾	1,110,644
Total compensation (in cash)	2,736,630 ⁽¹⁾	2,310,644
Performance shares (IFRS valuation)	90,000 shares, i.e. 1,803,267 ⁽²⁾	67,000 shares, i.e. 1,090,961
Stock options (IFRS valuation)	-	58,000 shares, i.e. 109,148
Benefits in kind (company car)	3,673	3,673

The fixed compensation is commensurable with the Chairman and Chief Executive Officer's experience and responsibilities

⁽¹⁾ Before taking into account the reduction of 25% of this amount, for the months during which the Group's employees are subject to partial activity as part of the emergency measures taken by the French Government to halt the spread of the coronavirus pandemic

⁽²⁾ IFRS valuation on the grant date which is November 21, 2019

SUMMARY OF COMPENSATION COMPONENTS PAID OR GRANTED TO MR. BENOIT BAZIN IN RESPECT OF 2019

(SAY ON PAY EX POST)

(in euros, before social charges and income tax)

FISCAL YEAR 2019

Fixed compensation	750,000
Annual variable compensation	677,925 ⁽¹⁾
Total compensation (in cash)	1,427,925 ⁽¹⁾
Performance shares (IFRS valuation)	45,000 share, i.e. 901,634 ⁽²⁾
Benefits in kind (company car)	1,755

The fixed compensation is commensurable with the Chief Operating Officer's experience and responsibilities

⁽¹⁾ Before taking into account the reduction of 25% of this amount, for the months during which the Group's employees are subject to partial activity as part of the emergency measures taken by the French Government to halt the spread of the coronavirus pandemic

⁽²⁾ IFRS valuation on the grant date which is November 21, 2019

ANNUAL VARIABLE COMPENSATION OF MR. PIERRE-ANDRÉ DE CHALENDAR AND MR. BENOIT BAZIN IN RESPECT OF 2019

(SAY ON PAY EX POST)

Cap: 170% and 120% of the fixed compensation for the CEO and COO respectively

Quantifiable objectives (2/3, each accounting for 1/4)
assess the Group's operational and financial performance

Qualitative objectives (1/3)
reflect the Group's strategic orientations

ROCE

Group operating income

Group recurring net income per share

OFCF

Achievement rate: 121 % against the target

Continuation of the Group's digital transformation

Implementation of the CSR policy

Continuation of the Group's development strategy

Achievement rate: 125% against the target

Overall achievement rate: 122% against the target ⁽¹⁾

The variable compensation encourage the achievement of the Group's annual financial and non-financial objectives

⁽¹⁾ For more details please refer to page 150 of the URD

LONG TERM COMPENSATION GRANTED TO MR. PIERRE-ANDRE DE CHALENDAR AND MR. BENOIT BAZIN IN 2019

(SAY ON PAY EX POST)

M. Pierre-André de Chalendar

M. Benoit Bazin

Performance condition

- Saint-Gobain Group ROCE: 65%
- Performance of the stock price versus the CAC 40 stock market index: 20%
- CSR: 15%

Caps

85 % of the total maximum gross compensation (as in 2018 for the CEO)

10% of the General Meeting's cap of the authorization to grant performance shares (combined grants for CEO and COO)

10% of the overall grant of performance shares and performance units

5% of the overall grant of performance shares and performance units

-

50 % of the CEO's grant

Number of instruments (November 21, 2019 grant)

0 to 90,000

0 to 45,000

Vesting date

November 20, 2023

IFRS value (in euros) ⁽¹⁾

1,803,267

901,634

Service condition

yes

Prohibition to hedge the risk

yes

Demanding obligations to hold Saint-Gobain shares

5 years of gross fixed compensation

years of gross fixed compensation

Long-term compensation encourages financial and non-financial value creation over the long-term

⁽¹⁾ IFRS value on the grant date which is November 21, 2019

2020 COMPENSATION POLICY FOR THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER AND FOR THE CHIEF OPERATING OFFICER (1/3)

(SAY ON PAY EX ANTE)

