



**Saint-Gobain carbon neutrality:
leading towards sustainable
Building & Industry**

THE CHALLENGE IS TO MEET GROWING NEEDS WITH LESS CARBON & RESOURCES



40%

of CO₂ emissions
due to **buildings**



x 2

Raw material use
by 2060



+12%

in Energy demand
by 2030



x 3

Passenger transport
2015-2050

Saint-Gobain's solutions play a critical role in addressing these challenges

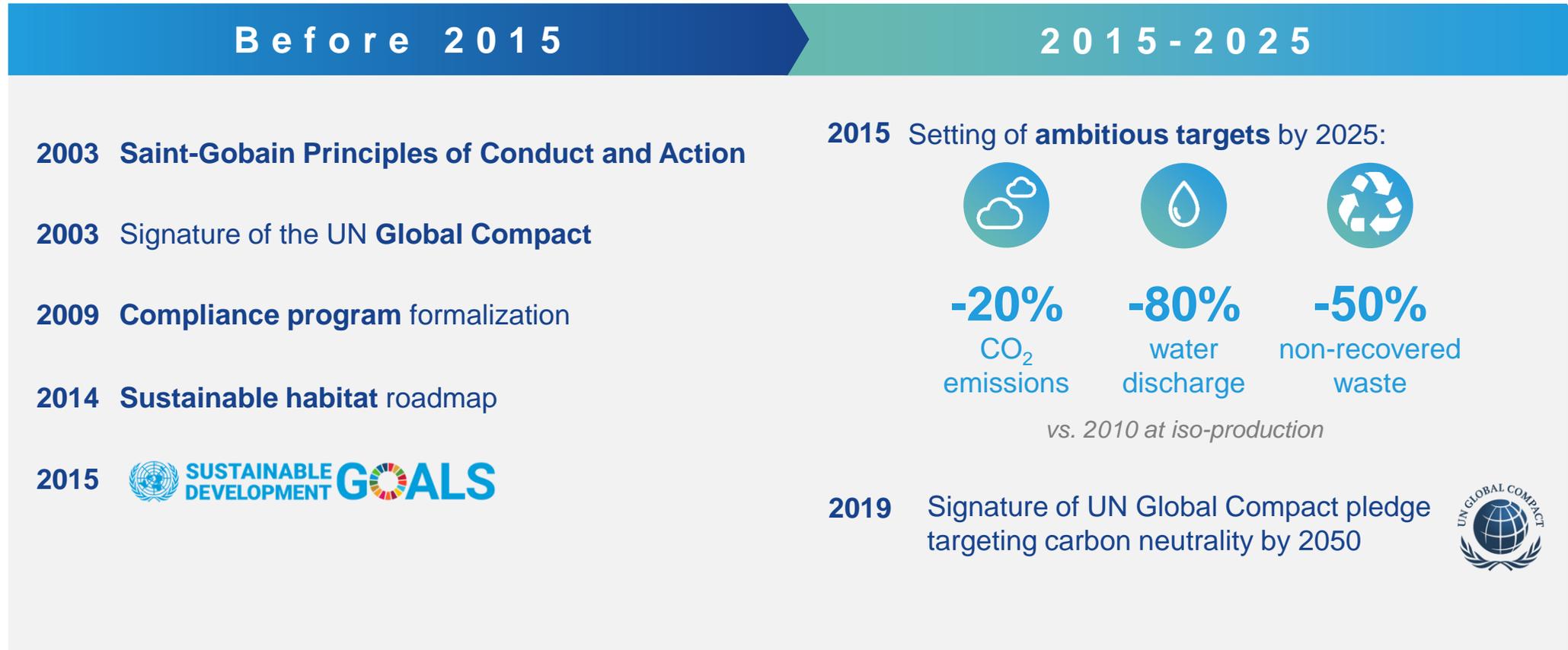


Our CO₂ Roadmap

Embedded in our CSR Roadmap

Solidifies our status as an ESG leader

