UNIVERSAL REGISTRATION DOCUMENT

INCLUDING THE ANNUAL FINANCIAL REPORT AND THE INTEGRATED REPORT

2023

SAINT-GOBAIN

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2023

AUTORITÉ DES MARCHÉS FINANCIERS
AMF

On March 12, 2024, the French version of this Universal Registration Document was filed with the French Financial Markets Authority (Autorité des marchés financiers, AMF), the competent authority pursuant to (EU) Regulation No. 2017/1129, without prior approval, in accordance with Article 9 of said regulation.
The French version of this Universal Registration Document may be used for the purposes of a public offer of securities or the admission of securities to trading on a regulated market if it is supplemented with a securities note and, if required, a summary note, as well as all updates made to the Universal Registration Document. The whole is then approved by the AMF in accordance with (EU) Regulation No. 2017/1129.

This version of the Universal Registration Document cancels and replaces the previous version filed with the French Financial Markets Authority (Autorité des marchés financiers, AMF) and posted on the Saint-Gobain website on March 12, 2024. The changes made are as follows:

• Changes in section 4.2.2, chapter 4, pages 154 and 155: correction of a clerical error concerning the data relating to “scope 3” emissions for 2021 in the table entitled “Objectives” (page 154) and in the table entitled “GHG Emissions” and consequently of the data relating to “Total CO2e emissions (scope 1+2+3)” (page 155).
• Changes to the CAPEX table in section 9.3.5, chapter 9, page 428: in the 3rd line of section A.2, correction of the total amount of the “CAPEX of taxonomy-eligible but not environmentally sustainable activities”; in the 4th line of section A.2, correction of the total amount of the “CAPEX of taxonomy-eligible activities” and in section B, correction of the total amount of the “CAPEX of Taxonomy non-eligible activities” and the proportion of sales they represent.

AFR The elements of the annual financial report are identified in the table of contents by the AFR icon.

EFPD The Non-Financial Performance Declaration is identified by the EFPD icon.

INTEGRATED
REPORT

SAINT-GOBAIN

The successful change in Group governance reflects a unique model and culture, that of a company founded almost four centuries ago, capable of renewing and reinventing itself, while always keeping in mind the interests of all its stakeholders.

PIERRE-ANDRÉ DE CHALENDAR

CHAIRMAN OF THE BOARD OF DIRECTORS

In 2023, Saint-Gobain once again demonstrated its strength and resilience, from both a financial and a non-financial perspective. These results - which have been achieved thanks to the hard work of all the Group's employees, to whom I would like to express my sincere gratitude - are proof that our strategy is the right one, against a backdrop of intense economic, environmental and political tensions worldwide.

Saint-Gobain's sound financial situation is also a source of satisfaction for its shareholders. Among other things, it is the result of effective corporate governance. All Board members are fully committed to monitoring the implementation of the strategy defined by the Executive Committee and the progress made by the Group in all areas.

In 2024, Saint-Gobain will reach the final stage of the transition that I have led with the Board, culminating in Benoit Bazin's appointment as Chairman and Chief Executive Officer. I must say how pleased I am to have supported Benoit on this journey. The **successful change in Group governance** reflects a unique model and culture, that of a company founded almost four centuries ago, capable of renewing and reinventing itself, while always keeping in mind the interests of all its stakeholders.

After having devoted almost 35 years of my life to Saint-Gobain, including the last 14 years as Chairman, I am stepping down with the greatest sense of confidence. I wish the Group every success, convinced of the strength of its strategy, the **relevance of its positioning**, and its ability - with its fantastic corporate purpose - to meet the major environmental and social challenges of our contemporary world – climate change, resource scarcity and rapid urbanization.

The extraordinary diversity and expertise of our teams, our presence on every continent and our potential for innovation also constitute unique attributes that will make Saint-Gobain **the undisputed leader in light and sustainable construction worldwide.**

BENOIT BAZIN

CHIEF EXECUTIVE OFFICER

Three years ago, our Group set itself the ambition of **being the worldwide leader in light and sustainable construction**, a vision perfectly aligned with our corporate purpose – *Making the World a Better Home* – and which places financial and non-financial performance at the heart of our business model. Today, our market positioning is clear, robust and conducive to long-term growth for the Group and its stakeholders. Our solutions for energy renovation, new lightweight construction and the decarbonization of construction and industry are, and will be for a long time to come, vital tools to meet the environmental and social challenges facing our societies.

In a difficult market environment, **the Group successfully stayed on course**, deploying our "Grow & Impact" plan for the third year running. Our **excellent results in 2023**, both financial (notably with a new record margin and cash-flow) and non-financial (from the decarbonization of our products and processes to the benefits our solutions bring to our customers' well-being and to the environment), are proof of the relevance and power of our approach. They are also the result of the **bold strategic decisions** made decisively, over the last few years, through a rapid change in business portfolio and geographical footprint, to seek further growth in North America, Asia and emerging countries. Our country-based business model, the mobilization of all our teams on every continent, and the quality and speed of execution they demonstrate on a daily basis, are all assets that have made this performance possible.

To **continue the deployment of this winning strategy**, and against a backdrop of changes in the Group's governance this year, I am grateful to the Board of Directors for the confidence it has shown in me. I would especially like to thank Pierre-André de Chalendar for the full support he has given me throughout the years we have worked together for Saint-Gobain, so that I am fully prepared to succeed him as Chairman and Chief Executive Officer.

Transforming the building and construction sector is an absolute must if we are to meet the considerable challenges of climate change, depletion of natural resources, as well as the accelerated pace of urbanization, driven by strong population growth, which requires access to decent housing and well-being for all. **More than ever, we are determined to play our leading role, aiming ever higher, so as to make the world a better home.**

> *"Our market positioning is clear, robust and conducive to long-term growth. Our solutions for energy renovation, new lightweight construction and the decarbonization of construction and industry are, and will be for a long time to come, vital tools to meet the environmental and social challenges facing our societies."*

PRESENTATION OF THE GROUP

1.1.1 / Saint-Gobain at a glance

FINANCIAL KEY FIGURES

€47,944M
SALES

€5,251M
OPERATING INCOME

€3,242M
RECURRING NET INCOME

11.0%
OPERATING MARGIN

€3,910M
FREE CASH-FLOW

€6.39
RECURRING EARNINGS PER SHARE

€7,393M
NET DEBT

€23,273M
SHAREHOLDERS' EQUITY GROUP SHARE

€2,029M
CAPITAL EXPENDITURE

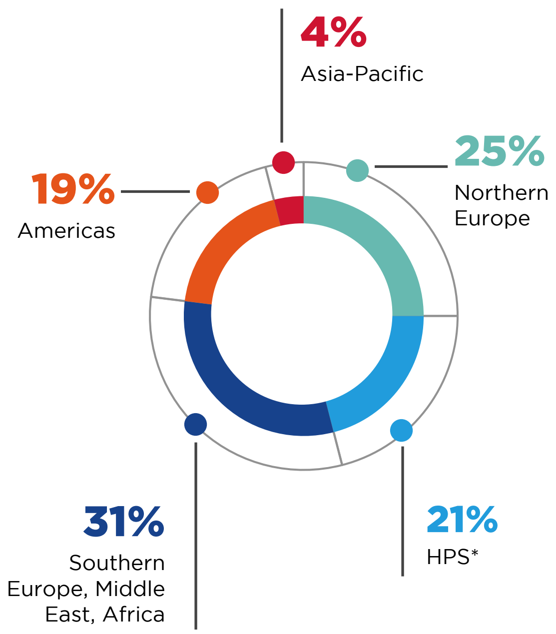
NON-FINANCIAL INDICATORS AND SIGNIFICANT EVENTS

	A decarbonated home	More performance with less	A better living for all
MAXIMIZE	**3 talks** Three "Sustainable construction talks" were organized in 2023: in Paris (July), New York, during the "Climate Week" (September) and in Dubai (December), during the COP28.	 Several solutions offered by Saint-Gobain have been used to build the Athletes' Village of the Paris 2024 Olympic and Paralympic Games. Innovative partitions have been designed so as to be dismantled after the event, and the majority of materials will be reused.	**35 philanthropy projects in 13 countries** The Saint-Gobain Foundation funds and supports projects in the service of local communities.
MINIMIZE	**-34% of CO2e emissions** Scope 1 and 2 CO2e emissions reduced by 34% versus 2017 (in absolute terms), in line with the 1.5°C trajectory of the Paris Agreement and the 2030 target validated by the Science Based Targets* (SBTi) initiative.	**42 sites with "zero discharge" of water** 42 of the 108 sites in an extremely high-risk water zone have "zero discharge" of water.	 **126,470 employees** responded to Saint-Gobain's satisfaction survey, representing an 87% participation rate.

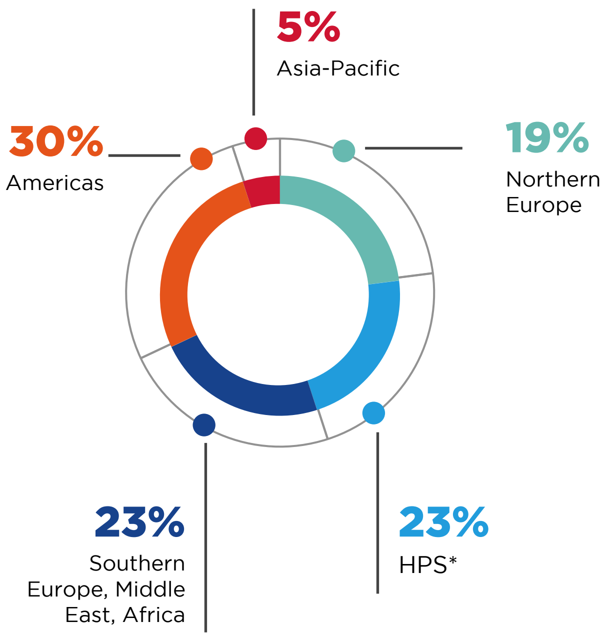
* *Science Based Targets initiative (cf. glossary at the end of the document).*

BREAKDOWN OF REVENUE BY MARKET

SALES BY REGION



OPERATING INCOME BY REGION



* *High Performance Solutions.*

INNOVATION

450+
PATENTS FILED IN 2023

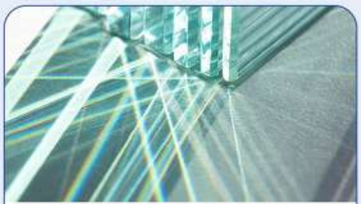
50
NEARLY 50 AGREEMENTS SIGNED IN 2023 WITH START-UPS, THROUGH THE NOVA STRUCTURE

100+
DEVELOPMENT CENTERS

KEY ACHIEVEMENTS

Saint-Gobain is the first manufacturer in the world to produce flat glass with more than 30% hydrogen, reducing the site's direct CO_2 emissions by 70% (scope 1).

Thanks to partnerships in construction chemicals, the Group develops tailor-made, high performance admixtures to enable low-carbon cements and products to help decarbonize the cement, concrete and mortar industries.



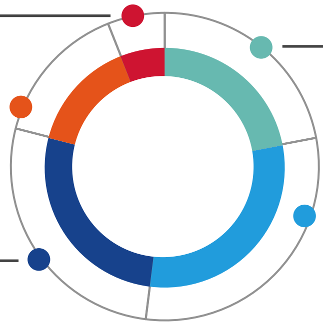
In 2022, Saint-Gobain launched the ORAÉ® solution, the world's first low-carbon glass. Its carbon footprint is about 40% less than the average European value of Saint-Gobain Glass products.

On the Chemillé industrial site (France), glasswool originating from building construction, demolition or renovation activities is recycled into new production.

In 2023, Saint-Gobain started production of 100% decarbonized plasterboard at its plant in Fredrikstad, Norway.

Solstice solar roof systems offer efficient, sustainable solutions, with high energy efficiency and an easy installation.

A MULTINATIONAL GROUP



WORKFORCE BREAKDOWN
(holdings excluded)

120+
NATIONALITIES REPRESENTED

AROUND
160,000
EMPLOYEES

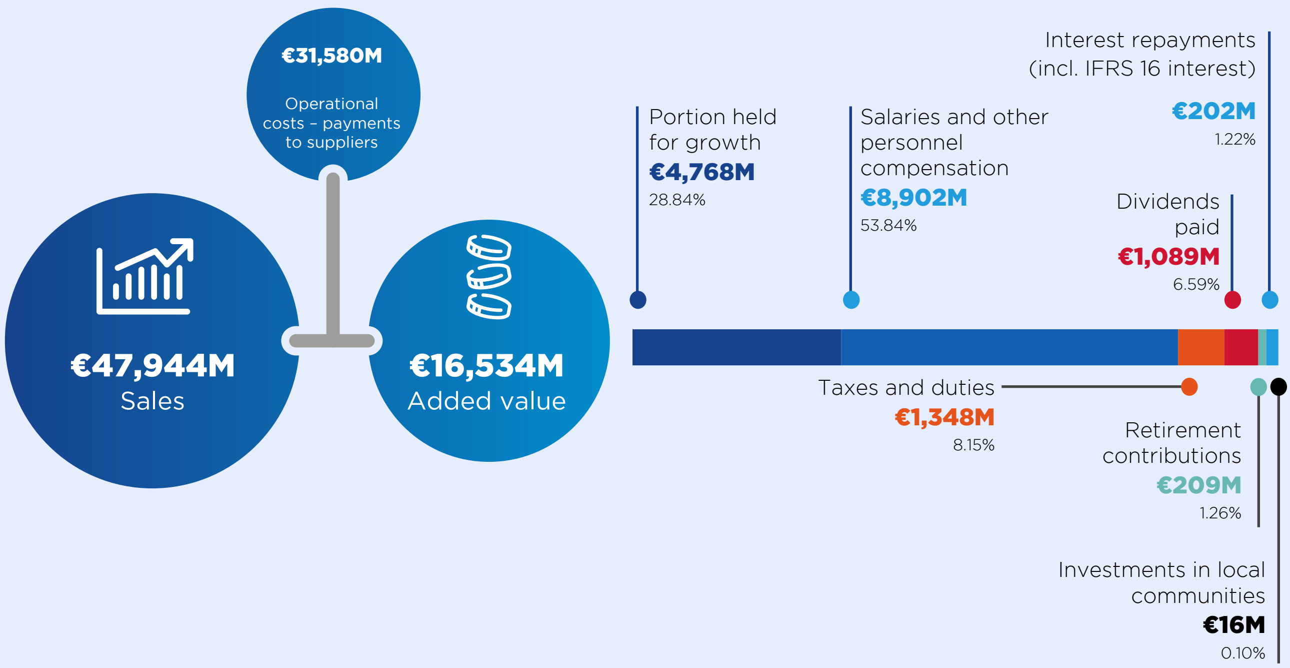
A GLOBAL NETWORK
AS CLOSE AS POSSIBLE TO CUSTOMERS

900
PRODUCTION SITES AROUND THE WORLD

2,700
SALES OUTLETS AND SHOWROOMS

8
CROSS-FUNCTIONAL R&D CENTERS

BREAKDOWN OF REVENUE AND VALUE ADDED
BY STAKEHOLDER



A GLOBAL FOOTPRINT

EUROPE

- Albania
- Austria
- Belgium
- Bulgaria
- Czechia
- Denmark
- Estonia
- Finland
- France
- Germany
- Greece
- Hungary
- Ireland
- Italy
- Latvia
- Lithuania
- Luxembourg
- Netherlands
- Norway
- Poland
- Portugal
- Romania
- Russia
- Serbia
- Slovakia
- Slovenia
- Spain
- Sweden
- Switzerland
- United Kingdom

Industrial presence
in 75 countries*

AMERICAS

- Argentina
- Brazil
- Canada
- Chile
- Colombia
- Mexico
- Peru
- United States
- Uruguay

AFRICA, MIDDLE EAST

- Angola
- Botswana
- Egypt
- Ethiopia
- Ghana
- Ivory Coast
- Jordan
- Kenya
- Kuwait
- Lebanon
- Morocco
- Oman
- Qatar
- Saudi Arabia
- South Africa
- Tanzania
- Turkey
- United Arab Emirates
- Zimbabwe

ASIA-PACIFIC

- Australia
- Bhutan
- China
- India
- Indonesia
- Japan
- Kazakhstan
- Malaysia
- Mauritius
- Myanmar
- New-Zealand
- Philippines
- Singapore
- South Korea
- Sri Lanka
- Thailand
- Vietnam

* as of December 31, 2023

1.1.2 / Governance

A. BOARD OF DIRECTORS

THE BOARD OF DIRECTORS

14 DIRECTORS* OF WHOM:

73%
INDEPENDENT DIRECTORS

96%
ATTENDANCE RATE

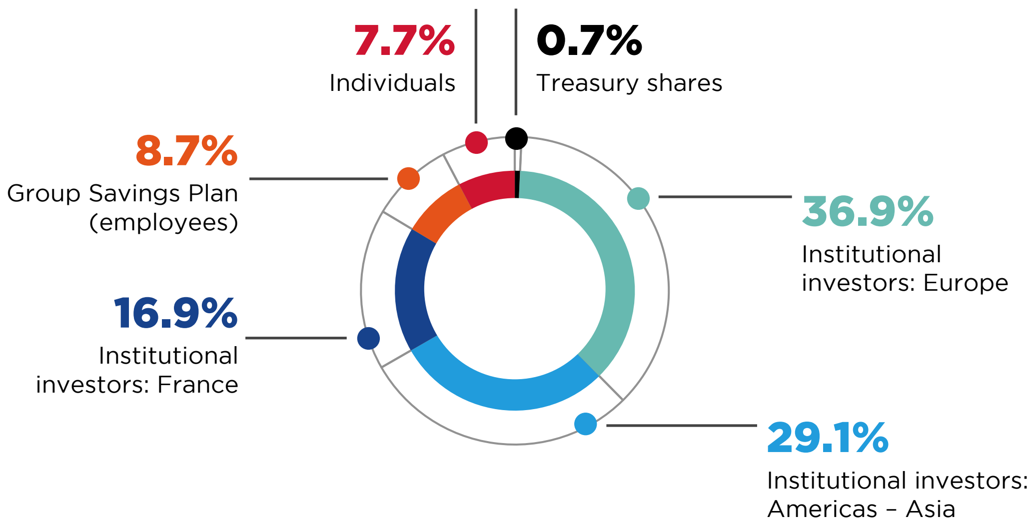
1
LEAD INDEPENDENT DIRECTOR

45%
PERCENTAGE OF WOMEN*

2
EMPLOYEE DIRECTORS

1
DIRECTOR REPRESENTING EMPLOYEE SHAREHOLDERS

SHAREHOLDERS



* The figures are calculated taking into account the provisions of the Afep/Medef Code and the French Commercial Code, which exclude the directors representing the employees and the directors representing the employee shareholders from the calculation.

