

INTEGRATED ANNUAL REPORT  
2022/2023

# CREATING SUSTAINABLE GROWTH



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**PIERRE-ANDRÉ DE CHALENDAR**

Chairman of the Board  
of Directors of Saint-Gobain



In 2022, Saint-Gobain once again demonstrated the soundness of the choices made in recent years in adapting its model and making it more agile, by giving full place to a corporate culture based on autonomy, initiative and collaboration. Its inclusive approach and the attention paid by the Group to all its stakeholders - customers, partners, employees, local communities and shareholders - are essential for its success and future development. The very successful implementation of Saint-Gobain's strategy is all the more remarkable given that it has taken place in a context of persistent geopolitical, economic, financial and energy volatility, and against the backdrop of environmental emergency. The Group is fully committed to contributing, over the long term, to a low-carbon economy, a less resource-intensive performance and a healthier, fairer and more inclusive world. Its unique assets, the relevance of its offer, and the continuous adaptation of its scope of activity, are levers that enable us to achieve these objectives and contribute to a better future. This new edition of our integrated annual report highlights this goal of creating shared, sustainable and profitable value with our stakeholders.



The excellent performance achieved by Saint-Gobain in 2022 reflects the strength of our strategic positioning as a worldwide leader in sustainable construction. It demonstrates our resilience, thanks to our unique offering of solutions - notably in promising renovation markets - and thanks to the efficiency of our country organizations, which adapt quickly to changes in their local markets. I would like to congratulate all our teams for their outstanding commitment and work, which enabled us to achieve these results. In a difficult environment, they continue to serve and support our customers in the best possible way, while deploying the initiatives of our "Grow & Impact" plan.

Saint-Gobain's model is based on a continuous search for growth that is both profitable and sustainable. The Group continues to make significant progress on its long-term ESG (environmental, social and governance) objectives. Its goal is to achieve carbon neutrality by 2050 and thus effectively combat climate change. Thanks to its unique position in the value chain, its determined efforts to minimize the impact of its operations, and the positive effects of the solutions it provides to its customers, Saint-Gobain is thus ideally placed to actively contribute to the decarbonization of construction and industry. This fully integrated model is the Group's strength and will form the basis of its growth for the coming years.



**BENOIT BAZIN**

Chief Executive Officer of Saint-Gobain

# A COMMITTED AND RESPONSIBLE GROUP



A company unable to make profits cannot succeed, but the same fate awaits those that would place themselves on the margins of the urgent transformation of our societies. Having a positive impact: this is the imperative of any modern business.

**BENOIT BAZIN**  
Chief Executive Officer  
Saint-Gobain

The CCLEX bridge (Cebu - Cordova) is the highest (145 meters) and the longest (8.9 km) in the Philippines.

The construction of the bridge required **165,000 m<sup>3</sup> of concrete** for the in-situ poured elements and the precast segments.

Thanks to its expertise and its large range of technologies, **Chryso developed a unique and tailor-made superplasticizer** to meet the needs of the worksite, while optimizing the concrete mix design with locally available resources.



PHILIPPINES



# SAINT-GOBAIN AT A GLANCE

AN INDUSTRIAL  
PRESENCE IN  
**75 COUNTRIES**





OVER  
**120**  
NATIONALITIES



OVER  
**450**  
PATENTS FILED  
IN 2022



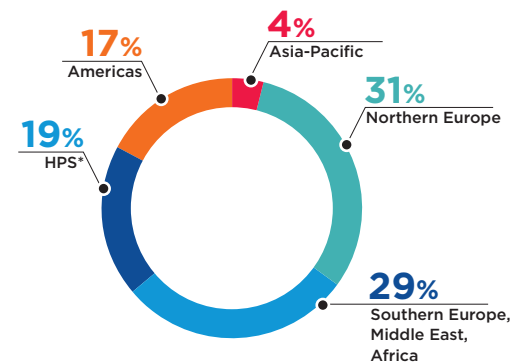
NEARLY  
**800**  
INDUSTRIAL SITES



NEARLY  
**2700**  
SALES OUTLETS

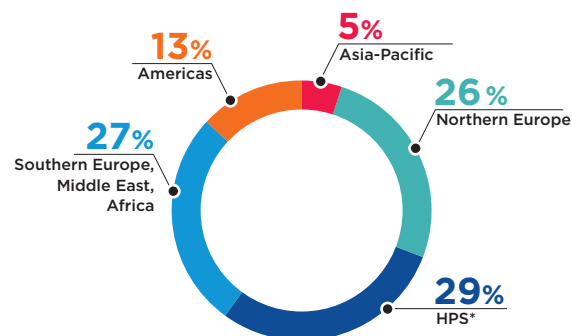


**€51.2 bn**  
IN SALES IN 2022



**+30.5%**  
INCREASE  
IN FREE CASH-FLOW  
BETWEEN 2021 AND 2022

**168,000**  
EMPLOYEES



\* High Performance Solutions



# -27%

Reduction in CO<sub>2</sub> emissions  
between 2017 and 2022  
in scope 1 and 2



# -37%

Reduction in non-recovered  
waste between 2017  
and 2022



# 34.9%

Recruitment rate of women  
among managers



# 84%

Employee engagement  
rate in 2022  
(me@Saint-Gobain survey)



# 100%

Percentage of employees  
covered by the "CARE  
by Saint-Gobain" program



In 2022, Saint-Gobain was ranked, for the 8<sup>th</sup> consecutive time, among the 16 companies certified worldwide by the Top Employers Institute.



In 2022, the Group was included for the second consecutive time in the "Climate Change A List".

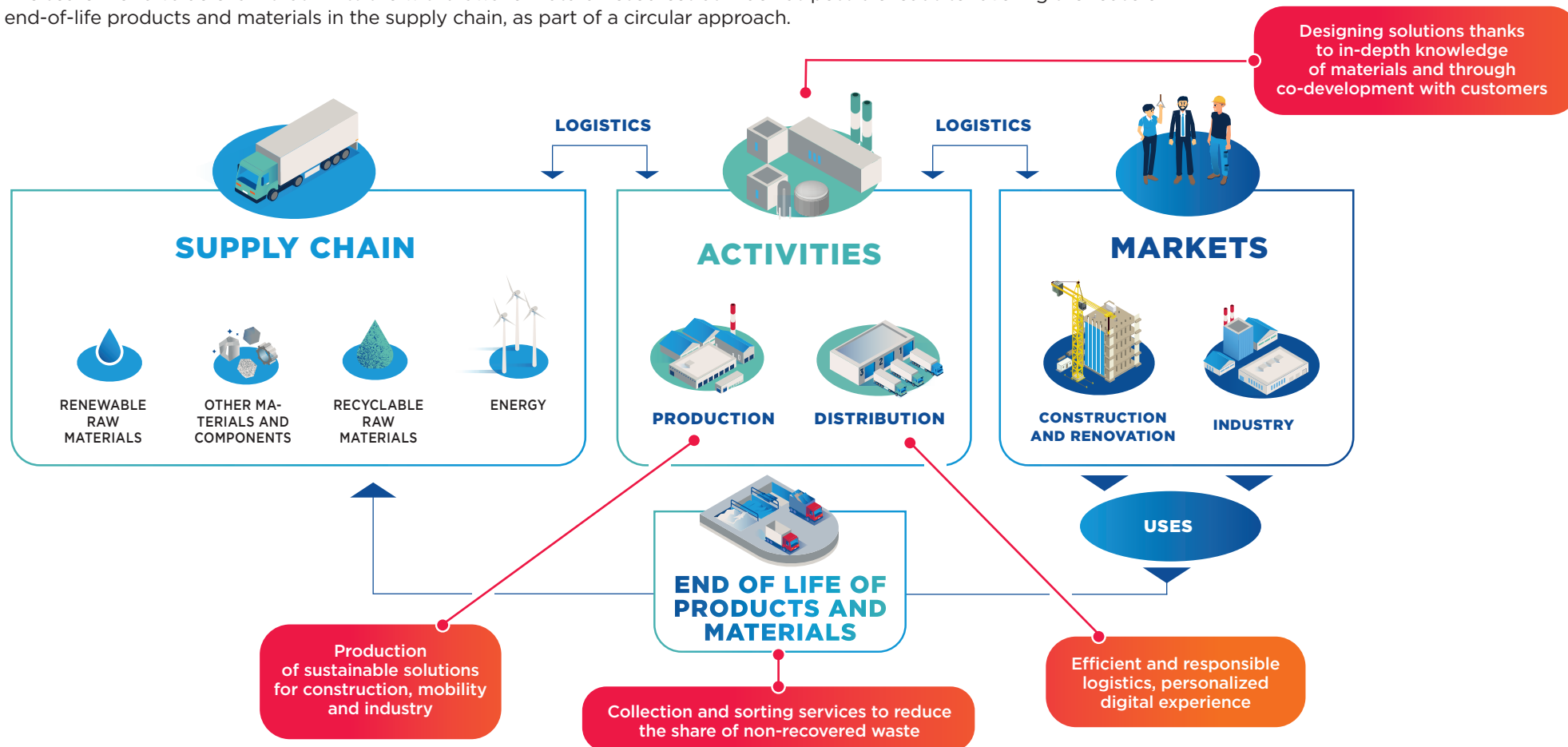


In 2022, Saint-Gobain was listed, for the 5<sup>th</sup> consecutive time, in the Bloomberg Gender-Equality Index.

# THE VALUE CHAIN

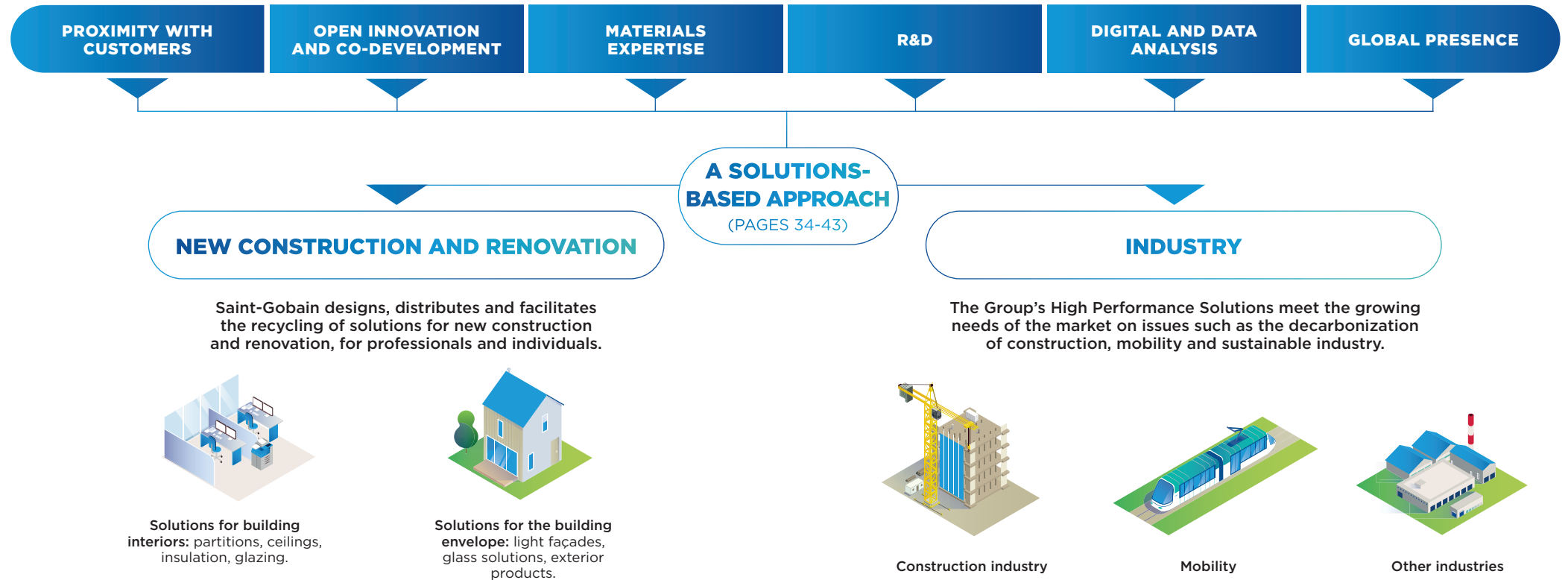
The **value chain** corresponds to all interconnected activities, each of which develops value for Saint-Gobain by integrating upstream (suppliers), downstream (customers) and all stakeholders with whom the Group interacts. The **synergies among the Group's various activities** (from resource extraction to **distribution**, from the **production of solutions** combining materials and systems to the provision of **services**), the **complementary nature** of its offerings, and its global and local dimension, enable Saint-Gobain to **meet market expectations** for **new construction, renovation** and the **decarbonization of industry**.

The search for a value chain that limits the withdrawal of natural resources as much as possible leads to favoring the reuse of end-of-life products and materials in the supply chain, as part of a circular approach.



# OFFERING SOLUTIONS BASED ON CUSTOMER EXPECTATIONS...

The Group has a range of assets that places it at a unique position on the construction and industrial markets and which enables it to offer solutions to local markets (**renovation** (see pages 38-39) and **new construction** (see pages 40-41) for residential and non-residential buildings) as well as **global markets** (see pages 42-43): sustainable construction, sustainable mobility and sustainable industry.



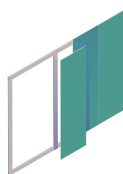
# ... ON SOLID BUSINESS EXPERTISE AND A STRONG INNOVATION POTENTIAL

The Group designs, develops and markets solutions to meet the needs of its customers (see pages 34 to 43) by **incorporating strong business expertise** and by drawing on Saint-Gobain's **research & development and innovation** capacity (see page 31).



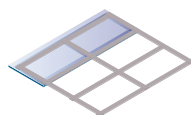
## GLAZING FOR BUILDINGS AND VEHICLES

High-tech solutions for the building market (façade, window, interior decoration and protection of goods and people) and the transport markets (production, distribution and maintenance for cars, trucks, public transport, rail and aerospace).



## GYPSUM

Plaster-based solutions for partitions and wall coverings, façades, ceilings and floors, providing the Group's customers with benefits in terms of thermal and acoustic comfort, fire protection and resistance to humidity.



## CEILINGS

Multi-material ceiling and wall panel solutions combining acoustics and aesthetics, for the comfort and well-being of the end user.



## INSULATION

Solutions based on mineral wool (glass wool, stone wool), biosourced products (wood fibers), and polystyrene and polyurethane foams, covering the insulation needs of all types of buildings and their interior fixtures (roofs, walls, floors).



## MORTARS AND CONSTRUCTION CHEMICALS

Solutions for floors (subfloors, floor leveling and finishing or protective resins, for example); mortars and resins for structural work, rework and waterproofing; admixtures for improving the technical characteristics of concrete intended for construction and reducing their carbon impact.



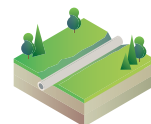
## EXTERIOR PRODUCTS

Solutions for roofs (premium asphalt and composite shingles, roll roofing systems and accessories) and for façades (polymer shakes and shingle, insulation cladding solutions).



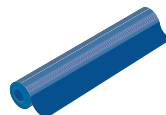
## DISTRIBUTION

Network of strong and complementary brands, both generalist and specialist, serving the renovation, construction and home improvement markets.



## PIPE SOLUTIONS

Pipe systems for drinking water and sanitation, covers and gratings for roads, cast iron systems for collecting and evacuating wastewater and rainwater in buildings.



**CONSTRUCTION INDUSTRY AND INFRASTRUCTURE**  
Technical glass fiber fabrics for customers in the construction and infrastructure markets.



## SURFACE SOLUTIONS

Solutions for shaping, protecting and bonding surfaces of all materials, including abrasives, adhesives, sealants, tapes, composites and films for complex and challenging applications.



## CERAMICS

Ceramic and refractory solutions for a wide variety of markets such as the glass and metallurgical industries, abrasives, the automotive industry, aerospace, electronics, safety, as well as the chemical industry.

# THE FUNDAMENTALS OF SAINT-GOBAIN'S IDENTITY

## *"MAKING THE WORLD A BETTER HOME."* **SAINT-GOBAIN'S CORPORATE PURPOSE**

**Our purpose sets the course for our common future. Together with and for our customers, we design, manufacture and distribute materials and solutions that have a positive impact on everyone's life and provide well-being, quality of life and performance, while caring for the planet.**

**Our purpose reflects who we are.** Our 350 years of history, our collective strength and our leadership empower us to pursue our development, by addressing the major challenges facing humanity, namely, climate change, resource protection and the fight against inequality.

We are both an international and multi-local company, fully integrated into the territories where we operate to support their vitality and help build a fairer and more sustainable, open and engaging world.

**Our purpose is a call to action.** Our approach is clearly focused on the future. Together with our customers, partners and all our stakeholders, it guides our action to unleash individual and collective aspirations, and enable everyone to live better in the world. It calls on us to innovate openly, with the ever-renewed ambition of better uniting humanity and nature for the common good.

**Our corporate purpose is based on values that guide us.** Our mission is carried out in compliance with our code of ethics and the humanistic values that permeate our corporate culture. Listening, dialogue, care, solidarity, trust and respect for difference are central to our commitment. This is the profound ambition of our corporate purpose: to act every day to make the world a more beautiful and sustainable place to live.

## PRINCIPLES OF CONDUCT AND ACTION THE SAINT-GOBAIN CODE OF ETHICS

The Group bases its development on its corporate purpose and on strong values embodied in nine Principles of Conduct and Action, which constitute a true Code of Ethics. Formalized in 2003, translated into 31 languages, and distributed to all employees, these principles constitute a reference applicable in action.

### **5 principles of conduct:**

Professional commitment, respect for others, integrity, loyalty and solidarity.

### **4 principles of action:**

Respect for the law, respect for the environment, respect for health and safety at work, and respect for employee rights.

The Principles of Conduct and Action refer explicitly to the applicable conventions of the International Labour Organization (ILO), the International Charter on Human Rights, the Guidelines on Multinational Enterprises of the Organization for Economic Co-operation and Development (OECD), and the OECD convention on the fight against corruption. Saint-Gobain has also been a signatory of the United Nations Global Compact since 2003.

