

# Welcome to your CDP Water Security Questionnaire 2021

## W0. Introduction

### W0.1

#### **(W0.1) Give a general description of and introduction to your organization.**

With 38,128M€ of sales in 2020, 167,552 employees and an industrial presence in 70 countries, Saint-Gobain is a worldwide leader in the habitat and construction markets. Indeed, 80% of the Group's sales occur in the construction markets, including new construction, renovation, civil engineering and infrastructure with our products made of flat glass, mineral wool, plasterboard, exterior wall and floor coating mortars. We help to make buildings more energy efficient for the end user. The rapid exponential growth in infrastructure needs and increasing demand for energy-efficient solutions represent valuable opportunities for Saint-Gobain. Our Company's purpose – Making the World a Better Home – illustrates our ambition to improve the lives of all by making the planet a fairer, more harmonious and more sustainable living space.

In construction markets where products and services are supplied locally and mostly have short distances to cover, the structure of the Group is organized per country and regions (Northern Europe; Southern Europe, Middle-East, Africa; Americas; Asia-Pacific) so that Saint-Gobain can meet the specific needs of each local market. Apart from the construction markets, the Group provides a range of high performant solutions through different BUs (Mobility with glass for automotive, Life sciences, Construction Industry, Abrasives, Composite Systems and Ceramics).

In order to continuously improve its processes and products, Saint-Gobain invests heavily in R and D. For the past ten years, the Group has been ranked in the Top 100 Innovators by Clarivate.

To showcase and monitor its strong engagement towards sustainability, Saint-Gobain has set for itself a number of ambitious targets in the areas of environment including water consumption. In 2020 the group has set its objective for 2030 in addition to the existing one for 2025. As a reminder our 2025 Objectives consist of a reduction of 80% of our water discharge compare to 2010 data ( at isoproduction) while 2030 objectives consist to reduce by 50% our water withdrawal and achieve a zero water discharge in extremely high water risk area ( as define by the WRi and Aqueduct tool)

In addition, in 2020 the Group has continued to work on its "Focus Site program" to accompanied the site that contribute to 80% of the Group environmental indicator. In 2020, 43

sites representing 80% of the water discharge of the Group and have been requested to set short, medium and long term action plan to reduce their impact.

Finally, Saint-Gobain WCM program is based on eight pillars representing a center of excellence. The Quality, Industrial performance and Environment pillars contribute significantly towards reducing the Group’s environmental footprint by reducing water consumption and by optimizing water efficiency.

With regard to sustainable development and Corporate Social Responsibility, Saint-Gobain is also included on the MSCI World ESG Leaders, STOXX® Global ESG Leaders, Ethibel’s ESI Excellence Global, Ethibel’s ESI Excellence Europe and FTSE4Good indices and the Dow Jones Sustainability Index.

Please check our 2020 Universal Registration Document for more details : [https://www.saint-gobain.com/sites/sgcom.master/files/sgo2020\\_urd\\_en\\_mel\\_210326.pdf](https://www.saint-gobain.com/sites/sgcom.master/files/sgo2020_urd_en_mel_210326.pdf)”

## W0.2

**(W0.2) State the start and end date of the year for which you are reporting data.**

	Start date	End date
Reporting year	January 1, 2020	December 31, 2020

## W0.3

**(W0.3) Select the countries/areas for which you will be supplying data.**

- Albania
- Argentina
- Australia
- Austria
- Belgium
- Bhutan
- Botswana
- Brazil
- Bulgaria
- Canada
- Chile
- China
- Colombia
- Czechia
- Denmark
- Egypt
- Estonia
- Finland
- France
- Germany
- Ghana
- Greece
- Hungary
- India

Indonesia  
Ireland  
Italy  
Japan  
Jordan  
Kuwait  
Latvia  
Lebanon  
Lithuania  
Luxembourg  
Malaysia  
Mexico  
Morocco  
Netherlands  
New Zealand  
Norway  
Oman  
Peru  
Poland  
Portugal  
Qatar  
Republic of Korea  
Romania  
Russian Federation  
Saudi Arabia  
Serbia  
Singapore  
Slovakia  
Slovenia  
South Africa  
Spain  
Sweden  
Switzerland  
Thailand  
Turkey  
United Arab Emirates  
United Kingdom of Great Britain and Northern Ireland  
United Republic of Tanzania  
United States of America  
Venezuela (Bolivarian Republic of)  
Viet Nam  
Zimbabwe

## **W0.4**

**(W0.4) Select the currency used for all financial information disclosed throughout your response.**

EUR

## W0.5

**(W0.5) Select the option that best describes the reporting boundary for companies, entities, or groups for which water impacts on your business are being reported.**

Companies, entities or groups over which operational control is exercised

## W0.6

**(W0.6) Within this boundary, are there any geographies, facilities, water aspects, or other exclusions from your disclosure?**

Yes

### W0.6a

**(W0.6a) Please report the exclusions.**

Exclusion	Please explain
Distribution sites	Distribution sites are not considered as material in our reporting boundaries as in these locations water is used only for sanitary purposes for a small number of employees. The volume of these sites are a small fraction of Saint-Gobain total water consumption.

## W1. Current state

### W1.1

**(W1.1) Rate the importance (current and future) of water quality and water quantity to the success of your business.**

	Direct use importance rating	Indirect use importance rating	Please explain
Sufficient amounts of good quality freshwater available for use	Important	Important	<p>Direct: Sufficient quantity and quality of fresh water is necessary as many of our plants require water for processing and cooling, which is why we selected the use rating of important. For example, water is used as a raw material in some of our processes. For instance, in the gypsum activity, water is used in the production process of plasterboards in which the water purity is key to obtain a good quality product.</p> <p>Indirect : Sufficient quantity and quality of fresh water is also necessary for our supplier including our energy producers.</p>

			<p>When we conduct the Life Cycle Assessment of our products, we quantify the water used in our operation (Direct use) but also the water used to produce the energy to run our processes and the water used to produce the raw materials that we buy and transform (Indirect use). For example, if we consider the whole consumption of water to manufacture a regular plasterboard (direct and indirect use from cradle to gate), around 35% corresponds to the water used directly in our plant, around 35% comes from the production of energy used in our process and 30% is coming from the production of the raw materials that we use.</p> <p>Future trend: We do not expect a change in future dependency for direct/indirect since our supplier processes and our activities will remain the same.</p>
<p>Sufficient amounts of recycled, brackish and/or produced water available for use</p>	<p>Important</p>	<p>Important</p>	<p>Direct: Using recycled water reduces fresh water consumption. As the water cycle is expected to be impacted due to climate change, availability of a sufficient amount of water is important for our businesses.</p> <p>For example, both the glass and the pipe activities use furnace at very hot temperature, and need sufficient amounts of accessible water to cool them. If water is no longer available, the equipment could be damaged and the activity interrupted. For this reason, water recycling is strongly encouraged in all our sites and more specially on the one located in high water risk area. The percentage of water reused in production processes through internal recycling systems is about 85 %.</p> <p>These are important aspects of the production process, which is why we chose the use rating of important.</p> <p>Indirect: When we conduct the Life Cycle Assessment of our products, we quantify the water used in our operation (Direct use) but also the water used to produce the energy to run our processes and the water used to produce the raw materials that we buy and transform (Indirect use). For example, if we consider the whole consumption of water to manufacture a regular</p>

			<p>plasterboard (direct and indirect use from cradle to gate), around 35% corresponds to the water used directly in our plant, around 35% comes from the production of energy used in our process and 30% is coming from the production of the raw materials that we use which is why we chose the use rating of important. It is difficult to track recycled water in our supply chain. We try, through the suppliers Charter that explains Saint-Gobain's requirements and suppliers' obligations in the area of corporate social responsibility, to encourage suppliers to adopted a water policy in order to reduce their water consumption and water recycling is one of the possible means. Future trend: We do not expect a change in future dependency for direct/indirect since our supplier processes and our activities will remain the same.</p>
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## W1.2

**(W1.2) Across all your operations, what proportion of the following water aspects are regularly measured and monitored?**

	% of sites/facilities/operations	Please explain
Water withdrawals – total volumes	100%	100% of sites monitors at least monthly their water withdrawal data through a combination of invoice and meters. All our production facilities consolidate their monthly or weekly measurement or their invoices to report annual quantities their water withdrawals into the Group reporting tool in m3. To ensure a common understanding of the definitions in the context of the data collection method, training is organized for all contributors, once a year, before the launch of the data collection campaign.
Water withdrawals – volumes by source	100%	100% of sites monitored at least monthly their water withdrawal data by source: City water (utility bills); groundwater (estimated or measured); Rainwater (estimated or measured), Surface water (measured), Other water supplied by truck or any other means of transport (invoices). All our production facilities consolidate their monthly or weekly measurement or their invoices to report annually quantities of their water withdrawals by source into the Group reporting tool in m3. To ensure a common

		understanding of the definitions in the context of the data collection method, training is organized for all contributors, once a year, before the launch of the data collection campaign.
Water withdrawals quality	100%	100% of sites monitored their water withdrawal quality in compliance with national, state, and local regulations and permits. The water sourced from municipal supplier is often monitored by the municipalities. Water withdrawn from ground or surface water are tested with external laboratory in compliance with regulation requirement. For instance, in the gypsum activity, water is used in the production process of plasterboards in which the water purity is key to obtain a good quality product. The measures including PH, TDS, BOD, and COD are not reported at Group Level. The frequency of the monitoring on site depends on regulation requirement, site's water management process or of the contract signed with the water supplier.
Water discharges – total volumes	100%	100% of sites monitors at least monthly their water discharge data. All our production facilities consolidate their monthly or weekly measurement or their invoices to report annually quantities their water discharges into the Group reporting tool.in m3. To ensure a common understanding of the definitions in the context of the data collection method, trainings are organized for all contributors, once a year, before the launch of the data collection campaign.
Water discharges – volumes by destination	100%	100% of sites monitored at least monthly their water discharged data by destination: Natural environment (estimation/calculation); municipal sewage system including our on-site waste water treatment plant (invoices); other water discharge including water removed by truck or send to another company including Saint-Gobain entity. All our production facilities consolidate their monthly or weekly measurement or their invoices to report annually quantities their water discharges by destination into the Group reporting tool in m3. . To ensure a common understanding of the definitions in the context of the data collection method, trainings are

		organized for all contributors, once a year, before the launch of the data collection campaign.
Water discharges – volumes by treatment method	Not monitored	We do not collect any data on these water aspects across your operations.
Water discharge quality – by standard effluent parameters	76-99	Our industrial sites comply with national, state, and local regulations and permits regarding water withdrawals and wastewater discharges. Water discharge quality effluent monitoring is on a site-by-site basis. but not consolidated at Saint-Gobain level because it depends on the type of activity and local regulation requirement. Where no regulation exists, a discharge analysis (temperature, pH, SS, BOD5, COD and THC), is requested at least once per year for those who discharge into the natural environment (more if requested by regulation). This analysis should be performed by a recognized laboratory.
Water discharge quality – temperature	100%	Our industrial sites comply with national, state, and local regulations and permits regarding water withdrawals and wastewater discharges. Water discharge quality effluent monitoring is on a site-by-site basis. but not consolidated at Saint-Gobain level because it depends on the type of activity and local regulation requirement. Where no regulation exists, a discharge analysis (temperature, pH, SS, BOD5, COD and THC), is requested at least once per year for those who discharge into the natural environment (more if requested by regulation). This analysis should be performed by a recognized laboratory.
Water consumption – total volume	100%	100% of sites are monitored annually for water consumption data by total volume in m3.. Total consumption is calculated automatically in our group reporting tool as total water withdrawal less total water discharge.
Water recycled/reused	100%	100% of sites are monitored annually for the volume of water they recycled. The water reused rate in % is calculated automatically in our group reporting too in % based on the total volume of water reused divided by the water need declared by the site. The percentage of water reused in production processes through internal recycling systems is about 85 %.