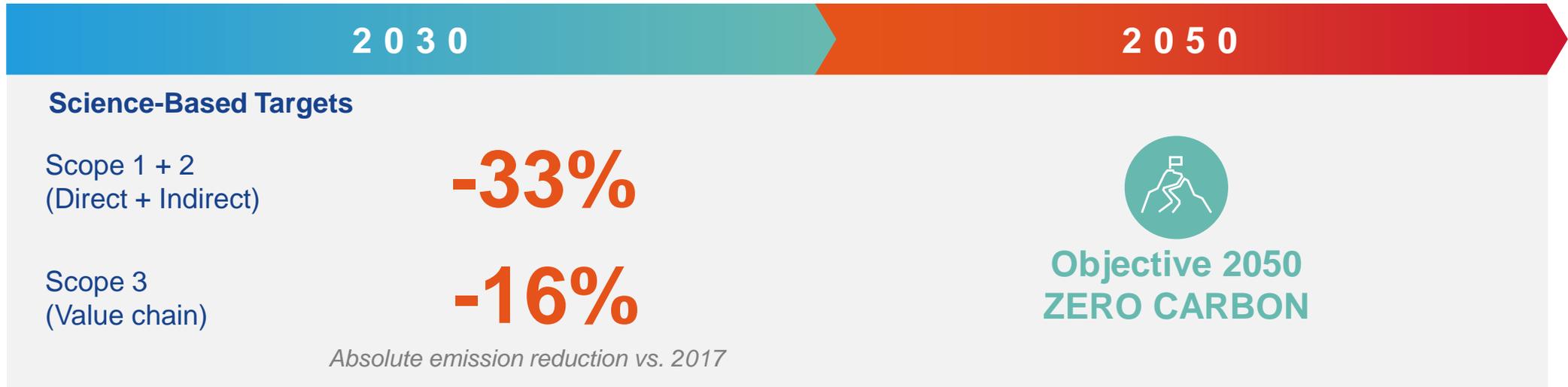
SUSTAINABILITY: A LONG-STANDING COMMITMENT FOR SAINT-GOBAIN



Next step: Setting out the path to reach net-zero carbon by 2050

ON OUR WAY TO CARBON NEUTRALITY, 2030 IS OUR NEXT MILESTONE

In our processes

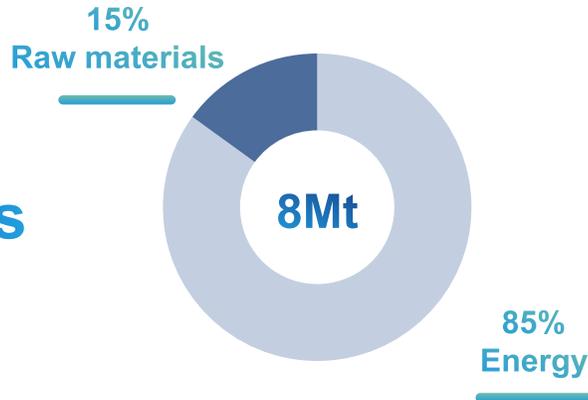


In our solutions offering

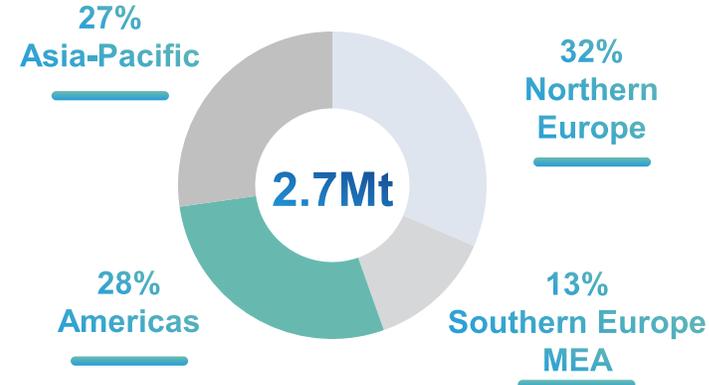
- Offer the best low-CO₂ and **sustainable solutions in our markets**
- Enable our customers to **decarbonize their processes**