## TAKING INTO ACCOUNT STAKEHOLDER EXPECTATIONS CREATING SHARED VALUE

For Saint-Gobain, sustainable growth can only be achieved by taking into account the interests of all its stakeholders. It is therefore a question of pursuing a development trajectory that incorporates the Group's objectives in terms of financial performance and shareholder value, as well as its corporate social responsibility (CSR).

### CSR, A CROSS-CUTTING PRIORITY

For Saint-Gobain, CSR is a long-term commitment; it is necessarily a central part of its business model, which permeates all of its activities. The word "cross-cutting" refers to the systematic inclusion of ESG (environmental, social and governance) criteria in the analyses carried out, decisions made and actions implemented throughout the organization.

The Group's CSR approach encompasses a twofold commitment: maximizing its positive contribution to environmental (notably climate related), labor and societal issues, and minimizing its footprint on humans and the environment.

This approach requires Saint-Gobain to work with all players in its ecosystem. It also involves measuring and communicating in a transparent manner on its objectives and the results obtained, through a series of performance indicators (see p. 63).

### PURSUING THE OBJECTIVE OF FINANCIAL PERFORMANCE AND SHAREHOLDER VALUE, EFFICIENTLY ALLOCATING CAPITAL

True to its approach of promoting sustainable and profitable development, Saint-Gobain has set itself the goal, as part of its **"Grow & Impact" strategic plan, of accelerating its growth and further improving its financial performance and value creation for its shareholders**. Notably, the Group has set itself annual average financial targets for the 2021-2025 period, with organic growth of between 3% and 5%, an operating margin of between 9% and 11%, and an attractive shareholder return policy.

In terms of **investments**, Saint-Gobain is continuing its policy of strengthening its industrial capacities in countries with the strongest market growth. This effort represented more than €830 million in total in 2022, including more than €560 million outside Europe. The Group is also investing to achieve its long-term objectives, and in particular to meet its commitment to contribute to carbon neutrality by 2050, through a capital investment budget over several years to support the reduction of its CO<sub>2</sub> footprint.

Regarding its **business portfolio**, Saint-Gobain's scope continues to be reviewed on a regular basis. This involves allocating the resources necessary to develop in markets with potential for growth and taking the necessary measures, on an ongoing basis, to restructure, optimize or sell activities that are performing poorly. In 2022, the Group completed or signed 20 sale transactions amounting to €3.8 billion in sales, as well as 44 acquisitions representing almost €1.9 billion in sales.

# GOVERNANCE BODIES


## BOARD OF DIRECTORS

At April 1, 2023, the Board of Directors was composed of the following members:



**Jean-François Cirelli**   
Independent Director,  
Chairman of the Nomination  
and Remuneration  
Committee



**Lydie Cortes**   
Employee Director, member  
of the Nomination and  
Remuneration Committee



**Sibylle Daunis-Opfermann**   
Director representing  
employee shareholders




**Thierry Delaporte**   
Independent Director



**Lina Ghotmeh**    
Independent Director,  
member of the Corporate  
Social Responsibility  
Committee




**Iêda Gomes Yell**    
Independent Director,  
member of the Audit  
and Risk Committee



**Pamela Knapp**   
Independent Director,  
Chairwoman of the Audit  
and Risk Committee



**Agnès Lemarchand**   
Independent Director,  
Chairwoman of the Corporate  
Social Responsibility  
Committee, member of the  
Audit and Risk Committee



**Dominique Leroy**   
Independent Director,  
member of the Nomination  
and Remuneration  
Committee



**Gilles Schnepf**   
Director, member of the  
Audit and Risk Committee




**Jean-Dominique Senard**   
Lead Independent Director,  
member of the Corporate  
Social Responsibility  
Committee



**Philippe Thibaudet**   
Employee Director, member  
of the Corporate Social  
Responsibility Committee



Secretary of the Board of  
Directors of Compagnie de  
Saint-Gobain:  
**Antoine Vignial**   
Corporate Secretary



**Pierre-André de Chalendar**  
Chairman of the Board  
of Directors of Compagnie  
de Saint-Gobain



**Benoit Bazin**   
Chief Executive Officer of  
Compagnie de Saint-Gobain,  
Director

## THE EXECUTIVE COMMITTEE

At April 1, 2023, the Executive Committee comprised the following members:



**Benoît Bazin**  
Chief Executive Officer



**Noémie Chocat**  
Vice-President,  
Corporate Strategy



**Patrick Dupin**  
Senior Vice-President,  
CEO of the Northern  
Europe Region



**Thierry Fournier**  
Senior Vice-President,  
CEO of the Southern  
Europe, Middle East,  
Africa Region



**Javier Gimeno**  
Senior Vice-President,  
CEO of the Latin  
America Region



**Cordula Gudduschat**  
Vice-President, Marketing  
and Development



**Anne Hardy**  
Chief Innovation Officer



**Benoit d'Iribarne**  
Senior Vice-President,  
Technology and  
Industrial Performance



**David Molho**  
CEO of High  
Performance Solutions



**Claire Pedini**  
Senior Vice-President,  
Human Resources  
and Corporate Social  
Responsibility



**Laurence Pernot**  
Vice-President,  
Communications



**Mark Rayfield**  
Senior Vice-President,  
CEO of the North  
America Region



**Santhanam B.**  
CEO of the Asia-Pacific  
and India Region



**Ursula  
Soritsch-Renier**  
Chief Digital and  
Information Officer



**Sreedhar N.**  
Chief Financial Officer



**Antoine Vignial**  
Corporate Secretary



## RESPONDING TO GLOBAL CHALLENGES



In order to enable urban communities to meet the global challenges of climate change, the increasing scarcity of natural resources and population growth, a concerted effort is required. This means that governments, local authorities, residents and businesses must collaborate at all levels.

**MAIMUNAH MOHD SHARIF**  
Executive Director  
UN Habitat

The sensational façade of the Futurium (House of the Future) in Berlin consists of several thousand diamond-shaped cassette elements with metal reflectors and ceramic-printed cast glass.

Using glass solutions such as SSG Planiclear, the building is highly energy-efficient, while offering visitors an unforgettable experience.

GERMANY

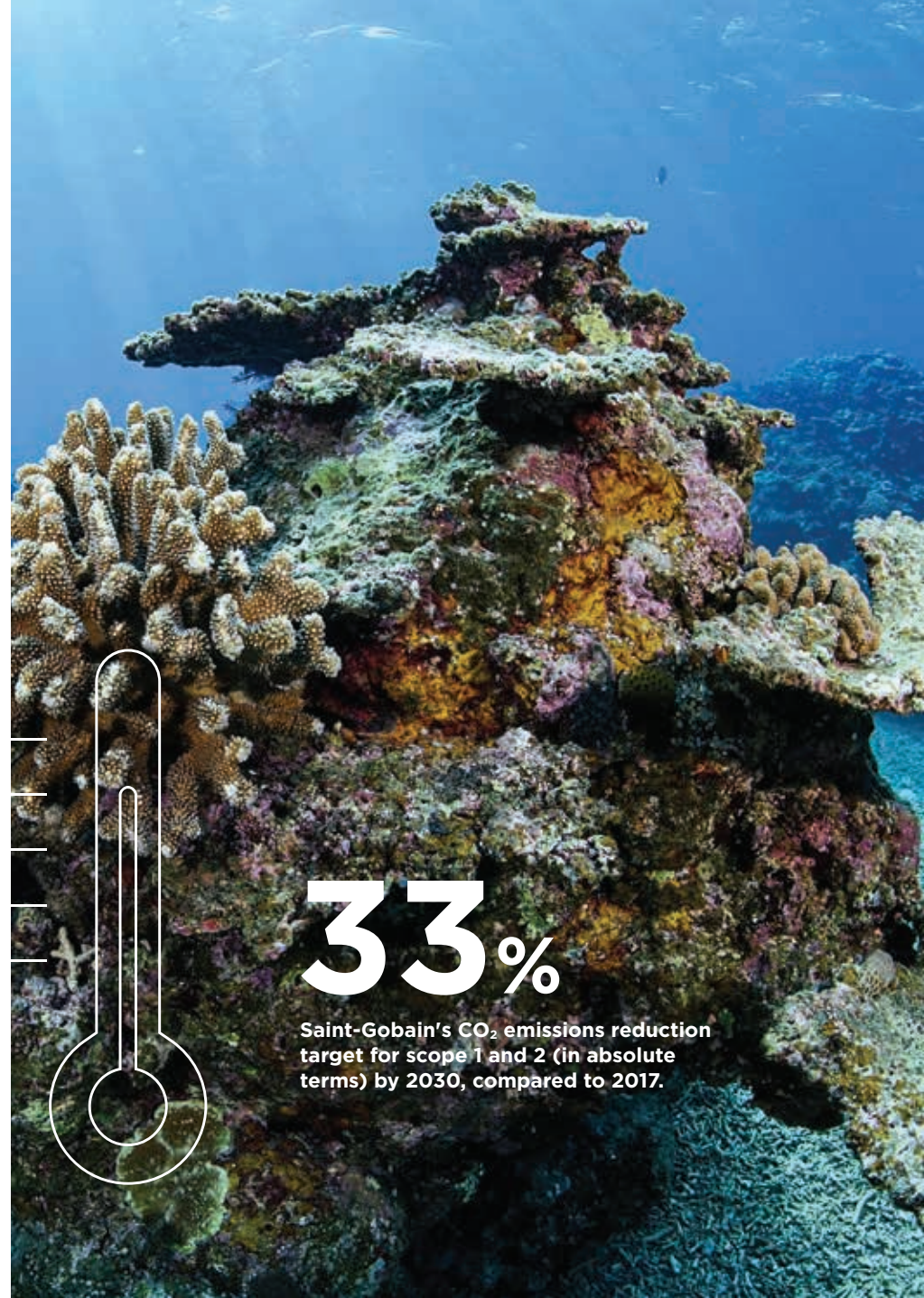


## CONTEXT MEGATRENDS

### CLIMATE CHANGE

The only response to the threat posed by climate change is to **decarbonate the economy** worldwide, through a drastic reduction in greenhouse gas emissions, by an average of 1.4 billion tonnes per year by 2050. The objectives of the Paris Agreement, signed in 2015, remain the priority: to keep the rise in temperatures below 2 °C – and if possible 1.5 °C – compared to the pre-industrial era. **The construction sector plays a key role in this challenge**, as it alone accounts for nearly 40% of annual CO<sub>2</sub> emissions worldwide, two-thirds of which are related to the operation of buildings and one-third of which is related to the production of materials, to their transportation and to worksite equipment. **Climate change must therefore respond to changes in the construction sector**, both in terms of new construction and existing buildings, among which nearly half of the current stock will still exist and will continue to emit carbon in 2050. Decarbonization therefore also involves massive renovation plans to improve the energy efficiency of buildings and the replacement of fossil fuels used for heating and cooling.

The solution to climate change requires the involvement of the general public, states and businesses, which have an essential role to play. Saint-Gobain is committed to achieving carbon neutrality (scopes 1, 2 and 3) by 2050. By 2030, the Group has set itself intermediate targets for a reduction (in absolute value compared to 2017) of 33% in scope 1 and 2 and of 16% in scope 3. To achieve these objectives, it is working resolutely to **reduce the impact of its own operations** by constantly improving the efficiency of its processes. Thanks to its unique position in the construction value chain, **Saint-Gobain is helping to meet the global decarbonization challenge by offering its customers solutions that actively contribute to this objective.** This is notably reflected in light construction techniques and construction chemicals specialties, which decarbonate new construction, but also in building renovation solutions. For its industrial customers, the Group's offering also makes it possible to move towards greater energy efficiency.



# 33%

Saint-Gobain's CO<sub>2</sub> emissions reduction target for scope 1 and 2 (in absolute terms) by 2030, compared to 2017.



50%

Share of annual consumption  
of natural resources  
in the building sector.

## SCARCITY OF RESOURCES

Resources are becoming increasingly scarce, due to consumption that has tripled over the last 50 years; on this issue as well, **the construction sector** plays an essential role insofar as it **accounts for 50% of the annual consumption of natural resources**, but also 12% of drinking water consumption. Saint-Gobain is responding to this challenge through its **solutions for construction and industry**; in 2022, the Group was the first manufacturer to produce and market a plasterboard designed from over 50% recycled plaster. Saint-Gobain will also supply nearly 100,000 square meters of demountable and reusable partitions for the 2024 Olympic Games, and serve the objective of more resource-efficient construction that takes into account long-term sobriety objectives. In Germany, the Group launched a system that reduces the use of gypsum from extraction to deconstruction, furthering its commitment to sustainability. **All the solutions provided by the Group for light construction**

**constitute an essential response to tend towards a lower impact of the construction sector** through a reduction in resource use. Saint-Gobain is thus accelerating the transition to a circular economy, taking into account the entire life cycle of its products and solutions, in order to limit their consumption of natural resources, extend their lifespan and promote their recycling. This commitment also covers the improvement of the Group's industrial processes. Non-recovered waste decreased by 37% (corresponding to 0.383 million tonnes) and industrial water withdrawals were reduced by 19.9% (corresponding to 45 million cubic meters), in absolute value, between 2017 and 2030. The Group's distribution activities, through their regional network, play an important role **in the progress towards a circular economy**; Saint-Gobain Distribution Bâtiment France has become the first private network of civil engineering construction waste collection points.

## DEMOGRAPHICS AND URBANIZATION

In November 2022, the world population exceeded the symbolic threshold of 8 billion people. Population growth covers **very different realities**; in developed countries, changes in the birth rate are already leading to a continuous aging of the population, leading to **specific habitat/construction adaptability needs**, foreshadowing what will happen later on a global scale. In other geographical regions, rapid population growth is leading to marked tensions in the construction sector and notably as regards the capacity to **provide healthy and decent housing for all**.

Today, most of humanity lives in **cities, which account for more than 60% of energy and natural resource consumption and more than 70% of greenhouse gas emissions worldwide**. Urbanization requires solutions to increase productivity, in order to **build faster and with less labor**. It also results in increased constraints on **infrastructure**, on waste management,

on energy supply, and on transportation. It generates higher expectations regarding **collective-use areas**, from offices to hospitals, as well as spaces dedicated to sports, retail and entertainment.

In general, it is a matter of **transforming buildings in order to move towards energy sobriety and adapt urban areas to climate change** by designing and building **resilient and adaptable cities** over the long term.

Saint-Gobain has a central role to play in meeting the needs of **both affordable and sustainable construction**, so that everyone can benefit from decent and energy-efficient housing. The Group contributes to the improvement of urban life through all of its solutions for renovation, new construction, and water supply infrastructure. Saint-Gobain also contributes to the development of new, smarter and more sustainable mobility solutions.



# 70%

Share of greenhouse gas emissions generated by cities.

## CHANGING LIFESTYLES

The increasing time spent indoors and the generalization of “work from home” are redefining expectations for residential buildings and leading to the search for a better balance between private and professional life. **In addition, requirements are increasingly stringent in terms of health and comfort** in all its dimensions (noise, temperature, light, aesthetics or air quality). All megatrends affecting habitat/construction require **more modular and adaptable buildings**, in order to facilitate the change of use of buildings during their life cycle (in particular to switch from office use to residential use, and vice versa). It also involves designing buildings capable of adapting to changing expectations, such as the needs related to home care for the elderly.

Globalization and the average increase in the world’s standard of living have also resulted in a trend towards **the increased mobility of individuals**. Decarbonization requirements and the densification of residential centers are

simultaneously leading to **the development of public transport networks** with a view to strengthening them and making them more efficient, increasingly energy-efficient and less resource-intensive. With regard to individual vehicles, the transition is now underway towards models that emit fewer greenhouse gases, and which are more energy efficient and comfortable. For Saint-Gobain, changes in lifestyles represent both an opportunity - through the solutions that must be provided to meet them - and an important lever for transforming industry, construction and distribution in order to make them more sustainable.

Generally speaking, the solutions provided by Saint-Gobain to design new buildings that consume fewer resources and are more pleasant to live in, to renovate all existing buildings and to deploy more efficient and sustainable means of transport are among the responses to address these new expectations.



# 25%

Share of the population aged over 65 in Europe and the United States by 2050.

## DIGITALIZATION

Digital transformation continues to exert a significant influence on the evolution of all industries and economic sectors in which Saint-Gobain operates.

In **distribution**, the challenge of e-commerce today is to take into account the user experience in a general way and offer a personalized experience. This involves marketing offers that integrate related services; that collect and analyze data; that take into account all the channels and points of contact between a brand, its customers and its other stakeholders.

This evolution of the customer relationship **also redefines the professional customer relationship** (and notably of craftspeople) with their **suppliers**.

In **industry**, digital technology continues to transform processes and organizational methods. Real-time data acquisition and control systems, automation, augmented operators, algorithms and the interconnection of industrial tools give rise to an ever-increasing volume of data and the capacity to analyze it. This fourth industrial revolution contributes to progress in terms of productivity, agility, customization of production, but also, in a decisive way, to minimizing the environmental footprint.

**In the construction sector, digital technology is transforming the entire value chain of construction and renovation.**

Upstream, the design of buildings is based on the digital model; on worksites, 3D scanning and photogrammetry bring with them a new understanding of reality. During construction itself, digital technology enables new operating methods such as off-site construction and 3D printing.

Downstream, widespread measurement, the interconnection of equipment and home automation contribute notably to comfortable living, and to optimizing the energy consumption of buildings, improving their safety and facilitating their long-term maintenance, including in transport infrastructure and high-rise buildings.

For Saint-Gobain, **digitalization is a source of progress and performance improvement, but also a tool for the decarbonization of its operations.**

This is **a fundamental matter that affects all of the Group's activities** and has a major impact on customer relations, recruitment and training, the innovation process, the industrial processes themselves and its social and environmental responsibility.

# 6,310 bn

Revenue (in dollars) of e-commerce worldwide in 2023.



