



Communication on Progress 2020





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. The Group’s Chairman and CEO, Pierre-André de Chalendar, is a member of the Board of the Global Compact France. He also took a position on the subject of resilience in the face of the Covid-19 crisis. You can find his speech here: https://app.videopeel.com/v/ka51k16t?_cid=2057&_tid=2627

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

- SDG** *SDGs aligned with the strategy*
- SDG** *SDGs moderately aligned with the strategy*
- SDG** *Non-priority SDGs*



This report is based on Saint-Gobain’s Universal Registration Document for the financial year 2020, available at: https://www.saint-gobain.com/sites/sgcom.master/files/sgo2020_urd_en_mel_210326.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 2020, Chapter 1, Section 2.4).

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 General Secretary 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 2020, Chapter 2, Section 2.2.1.2

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 2020, Chapter 1, Section 2.3

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 2020, 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 means of mobilization for human rights due to their reference to international conventions, particularly the International Charter for Human Rights and the applicable conventions of the International Labor Organization. In addition, Saint-Gobain launched a human rights policy in 2019. It identifies salient human rights risks and establishes corresponding action plans (https://www.saint-gobain.com/sites/sgcom.master/files/politique_dh_va.pdf).

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 2020, Chapter 3, Section 1.7

Criterion 4: The CoP describes effective management systems to integrate the Human Rights principles

The main issues facing Saint-Gobain related to respect for human rights are identified according to the United Nations reporting guidelines 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 selected by Saint-Gobain to identify the risks of actual or potential negative impacts is based on the recommendations of the United Nations,

particularly those relating to the Guiding Principles on Business and Human Rights. It is also based 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 followed the protocols promoted by the Danish Institute for Human Rights and resulted in a mapping of the risks related to the Group's activities. The mapping of risks related to the supply chain and respect for human rights is described in the section on responsible purchasing (URD 2020 Chapter 3, Section 1.5).

The risk mapping covers the nature of the risks linked to activities and risks linked to the countries in which the Group operates. The risks linked to activities were identified jointly between the CSR teams and the local management teams.

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 risks associated with health and safety at work is described in URD 2020 Chapter 3, Section 3.2, and risks associated with respect for the environment in URD 2020 Chapter 3, Section 4.1.3.

The management of corruption risks is described in URD 2020 Chapter 3, Section 1.3.1. The Group's anti-corruption policy was revised in 2020 and published on its website.

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 2020, Chapter 3, Section 1.2.1).

Criterion 5: The CoP describes effective monitoring and evaluation mechanisms of Human Rights integration



At Group level, the compliance program and the internal audit procedures monitor the evaluation and control of the respect for human rights principles.

In addition to these measures, which affect all Saint-Gobain entities, a self-assessment questionnaire to identify risk management programs about respect for employee rights was sent to countries identified as being at risk. It confirmed that the procedures

relating to salient matters for Saint-Gobain in the field of human rights were being applied.

All of our public reporting for 2020 in the area of human rights can be found in Chapter 4, Section 2.4.3 of our URD. In particular, since 2014, the Group has increased the collection of information on discrimination. The Group's alert systems are finally also designed to collect human rights violation reports.



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 (https://www.saint-gobain.com/sites/sgcom.master/files/pca_-_nouvelle_version_ajout_oit_-_juin_2021.pdf) 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

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 Chairman and CEO of Saint-Gobain chairs the Group Committee (the authority representing employees at Group level in France) and hosts central union coordinators meet at least once a year. At the European level, the Chairman and CEO chairs the Convention for European Social Dialogue which brings together 70 union

representatives from 27 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 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.

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 favour 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. 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 2020 Chapter 3, Section 3.3.1).

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 4.0 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 2020, Chapter 3, Section 3.3 and Chapter 4, Section 2.4).

Launched on January 1, 2020, CARE by Saint-Gobain is a social protection program for all Group employees and their families. The cover 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, and the aim is for all countries worldwide to be covered by the end of 2022. Parenthood measures were rolled out in 2020, and all Saint-Gobain employees currently enjoy minimum guaranteed parental leave at their full salaries. The minimum applicable cover is:

- 80% cover of everyday healthcare costs (physician and hospitalization) for the employee's family;
- 14 weeks of maternity leave with full pay;
- 3 days of paternity leave with full pay;

- Capital representing one year's salary for the employee.

➤ URD 2020, Chapter 3, Section 3.3.2

Furthermore, The Group has set up a target for 2021 for the Group accident frequency rate (TRAR) for employees, temporary workers and permanent subcontractors of 1,8.

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 2020, Chapter 4, Section 2.4.



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 2020, Chapter 3, Section 2.3).

Saint-Gobain is engaged in several partnerships for the climate and the environment: The Paris Call for action, 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 (“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 strategy 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.