The provision of fully-functioning, safely managed WASH services to all workers	100%	To abide by our four principles of action - which include worker health and safety as well as employee rights – we make sure that all of our sites offer fully-functioning WASH services to all workers. This aspect is relevant for Saint Gobain but not reported at Group level. The frequency of the inspection of monitoring on sanitary installation depends on local regulation requirement but it is reviewed during the Hygiene, Safety and Working condition meetings carried out on a frequent and regular basis in most plants (Comité Sociale et Economique in France)
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## W1.2b

**(W1.2b) What are the total volumes of water withdrawn, discharged, and consumed across all your operations, and how do these volumes compare to the previous reporting year?**

	Volume (megaliters/year)	Comparison with previous reporting year	Please explain
Total withdrawals	45,414.53	Lower	1/3 of the decrease of 7 % is linked to the pandemic and the other part is due to several investments that have been made in our different businesses to change or improve water cooling equipment like in Italy and Mexico. We expect our consumption to decrease in the future, in relationship with our 2030 water target that aim to reduce by 50% in raw data our water withdrawal compare to 2017 and reach zero water discharge in extremely high water risk area ( as define with the WRI aqueduct methodology)
Total discharges	23,045.26	Lower	1/3 of the decrease of 8,7 % is due to the pandemic, the other part is due to improvement of the efficiency of water recirculating system like in France or US. We expect our consumption to decrease in the future, in relationship with our 2030 water target that aim to reduce by 50% in raw data our water withdrawal compare to 2017 and reach zero water discharge in extremely high water risk area ( as define with the WRI aqueduct methodology).

Total consumption	22,369.27	Lower	The reasons are the ones given for withdrawals and discharges, as consumption is the balance between both parameters, i.e. linked to the pandemic and to several investments that have been made in our different businesses to change or improve water cooling equipment; and due to improvement of the efficiency of water recirculating system. We expect our consumption to decrease in the future, in relationship with our 2030 water target that aim to reduce by 50% in raw data our water withdrawal compare to 2017 and reach zero water discharge in extremely high water risk area ( as define with the WRI aqueduct methodology),
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## W1.2d

**(W1.2d) Indicate whether water is withdrawn from areas with water stress and provide the proportion.**

	Withdrawals are from areas with water stress	% withdrawn from areas with water stress	Comparison with previous reporting year	Identification tool	Please explain
Row 1	Yes	1-10	Lower	WRI Aqueduct	The Overall Water Risk Indicator and the Baseline Water Stress Indicator from the WRI Aqueduct Water Tool have been used to measure if a site is located in a water-scarce region (threshold: “extremely high” in the overall water risk ) Our % withdrawn from stressed area has decreased by 13% between 2020 and 2021. This decrease is due to better performance on sites from stressed areas, for example in Romania and the impact of the pandemic in one of our sites in China

## W1.2h

**(W1.2h) Provide total water withdrawal data by source.**

	Relevance	Volume (megaliters/year)	Comparison with previous reporting year	Please explain
Fresh surface water, including rainwater, water from wetlands, rivers, and lakes	Relevant	12,460.68	Lower	Many of our sites rely on water extracted from river or lake for cooling purpose so this source is relevant for our business. Compared to previous year, it has decreased by 10%. Use of this source was lower as compared to the previous reporting year due to the pandemic but also thanks to implementation of operational efficiencies and water reduction program. We consider the 'Higher/Lower' threshold to be a +/- 5-15% change.
Brackish surface water/Seawater	Not relevant			This source is not relevant to Sain-Gobain as we do not use brackish surface water/seawater in our operations. We do not anticipate using this source of water in the future.
Groundwater – renewable	Relevant	16,166.95	Lower	The availability of a sufficient amount of water is relevant for our businesses that need cooling water to cool down their furnaces for example. When not available in surface, groundwater is the second source of withdrawal. Most of the water is withdrawn from well water which is replenished naturally from the water table. Compared to previous

				<p>year our groundwater withdrawal has decreased by 8%. Use of this source was lower as compared to the previous reporting year due to the pandemic but also thanks to implementation of operational efficiencies and water reduction program. We consider the 'Higher/Lower' threshold to be a +/- 5-15% change.</p>
Groundwater – non-renewable	Not relevant			<p>This source is not relevant to Saint-Gobain as the consumption of groundwater by our sites located in area with non-renewable groundwater ( Middle east, Sub-Sahara, Africa) is negligible. We do not anticipate using this source of water in the future.</p>
Produced/Entrained water	Not relevant			<p>We do not use any produced water. So it's not relevant for our activity. We do not anticipate using this source of water in the future.</p>
Third party sources	Relevant	16,786.89	About the same	<p>Water from third parties is a relevant source of withdrawal). It includes municipal city water and water recovered from another site (where there is a nearby plant), including another Saint-Gobain entity , Industrial water supplied by truck or any other means of transport.</p> <p>In average our city water withdrawal is about the same compared to last year.</p> <p>We expect our withdrawals to decrease in the future, in</p>

				relationship with our water target discharge of -50% in 2030. We consider the 'Higher/Lower' threshold to be a +/- 5-15% change.
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## W1.2i

(W1.2i) Provide total water discharge data by destination.

	Relevance	Volume (megaliters/year)	Comparison with previous reporting year	Please explain
Fresh surface water	Relevant	14,443	Lower	<p>Knowing the destination of our water discharge is relevant for us because we strive towards 'zero discharges' of liquid industrial water (through recycling), while avoiding the generation of new impacts on other environment (including freshwater) as stated in the Group EHS Charter.</p> <p>Compared to previous year, water discharge into natural surrounding has decrease by 9%. The amount of water discharged to fresh surface water lower as compared to the previous reporting year due to the pandemic and thanks to implementation of operational efficiencies and water reduction program. e.g on our main water discharger in Mexico has decreased their discharge by 26% with a complete water management program.</p> <p>We consider the 'Higher/Lower' threshold to be a +/- 5-15% change.</p>
Brackish surface water/seawater	Not relevant			

Groundwater	Relevant	0	About the same	This is relevant as discharges in groundwater and wells are prohibited – even after treatment – according to our water guideline, unless expressly authorized by the legal authorities (in order to replenish the aquifer). We consider the 'Higher/Lower' threshold to be a +/- 5-15% change.
Third-party destinations	Relevant	8,602	About the same	Our water discharge destination is relevant for us because we strive towards 'zero discharges' of liquid industrial water , while avoiding the generation of new impacts on other environment and or Stakeholders (as stated in the Group EHS Charter). . Water discharged into a third destination correspond to the volume of industrial and/or domestic waste water discharged in the municipal sewage system or other third party and water removed by truck or sent to another site (incl Saint-Gobain entity). Compared to previous year, water discharge into municipal sewage system is about the same. We expect our discharges to decrease in the future, in relationship with our water target discharge of -80% for 2025 and Zero water discharge in extremely high water stressed area for 2030. We consider the 'Higher/Lower' threshold to be a +/- 5-15% change.

## W1.4

### (W1.4) Do you engage with your value chain on water-related issues?

Yes, our suppliers

Yes, our customers or other value chain partners

## W1.4a

**(W1.4a) What proportion of suppliers do you request to report on their water use, risks and/or management information and what proportion of your procurement spend does this represent?**

### Row 1

**% of suppliers by number**

1-25

**% of total procurement spend**

76-100

### Rationale for this coverage

Purchasing is a major factor in our responsibility. Our purchasing program is aimed at managing the environmental, social and societal risks related to our supply chain through the development of a purchasing process that incorporates CSR criteria. Particular attention is paid to human rights issues, labour, health and safety standards and the environmental impact of the supply chain.

Our purchasing employees receive specific and regular training to enable them to strive for behavioural excellence in their daily practice with our suppliers. Purchasers take into account EHS group requirements (that include requirement on water) accessible on the EHS intranet including a best-practices guide.

Responsible purchasing is part of Saint-Gobain's responsible development policy. For both the industrial and distribution activities of Saint-Gobain, a common Suppliers Charter explains Saint-Gobain's requirements and suppliers' obligations in the area of corporate social responsibility. In 2020, on the 218 282 suppliers 45 170 suppliers has signed our Responsible Purchasing Charter. They represent 78.0% of our spent and 20.7% of the total number of suppliers. The CSR charter is accompanied with a CSR assessment and suppliers are strongly encouraged to complete it because it is a differentiating element during tenders.

The responsible purchase program (<https://www.saint-gobain.com/en/ensure-ethical-business-practices>) of our industrial activities is applicable to suppliers who represent more than 100k€ per year in spent (that represent around 88% % of Saint-Gobain's spent (18 980 supplier). Among those big suppliers, Saint-Gobain, identify some that are considered as potentially risky based on our risk analysis carried out during the supplier qualification process. For those potentially risky suppliers onsite audit and document review are performed. In 2020, 4 873 suppliers above 100k€ and considered as potentially risky regarding CSR have been identified. 65.4% of them in spent (44.2% by number) have been concerned by documentation reviews and audits. In addition 60,3% of them in spent (41.7% by number) have been concerned by documentation reviews only. As rationale for coverage of our engagement, we can highlight that we first focus on percentage covered in spend rather than in number, ie where the biggest impact is. We track these data through the R-Net online platform, a private website entirely dedicated to the subject of responsible purchasing.

### Impact of the engagement and measures of success

Responsible purchasing is part of Saint-Gobain’s responsible development policy. For both the industrial and distribution activities of Saint-Gobain, a common Suppliers Charter explains Saint-Gobain’s requirements and suppliers’ obligations in the area of corporate social responsibility including caring for environment (water included). As measure of success, we can state that 20% of our suppliers signed our Responsible Purchasing Charter vs 19 % in 2019.

The increase in the number of suppliers represents a greater adherence to the principles of the Charter. An online platform called R-Net has been set up to facilitate responsible purchasing. Industrial activities suppliers have access to R-Net to acknowledge receipt of Supplier Charter of Saint-Gobain, electronically transmit essential proofs (timber certificates, quality certificates, ISO standards), answer self-assessment questionnaires, get all the information on Saint-Gobain's responsible purchasing directives and access to details of their CSR assessments. At the end of 2020, 45,170 contacts of suppliers are registered on our online platform, 53,619 suppliers’ subsidiaries are covered by a fulfilled the CSR questionnaire. About 58,7% of suppliers have answered “yes” to the question Has your company adopted a policy in order to reduce its water consumption?” and 26% of them considered that it’s not applicable to their activity. The assessment of suppliers' CSR actions is included in the supplier qualification process during the call for tenders entirely managed by the buyers via an internal tool. For suppliers considered as potentially risky following our risk analysis, assessments (document reviews and on-site audits) are implemented. If the overall score is not satisfied, the supplier must take corrective action and may be dereferenced if the score does not improve quickly. The benefit of doing this is to improve our suppliers' awareness, decrease the water related risk and our reputational risk and create opportunity.

**Comment**

Success is measured through the increased number of supplier who now provide data on the water aspect.

**W1.4b**

**(W1.4b) Provide details of any other water-related supplier engagement activity.**

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**Type of engagement**

Onboarding & compliance

**Details of engagement**

Requirement to adhere to our code of conduct regarding water stewardship and management

**% of suppliers by number**

1-25

**% of total procurement spend**

76-100



## **Rationale for the coverage of your engagement**

Purchasing is a major factor in our responsibility. Our purchasing program is aimed at managing the environmental, social and societal risks related to our supply chain through the development of a purchasing process that incorporates CSR criteria. Particular attention is paid to human rights issues, labour, health and safety standards and the environmental impact of the supply chain.