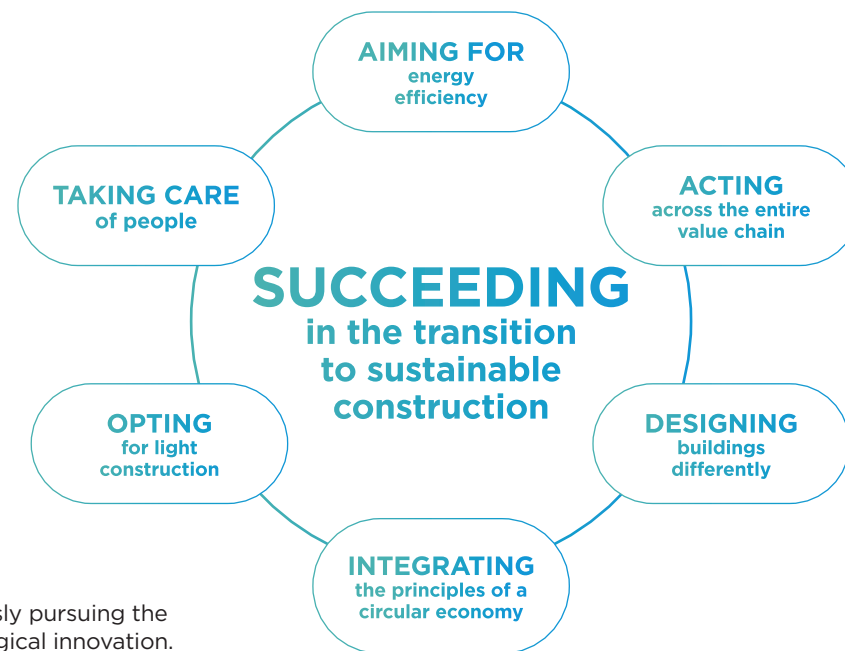
# RESPONDING TO GLOBAL CHALLENGES: THE URGENCY OF SUSTAINABLE CONSTRUCTION

Construction has always been a founding and emblematic activity, which reflects the social, economic and cultural organization and priorities of each civilization. But it is also an activity that has not sufficiently taken into account its impact on the environment and the human dimension. The unrestrained use of natural resources, the occupation of space, the organization of cities, the working conditions of manufacturers and the living conditions of end-users still remain largely perfectible today.

**All the megatrends that affect humanity at the global level are currently imposing a transformation on the construction sector rapidly.**

This emergency has many facets, from **higher efficiency** (limiting the consumption of raw materials and energy), **circularity** (increasing the reuse of production waste and end-of-life materials in the production chain) through the **respect for people** (moving towards safer and less strenuous construction processes), **urban planning** (developing cities that are more pleasant to live in and more resilient to climate change) to **inclusion** (providing accessible, affordable and healthy housing for all).

This paradigm shift requires relentlessly pursuing the efforts made on the path to technological innovation. It also forces us to rethink construction processes, notably by developing light construction. It also requires listening to, involving and mobilizing all the stakeholders concerned (see pages 24-25): building designers, political institutions, developers, builders, end users. Lastly, it is reflected in renewed practices and reinvented sharing of responsibilities and value created, as part of a **long-term perspective**.



## GENERATING SUSTAINABLE AND PROFITABLE GROWTH



Businesses that have already adopted a carbon neutral approach are realizing that it is both cost-effective and economically productive. This enables them to grow and remain competitive, while contributing to a cleaner, more dynamic and more resilient economy.

**CRISTINA GAMBOA**  
CEO  
World Green Building Council

The Shanghai Astronomy Museum offers discovery and study spaces spanning nearly 60,000 square meters.

**Saint-Gobain Gyproc supplied  
15,000 square meters of partition  
and ceiling solutions.**



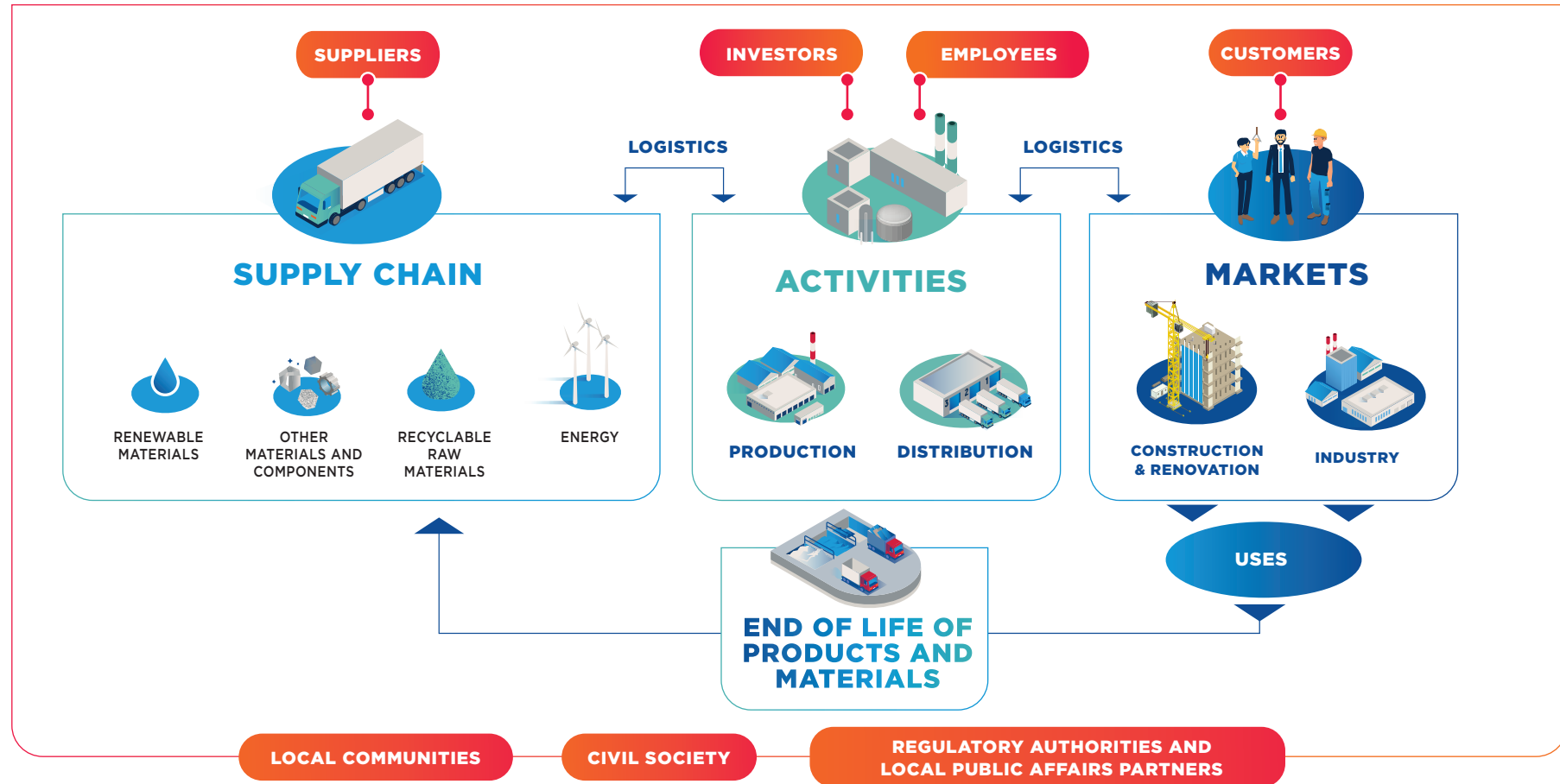
CHINA



# MAPPING OUR ENVIRONMENT

Saint-Gobain has mapped its ecosystem, identifying and grouping its stakeholders by category, in two dimensions:

- their position on the value chain (and the impact it may have on the methods of dialogue and on the Group's influence),
- the geographical impact, which may be local (around the sites) or global.



# INVOLVING STAKEHOLDERS

## SAINT-GOBAIN LAUNCHES THE SUSTAINABLE CONSTRUCTION OBSERVATORY

The Sustainable Construction Observatory, launched by the Group, aims to **bring together the main players in the construction industry in order to promote knowledge sharing and accelerate transformation** at the global level. It attests to Saint-Gobain's determination to include **all of its stakeholders in its analyses and orientations**.

In this context, Saint-Gobain presented the results of the first International Sustainable Construction Barometer, a survey conducted between the end of 2022 and the beginning of 2023 among professionals in the sector, elected officials, associations and students. This study was carried out by the CSA research institute with over 800 respondents

from 10 countries (Brazil, France, Germany, India, Italy, Japan, South Africa, Spain, the United Kingdom and the United States):

- **201 professionals** from the construction, architecture, housing and environmental sectors;
- **202 members of organizations** and associations in the fields of construction, housing, ecological transition and energy;
- **200 students** of construction, civil engineering and architecture and spatial design;
- **199 local elected representatives**.

Barometer participant responses make it possible to better identify the expectations, levers and areas of development necessary to ensure the transition to sustainable construction.



**Read the international sustainable construction barometer**

**Download the document**  
on the Saint-Gobain website  
[www.saint-gobain.com](http://www.saint-gobain.com)  
or scan the QR code

**97%** of respondents believe that the deployment of more sustainable buildings is an important or a priority challenge today

**30%** of professionals interviewed have already carried out projects taking into account the sustainable dimension of construction

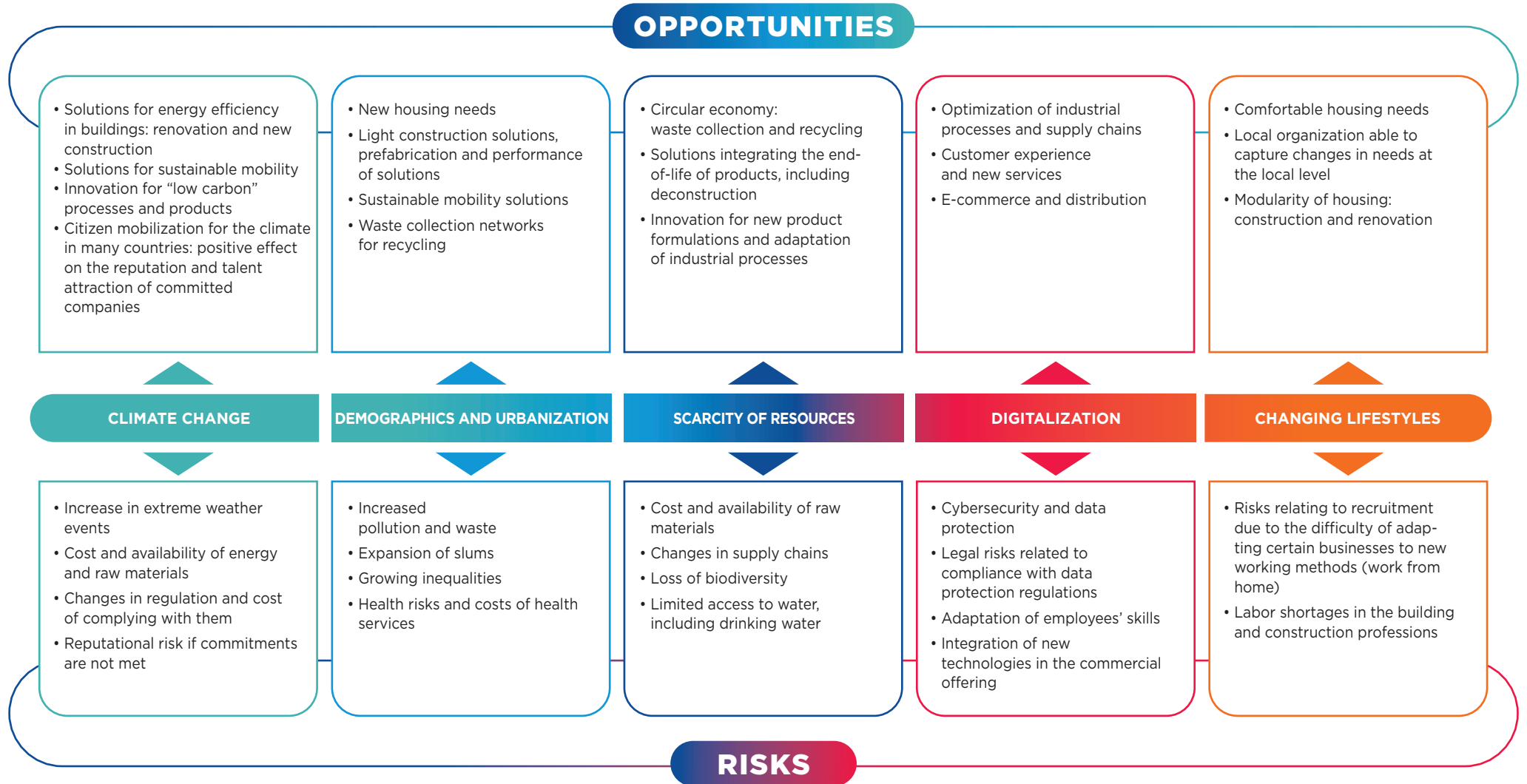
**71%** of respondents from South Africa, Brazil and India consider the lack of training and qualification of professionals as one of the main obstacles

**70%** of respondents believe that cost is an obstacle to the development of sustainable construction

**37%** of respondents believe that the reinforcement of regulatory requirements accelerates the deployment of sustainable construction

**38%** of professionals say they do not feel sufficiently trained on sustainable construction

# IMPACTS, RISKS AND OPPORTUNITIES



# IDENTIFYING OPPORTUNITIES AND RISKS RELATED TO ENVIRONMENTAL, SOCIAL AND SOCIETAL CHALLENGES

In addition to the opportunities and risks related to megatrends, Saint-Gobain carried out **a study on the risks and opportunities related to CSR** (corporate social responsibility) issues. This analysis took into account the expectations of its stakeholders.

The analysis methodology made it possible to measure the impact, criticality and level of control of each risk and each opportunity. It was based on the methodology used by the internal control and audit teams but was adapted to non-financial topics.

**Thus, nine main topics were identified, which represent both opportunities and risks:**



DIVERSITY



ENERGY EFFICIENCY  
AND CARBON INTENSITY  
OF OPERATIONS



BUSINESS ETHICS



MANAGEMENT OF SKILLS  
AND TALENTS



RESPONSIBLE SUPPLY CHAIN  
MANAGEMENT



INTEGRATION OF RECYCLED  
MATERIALS IN PRODUCTS



ENERGY AND CARBON  
EFFICIENCY OF GOODS  
AND SERVICES



HEALTH AND SAFETY  
AT WORK



PRODUCT  
SAFETY

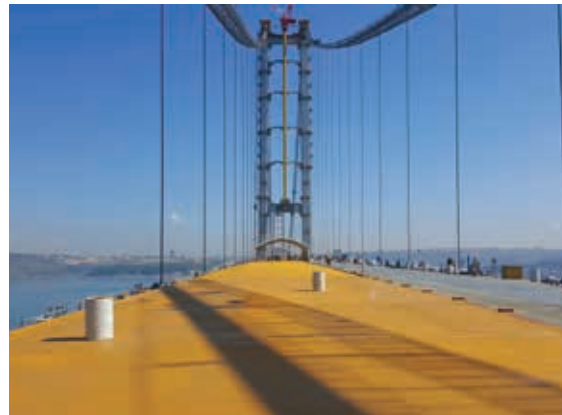
Policies and action plans are deployed; medium- and long-term objectives are set in order to control risks and seize opportunities.

# STRATEGIC APPROACH

Saint-Gobain is continuously transforming and reinventing itself, in a particularly volatile context, marked both by megatrends (ranging from climate change to changing lifestyles, to the increasing scarcity of resource, demographic growth and urbanization, as well as digitalization) and by economic crises, such as increases in energy costs, inflation, or geopolitical conflicts. The “Grow & Impact” strategic plan **aims to enable Saint-Gobain to assert itself as worldwide leader in sustainable construction**, which improves the daily life of all thanks to its high-performance solutions. While systematically integrating financial performance and social responsibility (see page 11), Saint-Gobain is transforming by generalizing a solution-based approach (see pages 34 to 43), leveraging data and digital technology, pursuing a customer-centric innovation approach, being at the forefront of construction transformation, and improving its organization. The Group is reinventing itself by developing its business portfolio, through structuring acquisitions such as those of Chryso and GCP, to establish itself as a global leader in the high-growth construction chemicals segment, which is also essential for the decarbonization of industry. The Group also carries out **strategic investments** for the future in order to **increase its production capabilities**, modernize its equipment, and **meet its commitments** in terms of social and environmental responsibility. Saint-Gobain also aims to align its **geographical profile** with the growth areas

in its markets, with a view to balancing its presence in Europe, North America and emerging countries.

This **pursuit of performance** in the short and medium term aims to enable the Group **to provide solutions to its customers’ expectations** in the **renovation** of buildings, in new and light **construction**, and in the **decarbonization** of industrial processes, across all sectors where transformation is crucial to addressing the challenges facing humanity. The sustainable nature of the solutions provided by Saint-Gobain is an essential growth driver.

