01 ORGANISATION AND PROCEDURES

ETHICS & COMPLIANCE

COMPETITION LAW POLICY

11/2024

SAINT-GOBAIN

COMPETITION LAW POLICY

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Message from the Chairman and CEO

Competition law promotes free and fair competition and ensures a level playing field, where companies effectively compete to the benefit of consumers.

Present today in 76 countries, Saint-Gobain is committed to operating its business responsibly and sustainably. Complying with competition law is at the heart of our Principles of Conduct and Action.

This Competition Law Policy applies to all our operation worldwide. We need to learn the lessons from past events to progress. We also need to make sure this Policy applies to all newly acquired business entities in a timely manner. Saint-Gobain applies a "zero tolerance" principle in this regard.

Compete hard with a winning mindset but always fairly! I am counting on each of you, and I thank you for your unwavering commitment on this topic!"

Benoit Bazin,
Chairman and Chief Executive Officer

Purpose & Scope

The purpose of this Competition Law Policy (the “**Policy**”) is to give employees an overview of the main competition law rules they are expected to comply with, as well as the key risk areas they should be familiar with.

All employees at all levels of the Group are expected to read this Policy carefully and attend related competition law trainings.

In case of doubt about competition law issues, employees may reach out to their manager, legal team, Ethics & Compliance central team or report a concern *via* “SpeakUp!”, the Group’s alert system.

I. WHAT IS PROHIBITED?

1/ Anticompetitive Agreements

Agreements between two or more businesses which prevent, restrict or distort competition are prohibited.

The concept of “agreement” is broad: it covers written and oral agreements, informal gentlemen’s agreements, a simple “understanding” between two parties or any other form of arrangement.

Whether such agreements are implemented in practice makes no difference: they are prohibited.

CARTELS BETWEEN COMPETITORS are the most serious form of anticompetitive behaviour and lead to the highest risk exposure for the Group (fines, reputational damage and follow-on actions) and for individuals (fines, prison, director disqualification). They are agreements between businesses not to compete with each other on one or several parameters. The most common forms of cartels are:

- **Price fixing:** colluding with competitors to fix prices (minimum price, timing of price increase, etc.), discounts or any other commercial terms such as transportation costs.
- **Market sharing:** sharing or allocating territories, customers or markets between competitors.
- **Bid rigging:** agreeing with competitors the terms on which the Group will or will not take part in a tender process.
- **Collective boycott:** agreeing with competitors to exclude another player from the market (competitor, new entrant, customer, supplier).
- **Direct or indirect exchange of competitively sensitive information:** exchanging strategic information which reduces uncertainty about how companies will operate in a market is likely to restrict competition (e.g. information about capacity, utilization rates, volumes etc.).

Exchange of historic, aggregated commercial and financial data will generally be considered less sensitive than current or future granular data.

IMPORTANT:

Competition authorities around the globe are increasingly looking at **other forms of cartels beyond "price cartels".** They are sanctioning agreements expansively on various parameters of competition including **R&D strategies** (e.g. degree of innovation, timing of implementation), **product performance** (e.g. technical performance, environmental performance, resource efficiency, durability, etc.) and **labour-related agreements** such as wage-fixing and **no-poach of employees.**

VERTICAL AGREEMENTS between companies operating at different levels of the value chain (e.g. supplier/distributor relations) may also restrict competition on the market, depending on the context. The most common forms of vertical agreements potentially raising concerns are as follows:

- **Resale price maintenance:** where a supplier constrains the resale prices of resellers such as distributors or retailers.
- **Territorial or customers sales restrictions:** where a supplier restricts the territory into which the reseller can sell the products or the customers to whom the reseller may sell the products to.
- **Restriction on online sales:** where a supplier prevents resellers from reselling the products online.
- **Exclusivity provisions:** where a supplier imposes exclusive supply or purchasing obligations in supply or distribution agreements.

2/ Abuse of a Dominant Market Position

Holding or acquiring a dominant position is not unlawful in itself. A company infringes competition law when it abuses its dominant market position. This mainly applies to businesses that have a large market share[1] (generally 40 % or more but may be lower in certain countries), but other factors are also taken into consideration such as the number and size of competitors and customers and whether new businesses can easily enter the market.

Entities with strong market power have a special responsibility not to hinder market entrance and effective competition and should refrain from:

- **Setting predatory prices:** charging below cost prices to exclude a competitor from the market.
- **Setting rebate levels (including rebates through loyalty programs)** which could exclude competitors from the market.
- **Setting excessive prices** as they lead to higher prices for customers who do not have many alternative choices regarding products or services offered by a dominant company.

1. Market definitions as defined by competition authorities for the purpose of determining companies' market shares may differ from the reality of the business concerned.