Our purchasing employees receive specific and regular training to enable them to strive for behavioural excellence in their daily practice with our suppliers. Purchasers take into account EHS group requirements (that include requirement on water) accessible on the EHS intranet including a best-practices guide.

Responsible purchasing is part of Saint-Gobain's responsible development policy. For both the industrial and distribution activities of Saint-Gobain, a common Suppliers Charter explains Saint-Gobain's requirements and suppliers' obligations in the area of corporate social responsibility. In 2020, on the 218 282 suppliers 45 170 suppliers has signed our Responsible Purchasing Charter. They represent 78.0% of our spent and 20.7% of the total number of suppliers .

The responsible purchase program (<https://www.saint-gobain.com/en/ensure-ethical-business-practices>) of our industrial activities is applicable to suppliers who represent more than 100k€ per year in spent (that represent around 88% % of Saint-Gobain's spent (18 980 supplier). Among those big suppliers, Saint-Gobain, identify some that are considered as potentially risky based on our risk analysis carried out during the supplier qualification process. For those potentially risky suppliers onsite audit and document review are performed. In 2020, 4 873 suppliers above 100k€ and considered as potentially risky regarding CSR have been identified. 65.4% of them in spent (44.2% by number) have been concerned by documentation reviews and audits. In addition 60,3% of them in spent (41.7% by number) have been concerned by documentation reviews only.

As rationale for coverage of our engagement, we can highlight that we first focus on percentage covered in spend rather than in number, ie where the biggest impact is. We track these data through the R-Net online platform, a private website entirely dedicated to the subject of responsible purchasing.

## **Impact of the engagement and measures of success**

Responsible purchasing is part of Saint-Gobain's responsible development policy. For both the industrial and distribution activities of Saint-Gobain, a common Suppliers Charter explains Saint-Gobain's requirements and suppliers' obligations in the area of corporate social responsibility including caring for environment (water included). As measure of success, we can state that 78% of our suppliers signed our Responsible Purchasing Charter vs 77,2% in 2019.

The increase in the number of suppliers represents a greater adherence to the principles of the Charter. An online platform called R-Net has been set up to facilitate responsible purchasing. Industrial activities suppliers have access to R-Net to acknowledge receipt of Supplier Charter of Saint-Gobain, electronically transmit essential proofs (timber certificates, quality certificates, ISO standards), answer self-assessment questionnaires, get all the information on Saint-Gobain's responsible

purchasing directives and access to details of their CSR assessments. At the end of 2020, 45,170 contacts of suppliers are registered on our online platform, 53,619 suppliers' subsidiaries are covered by a fulfilled questionnaire. About 57,8% of suppliers which have answered "yes" to the question "Has your company adopted a policy in order to reduce its water consumption?". 26% of them considered that it's not applicable to their activity. The assessment of suppliers' CSR actions is included in the supplier qualification process during the call for tenders entirely managed by the buyers via an internal tool. For suppliers considered as potentially risky following our risk analysis, assessments (document reviews and on-site audits) are implemented. If the overall score is not satisfied, the supplier must take corrective action and may be dereferenced if the score does not improve quickly. The benefit of doing this is to improve our suppliers' awareness, decrease the water related risk and our reputational risk and create opportunity.

## Comment

### W1.4c

#### **(W1.4c) What is your organization's rationale and strategy for prioritizing engagements with customers or other partners in its value chain?**

Engaged partner: Saint Gobain partners with different players in its value chain reaching from strategic customers, investors to key suppliers on water-related issues.

Method: Co Creation activities on water scarcity are discussed with key suppliers and R&D level to find innovative solutions and minimise water consumption. Regular meeting with the CSR team and the financial communication department are organised with customer and investors to answer their question and understand their expectation.

Prioritisation : Saint-Gobain chooses customers who play a strategic role in its value chain as partners. We establish business relations and have a common will to further deepen the collaboration on water-related topics.

For critical suppliers considered as potentially risky following our risk analysis a comprehensive performance evaluation is carried out covering the following subjects: environment, social, fair business practices and suppliers' own sustainable procurement policy.

As a measure of success, in 2020, no specific question has been raised regarding water and the feedback we received from them is that the information contained in our annual report provides them all the information they need. In addition, some customers for whom water is very important regularly renew their confidence and contract with us.[\[AP1\]](#) Our ability to meet our customers' expectations (with more than 1200 Environmental Product Declaration (EPD) verified) and our transparency about what are our environmental objectives and results is key for our value chain and one measure of success for this engagement is increased sales

## W2. Business impacts

### W2.1

**(W2.1) Has your organization experienced any detrimental water-related impacts?**

Yes

### W2.1a

**(W2.1a) Describe the water-related detrimental impacts experienced by your organization, your response, and the total financial impact.**

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**Country/Area & River basin**

United States of America

Merrimack River

**Type of impact driver & Primary impact driver**

Regulatory

Regulation of discharge quality/volumes

**Primary impact**

Brand damage

**Description of impact**

In 2016 the levels of PFOA (perfluorooctanoic acid) in excess of U.S. Environmental Protection Agency (EPA) health advisories or state maximum contaminant levels for drinking water have been found in municipal water systems and private wells near current Saint-Gobain Performance Plastics (SG PPL) facilities in Hoosick Falls (New York) and Merrimack (New Hampshire), and two former facilities in North Bennington (Vermont) in the United States.

PFOA and PTFE (polytetrafluoroethylene) have never been manufactured by these plants. SG PPL is a processor of PTFE which it purchases from third party suppliers and which in the past contained traces of PFOA.

The investigations are on-going and the scope of responsibility for SG PPL arising from environmental remediation and clean-up obligations at these sites has not yet been established. No fine or penalties has been asked to Saint-Gobain and on December 31, 2019, the provision recorded by the Company in respect of this matter amounts to €21 million.

**Primary response**

Comply with local regulatory requirements

**Total financial impact**

21,000,000

**Description of response**

Without admitting liability, SGPPL has signed consent orders with the environmental regulators in New York in 2016, in Vermont in 2017, and in New Hampshire in 2018, pursuant to which SGPPL has agreed to complete investigations, implement interim or final remediation measures at its current and former facilities and in the case of Vermont and New Hampshire, fund construction of water lines. SG PPL has voluntarily provided bottled water in all three communities, installed point-of-entry treatment systems to residents and businesses in the Hoosick Falls and North Bennington areas, installed carbon filtration systems on the municipal water supply in Hoosick Falls and agreed to fund the installation of a carbon filtration system on the Merrimack Valley District’s municipal water supply. In addition, it has voluntarily funded both completed and on-going construction of water line extensions in certain communities in the Merrimack and Bennington areas. PFOA-related lawsuits alleging both health-related and economic damages claims have been filed in civil courts in New York, New Hampshire and Vermont, some of which are in the form of proposed class actions. It is difficult to predict the timing or outcome of any such litigation, or whether any additional litigation will be brought against SG PPL. On December 31, 2020, the provision recorded by the Company in respect of this matter amounts to € 31,2 million.

## W2.2

**(W2.2) In the reporting year, was your organization subject to any fines, enforcement orders, and/or other penalties for water-related regulatory violations?**

No

## W3. Procedures

### W3.3

**(W3.3) Does your organization undertake a water-related risk assessment?**

Yes, water-related risks are assessed

### W3.3a

**(W3.3a) Select the options that best describe your procedures for identifying and assessing water-related risks.**

#### Direct operations

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##### Coverage

Full

##### Risk assessment procedure

Water risks are assessed in an environmental risk assessment

##### Frequency of assessment

Annually

**How far into the future are risks considered?**

More than 6 years

**Type of tools and methods used**

- Tools on the market
- International methodologies
- Databases
- Other

**Tools and methods used**

- WRI Aqueduct
- Environmental Impact Assessment
- Life Cycle Assessment
- Internal company methods
- External consultants

**Comment**

In 2019 Saint Gobain as launch and deploy a new internal standard that describe the minimum requirement to perform an Environmental Risk Assessment on a Saint-Gobain site. This standard has been deployed and implemented during 2020. Since 2019, more than 300 persons has been trained to this new methodology. The standard specify that the water-related risks has to be assessed among all the other hazards (incl. leakage, air emission, water consumption, etc.)” and by quantifying the risk using as a minimum the severity and the probability of the hazard and the sensitivity of the site”.

In this scope, to assess the water sensitivity of its sites Saint-Gobain uses the WRI “Aqueduct” atlas of the world, to assess the sensitivity of the water body around the site (including basin, river) and allows each of the sites to classify its water risk from “low” to “extremely high”. WRI aqueduct can simulate effect on the long-term up to 2040. Environment impact assessment is a common tool used at our sites, in relationship with exploitation permits update. The degree of exposure and vulnerability of the sites to natural events is updated regularly through adapted audits and self-assessments through an internal risk grading tool.

Based on the assessment, each sites takes measures suitable for regional characteristic, such as operated separately the most water consuming production lines during the drought season.

**Supply chain**

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**Coverage**

Partial

**Risk assessment procedure**

Water risks are assessed as part of an enterprise risk management framework

**Frequency of assessment**

Annually

**How far into the future are risks considered?**

More than 6 years

**Type of tools and methods used**

Tools on the market  
International methodologies

**Tools and methods used**

Other, please specify  
Internal company methods and tool

**Comment**

The sites' individual Business Continuity Planning (BCP) that aim to minimize human, business and financial consequences of risks –including water risks- take into account risks linked to suppliers. Risks are analyzed from 3 main criteria :

- Risk of strategic supply interruption of a single supplier due to flooding of that supplier
- Risk of supply (and shipment) interruption due to the flooding of the site or its access
- Risk of utility cuts (electricity, gas, water) due to site flooding

Every year special flood survey is carried out on site with high flooding risk and important insured values. In 2020, 7 audits has been performed in France, Poland, Italy and Germany. Those audit led to recommendations like doing a flood emergency plan, barrier implementation, drainage maintenance,...

The BCP of our site in Egypt, who faced a major flooding event in 2018,has been reviewed in accordance with our insurer during a special flood survey. Several civil works has been carried out like improvement of the drainage system, review of the longitudinal profile of each access ramp to the furnace and installation of flood

**Other stages of the value chain**

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**Coverage**

Full

**Risk assessment procedure**

Water risks are assessed in an environmental risk assessment

**Frequency of assessment**

Annually

**How far into the future are risks considered?**

More than 6 years

**Type of tools and methods used**

Tools on the market  
International methodologies  
Other

**Tools and methods used**

WRI Aqueduct

Life Cycle Assessment  
Internal company methods

**Comment**

In 2019 Saint Gobain as launch and deploy the internal standard that describe the minimum requirement for an Environmental Risk Assessment.  
The standard specify that the water-related risks has to be assessed among all the other hazards (incl. leakage, air emission, water consumption, etc.)” and by quantifying the risk using as a minimum the severity and the probability of the hazard and the sensitivity of the site”.

In this scope, to assess the water sensitivity of its sites Saint-Gobain uses the WRI “Aqueduct” atlas of the world, to assess the sensitivity of the water body around the site (including basin, river) and allows each of the sites to classify its water risk from “low” to “extremely high”. WRI aqueduct can simulate effect on the long-term up to 2040.

The Saint-Gobain standard is also compliant with the requirement of the new ISO14001 standard regarding integration of the risk related to our value chain. It include environmental risk assessment related to raw material (based on their life cycle assessment that include water usage), transportation (with the risk of water pollution) and end of life of the product.