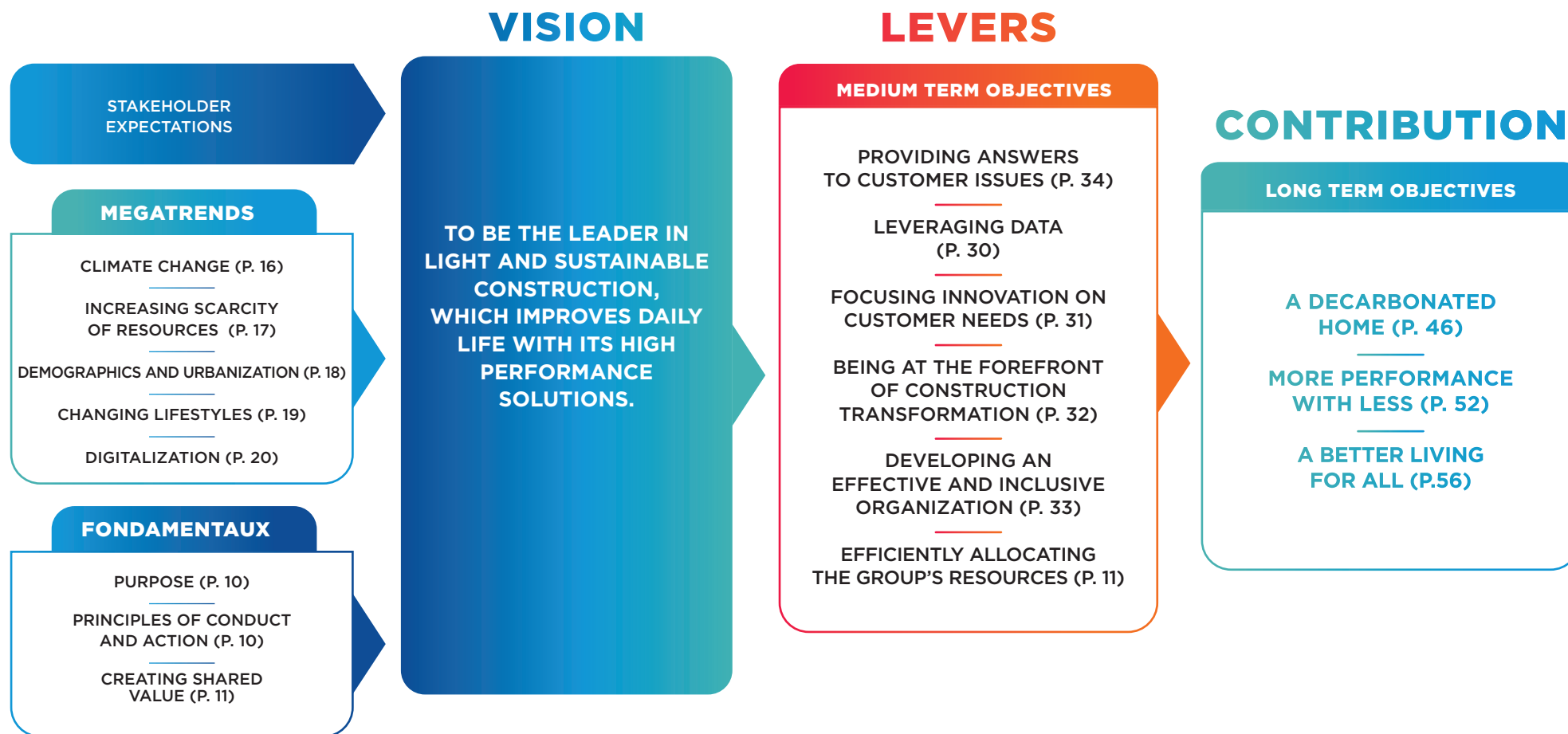


The acquisition of **GCP Applied Technologies** provides Saint-Gobain with a recognized global platform in cement additives, concrete admixtures and infrastructure solutions.

The alignment between its own business model, the interests of its stakeholders (see pages 24-25), and interests of society as a whole constitutes the core meaning of the Group’s strategy and defines the unique value that it provides. For Saint-Gobain, this means contributing to a decarbonated world, improving the performance of its ecosystem by reducing its footprint, and **contributing** to a healthier, fairer and more inclusive world. This is how its purpose, “Making the World a Better Home”, takes shape.

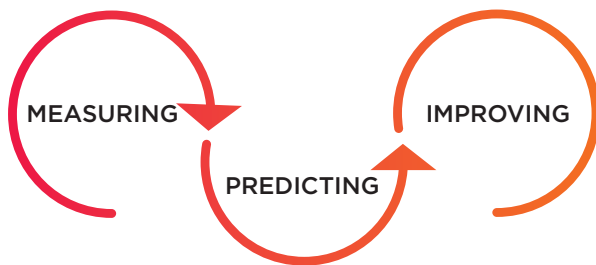


Saint-Gobain is the first manufacturer in the world to have **produced flat glass with more than 30% hydrogen** during trials at the Herzogenrath site in Germany.



# LEVERAGING DATA

For Saint-Gobain, digital technology and data are both drivers of progress and performance improvement and a challenge that affects all facets of its activities.



**Data** continues to grow in the Saint-Gobain model. It stands out as an essential lever in all its dimensions; through the **collection** of an increasingly large volume of information, the implementation of new **algorithms** and the deployment of new **technologies**, it is now possible to obtain a much more precise understanding of reality, **prevent, predict** and **model** scenarios, and develop tools that help decision-making in all sectors of activity.

**In industry**, digital technology and data are transforming business models and enabling **advances in efficiency, maintenance, interoperability with external stakeholders, customization of production and the protection of the health and safety** of operators. They also

make it possible to **make continuous progress on reducing the consumption of natural resources and the production of waste and greenhouse gases**. This represents an essential area of progress to achieve the Group's objectives in terms of decarbonization and circularity. This approach primarily concerns Saint-Gobain's industrial operations, notably through **the optimization of manufacturing processes**. The goal is to minimize the consumption of raw materials and the quantity of non-compliant products, and thus improve energy efficiency as well as the Group's economic and environmental footprint. To achieve ambitious decarbonization and resource conservation targets, this data-integrated approach must be considered over the entire value chain, taking into account **production, logistics** - notably by using digital modeling tools - and more generally **the entire life cycle of the solutions** that the Group brings to the markets.

As regards **customer relations**, data contributes to Saint-Gobain's transformation into a solution provider through the intimate understanding of customers provided by the multiple points of contact between them and the Group throughout the value chain, from the co-construction or co-innovation phase, through recycling, production and project support, to distribution, logistics and digital services.

**Saint-Gobain continues its development** via three priorities: **adapting the foundations** of existing digital technology and information systems, to improve operational efficiency and accelerate automation; **supporting the digitalization** of internal activities and functions; and **developing digitalization facilitators**, through the creation of platforms, but also by encouraging the dissemination of digital culture, notably to enable **all employees** take ownership of the data revolution. This is reflected in awareness-raising and tool-learning programs, but also in the creation of "DnA Hubs", which bring together data scientists, local IT officers and managers, to identify and propose promising use cases. For its part, the "DnA Academy" continues to develop and adapt to needs, notably for the supply chain and marketing professions and all managers. The Group is also recruiting an increasing number of talented individuals in software engineering and data expertise.

# FOCUSING INNOVATION ON CUSTOMER NEEDS

Research and development, particularly in the field of materials science, has represented **Saint-Gobain's development base** since its creation, as well as the **essential condition** for the success of its model. They require a structured approach, but also the dissemination of a mindset conducive to innovation in all its teams. In 2022, over 450 patents were filed by the Group, which has nearly 3,500 researchers, eight research and development centers, thematic R&D networks and close to 3,600 people in the marketing sector worldwide.

The Group is working on **disruptive innovation** as well as on the **incremental improvement** of its products, processes and services. Saint-Gobain's innovation roadmap focuses on **four priorities**: processes and **solutions for a transition to carbon neutrality**; solutions to **reduce the use of natural resources**; materials and **solutions to develop new markets**; and **light construction systems**, making it possible to provide improved performance for players in the building sector and greater comfort for users.

However, innovation is inherently a non-linear process, which requires a conducive environment to develop. This involves, first of all, a precise understanding of the existing and future needs of customers, which is notably acquired through an open approach to innovation, and in turn through **open and cross-functional methods**. The Group has,



In Aniche, in 2022, Saint-Gobain launched a pilot production campaign, unique in the world: the manufacturing of glass with 100% cullet and 100% green energy, for zero carbon production (scope 1 and 2).

for a number of years, continuously developed multiple types of collaboration, such as partnerships with academic institutions or **co-development** initiatives and financial investments in **start-ups**, through Nova, a structure created in 2006.

The primary objective is to better **understand the specific expectations of customers** in each of the Group's markets, in order to more quickly identify use cases and situations where Saint-Gobain will add value, reduce time to market and optimize return on investment.

This concerns all types of customers, from architects and engineers, through developers and craftspeople in the construction sector, to building contractors and, of course, building owners and occupants.



**Lightweight solutions such as U SeaProtect insulation or Weber Fireshield Marine flooring** contribute to reducing ship weight, and therefore their fuel consumption. SageGlass Harmony smart glazing optimizes temperature control to make vessels more energy efficient.

This approach applies to all of the Group's markets and activities; it not only concerns **industrial processes** and **product design**, but also **related services, digital tools** and **business models**.

To nurture and promote this dynamic, Saint-Gobain included innovation in the five "Attitudes" that constitute the pillars of its **managerial culture**. The Group is adapting to promote **creativity, empathy** vis-à-vis its customers, **agile project management methods**, but also to provide a space for **divergent thinking**, encourage challenges to the status quo, and recognize the **right to failure**. In this sense, the evolution of Saint-Gobain's management culture is an essential lever for the development of innovation at the global level.

# BEING AT THE FOREFRONT OF THE TRANSFORMATION OF CONSTRUCTION

## ENABLING LIGHTER, FASTER, MORE RESPONSIBLE CONSTRUCTION

Unlike a traditional construction whose massive walls (bricks, cement, etc.) bear the weight of the building, **light construction** consists of building a structure - in wood, metal, concrete or a combination of these materials - on which **light façade systems** and interior partitions, which are not load-bearing, are added. This type of construction, carried out on site or prefabricated - partially or totally - reduces the environmental impact of construction and optimizes the consumption of resources while ensuring superior performance. This approach is set to develop very quickly worldwide due to the decisive advantages it brings, not only in emerging countries, where dynamic demographics generate a strong demand for new homes, but also in developed countries, which are experiencing a housing shortage, and in general in all regions where labor is under pressure. Light construction meets these challenges by providing **decisive advantages in terms of speed, productivity, cost, but also ease of construction, transformation and dismantling.**

This very favorable market outlook is reinforced by increasingly stringent regulations in terms of environmental impact and notably of recycling and carbon intensity, fields where light construction is particularly effective. Among the emblematic solutions of this approach, wood is used not only

in new buildings, but also in renovation, particularly in the context of raised spaces or extensions. Far from being confined to single-family homes, it makes it possible to build collective structures such as schools or office towers. For Saint-Gobain, which offers a very broad range of expertise in this area, light construction is at the heart of its contribution to a more virtuous economy.

## ACCELERATING DECARBONIZATION IN THE CONSTRUCTION INDUSTRY

Given the importance of the construction sector in global greenhouse gas emissions, construction chemicals, which includes all the chemical components used to glue, join, seal, protect, strengthen and perfect different building materials, is a **crucial sector for the decarbonization of the economy**. Technological innovation makes it possible to decrease energy consumption, reduce the carbon footprint of cement and concrete, and promote the circular economy. Construction chemicals therefore play a major role in the transition to low-carbon construction and represents an essential component of the Group's strategy to be the leader in sustainable construction; this is why Saint-Gobain is strengthening its leadership and accelerating its growth in this sector, through the acquisition of Chryso in September 2021 and GCP Applied Technologies in September 2022. At Saint-Gobain,



Prefabrication significantly reduces waste and the duration of construction sites.

construction chemicals now involve over 270 sites in 75 countries.

This market is currently estimated at between €80 and €90 billion, with an annual growth well above that of the construction market in general, and **relates to both new construction and to renovation, buildings and infrastructure (tunnels, bridges, roads, railways or dams).**

The Group, with sales of more than €5 billion in sales in this sector and a wide portfolio of brands (including Weber, Chryso, Impac and TekBond), is firmly positioned among the main global players in this key segment.

# DEVELOPING AN EFFICIENT AND INCLUSIVE ORGANIZATION

To achieve its objectives in terms of performance and the contribution to sustainable development, Saint-Gobain adapts its organization and perfects its model on an ongoing basis.

## DEVELOPING HUMAN CAPITAL

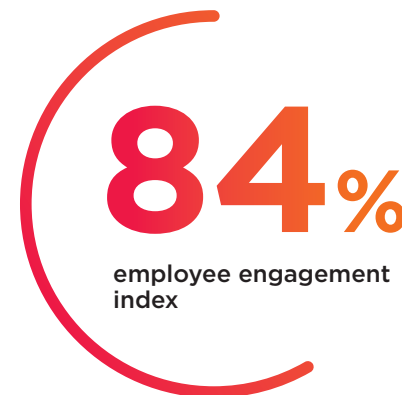
The Group focuses on recruiting the best talent, for all its business lines, from engineers to digital & data scientists, through industrial operators, to sales representatives and supply chain specialists. Saint-Gobain then relies on its ability to **continuously train and nurture its employees and help them grow**, through improved listening and **more personalized monitoring**. **The Group regularly measures the satisfaction and commitment of its teams**; in 2022, it recorded a record employee engagement index of 84%. For the 8<sup>th</sup> consecutive year, the Group was “Top Employer Global” certified. **Saint-Gobain’s goal is clear: to have the best teams in a diverse and inclusive work environment**. In 2022, the percentage of women among managers at Group level was 27.4%; for the 5<sup>th</sup> consecutive year, Saint-Gobain was also included in the Bloomberg Gender-Equality Index.

## FOSTERING A CULTURE OF TRUST, EMPOWERMENT AND COLLABORATION

The evolution of Saint-Gobain’s model, the deployment of its **decentralized organization**, the crucial nature of the **innovation approach**, its **performance ambition** and its determination to create an exciting and inclusive working environment are all elements that require a **work culture based on trust, empowerment and collaboration**. This approach, called TEC, is therefore one of the levers used to implement the “Grow & Impact” strategic plan. It involves **promoting reciprocity and virtuous collaborative behavior**, which should make it possible to **free individual energies** within its teams and foster participation in the **development of collective intelligence**.

## DEPLOYING A MULTI-LOCAL MODEL

Saint-Gobain developed its organization in view of its customers and therefore by geographical region, for its regional businesses, and by Business Units worldwide within the “High Performance Solutions” division, for its global business lines. The **Group’s corporate governance model** confers **strong local autonomy**, with a simplified structure and Chief Executive Officers who most often are from the region



in which they operate. This organization is complemented at the global level by **the strength of an international group**, able to detect and share best practices, test new models, deploy a training offer based on a global pool of expertise, and deploy cross-functional platforms and shared service centers.

## SEARCHING FOR SYNERGIES

The generalization of a new managerial culture enables Saint-Gobain to **promote synergies across all dimensions of its business**. This applies notably to the **support functions** (with unique customer services, shared online stores and shared logistics), **sales organizations** (by developing combined offers), but also the **innovation process**, making it possible to combine different businesses and different countries to develop new solutions and new business models.

## PROVIDING ANSWERS TO CUSTOMER ISSUES



Saint-Gobain's model is constantly evolving, so as to offer our customers both local and global solutions for the construction, renovation and industrial markets. Our goal is to better understand and anticipate the expectations of our customers, in order to design solutions that ensure performance and safety, and contribute to sustainable development.

**CORDULA GUDDUSCHAT**

Vice-President, Marketing and Development  
Saint-Gobain

Water is a threat to the durability of buildings.

Among the solutions provided by Saint-Gobain, **GCP's Vycor high performance membranes** create a barrier against the infiltration of water and air in sensitive areas of buildings.



UNITED STATES



# GENERALIZING A SOLUTION-BASED APPROACH

Thanks to its customer-focused innovation process and its wealth of business expertise, **Saint-Gobain offers market players a solution-based approach**. Beyond the approach of best meeting a need with a product, the objective is to **support customers with complex issues** by offering them benefits in terms of both performance and sustainable development. The Group's organization by country and market enables it to **be as close as possible to its customers**, to listen to them and understand them, **to anticipate their expectations** and **to provide them with appropriate solutions**, often through co-development with them.

This approach takes shape, firstly, through the **development of cross-selling**, so as to approach all types of decision-makers, from specifiers to distribution, with a whole range of complementary solutions. Through this unique organization, customers benefit from comprehensive support and optimal contact with each of the brands.

As part of this same approach, the **Group provides systems**, in other words combinations of products and services, that guarantee both technical performance and sustainable development benefits. This approach is in line with a growing demand from

customers in terms of efficiency and speed of installation, because it responds to the increasing shortage of skilled labor, and because it addresses a growing demand for performance at the scale of a system and not a product or material. This applies notably to prefabrication, light façades, partition systems, building science, high-performance solutions, and connected glazing solutions. The same product, offered as part of a system, may itself result from the combination of several products thanks to collaboration among the Group's various entities.

Lastly, this solution-based approach involves **providing services**, in order to offer ever more options to the Group's customers across the entire value chain. This is notably the case in the field of shared logistics and kitting services, intermediation platforms, after-sales services, automated stores, recycling services and digital solutions.

Saint-Gobain thus strengthens its competitive advantage by offering **integrated offers for a wide range of use cases**, which respond to **complex issues for its customers**, from the renovation of single-family homes, hospitals, schools and collective housing, to the construction of new offices and collective and individual housing, as well as to green mobility and the decarbonization of industry.



**Glasroc X** is a solution provided by **Rigips**, which combines an Adfors non-woven fleece with a Gyproc sheet and provides the benefits of protection against humidity, both inside and outside. This solution is supplemented by the application of mortars developed by Weber.

# AN OFFERING OF SUSTAINABLE AND EFFICIENT SOLUTIONS

Saint-Gobain's goal is to provide solutions that combine performance and a contribution to sustainable development, **while meeting the expectations of its stakeholders**, in particular its customers, and making it possible to accelerate the transition towards a decarbonated economy.

One standard **method** has been rolled out across the organization. It is adapted according to the markets and local contexts in order to **identify the most relevant solutions and measure the benefits provided**. The impacts of the solutions are assessed throughout the value chain and for the main stakeholders involved, up to the end user.

The criteria used to measure the benefits related to sustainable development focus on environmental impacts and those related to health and well-being. The measurement of the performance of the solutions focuses on increasing the economic value for the customer (productivity or other financial benefit) and the user experience.