WE ACT UPON ALL 3 EMISSION SCOPES

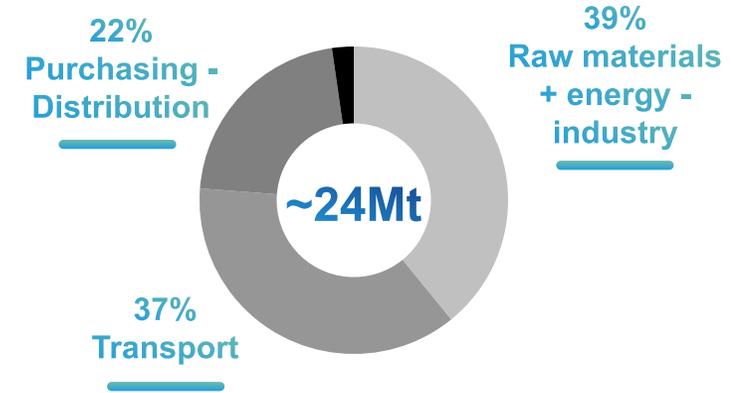
Scope 1 (Direct)



Scope 2 (Indirect)



Scope 3 (Value chain)



Levers for action



Innovate on our processes

industrial, product design



Optimize/reduce our energy use



Transition to carbon free energy



Suppliers & Logistics

raw materials & transports

INNOVATE ON OUR PROCESSES: LEVERAGE OUR UNIQUE GREEN INNOVATION CAPABILITIES



Scope 1 & 2

Short Term



Industry 4.0

- **Deploy widely 4.0 technology** including sensors and data acquisition tools
- Leverage data collected to streamline and optimize processes



Recycling

- Accelerate on **material disposal locations** for our customers in our distribution outlets
- Improve our **product design** to facilitate recycling
- Adapt our **production processes** to accommodate higher proportion of recycled content

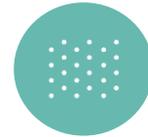
Medium and Long Term



Raw material reduction



Accelerate on **light products**



Substitute **with low carbon alternatives** keeping same mix



Accelerate on **recycled content**



Rethink **our formulations or processes**



Carbon Capture

- **Develop** CCU¹ technologies to be integrated in our production processes
- **Validate technical solutions**, gradually deploy them across industrial footprint

Cleantech at the core of our innovation and R&D

REDUCE ENERGY USE/TRANSITION TO CARBON FREE ENERGY: OPTIMIZE NOW, SHIFT TO CLEAN ENERGY FOR MEDIUM TERM



Short Term

Reduce consumption

Maximize energy efficiency

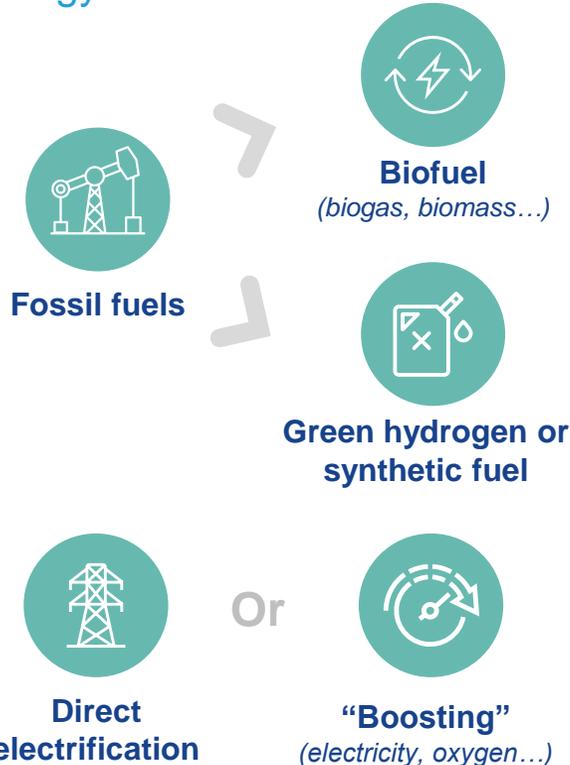
- Leveraging industry 4.0 and data analytics
- Implementing heat capture and reuse