**W3.3b**

**(W3.3b) Which of the following contextual issues are considered in your organization’s water-related risk assessments?**

	Relevance & inclusion	Please explain
Water availability at a basin/catchment level	Relevant, always included	Water availability is relevant and critical for Saint Gobain because water is need in most of our process. In 2020 around 28% of our water withdrawals is coming from surface and rainwater collection. A lack of water may slow down or interrupt production. All our furnaces in GLASS, PIPE or CERAMICS activities cannot run without cooling water. To identify those critical area, Saint-Gobain uses the World Resources Institute’s “Aqueduct” atlas of the world, which allows each of the sites to classify its water risk from “low” to “extremely high”. This atlas is based not only on qualitative and quantitative physical risks (such as water stress or flood risk), but also on stakeholder risk (like access to water). All our sites with withdrawal > 10,000m3/year or with a withdrawal >5,000m3/year with a risk>medium are part of the environment concerned perimeter which targets a -50 % withdrawal compare to 2017 in raw data. The environment concerned perimeter is updated every 3 years and each time an entity leaves the Group. As illustration, in India, a highly water-stressed

		region, 2 of our plants have invested in rainwater retention ponds in order to reduce their withdrawal consumption.
Water quality at a basin/catchment level	Relevant, always included	<p>The quality of the process water that we use is important first for the health of our workers and second for our process. 60 % of our water withdrawals is coming from surface or groundwater. Insufficient water quality represents a threat as there is a minimum requirement for water quality specified in engineering standards. As the water quality depends on local water conditions there can be great discrepancies between the Groups' different businesses. Saint-Gobain uses the World Resources Institute's "Aqueduct" atlas of the world, which allows each of them to be assessed regarding water quality. Aqueduct identifies areas of concern regarding water quality that may impact short or long term water availability.</p> <p>On average 85% of the water used on our site is reused in the production process avoiding this amount to be discharged and causing pollution. In addition each facility of the Group monitors at least once per year its water discharges with a recognized third party</p>
Stakeholder conflicts concerning water resources at a basin/catchment level	Relevant, always included	<p>This issue is relevant because as a responsible company, Saint-Gobain ensures that value creation is shared locally. The Group's actions integrate long-term local development, and its presence is combined with respect for local communities, and a continuous dialogue with all stakeholders.</p> <p>Particular attention is paid to limiting the Group's withdrawals in water stressed areas and in not competing for access to drinking water with the local populations. In 2020 34 % of our water withdrawal comes from municipal supply. To this end, the list of priority sites within the framework of the Water policy is based on both the water withdrawals and the water stressed areas. In this regard, Saint-Gobain uses the World Resources Institute's "Aqueduct" atlas of the world, which allows each of the sites to classify its water risk from "low" to "extremely high". This atlas is based not only on qualitative and quantitative physical risks (such as water stress or flood risk), but also on stakeholder risk (like access to water). According to the WRI, 9% of the Group's water withdrawal is coming from municipal supply located in an extremely high water risk area. Production facilities engage at local level discussion with concerned stakeholders in order to ensure appropriate sharing of the water resources. Like one of our sites in India, who has installed rain water harvesting from factory</p>



		roof to reduce the withdrawal of water in an area submitted to several drought and avoid competing water resources with the local need of the population.
Implications of water on your key commodities/raw materials	Relevant, sometimes included	Water has a key role to play in some of our process like for cooling or washing glass. The Group uses Life Cycle Assessments to assess water impacts upstream of the production process, notably on the extraction of raw materials. About 70% of suppliers which have answered to the CSR questionnaire have notified that they have adopted a policy in order to reduce its water consumption
Water-related regulatory frameworks	Relevant, always included	Water-related regulatory frameworks are relevant because the introduction of stricter regulations or more diligent enforcement of existing regulations may affect the conditions under which the Group operates its businesses, The Legal Department anticipates and monitors new environmental regulations. As we are present in 67 countries, current regulation related risks are assessed and manage locally by our EHS team at country or business level. Regulatory risks are included in the Aqueduct analysis of water-related risks.
Status of ecosystems and habitats	Relevant, always included	This issue is relevant for the company as it can have an important reputational impact at Group level. This risk is followed most closely at our quarry activities that are the most directly concerned. In 2018 Saint-Gobain published its biodiversity policy aiming to preserve, restore, increase and enhance biodiversity, managing to involve all parties concerned. A mapping study of all the sites was conducted in 2016 using geographical tools to evaluate their sensitivity to the ecosystems based on their proximity to areas of high biodiversity value. The protected areas considered are areas recognized by the UICN or more locally defined as Natura 2000, RAMSAR areas or other national areas. As such, of more than 6,000 sites (quarries, factories or selling points), 79 have been identified as being within a protected area and will be priority sites for the management of biodiversity. These sites are asked to complete a Biodiversity management plan that includes impact on the aquatic ecosystem.
Access to fully-functioning, safely managed WASH services for all employees	Relevant, always included	Access to fully-functioning, safely managed WASH services for all employees are relevant to abide by our four principles of action - which include worker health and safety as well as employee rights – we make sure than all of our sites offer fully-functioning WASH services to all workers.

		It's a responsibility of EHS management to monitor every site at least once a year and to check that WASH service works normally with respect to the local regulational requirements.
Other contextual issues, please specify	Not considered	Except the ones listed above, no other contextual issues are considered

### W3.3c

**(W3.3c) Which of the following stakeholders are considered in your organization's water-related risk assessments?**

	Relevance & inclusion	Please explain
Customers	Relevant, always included	<p>Close relationships with our customers are key for Saint-Gobain's success and this is the reason why they are included in water-related risks assessments at operation level</p> <p>Our solutions and products are tailored to respond to today needs and at the same time be sustainable to manage tomorrow's challenges of our customers energy and climate, water, resources and the circular economy . The engagement of the customers is ensured through continuous meetings, publications and during forum and trade fair.</p> <p>Our pipe activity develops specific actions for its customers: as an illustration, customers of our pipe activities systematically get from us a TCO (Total Cost of Ownership) analysis showing their future water consumption improvement (including future water leakage rate) by using our pipe products . Moreover, as an illustration 1200 Environmental Product Declaration are publicly available and can show the water impact of our construction products</p>
Employees	Relevant, always included	<p>The engagement of employees is ensured through internal communication, meeting with Group managers. employees are included in the risk assessment as it is necessary to ensure that employees have satisfactory access to water in compliance with international standards in force. Saint-Gobain management takes into account employee's expectations and needs, at site level. Saint-Gobain also seeks to engage with its employees, through internal communication, meeting with Group managers. Employees. At site level for those exposed to substantial water risks, training to increase awareness are performed and best practices sharing is encouraged. Saint-Gobain regularly conducts training on water topics for its employees who are dealing with water topics in their job to raise awareness. In 2020, A water contest and a water quiz has been launched for World Water Day. Concerning the water</p>

		related risks assessments, if the risk management is not compliant with the Group standards, corrective actions are set.
Investors	Relevant, always included	Regular meetings with the CSR team and the financial communication department are organised with investors or individual shareholders to answer their questions and understand their expectations. Investors expect Saint-Gobain to manage water responsibly and to proactively deal with all water challenges in the countries where the Group operate. This is the reason why investors are included in water-related risks assessments. In relation to our piping business, several investors ask some questions related to water. Saint-Gobain takes into account their suggestions and expectations regarding water risk assessment and management. We ensure a maximum transparency in our water risks and disclose them to investors. It's under their request that 2 years ago we have decided to change our communication to provide more information regarding our activity and risks in water stressed areas.
Local communities	Relevant, always included	These stakeholders are included in the risk assessment as it is necessary to ensure that communities close to the site and to withdrawal sites have satisfactory access to water in compliance with international standards in force. Saint-Gobain engages and includes local community expectations in its water risk assessment, at site level. While performing its environmental risk assessment, to assess the sensitivity of the site regarding local community a highest score must be applied if the site is located less than 1 km from a residential area and if water around the site is used for drinking, agricultural usage or recreational activities. In addition, our water policy pays particular attention to limiting the Group's withdrawals in water stressed areas to not compete for access to drinking water with the local populations. To this end, the list of priority sites within the framework of the water policy is based on both the water withdrawals and the water stressed areas. In this regard, Saint-Gobain uses the World Resources Institute's "Aqueduct" atlas of the world, which allows each of the sites to classify its water risk from "low" to "extremely high". Like in India, where one of our plant has installed rain water harvesting from factory roof to reduce the withdrawal of water in an area submitted to several drought and avoid competing them with local need of the population.
NGOs	Relevant, always included	A CSR roadmap was published in 2019. This new roadmap demonstrates Saint-Gobain's willingness to assess its performance in terms of the environmental, social and societal impacts of its activities, taking the expectations of its key

		<p>stakeholders (including NGOs) into account. Saint-Gobain appreciates working together and being in regular exchanges with NGOs on water related topics, as they provide insight and knowledge, allow the spread of best practices and push industries towards safer water policies. Saint-Gobain takes into account NGOs suggestions and expectations regarding water risk assessment . Through our materiality assessment and our day to day business Saint-Gobain is committed to understanding topics raised by NGOs as well as partnering with these stakeholders where relevant. For example we continued our formal engagement with Act 4 Nature. Through this partnership, we promote native habitat and species on our site. Given the global nature of our business and the varying needs of the communities in which we operate, our engagement with NGOs is often local in nature. At corporate level we are engage with NGOs through Saint-Gobain foundation with the construction, improvement or renovation of living spaces for people in precarious situations by contributing to the reduction of energy consumption and the preservation of the environment. At local level through our plant leaders and site EHS leaders who are committed to establishing relationships with stakeholders, including community members, NGOs and neighbors. The methods of engagement are determined on a site-by-site basis depending on what is most effective in a given community, but commonly include community meetings and attendance at local forums and NGO hosted events. In addition NGO and third party are also includes in water-related risks assessments at operational level through the mandatory environmental risk assessment that must be performed by all our industrial sites. For example, the sensitivity of the sites is scored higher if the site is located in a protected area for biodiversity. In this case the risk will be rated higher and will be put in priority in the action list.</p>
<p>Other water users at a basin/catchment level</p>	<p>Relevant, always included</p>	<p>As for local communities, Saint-Gobain includes other water users at a basin or catchment level in its water risk assessment, at site level. Our water risk assessments are done with WRI assessment tool at the basin level, taking into account water stress from other users in those basins. The sites must take water sensitivity and availability into account in the sensitivity criteria when it performs it's environmental risk assessment (as define in the Group Standard). The highest scoring must be applied for the sensitivity of the water body if the water around the site is use for drinking, agricultural usage. We are engage with other water users through our plant leaders and site EHS leaders who are committed to establishing relationships with stakeholders, including</p>

		community members, NGOs and neighbours. The methods of engagement are determined on a site-by-site basis depending on what is most effective in a given community, but commonly include community meetings and attendance at local forums and NGO hosted events.
Regulators	Relevant, always included	Regulatory frameworks influence our way of using and treating water with for example withdrawal limits or to specific discharge. Compliance to regulation is part of the principle of conduct and Action of Saint Gobain. All our facilities must comply with national, state, and local regulations and permits regarding water withdrawals and wastewater discharges. Given the global nature of our business and the varying needs of the communities in which we operate, our engagement with authorities is often local in nature. Through meetings and calls with regulators, our plant leaders and site EHS leaders are able to establish relationships with regulators that keep us up to date on current and future regulations relating to water.
River basin management authorities	Relevant, always included	As water is a common resource, it is always important to include river basin authorities in risk assessments. Regulations can for example refer to withdrawal limits or to specific discharge qualities and must therefore be closely considered for all Saint-Gobain's sites. In accordance with our Management of Water guideline, sites must have an updated regulatory watch and identify local authorities in charge of water. River basin management authorities are included in water-related risks assessments at operation level through meeting and presentation in order to take into account their insight.
Statutory special interest groups at a local level	Relevant, always included	As water is a common resource, it is always important to include Statutory special interest groups at a local level in risk assessments. Saint-Gobain cares about Statutory special interest groups at local level and includes them in the risk assessment to take into account their needs and expectations when it comes to our company to present a new project. For example for our greenfield project in Mexico, authorities and local community has been informed through meeting and presentation of several report in order to take into account their insight.
Suppliers	Relevant, always included	Saint Gobain has a sustainable procurement policy which covers its relation with all suppliers to ensure sustainability standards along its value chain and this is why they are included in water-related risks assessments. The questionnaire of the CSR charter is submitted to all our suppliers. In 2020, 23,727 questionnaires of which 13,787 (58.1%) were positive