At December 31, 2023, the Board of Directors comprises the following members:

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

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

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

Jana Revedin
Independent Director

Gilles Schnepp
Director, member of the Audit and Risk Committee

Jean-Dominique Senard
Lead Independent Director, 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

B. EXECUTIVE COMMITTEE

GROUP EXECUTIVE COMMITTEE

31%
PERCENTAGE OF WOMEN

8
NATIONALITIES REPRESENTED

THE CHIEF EXECUTIVE OFFICERS

90%
OF CEOS ARE NATIVE TO THEIR COUNTRY

Saint-Gobain's country-based organization allows for increased efficiency, with local leaders that are almost all native to their country. This model results in close proximity to customers and enhanced results-driven accountability for local teams

At December 31, 2023, the Executive Committee comprises the following members:

Benoit Bazin
Chief Executive Officer

Christian Bako
Vice-President, Marketing and Development

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

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
General Counsel and Corporate Secretary

1.1.3 / The fundamentals of Saint-Gobain's identity

A. OUR CORPORATE PURPOSE, THE CORNERSTONE OF OUR IDENTITY

In 2020, Saint-Gobain established its corporate purpose, *Making the world a better home*. With this corporate purpose, the Group took on its ambition to improve everyone's lives by making the planet a fairer, more inclusive, more harmonious, healthier and sustainable living space. Through its business model, generally, and with its solutions, specifically, Saint-Gobain has a tangible impact on the life of each individual, their environment, and their way of working, caring for themselves and getting around. The Group's corporate purpose is the link between the infinitely small unit of each person's living space and the infinitely large one of our shared home: the planet.

- **Our corporate 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 corporate 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 corporate 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.** We carry out our business in compliance with the Principles of Conduct and Action and the humanist values that permeate our corporate culture. Listening, dialog, 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 more sustainable place to live.”

B. VALUES: OUR 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 an ethical reference applicable in action. They are a condition of belonging to Saint-Gobain.

- **The Principles of Conduct and Action** refer explicitly to the applicable conventions of the International Labor Organization (ILO), the International Charter on Human Rights, the guidelines for multinational enterprises of the Organization for Economic Co-operation and Development (OECD), and the OECD's convention on the fight against corruption.

5 principles of conduct

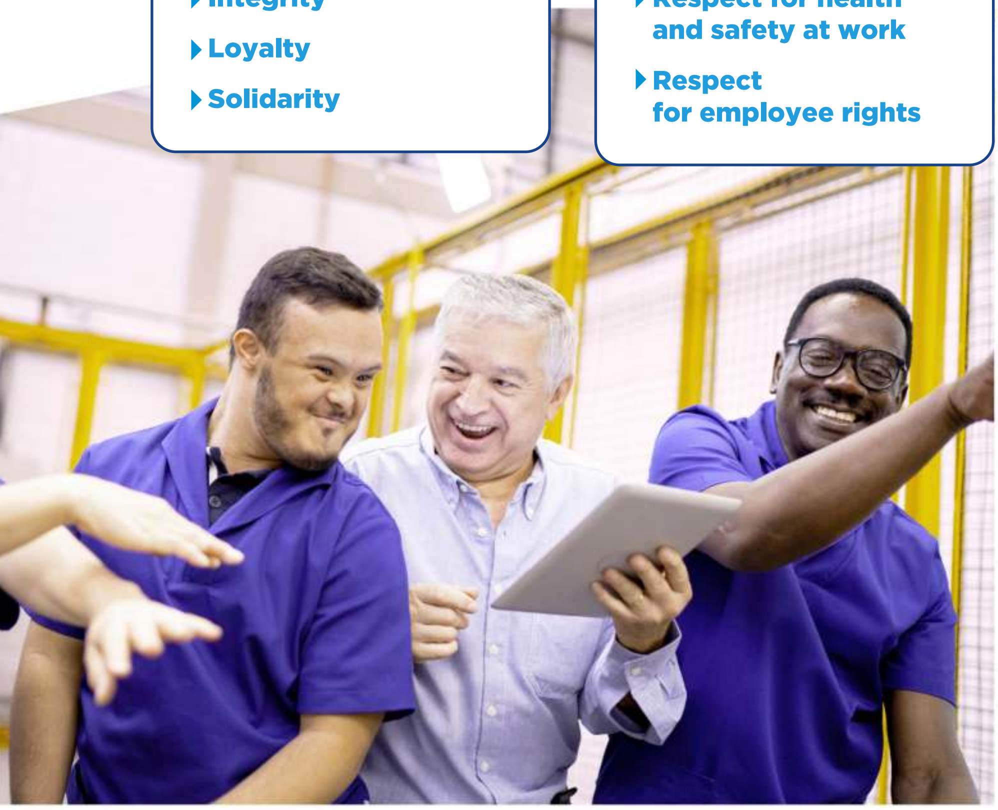
These principles of conduct are the fundamental values that unite managers and employees.

- **Professional commitment**
- **Respect for others**
- **Integrity**
- **Loyalty**
- **Solidarity**

4 principles of action

These principles guide the actions of all management and employees in their performance of their duties.

- **Respect for the law**
- **Caring for the environment**
- **Respect for health and safety at work**
- **Respect for employee rights**



Saint-Gobain has been signed up to the United Nations Global Compact since 2003. This demonstrates the Group's drive for Corporate Social Responsibility (CSR), which includes regular communication of its progress in areas covered by the Global Compact.

- **The implementation** of the Principles of Conduct and Action is reflected in policies and commitments applied by all of its entities in all countries in which they operate. Foremost among these commitments are the "reference policies". These define the management principles applicable to all Saint-Gobain entities and employees, as well as to subcontractors in their work for the Group, and suppliers under the Responsible Purchasing policy (see in the URD, 3.2.1.A, p. 95).
- **This desire** to establish the Principles of Conduct and Action as a sign of belonging is illustrated by the objective set by the Group's Board of Directors to train all managers on the Principles in their first year with the Group. In addition, the Principles of Conduct and Action are included in the welcome booklets for all Saint-Gobain employees and in most employment contracts (see section 1.5.3, p. 60).

C. MAJOR MILESTONES IN THE CONSTRUCTION OF THE GROUP

1665

Saint-Gobain was founded in 1665 by Louis XIV, under the name of the "Royal Manufacture of Mirrors", in order to put an end to the technological and commercial supremacy of the Republic of Venice in the manufacturing of mirrors [(1)].

19th century

Throughout the 19th century, Compagnie de Saint-Gobain, which became a limited company in 1830, diversified its activities into sectors such as chemicals, glass products and the automotive industry. It quickly expanded into international markets, establishing itself in the United States in 1829, Germany in 1858, Italy in 1888 and Spain in 1905.

1970

The Group, which successfully overcame the major crises of the century and invested heavily in research and development, withdrew from its chemical activities and merged with Pont-à-Mousson, created in 1856 and specializing in cast iron pipes.

1986

The privatization of Saint-Gobain – which had been nationalized in 1982 – was a huge popular success: 1,500,000 shareholders subscribed.

1990

Through the acquisition of Norton, the Group doubled its presence in the United States, which opened up new markets and enabled it to develop its know-how in the areas of abrasives, plastics and ceramics.

1996

The acquisition of Poliet provided the basis for developing the distribution business lines. Saint-Gobain then continued its acquisitions in the world of construction material trading.

2005

The acquisition in 2005 of British Plaster Board, the world leader in plasterboard, was the Group's largest ever. Combined with Isover glass wool and its range of insulation solutions, it made Saint-Gobain the world leader in interior solutions.

2007

Saint-Gobain focused its strategy on sustainable housing, while continuing to serve many industrial markets and, thanks to its numerous locations, continued to expand in emerging countries.

2019-2020

The Group implemented its "Transform & Grow" plan, which aimed to establish a new organization – by country and by market – and to ensure agile and value-creating portfolio management.

2020

Saint-Gobain formulated its corporate purpose, *Making the world a better home* (see above, section 1.1.3.A, p. 16).

(1) *Saint-Gobain archives – https://archives.Saint-Gobain.com/ressource/xviie/1665/1665-louis-xiv-fonde-la-manufacture-royale-des-glaces-miroirs-linstigation-de.*

2021

In 2021, the acquisition of Chryso turned Saint-Gobain into a major player in construction chemicals.

In July 2021, the Group changed its governance, with Benoit Bazin succeeding Pierre-André de Chalendar as Chief Executive Officer, the latter remaining Chairman of the Board of Directors.

In October 2021, Saint-Gobain launched its "Grow & Impact" strategic plan (see section 1.4.1, p. 36).

2022

In September 2022, Saint-Gobain completed the acquisition of Kaycan, a manufacturer and distributor of exterior building materials in Canada and in the United States.

In September 2022, the Group finalized its acquisition of GCP Applied Technologies, a key step in establishing itself as a leader in construction chemicals.

2023

In November 2023, Saint-Gobain signed a definitive agreement to acquire Building Poducts of Canada.
The Group announced a change in governance: the Board of Directors took the decision to combine the functions of Chairman and Chief Executive Officer, with Benoit Bazin being appointed Chairman and Chief Executive Officer with effect from June 6, 2024.

At the end of 2023, Saint-Gobain was present in 75 countries (see section 1.1.1, p. 11).

TO LEARN MORE

Follow our news online: www.saint-gobain.com

D. OUR INTEGRATED APPROACH: CREATING SHARED VALUE WITH ALL OF THE GROUP'S STAKEHOLDERS

For Saint-Gobain, sustainable growth is inconceivable without taking into account the interests of all its stakeholders. It is therefore a question of pursuing a development trajectory that integrates both the financial performance and shareholder value objective as well as the Group's Corporate Social Responsibility (CSR).

CSR, a cross-functional priority

Saint-Gobain has placed CSR at the very heart of its strategy, so that it feeds into all discussions, analyses and decisions, and it is rooted in the daily lives of all employees. This focus has accelerated further since the end of 2021 with the launch of the "Grow and Impact" strategic plan, aligned with Saint-Gobain's corporate purpose – *Making the world a better home* – and its vision – to be the worldwide leader in sustainable construction.

The Group's CSR approach involves a twofold commitment: maximizing the positive contribution to environmental issues (specifically climate, social and societal issues), and minimizing the impact on human beings and the environment (see chapter 3, p. 92). This approach requires Saint-Gobain to collaborate with all players in its ecosystem. It also involves measuring and transparently communicating its objectives and the results obtained, through a whole series of key performance indicators (see in the URD, section 4.2, p. 152).

The word "cross-functional" reflects the universal scope of the notion of CSR, which gives meaning to, but also influences all actions within the Group. This obviously concerns industrial processes and the solutions developed by Saint-Gobain, but also the HR policy, the care of employees and their families, diversity and the attractiveness of the Saint-Gobain brand as an employer, relations with suppliers, and of course the three major contributions identified: a decarbonated home (see section 1.5.1, p. 52), more performance with less (see section 1.5.2, p. 56) and the quest for a better living for all (see section 1.5.3, p. 60).

Cross-functionality also means that Saint-Gobain is committed to inspiring change across the entire value chain of the markets in which it operates, across its whole ecosystem. Beyond direct relations with its customers and suppliers, the aim is to bring all its stakeholders on board. It is this approach in particular that leads the Group to collaborate with NGOs, with semi-public organizations such as EFRAG, and with partners such as WBCSD. Saint-Gobain is also committed to accelerate the spread of sustainable construction, notably through discussion and an exchange of ideas, thanks to the Sustainable Construction Observatory, witch publishes the "Constructing a Sustainable Future" online magazine (www.constructing-sustainable-future.com) and organizes regular international meetings around major multilateral events.

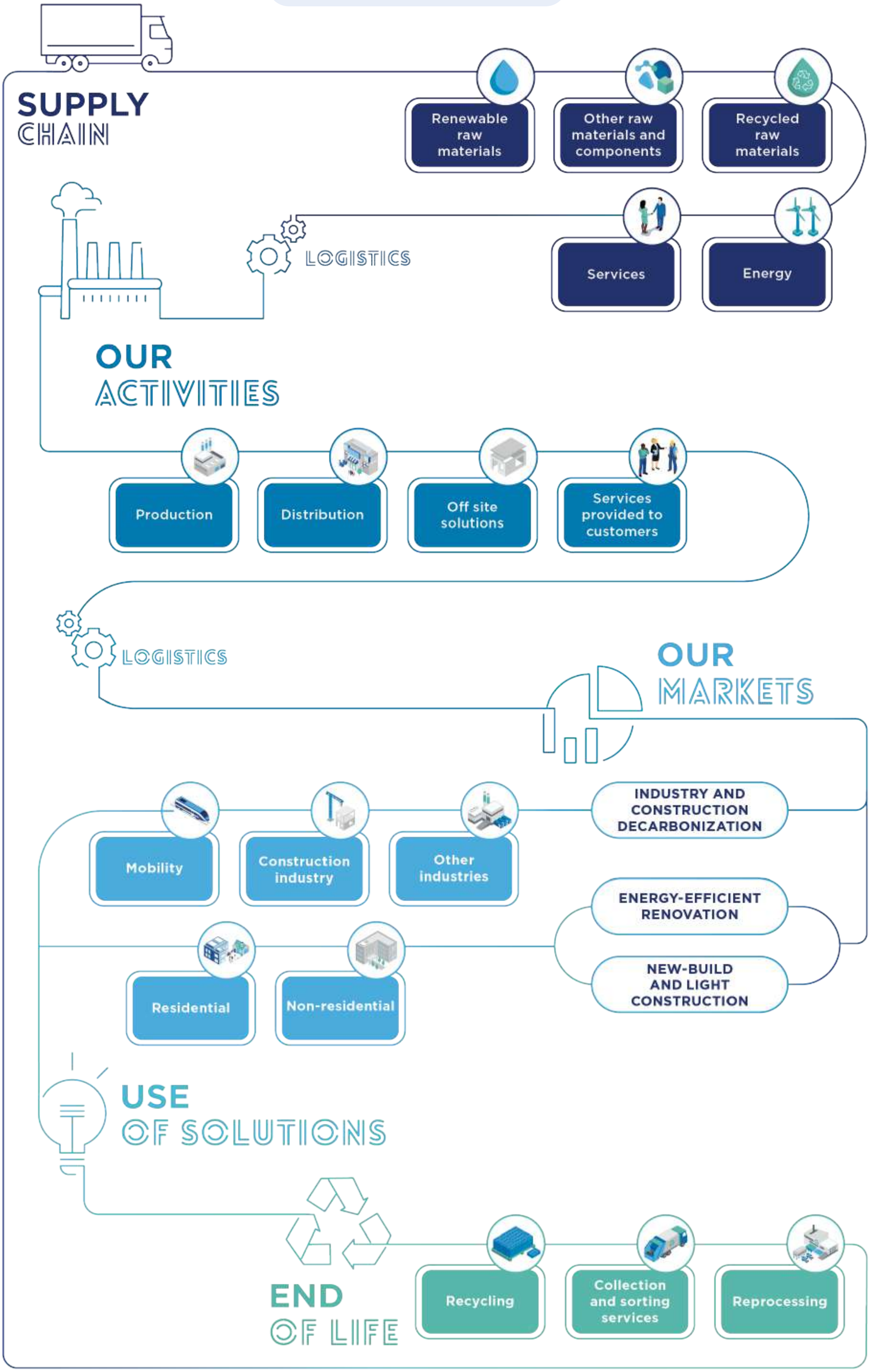
Pursuing the objective of financial performance and shareholder value, allocating the capital efficiently

True to its approach in favor of sustainable and profitable development, Saint-Gobain has set itself, as part of its "Grow & Impact" strategic plan, the goal of accelerating its growth, financial performance and value creation for its shareholders. In particular, the Group has set annual average financial targets for the period 2021-2025, with organic sales 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 capacity in countries where market growth is strongest. This amounted to over €2 billion in 2023 in total, with around 70% of growth capex invested in North America, Asia and emerging countries. To achieve its long-term goals, and in particular to meet its commitment to work towards carbon neutrality by 2050, the Group also invests through a capital investment budget over several years to support the reduction of its CO_2 footprint.

A strategic approach aligned with Saint-Gobain's vision and its corporate purpose

Corporate purpose	Vision	Strategic plan
MAKING THE WORLD A BETTER HOME	**Be the worldwide leader in light and sustainable construction**	***Grow and Impact***

OUR VALUE CHAIN



1.2.1 / Offering solutions to our clients in the renovation, new construction and industrial markets

- Saint-Gobain has a range of differentiating assets, enabling it to provide solutions to its customers: a global organization (see section 1.1.1, p. 10-11) prioritizing the local level, a structured approach to open innovation (see section 1.4.3, p. 39), a co-development approach with its customers, its advanced mastery of materials and the expertise of its employees. These assets give it a unique position in the construction and industrial markets, allowing it to serve local markets – **renovation** (see section 1.4.7.A, p. 47) and **new construction** (see section 1.4.7.B, p. 48) of residential and non-residential buildings – as well as solutions for global markets (see section 1.4.7.C, p. 49) – **sustainable construction**, **sustainable mobility** and **sustainable industry**.
- What makes the Group's approach so original is that **it positions itself resolutely as a provider of solutions**, supporting its customers in all aspects of a project, from design, through co-development and the provision of complete and integrated solutions, to end-of-life management of certain materials.