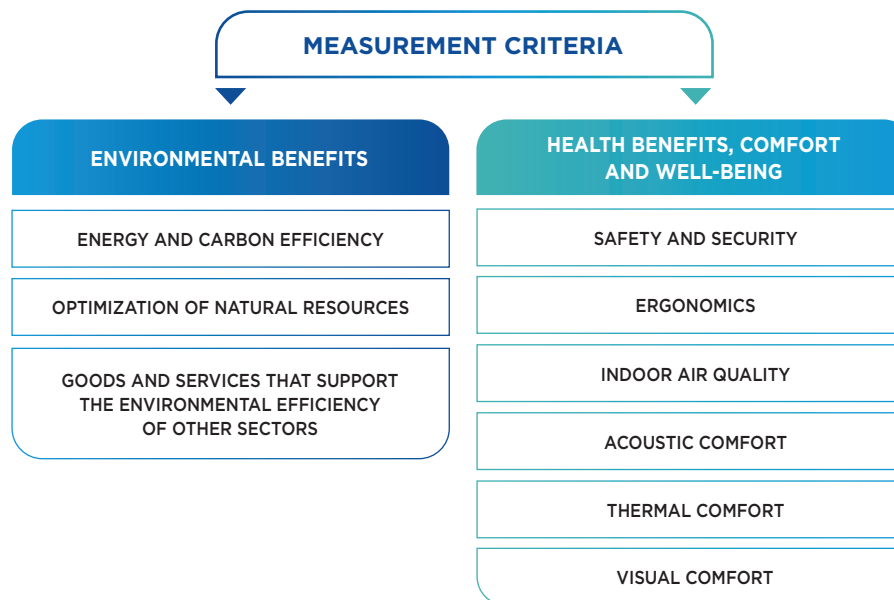
In order to standardize the measurement of impacts and accelerate the differentiation capacity in its markets, **use cases** were selected to illustrate the value provided by the solutions of Saint-Gobain. They concern the decarbonization of industry - through the solutions of the Business Units of the High Performance Solutions division - but also renovation and new construction. For each use case, local teams identify **solutions combining the products and services** offered by the brands and distribution networks.

This program covers over 90% of Saint-Gobain's sales and makes it possible to direct Saint-Gobain's offering towards sustainable construction markets. The methodology used is available on the Group's website and was reviewed by an independent third party.

Nearly

# 75 %

of Saint-Gobain's sales is generated through sustainable solutions.



# SOLUTIONS FOR RENOVATION

Saint-Gobain covers most applications for the renovation of collective and individual buildings. Its complete solutions meet market expectations and provide decisive benefits, both during the installation and long-term use of buildings. Renovation thus serves financial, environmental, political and social priorities, both in developed countries and in emerging economies.

## PARTITIONS AND CEILINGS

INTERIOR INSULATION

EXTERIOR INSULATION

FLOOR COVERINGS

FAÇADES

GLAZING

WATERPROOFING

ROOFING SOLUTIONS

DIGITAL SERVICES

ON-SITE DISTRIBUTION AND DELIVERY

CONSTRUCTION WASTE COLLECTION



**COLLECTIVE  
BUILDINGS**



**INDIVIDUAL  
BUILDINGS**

## BENEFITS FOR PROFESSIONAL CUSTOMERS AND END USERS



Ease, speed, safety  
of installation



Improvement of acoustic  
comfort



Improvement of thermal  
comfort



Improvement of visual  
comfort



Long-term  
decarbonization



Reduction of  
the energy bill



Increase of real  
estate value



Health protection

**PRODUCTIVITY**

**WELL-BEING**

**FINANCIAL VALUE  
CREATION**

## EXAMPLES OF BENEFITS IN SPECIFIC USE CASES



### INDIVIDUAL HOUSE IN FRANCE

- Transition in energy class from E to B
- Savings of 1,418 MWh throughout the life cycle



### RESIDENTIAL BUILDING IN THE CZECH REPUBLIC

- Transition in energy class from E to B
- +27.5% on the value of the property



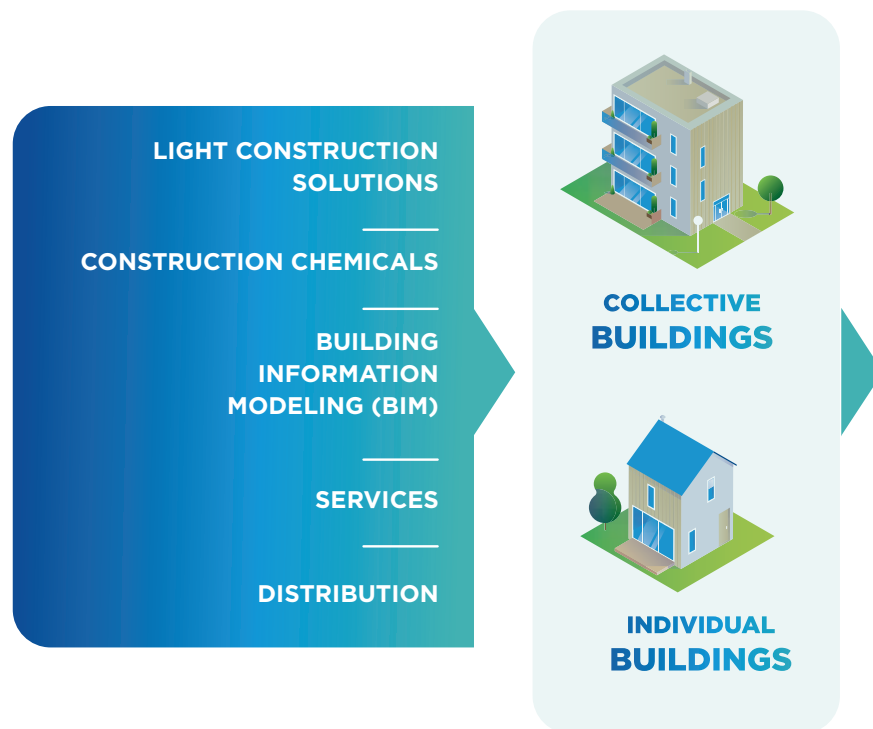
The **Optimax solution of Placo® and Isover**, which results from the combination of a Habito plate with a fastening accessory and glass wool, provides a fast and comfortable system in terms of installation while guaranteeing an excellent performance.



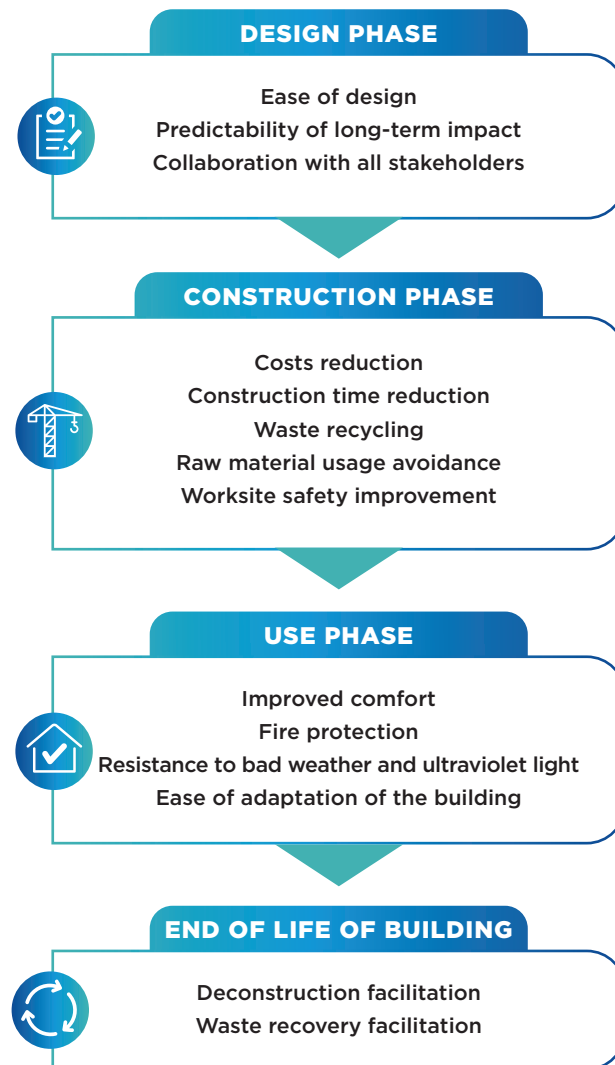
In many countries, **the external technical insulation system (ETICS), proposed by Weber**, combines Weber plasters, Isover insulation and the Adfors grid to create a certified system.

# SOLUTIONS FOR NEW CONSTRUCTION

Saint-Gobain addresses the **complex issues of the new construction market** (residential or commercial, individual or collective buildings) with solutions covering both the interior and the exterior, notably with regard to **light construction**. The Group's offering provides its customers (developers, architects, building professionals, owners and end users) with **benefits in terms of the efficiency** of implementation, **environmental impact** over the entire life cycle of the building, **the adaptability of buildings** and **comfort** on a daily basis.



Benefits in terms of performance and sustainable development over the entire life cycle of a building



## EXAMPLES OF BENEFITS IN SPECIFIC USE CASES



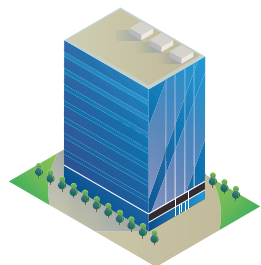
### COLLECTIVE HOUSING IN GERMANY

- 3 months reduction on average on construction time
- 1/2 the noise transmission
- -23% CO<sub>2</sub> emissions across the building's life cycle



### INDIVIDUAL HOUSE IN FRANCE

- 30% increase in productivity
- 96% reduction in CO<sub>2</sub> emissions related to partitions and the structure
- 80% reduction in wall weight, reduction in resource consumption



### OFFICE BUILDING IN INDIA

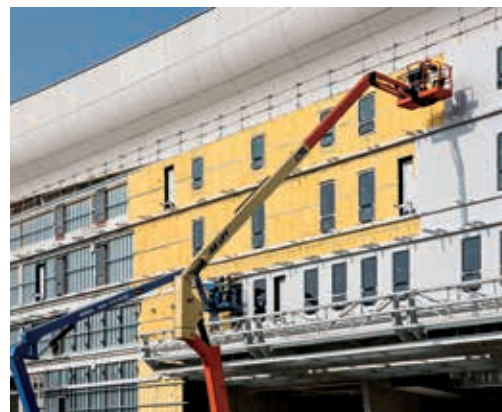
- 76% reduction in installation time
- 56% reduction in embedded carbon
- Up to 100% recyclability of gypsum, glass and steel



**Safe and easy to install**, the fluid subfloors, adhesives and mortars solutions provided by Weber are deployed on construction sites worldwide.



**To offer visitors of the Wits museum in Johannesburg**, South Africa, a more comfortable visitor experience, acoustic ceiling solutions marketed by Ecophon were used.



The Cladisol double skin **metal cladding solution** provided by Isover consists of insulation and fasteners. It provides insulation from the outside of buildings, with high thermal and acoustic performance.

# SOLUTIONS FOR INDUSTRY

Thanks to its unique expertise in materials science and formulation, the power of its innovation system and its global presence, Saint-Gobain occupies a unique position in the market. The Group meets the needs of its customers through a co-development approach, using high-performance solutions that facilitate the transition to more sustainable construction, mobility and industry. The benefits of its solutions are material for both industrial customers and end users.

PROXIMITY WITH  
CUSTOMERS

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OPEN INNOVATION  
AND CO-DEVELOPMENT

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R&D

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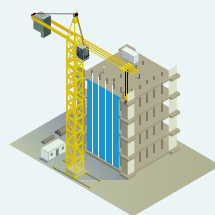
MATERIALS EXPERTISE

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DIGITAL AND  
DATA ANALYSIS

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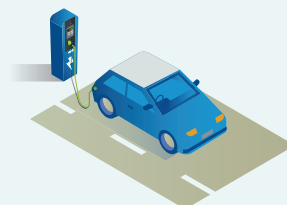
GLOBAL PRESENCE



## CONSTRUCTION

CONSTRUCTION  
INDUSTRY

CONSTRUCTION  
CHEMICALS



## MOBILITY

AUTOMOTIVE ORIGINAL  
EQUIPMENT

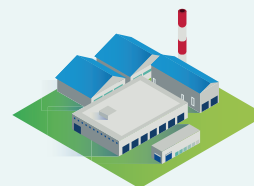
AUTOMOTIVE SPARE PARTS

AERONAUTICS

TRANSPORTATION

ELECTRIC VEHICLES

TECHNOLOGICAL  
COMPONENTS



## OTHER INDUSTRIES

SURFACE SOLUTIONS

CERAMICS

PERFORMANCE

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SAFETY

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COMFORT

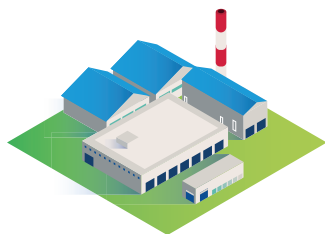
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ENERGY EFFICIENCY

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DECARBONIZATION

## EXAMPLES OF BENEFITS IN SPECIFIC USE CASES



### GLASS FURNACES

- Through the use of ceramics, emissions are reduced by 1,150,000 tonnes of CO<sub>2</sub> equivalent over the lifetime of the industrial equipment;
- 5,000,000 MWh reduction over the lifetime of the industrial equipment, i.e. energy savings of €16.9 million.



### TRAIN

Lightened glazing make it possible to increase the range of electric vehicles and improve energy efficiency. In India, Vistadome trains are equipped with the Priva-Lite solution - a variable opacity glazing - combined with the Planitherm Ultra solution, for better thermal and acoustic comfort for passengers.



## CONVERSATION WITH

### Sarra Jhinaoui

Strategy Director  
High Performance Solutions,  
Saint-Gobain

#### Can we transform the industry at a pace sufficient to meet a commitment to contribute to carbon neutrality by 2050?

The ambition is there, and some answers are already available. This concerns the use of low-carbon raw materials, the transition to new energies such as hydrogen and the generalization of best practices in industrial sectors. Technological levers include solutions for energy efficiency and the transformation of waste into energy, or solutions for improving the efficiency of furnaces, engines, sealing and filtration systems, or heat conduction. They contribute to reducing direct energy consumption, greenhouse gas emissions and the production of non-recovered waste.

Maintaining a steady pace of innovation is also key to achieving long-term objectives. For example, in the aviation sector, this is reflected in the deployment of glazing or advanced ceramic composites to

lighten aircraft and improve their environmental performance.

It is essential to focus on the alignment of stakeholder interests across the entire value chain. This concerns suppliers (with sustainable solution offerings integrating services) as well as industrial customers (through a review of their models and practices) and end customers (for example thanks to new mobility solutions). For Saint-Gobain, its positioning on solutions that can accelerate the transition of its industrial customers to a more sustainable model is a source of long-term growth. It is an entire sustainable ecosystem that must be nurtured in the construction, industry and mobility sectors.

#### What are the main contributions of digital technology and the use of data to the relationship among industrial customers and their suppliers?

The impact is multifaceted. It concerns customer relationship (through the provision of innovative technological tools) but also health protection and safety of workers, or the monitoring of installed solutions (with the deployment of sensors, the

collection and analysis of data), which makes it possible to predict future needs.

#### What does the notion of open innovation really change for industrial customers, if we compare it to a traditional research and development process?

It is first and foremost a change in terms of method; it means opening up its innovation approach through exchanges and partnerships with its customers and suppliers, through multiple collaborative approaches with start-ups and in the context of scientific cooperation and partnerships with the world of academia. The benefits are immediate and immense: it contributes to a more detailed understanding of customer needs, and makes it possible to better anticipate the expectations of end-users, which in turn also promotes an internal mindset that emphasizes serendipity, agility, empathy and creativity.

## PARTICIPATING TO A BETTER WORLD



The existence, worldwide, of hundreds of millions of buildings with low energy efficiency, and of poorly designed housing, often not very pleasant to live in, is an eminently political subject, but not sufficiently taken into consideration. We must change the situation and put construction at the heart of the solution to combat the global climate and energy crisis.

**CLAIRE PEDINI**

Senior Vice-President, Human Resources  
and Corporate Social Responsibility,  
Saint-Gobain



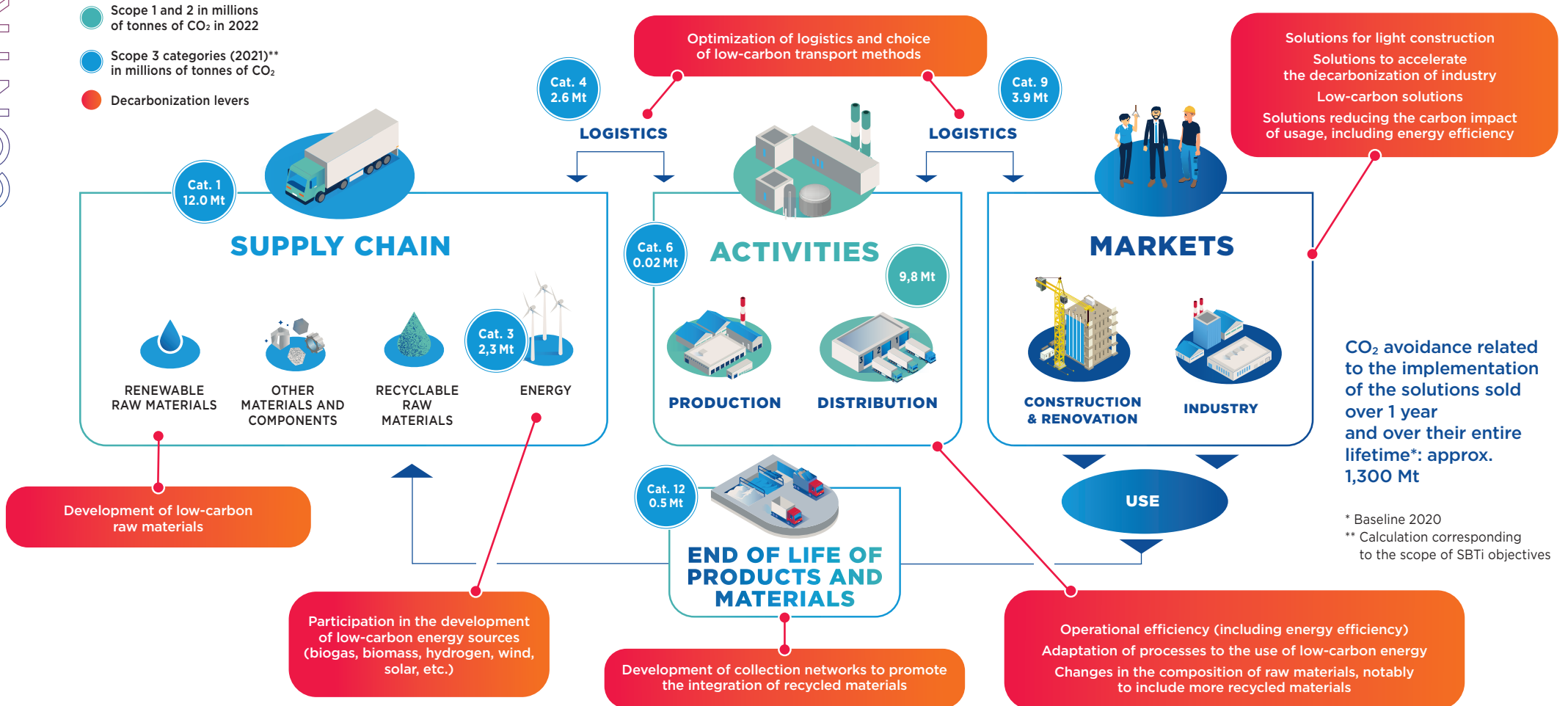
This library was built in Czechia by Studio Perspektiv architects. The Ecophon brand contributes to this project with its Ecophon Solo™ acoustic absorbers.