Medium and Long Term

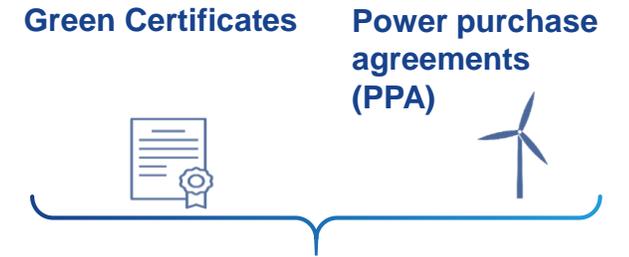
Develop technology to transition away from fossil fuels

Transition according to local energy mix



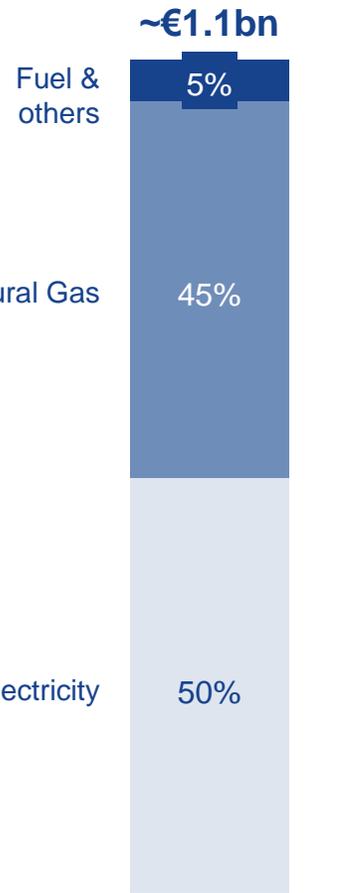
Shift our mix to green electricity

Market mechanisms



18% of total electricity consumption in 2019

Direct investments in renewables



2020f Energy bill

SUPPLIERS & LOGISTICS: TACKLE EMISSIONS IN SUPPLIERS & TRANSPORT



Scope 3

Engage all our suppliers

Levers

- Responsible purchasing charter
- SBT approach adoption
- Data transparency
- Benchmarking, selection criteria

Key actions



Benchmark suppliers, select them taking into account CO₂ emissions



89% of non-trade suppliers & **86%** of trade suppliers covered by Supplier charter



Gather detailed CO₂ emissions and other sustainability **data** (questionnaires, common approach + testing)



Engage large emitters to adopt **SBT** approach (focus on cement, soda ash, paper, distribution suppliers)

Reduce emissions from transport

Levers

- Optimize logistics
- Improve fuel efficiency
- Use decarbonized fuels
- Replace road by rail & water

Examples of key actions



Fret21: part of COP21, to push carriers to cut CO₂ emissions



Evoluvert: NGV¹-fueled trucks in Point.P distribution centers

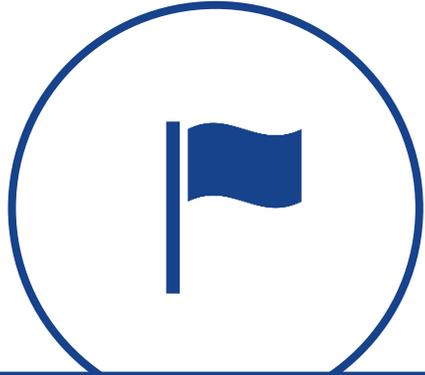


Control Tower: truck filling rate monitor, route optimization in LATAM

Leverage our impact on the value chain

1. Natural Gas Vehicle

STRONG COMMITMENT TO SUPPORT OUR PATHWAY TO CARBON NEUTRALITY



INCENTIVES

ESG metrics part of long term management incentives

- CSR targets relative weight at 20% in 2020 up from 15% with CO₂ emissions accounting for 10% (vs. 5% previously)