The UAE Pavilion (Pearl Dome) includes 19 Saint-Gobain solutions, applying combined technologies in partitions and thermal and acoustic insulation.

This can range from building a hospital in Brazil to renovating a detached house in the United States, from building a residential building in India to improving the environmental performance of a glass furnace, from improving the comfort and energy consumption of a streetcar to the need to decarbonize concrete.

Proximity with customers

Open innovation and co-development

Materials expertise

R&D

Digital and data science

Global presence

SOLUTIONS-BASED APPROACH

New construction and renovation

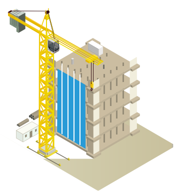
Saint-Gobain designs, distributes and facilitates the recycling of solutions for new construction and renovation, for professionals and individuals (see pages 47 and 48).

Industry

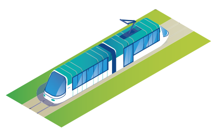
The Group's high performance solutions meet the growing needs of the market on issues such as the decarbonization of construction, mobility and sustainable industry (see page 49).

Solutions for building interiors: partitions, ceilings, insulation, glazing

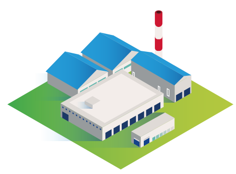
Solutions for the building envelope: light façades, glass solutions, exterior products



Construction industry



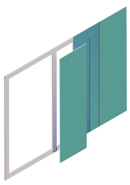
Mobility



Other industries

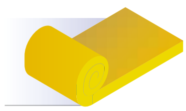
1.2.2 / Strong business expertise and innovation potential

Saint-Gobain designs, develops and markets solutions to meet the needs of its customers by integrating strong business expertise and calling on its R&D and innovation capacity (for a detailed description of our activities, see also section 2.2.1.B of the URD, p. 69).



GYPSUM

Plaster-based solutions for partitions and coverings for walls, façades, ceilings and floors, providing Group clients with benefits in terms of thermal and acoustic comfort, fire protection and moisture resistance.

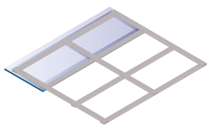


INSULATION

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

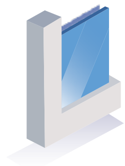
CONSTRUCTION CHEMICALS AND MORTARS

Solutions for floors (floors screeds, leveling and finishing or protection resins for example); mortars and resins designed for structural work, rework and waterproofing solutions; admixtures to improve the technical properties in concrete for use in construction and to reduce the carbon impact.



CEILINGS

Multi-material solutions for ceilings and wall panels that combine acoustics and aesthetics for the comfort and well-being of the end user.

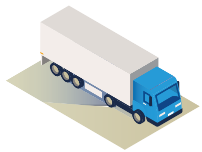


GLAZING FOR BUILDINGS AND VEHICLES

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

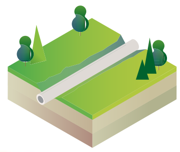
EXTERIOR PRODUCTS

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



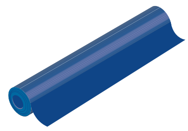
TRADING OF BUILDING MATERIALS

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



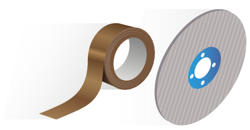
PIPES

Ductile cast iron pipe systems for drinking water and sanitation, covers and gratings for roads, as well as cast iron systems for collecting and draining wastewater and rainwater in buildings.



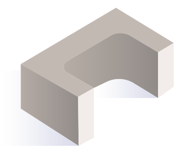
CONSTRUCTION INDUSTRY AND INFRASTRUCTURE

Technical glass fiber fabrics for clients in the construction and infrastructure markets.



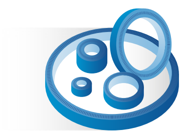
SURFACE SOLUTIONS

Solutions to shape, protect, and bond surfaces of all materials, including abrasives, adhesives, sealants, tapes, foams, and films for complex and challenging applications.



CERAMICS

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



POLYMERS

Specialty polymer solutions for sealing, new energies and other industrial markets.

1.2.3 / Leveraging an original **value creation model**

OUR CORPORATE PURPOSE: ***Making the world a better home***

OUR VALUES: **The Saint-Gobain Code of Ethics...**

Our assets...

Committed employees:
- Nearly 160,000 employees in 75 countries
- 88% of employees believe they have improved their knowledge and skills

Innovation for sustainable and responsible performance:
- 3,700 researchers, over 450 patents filed in 2023
- Nearly 50 agreements with start-ups signed in 2023
- Contribution to decarbonation

Proximity with local communities:
- Nearly 2,700 sales outlets and showrooms and 900 industrial sites
- 90% of CEOs native of the region they manage

Financial resources for sustainable and responsible growth:
- Free cash flow: €3,910M
- Recurring net income: €3,242M
- €223M budget allocated to CAPEX and research and development investments in 2023 for the CO_2 2030 Roadmap

Active management of the environmental footprint:
- Continuous reduction of carbon intensity since 2017 with 1.26 kCO_2/€ EBITDA in 2023
- Integration of recycled raw materials
- Increased use of renewable energies

to develop a differentiating model...

Product systems | **Services throughout the value chain** | **Complete solutions offered to customers**

SUSTAINABLE AND EFFICIENT SOLUTIONS

OUTPERFORM MARKETS

Energy renovation in Europe | **Light construction in North America and emerging countries** | **Decarbonation of the industry and construction**

MEGATRENDS: **Climate change |**

... nine Principles of Conduct and Action

OUR VISION:
Be the worldwide leader in light and sustainable construction

to generate sustainable and profitable growth...

73% of sales is generated through sustainable solutions

53% of revenues are generated by products covered by a life cycle analysis (LCA) or a verified EPD (excluding trading of building materials)

For the 2021-2025 period, Saint-Gobain has set following targets
- Organic growth of between **+3%** and **+5%**
- Operating margin of between **9%** and **11%**
- Return on invested capital of between **12%** and **15%**

... to share value created...

€47,944M
Sales

€16,534M
Added value

€4,768M
Share retained for growth

€202M
Interest repayment

€1,089M
Dividends paid

€31,580M
Operational costs – payments to suppliers

€16M
Investments in local communities

... and to contribute in three long term ambitions:

A DECARBONATED HOME

-34%
Reduction in CO_2 emissions between 2017 and 2023 in scope 1 and 2, in absolute terms

+15%
Scope 3 emissions between 2017 and 2023, in absolute terms (expansion of categories and improvement of data quality)

MORE PERFORMANCE WITH LESS

-24%
of water withdrawals between 2017 and 2023 in absolute terms

-46%
reduction in non-recovered waste between 2017 and 2023 in absolute terms

A BETTER LIVING FOR ALL

28%
of managers are women in 2023

1.3
is the frequency rate of accidents* in 2023

*with and without lost time per million hours worked (for our employees, temporary workers and permanent subcontractors)

All non-financial indicators are available in the 4.2.1 section of the URD 2023.

Depletion of natural resources | Demographics and urbanization

1.2.4 / Highlights of 2023

A. FEEDBACK ON THE YEAR 2023

In 2023, Saint-Gobain has continued, in a determined manner, the implementation of its"Grow & Impact" strategic plan. The markets in which the Group operates are conducive to growth on the long term (see section 1.4.6, pp. 42-45). In a difficult macroeconomic environment with lower volumes, the Group has outperformed its markets and delivered yet again a very robust performance. Saint-Gobain is now firmly set on a financial trajectory that has seen an acceleration in growth of its results, cash flow and value creation. This translates notably into strong organic growth (6.4% per annum on average); the creation of a world leader in construction chemicals, with annual sales of €5.7 billion (pro forma for recent acquisitions and divestments); a pro forma operating income well-balanced between the three geographic zones (32% in North America, 31% in Asia and emerging countries and 37% in Western Europe); a record profitability and value creation; and a record-high shareholder return: €4.1 billion returned to shareholders over a three-year period.

Together with these superb financial results, Saint-Gobain accelerates on the non-financial performance. The Group's range of solutions aims at maximizing the positive impact for its customers, including low-carbon solutions (glass and plasterboard for example), solutions for the circular economy (notably with plasterboards made with over 50% recycled plaster) and solutions reducing carbon emissions for our customers (for instance admixtures allowing a 50% reduction in CO_2 emissions from concrete).

Saint-Gobain is also making rapid progress in minimizing its environmental footprint, notably thanks to several innovations in its production processes, such as the world's first-ever 100% electric production of plasterboard; the world's first-ever test production of glass in a furnace powered by over 30% hydrogen; the very-low-carbon production of siding, plasterboard and acoustic ceilings. In 2023, Saint-Gobain invested €223 million in capital expenditure and research & development for decarbonization. Its investment decisions are underpinned by the internal carbon prices (in force since 2016). Thanks to these efforts, the Group was able to reduce its scope 1 and 2 CO_2 emissions by 34% (to 8.8 million tonnes) and together with the growth in its earnings, carbon intensity per euro of sales and EBITDA fell by 44% and 56%, respectively, in 2023 versus 2017. Saint-Gobain has also increased the proportion of carbon-free electricity that it uses, which reached 57% of its consumption in 2023.

Lastly, stakeholder engagement at Saint-Gobain increased once again in 2023: the Group employees' engagement rate has reached 83% and their feeling of belonging has reached 89%. Saint-Gobain also supported around 100,000 trade professionals in France in 2023 in the area of training and certification. As the global industry leader, the Group has launched in 2023 the Sustainable Construction Observatory.

Saint-Gobain demonstrates its resilience, thanks to the remarkable agility and the unwavering commitment of its teams, its proximity to customers and its unique range of comprehensive and innovative solutions.

B. SIGNIFICANT EVENTS DURING THE YEAR

Creating a diverse and inclusive work environment, developing human capital

January ▸ **Saint-Gobain was certified "Top Employer Global" for the 8th consecutive year.** Only 15 companies in the world have received this label, which rewards all the Group's actions and commitments worldwide towards becoming a company where it is good to work, where each person's talent is valued and where the teams are engaged. Now that Peru and Singapore have entered the rankings, 40 countries in which the Saint-Gobain Group is established have this year received the Top Employer label.

January ▸ **For the fifth consecutive time, Saint-Gobain was included in the Bloomberg Gender-Equality Index (GEI), which this year contains 484 companies representing 45 countries.** This index measures companies' performance in terms of gender equality. This recognition reflects the Group's commitment and is an acknowledgment of all the work that has been done.

Investing for the environmental transition

March ▸ **Saint-Gobain became the first manufacturer to achieve flat glass production with more than 30% hydrogen during tests at the Herzogenrath site in Germany.** This world first proves the technical feasibility of the process, which will reduce the site's direct CO_2 emissions by up to 70% (scope 1).

April ▸ **Saint-Gobain announced the start of 100% decarbonized production of plasterboard at its plant in Fredrikstad, Norway.** The manufacturing process was decarbonized by switching from natural gas to electricity from hydroelectric sources, thus avoiding 23,000 metric tons of CO_2 emissions per year.

Thanks to plant modernization and improvements in heat recovery and process efficiency, the energy consumption of the site has also been reduced by 30%. The work carried out also increased the plant's production capacity by 40%, strengthening the Group's leading position in lightweight construction in Norway, while responding to a strong demand for sustainable solutions to reduce the carbon footprint of buildings.

May ▸ **Saint-Gobain signed a renewable electricity purchase agreement (PPA) in India with Vibrant Energy to supply wind and solar power to six Saint-Gobain sites.** This 20-year agreement enters into force in 2024 and will increase the Group's proportion of renewable electricity in India to 65% from 2025.

September ▸ **Saint-Gobain signed a 15-year PPA with Total Energies.** The agreement covers the purchase of solar energy for 125 industrial sites in North America (United States and Canada). It is a 100 MW PPA and is expected to reduce Saint-Gobain's electricity-related CO_2 emissions (Scope 2 emissions) to 90,000 metric tons per year in North America.

November ▸ **Saint-Gobain signed a 14-year PPA with Alpiq Energie France.** This agreement will provide more than 500 GWh of solar electricity to Saint-Gobain for the duration of the PPA; 11 French plants in Saint-Gobain will thus be 100% supplied with solar electricity.

December ▸ **Saint-Gobain signed a PPA with CVE, an independent French producer of renewable energy, guaranteeing access to approximately 140 GWh of solar electricity in South Africa, over a period of 20 years.** This PPA is expected to cover approximately 40% of the electricity needs of the four main industrial sites of Saint-Gobain in the country, which manufacture plasterboards and mortars.

Maintaining relationships of trust with all our stakeholders

April **Saint-Gobain launched the Sustainable Construction Observatory, which aims to bring together the main construction players to promote knowledge sharing and accelerate the transformation of the sector at the global level.** In this context, the Group presented the results of the first International Barometer of Sustainable Construction, a study carried out by the CSA Institute among professionals in the sector, elected representatives, associations and students.

June **Saint-Gobain became an "Official Supporter" of the Paris 2024 Olympic and Paralympic Games.** The Group makes its expertise in sustainable construction available to athletes and spectators.

The projects involving the Saint-Gobain Group in Paris and in the host cities elsewhere in France demonstrate its capacity for innovation in order to offer tailor-made solutions and meet the environmental objectives of the organizers.

November **The Group presented Team Saint-Gobain, a collective of seven athletes involved in different Olympic and Paralympic disciplines and sponsored by Luc Abalo, three-time Olympic handball champion.** This support is representative of the Group's values and the message it conveys: "Aim higher to live better in the world".

Outperforming the markets

June **Saint-Gobain announced that it expects a double-digit operating margin for the first half of 2023.** The Group maintained its highly satisfactory operating performance, despite a mixed economic environment. Saint-Gobain confirmed that it is targeting an operating margin of between 9% and 11% in 2023, in line with the objective of the "Grow & Impact" strategic plan.

June **The Combined General Shareholders' Meeting of Compagnie de Saint-Gobain approved the distribution of a dividend up by 23% to €2 per share.** The Meeting also renewed the term of office of Mrs. Dominique Leroy, independent director, and appointed Mrs. Jana Revedin as a new independent director.

Investing in production equipment

March **Saint-Gobain Rigips and Dalsan Alçi merged their activities in Turkey to create a leader in plaster and plasterboards.** In 2023, following completion of the industrial investment in the new Turgutlu factory (near Izmir), the merged entity will benefit from an annual production capacity of 100 million square meters for plasterboard, two million metric tons for plaster and 50 million meters for metal profiles.

July **Saint-Gobain announced its intention to invest nearly €215 million over the next two years to expand and modernize its CertainTeed gypsum plant in Palatka, Florida, which will double the production capacity of the existing plant and improve its energy consumption.** This new production line, which will start in the second half of 2025, will benefit from state-of-the-art automation equipment and technologies to reduce energy consumption.

Financial information

January **Saint-Gobain successfully launched a €1.15 billion bond issue** in two tranches: €500 million over 18 months and €650 million over six years. With this transaction, the Group is taking advantage of favorable market conditions to anticipate the refinancing of its debt maturities while optimizing its financing conditions. The issue was more than 2.5 times over-subscribed, with nearly 200 investors expressing their confidence in Saint-Gobain's credit quality. The Group's long-term debt issues is rated BBB (positive outlook) by Standard & Poor's and Baa1 (stable outlook) by Moody's.

September **Saint-Gobain joined the Euro Stoxx 50, the benchmark stock market index for Eurozone markets which reflects the performance of the largest listed companies in the Eurozone based on market capitalization.**

This inclusion is a recognition of the Group's profound transformation and its excellent results in terms of growth and profitability, and especially earnings per share, free cash flow generation and return on capital employed.

October **Saint-Gobain announced that it had canceled 7,577,049 treasury shares purchased on the market.** With over €1.5 billion in shares bought back since 2021, the Group is ahead of its €2 billion buyback target over five years (2021-2025).

November **Saint-Gobain successfully launched a €2 billion bond issue** in two tranches: €1 billion over three years, and €1 billion over seven years.

Ensuring agile and value-creating portfolio management

January **Saint-Gobain, through its subsidiary Chryso, completed the acquisition of Matchem in Brazil, and signed an exclusive agreement for the acquisition of IDP Chemicals in Egypt.** These acquisitions should allow the Group to strengthen its position in construction chemicals, in particular concrete admixtures which play a key role in the decarbonization of the construction industry.

January **Saint-Gobain completed the acquisition of Termica San Luis, a leader in stone wool in Argentina, with over 70 years of experience.** This acquisition strengthens the Group's presence in the insulation market.

Saint-Gobain entered into an agreement for the acquisition of UP Twiga, the market leader in glass wool insulation in India, which had already been using Saint-Gobain's glass wool production technology under license since 2005. Alongside the recent acquisition of Rockwool India Pvt Ltd. in stone wool and Saint-Gobain's leading positions in plasterboard and glazing, UP Twiga strengthens Saint-Gobain's position in interior and façade solutions in India.

March **Saint-Gobain finalized the sale – announced December 12, 2022 – of all its trading brands in the United Kingdom, including the construction materials and wood distributor Jewson, to the Stark group.** The Group no longer has any distribution activity in the United Kingdom.

Saint-Gobain signed an agreement to sell its glass processing business Glassolutions in Switzerland to the German private group AEQUITA.

June **Saint-Gobain entered into an agreement to acquire Hume Cemboard Industries, a leading player in the cement board market for façades, partitions and ceilings in Malaysia.** This offer of boards is a standard lightweight solution with high growth potential, widely used for a wide range of applications.

June **Saint-Gobain completed the acquisition of United Paints and Chemicals S.A.E.**, or "Drymix", a producer of ready-to-use mortars that serves the construction market in Egypt. Founded in 1997, Drymix offers a wide range of products, services and training for craftsmen and has become a generic term for ready-to-use mortars in the country.