**Ecophon**  
SAINT-GOBAIN



# A DECARBONATED HOME

Saint-Gobain aims to promote the emergence of a fair and sustainable economy which is aligned with the Paris Agreement. The fight against climate change and the transition to a low-carbon world require the mobilization of everyone and the collaboration of all stakeholders: customers and suppliers, citizens and employees, states and major institutions.



A DECARBONATED HOME

## INNOVATING TO SUPPORT THE COMMITMENT TO “NET ZERO CARBON”



### LAUNCH OF THE FIRST LOW-CARBON GLASS OFFERING

In 2022, Saint-Gobain Glass launched Oraé, the first low-carbon glazing in the world, covered by an environmental product declaration (EPD).

Its carbon footprint is 40% lower compared to the European average value of Saint-Gobain's clear glass. Oraé is associated with the most efficient thin-film glazing in order to reduce both the carbon footprint related to the manufacturing of the product and the carbon emissions during the use phase.

This offering is based on the lessons learned during the zero-carbon pilot production (scope 1 and 2) of glass carried out at Aniche in May 2022.

This technical feat was achieved through the use of 100% recycled glass and 100% “green” energy, produced from biogas and low-carbon electricity.

### A 100% DECARBONATED (SCOPE 1 AND 2) PLASTER PLATE PRODUCTION AT ITS FREDRIKSTAD PLANT, IN NORWAY

The manufacturing process is decarbonated (scope 1 and 2) thanks to the switch from natural gas to hydroelectric electricity, thus avoiding 23,000 tonnes of CO<sub>2</sub> emissions per year. By modernizing the plant, and improving heat recovery and process efficiency, the site's energy consumption was reduced by 30% and the plant's production capacity increased by 40%.

Being the first to do so worldwide, Saint-Gobain will be able to launch a full range of plasterboard with the lowest carbon footprint on the market in 2023.

### ONGOING INVESTMENTS

In June 2022, the Group announced that it would invest in a second zero-emission plasterboard production plant (scope 1 and 2), located near Montreal, Canada. After an investment of approximately C\$90 million, this site will be operational in 2024.



**Forssa plant**  
in Finland

### NEW TEST PRODUCTIONS CARRIED OUT

Saint-Gobain tested the very low-carbon production (scope 1 and 2) of glass wool in Forssa, Finland. Each step of the production process has been reviewed to reduce the carbon footprint as much as possible. Through a set of initiatives across the entire value chain and the combination of low-carbon energies (biogas and low-carbon electricity), this site has been able to reduce its CO<sub>2</sub> emissions an additional 82% on scope 1 and 2, without modifying the performance of the product.

## A DECARBONATED HOME

# DEVELOPING SOLUTIONS TO MAXIMIZE SAINT-GOBAIN'S POSITIVE IMPACT ON ITS VALUE CHAIN

Construction currently accounts for nearly 40% of annual CO<sub>2</sub> emissions worldwide. The transition of this sector to carbon neutrality is therefore essential in the fight against climate change. Cities account for nearly 70% of greenhouse gas emissions and are also among the places most exposed to the effects of climate change. It is therefore urgent to **accelerate the transition to sustainable construction**.

## SOLUTIONS for low-carbon construction

The building industry represents  
**40 % of CO<sub>2</sub> emissions**  
worldwide



**Solutions to reduce carbon emissions from construction by two-thirds already exist:**

Reducing embedded CO<sub>2</sub> during the construction of buildings, notably through light construction.

Offering solutions providing benefits during the operation of buildings by promoting energy efficiency and the reduction of CO<sub>2</sub> emissions.

## MOBILIZING THE ORGANIZATION TO SUPPORT THE CO<sub>2</sub> 2030 ROADMAP

In Saint-Gobain's organization, each country or Business Unit is responsible for the implementation of the roadmap in its scope and markets. Financial budgeting exercises, investment plans and R&D resource requirements are aligned with this roadmap.

The carbon roadmap is supported by a CAPEX and R&D investment plan of at least €100 million per year through to 2030. In 2022, nearly double the amount - €191 million in CAPEX and R&D - was actually invested.

Life cycle analyses (LCA) or environmental product declarations (EPD) make it possible to measure the impact of materials and guide innovation in this field. They help customers measure the carbon content of buildings.

Nearly 48% of the Group's sales (excluding distribution) is generated by products covered by verified LCAs and EPDs.

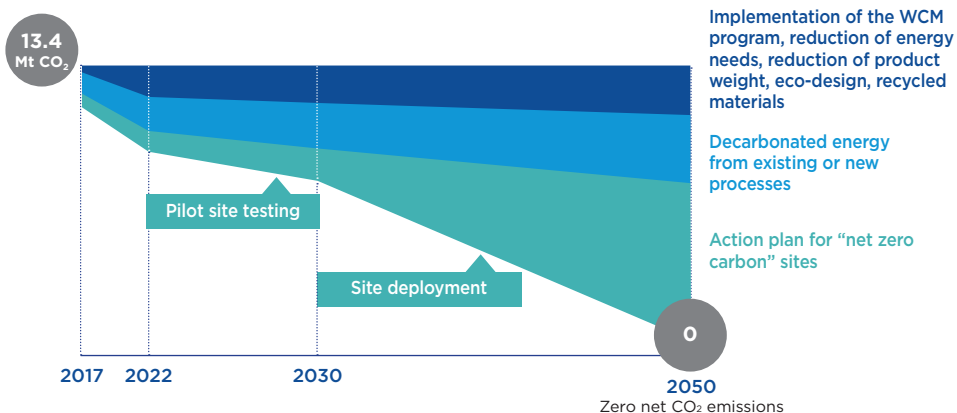
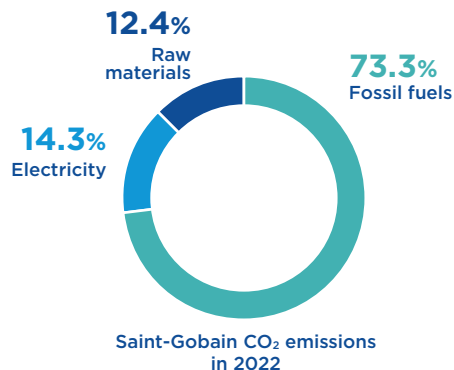
## GROWTH DECOUPLED FROM CO<sub>2</sub> EMISSIONS

Carbon intensity per euro of sales and EBITDA decreased by 42% and 57% respectively in 2022 compared to 2017, reflecting the Group's objective of maximizing its positive impact on the environment, while reducing its footprint.

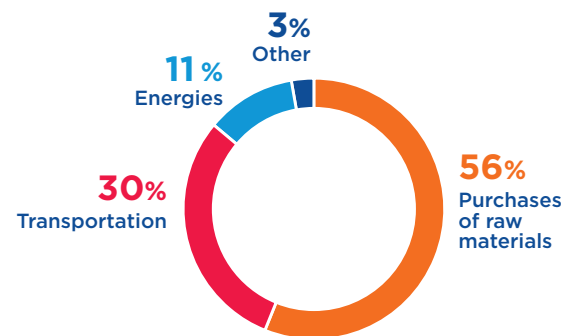
## A DECARBONATED HOME

# MINIMIZING THE CARBON FOOTPRINT OF THE GROUP'S OPERATIONS

Saint-Gobain is constantly reducing its emissions on scope 1 and 2, even as the Group continues to grow:

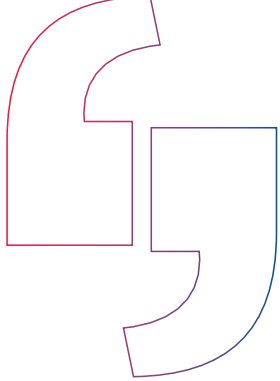


The Group is also making the measurement of its scope 3 emissions more reliable while rolling out action plans to achieve its 2030 targets.



Breakdown of scope 3 CO<sub>2</sub> emissions (2021 - categories corresponding to the scope of objectives validated by SBTi)

- **Mobilize buyers** by providing training and digital tools to estimate the impact of purchases
- **Extend reporting** to the relevant scope of our suppliers and improve the quality of information
- **Mobilize suppliers** to measure their carbon footprint and develop reduction action plans



## Can we decarbonate construction as rapidly as is necessary?

### CONVERSATION WITH

#### Roland Hunziker

*Director, Built Environment & Member of the Extended Leadership Group WBCSD (World Business Council for Sustainable Development)*

#### **What are the main conditions to contribute to the carbon neutrality of construction in 2050? What are the main obstacles?**

We already have an entire range of solutions ready, which make it possible, beyond any doubt, to reach half of our objectives by 2030. We therefore have no technological excuses at this time. The real topic to be addressed is collaboration among stakeholders across the entire value chain. This means, firstly, improving the coordination of efforts; we can highlight the need to generalize the calculation of emissions over the entire building cycle and to involve architects, designers, developers and funders. This also concerns fine-tuning long-term value sharing among the various players, notably by facilitating higher investments during design and construction and by spreading these additional costs over the entire life cycle. It is also necessary to take into account the existing building stock from a holistic perspective, in order to be able to control the variability of the cost of decarbonization from one building to another.

In order to contribute to carbon neutrality by 2050, we will need even more technological innovation and greater investments, notably in materials (steel and cement, for example) and in the energies used. It is also necessary to make rapid progress on the circularity front, in order to arrive at an intelligent model that makes it possible to systematically choose the best solution. In the case of the transformation of a building, this applies, for example, to the choice between the reuse of existing structures or their dismantling and recycling. There is still a lot of innovation to be made in terms of business models and the distribution of value created.

Regulation also plays a role that is already very significant, but which remains partial. In addition to coercion (prohibitions, limitations, punitive taxation), other levers must therefore be used. The development of reporting for developers and financiers is one of them. Beyond that, all players in the value chain must be held accountable.

#### **What is the impact of rising energy costs?**

Paradoxically, there is a positive effect of this trend, which strengthens awareness of the climate issues at stake and which encourages a reduction in consumption, but also investment in renovation in order to achieve greater long-term profitability. In return, this requires efforts to help the categories of the

population made the most vulnerable by this change.

#### **What are the main levers to act at the scale of a city in order to achieve a specific objective of decarbonization?**

We have a real issue concerning the variability of regulatory requirements from one region to another; some boroughs of London, for example, require assessments to be carried out over the entire life cycle of a building. Increasingly stringent requirements are likely to come, notably in terms of binding performance targets.

To think about decarbonization at the scale of a city, it is also necessary to take a step back and reflect on urban planning, also taking into account transport and food in the evolution of existing models. It is a question of being pragmatic and taking into account the systemic dimension of a regional community.

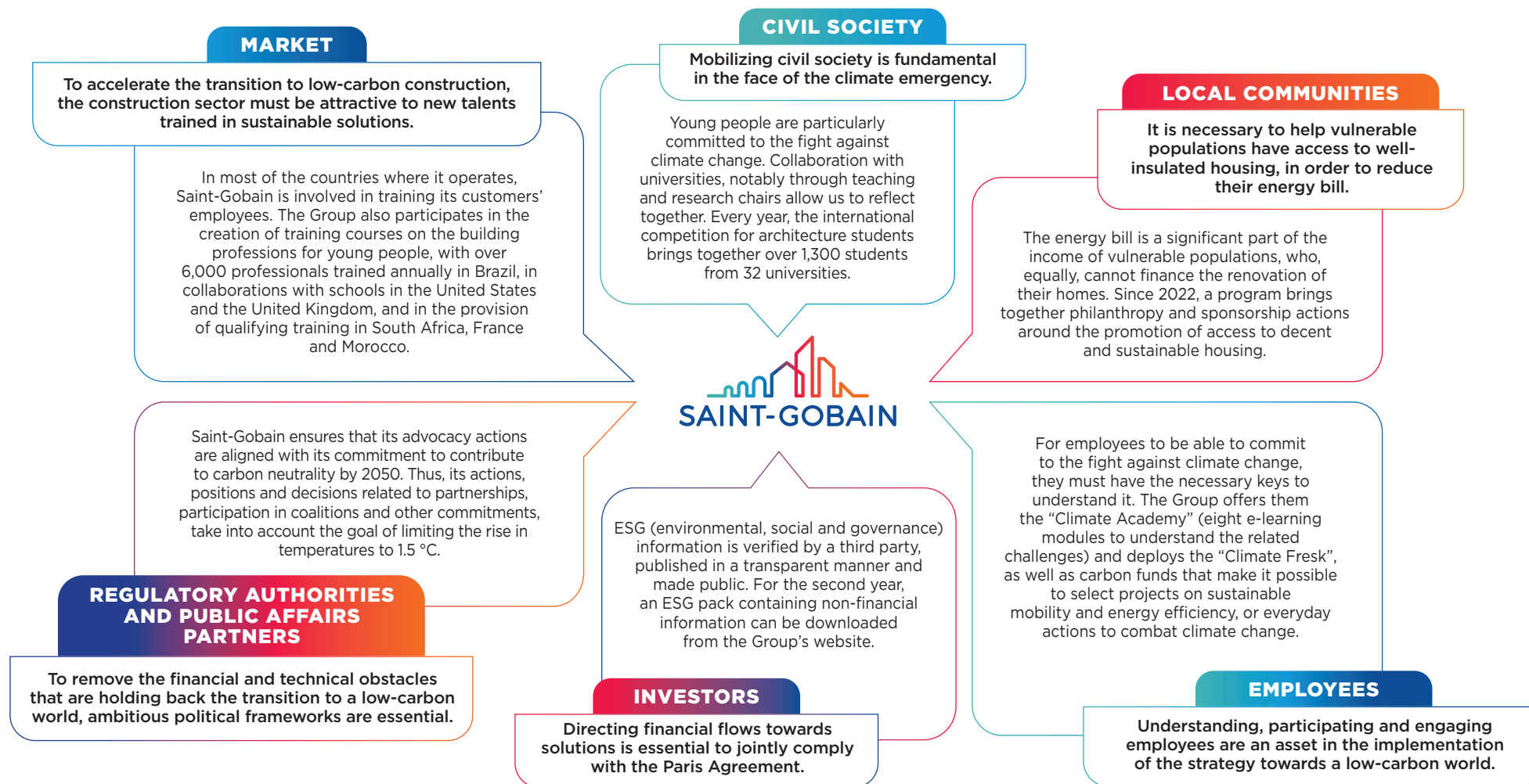
#### **Also read the article available on the WBCSD website:**

<https://www.wbcsd.org/Overview/News-Insights/WBCSD-insights/If-we-act-today-we-can-halve-the-emissions-of-the-built-environment-by-2030>

## A DECARBONATED HOME

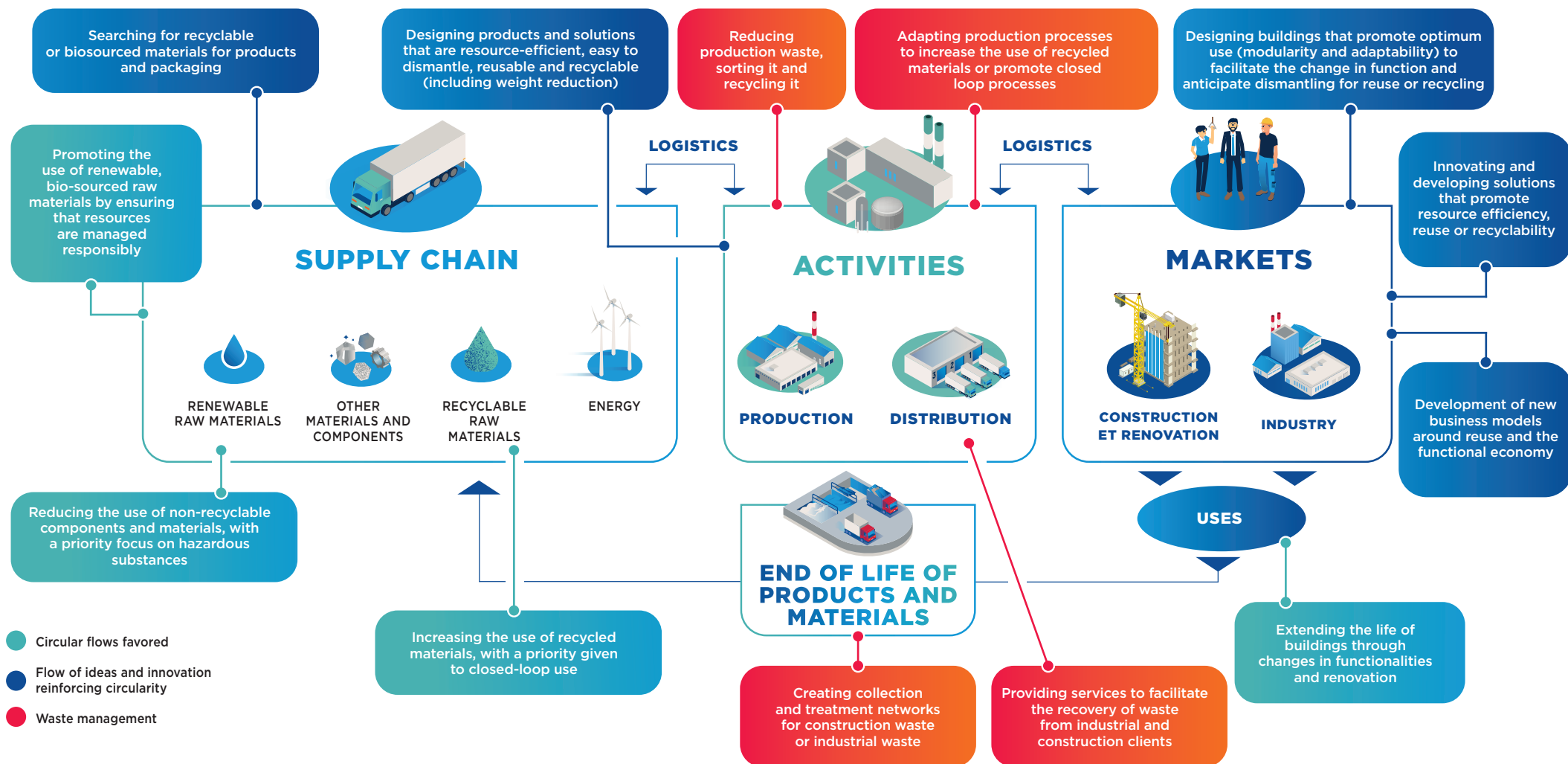
## TOGETHER, TOWARDS A DECARBONATED HOME

Saint-Gobain's strategy is part of a deliberately collective approach; the fight against climate change requires the cooperation of all stakeholders.