		<p>responses to the question “Has your company adopted a policy in order to reduce its water consumption?”</p> <p>To comply with the ISO 14001 standard our internal standard states that our environmental risk assessment must be performed with "Life cycle assessment thinking ", which leads to include environmental risk related to raw material, transportation and end of life of the product. In this context, suppliers of raw material or services are assessed and included at site level in their risk assessment.</p> <p>In addition, the sites’ individual Business Continuity Planning (BCP) that aim to minimize human, business and financial consequences of risks –including water risks- take into account risks linked to suppliers. Risks are analyzed from 3 main criteria :</p> <ul style="list-style-type: none"> <li>- Risk of strategic supply interruption of a single supplier due to flooding of that supplier</li> <li>- Risk of supply (and shipment) interruption due to the flooding of the site or its access</li> <li>- Risk of utility cuts (electricity, gas, water) due to site flooding</li> </ul> <p>The BCP is audited and reviewed yearly by our insurance engineering team during the Industrial risk prevention audit carried out in all our sites.</p>
<p>Water utilities at a local level</p>	<p>Relevant, sometimes included</p>	<p>As water is a common resource, it is always important to include Water utilities at a local level. Water utilities at a local level are included in water-related risks assessments to help Saint-Gobain moderate and manage the resources in accordance with the water availability. Saint-Gobain consider water utilities/suppliers in its water risk assessment. At operational level, Water Utilities/Supplier are contacted by letter or email that in case of accident, major changes or any site’s discrepancy with their agreement if existing. The methods of engagement are determined on a site-by-site basis depending on what is most effective in a given community, but commonly include meetings and call with water utilities.</p> <p>At corporate level, a worldwide master agreement has been signed with an international supplier of water utilities to develop cost-saving projects through water consumption reduction and/or the improvement of water discharges quality.</p>
<p>Other stakeholder, please specify</p>	<p>Relevant, always included</p>	<p>We are part of several multi-stakeholder initiatives: in 2009, Saint-Gobain endorsed the CEO Water Mandate for the protection of water resources as part of the United Nation’s Millennium Development Goals. Furthermore, as part of the</p>

		<p>Lima-Paris Action Agenda, Saint-Gobain joined, in December 2015, the business alliance for water and climate change. The goal is to bring together stakeholders from civil society to get concrete climate commitments and launch immediate, concrete actions. In accordance with our Management of Water and Associated Risks standard, sites must have an updated regulatory watch and identify local authorities in charge of water</p>
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### W3.3d

**(W3.3d) Describe your organization’s process for identifying, assessing, and responding to water-related risks within your direct operations and other stages of your value chain.**

The long-term objective is to withdraw as little water as possible and to aim for “zero discharge” of industrial water in liquid form, while avoiding generating new impacts for other natural environments and/or for other parties involved.

Particular attention is paid to limiting the Group’s withdrawals in water stressed areas and in not competing for access to drinking water with the local populations. To this end, the list of priority sites within the framework of the Water policy is based on both the water withdrawals and the water stressed areas. In this regard, Saint-Gobain started in 2017 to use the World Resources Institute’s “Aqueduct” atlas of the world

We take into account any local stakeholder suggestions and expectations regarding water risk assessment at site level and we engage with local authorities to comply with local regulations. The Risk and Insurance department manages risks of property damage and related business interruption. The degree of exposure and vulnerability of the sites to natural events is updated regularly through adapted audits and self-assessments and leads to update of actions plan with a view to improving the level of prevention and protection.

Then, the assessment of water-related risks is also included in the responsible purchasing policy through a Suppliers Charter explaining Saint-Gobain’s requirements and suppliers’ obligations in the area of corporate social responsibility. The whole process is part of a dialogue with the supplier and gives rise to the establishment of action plans and CSR performance improvement, focusing on suppliers at risk.

We also engage with customers on water-related issues to ensure the sustainability of our products; we developed two initiatives:

- The R&D EHS checklist : it allows for the reduction of EHS impacts associated with product life cycles.
- Development of the eco-innovation culture and solutions that anticipate market trends, using since 2017 an internal methodology.

## W4. Risks and opportunities

### W4.1

**(W4.1) Have you identified any inherent water-related risks with the potential to have a substantive financial or strategic impact on your business?**

Yes, only within our direct operations

## W4.1a

### (W4.1a) How does your organization define substantive financial or strategic impact on your business?

The identification and assessment of risks and opportunities related to climate change is an integral part of Saint-Gobain's global risk management and innovation processes in line with wider business practice. When assessing water-related risks, a substantive financial or strategic impact is defined by an impact that has a considerable or relatively significant effect on the Group at corporate level. It can include operational, financial or strategic effects that undermine the entire business or part of our business. Such impact could threaten our company's business model, our future performance, our solvency or liquidity in the short, medium or long-term horizons. In that perspective our assessment always includes for each impact an analysis of: - the proportion of business units affected - the size of the impact on those business units - the dependency of the organization on that unit - the potential for shareholder or customer.

When quantifying climate-related risks, the quantifiable indicators used to define substantive financial or strategic impact are where the impact is in excess of a threshold of 50 million euros applicable to operation and supply chain. Saint-Gobain has identified several risks and strategic opportunities related to climate change. Each risk and opportunity affects each segment of the Group's value chain differently, from the extraction of raw materials to their end of life. The table on page 95 and 96 of our annual report ([https://www.saint-gobain.com/sites/sgcom.master/files/sgo2020\\_urd\\_en\\_mel\\_210326.pdf](https://www.saint-gobain.com/sites/sgcom.master/files/sgo2020_urd_en_mel_210326.pdf)) shows how the opportunities and risks identified by Saint-Gobain impact each stage of the value chain while being part of global market dynamics and meeting consumer expectations. This approach has been aligned with TCFD recommendations.

In this regards, water related risk has been identified as a chronic physical risk (sea level rise, change in precipitation regime). Although risks might exist at facility level the impacted identified are: Increasing exposure of sites to the risk of flooding and high temperatures reducing water availability or requiring the increase of cooling capacity affecting production costs and energy consumption, we do not consider that they could generate substantive negative impacts at company level.

In 2020, the Corporate Social Responsibility Committee made an extensive study leading to the table on page 95 and 96 of our annual report. As input, the Committee has considered the previous mentioned "Construction and Building Materials TCFD Preparer Forum report issued in July 2020". In order to ensure that any emerging risks are identified and included within our principal risk register, where required, this work has then been specifically reviewed to be more specific to Saint-Gobain's business and integrated in our annual risk assessment. For example, each year, the assessment of our main risks intends to evaluate such risks in terms of impact, control and criticality levels.

- Regarding the impact level, the definition includes the financial as well as human, environmental and reputational implications.
- Regarding the control level, it includes existing controls and foreseen action plans to address the risks together with all necessary training and employee awareness initiatives.



- Regarding the criticality level, it refers to the plausibility of occurrence of the risk, with a pragmatic view on the contextual background of the risk.

This yearly assessment is done by Saint-Gobain Audit and Internal Control Department, together with the Chief Sustainability Officer for climate change related issues, and presented to the Audit and Risks Committee of the Group, one of the three committees established by the Board, with the aim to demonstrate that main risks are identified, evaluated and managed. As such, risks are assumed by the Group which will validate the adequate action plans in order to mitigate, transfer, accept or control those risks

*Because of the nature and the extent of our activities, we consider that it is unlikely that the water risks to which some of our sites are exposed could generate a substantive change in our business, operations, revenue or expenditure at company level. From an operational standpoint, water being a local issue, water risks are managed at facility level. At facility level, we take water risks management very seriously as consequences may be vital for some processes, and want to be proactive when it comes to the mitigation of these risks. We notably invest in closed water circuit systems, which have an impact on our expenditure, but not on our business or revenue.*

### W4.1b

**(W4.1b) What is the total number of facilities exposed to water risks with the potential to have a substantive financial or strategic impact on your business, and what proportion of your company-wide facilities does this represent?**

	Total number of facilities exposed to water risk	% company-wide facilities this represents	Comment
Row 1	1	Less than 1%	Among more than 800 factories within Saint Gobain, there is 1 site which is part of the most contributing site regarding water discharge which withdrawal is in an extremely high risk area (according to Aqueduct Water Risk Atlas) and where water risk is considered as a potential substantive or strategic impact on the business. Despite not leading to a substantive financial impact at Group level they may impact the Group reputation.

### W4.1c

**(W4.1c) By river basin, what is the number and proportion of facilities exposed to water risks that could have a substantive financial or strategic impact on your business, and what is the potential business impact associated with those facilities?**

**Country/Area & River basin**

China

Other, please specify  
Drainage basin of Fuyang River

**Number of facilities exposed to water risk**

1

**% company-wide facilities this represents**

Less than 1%

**% company's total global revenue that could be affected**

Less than 1%

**Comment**

Activity on site : Ceramic-based solutions for industrial clients including fused zirconia, white corundum , single crystal corundum, zirconium corundum, Calcium and yttrium stabilized zirconium smelting.

## W4.2

**(W4.2) Provide details of identified risks in your direct operations with the potential to have a substantive financial or strategic impact on your business, and your response to those risks.**

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**Country/Area & River basin**

France

Other, please specify

8 % of our manufacturing/quarries sites are considered as "Major riverine zone" regarding flood in several river basin ( mainly in France but also in China, India, Egypte, Germany, Morocco, ...)

**Type of risk & Primary risk driver**

**Primary potential impact**

Reduction or disruption in production capacity

**Company-specific description**

Floods may cause important damages to installations and cost a lot to renovate and repair the damages. Floods can also lead to production disruption, significant financial and market losses, threats to employment, and human and environmental safety.

8 % of our manufacturing/quarries sites are considered in our insurer database (AXA) as "Major riverine zone" regarding flood zone and extreme precipitation levels in several river basin ( mainly in France but also in China, India, Egypte, Germany, Morocco, ...)

In 2020, no water event related to flooding has been reported to the insurance company.

**Timeframe**

Current up to one year

**Magnitude of potential impact**

Medium-high

**Likelihood**

Likely

**Are you able to provide a potential financial impact figure?**

Yes, a single figure estimate

**Potential financial impact figure (currency)**

1,000,000

**Potential financial impact figure - minimum (currency)**

**Potential financial impact figure - maximum (currency)**

**Explanation of financial impact**

This is the cost in average of the 2 event that occurred in 2019 as no event occurred in 2020

**Primary response to risk**

Develop flood emergency plans

**Description of response**

The Risk and Insurance department manages the physical risks that may occur at facility level.

The first step in response to the risk is for the site is to analyse the internal risks which might affect vulnerable processes. Among the list of possibilities to be considered are lack of resources, or lack of utilities. These include water withdrawal, hot water, process water, cooling water and wastewater treatment plan. Then the scenario has to be defined and detailed. For example, potential pollution of the process water at the source. The Group manages the risks of losses aggravated by climate change (floods, rainfall or storms) as part of its industrial and distribution risk prevention policy (see Chapter 4, Section 2.2.2). This takes into account the increase in extreme climate events, which occasionally leads, in addition to damage to installations or stocks, to interruptions in production or supply. The degree of exposure and vulnerability of sites to natural events, including flooding, is regularly updated together with the action plan with a view to improving their level of prevention and protection.