CARBON PRICE

Internal carbon prices

- 30€/t for industrial investments
- 100€/t for R&D investment in breakthrough technology



INVESTMENTS

Annual CAPEX and R&D investments over the next ten years





Our CO₂ Roadmap

Embedded in our CSR Roadmap

Solidifies our status as an ESG leader

WE PLACE CORPORATE SOCIAL RESPONSIBILITY AT THE HEART OF OUR BUSINESS MODEL

OUR CSR ROADMAP



BUSINESS ETHICS

To share our values with our stakeholders to build together over the long term



HEALTH & SAFETY

Our first responsibility is to guarantee the health and safety of our employees and our stakeholders



CLIMATE CHANGE

To contribute to the emergence of a low-carbon economy capable of preserving the common good



CIRCULAR ECONOMY

To change the way we design, produce and distribute our products and solutions to develop the circular economy



INCLUSION & DIVERSITY

To have broadly diverse teams to build an open and engaging corporate culture

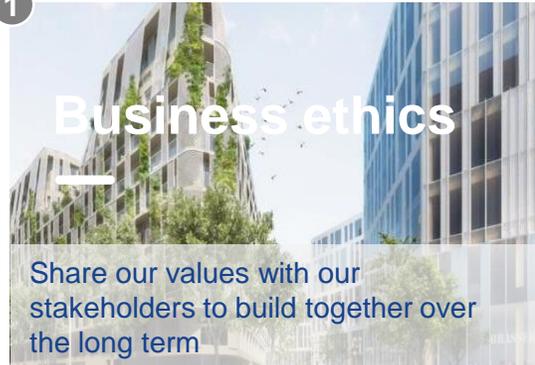


LOCAL & INCLUSIVE VALUE CREATION

To be a corporate citizen everywhere

WE ARE MAKING PROGRESS ON ALL OUR PILLARS (1/3)

1



2



Our achievements

Ethics

93% of new managers trained in Principles of Conduct & Action

Responsible purchasing

89% Non-trade suppliers covered by the supplier charter

86% Trade suppliers covered by the supplier charter

Compliance

100% of managers trained in competition law

89% of new managers trained in anti-corruption program

Health & Safety for all the employees

2.2 Total Recordable Accident Rate (TRAR)

*down from 9.9 in 2010**

Committed to reduce our TRAR below 2 by 2025

Health charter for our employees, clients, suppliers and neighbours

For and with our stakeholders

Main priority during pandemic crisis

Adapted our processes to interact safely amongst our employees, with our suppliers, welcome our customers in strict adherence to sanitary measures

WE ARE MAKING PROGRESS ON ALL OUR PILLARS (2/3)

3



Climate change

Contribute to the emergence of a low-carbon economy capable of preserving the common good

4



Circular economy

Change the way we design, produce and distribute our products, solutions to develop the circular economy

Our achievements

Products & Solutions contributing

Largest EPD¹ issuer: 1,300+ verified EPD in >31 countries; Best-in-class

Operations & supply chain

-14.5% CO₂ emissions (scope 1 + 2)
vs. 2010 at iso-production

New objectives from our 2030 roadmap

-50% Industrial water withdrawal, with no discharge in drought areas *vs. 2017*

100% Life Cycle Analyses for 100% of Group product ranges

-33%
Scope 1 + 2

-16%
Scope 3

SBT-approved vs. 2017 emissions on an absolute basis

Integrate recycled materials in our products and solutions, adapt manufacturing processes

