

## AN EFFICIENT AND RESPONSIBLE GROUP

A decarbonated home

### 3.3 A DECARBONATED HOME

#### 3.3.1 GOVERNANCE AND STRATEGY

Faced with the challenge of climate change and the risks related to the increase in average temperatures, Saint-Gobain aims to promote the emergence of a sustainable and just economy in line with the Paris Agreement. In concrete terms, the objective is to help the Group's customers reduce their carbon emissions through the use of its solutions, and to reduce the carbon impact of its operations across the entire value chain.

In September 2019, Saint-Gobain responded to a call for action issued by a broad coalition of business leaders, civil society representatives and United Nations leaders to help limit the rise in global temperature to 1.5°C above pre-industrial levels.

#### A - Governance

##### BOARD OF DIRECTORS

The role of the **Board of Directors** is to determine Saint-Gobain's strategy and to follow up on its implementation, as well as to monitor its proper management.

All Directors were trained in climate risks by experts (see chapter 5, section 1.2.4). Climate change issues are monitored on a regular basis by the Board of Directors.

##### CORPORATE SOCIAL RESPONSIBILITY COMMITTEE OF THE BOARD OF DIRECTORS

The **CSR Committee** ensures that corporate social responsibility issues are taken into account in the definition of Saint-Gobain's strategy and its implementation (see chapter 5, section 5.1.2 for a description of the responsibilities and activities of the Corporate Social Responsibility Committee in 2022).

Finally, as the Group considers climate change to be a strategic issue, the reduction of CO<sub>2</sub> emissions is a performance criterion included in long-term compensation plans (see chapter 5, section 5.2.4).

##### CO<sub>2</sub> "CARBON 2030" ROADMAP

The "**Carbon Roadmap 2030**" working group is a response to Saint-Gobain's commitment to contribute to "net zero emissions", by 2050. As a result, Saint-Gobain will reduce its CO<sub>2</sub> emissions as much as possible by 2050 and implement measures to absorb any residual emissions.

The success of the "net zero emissions" ambition is based on the 2030 targets validated by the Science Based Target initiative and on several action levers. This working group is led by the Sustainable Development Department.

##### At Group level:

- the **Strategy Department** supports Saint-Gobain's ambition to be a leader in sustainability by integrating sustainable development as a key focus of the Group's growth and differentiation strategy. It monitors and implements the internal carbon price, including its regular updates;
- the **Innovation Department** coordinates the innovation efforts in both industrial and product design-related processes;
- the **Industrial Technology and Performance-Department** oversees the coordination of industrial excellence programs, including the "World Class Manufacturing" (WCM) and CapEx commitments;
- the **Purchasing Department** ensures the mobilization of suppliers by integrating their performance in terms of sustainable development and the signature of the Saint-Gobain "Responsible Purchasing" charter as selection criteria.

##### Business Units and countries contribute to the carbon neutrality target:

- roadmaps are developed by the countries or Business Units to define their short- and medium-term priorities and objectives in line with Saint-Gobain's, and to draw up their own action plans;
- detailed roadmaps are developed for each industrial process and supplemented by action plans designed and deployed by each country based on knowledge of local markets and regulatory contexts;
- each site defines its own roadmap for the WCM program, in line with international reference frameworks, standards specific to its business required by customers and the improvement objectives that have been set. Each industrial department and each business unit is responsible for defining, leading and monitoring the results of the sites within its scope.

The Group has implemented its CO<sub>2</sub> roadmap to contribute to carbon neutrality by 2050. This approach incorporates its targets for 2030, validated by the Science-Based Targets initiative (SBTi), which considers them to be aligned with Saint-Gobain's net-zero carbon commitment:

- 33% reduction in CO<sub>2</sub> emissions (scope 1+2), in absolute terms, between 2017 and 2030;
- 16% reduction in CO<sub>2</sub> emissions in scope 3, in absolute terms, between 2017 and 2030.

**EXECUTIVE COMMITTEE**

The **Executive Committee** is responsible for managing the Group. It makes strategic decisions according to the guidelines defined by the Board of Directors and under the chairmanship of the Chief Executive Officer. The issue of climate change is monitored on a regular basis by the Executive Committee, which holds meetings on these subjects.

**CORPORATE SOCIAL RESPONSIBILITY COMMITTEE OF THE EXECUTIVE COMMITTEE**

The Corporate Social Responsibility Committee was created on July 1, 2021. Its role is to craft strategies in line with the Group's CSR commitments and objectives, taking into account the growing demands of stakeholders, and to monitor improvements in terms of ESG (environment, social and governance) performance. Climate change is one of the topics monitored by the Committee.

The **Corporate Social Responsibility Department** coordinates - with the Sustainable Development Department - the monitoring of climate performance and objectives. The fight against climate change is one of the pillars of the CSR roadmap.

The **Senior Vice-President, Human Resources and Corporate Social Responsibility** is in charge of corporate social responsibility. She coordinates the monitoring of climate objectives as part of the CSR roadmap.

The **Sustainable Development Department** oversees the management of climate-related issues, which represent both a risk and an opportunity for the Group.

**SUSTAINABLE SOLUTIONS FOR GROWTH**

The **Sustainable Solutions for Growth** working group supports the Group's strategy to move from a product-based offer to a sustainable solutions-based offer, which would be more efficient and adapted to its markets. This group focuses on identifying proposals for solutions that combine sustainability and performance and to measure the benefits for stakeholders, in particular customers. It is also in charge of determining and deploying a standardized method of benefits recognition. This working group is led by the Strategy Department.

**At Group level:**

- the **Marketing and Development Department** facilitates and accelerates Saint-Gobain's innovation process, based on meeting customer expectations. Teams specializing in innovation and management ensure consistency and relevance of use cases. Teams specializing in sustainable construction ensure the coordination of the measurement of estimated benefits;
- the **CSR Department** ensures that the solutions proposed by the Group are in line with the objectives and action plans in operational terms. It also manages the performance follow-up.

**At Business Units and countries level:**

- tools and information are made available to countries to guide them in developing a strategy adapted to their market context;
- discussions between the marketing and sales teams enable the identification of cross-functional issues for which Saint-Gobain can provide innovative and competitive responses using local and global synergies.

**RISK MANAGEMENT**

The **Risk Management** working group is responsible for identifying, assessing and mitigating potential risks that could impact the Group's business. However, climate has not been identified as a risk factor for Saint-Gobain, as it does not present significant financial materiality for the Group. This working group is led by the Sustainable Development Department.

**At Group level:**

- the **Strategy Department** oversees the development of climate scenarios, thus integrating climate risk management into the Group's medium- and long-term strategy
- the **Audit and Internal Control Department** develops and updates the methodology for managing climate risk, updates physical risk maps and conducts climate audits;
- the **Risk and Insurance Department** defines the Group's policy on the prevention and insurance of climate risks;
- the **CSR Department** ensures the consistency of risk assessments in accordance with the regulatory requirements of the Non Financial Reporting Directive (NFRD) and its transposition into French law, and other transparency requirements expressed by stakeholders, in particular the communication according to the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD).

**The Business Units and Countries**

are included in the risk identification and management process. A digital mapping tool is available to help them identify their risk exposure and prioritize their action plans.