Chief Executive Officer

Chief Operating Officer

Fixed compensation		1,200,000 € ⁽¹⁾	750,000 € ⁽¹⁾
		Compensation level at the median of CAC 40 industrial companies comparable to Saint-Gobain in terms of size (sales, workforce or international footprint)	
Annual variable compensation	Cap	170% of his fixed compensation (base: € 1,200,000)	120% of his fixed compensation ⁽²⁾ (base: € 750,000)
	Allocation	2/3 quantifiable, 1/3 qualitative ⁽³⁾	
Long-term compensation	Cap	85% of their 2019 total maximum gross compensation (fixed + maximum variable)	
	Prorata	Mandatory if the Board decides to exempt the executive corporate officer from the service condition in the event of departure	

⁽¹⁾ Before taking into account the reduction of 25% of this amount, for the months during which the Group's employees are subject to partial activity as part of the emergency measures taken by the French Government to halt the spread of the coronavirus pandemic

⁽²⁾ In the same spirit of solidarity, on the proposal of Mr. Benoît Bazin, the Board of Directors decided that the cap on the annual variable compensation of the Chief Operating Officer for 2020 will remain capped, as in 2019, at 120% of his fixed compensation (€750,000) and will not be increased to 150% as initially decided by the Board on February 27, 2020

⁽³⁾ See next slide for more details

2020 COMPENSATION POLICY FOR THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER AND FOR THE CHIEF OPERATING OFFICER (2/3)

(SAY ON PAY EX ANTE)

Quantifiable objectives (2/3) mesurent la performance opérationnelle et financière du Groupe	Qualitative objectives (1/3) reflect the Group's strategic orientations
OFCF (40%) ⁽¹⁾	Further evolution of the portfolio rotation
Group operating income (20%) ⁽¹⁾	Further implementation of the Transform & Grow plan and the Group's digital transformation
Group recurring net income per share (20%) ⁽¹⁾	Implementation of the CSR policy
ROCE (20%) ⁽¹⁾	Management of the coronavirus crisis ⁽²⁾

The variable compensation encourage the achievement of the Group's annual financial and non-financial objectives

⁽¹⁾ In its April 23, 2020 meeting, in view of the priority actions to be carried out in 2020 in relation with the coronavirus crisis in terms of liquidity and cash management, the Board decided, based on the recommendations of the Nomination and Remuneration Committee, to maintain the quantifiable objectives already set but with a different weighting i.e. 40% for the operating Free Cash Flow objective and 20% for each of the other quantifiable objectives (vs 25% as previously set)

⁽²⁾ In its April 23, 2020 meeting, the Board decided, based on the recommendations of the Nomination and Remuneration Committee, to add to the existing qualitative objectives the following fourth qualitative objective: management of the coronavirus crisis (protection of the health of the Group employees and stakeholders working on its sites, continuity of the operations depending on local conditions; solidarity with the Group's stakeholders)

2020 COMPENSATION POLICY FOR THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER AND FOR THE CHIEF OPERATING OFFICER (3/3)

(SAY ON PAY EX ANTE)



No amendments to the related party agreements and indemnities due or likely to be due in the event of termination of the CEO and COO's respective duties (except in respect of the closure of the supplementary pension scheme from which the COO benefits in particular as at 31 December 2019)



No deferred variable compensation

No multi-annual variable compensation

No exceptional compensation

No compensation for a directorship in a Group company

2020 COMPENSATION POLICY FOR DIRECTORS

(SAY ON PAY EX ANTE)

Total annual compensation: 1.1 million euros

Allocation rules	To each Director	Chair of a Committee	Member of a Committee
Annual fixed compensation	€24,750	€5,500	€2,750
Variable compensation <i>(per session, if effective presence)</i>	€3,300	€2,200	€2,200

- The CEO does not receive any compensation in respect of his role as a Director.
- Half-yearly payments in arrears; distribution of any available balance at the beginning of the following year in proportion to the variable compensation allocated to the members of the Board of Directors
- The Lead Independent Director did not wish to receive any compensation for this position.
- In the context of the coronavirus pandemic: **waiver of 25% of the amount of the remuneration that will be due to the Directors** for the period during which Group employees are subject to partial activity as part of the emergency measures taken by the French Government to halt the spread of the coronavirus pandemic.



The amounts corresponding to this reduction in remuneration will be donated by Saint-Gobain to charitable organizations whose purpose is to support fragile populations affected by the coronavirus.