8.5Mt Virgin raw materials avoided in 2019

11.5% Reduction of non-recovered waste *vs. 2010*

Create collection networks / services to upcycle wastes

120 Collection points in our distribution network

New objectives from our 2030 roadmap

+30%
Avoided virgin raw materials

vs. 2017

-80%
Non-recovered waste

vs. 2017

100%
Recyclable packaging

>30%
Recycled or bio-sourced content on packaging

CLIMATE CHANGE: WE ARE IDEALLY POSITIONED TO PLAY A MAJOR ROLE IN THE EUROPEAN RENOVATION WAVE

2030 ambition raised by the European Commission



-55%

greenhouse gas emissions*



-18%

energy consumption
for heating and cooling*



x2

building energy efficiency
renovation rate
objective



Renovation wave:
35m buildings
to be renovated by 2030,
priority to public buildings, such as
schools and **hospitals**



€275bn

Annual additional investment
needs in building renovation

* Compared to 1990



Renovation in the EU: >€10bn annual sales for Saint-Gobain

Source: European Commission, October 2020

CLIMATE CHANGE: DECARBONIZED SOLUTIONS PROVIDER

~60%

Sales contributing directly or indirectly to lower CO₂ emissions

~50%

Sales for the renovation market*

+42%

Growth in electric vehicle mobility**

* Estimation
** In 2019



Eclaz Glass

+20% energy efficiency
+10% thermal insulation
+10% solar gain



New glass wool

-40% CO₂ emissions
thanks to energy savings



External thermal insulation

30% heating savings
Gain of up to 3 energy classes



Sekurit solutions

Thermally insulating glazing
for greater autonomy of electric vehicles
+30km autonomy

CLIMATE CHANGE: EXAMPLES OF AVOIDED EMISSIONS

Example of Glass wool

A typical ISOVER glass wool product has amortized the CO₂ emitted in its production, transport & disposal just **3 months** after installation



Saint-Gobain CO₂ emissions in one year (scope 1+2)

10.8Mt

>x100

-1,200Mt

Avoided emissions thanks to our insulation solutions sold in a year¹

1. Internal methodology developed in partnership with EY Sustainable Performance & Transformation: Avoided emissions calculated as difference between greenhouse gas emissions associated with product Life Cycle Analyses & gain unlocked by the product vs. a reference basic solution multiplied by its lifespan (e.g 30 years for insulation, 50 for glass). Reference solution & scenario defined for each product in portfolio

WE ARE MAKING PROGRESS ON ALL OUR PILLARS (3/3)

5

Inclusion & diversity

Have broad diversity within the teams to build an open and engaging corporate culture

6

Local & inclusive value-creation

Be a corporate citizen in every country

Our achievements

Increase diversity

91.4% Global Diversity Index

24.2% women managers vs. 17.5% in 2010

17.1% women senior managers vs. 5% in 2010

Promote diversity

'Women In Network'

Be inclusive

Bloomberg Gender-Equality Index

New diversity objective

30% Women on average on all our business ExCos by 2025

For and with our employees

78% Employees responding to satisfaction survey

79.1% Employees received training in 2019

9% of shares held by employees through PEG¹

With local communities as recognized trusted local partner

More than 65,000 beneficiaries of the Saint-Gobain Foundation programs in 15 countries