June **Saint-Gobain entered into a final agreement for the acquisition of Building Products of Canada, a company producing roof shingles for the residential sector as well as wood fiber insulation panels, for approximately €925 million.** With this acquisition, Saint-Gobain is taking a step forward in strengthening its position as a leader in sustainable construction in the Canadian market.

June **Saint-Gobain** signed an agreement for the sale of Covipor, its glass processing business in Portugal, to PNI Portugal & Permanente SA.

August **Saint-Gobain completed the sale of the CertainTeed Fence, Railing and Decking business in the United States to Oldcastle APG, a CRH Group company.** The business, which operates two production sites in Buffalo (New York State) and Orem (Utah), generated sales of around €60 million in 2022 and employs around 210 people.

September **Saint-Gobain finalized the sale of its Glassolutions glass processing business in Slovakia** to Glasora a.s.

Saint-Gobain signed a final agreement for the acquisition of Adfil NV, a leading international player in concrete reinforcing fibers. Adfil's high-performance fibers help reduce the carbon footprint of reinforced concrete, improve the lead times and productivity of construction projects, and increase the lifetime of the concrete.

November **Saint-Gobain entered into a final agreement with a view to acquiring Izomaks Industries, a leading player in waterproofing products (floors, roofs) in Saudi Arabia.** This acquisition complements Saint-Gobain's existing building envelope offer in the country and in the region. It will help accelerate the growth of Saint-Gobain in the Gulf countries, where many large-scale construction projects are planned in the coming years.

December **Saint-Gobain entered into an agreement to sell to Soprema a majority share of its polyisocyanurate foam insulation (PIR) business operating in the United Kingdom under the Celotex brand.** Soprema, which already produces and sells PIR insulation, is best placed to support Celotex in its next phase of development.

December **Saint-Gobain acquired Menkol Industries, a leading Indian player in high value-added waterproofing systems.** This acquisition strengthens the Group's positioning in high value-added specialty construction materials.

Saint-Gobain entered into an agreement with a view to acquiring a majority share of IMPTEK Chova del Ecuador. This leading player in the construction chemicals market in Ecuador provides innovative and differentiated waterproofing solutions.

1.3 THE GROUP'S ENVIRONMENT

1.3.1 / Megatrends

A. CLIMATE CHANGE

Climate change is the principal threat to natural, economic and geopolitical balance. The frequency and intensity of extreme weather events show that the climate change now taking place will drastically affect all parts of the planet. The acceleration of this trend requires us **to decarbonize the economy at a sustained pace**, throughout the world, not in a marginal way, but taking into account how our societies and lifestyles function as a whole. Current average global temperatures over ten years call into question [(1)] our collective ability to achieve the target set in 2015 to limit this warming to 1.5°C [(2)].

In this context, with global CO_2 emissions linked to the production and consumption of fossil fuels continuing to increase (+1.1%) in 2023 compared to 2022, **efforts to decarbonize must be stepped up in all countries and economic sectors**.

Among the latter, **construction** is one of the most relevant, since buildings account for nearly 37% of annual CO_2 emissions worldwide [(3)], two-thirds of which are linked to the operation of buildings and one-third to the production and transport of materials and to construction machinery. However, **technologies exist to transform this sector**, both through innovative methods, solutions and materials for **new construction** – in particular through so-called lightweight construction – and through the **renovation** of individual and collective buildings, nearly half of which will still exist and continue to emit carbon in 2050. European countries especially are at the forefront on this objective (see section 1.4.6.A, p. 42-43).

All segments of **industry** are impacted by this need to decarbonize quickly, not only the expanding **mobility** markets – primarily electric vehicles and air transport – but also the **heavy and greenhouse gas-emitting industries**, including the glass industry.

The solution to climate change necessarily involves the general public, governments and businesses, all of which have a key role to play. For its part, **Saint-Gobain has committed to achieve net zero emissions** (scopes 1, 2 and 3) by 2050. By 2030, the Group has set intermediate reduction targets (in absolute value compared to 2017) of 33% for scopes 1 and 2 and 16% for scope 3 (see section 1.5.1, p. 52) To achieve these objectives, it is determined to reduce the impact of its own operations, in particular by constantly improving the efficiency of its processes.

close to **37%**

SHARE OF BUILDINGS

CO_2

in annual CO_2 emissions worldwide

(1) *Dominique Bourg, Marie-Antoinette Mélières, Franck Pupunat – Le Monde, November 30, 2023.*
(2) *Compared to the pre-industrial era.*
(3) *Global Status Report for Buildings and Construction 2022, p. 42.*

Thanks to its offering and its unique position in the construction value chain, Saint-Gobain is a strategic answer to the decarbonization challenge on a global scale by offering its customers solutions and tools that actively contribute to this objective. In the trading of building materials for example, the Saint-Gobain Distribution Bâtiment France brands will offer professional customers carbon information on 140,000 items in their catalog [(4)].

35%

SHARE OF BUILDINGS
(construction and use) in final energy consumption worldwide*

* *IEA, 2020 (2019 figures).*

B. SCARCITY OF RESOURCES

The building sector is among the most implicated in this area, too. In terms of water, it alone accounts for 15% of the consumption of drinking water, which itself represents just 2.5% of the total water on the surface of the planet [(5)]. In this example, this already critical situation will worsen under the effect of other megatrends such as climate change and population growth; by 2030, the volume of water needed to meet the needs of the world's population will have to increase by 40%.

The aim is therefore to **steadily reduce the impact** of the construction sector and the industry sector, through a **reduction in resource extraction**. The goal is to accelerate the **transition to a circular economy**, taking into account the entire **life cycle** of the products marketed by the companies, in order to limit their consumption of natural resources, extend their lifespan and encourage their recycling. Saint-Gobain meets this challenge using its construction and industry solutions. In 2022, the Group was the first industrial manufacturer to produce and market a plasterboard designed with more than 50% recycled plaster.

It is also committed to **improving its own industrial processes**. Non-recovered waste fell by 46% (corresponding to 0.329 million metric tons) and industrial water withdrawals were reduced by 24% (corresponding to 42.7 million cubic meters), in absolute value, between 2017 and 2023.

The Group's activities in trading of building materials, through their territorial coverage, play an important role in advancing towards a circular economy; Saint-Gobain Distribution Bâtiment France has thus become one of the first private networks of waste collection points for construction sites.

C. DEMOGRAPHICS AND URBANIZATION

The population continues to **grow globally**, increasingly tending to **concentrate in and around cities**, which already account for most of the energy and natural resources consumed. This has resulted in **increasing demand for housing that is healthy and accessible to all**.

The **construction** and **mobility** sectors are directly affected by these megatrends; there is a need to **build faster, cheaper, in a more sustainable manner, more efficiently**, and to bring comfort; to renovate a significant proportion of existing buildings and to promote modes of transport with **less impact on GHG emissions and the extraction of natural resources**.

Urbanization is leading to an **increased need to build collective use areas**, from offices to hospitals, including places dedicated to sport, commerce or entertainment. Generally speaking, the aim is to **transform buildings to achieve low energy consumption and to prepare urban areas for adaptation to climate change**, by designing and building resilient cities that can be adapted over the long term.

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

2 billion

NUMBER OF HUMANS
living in countries with high water stress*

* *World Health Organization, data 2021.*

(4) *At the end of 2023.*
(5) *World Green Building Council, Building a Water-Resilient Future, 2023.*

1.3.2 / Our stakeholders

A. STAKEHOLDER MAPPING

Saint-Gobain takes into account the interests of all its stakeholders when defining its long-term strategy. First of all, this involves building a dialog, and also ensuring that this dialog is transparent and based on mutual trust. Factors such as the size of the Group, its global dimension and the variety of its business lines mean that dialog must, above all, be organized in a decentralized manner, with each operational entity being responsible for conducting it within its own scope.

- **Saint-Gobain has mapped its ecosystem, identifying and grouping its stakeholders by category** (see illustration below). For each category, a Group function is responsible for organizing the reporting of information on its expectations – at local or global level – and producing a summary of them. Dialog is therefore established with stakeholders on a regular basis at both Group and local level.
- **The preferred methods of dialog were also listed.**

SAINT-GOBAIN

CIVIL SOCIETY

NGOs, foundations, associations, universities, online media

- Group publications
- Meetings
- Participation in university training courses
- Forums in schools
- Support for youth development

MARKET

Customers (including specifiers, order givers, end users), suppliers

- Continuous meetings
- Publications and magazines
- Company websites
- Forums and trade fairs
- Publication of training manuals on energy efficiency and the environment
- Charter of recommendations promoting the insulation of existing buildings
- Participation in associations or groups
- Training for customers and end-users
- Suppliers' Charter
- Action plans to follow up on the responsible purchasing policy

LOCAL COMMUNITIES

Local governments, opinion leaders, neighbors of Saint-Gobain's sites, traditional media

- Meetings held at the initiative of sites or country organizations
- Solidarity initiatives
- Regular meetings with elected officials and representatives from local administrations
- Experimental work in the regions in partnership with public entities and elected officials

REGULATORY AUTHORITIES AND PUBLIC AFFAIRS PARTNERS

Governments regulators, Intergovernmental entities, international organizations, interprofessional associations, green Building Councils

- Public affairs
- Participation in working groups, in most cases led by interprofessional associations, on various construction method-related technical issues, such as the evaluation of the performance of buildings

INVESTORS

Shareholders, including employees, institutional investors, individuals, ISRs, rating and ranking agencies

- Group publications
- Website
- Letters to the shareholders
- Shareholder guide
- Public declarations
- Meetings with investors
- Meetings with individual shareholders

EMPLOYEES

Employees, temporary staff/temporary workers, employee representatives, work/study students, interns, secondary and professional education

- Permanent contacts
- Bodies representing employees
- Internal communication materials
- Meetings with Group managers
- Intranet
- Website
- General or subject-specific surveys

B. MATERIALITY MATRIX

Since 2015, Saint-Gobain has regularly carried out materiality analyses to identify and prioritize significant impacts for the company and its stakeholders and those with a major financial impact.

- **The double materiality matrix was updated in 2023.** The assessment is based on information gathered from internal interviews with representatives of the Group's stakeholder dialogue, supplemented by expert opinions, employee surveys and reports of meetings with various stakeholders.
- **A question or a piece of information is said to be "material" if the actual or potential impacts on people or the environment in the short, medium or long term are significant.** This includes impacts directly caused by the Group or those to which it could contribute as well as impacts that are directly linked to the upstream and downstream value chain.

C. IMPACTS, RISKS AND OPPORTUNITIES

In addition to the long-term challenges identified related to megatrends, Saint-Gobain conducted a study of the risks and opportunities related to CSR.

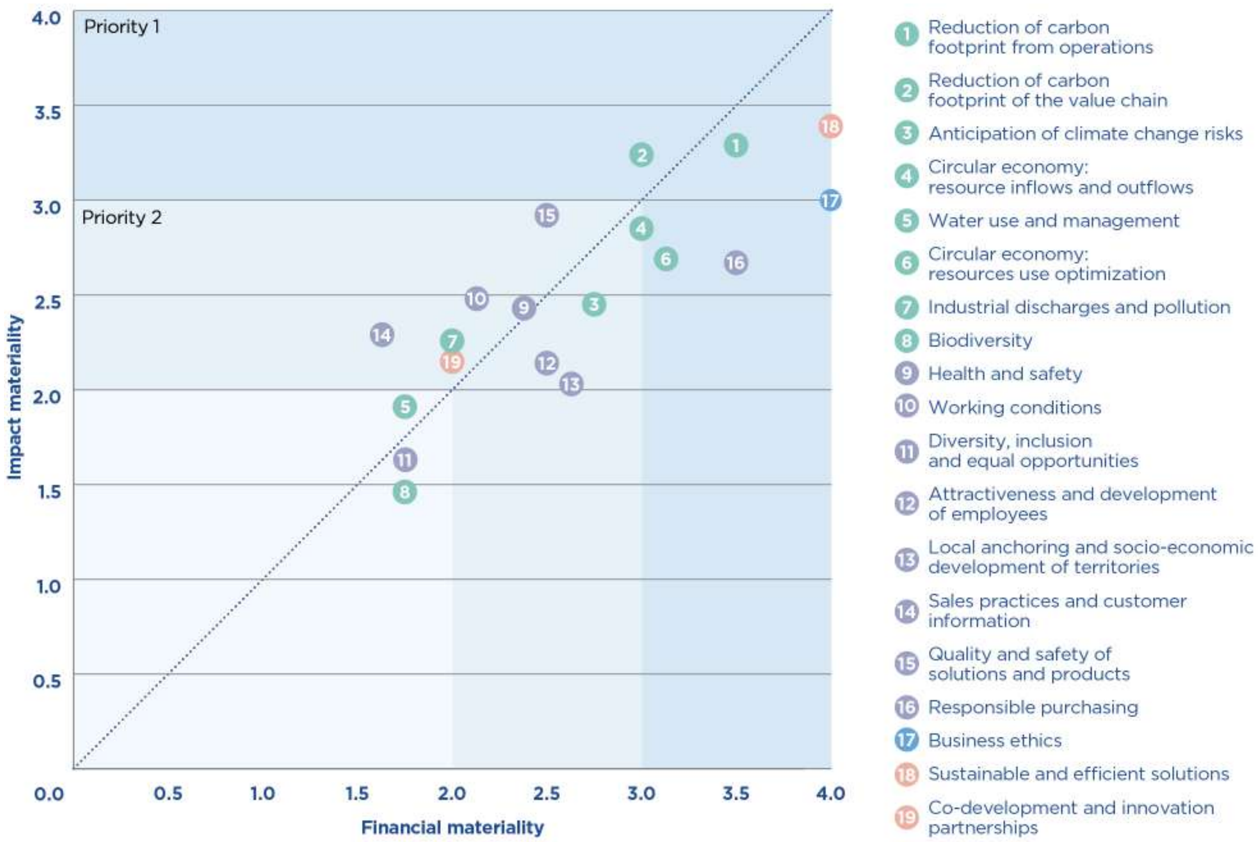
To perform this analysis, Saint-Gobain used:

- The CSR materiality analysis;
- The risk identification methodology used by the Internal Control Department, which has been adapted to address long-term non-financial issues.

Nine long-term non-financial risks and opportunities have been identified:

- Diversity;
- Energy efficiency and carbon intensity of operations;
- Business ethics;
- Management of skills and talent;
- Responsible supply chain management;
- Integration of recycled materials into products;
- Energy and carbon performance of products and services;
- Health and safety at work;
- Product safety.

Details of the risks and opportunities, the policies and action plans, as well as the measurement of the Group's performance are detailed in the Declaration of Non-Financial Performance (see in the URD, section 9.3.3, p. 420).



1.4 OUR STRATEGY

1.4.1 / **Be the worldwide leader** in light and sustainable construction

The Group's strategic plan is aligned with its vision and with its corporate purpose, "Making the World a Better Home".

MEGATRENDS
- Climate change
- Scarcity of resources
- Urbanization

FUNDAMENTALS
- Corporate purpose
- Code of ethics
- Creating shared value with our stakeholders

STAKEHOLDER MAPPING → **STAKEHOLDER EXPECTATIONS** → **VISION**

VISION
Be the worldwide leader in light and sustainable construction, which improves daily life thanks to its high-performance solutions.

MARKET TRENDS
- Energy renovation
- Lightweignt construction
- Decarbonization of construction and industry

SHORT AND MEDIUM-TERM

Improve performance and meet market requirements

"GROW & IMPACT" STRATEGIC PLAN

DIFFERENTIATING ASSETS
- Accelerating on data
- Customer-centric innovation
- Culture of trust, human capital
- Efficient allocation of financial resources
- Position on fast-growing markets
- Sustainable, high-performance solutions

LONG-TERM

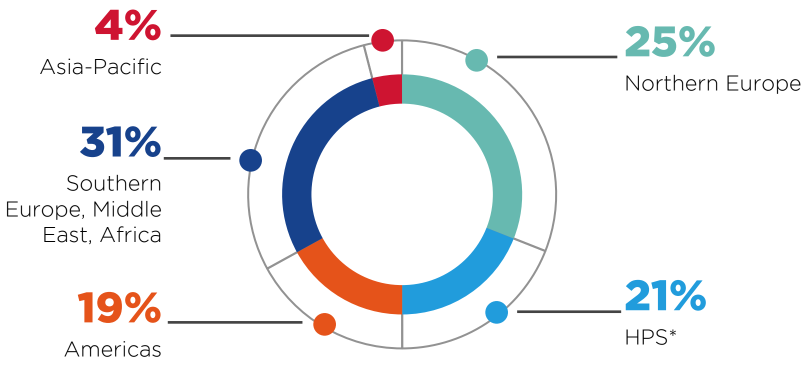
Contribute to a more virtuous world, taking into account its financial and non-financial dimensions

A DECARBONATED HOME

MORE PERFORMANCE WITH LESS

A BETTER LIVING FOR ALL

SALES BY REGION



Since 2021, Saint-Gobain has been consistent in applying its *Grow & Impact* strategic plan, which aims to enable the Group to make its corporate purpose – *Making the world a better home* – a reality. The aim is to mobilize our teams in order to implement our vision: **be the worldwide leader in light and sustainable construction, which improves everyone's daily life with our high-performance solutions. To do this, Saint-Gobain is implementing a unique model** (see section 1.2.3, pp. 26-27) which aims to outperform all the markets in which it operates as well as providing its customers with sustainable and efficient solutions. The objective is therefore to pursue a development trajectory that integrates both the financial performance and shareholder value objectives as well as corporate social responsibility.

As part of the *Grow & Impact* plan, **the quest for outperformance** is expressed in financial targets for the period 2021-2025 concerning organic growth (between +3% and +5%), the operating margin (between +9% and +11%) and an attractive shareholder return policy. To achieve these objectives, the reorganization of the Group – to encourage decision-making at the local level and increase the responsibility of the Chief Executive Officers at individual country level – has already been instrumental in the performance delivered since the *Grow & Impact* plan was first implemented, with a double-digit operating margin in 2023 (11.0%) as well as in 2022 and 2021.