- **Imposing unfair commercial terms** on their customers by extending their dominant position into other markets (for instance, through tied sales or bundling).
- **Refusing to supply** an existing client without objective justification.
- **Imposing exclusivity or non-compete provisions** to suppliers or customers.
- **Imposing discriminatory sales conditions.**

II. HIGH RISK SITUATIONS WHICH NEED TO BE CLOSELY MONITORED

1/ Meetings with Competitors

Interactions with competitors, whether in formal or informal contexts, are high-risk situations which need to be clearly monitored, whether they take place through trade association, industry/ professional committees/forums, standard setting organizations, marketing events or in-person business meetings (e.g. in the context of R&D projects, M&A projects or customer/supplier relations), conference calls or any other event attended by Saint-Gobain employees.

2/ M&A Projects

When a company acquires another, or when two or more companies merge or form a joint venture, it may reduce competition. Parties to a contemplated transaction that meets applicable merger control thresholds[2] are required to report it to the relevant competition authorities and cannot complete their transaction before securing an authorization decision. Mergers which could substantially lessen competition can be prohibited or made conditional by competition authorities.

Failure to notify reportable transactions or early implementation before obtaining clearance from authorities, both referred to as GUN-JUMPING, may give rise to significant penalties, injunctions or divestiture orders. **Until closing, the parties must continue to operate as independent companies.**

2. In certain countries, a transaction falling below merger control thresholds may still be subject to review by competition authorities.

Parties to a transaction, especially when they are competitors, must also pay special attention to how **competitively sensitive information** is handled before closing. While competition authorities recognize that parties need to share sensitive information to assess feasibility of a transaction and prepare for closing, such access needs to be limited to what is necessary, strictly monitored and the appropriate framework needs to be implemented to ensure full compliance with competition rules (for example through the setting up of a clean team composed of employees not involved in the daily business).

For further guidance on the right conduct to adopt until closing, please refer to the M&A Handbook

3/ Gathering Market Intelligence

Market intelligence may come from many different sources.

The main guiding principle to stay on the right side of the law is to only seek out information that is publicly available: public statistics about markets, anything that a competitor has shared on their website, social networks, press releases, brochures, or in any other format that the general public can access.

In practice, market intelligence about competitors' commercial conditions may also be obtained through customers in the context of bilateral negotiations. This is generally acceptable from a competition law standpoint if the information is received strictly in the context of bilateral commercial negotiation, on a one-off basis (no regular reporting by customers of commercial conditions on the market).

III. THE SIX GOLDEN RULES

1. **Set your own business strategy** (commercial, technological, etc.) **independently on the market.**

2. **Don't agree with a competitor to fix prices or any other competitive parameters nor exchange information about your strategy** (e.g., pricing, R&D, business plans, timing of price increases, market forecasts).

3. **Keep track and document all interactions with competitors** whether in the context of trade association meetings, other professional forums, M&A discussions, or any other business meetings. When attending a meeting with competitors, always ask for an **agenda to be circulated in advance**, and make sure **minutes** are recorded and circulated after the meeting. Put legal teams in the loop of such exchanges.

4. **Think before you write when drafting internal documents and emails:** avoid ambiguous language in your internal and external communications. Think about how your written communications could be interpreted out of context and/or several years later by a competition authority or a judge.

5. **Keep track of how you gather market intelligence:** you must be able to show that you obtained the information in a legitimate manner (public sources or through bilateral negotiations with your customers or prospects).

6. **Don't abuse your strong market position by imposing unreasonable commercial conditions** to clients or suppliers and reach out to the legal team in a timely manner.

Governance

The Ethics & Compliance central department, reporting to the Corporate Secretary, is in charge of:

- **Communicating this Policy** to all relevant employees with the support of General Counsels and/or Ethics & Compliance Officers in each Region, Country, Cluster or Activity.
- **Providing support and expertise** with respect to any issue under this Competition Law Policy or under competition law in general.

It may carry out regular competition law audits within the Group to ensure compliance with this Policy. As part of these audits, interviews may be conducted and/or employees' professional data may be collected and reviewed subject to local data privacy laws.

Ethics & Compliance Officers in each Region, Country, Cluster or Activity are in charge of:

- **Adapting the Policy** to local law & translating it.
- **Ensuring that the Policy is disseminated** in all entities within their perimeter.

Managers are responsible for ensuring that this Policy is known by their team members.

This Policy is also intended to be communicated to any person acting in the name and on behalf of the Group (e.g. agents).

Non-compliance with this Policy may result in disciplinary sanctions according to the terms and conditions provided for in each country.

Ethics & Compliance Officers and Legal departments are always available to assist on any questions regarding implementation of this Policy.

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