04 JUIN 2020

SAINT-GOBAIN ANNUAL GENERAL MEETING





STATUTORY AUDITORS' REPORTS



SAINT-GOBAIN

REPORTS ON THE FINANCIAL STATEMENTS

REPORTS ON THE CONSOLIDATED FINANCIAL STATEMENTS AND ON THE PARENT COMPANY FINANCIAL STATEMENTS
(pages 294 to 299 and 327 to 330 of the 2019 universal registration document respectively)

1ST AND 2ND RESOLUTIONS OF THE ORDINARY SHAREHOLDERS' MEETING

PURPOSE

- Obtain reasonable assurance that the financial statements and information contained therein give a true and fair view of the Group and parent company
-

OPINION ON THE FINANCIAL STATEMENTS AND SPECIFIC VERIFICATIONS

- Unqualified opinion on the consolidated financial statements with an emphasis of matter concerning the change of accounting policies due to the first-time adoption of the standard IFRS 16 – “Leases”
-
- Unqualified opinion on the parent company financial statements
-
- The information given in the management report of the Board of Directors and in the Notes to the financial statements is appropriate

REPORTS ON THE FINANCIAL STATEMENTS

JUSTIFICATION OF OUR ASSESSMENTS

CONSOLIDATED FINANCIAL STATEMENTS

KEY AUDIT MATTERS

- Measurement of goodwill, intangible assets and property, plant & equipment
- Measurement of provisions for liabilities and litigation related to asbestos
- Measurement of supplier discounts in Distribution
- First-time adoption of IFRS 16 – “Leases”

MAIN SPECIFIC PROCEDURES

- Understanding the procedures implemented for impairment testing, including the impact of the first-time adoption of IFRS 16 on these tests, verifying the effectiveness of the controls performed by Management, carrying out an independent analysis of certain key assumptions and examining, for a selection of cash generating units, the calculation parameters used by Management especially with regard to the new organization implemented at January 1, 2019
- Understanding the method applied when measuring the corresponding provisions, reviewing internal analyses and external legal or technical opinions and assessing the appropriateness of the data used and the positions made by Management
- Understanding the method applied when measuring the accrued supplier discounts, assessing on a multi-year basis the consistency of the supplier discount rates and verifying, through a sample, the calculation of supplier discounts obtained
- Understanding the procedures implemented by Management for the first-time adoption of IFRS 16, verifying the effectiveness of the controls performed by Management, testing the information system used to calculate the accounting impacts and agreeing, through a sample, the information collected to measure the right-of-use assets and the lease liabilities with the data in the lease contracts

REPORTS ON THE FINANCIAL STATEMENTS

JUSTIFICATION OF OUR ASSESSMENTS

	KEY AUDIT MATTER	MAIN SPECIFIC PROCEDURES
PARENT COMPANY FINANCIAL STATEMENTS	<ul style="list-style-type: none">Measurement of financial investments	<ul style="list-style-type: none">Assessing the procedures implemented for impairment testing, verifying the effectiveness of the controls performed by Management, carrying out an independent analysis of certain key assumptions and examining, for a selection of investments, the calculation parameters used by Management

OTHER REPORTS

SPECIAL REPORT ON RELATED PARTY AGREEMENT

(pages 184 to 187 of the 2019 Universal Registration Document)

- Agreements to be submitted for the approval of the Annual General Meeting:
 - No agreement authorized and concluded during the year to be submitted for the approval of the Annual General Meeting
- Agreements previously approved by the Annual General Meeting:
 - 1 agreement remained in force but was not implemented during the year

REPORT BY ONE OF THE STATUTORY AUDITORS, APPOINTED AS AN INDEPENDENT THIRD PARTY, ON THE NON-FINANCIAL STATEMENT INCLUDED IN THE MANAGEMENT REPORT

(pages 351 to 352 of the 2019 Universal Registration Document)

- We have no matter to draw to your attention regarding this report



04 JUIN 2020

SAINT-GOBAIN ANNUAL GENERAL MEETING





04 JUIN 2020

SAINT-GOBAIN ANNUAL GENERAL MEETING

Q&A SESSION





04 JUIN 2020

SAINT-GOBAIN ANNUAL GENERAL MEETING





04 JUIN 2020

SAINT-GOBAIN ANNUAL GENERAL MEETING