However, alongside the **priority given to the local level** there is the other aspect of our unique positioning: Saint-Gobain's **global presence**, which allows the Group to mobilize central resources and shared service centers in order to support the deployment of local offers, boosat innovation and promote the exchange of best practices. Furthermore, **the rebalancing of the Group's geographical** presence on a global scale is a key factor in resilience; in 2023, North America, Asia and emerging countries accounted for 63% of Saint-Gobain's operating income, compared with 42% before the Group's transformation.

It also means, for Saint-Gobain, **always striving to outperform its competitors** through **dynamic management of its business portfolio**, a **business approach which aims at excellence**, and **engaged discourse, mobilizing its stakeholders throughout the value chain.**

It is by using these levers, but also by continuing its efforts on the use of **data** (see section 1.4.2, p. 38) and **innovation** (see section 1.4.3, p. 39), building a **culture of trust** and responsibility within an **inclusive framework** (see section 1.4.4, p. 40) and optimizing the allocation of financial resources (see section 1.4.5, p. 41) that **Saint-Gobain continues to grow** and exploit all the opportunities offered by its markets (see section 1.4.6, pp. 42-45).

In **Europe**, the decarbonization objective and increasingly restrictive regulation favor the renovation market; in **the Americas** and in the **emerging countries**, residential construction benefits from a demand for new housing that shows no sign of weakening; and finally, the need to decarbonize industry supports market demand in heavy industry and mobility as well as the construction industry. Despite a difficult geopolitical environment and an inflationary context, these **major trends** (see section 1.3.1, pp. 32-33) create **a long-term growth prospect** for Saint-Gobain.

In terms of sustainability, Saint-Gobain's strategy consists of maximizing the positive impact of its offer – with nearly 75% of sales addressing sustainable development issues, as defined in the "Solutions for Growth" program – while minimizing its environmental footprint, in particular with several pioneering technologies developed in 2022 and 2023, such as the zero-carbon production of glazing and plasterboard (scope 1 and 2). In 2023, Saint-Gobain cut its CO_2 emissions by 34% in relation to 2017 levels. This represents a 44% reduction in the carbon intensity of its sales.
The Group is determined to contribute positively, in the long term, to a decarbonized world (see section 1.5.1, p. 52), to a more circular economy (see section 1.5.2, p. 56) and to a better world for all (see section 1.5.3, p. 60).

70%

of the Group's growth capex is invested in North America, Asia and emerging countries

1.4.2 / Accelerating on data

Digital and data are key drivers in the success of Saint-Gobain's strategic plan.

At the global level, Saint-Gobain continues to optimize its resources in all areas, from IT infrastructures to applications, including cybersecurity and data platforms. The key to success lies in **taking into account all facets of the Group's operations**, from production to the supply chain, including finance, customer engagement, employee experience and exchanges with all our stakeholders. From this point of view, the Group's global presence, the diversity of its teams and activities, and the complexity of its value chains represent both a challenge and an opportunity to be exploited.

Essential to innovation, **data itself has become central to our model**. Collecting and processing data makes it possible to measure, improve and predict, thereby obtaining a much more accurate knowledge of reality and supporting decision-making in all business sectors.

This applies to **industry**, of course, where it makes advances possible in terms of maintenance, interoperability with external stakeholders, customization of production and protection of operator health and safety. Data mining also promotes efficiency in all areas, and acceleration on the path to sustainable development, not only in terms of greenhouse gas emissions, but also the consumption of natural resources and recycling.

This obviously also applies to **relations with our customers**, where data makes it possible to transform Saint-Gobain into a solutions provider thanks to the knowledge provided by the multiple points of contact between customers and the Group over the entire value chain, from the co-construction or **co-innovation** stage to recycling, including production, project support, distribution, logistics and digital services.

The central place occupied by data means that Saint-Gobain must **allow all employees to take ownership of this development**. In addition to specialists – IT heads, managers, marketing and data science specialists – **all functions are affected**, which is why the Group is redoubling its efforts in **recruitment**, support for the **exchange of best practices**, and **training**. The DnA Academy, created in 2019, aims to help teams take advantage of the power of data; it trains engineers in the Group's plants and teaches them to analyze large volumes of data as a way of developing improvements in their industrial processes; its scope also extends to managers (with training modules in data and business intelligence) but also to subjects such as the supply chain.

Among the very many project initiatives of the DnA Academy, data analyses carried out in the Gliwice plant (Poland) have made it possible to streamline the production of Isover solutions. This is an innovation in our processes that was made possible by the use of data.

1.4.3 / Customer-centric innovation

Saint-Gobain has put innovation at the heart of its strategy and its approach to customer relations, turning it into a growth driver.

Saint-Gobain has entered into a pioneering partnership with Audi and Reiling Group to recycle and reuse damaged automotive glass in cars of the Audi Q4 e-tron series. Another step towards a circular economy.

Saint-Gobain is evolving in a rapidly changing world, with the continued expansion of digital technologies, the emergence of new consumer expectations, and the global megatrends of climate change, the scarcity of natural resources as well as urbanization and population growth (see section 1.3.1, pp. 32-33). The pace of change is accelerating, which is why, far beyond R&D alone, Saint-Gobain has put innovation at the heart of its strategy and its approach to customer relations, turning it into a growth driver. Many products are developed jointly with clients to cater to their specific needs, for example in plastics, construction chemicals, and high performance refractory products for the metalworking and glass manufacturing industries. In 2023, more than 450 patents were filed by the Group, which has nearly 3,700 researchers, 100 research and development centers, topic-based R&D networks and nearly 3,600 marketing experts worldwide. Saint-Gobain works both on disruptive innovation and on the incremental improvement of its products, processes and services.

Since the *Grow & Impact* plan was first implemented, the innovation policy has been restructured around 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 **lightweight construction systems** which improve the performance of businesses in the building sector and increase user comfort.

Innovation, though, is essentially a non-linear process, requiring a **conducive environment** in order to develop. So beyond this structured approach, Saint-Gobain also needs to **encourage the dissemination of a culture of innovation, and therefore an appropriate mindset across all teams**. Being curious, open to learning and sharing, but also empathetic and customer-focused, showing humility while understanding uncertainty: these are all traits that the Group wants to encourage. Among the measures implemented to achieve this, the **"Innovation Catalysts"** program, launched in 2021, aims to train employees representing multiple functions (R&D, marketing, HR, strategy, etc.) and volunteers in order to unlock the innovation potential of their activities. It is the whole organization that needs to adapt in order to further promote creativity and agile project management methods, allow space for divergent thinking, encourage questioning of the *status quo* and tolerate failure. This also implies an accurate **knowledge of the existing and future needs of customers**, which is acquired in particular through an open approach to innovation based on open and cross-functional methods.

For years without interruption, the Group has been developing **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 main objective is to better understand the specific expectations of clients in each of the Group's markets, in order to identify use cases and situations where Saint-Gobain will bring value, reduce time to market and optimize return on investment. This applies to all types of clients, from architects and engineers to developers, including craftsmen, building contractors and of course building owners and occupants. This approach applies to all of the Group's markets and activities; it concerns not only industrial processes and product design, but also associated services, digital tools and business models.

To meet the specific requirements of the Alto Pont-Rouge project in Geneva (Switzerland), SageGlass and Vetrotech combined their expertise in solar protection and fire protection. This is an innovative cooperation from the needs assessment to project completion, including a period of internal and external testing.

1.4.4 / Nurturing a culture of trust, empowerment and collaboration, developing human capital

The success of Saint-Gobain's model implies to focus on the work environment, to foster diversity and team quality, but also to develop a culture of trust and responsibility.

Saint-Gobain aims not only to attract the best talent, but also to train, nurture and encourage it. For the Group, this means having the **best teams, in a diverse and inclusive work environment that is both demanding and caring**, as an essential condition for the success of its strategy.

Naturally, therefore, the human component is an integral part of the *Grow & Impact* plan. It all starts, of course, with a race to the top in recruitment and continues with a **focus on developing individuals**, with increased attentiveness and more personalized follow-up. Each year, the “me@Saint-Gobain” survey measures employee satisfaction; in 2023, it recorded an engagement rate of 83%. In addition, Saint-Gobain recorded continuous growth in its net promoter score [(1)] (from 22 to 85 between 2019 and 2023). For the 8th year running, the Group has received “Top Employer Global” certification, proof of the sustained excellence of our practices in the field of human resources and in the management of the women and men who bring Saint-Gobain to life on a daily basis.

The **quality of the teams** and that of the work environment are essential for talent retention and for the attractiveness of the Group, which continues to strive resolutely for greater diversity (see section 3.5.3 of the URD, p. 134). This is particularly true in the area of gender diversity, with 28% of managers at Group level being women, approaching the target of 30% by 2025. Developing talent also requires a sustained training effort, supported worldwide by Saint-Gobain University, but also by a focus on employee mobility.

The evolution of the Saint-Gobain model, the deployment of its decentralized organization, the crucial nature of the innovation approach, its ambition to achieve high performance and its determination to create an exciting and inclusive work environment are all elements that require **a work culture based on trust, responsibility and collaboration**.

This approach, called TEC (Trust, Empowerment, Collaboration) is the key to our success: **without trust there is no accountability; without empowerment there is no audacity to imagine, create and innovate; without collaboration there is no sharing, no intelligence and no performance**.

TEC aims to create the conditions for enhanced mobilization, sincere goodwill and a sense of unity. It is therefore one of the priority levers used to implement the “Grow & Impact” strategic plan.

This implies promoting reciprocity and environmentally friendly collaborative behavior, which must free up individual energies within its teams, which contribute to the development of collective intelligence.

83%

ENGAGEMENT INDEX

of Saint-Gobain employees worldwide, in 2023

28%

PROPORTION OF WOMEN

among managers in the Group (2025 target: 30%)

(1) *Net promoter score: to the question “I would recommend my company as a good place to work” asked to employees, the NPS measures the difference between the percentage of “Fully agree” answers and the sum of “Somewhat disagree” and “Fully disagree” answers.*

1.4.5 / Ensuring optimal allocation of financial resources

Saint-Gobain pursues a strategy of managing its business portfolio that is both dynamic and value-creating.

Implementing a growth-oriented investment policy, supporting the Group's commitments

Saint-Gobain pursued its investment policy to strengthen its industrial capacities in countries where market growth is strongest, and to support the Group's commitments and its transformation.

In gypsum, investment in modernizing the Fredkristad plant in Norway made it possible to launch the world's first zero-carbon production of plasterboard in 2023. In the United States, the Group also announced plans to invest around $235 million over two years to expand and modernize its CertainTeed gypsum plant in Florida.

In the glass sector, investments in the Herzogenrath site in Germany enabled the Group to carry out the first test production of flat glass with over 30% hydrogen in R&D trials. To pursue the goal of decarbonization, AGC and Saint-Gobain joined forces to design a pilot flat glass line to significantly reduce direct CO_2 emissions.

Lastly, in 2023 Saint-Gobain acquired a minority stake in TH, a company specializing in modular housing manufactured off-site in France, responding to expectations linked to the climate emergency.

Ensuring agile and value-creating portfolio management

Continuing the strategy of value-creating acquisitions

In 2023, Saint-Gobain completed or signed 36 acquisitions for almost €0.9 billion in sales. These acquisitions are perfectly aligned with the Group's strategy laid out in the "Grow & Impact" plan.

In gypsum, Saint-Gobain and Dalsan announced the merger of their plaster and plasterboard activities in Turkey. Accompanied by industrial investments in the new Turgutlu plant, this operation gives the Group a leading position in the region. In a complementary market, Saint-Gobain announced the acquisition of Hume Cemboard Industries Sdn Bhd (HCBI), a leading player in the light construction market with cement boards for facades, partitions and ceilings in Malaysia.

In construction chemicals, the Group finalized the acquisition of Matchem in Brazil and United Paints and Chemicals (Drymix), a producer of ready-to-use mortars serving the Egyptian construction market. Saint-Gobain also announced the acquisition of IDP Chemicals in Egypt, Adfil NV (Belgium), Izomaks Industries (Saudi Arabia), Imptek (Ecuador) and Menkol (India).

In insulation, the Group finalized the acquisition of Termica San Luis, Argentina's leading producer of stone wool. Saint-Gobain also announced the acquisition of Building Products of Canada, a producer of residential roofing shingles and wood fiber insulation boards, and UP Twiga, India's market leader in glass wool insulation.

Continuing a regular portfolio review to focus the Group's strengths

Saint-Gobain's continued its portfolio optimization strategy to enhance the Group's growth and profitability profile in line with the objectives of its "Grow & Impact" plan. In 2023, Saint-Gobain completed or signed 10 divestments worth €3 billion in sales. In the glass sector, the Group sold its Glassolutions glass processing business in Slovakia. Saint-Gobain also signed agreements to sell its Glassolutions glass processing business in Switzerland, and Covipor, its glass processing business in Portugal. Saint-Gobain also announced the divestment of CertainTeed's fencing and decking business in the United States, of all its trading brands in the United Kingdom, and of a majority share of its insulation business operating in the United Kingdom under the Celotex brand.

1.4.6 / Positioning Saint-Gobain on fast-growing markets

Saint-Gobain focuses its efforts on fast-growing markets, in order to seize development opportunities specific to them: renovation, new construction and industrial markets.

The Group is growing on various markets: **renovation and building envelope** (prioritizing energy renovation solutions, in particular for European markets), **new construction** (prioritizing lightweight construction, in particular for emerging economies) and **industrial markets** (prioritizing solutions enabling the decarbonization of their processes).

In the current context, new construction markets have been affected by a cyclical slowdown characterized by an inflationary environment and rising interest rates. This general economic situation, linked in particular to the combination of economic and geopolitical factors, masks the impact of megatrends on a global scale (see section 1.2.1, pp. 32-33). These megatrends are reflected in concrete terms in **structural market developments that are favorable to the Group's long-term development.**

A. RENOVATION AND BUILDING ENVELOPE

Long-term structural growth, driven by the challenges of decarbonization, energy transition and social equity

The existing, very dense real estate portfolio is aging, particularly in developed countries; however, it is a sector in which **technologies enabling decarbonization are being developed, making extremely significant gains possible in terms of reducing GHG emissions as well as reducing energy bills.** On this last point, renovation represents a crucial lever as energy prices trend upwards, in both the short and long term, with consequences for energy independence but also for the social sustainability of the energy costs. In France, for example, the residential energy renovation market is growing one to two points faster than the overall renovation market.

1.5%

ANNUAL ENERGY SAVINGS

expected from EU Member States following the adoption of the Energy Efficiency Directive

In the context of climate change, the renovation of buildings allows both the reduction of GHG emissions, but also the adaptation of individual and collective buildings to the consequences of climate change and specifically the increasing number of heat waves. Finally, inadequate housing has particularly serious health consequences, which can however be reduced by investing heavily in improving the living conditions of residents through renovation.

The renovation sector is therefore particularly conducive to growth opportunities, particularly on the European continent, where the **support and incentive policies of the Union and its member states** have picked up pace significantly in recent years.

At Union level, the initiatives focus primarily on **large-scale regulatory arrangements**, for example with the Energy Performance of Buildings Directive (EPBD).

The European Commission has made progress in the definition of the EPBD: it **imposes a residential renovation roadmap** on the member states, so as to reduce energy consumption in residential buildings by 16% to 2030. It requires that the majority of these economies be made in the most energy-intensive buildings. member states will also need to ensure that at least 16% of the worst performing non-residential buildings are renovated by 2030, and 26% by 2033. The final stages of the legislative process in this area should be reached in 2024.

This text **is another element in the European regulatory and tax structure relating to energy renovation**. This structure already consists of several elements, including the Energy Efficiency Directive (EED), which imposes the "energy efficiency first" principle and obliges member states to expect energy savings of 1.5% per year and to renovate a quarter of public buildings before 2030.

Another example is the so-called "ETS2" scheme, which extends the principle of emissions trading (ETS) to the building sector.

Alongside the regulatory aspect, there are initiatives around renovation financing, including the additional effort made by the Union under its NGEU (Next Generation EU) program to help certain Member States make investments to help the environment.

As well as the general commitments set out in the "Renovation Waves", member states are spending large and increasing amounts of money on financing residential energy renovations. In France, the "MaPrimeRenov'" scheme is benefiting from an increase, with an estimated government budget of €4 billion, and it will focus more on global renovations. In Belgium, in the Wallonia region, subsidies for insulation work were increased in 2023, while in Poland, a significant proportion of the funds – in the order of several billion euros – allocated by the European Union will be devoted to energy renovation..

In addition to the financial aspect, the States use the **regulatory lever**: in Belgium, in the Flanders region, energy renovation to achieve a minimum energy rating of 'D' is mandatory within five years following the purchase of a property; in France, it is now prohibited to place the most poorly insulated housing on the rental market; in Spain, energy saving certificates were adopted in 2023.

Note that these structuring initiatives concern not only residential buildings, but also **service-sector buildings and public buildings**: in Greece, the "Electra" program provides for €640 million over the period 2022-2026 to renovate 2.5 million m^2 in public buildings and reduce energy consumption by at least 30%; in France, large service-sector buildings must reduce their energy consumption by 40% by 2030, and a school renovation plan has been announced, with a funding envelope, with the target of renovating 40,000 schools by the end of 2034. In Germany, the "Climate Action Program" was adopted in 2023 to accelerate the modernization of public buildings; in the Netherlands, legislation imposes the requirement to achieve a C rating in offices since January 2023. Overall, the prospects for the renovation market are therefore promising. At the European level alone, in 2023 it represents an estimated volume of nearly €900 billion [(1)].