# MORE PERFORMANCE WITH LESS

The environmental impact of the construction sector is significant: 40% of solid waste, nearly 50% of the consumption of natural resources, and 12% of water consumption. Circular models contribute to the respect for the environment and the preservation of resources and biodiversity.



## MORE PERFORMANCE WITH LESS

# ACCELERATING THE TRANSITION TO CIRCULARITY

Saint-Gobain's strategy is based on four main areas. They reduce the pressure on natural resources throughout its value chain and optimize the benefits of the Group's solutions, while maintaining the value of resources at its highest level:

### SYSTEMATICALLY PROMOTING CIRCULAR FLOWS:

- **by reducing the use of raw materials** by increasing the use of recycled materials, and incorporating circularity criteria into the design of products, systems and packaging;
- **by sourcing renewable or biosourced raw materials which are sustainably managed**, in recyclable materials and components for solutions and packaging;
- **by gradually eliminating linear material flows** (non-recyclable, non-renewable resources, not sustainably managed) paying special attention to the presence of hazardous substances;
- **by designing solutions that consume fewer resources**, including by making products lighter, ensuring their recyclability or reuse and generating less waste over their life cycle.

### OPTIMIZING PRODUCTION AND DISTRIBUTION PROCESSES:

- **by adapting them to the integration of recycled materials**, including for packaging;
- **by improving them in order to limit final waste** from production;
- **by providing services** to customers to facilitate the recovery of waste across the value chain.

### DESIGNING RESOURCE-EFFICIENT SOLUTIONS:

- **by participating in the public debate** to encourage resource-efficient construction methods, such as light construction;
- **by promoting renovation**, which will allow an improved use of the building;
- **by designing solutions that facilitate the modularity of** buildings and/or the optimization of their use;
- **by anticipating deconstruction** to promote the reuse or recycling of materials.

### ENHANCING THE VALUE OF BUILDINGS AT END OF LIFE:

- **by preserving the value of resources through recycling channels** or partnerships to promote the reuse and recovery of construction waste and its recycling;
- **by recovering waste from construction**, renovation and transformation sites, and dismantling sites, as well as from distribution collection points or sorting centers for private individuals;
- **by sorting waste** through treatment sites to facilitate its integration during production, thus reducing landfill and destruction;
- **by developing technologies to treat** waste and to supply recyclable materials to the production processes.

## MORE PERFORMANCE WITH LESS DEVELOPING SOLUTIONS TO MAXIMIZE THE USE OF RESOURCES

### PROVIDING SOLUTIONS TO DEVELOP THE MODULARITY AND REVERSIBILITY OF BUILDINGS

To increase the use of buildings and extend their life, **it is necessary to anticipate changes in functionality.**

Saint-Gobain participates in the construction of the Saint-Denis Olympic Village for the Olympic Games of Paris 2024. A place of residence for the athletes, it will be transformed into housing, offices or shops at the end of the Games.

### OFFERING WASTE MANAGEMENT SERVICES FOR CUSTOMERS

Saint-Gobain Distribution Bâtiment France organized the recovery of waste from the same types of construction materials, products and equipment, which are sold to professionals, thereby becoming the first private network of collection points for construction waste from civil engineering sites. In its CSR roadmap, Saint-Gobain Distribution Bâtiment France has included a pillar on **construction waste management**. Various partnerships have been signed with specialized companies or start-ups such as Tri'n'collect in order to accelerate the recovery of construction waste, and its sorting and recycling.

### CREATING MATERIALS RECYCLING CHANNELS

Worldwide and for most materials, **Saint-Gobain creates recycling channels which are adapted** to countries, markets and customers. Examples include:

#### GLASS

Saint-Gobain developed a network in Europe, Saint-Gobain Glass Recycling, to **facilitate the recycling of flat glass from deconstruction or waste from the segment**. This involves qualifying independent companies capable of collecting and dismantling glass products and undertaking to promote recycling in floats, in a closed loop, for end-of-life glazing. Some twenty independent partners have already joined the network for a treatment and recycling offering for glazed products.

#### GLASS WOOL

In 2019, the Group launched its ILOOP project, supported by the European Union via its LIFE finance program. This project aims to contribute to the



**gradual recovery of glass wool waste generated on construction or demolition sites**, which is currently sent to landfill. It offers an innovative solution for closed loop recycling, that can transform waste into a high-quality secondary raw material that is used to manufacture new glass wool.

#### GYP SUM

In 2017, Rigips Germany created RiCycling, a recycling concept that consists of supplying raw materials with recycled gypsum.

Today, a complete cycle of materials is carried out, from the extraction of raw materials, through production and installation, to deconstruction and recycling. For example, the Gelsenkirchen-Scholven plant is supplied with materials which are over 20% recycled.

In the United States, CertainTeed Gypsum, in collaboration with three partner companies in New York, launched an initiative to **recover plasterboard waste** at its Buchanan site in New York, and to reuse it as raw materials for the manufacture of new products.

MORE PERFORMANCE WITH LESS

# MINIMIZING SAINT-GOBAIN'S ENVIRONMENTAL FOOTPRINT

## REDUCING WASTE GENERATED BY OPERATIONS

2030 TARGET

**REDUCING NON-RECOVERED WASTE BY 80%**  
vs. 2017

### OPERATIONAL EFFICIENCY

The operational excellence carried out in the WCM program, in terms of quality and productivity in particular, is the first approach to reduce waste and optimize the use of resources.

### CLOSED LOOP RECYCLING

Saint-Gobain sites are investing in waste reprocessing units and in adapting their industrial processes.

In 2022, investments were made in several sites in the United States, such as Nashville, Arkansas, where the manufacturing site is now able to recycle its production waste in a closed loop (equivalent to more than 50,000 tonnes per year), thus saving an equal amount of virgin materials and also avoiding the environmental impacts of landfill.

## PRESERVING NATURAL RESOURCES

2030 TARGET

**INCREASING VIRGIN RAW MATERIALS AVOIDANCE BY 30%**  
vs. 2017

Some Saint-Gobain products are **indefinitely recyclable in a closed loop in their industrial process**, such as glass, mineral wools or plaster-based products. The industrial processes are then adapted to the replacement of natural raw materials by recycled materials from internal or external collections.

Channels are being set up, with the support of external partners, to **collect, transport, sort and reprocess waste, before turning it into secondary raw materials** that can be reincorporated into the Group's industrial processes. Other Saint-Gobain products also accept the replacement of virgin raw materials by recycled materials from other consumption channels, such as glass wool, cast iron pipes, the manufacture of grains and ceramic powders.

## PRESERVING WATER RESOURCES

2030 TARGET

**REDUCING WATER WITHDRAWALS BY 50%**  
vs. 2017

The goal is to take as little water as possible, notably in areas subject to high water constraints, and **to move towards "zero discharge" of industrial water**, thus avoiding generating new impacts for other natural environments and/or other stakeholders.

To that end, the Saint-Gobain makes every effort to:

- **reduce withdrawals** from the natural environment, and optimize industrial processes to minimize water consumption;
- **reuse so-called "process" water** whenever possible;
- **recycle** on-site or off-site with appropriate treatments;
- **not degrade water quality** by reducing and controlling discharges into the natural environment and preventing any accidental pollution;
- **not compete with the access to drinking water** of local populations.

# A BETTER LIVING FOR ALL

Saint-Gobain bases its development on its purpose - "Making the World a Better Home" - and on strong values. Through its business model and in particular through the solutions it provides, Saint-Gobain contributes to having a tangible positive impact on all its stakeholders, including individuals, local communities and the environment. In practice, this notably translates into respect for human rights, a responsible purchasing policy and the preservation of the health and safety of people throughout the value chain.

## RESPECTING HUMAN RIGHTS

Saint-Gobain is committed to **respecting human rights wherever the Group operates and across its value chain**, based on the United Nations Guiding Principles on Business and Human Rights.

A due diligence process makes it possible to identify risks directly or indirectly related to Saint-Gobain's operations. The **main risks identified** concern four areas: respect for employee rights, health and safety at work, respect for the environment and anti-corruption. Each of the Group's entities ensures that each employee performs their work on the basis of freely agreed terms of employment according to a shared and accepted document and receives the payment of a fair wage according to the hours worked and their qualifications.

Freedom of association is guaranteed at all Saint-Gobain industrial sites and sales outlets or offices worldwide.

## DEPLOYING A RESPONSIBLE PURCHASING POLICY

The responsible purchasing program aims to **integrate ethical requirements into the purchasing process**, on the basis of **supplier** and **buyer** charters. It makes it possible to manage and reduce the environmental, labor and societal risks related to Saint-Gobain's supply chains.

**Ethical criteria** on human rights, working conditions and compliance with standards, health and safety and the environment are integrated into the purchasing process.

## PRESERVING HEALTH AND SAFETY

### PROTECT HEALTH AND ENSURE SAFETY ON SITES

Health and safety are at the heart of Saint-Gobain's corporate culture; they are among the priority concerns at all levels of management and for all employees, temporary workers and subcontractors on site. It is important for everyone to participate in their own safety and the safety of all of their colleagues. The shared objective is to jointly achieve the "zero occupational accidents" and "zero occupational illnesses" objectives. Results show continued progress in this area:

- the accident rate with and without lost time has been divided by five in ten years;
- 76% of sites did not report an accident in 2022.

### DEVELOP PRODUCTS AND SAFE SOLUTIONS AND PROVIDE COMFORT UP TO THE END USER

The innovation, production and distribution methods and processes integrate a continuous attention to the quality and safety of products and solutions; the innovation process integrates an evaluation list of potential impacts on health, safety and the environment.

Product compliance is a constantly evolving process.

A program to strengthen the culture of quality and compliance of products is rolled out among local teams in each country. This program is designed to remind local teams of the key principles and processes related to the quality and compliance of products, systems and services throughout their life cycle, from their design to their end of life, through production, marketing and use.

## A BETTER LIVING FOR ALL

# TAKING CARE OF EMPLOYEES

### CREATING AN ENGAGING WORK ENVIRONMENT

Saint-Gobain is mindful of **providing everyone with a work environment that is conducive to their professional and personal development.** The Group's human resources policy must allow a rapid adaptation of the organization and in particular a precise management of changes in skills needs, support for employees in the face of major transformations, but also the attraction and retention of talent.

Saint-Gobain has made the quality of social dialogue an essential criterion for the performance of its policy. Because social dialogue must provide concrete answers to issues relating to working conditions, the specific expectations of employees, and the deployment of action plans, it is mainly carried out at the local level.

#### DIVERSITY AND INCLUSION

With the diversification of its teams, Saint-Gobain is able to adapt to the world around it and to understand its challenges, to benefit from different skills and experiences while developing its ability to innovate.

The goal is to create an environment that fosters fairness and equality, while facilitating the training and cohesion of effective operational teams. **The Group undertakes to promote inclusion and diversity in all its forms:** gender, nationalities, training, career paths, generational diversity, disabilities and ethnic and social origins.

#### TRAINING

Throughout their working lives, **the training provided by Saint-Gobain must guarantee the employability and success of all employees.**

The objective is to facilitate the access to training through processes and offers that correspond to their needs and expectations.

- 90% of employees confirmed that they are satisfied with their training;
- 80% of employees are satisfied with the training and development proposals;
- 88% of employees believe they have improved their knowledge and skills.

### SHARING THE VALUE CREATED

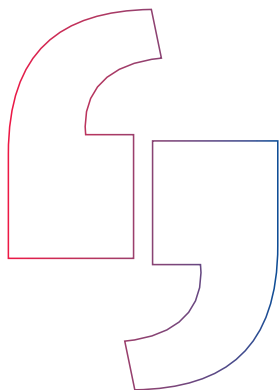
A general framework called the "Framework for fair wages" sets out common rules and principles to ensure fair compensation for Saint-Gobain employees. It has been distributed across the HR network and is published on the Group's website.

In 2022, Saint-Gobain conducted a survey of its local teams to **better identify the actions taken to guarantee a living wage, but also the additional items of compensation**, such as

individual and collective bonuses or employee benefits. Less than 3% of employees have a salary limited to the legal or negotiated minimum wage. Nearly 68% of full-time employees benefit from an individual or collective bonus program.

Nearly 97% of employees have access to the Group Savings Plan (PEG), which allows them to acquire Saint-Gobain shares at a discount and, in some countries, with an additional employer's contribution.





## How to create lasting relationships between businesses and local communities?

### CONVERSATION WITH



**Maimunah Mohd Sharif**  
Deputy Secretary-General of the  
United Nations, Mayor of Penang Island  
(Malaysia) and Executive Director  
of UN Habitat

**What are the most important criteria to assess the relevance and effectiveness of a company's policy towards its stakeholders?**

**How can we assess the relevance of a company's commitment to creating lasting and productive relationships with the local communities near its operational sites?**

Whether at the level of a company or an urban community, the most important thing is to always keep an open mind, and to seek independent assessments of each of our initiatives and activities. This is a crucial dimension if we are to design and implement effective policies.

The central idea here is that of interdependence; civil society is to urban management what shareholders are to a company. It is a matter of confronting its stakeholders and asking the question:

"Are our interests aligned? Do my actions concretely benefit those I am committed to serving?".

In this approach, the essential lever is transparency. A sustainable company that successfully faces the passage of time is one that has devoted significant efforts in this field. Its stakeholders - which include local communities - must have easy access to the strategy and all policies adopted by the organization, and these documents must clearly explain the commitments made, and the concrete actions that result from them. However, this is only possible if the company has a sincere commitment to local communities, which means genuinely understanding their needs and challenges but also putting in place the necessary tools to measure results.

Without doing so, it will not be possible to convince both shareholders and all other stakeholders.

My advice? Don't be scared of innovation and technological progress; new technologies and artificial intelligence are tools that also enable companies to improve their relations with local communities. It is an avenue that should not be neglected in order to create productive interactions with them - at all times respecting fundamental rights, of course - and a useful addition to the essential: the direct relationships that you create and that you experience on a daily basis. After all, businesses are first and foremost about people.

## A BETTER LIVING FOR ALL COMMITTING TO LOCAL COMMUNITIES

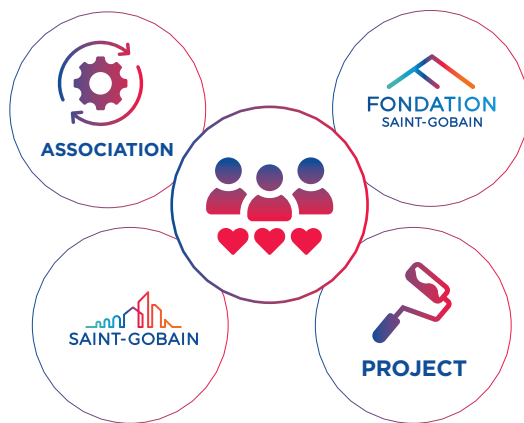
### SUPPORTING SOLIDARITY PROJECTS

For 15 years, notably through the **Saint-Gobain Foundation**, we have supported solidarity projects led by our employees, our sponsors, for the most vulnerable populations. These projects support **social and sustainable housing and professional integration**.

**300,000**  
Beneficiaries

**41**  
Countries

**350**  
Employee project sponsors



### SHOWING SOLIDARITY

Faced with emergency situations, Saint-Gobain's local teams mobilize to support the affected populations.

**BEIRUT:** among the solidarity actions, donations of materials and reconstruction projects, the Saint-Gobain Foundation supported the rehabilitation and safeguarding of 44 weakened buildings in two neighborhoods affected by the port explosion in August 2020.

**POLAND:** in 2022, Saint-Gobain teams in Poland mobilized to welcome Ukrainian refugees. Families were welcomed and are still supported. A foundation was created to help refugees financially and to support them in their efforts. Lastly, psychological support is provided to Polish employees to deal with this situation.

**TURKEY:** Saint-Gobain took part in providing emergency aid to refugees through the delivery of food, water, hygiene products, warm clothes, mattresses and blankets. Mobile housing units to accommodate earthquake victims were also deployed.



# APPENDICES

Highly influenced by the national coat of arms, the design of the Katara towers, with its curved lines, evokes two crossed swords. The project received a five-star rating from the Global Sustainability Assessment System Design and Build (GSAS), an environmental certification for infrastructures in North Africa and the Middle East.

**Numerous Saint-Gobain solutions contribute to the achievement of these ambitious objectives. Weber provided flooring and waterproofing solutions.** In addition, over **10,000 square meters of Kimmco-Isover thermal and acoustic insulation**, produced in Kuwait, were selected to optimize the building's performance. **55,000 square meters of complete Rigips wall and ceiling systems**, manufactured in Turkey, were installed to ensure a quick installation and less waste on site.