For and with the families of our employees



Social protection program launched for all the employees and their families



Our CO₂ Roadmap

Embedded in our Sustainability Roadmap

Solidifies our status as an ESG leader

OUR ACTIONS ARE REFLECTED IN POSITIVE ESG RATINGS

| Agency | Saint-Gobain rating | Comparative elements |
|---|--|--|
|  SUSTAINALYTICS | LOW ESG risk | Rank 7/124 in building materials industry group |
|  MSCI | A | |
|  ISS-ekom | Prime (C+) | Among top 10% in industry |
|  vigeoEiris | 52/100 , Robust | Ranked 3/26 in sector |
|  Bloomberg | Included in Gender-Equality Index | Only 325 companies globally included in index |
|  CDP <small>DISCLOSURE INSIGHT ACTION</small> | Member of « Climate Change A list » | 182 companies globally in list >8,300 participating |
|  WSJ | 20th on list of Top 100 most sustainably managed companies | Out of more than 5,500 publicly traded businesses assessed |

Indexes



2019 Constituent
MSCI ESG
Leaders Indexes



Third party collaboration



SCIENCE
BASED
TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION



CONCLUSION: SAINT-GOBAIN, AN ESG LEADER

Environmental

- **A key solution provider** for energy efficiency and lower carbon alternatives
- **Net-zero Carbon** by 2050, with new 2030 targets: -33% scope 1+2, -16% scope 3
- **Circular economy:** +30% avoided virgin raw materials by 2030 by further increase in recycled content; -80% non recovered waste; 100% recyclable packaging; >30% recycled or bio-sourced content on packaging

Social

- **Safety:** accident reduction
- **Social Protection program:** 'CARE by Saint-Gobain'
- **Diversity:** 30% women on average on all our business ExCos by 2025
- **Business Ethics training:** for 100% new managers in first year
- **Social dialogue:** 1,437 social agreements in 2019
- **Foundation:** 40 projects sponsored in 15 countries; more than 65,000 beneficiaries of the Foundation programs

Governance

- **Independent directors:** 73% of the board & Lead Independent Director
- **Diversity:** 45% women on Board
- **2 employee directors** on Board and one representative of the employees shareholders
- **Management compensation includes ESG objectives**
- **Corporate Social Responsibility Board Committee**
- **Specific training for board members:** climate change, circular economy, biodiversity



MAKING THE WORLD A BETTER HOME





Appendix

SBT VALIDATED OUR OBJECTIVES

Science-Based Targets

- Platform set up during COP21
- 4 partner organizations:



- Trusted organization considered as reference (TCFD,...)

A rigorous process to validate targets

01

Initial screening

To determine if all necessary information is provided and/or to assess if the target meets the basic criteria

02

Lead reviewer desk review

Lead reviewer performs the desk review to assess the targets against the SBTi criteria and sends queries if needed

03

Appointed approver review

Appointed approver reviews the assessment done by the lead reviewer

04

Target validation team discussion

Target validation team discusses the target and the desk review completed by the lead reviewer in a weekly meeting

05

Communicating decisions and feedback

For each assessment, one target validation report and a decision letter will be delivered within 30 working days.