Changes to water systems and, in particular, the development of water stress areas,

No flood event was declare in 2020 but s illustration, in 2019, it registered and managed claims amounting to 7 million € of losses due to rain, flood, wind and hail, of which 4,5 million of losses attributable to two weather events in the South of France in November 2019, which affected several distribution outlets.

**Cost of response**

50,000

**Explanation of cost of response**

The indicated cost is linked to the contract that we have with Axa for improving our risk mapping

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**Country/Area & River basin**

France

Other, please specify

In 2020, 16% of the Group's water withdrawals were located in high-risk or very high-risk areas in several water basin (Mexico, India, South Africa,...)

**Type of risk & Primary risk driver**

Physical

Increased water stress

**Primary potential impact**

Reduction or disruption in production capacity

**Company-specific description**

As some of our activities are water-intensive –notably for the cooling of industrial processes -increased water stress may cause production disruption.

**Timeframe**

More than 6 years

**Magnitude of potential impact**

Medium-high

**Likelihood**

More likely than not

**Are you able to provide a potential financial impact figure?**

Yes, a single figure estimate

**Potential financial impact figure (currency)**

1,000,000

**Potential financial impact figure - minimum (currency)**

**Potential financial impact figure - maximum (currency)**

**Explanation of financial impact**

The Group has faced very few impacts regarding water stressed areas so no financial cost has been reported in 2020.

The financial impact cost is the cost supported by one of plant in Mexico. The site is

located in a water stressed area and the cost corresponds to the investment they have made in order to update their waste water treatment plant to be able to reuse its industrial water and reduce its withdrawal.

**Primary response to risk**

Adopt water efficiency, water reuse, recycling and conservation practices

**Description of response**

Particular attention is paid to limiting the Group’s withdrawals in water stressed areas. Saint-Gobain uses the World Resources Institute’s “Aqueduct” atlas of the world, which allows each of the sites to classify its water risk from “low” to “extremely high”. This atlas is based not only on qualitative and quantitative physical risks (such as water stress or flood risk), but also on stakeholder risk (like access to water). Moreover, the Group aims at reducing water withdrawal by 50% between 2017 and 2030 in raw data and reach zero water discharge in extremely high water risk area ( as defined with the WRI aqueduct methodology). In 2020, around 16% of the Group’s water withdrawals were located in high-risk or very high-risk areas and the water withdrawal on those area has decreased by 13% and half of the sites located in extremely high water stress area have already achieved the 2030 zero discharge water goal.

In-house water recycling is encouraged, particularly through the use of closed-loops, as it considerably limits withdrawals from natural resources. Our Water standard also requires that all sites identify the sources of water affected by withdrawals and discharges. Where natural sources are significantly affected, a detailed environmental impact study must be available.

One of our biggest water consumer in Mexico located in a High water risk area has developed a water management plan with important repairs, water inspection 3 times per day, flow meter installation and has achieved a saving of water by 19%. In addition there are in progress of upgrading their water treatment plant to increase its efficiency ( Investment > 1M€)

**Cost of response**

50,000

**Explanation of cost of response**

The cost is linked to the management of the project illustrating the potential financial impact. It is estimated at around 10%.

**W4.2c**

**(W4.2c) Why does your organization not consider itself exposed to water risks in its value chain (beyond direct operations) with the potential to have a substantive financial or strategic impact?**

Primary reason	Please explain
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<p>Row 1</p>	<p>Risks exist, but no substantive impact anticipated</p>	<p>Risks and emerging risks (including water risks) are accelerated to the principal risk register where they have a substantive financial or strategic impact on the company, i.e. a risk that has operational, financial or strategic effects that undermine the entire business or part of our business, and which could threaten our company's business model, our future performance, our solvency or liquidity in the short, medium or long-term horizons, or risks where the impact is in excess of EUR50m.</p> <p>A company specific assessment of the Group's water related risks and opportunities was undertaken in 2020 and our full analysis is included within p95-96 of our annual report. This outlines how the risks and opportunities impact each stage of the value chain, and ensures that Saint-Gobain's strategy is resilient within global market dynamics and meets consumer expectations. (<a href="https://www.saint-gobain.com/sites/sgcom.master/files/sgo2020_urd_en_mel_210326.pdf">https://www.saint-gobain.com/sites/sgcom.master/files/sgo2020_urd_en_mel_210326.pdf</a>)</p> <p>Saint-Gobain has identified ten risks and five strategic opportunities related to climate change. Each risk and opportunity affects each segment of the Group's value chain differently, from the extraction of raw materials to their end of life. In this regards, water related risk has been identified as a chronic physical risk (sea level rise, change in precipitation regime) Although risks might exist at facility level (Increasing exposure of sites to the risk of flooding and high temperatures reducing water availability or requiring the increase of cooling capacity affecting production costs and energy consumption), we do not consider that they could generate substantive negative impacts at company level. For example, the products produced in our site in China, which is considered as a big contributor of the group regarding water and located in extremely water stress area, account for less than 1% of total Saint-Gobain business.</p>
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### W4.3

**(W4.3) Have you identified any water-related opportunities with the potential to have a substantive financial or strategic impact on your business?**

Yes, we have identified opportunities, and some/all are being realized

### W4.3a

**(W4.3a) Provide details of opportunities currently being realized that could have a substantive financial or strategic impact on your business.**

**Type of opportunity**

Products and services

**Primary water-related opportunity**

Increased sales of existing products/services

### **Company-specific description & strategy to realize opportunity**

Saint-Gobain offers complete solutions drawing on more than 160 years of experience in the water supply market. Our Pipe activity, PAM, provides complete pipe systems offering long-term solutions, which responds to the major challenges of durability, sustainable resource management, and permanent innovation. PAM engineer's expertise in the fields of metallurgy, material strength, coatings and processes are focused on customers need to meet the challenge of water requirements. Through the potential increase of water stressed areas, we anticipate an increase of sales of our pipes for transporting water. For construction market, Saint-Gobain developed SCORE, a robust and innovative tool to assess the sustainability performance of its construction products. This is strategic for the business as it can be integrated into the Group's eco-innovation approach. The scoring is based on 21 indicators that reflect the key sustainability challenges of the construction market. Three of these indicators are related to water management. The first two indicators are based on the Life Cycle Assessment of the product: Freshwater Consumption and Eutrophication Potential. And the third one is a tailor-made indicator called "Water savings and purification": rewarding products that either purify water, that reduce water consumption during the installation/use phase, or that help to collect rainwater for example.

Case Study: Flat glass products used in building façades. For this category of products, water-management is often considered as a "non-irrelevant" feature. However, thanks to SCORE, innovative solutions such as BIOCLEAN can stand out from other more conventional solutions. BIOCLEAN uses an external coating that allows for the façade to be easily cleaned, thus reducing the amount of water consumption and liquid detergents during maintenance. In this case, BIOCLEAN has a higher score than other more conventional façade products because it has a higher score in the "Water savings and purification" indicator since it helps reduce water consumption during the use phase while keeping a similar score on the first two water indicators (Freshwater Consumption and Eutrophication Potential)"

### **Estimated timeframe for realization**

1 to 3 years

### **Magnitude of potential financial impact**

Medium

### **Are you able to provide a potential financial impact figure?**

Yes, a single figure estimate

### **Potential financial impact figure (currency)**

340,600,000

### **Potential financial impact figure – minimum (currency)**

### **Potential financial impact figure – maximum (currency)**

### **Explanation of financial impact**

The need for clean water and sewage are increasing in emerging and developing countries. The market drivers are mainly urbanization and water scarcity for emerging countries: due to climate change and urbanization, more than 3 billion people will face water scarcity in 48 countries according to an OECD prospective. Consequently, the need for new water infrastructure in many parts of the world represents a potential increase in the sales of our Pipe Division.

The estimated financial impact assumes an increase in demand of 1%, which could therefore increase Group sales by 340.6M€. Indeed, we are expecting increased demand for our wide range of sustainable products, notably for our products related to sustainable habitat solutions and energy efficiency. The habitat market currently represents around 80% of our total market, corresponding to sales of approximately 34 060 M€.

## W5. Facility-level water accounting

### W5.1

(W5.1) For each facility referenced in W4.1c, provide coordinates, water accounting data, and a comparison with the previous reporting year.

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#### Facility reference number

Facility 1

#### Facility name (optional)

HANDAN

#### Country/Area & River basin

#### Latitude

36.636483

#### Longitude

114.5371

#### Located in area with water stress

Yes

#### Total water withdrawals at this facility (megaliters/year)

246.85

#### Comparison of total withdrawals with previous reporting year

Much lower

#### Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes



0

**Withdrawals from brackish surface water/seawater**

0

**Withdrawals from groundwater - renewable**

196.084

**Withdrawals from groundwater - non-renewable**

0

**Withdrawals from produced/entrained water**

0

**Withdrawals from third party sources**

50.773

**Total water discharges at this facility (megaliters/year)**

160.45

**Comparison of total discharges with previous reporting year**

Much lower

**Discharges to fresh surface water**

0

**Discharges to brackish surface water/seawater**

0

**Discharges to groundwater**

0

**Discharges to third party destinations**

160.457

**Total water consumption at this facility (megaliters/year)**

86.4

**Comparison of total consumption with previous reporting year**

Lower

**Please explain**

Lower production due to COVID pandemic

## W5.1a

**(W5.1a) For the facilities referenced in W5.1, what proportion of water accounting data has been externally verified?**

**Water withdrawals – total volumes**

---

**% verified**

76-100

### **What standard and methodology was used?**

Review performed in compliance with the ISAE 3000 standard, including: - Risk analysis - Assessment of the suitability of the reporting Guidelines in terms of their relevance, completeness, reliability, impartiality and comprehensibility - Test of details at the level of a representative sample of sites selected by us - Review of the consolidated data - Expression of a limited assurance on the data published.

### **Water withdrawals – volume by source**

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#### **% verified**

76-100

### **What standard and methodology was used?**

Review performed in compliance with the ISAE 3000 standard, including: - Risk analysis - Assessment of the suitability of the reporting Guidelines in terms of their relevance, completeness, reliability, impartiality and comprehensibility - Test of details at the level of a representative sample of sites selected by us - Review of the consolidated data - Expression of a limited assurance on the data published.

### **Water withdrawals – quality**

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#### **% verified**

Not verified

### **Water discharges – total volumes**

---

#### **% verified**

76-100

### **What standard and methodology was used?**

Review performed in compliance with the ISAE 3000 standard, including: - Risk analysis - Assessment of the suitability of the reporting Guidelines in terms of their relevance, completeness, reliability, impartiality and comprehensibility - Test of details at the level of a representative sample of sites selected by us - Review of the consolidated data - Expression of a limited assurance on the data published

### **Water discharges – volume by destination**

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#### **% verified**

76-100

### **What standard and methodology was used?**

Review performed in compliance with the ISAE 3000 standard, including: - Risk analysis - Assessment of the suitability of the reporting Guidelines in terms of their

relevance, completeness, reliability, impartiality and comprehensibility - Test of details at the level of a representative sample of sites selected by us - Review of the consolidated data - Expression of a limited assurance on the data published.

### **Water discharges – volume by treatment method**

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**% verified**

Not verified

### **Water discharge quality – quality by standard effluent parameters**

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**% verified**

Not verified

### **Water discharge quality – temperature**

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**% verified**

Not verified

### **Water consumption – total volume**

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**% verified**

76-100

#### **What standard and methodology was used?**

Review performed in compliance with the ISAE 3000 standard, including: - Risk analysis - Assessment of the suitability of the reporting Guidelines in terms of their relevance, completeness, reliability, impartiality and comprehensibility - Test of details at the level of a representative sample of sites selected by us - Review of the consolidated data - Expression of a limited assurance on the data published.