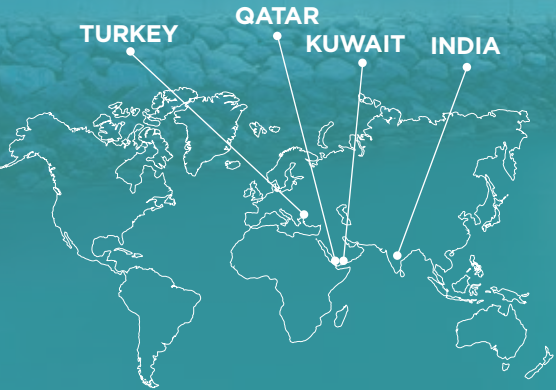
Lastly, **300 square meters of Vetrotech technical glazing**, manufactured in India, were supplied for the elevator halls and basements.

**KIMMCO** **ISOVER**  
SAINT-GOBAIN

**rigips**  
SAINT-GOBAIN

**vetrotech**  
SAINT-GOBAIN

**weber**  
SAINT-GOBAIN



Nearly  
**3,500**  
**TONNES**  
of mortars sourced from  
a local Weber site were  
delivered for this project.



# THE VALUE CREATION MODEL

## CONTEXT, RISKS AND OPPORTUNITIES: THE MEGATRENDS

CLIMATE CHANGE • DEMOGRAPHICS AND URBANIZATION • SCARCITY OF RESOURCES • DIGITALIZATION • CHANGING LIFESTYLES

### RESSOURCES

#### HUMAN

- Nearly 168,000 employees in 75 countries
- Over 120 nationalities

#### INTELLECTUAL

- A strong Saint-Gobain brand
- A portfolio of recognized brands in the construction and industrial sectors
- 3,500 researchers, over 450 patents filed in 2022

#### FINANCIAL

- Sales: €51,197 million
- Free cash flow: €3,791 million

#### MANUFACTURING

- Nearly 2,700 sales outlets
- Nearly 800 industrial sites
- Nearly 50 collaboration projects with start-ups approved in 2022

#### ENVIRONMENTAL

- Industrial specialties (glass, gypsum) that can be recycled indefinitely in a closed loop
- 41,854 GWh of energy consumption

#### EMPLOYMENT AND SOCIETAL

- Precise mapping of the Group's ecosystem and designated contacts for each stakeholder
- Analysis and prioritization of issues and their integration into strategic decisions

### FUNDAMENTALS

Purpose:  
"Making the World  
a Better Home"

Principles  
of Conduct  
and Action

Creation of  
shared value

### VISION

Be the worldwide  
leader in light and  
sustainable construction,  
improving everyday life  
for all thanks to its high  
performance solutions.

### MARKETS



### LEVERS

PROVIDING ANSWERS  
TO CUSTOMER  
ISSUES (P. 34)

LEVERAGING  
DATA (P. 30)

FOCUSING INNOVATION  
ON CUSTOMER  
NEEDS (P. 31)

BEING AT  
THE FOREFRONT  
OF CONSTRUCTION  
TRANSFORMATION (P. 32)

DEVELOPING  
AN EFFICIENT  
AND INCLUSIVE  
ORGANIZATION (P. 33)

PURSuing THE  
OBJECTIVE OF  
FINANCIAL  
PERFORMANCE  
AND SHAREHOLDER  
VALUE, EFFICIENTLY  
ALLOCATING CAPITAL  
(P. 11)

### VALUE CREATION

#### ENVIRONMENT

##### 2022 results

- -27% in CO<sub>2</sub> emissions (on scope 1 and 2) compared to 2017 (in absolute value terms)
- -37% in non-recovered waste compared to 2017 (in absolute value terms)
- 9.4 million tonnes of virgin raw materials avoided (-5% compared to 2017)
- 47.9% of revenues (excluding distribution activity) are generated by products covered by a life cycle analysis (LCA) or a verified EPD
- -19.9% in water withdrawals compared to 2017

#### HEALTH AND SAFETY ACROSS THE VALUE CHAIN

##### 2022 results

- 81% of sites covered by a chemical inventory

#### COMMITMENT AND DIVERSITY

##### 2022 results

- 84% engagement rate
- 27.4% of managers are women

#### INCLUSIVE GROWTH

##### 2022 results

- 100% of employees covered by the "CARE by Saint-Gobain" program

#### FINANCIAL RESULTS

##### 2022 results

- Operating income: €5,337 million
- Recurring net income: €3,335 million
- Added value: €17,308 million

#### SHARING THE VALUE CREATED

##### 2022 results

- Share retained for growth: €5,641 million
- Investments in local communities: €13 million
- Employees: salaries and other compensation (€8,995 million); retirement contributions (€252 million)
- Return for shareholders: €910 million
- Taxes and duties: €1,221 million

### LONG-TERM OBJECTIVES

#### A DECARBONATED HOME

##### 2030 targets

- -33% CO<sub>2</sub> emissions compared to 2017 on scope 1 and 2

#### MORE PERFORMANCE WITH LESS

##### 2030 targets

- -80% in non-recovered waste compared to 2017 (in absolute value terms);
- +30% in avoided withdrawals of natural raw materials compared to 2017.

#### A BETTER LIVING FOR ALL

##### Annual targets

- Engagement rate still higher than the benchmark (74%);
- 100% of managers trained in the code of ethics in the first year.

##### 2025 targets

- 30% of managers are women

##### 2030 targets

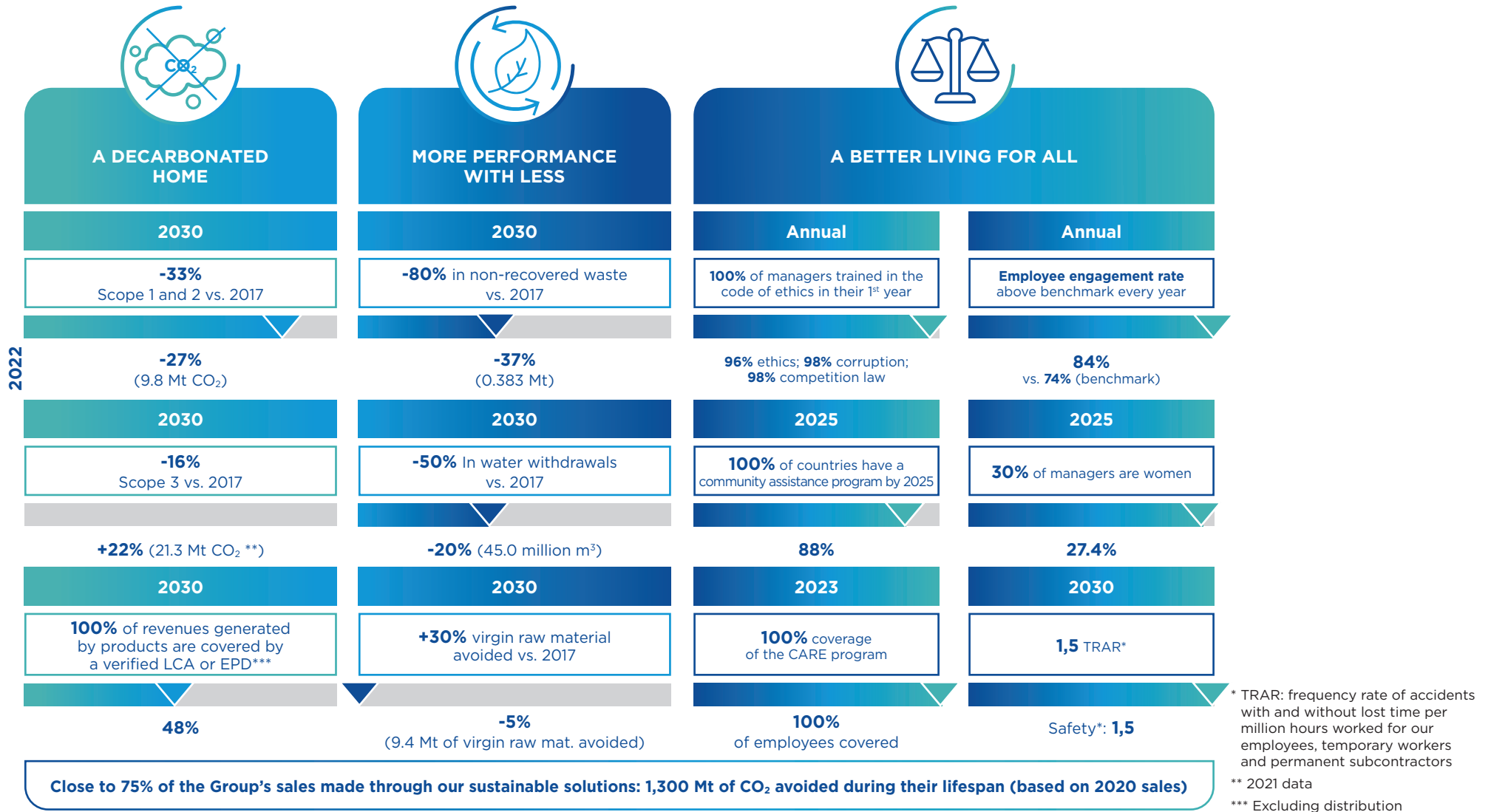
- TRAR (frequency rate of accidents with and without lost time per million hours worked for our employees, temporary workers and permanent subcontractors): 1.5

#### FINANCIAL RESULTS

##### Targets for the 2021-2025 period

- Organic growth between 3% and 5%
- Operating margin between 9% and 11%
- Return on invested capital between 12% and 15%

# CSR DASHBOARD

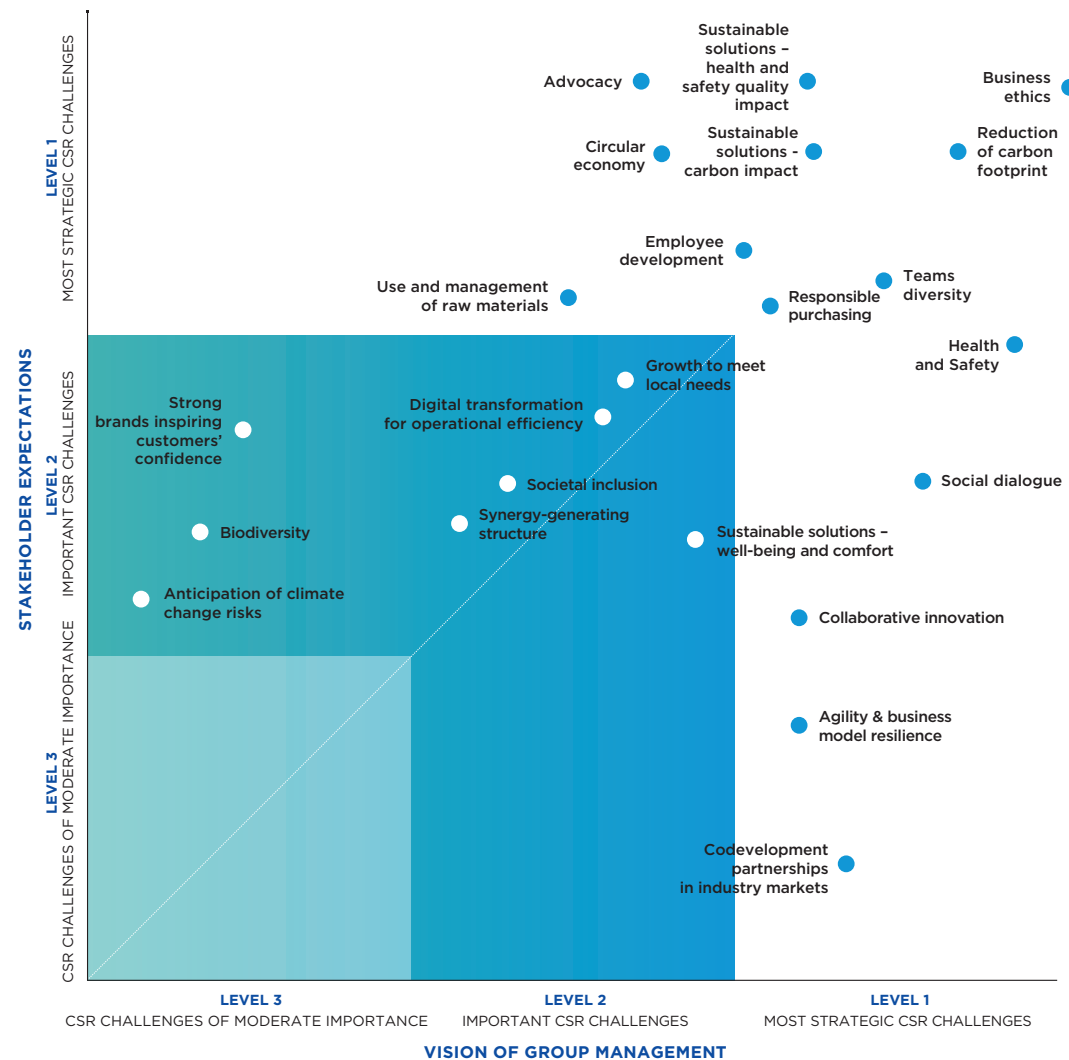


# MATERIALITY MATRIX

The **materiality matrix** is an essential tool that relies on the mapping of the organization's stakeholders. It summarizes the results of the work, which consists of:

- **identifying priority issues**, based on the available documentation concerning the company, its activities and its environment;
- **sharing these issues** with its main stakeholders;
- **prioritizing these** issues by comparing stakeholders' expectations and the vision of management.

A methodology note is available on the Group's website. The assessment is based on information gathered during interviews with experts, customer surveys, employee surveys, minutes of meetings with various stakeholders, and internal interviews. For example, interviews with external stakeholders carried out as part of "the purpose" or the "me@saint-gobain" survey, conducted among Group employees, were included in the analysis.



# GLOSSARY

## **BIM** or Building Information Modeling

Model that offers an integrated vision of the building during all stages of its life cycle through a “digital twin”.

## **CAPEX** or Capital Expenditure

Capex refers to a company’s investment expenditure capitalized on the balance sheet. Capex consists of all expenditures incurred by a company relating to its physical investments.

## **CULLET**

Broken glass from production waste or the selective collection of waste and recycled content.

## **EPD** or Environmental Product Declaration

An environmental product declaration makes it possible to assess the environmental performance of a construction product or equipment intended for use in building works. Its objective is to provide transparent, objective and verified information for consumers.

## **ESG** or environmental, social and governance

Environmental, Social and Governance (ESG) criteria are generally the three pillars of the non-financial analysis. They are taken into account in socially responsible management. ESG criteria are used to assess how companies exercise responsibility with respect to the environment and their stakeholders (employees, partners, subcontractors and customers).

## **GHG** or greenhouse gas

Gaseous components that absorb infrared radiation emitted by the Earth’s surface and thus contribute to the greenhouse effect. The increase in their concentration in the Earth’s atmosphere is one of the factors behind global warming.

## **GLOBAL COMPACT**

Launched in 2000, this United Nations initiative aims to encourage companies around the world to adopt a socially responsible attitude by committing to integrate and promote several principles relating to human rights, international labor standards, the environment and the fight against corruption.

## **SBTI** or Science Based Targets initiative

The result of a collaboration between CDP, the United Nations Global Compact, the World Resource Institute (WRI), the World Wide Fund for Nature (WWF) and one of the commitments of the We Mean Business coalition, the Science-Based Targets initiative defines and promotes best practices in science target setting and independently assesses and approves corporate targets to accelerate the transition to a low-carbon economy.

## **SCOPE**

This term refers to the three main families of an organization’s greenhouse gas emissions, as defined by the international standard of the Greenhouse Gas Protocol.

- Scope 1: greenhouse gas emissions generated directly by the company during production (energy use and various emissions during the process)
- Scope 2: indirect emissions mainly related to the production of heating or cooling during production
- Scope 3: emissions upstream and downstream of production - purchase and extraction of raw materials, transport, waste management, recycling, etc.

## **SDG** or Sustainable Development Goals

The SDGs are the 17 interconnected priorities set by the United Nations to promote economic and social development that is mindful of people and the planet. They were adopted in September 2015 by the UN as part of the 2030 Agenda. They address challenges related to poverty, inequality, the climate, environmental degradation, prosperity, peace and justice.

## **STAKEHOLDERS**

A company’s stakeholders include all the individuals and organizations that participate in its economic life, observe it, and influence it or that it influences directly or indirectly. They are grouped into two main categories: internal stakeholders and external stakeholders.

## **VALUE CHAIN**

A chain of interconnected activities where each develops a more or less strategic and important value for the company by integrating activities taking place upstream (suppliers) and downstream (customers and other stakeholders).

**WBCSD** or World Business Council for Sustainable Development. WBCSD is a worldwide grouping of 200 companies that deliberate on and develop solutions for a more sustainable world. Since 2017, Saint-Gobain has been a member of the WBCSD board working on “climate, energy, the circular economy, towns and cities, and mobility” issues.

**WGBC** or World Green Building Council World organization for the promotion of the ecological quality of buildings, founded in 2002 and bringing together sustainable construction professionals from over 100 countries.

# TO GO FURTHER

## ESG PACK



Find all of Saint-Gobain's ESG (environmental, social and governance) data in a downloadable format, including responses to the TCFD, SFRD and SASB standards.

## “BUILDING THE FUTURE” MAGAZINE



Understanding, being astonished, meeting, questioning, deciphering... From construction issues to industrial challenges, from the sciences to the company of tomorrow, through to major social issues: Saint-Gobain invites you to discover the world as it is being built.



## SUSTAINABLE CONSTRUCTION OBSERVATORY



The Sustainable Construction Observatory, launched by the Group, aims to bring together the main construction players in order to promote knowledge sharing and accelerate the transformation of the sector at the global level. It attests to Saint-Gobain's determination to include all of its stakeholders in its analyses and guidelines.



## UNIVERSAL REGISTRATION DOCUMENT



The publication of the Group's Universal Registration Document is an exercise in transparency. The purpose of the URD is to enable investors to easily and accurately assess the strategy and risk management, through a range of more precise and clear items of financial and non-financial information.



**This document is available on the Group's corporate website: [www.saint-gobain.com](http://www.saint-gobain.com)**

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