€4 billion

BUDGET ALLOCATED

to the MaPrimeRenov' scheme to support residential energy renovation in France by 2024

[(1)] *96th Euroconstruct Report, December 2023. The Euroconstruct report covers an area including Germany, Austria, Belgium, Denmark, Spain, Finland, France, Hungary, Ireland, Italy, the Netherlands, Norway, Poland, Portugal, the United Kingdom, Czech Republic, Slovakia, Sweden and Switzerland.*

B. NEW CONSTRUCTION

This market's long-term growth is driven by population growth, the housing shortage and the demand for environmentally-friendly new construction

At the European level, the construction sector is experiencing a cyclical slowdown. The volume of new residential construction in Europe for 2023 is estimated at nearly €400 billion [(2)]. In Europe and North America, a slowdown is taking place in new residential construction against the background of a sharp rise in real estate interest rates, following the accelerated monetary tightening of central banks since the beginning of 2022; in Europe, key interest rates increased by around 4.5 points in the space of 18 months. At the same time, households experienced losses in purchasing power linked to the rapid rise in inflation, which also affected their creditworthiness for estate projects.

€400 billion

ESTIMATED VOLUME
of the new residential construction market in Europe by 2023

The fall in building permits and building starts has been seen in most countries year-on-year, but there have nevertheless been clear differences between countries due to specific national factors: for example the slowdown is less pronounced in Southern Europe than in Northern Europe, due to slower and sometimes smaller increases in real estate interest rates, a more moderate fall in household purchasing power, and less pronounced real estate cycles in the years preceding the slowdown. The slowdown also differs in terms of its duration: in the United States, for example, building starts have stabilized since spring 2023, while the declines remain more pronounced in some European countries. Note that the differing real estate cycles in the 75 countries where the Group operates are a source of resilience for the Group.

Nevertheless, several factors could cause **residential building permits to pick up again in 2024** in developed countries. First of all, real estate interest rates are expected to stabilize or even fall during the year, as central banks are expected to lower their key rates in 2024. Household purchasing power is also expected to recover in 2024 thanks to the anticipated fall in inflation and rising wages; finally, the adjustment of real estate prices could ease the recovery of real estate purchasing power.

19 MILLION

HOUSING SHORTAGE IN INDIA

In the long term, the **growth** of the new construction market is driven by **unavoidable trends** such as the housing shortage which is already a feature of developed countries (the United States is nearly four million homes short) as well as the growing need for residential buildings in emerging countries (there is a deficit of 19 million homes in India), due to continued population growth and urbanization. To meet these two essential needs, **it is not just any new construction that is desirable, but environmentally-friendly new construction. This translates into requirements in terms of GHG emissions**, the use of natural resources (reducing extraction through efforts to promote circularity), the speed of execution or even the long-term adaptability of the buildings constructed. This growth prospect therefore primarily concerns **lightweight construction techniques using decarbonized materials**. This market is already growing by three to five points faster than traditional construction [(3)].

(2) *Idem / New residential construction.*
(3) *Ducker Research and Consulting.*

C. INDUSTRY

Resilient markets driven by the requirement to decarbonize transport, industry and construction

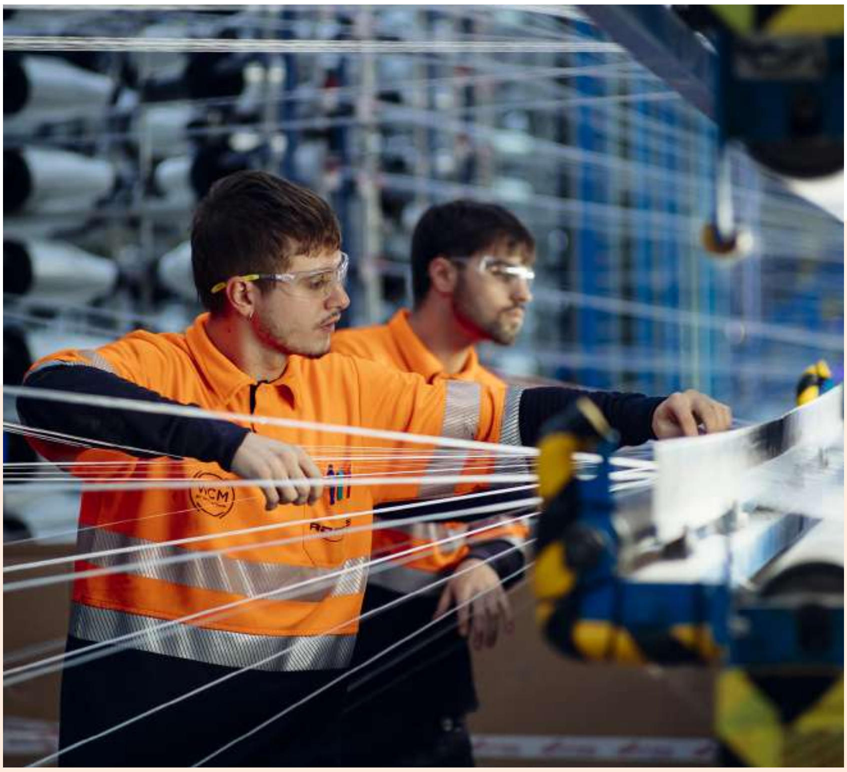
Among the industrial markets served by Saint-Gobain **in the field of mobility**, the growth expected for 2023 in the automotive market is particularly strong with an 8% increase in annual production [(4)], or more than 88 million vehicles. **The electric vehicle market, in which Saint-Gobain holds leading positions, will drive most of this growth, with strong growth forecasts**, driven in particular by changes in standards, widespread constraints imposed by cities, and the continuation of government subsidy programs. In 2023, **the global electric and hybrid vehicle market reached 14.5 million vehicles, up 34% year-on-year**. The growth of this market segment will be very rapid in the coming years, at 21% per year on average until 2029.

With regard to **public transport**, the growth and increasing density of urban areas, and the increasingly strict regulations adopted at the local level on pollution, lead to a growing demand over the long term for transport solutions that are effective in energy terms, connected, easier to maintain, and that offer users a higher level of safety and comfort.

In particular, this means putting lighter, and therefore less fuel-consuming and less GHG-emitting, fleets into service. In maritime transport, decarbonization also involves the deployment of technologies that save weight, for example for cruise ships, and thus significantly reduce fuel consumption.

+34%

EXPECTED GROWTH
of the electric and hybrid vehicle market in 2023



Other industries

Global industrial production is expected to continue to grow robustly and continuously, beyond the expected slowdown in 2023, with an expected average of 2.7% per year and up to 3.6% in 2025.

Finally, the requirement for industry in general to decarbonize applies directly to construction, a sector which is responsible for nearly 40% of the world's GHG emissions. Innovative technologies to reduce energy consumption, reduce the carbon footprint of cement and concrete and promote the circular economy will therefore become increasingly essential, and Saint-Gobain has positioned itself strongly in this sector.

(4) *S&P Global auto production forecast, October 2023.*

1.4.7 / Offering sustainable and efficient solutions

Saint-Gobain's ambition is to offer solutions that combine performance and sustainability, in order to meet the expectations of its stakeholders.

2,600

NUMBER OF ENVIRONMENTAL PRODUCT DECLARATIONS (EPD)

released by Saint-Gobain

The combination of a global presence and an extensive offer allows Saint-Gobain to offer market participants a solution-based approach combining several products and services. Beyond the traditional approach of best meeting a specific need with a dedicated product, the objective is to **support clients dealing with complex issues by offering them sustainability and performance benefits, or a contribution to sustainable development**, in order to speed up progress towards a more sustainable and low-carbon economy. A standard method has been deployed in the organization. It is adapted to local markets and circumstances to identify the most relevant solutions and measure the provided benefits. The impacts of the solutions are assessed across the entire value chain and for the main stakeholders involved, right through to the end user.

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

In order to standardize the measurement of impacts and to accelerate differentiation in its markets, use cases have been selected to illustrate the value provided by Saint-Gobain solutions. They concern the decarbonization of industry through the solutions of the HPS [(1)], renovation and new construction Business Units. For each use case, local teams identify solutions combining products and services offered by the brands and distribution networks. The tools developed enable them to measure the benefits and thus to adapt the offer and the sales pitch to the expectations of the stakeholders.

This program covers more than 90% of Saint-Gobain's sales and helps to orient Saint-Gobain's offer towards sustainable construction markets. The methodology used to identify sustainable solutions is available on the Group's website and has been reviewed by an independent third party.

The criteria used to measure environmental benefits are:

- energy efficiency and its carbon impact;
- optimization of natural resources, including water resources;
- all products and services that support the environmental efficiency of other industries.

The criteria used to evaluate the benefits in terms of health, comfort and well-being are:

- safety and security, including the reduction of occupational risks in the value chain;
- ergonomics;
- indoor air quality;
- acoustic comfort;
- thermal comfort;
- visual comfort.

Saint-Gobain's sustainable solutions revenue notably includes activities not assessed in the context of compliance with the European regulation 2020/852 Taxonomy Regulation (see section 9.3.5, p. 424), such as distribution activities. It also includes the impacts and benefits of Group activities not yet covered by regulations, such as resources and the circular economy, as well as health, safety and comfort benefits. These activities, impacts and benefits are potentially eligible for the social taxonomy.

OBJECTIVE

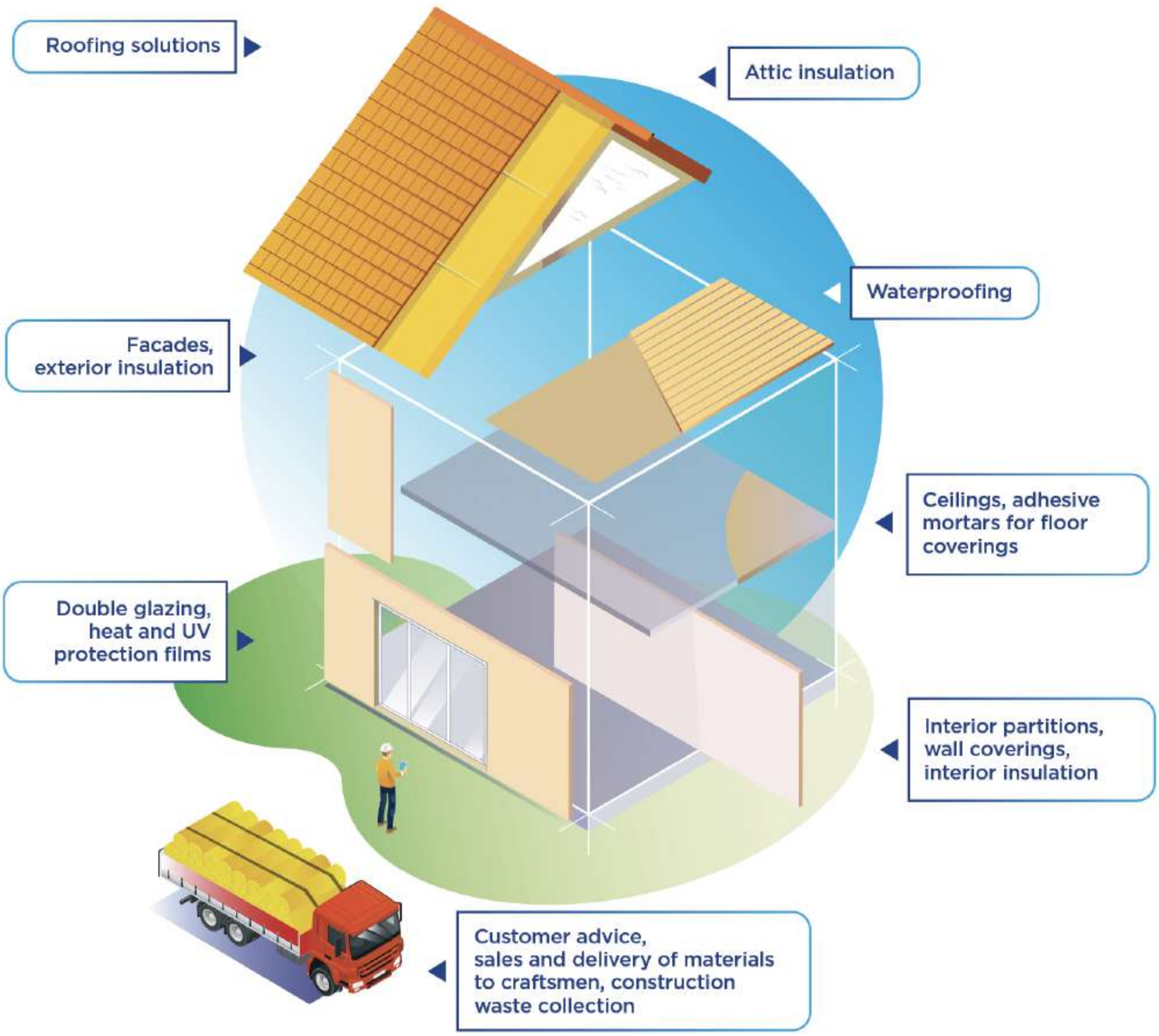
75%

PROPORTION OF TURNOVER ACHIEVED WITH SUSTAINABLE SOLUTIONS*

** Solutions for Growth, methodology available on the Saint-Gobain website.*

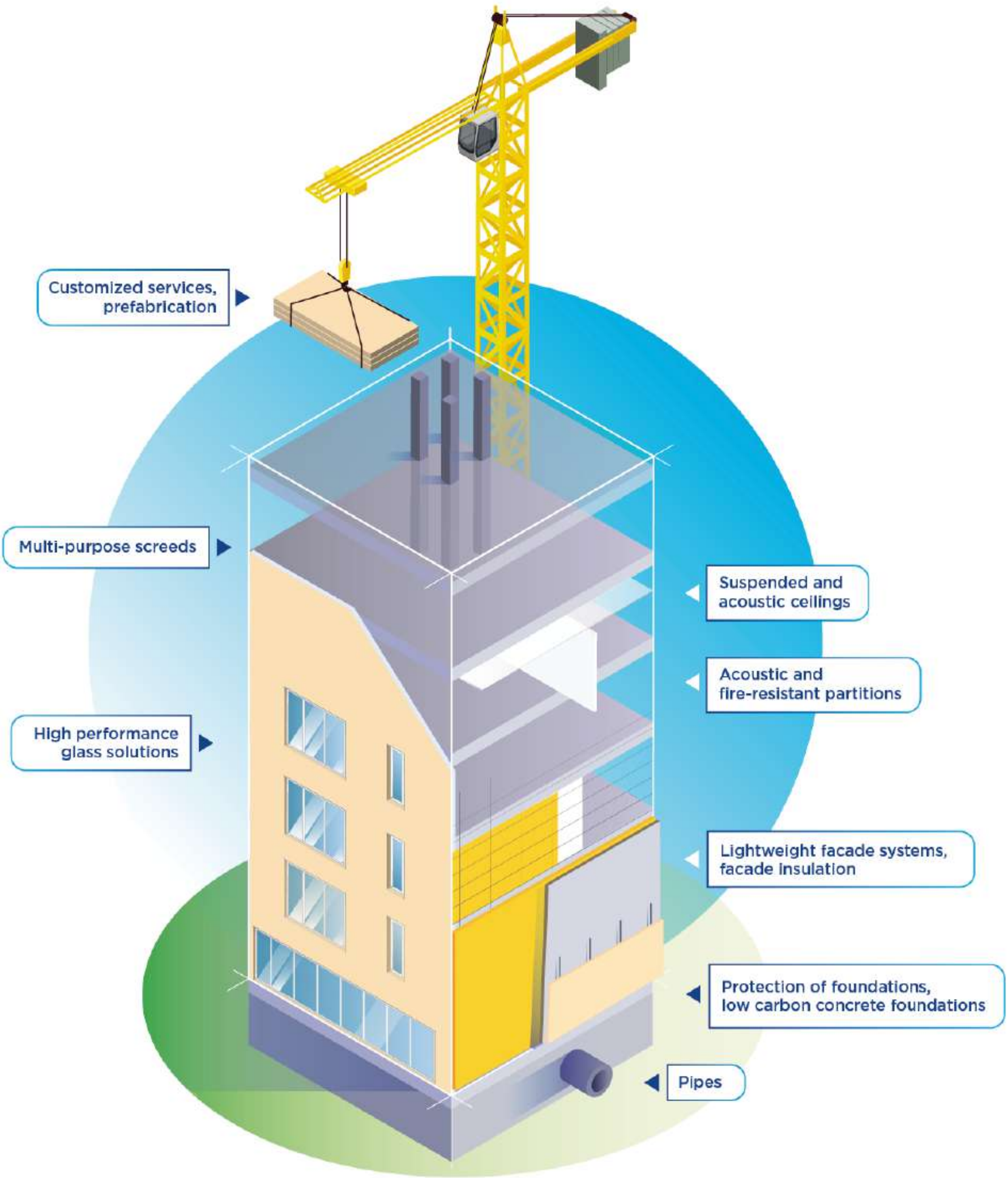
(1) *High Performance Solutions.*

A. 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.

B. CONSTRUCTION SOLUTIONS



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 lightweight 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.

C. SOLUTIONS FOR INDUSTRY DECARBONIZATION

For many of its industrial customers, Saint-Gobain provides high performance solutions, able to meet market expectations thanks to its capacity for innovation, its research and development potential (cf. section 1.4.3, p. 39), its proximity to its customers and its use of digital technology and data analysis (cf. section 1.4.2, p. 38).

HUD : Head-Up Display.

1.5 OUR CONTRIBUTIONS: COMMITING TO A BETTER WORLD

CSR challenges are integrated into the value creation model (see section 1.2.3, p. 25) and into the Group's strategy. Saint-Gobain's corporate purpose, "*Making the world a better home*", its ambition – to be the worldwide leader in sustainable construction, which improves everyone's daily life with its high performance solutions – and its "Grow & Impact" strategic plan are perfectly aligned.

This integration of stakeholder issues and expectations results in a dual objective:
- to maximize the impact of Saint-Gobain's activities;
- to minimize the Group's footprint on the environment and human beings.