The eco-innovation approach, based on Life Cycle Assessment (LCA), is developed within the Group with a view to understanding the market and seeking solutions. Based on an innovative and rigorous methodology, the SCORE tool enables the assessment of construction products against sustainable performance criteria, taking into account 21 indicators, grouped into five core categories identified by stakeholders as high-priority: energy and climate, health, materials and circular economy, water, and local value creation.



SCORE was enhanced in 2017 and is currently being rolled out across specific Group sites.

- URD 2020, Chapter 3, Section 2.1

Saint-Gobain set two internal carbon price levels in 2016. 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 2020, Chapter 4, Section 2.4).

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;
- the Group's insulation solutions produced and sold throughout the World in 2016 have generated, across their lifespan, a potential cumulated net prevention of over 1,200 million tons equivalent CO₂;
- 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 Chapter 4, Section 2.4 of the URD 2020.



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

The Group has since then set up a program to prevent the risks of corruption and influence peddling, including strict compliance with the principle of zero tolerance. This program is based on:

- risk mapping;
- policies and procedures;
- training sessions, in particular the e-learning course called "ACT", are taken by all managers when they are onboarded;
- communication actions;
- audits conducted internally or by external service providers.

In 2020, the Group publicly disclosed the new version of its anti-corruption policy. 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 risks are likely to materialize, such as gifts and invitations, conflicts of interest, recruitment, mergers and acquisitions, or the validation of intermediaries. This policy is largely illustrated by concrete examples showing what is authorized or prohibited in the practice of professional life. It restates the fundamental principle: the fight against corruption assumes a principle of "zero tolerance".

- URD 2020, Chapter 3, Section 1.3.1

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.

- URD 2020, Chapter 3, Section 1.3



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" and through Pierre-André de Chalendar's frequent speeches. In his words, "Providing a combination of integrated solutions is the best way of helping our customers make the energy and low-carbon transition". "Carbon neutrality is a formidable challenge for our industrial processes and our business model in general." (https://www.saint-gobain.com/sites/sgcom.master/files/rastg20_gb_web.pdf). In this way, the Group seeks to fully integrate sustainable development issues into its business sector.

In 2019, Saint-Gobain formalized its support for the "Business Ambition for 1.5°C" initiative driven by the Global Compact (on the partnership with the Global Compact, see URD 2020 Chapter 3, section 1.6.2). 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 by 20% between 2010 and 2025. 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 2020, Chapter 3, Section 1.6.2
- URD 2020, Chapter 2, Section 1.1.1

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 specific to a particular Group activity 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 the SDG (URD 2020, Chapter 4, Section 2.2).

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 2008-2020, 281 projects received funding, with 37 in 2020. 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 2020, Chapter 3, Section 4.3.2

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 2020, two internal carbon prices have been introduced to support the viability of the Group's projects and strategy (URD 2020, Chapter 3, Section 4.1.4.2).



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.

Saint-Gobain is a member of various initiatives and coalitions, and in particular has been a member of the LEVEL(S) steering committee for over two years.

The committee is an instrument developed by the European Commission in conjunction with the industry and the public sector and aims to establish a "common language" for sustainable construction, in order to take it beyond energy efficiency. The European Commission launched the pilot phase of LEVEL(S) in December 2017, which continued in 2020.

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 2020, Chapter 3, Section 4.1.6



Corporate sustainability governance and leadership

Criterion 19: The CoP describes CEO commitment and leadership

CSR is fully integrated into the strategy by the Group's top management. Pierre-André de Chalendar renewed his commitment to sustainable development in 2020 by stating:

“2020 saw the completion of two emblematic projects that will help build a more sustainable world: the collective endeavor to express our Company's purpose – Making the World a Better Home – which illustrates our ambition to improve the lives of all by making the planet a fairer, more harmonious and more sustainable living space; and the development of our roadmap to carbon neutrality by 2050. The roadmap sets out milestones for reducing our CO₂ emissions by 2030 and is supported by ambitious action plans by country and at Group level.”

- URD 2020, “A Message from Pierre-André de Chalendar, Chairman and CEO of Saint-Gobain”

Criterion 20: The CoP describes Board adoption and oversight

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

Under the aegis of the Board of Directors, a CSR dashboard lists the key issues for the Group, their indicators and the objectives to be met at the short-/medium-term. A CSR roadmap has been launched in 2019 presenting the key challenges for the Group and the approach, the tools, the objectives and indicators associated with them. The CSR roadmap's update, initiated in 2020, will be finalized in 2021 thanks to the designation of mid- and long-term goals.

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 (see URD 2020, Chapter 2, Section 2.2).

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 2020 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 2020, Chapter 2, Section 2.2.1.2