### **Water recycled/reused**

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**% verified**

76-100

#### **What standard and methodology was used?**

Review performed in compliance with the ISAE 3000 standard, including: - Risk analysis - Assessment of the suitability of the reporting Guidelines in terms of their relevance, completeness, reliability, impartiality and comprehensibility - Test of details at the level of a representative sample of sites selected by us - Review of the consolidated data - Expression of a limited assurance on the data published.

## W6. Governance

### W6.1

#### (W6.1) Does your organization have a water policy?

Yes, we have a documented water policy that is publicly available

#### W6.1a

#### (W6.1a) Select the options that best describe the scope and content of your water policy.

	Scope	Content	Please explain
Row 1	Company-wide	Description of business dependency on water Description of business impact on water Description of water-related performance standards for direct operations Description of water-related standards for procurement Reference to international standards and widely-recognized water initiatives Company water targets and goals Commitment to align with public policy initiatives, such as the SDGs Commitments beyond regulatory compliance Commitment to water-related innovation Commitment to stakeholder awareness and education Commitment to water stewardship and/or collective action Commitment to safely managed Water,	Saint-Gobain's Water policy adopted in 2011 and updated in 2019 confirms the desire to reduce the quantitative and qualitative impact of Saint-Gobain's activities on water resources as much as possible. This policy applies to all Saint Gobain activities globally (industrial site, quarries, offices, distribution center) because we think it's good to encourage all our sites to manage properly water resources. The policy explains the context that water is a valuable resource becoming increasingly scarce in many geographic locations then the linkage with the climate change. It specifies the group responsibility and explains that water is a necessary resource to production and that we should monitor and manage water-related risks – not only on our sites but also with all our stakeholders through the value chain, including R&D and suppliers. The policy provides some guideline on the organisation that should be implemented and the performance KPI to follow - explaining that reduction of overall water usage therefore reduces our footprint and operating costs.  Our internal management system audit, named ISA, is setting and reviewing environmental objectives and targets, including water in connection with this policy. The policy is publically available on our website. Saint-Gobain has also defined a Water guideline that describes the minimum requirements that the industrial sites must observe for water management and the prevention of risks of water constraints, pollution and flooding.  The list of focus sites within the framework of the Water policy is based on both the water withdrawals

		<p>Sanitation and Hygiene (WASH) in the workplace</p> <p>Commitment to safely managed Water, Sanitation and Hygiene (WASH) in local communities</p> <p>Acknowledgement of the human right to water and sanitation</p> <p>Recognition of environmental linkages, for example, due to climate change</p>	<p>and the water stressed areas.</p> <p>The long-term environmental objectives is aim for “zero discharge” of industrial water in liquid form, while avoiding generating new impacts for other natural environments and/or for other parties involved. Saint-Gobain has also the target to decrease by 50% the withdrawal volumes between 2017 and 2030, in raw data and reach zero water discharge in extremely high water risk areas ( as define with the WRI aqueduct methodology).</p> <p>We have mapped our commitments to the SDGs most relevant to us including the number 6 related to Ensuring a sustainable management of water resources .</p>
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## W6.2

**(W6.2) Is there board level oversight of water-related issues within your organization?**

Yes

### W6.2a

**(W6.2a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for water-related issues.**

Position of individual	Please explain
Board-level committee	<p>The role of the Board of Directors is to determine the Company’s strategic direction and monitor its implementation and proper management. The General Management of Compagnie de Saint-Gobain consists of the Chairman and Chief Executive Officer and, since January 1, 2019, of a Chief Operating Officer. The operational organization of the Saint-Gobain Group’s Management is provided by an Executive Committee chaired by the Chairman and Chief Executive Officer that meet every month. .</p> <p>The Saint-Gobain Executive Committee is responsible for managing the Group. It makes strategic decisions according to the guidelines defined by the Board of Directors and under the chairmanship of the Chairman and Chief Executive Officer.</p> <p>The Chairman and Chief Executive Officer and Member of the Board of directors is also member of the CSR Committee.</p> <p>The Board has established three Committees aimed at improving its operations and effectively contributing to the preparation of its deliberations: one of them is the Strategy and Corporate Social Responsibility Committee. The activities of this committee during fiscal year 2020 were regularly presented to the Board in the form of activity reports and proposals. Over eight sessions, one point on the</p>

	<p>agenda was dedicated to Corporate Social Responsibility matters, among Two of them has been linked to water :</p> <ul style="list-style-type: none"> <li>■ non-financial results and development of the dashboard to focus on the key challenges including the water focus sites.</li> <li>■ CO2 roadmap and environmental strategy: setting among other things new objectives for reducing water withdrawal by 50% by 2030 and zero water discharge in extremely high water stress area.</li> </ul>
<p>Chief Executive Officer (CEO)</p>	<p>The Chairman and Chief Executive Officer and Member of the Board of directors is also member of the CSR Committee which is responsible for reviewing the strategic plan, its potential for improvement and the proposed strategic topics by its members and reports quarterly to the Executive Board. Starting 1st of July 2021, a new CEO has been appointed</p> <p>The mission of the Executive Committee is to review operational management, coordinate project management and implement Saint-Gobain Group strategy. It meets every month.</p> <p>An example of water -related decision made at executive committee in 2020, we can highlight that the committee has adopted our new environmental objectives for 2030 including the water’s ones ( -50% on water withdrawal and Zero water discharge in extremely high water stress area) and 2019 the committee has decided to launch a “Focus Site program” to accompanied the site that contribute to 80% of the Groupe environmental indicator. In this programme 44 sites of the Groupe who represent 80% of the water discharge of the Group have been requested to set short, medium and long term action plan to reduce their water impact. The program is still running and the Chief operating officer had 3 meetings in 2020 with the activity or country that contribute the most to our environmental impact ( North America, PIPE, South Europe and MEA)</p>
<p>Chief Operating Officer (COO)</p>	<p>The Chief Operating Officer is a member of the executive committee.</p> <p>The mission of the Executive Committee is to review operational management, coordinate project management and implement Saint-Gobain Group strategy. It meets every month</p> <p>An example of water -related decision made at executive committee in 2019, is that the executive committee has decided to launch a “Focus Site program” to accompanied the site that contribute to 80% of the Group environmental indicator. In 2020, 43 sites representing 80% of the water discharge of the Group have been requested to set short, medium and long term action plan to reduce their water impact.</p>

<p>Chief Sustainability Officer (CSO)</p>	<p>The Chief Sustainability Officer, Vice-President, reports to the Senior Vice President in charge of Human Resources, who has the overall responsibility of the Sustainable Development department and is member of Saint-Gobain Executive Committee. This person reports to Saint-Gobain’s CEO. It is the responsibility of the CSO to propose specific water-related issues at Board level. During the sessions dedicated to corporate social responsibility matters, the following topics has been presented : non-financial results and environmental policy that include the water policy and its objectives.</p> <p>An example of water -related decision made at executive committee under the proposal of the CSO and CSR committee, is that the executive committee has decided to launch in 2019 a “Focus Site program” to accompanied the site that contribute to 80% of the Group environmental indicator. In 2020, 43 sites representing 80% of the water discharge of the Group have been requested to set short, medium and long term action plan to reduce their water impact.</p>
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## W6.2b

**(W6.2b) Provide further details on the board’s oversight of water-related issues.**

	Frequency that water-related issues are a scheduled agenda item	Governance mechanisms into which water-related issues are integrated	Please explain
Row 1	Scheduled - some meetings	Monitoring implementation and performance Overseeing acquisitions and divestiture Overseeing major capital expenditures Reviewing and guiding annual budgets Reviewing and guiding business plans Reviewing and guiding major plans of action Reviewing and guiding risk management policies	<p>The role of the Board of Directors is to determine the Company’s strategic direction and monitor its implementation and proper management. The Corporate Social Responsibility Committee ensures that corporate social responsibility issues are taken into account in the definition of the Group’s strategy and its implementation. It reviews all the elements of the CSR roadmap, particularly with regard to climate change. . It is composed of three Directors, meets 6 times per year and regularly tracks the implementation of short-, medium- and long-term programs, covering also risks and opportunities. Leadership for this challenge is provided directly by the Chief Sustainability Officer who since June 2020 attends this committee.</p> <p>The Saint Gobain water objectives are included in the CSR roadmap that is reviewed regularly by the Board members.</p> <p>In 2020 the CSR Committee has worked on setting</p>

		<p>Reviewing and guiding strategy</p> <p>Reviewing and guiding corporate responsibility strategy</p> <p>Reviewing innovation/R&amp;D priorities</p> <p>Setting performance objectives</p>	<p>of new environmental objectives for 2030 that include water (to reduce by 2030 its water withdrawals by 50% compare to 2017 and reach zero water discharge in extremely high water risk areas as defined with the WRI aqueduct methodology). Those objectives have been proposed and adopted as proposed by the executive committee. In 2019 the committee decided to launch a “Focus Site program” to address sites that contribute to 80% of the Groupe environmental indicator. In this programme 44 sites of the Groupe who represent 80% of the water discharge of the Group have been requested to set short, medium and long term action plans to reduce their water impact. The program is still running and the Chief operating officer have organised 3 meetings in 2020 with the activities and countries that contribute the most to our environmental impact (North America, PIPE, South Europe and MEA). Pipe business being our most water consuming activity.</p> <p>This regular review of our CSR roadmap, including water-related issues, at Board-level committee meetings provides the Board with an overview of implementation strategy, and the status of our results vs targets.</p>
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### W6.3

**(W6.3) Provide the highest management-level position(s) or committee(s) with responsibility for water-related issues (do not include the names of individuals).**

**Name of the position(s) and/or committee(s)**

Chief Sustainability Officer (CSO)

**Responsibility**

Both assessing and managing water-related risks and opportunities

**Frequency of reporting to the board on water-related issues**

More frequently than quarterly

**Please explain**

The Sustainable Development Department, led by the CSO, oversees the management of water-related issues, which represent both a risk and an opportunity for the Group.



The CSR Committee ensures that corporate social responsibility issues are taken into account in the definition of the Group’s strategy and its implementation. It is composed of three Directors, meets 6 times per year and regularly tracks the implementation of short-, medium- and long-term programs, covering also risks and opportunities. The CSR Committee, of which the Chairman and Chief Executive Officer, is also a member, is responsible for reviewing the strategic plan, its potential for improvement and the proposed strategic topics by its members and reports quarterly to the Executive Board.

## W6.4

**(W6.4) Do you provide incentives to C-suite employees or board members for the management of water-related issues?**

	Provide incentives for management of water-related issues	Comment
Row 1	No, and we do not plan to introduce them in the next two years	CSR criteria has been introduced into the long term remuneration of Saint Gobain top managers. The topics concerned are the one considered as critical regarding our CSR materiality matrix : Safety, climat change (mainly CO2) and diversity. Saint Gobain do not want to multiply the indicators. Then it’s under all managers responsibility to decide below them which incentive is relevant at which level.