For each issue, Saint-Gobain defines action plans and objectives that are deployed in a decentralized approach at the level of the country and the business unit of the High Performance Solutions business. Annual impact monitoring is communicated transparently to all stakeholders.
This non-financial performance reporting is verified by an independent third party.

Thanks to its solutions, Saint-Gobain contributes to three long-term ambitions.

A decarbonated home

More performance with less

A better living for all

MEDIUM-TERM OBJECTIVES

FINANCIAL

As part of its “Grow & Impact” strategic plan, announced at the end of 2021, Saint-Gobain set itself targets for the 2021-2025 period:

+3 - 5%	Organic growth
12 - 15%	Return on invested capital (ROCE)
9 - 11%	Operating margin
> 50%	Free cash flow conversion ratio

NON-FINANCIAL

75%	of the Group's sales generated with sustainable solutions
-33%	Scope 1 and 2 CO_2 emissions between 2017 and 2030 (in absolute terms)
-80%	Non recovered waste between 2017 and 2030 (in absolute terms)
100%	Coverage of the *CARE by Saint-Gobain* by 2023

LONG-TERM OBJECTIVES

	Western Europe	North America	Asia and emerging countries
Before transformation	58%	18%	24%
International exposure (% of operating income) – 2023 figures*	**37%**	**32%**	**31%**
Trends and market growth factors	Changes in **regulations**, massive public **investments** to promote **energy efficiency**, and a better carbon footprint of buildings	**Sustained structural demand** for new homes, changing expectations	Rapid **urbanization**, **demographic growth, development** of the middle class
Solutions offered by the Group	Provide a comprehensive range of **renovation solutions**, products, materials and services; standing alongside professionals from start to finish	Provide **solutions for all needs related to the construction** of new individual housing, by capitalizing on the importance of **light construction** on the market	Design and market complete **solutions for the sustainable and lightweight construction** of collective residential buildings as well as solutions promoting improved comfort

Long-term CSR contributions

A **decarbonated home**

- Contribute to net zero emissions in 2050 (scopes 1, 2, and 3)
- Offer low carbon emission solutions or solutions that reduce the CO_2 emissions and improve the energy efficiency during their lifespan

More performance with **less**

- Preserve natural ressources
- Reduce waste
- Promote circular flows by developing reuse and recycling

A **better living** for **all**

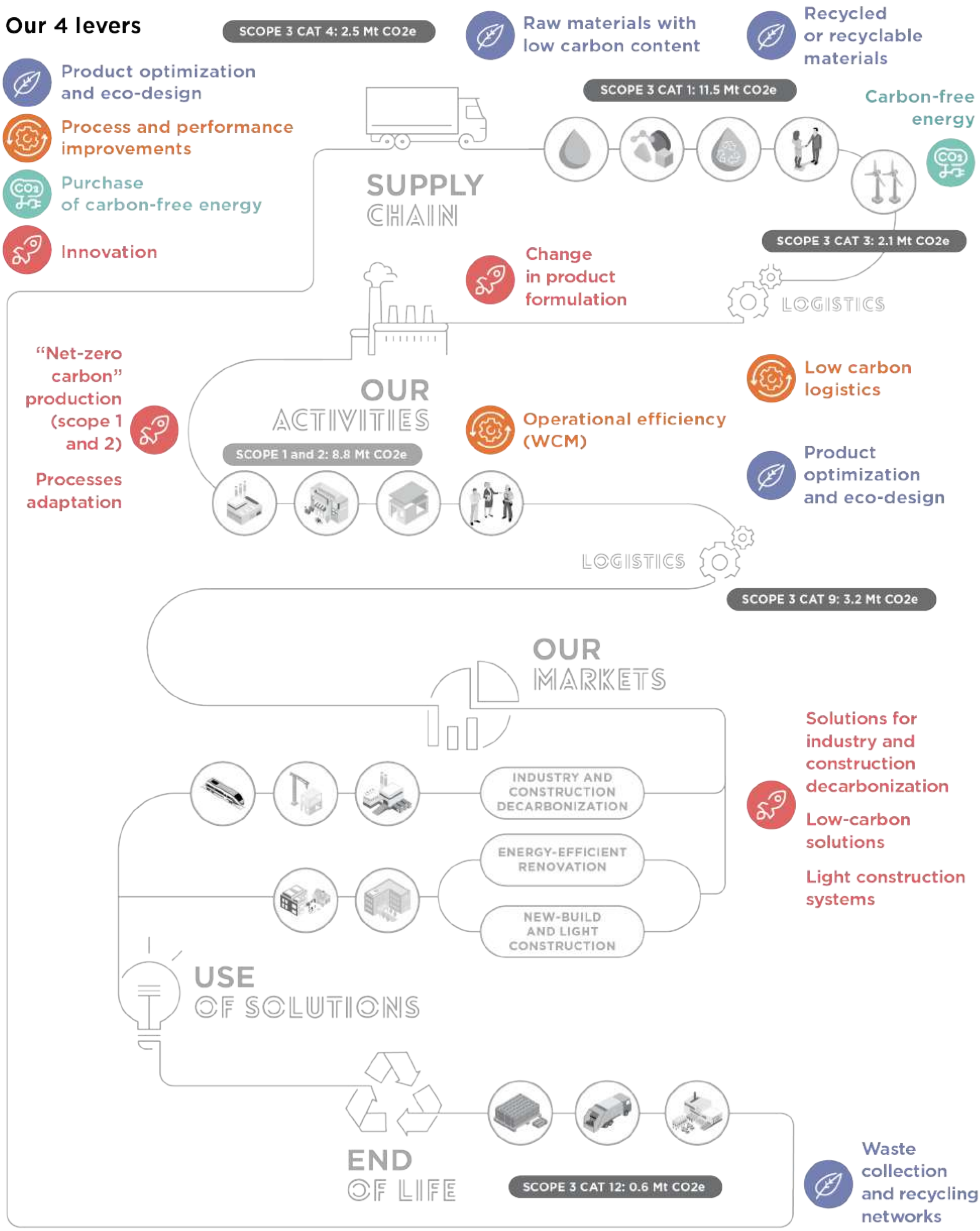
- Share our values with our stakeholders
- Create an engaging work environment
- Engaging with local communities

* *Pro forma*

MAKING THE WORLD A BETTER HOME Delivering the benefits of Saint-Gobain's corporate purpose

1.5.1 / A decarbonated home

Saint-Gobain's ambition is to contribute to the emergence of a fair, sustainable economy aligned with the Paris Agreement. The fight against climate change and the transition to a decarbonized world require everyone to mobilize and all stakeholders to collaborate: customers and suppliers, citizens and employees, governments and major institutions.



Scope and methodology aligned with SBTi – 2022 data.

2030 roadmap

Saint-Gobain's objective is to contribute to a fair and sustainable transition towards a low-carbon economy. The implementation and results of this strategy are integrated into scenarios that limit global warming to below a 1.5°C rise versus the pre-industrial era, so that they are aligned with the Paris Agreement.

The action plan for reducing carbon emissions (scopes 1, 2 and 3) is divided into two periods:

- 2020 to 2030: Saint-Gobain is rolling out its "2030 carbon" roadmap, which has two ambitions:
  - achieving, between 2017 and 2030, the reduction targets (in absolute terms) of 33% of CO2e emissions under scopes 1 and 2 and a 16% reduction in CO2e emissions under scope 3. These objectives are validated by the Science-Based Targets initiative (SBTi), which considers them to be aligned with the Paris agreement and a 1.5°C trajectory.
  - innovating and testing industrial processes to achieve net zero emissions for the three scopes.
- 2030 to 2050: the roadmap will be adapted based on the results obtained during the previous period. The innovations identified during the implementation of the "2030 carbon" roadmap will be rolled out. Carbon capture projects may be activated at the end of the period to supplement the transformation measures up to a maximum of 10% of emissions (scopes 1, 2 and 3).

Four levers for achieving the 2030 objectives (scope 1 and 2)

Product optimization and eco-design

Saint-Gobain can take action to lighten products while guaranteeing at least equivalent performance, optimize packaging to reduce the impact of logistics, and modify formulations to incorporate more recycled materials. In the glazing sector, replacing one tonne of virgin composition with its equivalent in cullet (recycled glass) reduces CO_2 emissions by 300 kg.

Industrial process improvements and productivity

Operational excellence, productivity, energy efficiency and quality are at the heart of the 2030 carbon roadmap. The deployment of digital technologies and the use of data enable us to better control industrial processes and gain in efficiency.
The Construction Industry Business Unit uses software based on artificial intelligence to optimize the operation of its glass fiber furnaces.

Innovation

To ensure the transition to carbon-neutral production, an R&D program has been initiated for 2021. Net zero-carbon production trials (scope 1 and 2) have been carried out for most of Saint-Gobain's businesses, in particular glass, gypsum and insulation. After a pilot production of zero-carbon glass (scope 1 and 2) in France in 2023, a successful trial of glass production using 30% hydrogen in Germany verified the technical feasibility of switching energy sources.

Use of decarbonized energies

By 2023, the share of decarbonized electricity in total electricity consumption increased to to 57%, an increase of 5 points between 2022 and 2023 thanks to the signing of new power purchase agreements and green electricity contracts in every region of the world.

Saint-Gobain benefited from more than 120 contracts of decarbonated electricity in 2023.

Managing scope 3 carbon emissions

Saint-Gobain has stepped up its efforts to identify and assess CO_2 emissions linked to its value chain. Digital tools have been developed to facilitate assessments, particularly of emissions in categories 1, 4 and 9. These three categories account for around 85% of Saint-Gobain's scope 3 emissions (SBTi scope).

To reduce scope 3 emissions, Saint-Gobain is focusing on the following actions:

- mobilizing buyers by providing training and digital tools for estimating the impact of purchases.
- extend reporting to the relevant scope of our suppliers and improve the quality of information
- engage suppliers to measure their carbon footprint and develop reduction action plans.

To reduce transport-related emissions, Saint-Gobain has developed digital programs such as “Supply Chain 4.0” to optimize transport. Whether it is for its purchases or client delivery, the Group has programs for route optimization, optimal vehicle loading and more efficient travel planning by coordinating inbound and outbound transport to avoid empty kilometers.

Mobilization of all

In Saint-Gobain's organization, each country or Business Unit is responsible for implementing the roadmap within its own scope and markets. Financial budgets, 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 euros per year until 2030. By 2023, more than double that amount – 223 million euros in CAPEX and R&D – has actually been invested.

Designing innovative solutions incorporating "carbon benefits"

Saint-Gobain innovates to develop solutions that reduce the carbon footprint of buildings over their entire life cycle:

- by reducing their energy consumption during the use phase: these are insulation and glazing solutions that contribute to energy efficiency;
- by reducing the carbon footprint of its products and solutions, in particular by developing lightweight construction solutions, increasing the proportion of recycled materials used to manufacture them, or powering its industrial processes with renewable energies;

- by reducing the carbon footprint of building materials through innovative solutions developed by the construction chemistry industry.

Life cycle assessments (LCAs) or environmental product declarations (EPDs) measure the impact of materials and guide innovation in this field. They help customers to measure the carbon content of buildings.

Over 53% of the Group's sales (excluding distribution) are generated by products covered by verified LCAs and EPDs.

Growth decoupled from CO_2 emissions

Carbon intensity per euro of sales and EBITDA has been reduced by 44% and 56% respectively in 2023 compared with 2017, reflecting the Group's objective of maximizing its positive impact on the environment, while reducing its footprint.

A DECARBONATED HOME

MAXIMIZE OUR IMPACT

GLOBAL CONTEXT

37%
Global share of buildings and construction in annual CO_2 emissions worldwide

9%
Embodied carbon emissions

28%
Emissions related to use

OUR SUSTAINABLE AND EFFICIENT SOLUTIONS

Objective
100%
Share of sales generated by products covered by a verified LCA or EPD in 2030

-1,300
Mt CO_2
Emissions avoided thanks to our solutions*

Objective
75%
of the Group's sales made through our sustainable solutions in 2025

* *CO_2 avoided during their lifespan (base year: 2020 sales)*

MINIMIZE OUR FOOTPRINT

SCOPE 1 AND 2

8.8 Mt of CO2e at the end of 2023

4 levers to achieve our "net zero emissions" objective

- Product optimization and eco-design
- Process and performance improvement
- Innovation
- Purchase of carbon-free energy

2017
13.4 million tonnes of CO2e

2030
-33%*

2050
0 net emissions

* *Objectives validated by SBTi and aligned with the Paris Agreement*

SCOPE 3

20 Mt of CO2e at the end of 2023*

Purchasing and transport represent 85% of Scope 3

- Improve data quality
- Onboard partners to improve the consistency of CO_2 assessment
- Optimize transportation: routes and means

* *Scope and methodology aligned with SBTi – 2022 data*

- CAPEX and R&D investment: at least 100M€ per year from 2020 until 2030
- Integration of CO_2 reduction objectives into short- and long-term remuneration packages

ENGAGE OUR STAKEHOLDERS

Civil society
Mobilizing in face of the climate crisis

Market
Training young people in construction jobs

Investors
Driving financial investments towards sustainable solutions

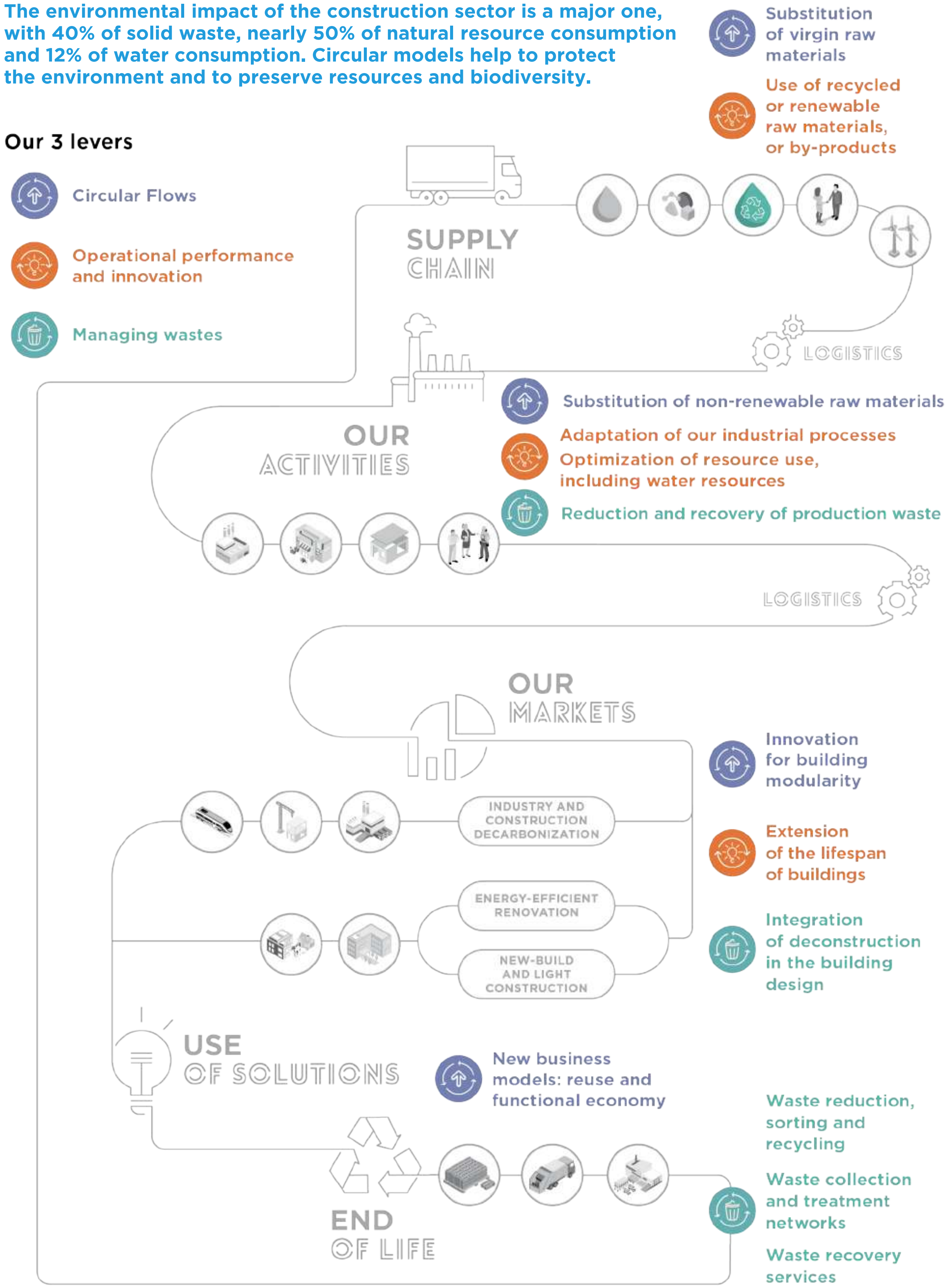
Local communities
Helping those in need to have access to a decent home

Employees
Supporting commitment by training on climate stakes

Regulatory Authorities and Public Affairs Partners
Contributing to accelerate the transition

1.5.2 / More performance with less

The environmental impact of the construction sector is a major one, with 40% of solid waste, nearly 50% of natural resource consumption and 12% of water consumption. Circular models help to protect the environment and to preserve resources and biodiversity.



2030 Strategy

Saint-Gobain's strategy to accelerate the transition to a more resource-efficient economy aims to preserve natural resources and the environment throughout the value chain and to offer reusable or recyclable products and solutions:

- reducing the intensity of virgin natural resources consumed per unit of output;
- optimizing the use of resources from their extraction to end-of-life and minimize the generation of non-recovered waste at each stage of the life cycle of products and solutions;
- accelerating the transition to a circular model: implement local materials collection channels, initiate or participate in partnerships with all players in the value chain (suppliers, customers, specifiers, end-users, public authorities, etc.) in order to increase the efficiency of the resources employed and thus reduce the need to extract virgin raw materials.