Scenarios and targets

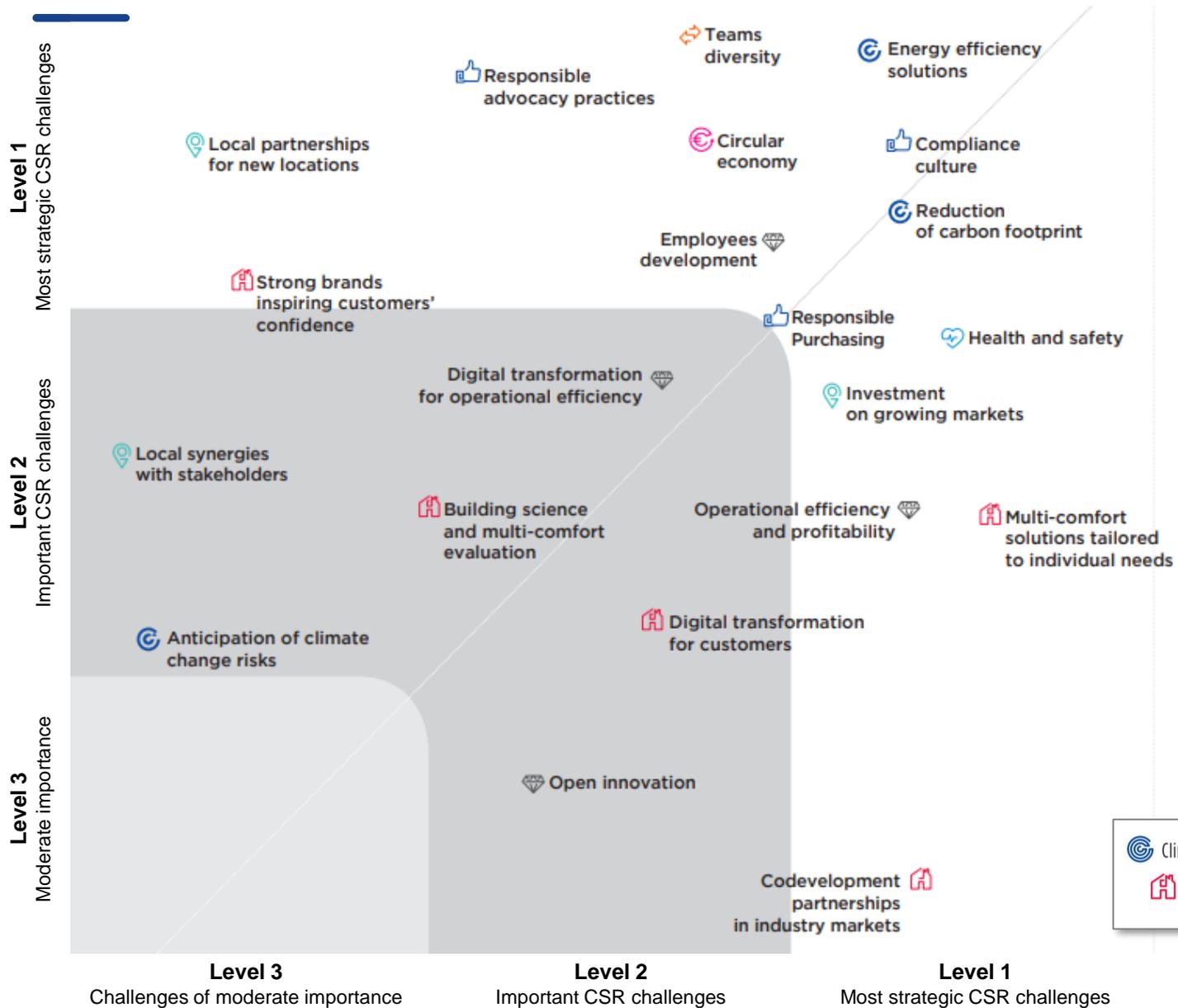
- Scenarios developed to help organizations define their medium term objectives (5 to 15 years)
- >1,000 companies involved of which 500 have mid-term objectives approved
- Long term approach to reach carbon neutrality in line with 2019 pledge
- Saint-Gobain commitment:



Commit to Net Zero carbon by 2050 & follow at least the path of “Well below 2°C” scenario

MATERIAL ISSUES ARE MAPPED AND MONITORED CLOSELY

Stakeholder expectations



Matrix built in 3 stages

- Identification of the key challenges based on a review of publicly available information published by the Group, relative to its activities and its environment
- Sharing these challenges with key stakeholders
- Ranking the challenges by comparing stakeholder expectations with the vision of Group management

Used as a basis for our CSR Roadmap

| | | | | |
|--|--------------------------------|-------------------------|-------------------|------------------------|
| Climate change | Responsible business practices | Diversity | Health and safety | Operational excellence |
| Solution to improve wellbeing and daily life | Circular economy | Creation of local value | | |

WE FOCUS ON SOLUTIONS WITH THE BEST LIFE CYCLE PERFORMANCE

Illustration: Insulation solutions

Global warming potential by product at equivalent insulation performance: the lower the better