## W6.5

**(W6.5) Do you engage in activities that could either directly or indirectly influence public policy on water through any of the following?**

- Yes, direct engagement with policy makers
- Yes, trade associations

## W6.5a

**(W6.5a) What processes do you have in place to ensure that all of your direct and indirect activities seeking to influence policy are consistent with your water policy/water commitments?**


All actions and activities seeking to influence policy are managed at top management level. They are in charge of ensuring that they are consistent with our water policy. Saint-Gobain also acts through several associations. E.g, Saint-Gobain is part of EpE (Enterprises for the Environment). EpE addresses medium and long term policy. EpE gives its members a forum for discussion with NGOs, ministers, politicians, scientists and academics. Shared experience and practices lead to the publication of guides, books, methodologies and proposals for action. In 2019, via our membership of the European Alliance to save Energy (EU-ASE), the importance of energy efficiency in the water sector has been reflected in relation to the implementation of energy efficiency directive and the revision of the water framework directive. In 2020, Saint-Gobain has continue to contribute to the early phase of the Smart Water Alliance, which aims

for a broader recognition of water policies under the EU Green Deal, and elaborates recommendations for an efficient and smart water use. If any inconsistency would be discovered between our activities seeking to influence policy and our own water policy, Saint-Gobain will enter immediately in direct dialog with the association to get a better understanding of the issue. Then corrective actions would be led to realign our policy or we will leave the organisation if the topics are considered to be in total opposition with our position.

## W6.6

### (W6.6) Did your organization include information about its response to water-related risks in its most recent mainstream financial report?

Yes (you may attach the report - this is optional)

 DEU\_SG\_2020\_ENG.pdf

## W7. Business strategy

### W7.1

#### (W7.1) Are water-related issues integrated into any aspects of your long-term strategic business plan, and if so how?

	Are water-related issues integrated?	Long-term time horizon (years)	Please explain
Long-term business objectives	Yes, water-related issues are integrated	> 30	<p>Saint-Gobain takes measures to limit its impact on ecosystems and to optimize its use of natural resources, especially water. We have set medium and long term objectives for water-related issues.</p> <p>Our medium term objective is to decrease water discharges by 80% between 2010 and 2025. The long-term objective is to withdraw as little water as possible and to aim for “zero discharge” of industrial water in liquid form, while avoiding generating new impacts for other natural environments and/or for other parties involved.</p> <p>Since 2019 the Group has launch a “Focus Site program” to accompanied the site that contribute to 80% of the Group environmental indicator. For water discharge it represent 44 sites that have been requested to set short, medium and long term action plan to reduce their impact.</p>

			<p>For example, one of our quarry located in France has a project to collect by 2022 the cleaning water from the factory through a decantation basin to be able to reuse it in a close loop, with a potential saving of 100 000 m<sup>3</sup> (compare to their 2019 water discharge) which represent for the site a saving of 77% and for Saint-Gobain 0,3 %.</p>
<p>Strategy for achieving long-term objectives</p>	<p>Yes, water-related issues are integrated</p>	<p>21-30</p>	<p>Once our 2025 target reached, we will need to focus on the 20% remaining discharges, using further recycling loops. The long term shall be zero discharge under liquid form with full recycling of discharge, withdrawals being limited to the process evaporation and water needs for the product.</p> <p>To reach these objectives, we adopted a Water policy to reduce the quantitative and qualitative impact of our activities on water resources as much as possible, both on withdrawals and on discharges. We also use the World Resources Institute’s “Aqueduct” atlas of the world, which allows each of the sites to classify its water risk from “low” to “extremely high”. This atlas is based on qualitative and quantitative physical risks (such as water stress or flood risk), but also on stakeholder risk (like access to water). It helps managing the priorities according to the stressed.</p> <p>For example, one of our site in Mexico which is part of the main contributor and located in an area with an extremely high water risk (WRI Classification) has a project for rainwater captation, with a potential saving of 30 000 m<sup>3</sup> in order to reach zero water withdrawal after 2025 areas</p>
<p>Financial planning</p>	<p>No, water-related issues were reviewed but not considered as strategically relevant/significant</p>	<p>21-30</p>	<p>We consider that even if capital expenditures will be needed on a long-term horizon, the total amount is not strategically significant at Group level.</p>

## W7.2

**(W7.2) What is the trend in your organization’s water-related capital expenditure (CAPEX) and operating expenditure (OPEX) for the reporting year, and the anticipated trend for the next reporting year?**

**Row 1**

**Water-related CAPEX (+/- % change)**

28

**Anticipated forward trend for CAPEX (+/- % change)**

-20

**Water-related OPEX (+/- % change)**

-32.1

**Anticipated forward trend for OPEX (+/- % change)**

-31.6

**Please explain**

EHS financial data (expenses and capital expenditure) are tracked in the Group’s financial reporting tool. Those data correspond to the CAPEX listed in 2020 and budgeted for 2021 for HPS and Glass and Insulation activities. In 2020 2 major projects occurs in Glass business with a huge investment (around 5 M€). In 2021, we are coming back around or regular investment in water. These investments concerned mainly recycling and treatment on process water (SPAIN, USA, CZECH REP), improvement of cooling system ( INDIA UK, CHINA), OPEX is an example of what we purchased in the category "WASTEWATER & SLURRY TREATMENT / DISTRIBUTION / CHEMICALS TREATMENT" that corresponds mainly to a contract that we have with an international supplier specialised in water treatment and process improvement. The decreasing expenditure trend 2020/2021 is an estimation taking into account the exceptional situation linked to COVID which led to the cessation of activity on many of our sites.

## W7.3

**(W7.3) Does your organization use climate-related scenario analysis to inform its business strategy?**

	<b>Use of climate-related scenario analysis</b>	<b>Comment</b>
Row 1	No, but we anticipate doing so within the next two years	Saint Gobain’s water related risks are mainly linked to climate change consequences. By setting climate-related scenarios, we can anticipate water risks for our production facilities and opportunities, for our Pipe activity.

		<p>We committed to Science Based Target in March 2018 and had our targets approved in April 2019. Nevertheless as current methodologies developed by the SBTi are not directly applicable to the Building and Construction value chain, the GABC (Global Alliance for Building and Construction) has decided to develop a specific methodology whilst continuing to work on the application of existing methodologies to the Business and Construction value chain. We are actively involved in this work, jointly with the WBCSD, the World Green Building Council, the International Energy Agency and other player of the value chain. This work has received a financial support by We Mean Business (CDP being a partner of this coalition).</p>
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## W7.4

### (W7.4) Does your company use an internal price on water?

#### Row 1

#### Does your company use an internal price on water?

No, but we are currently exploring water valuation practices

#### Please explain

In most countries there is no charge for abstracting water directly from rivers, lakes and aquifers. And the price for piped water supply provided by utilities, be they publicly or privately managed, are determined administratively and vary from one country to another. Our water results compared to our objectives, together with the awareness of our employees on water-related issues, do not justify the use at the present time of an internal price of water. Moreover, the Saint Gobain CSR materiality matrix regarding the SDG has shown that the water goal are not the one directly link to the expectation of our customer.(reference document page 109)

However, we are studying possibility to valuing water. For example, with some webinar for industrial director regarding the real cost of water or looking for financial driver in the country where water is very expensive like in India.

## W8. Targets

### W8.1

#### (W8.1) Describe your approach to setting and monitoring water-related targets and/or goals.

Levels for targets and/or goals	Monitoring at corporate level	Approach to setting and monitoring targets and/or goals
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Row 1	Company-wide targets and goals Business level specific targets and/or goals Activity level specific targets and/or goals Site/facility specific targets and/or goals Country level targets and/or goals	Targets are monitored at the corporate level Goals are monitored at the corporate level	We have set targets and goals to be coherent with our public engagements and our internal Water policy: - our long-term target is to withdraw as little water as possible and to aim for “zero discharge” of industrial water in liquid form, while avoiding generating new impacts for other natural environments and/or for other parties involved. To do that we also have a medium-term target of 80% water discharge decrease between 2010 and 2025 at iso-production. We also work to manage priorities by identifying the development of water stressed areas, which give rise to production risks and penalize local populations. Our target is at corporate level and to be applied by activity and at country and facility level. We have now a special follow up and dedicated action plan with our main water contributing sites through the focus site programme that identified the site that contribute to 80% of the Group Water discharge. We also have goals for our suppliers, managed at corporate level.
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## W8.1a

**(W8.1a) Provide details of your water targets that are monitored at the corporate level, and the progress made.**

**Target reference number**

Target 1

**Category of target**

Water discharge

**Level**

Company-wide

**Primary motivation**

Reduced environmental impact

**Description of target**

Medium term target (2010-2025): -80% water discharge at iso-production for the environment concerned perimeter sites (sites with >95% of the environmental impact).

**Quantitative metric**

% reduction per unit of production

**Baseline year**

2010

**Start year**

2011

**Target year**

2025

**% of target achieved**

39

**Please explain**

Saint-Gobain's operations depend on freshwater supplies, and our pipe activity has develop a great experience in water supply, transportation and water discharge market. Now other activity like Ceramic start to develop new product related to water treatment. Moreover, the long term target is to reach Zero discharge and not zero withdrawal. expecting that 100 % of the water used can be recycled and a that our water withdrawal will correspond to our real water need.

We have achieved a 31,5% reduction by comparing 2019 at iso-production 2010 (=39% of target completion) . Particularly, our pipe activity has carried out projects to increase closed circuits and recycle water.

**W8.1b**

**(W8.1b) Provide details of your water goal(s) that are monitored at the corporate level and the progress made.**

**Goal**

Engagement with suppliers to reduce the water-related impact of supplied products

**Level**

Company-wide

**Motivation**

Reduced environmental impact

**Description of goal**

In its policy Saint Gobain state that operational risks related to the use of water by a supplier in its production process and likely to block the operation of a Saint-Gobain site by a water supply failure must be addressed as a priority. Furthermore, it should be noted that risks related to the reputation of suppliers, should they be held liable for the irresponsible use of water resources, are also likely to have negative consequences on Saint-Gobain's reputation.

The Group has set a target 2017-2021 of having evaluated the CSR performance of almost all reputable suppliers with CSR risk and annual sales of more than 100,000€ with the Group. Regarding CSR audits, the goal is to achieve about 100 audits per year for low initial CSR performance. These audits may lead to de-references if the necessary corrective plans are not implemented within the agreed deadlines.

As measure of success, we can state that 903 suppliers have been concerned by documentation reviews by a third party. 31.9% of our suppliers by number, considered as potentially risky regarding CSR, have been concerned by documentation reviews. The suppliers with unsatisfactory grades to those CSR evaluations have to work to improve their overall performance according to the detailed scorecard evaluation recommendation.

**Baseline year**

2017

**Start year**

2018

**End year**

2021

**Progress**

31,9%

## W9. Verification

### W9.1

**(W9.1) Do you verify any other water information reported in your CDP disclosure (not already covered by W5.1a)?**

Yes

### W9.1a

**(W9.1a) Which data points within your CDP disclosure have been verified, and which standards were used?**

Disclosure module	Data verified	Verification standard	Please explain
W8 Targets	Targets	ISAE 3000	The external auditors also use the verification standard Compagnie Nationale des Commissaires aux Comptes (CNCC). We ask from our auditors, in their mission statement, to verify as well our progress against our set of targets as well as the year on year variation of our emissions. See registration document 2018 page 330.



## W10. Sign off

### W-FI

(W-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

### W10.1

(W10.1) Provide details for the person that has signed off (approved) your CDP water response.

	Job title	Corresponding job category
Row 1	The Senior Vice President in charge of Human Resources and Member of the Executive Board , having the overall responsibility of the Sustainable Development department	Board/Executive board

### W10.2

(W10.2) Please indicate whether your organization agrees for CDP to transfer your publicly disclosed data on your impact and risk response strategies to the CEO Water Mandate's Water Action Hub [applies only to W2.1a (response to impacts), W4.2 and W4.2a (response to risks)].

Yes

## Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

	I am submitting to	Public or Non-Public Submission	Are you ready to submit the additional Supply Chain questions?
I am submitting my response	Investors Customers	Public	Yes, I will submit the Supply Chain questions now

Please confirm below

I have read and accept the applicable Terms