Our three levers aim to:

Promote circular flows

- substituting virgin raw materials with recycled, renewable, or by-product materials requires working with suppliers to identify innovative materials or co-develop new potential compositions. These changes in composition may require adjustments to industrial processes.
- creating recycling channels that allow for the recovery, processing, and recycling of waste. The increase in the proportion of recycled material in products depends on the existence and effectiveness of these channels in the countries where the Group operates.
- innovating to facilitate reuse and optimize the use of products and solutions.

Operational performance and innovation

- reducing the use of raw materials, including water consumption, through performance, quality, and productivity, and the optimization of industrial processes;
- reducing resource intensity through eco-design and by reducing the average weight for the same product unit, without affecting its technical performance;
- increasing the lifespan of products and buildings;
- developing solutions adapted to lightweight construction techniques helps reduce the resource intensity of buildings;
- developing industrial processes processes to facilitate the incorporation of materials.

Waste management

- implementing the three "R" principle on sites: reduce, reuse, and recycle to reduce waste generation and increase recovery;
- optimizing volumes of product packaging and ensuring they are recyclable;
- developing recyclable products and solutions and facilitating their processing in recycling channels. This involves anticipating the end of life;
- creating waste recovery services on construction sites or with clients, facilitating recovery.

Preserving water resources

The aim is to extract as little water as possible, particularly in areas subject to severe water constraints, and to aim for "zero discharge" of industrial water, thus avoiding generating new impacts on other natural environments and/or other stakeholders.

To achieve this, Saint-Gobain does everything in its reach to:

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

Optimize the use of natural resources

Some Saint-Gobain products, such as glass and gypsum products, can be recycled indefinitely in a closed-loop industrial process. For these processes, it is then possible to replace natural raw materials with recycled materials from internal or external collections.

For other Saint-Gobain products, such as glass wool, cast iron pipes, grain manufacture or ceramic powders, it is also possible to replace virgin raw materials with recycled materials from other consumption channels.

Circular economy principles develop differently in different countries and regions of the world. These developments depend on a wide range of factors, such as consumption patterns, infrastructure and industrial fabric, regulatory environment, and technical and logistical conditions for waste management.

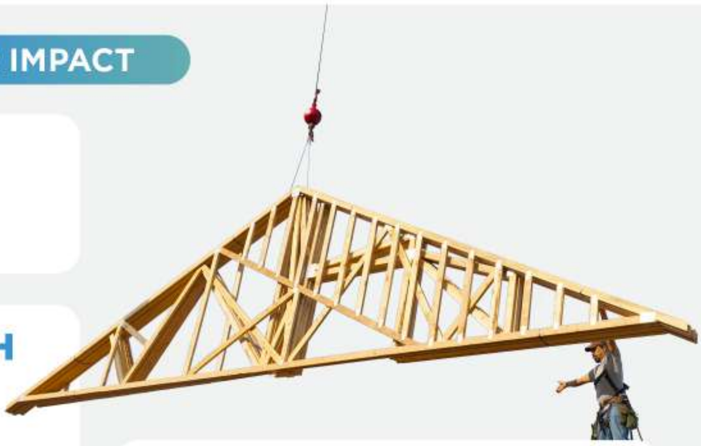
This is why action plans for a transition to a circular economy are highly dependent on the country and the maturity of local stakeholders, regulations and logistics.

Approaches are therefore deployed by country to mobilize channels for the recovery of construction waste.

Saint-Gobain organizations in the countries initiate or participate in actions with local stakeholders: manufacturers participating in a channel, customers, local authorities or communities.

Saint-Gobain's organization by country is conducive to accelerating the transition. It makes it possible to seize opportunities and create local synergies, between brands or with partners outside the Group.

MAXIMIZE OUR IMPACT



PROMOTING CIRCULAR FLOWS

- Modularity of buildings and the anticipation of dismantling
- Reuse of products

STRENGTHENING CIRCULARITY WITH PERFORMANCE AND INNOVATION

- The substitution of virgin raw materials by recycled or renewable materials, or by-products
- Offer of sustainable and efficient solutions

MANAGING WASTE

- Creation of recycling networks
- Waste collection service at our customers' sites or on construction sites
- Integration of our customers' waste into our industrial processes

9.4 Mt
of virgin raw materials avoided by using recycled content

94.6%
Share of recyclable packaging

MINIMIZE OUR FOOTPRINT

PROMOTING CIRCULAR FLOWS

- Closed-loop recycling (glass and gypsum products)
- Closed-loop water reuse to reduce water consumption

STRENGTHENING CIRCULARITY WITH PERFORMANCE AND INNOVATION

- Integration of recycled or renewable materials, or by-products in our production processes
- Reduction of natural resource intensity through operational efficiency and product optimization

-14%
of non-recovered waste between 2022 and 2023

88%
Quantity of water reused in production processes

MANAGING WASTE

- Reduction of production waste generation
- Waste recovery in our production processes or externally

ENGAGE OUR STAKEHOLDERS

Civil society
Mobilizing on selective waste sorting and recycling

Market
Promoting new services related to the circular economy

Investors
Supporting initiatives that favor the optimization and preservation of resources

Local communities
Preserving water and biodiversity around our sites

Employees
Supporting process optimization by investing in tools and training

Regulatory Authorities and Public Affairs Partners
Contribute to the transition to a circular economy

1.5.3 / 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.

Sharing our values with our stakeholders

A true code of ethics, the Principles of Conduct and Action are the foundation of all Saint-Gobain's policies and commitments.

In 2023, the Group celebrated 20 years of its Code of Ethics.

Nine live video programs were broadcast throughout the year. Each program focused on one of the nine Principles of the code of ethics, and was designed to highlight the actions of the Group and its employees.

The anniversary was celebrated in every country, with local events, videos, testimonials, practical workshops, games and debates.

Saint-Gobain is committed to respecting human rights wherever the Group does business and throughout its value chain, based in particular on the United Nations Guiding Principles on Business and Human Rights.

A due diligence process identifies risks directly or indirectly related to Saint-Gobain's operations.

Respecting human rights

The main risks identified concern four areas: respect for employee rights, health and safety at work, respect for the environment and anti-corruption. Each Group entity ensures that each employee performs his or her work on the basis of agreed employment conditions, and receives payment of a fair wage according to hours worked and qualification.

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

The responsible purchasing program aims to integrate ethical requirements into the purchasing process, both for suppliers, based on the supplier charter, and for buyers, by applying the buyer charter.

Deploying a responsible purchasing policy

This makes it possible to manage and reduce the environmental, social and societal risks associated with 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.

In 2023, Saint-Gobain updated its risk mapping of purchasing categories using a specialized platform. For each purchasing segment, 13 CSR issues divided into environmental, social and ethical areas are analyzed along with a description of the sources of the risk. A supplier's level of risk is therefore assessed according to the risk associated with its sector of activity and the country in which it operates.

Preserving health and safety

Saint-Gobain adopted a health policy in 2013 and updated it in 2022. Its ambition is to protect the health and promote the well-being of its employees, customers, suppliers, users of its products and solutions, and local residents and communities around the Group's sites as part of its operations..

Ensuring health safety on sites

Towards employees

Health and safety are at the heart of Saint-Gobain's corporate culture; they are a priority concern for all levels of management and for all employees, temporary workers and subcontractors on site. It is important for everyone to take responsibility for their own health and safety, and that of their colleagues. Our shared objective is to achieve "zero work-related accidents" and "zero work-related illnesses".

All Saint-Gobain sites worldwide must implement the health policy. Their actions are prioritized on the basis of risk assessments.

A HICE indicator (health Indicator for occupational exposure) is used to assess performance in relation to exposure to noise and chemical chemical agents.

Saint-Gobain has also developed a mental health program for its employees.

The prevention approach is based on a number of fundamental stages: awareness-raising, training, assessment of psychological well-being, best practices in the workplace, support for people in difficulty, and monitoring of indicators and action plans.

In 2023, an e-learning course, the Mental Health Academy, completed the system.

The MWB index, calculated on the basis of responses to the me@saint-gobain questionnaire to a series of 8 questions relating to mental health, is of 84%.

Developing safe products and solutions and bringing comfort to the end user

Towards customers and users

The methods and processes of innovation, production and distribution incorporate continuous attention to the quality and safety of products and solutions; the innovation process includes a checklist for assessing potential impacts on health, safety and the environment.

Product conformity is a constantly evolving process. A program to reinforce the culture of quality and product compliance is deployed with local teams in each country. This program is designed to remind local teams of the key principles and processes relating to the quality and conformity of products, systems and services throughout their lifecycle, from design through production, marketing and use, to end-of-life.

Towards local residents and local communities

Housing has a fundamental impact on people's health. By participating in programs promoting access to decent housing for all, Saint-Gobain is working to improve living conditions.

In France, several projects supported by the Saint-Gobain Foundation are focused on adapting homes to make them safer for the elderly.

Taking care of employees

Saint-Gobain ensures the provision of an environment that is conducive to the employee's professional and personal growth and balances job-related performance with their well-being. The Group's human resources policy is designed to enable rapid adaptation of the organization, and in particular fine-tuned management of changing skills requirements, support for employees in the face of major transformations, and 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 questions concerning working conditions, the specific expectations of employees, and the deployment of action plans, it takes place mainly at local level.

CARE BY SAINT-GOBAIN

Launched on January 1, 2020, CARE by Saint-Gobain is a social protection program for all Group employees and their families. Benefits are defined to meet essential, day-to-day health needs, but also to accompany important moments in a family's life:

- daily medical monitoring of families and access to care, by covering health costs (doctor visits or hospitalization) at a rate of at least 80%;
- the birth of a child, including adoption procedures, by paying at least 14 weeks of maternity leave with full pay and three days of paternity leave with full pay;
- fatality, by providing the family with financial capital representing at least one year of the employee's salary.

By 2023, 100% of Saint-Gobain employees and their families will enjoy the full benefits of the CARE by Saint- Gobain program. Newly-acquired entities have three years to finalize the roll-out of the program.

Diversity and inclusion

Diversifying its teams ensures that Saint-Gobain is in tune with the world around it and understands its challenges, enriching itself with different skills and experience, while developing its capacity to innovate. The aim is to create an environment that fosters fairness and equality, while facilitating the formation and cohesion of high-performance operational teams. The Group is committed to fostering inclusion and promoting diversity in all its forms: gender mix, nationalities, training, career paths, generational diversity, disabilities, ethnic and social origins.

With local communities

Through its actions, the Foundation is part of Saint-Gobain's vision: to act in order to help create the world of tomorrow. This desire to act in collaboration with its stakeholders, in France and internationally, is also reflected in its raison d'être "Making the world a Better Home". The Foundation is a way for our employees to participate collectively in building a more sustainable, inclusive and responsible world. The Foundation finances social projects run by associations, aimed at people in situations of exclusion, in the fields of professional integration and sustainable social housing.

A BETTER LIVING FOR ALL

MAXIMIZE OUR IMPACT

OFFERING SOLUTIONS WITH BENEFITS

- For health
- For comfort
- For safety

Along the value chain

SOCIETAL COMMITMENT

- Direct, indirect, and induced employment
- Sponsorship and philanthropy
- Training in sustainable construction market

83%
Employee engagement rate

FONDATION SAINT-GOBAIN

35
Projects supported by the Saint-Gobain Foundation in 2023

100%
Employees and their families covered by social protection program "CARE by Saint-Gobain"

MINIMIZE OUR FOOTPRINT

EMPLOYEES COMMITMENT

- Health & Safety
- Diversity & Inclusion
- Working conditions
- Social dialog

PARTNERS COMMITMENT

Due diligence

- Responsible purchasing
- Human rights

-18%
Decrease in the accident frequency rate between 2022 and 2023

**with and without lost time (employees, temporary workers, and permanent subcontractors)*

More than **92%**
of employees received training during the year

More than **91%**
of non-trade purchases are covered by the signature of the responsible purchasing charter

ENGAGE OUR STAKEHOLDERS

Civil society
Promoting ethics and respecting human rights

Market
Providing sustainable and safe solutions

Investors
Promoting ethics and respecting human rights

Local communities
Supporting solidarity projects

Employees
Providing a safe and fulfilling work environment

Regulatory Authorities and Public Affairs Partners
Participating in the evolution of due diligence requirements

SUSTAINABLE
AND RESPONSIBLE GROWTH

2.1 THE GROUP'S MARKETS AT THE HEART OF GLOBAL CHALLENGES

2.1.1 TRANSFORMING CONSTRUCTION

A – The urgency of sustainable construction

Construction is one of the sectors most exposed to the consequences of global megatrends (see section 1.3.1, p. 28) including **climate change**, **urbanization, population growth**, and **depletion of natural resources**. It is also one of the sectors with the highest environmental footprint, in terms of greenhouse gas emissions (nearly 37% of the global total)[1], raw material consumption and waste production. The response to the challenges created by these megatrends therefore necessarily involves the transformation of the sector towards sustainable construction; this is an absolute priority for our societies.

This urgency has many facets, from **sobriety** (limiting the consumption of raw materials and energy), to **circularity** (increasing the reuse of production waste and end-of-life materials in the production chain), to **respect for people** (moving towards safer and less arduous construction processes), **urban planning** (developing cities that are more pleasant to live in and more resilient to climate change) or **inclusion** (giving access to accessible, affordable and healthy housing for all). This paradigm shift requires a relentless pursuit of technological **innovation**. It forces us to rethink construction processes, too, in particular by developing light construction. It also requires us to listen to, **involve** and **mobilize** all **stakeholders** concerned (see section 1.3.2, p. 30): designers of the building, political institutions, promoters, builders, end users. What we are left with is rejuvenated practices and a reinvented way to share responsibilities and the value created, with a long-term perspective.

Beyond the transformation of its own model, Saint-Gobain wishes to play a leading role and involve its **stakeholders** in this approach, **throughout the value chain of the markets** in which it operates. This is why the Group has launched the Sustainable Construction **Observatory in April 2023**. As part of this initiative, Saint-Gobain is publishing a **Barometer** of sustainable construction, enabling progress in this area to be monitored and measured on a global scale. We also publish the digital magazine “Constructing a Sustainable Future”, in order to promote best practices. Finally, the Group organizes meetings, the **“Sustainable Construction Talks”**, to encourage the exchange of ideas with our stakeholders on the challenges and opportunities of sustainable construction. **The challenges of sustainable construction are everyone’s responsibility; it is only by working together that we can meet them.**

[1] *Global Status Report for Buildings and Construction, 2022 p.42.*

B – The transition to sustainable construction

a. Sustainable construction solutions

Saint-Gobain aims to provide its customers with solutions that satisfy not only their quest for performance but also the requirements of sustainable development. These solutions, which combine products, systems and services, are evaluated (see section 1.4.7, p. 46) in terms of the response to the global challenges of climate change (by decarbonizing construction), protection of natural resources (by reducing resource extraction) and urbanization and population growth (by providing everyone with healthy and affordable housing).

This approach can be found in many of the solutions developed by the Group to meet the expectations of its customers, from prefabrication (which limits waste during installation and reduces construction times, in order to deliver the expected buildings more quickly) to the recovery of worksite waste (which makes it possible to develop the recycling and reuse of materials), via 3D printing (which makes it possible to very precisely adjust the quantity of materials required for construction), product systems (making it possible to increase productivity, to reduce installation times and increase safety for craftsmen), or digital tools and services (which make it possible, for example, to improve the design of buildings and optimize logistics and reduce greenhouse gas emissions).

b. Light construction

Unlike a traditional construction whose massive walls (bricks, cement, etc.) carry the weight of the building, **light construction** consists of constructing a skeleton – made of wood, metal, concrete or a combination of these materials – on which light façade systems and internal partitions are connected. This type of construction, partially or fully carried out on site or prefabricated, **reduces the environmental impact** of construction and **optimizes resource consumption** while ensuring **superior performance**. While it is traditional in certain markets, such as individual housing in the United States and Scandinavian countries, **this approach is intended to develop very rapidly throughout the world** due to the decisive advantages it brings, particularly in terms of speed of construction. This concerns emerging countries, where dynamic demographics generate strong demand for new housing, as well as a series of developed countries, which are suffering from a shortage of residential premises (see section 1.4.6.B, p. 44), and those where qualified labor is in short supply, as light construction techniques have particular advantages in terms of ease of construction, transformation and dismantling. It’s about building quickly, better and cheaper. In France, the RE2020 regulation, which requires measuring a building’s environmental impact throughout its life, will encourage the development of light construction and recycled and recyclable materials with lower carbon intensity. Many similar initiatives in Sweden, the Netherlands, the United Kingdom, the United States, Brazil and South Africa are moving in the same direction. Wood construction, in which Saint-Gobain has strong expertise, offers significant growth prospects in many markets, in all construction segments. Engineering woods now represent a growing potential for Saint-Gobain: excellent alternatives to load-bearing walls, with laminated wood panels (CLTs) replacing those in reinforced concrete, while poles or beams in laminated and glued (commonly referred to as GlueLam) or laminated wood (LVL) replace steel. The lightness and mechanical resistance of engineering woods makes it possible to build ever higher residential towers, and can even meet certain seismic requirements. However, the very nature of the material opens the way to sustainable construction, with a low carbon footprint for wood construction. While it is a popular solution for new properties (particularly as part of RE2020), wood is also suitable for renovation, particularly for elevations or extensions. Wood construction also allows for innovative approaches; the city of Lübeck in Germany has chosen Saint-Gobain Brüggemann to build a temporary primary school with its wooden modules. The interim establishment will be moved after a few years to be used elsewhere for other purposes.

Light construction solutions such as façade systems and lightweight partitions also provide significant benefits in terms of the quantity of materials consumed (-79% in the case of a residential building) and greenhouse gas emissions, thus making a crucial **contribution to the objectives of construction decarbonization and orientation towards a circular economy**. Prefabrication techniques consist of manufacturing the various components of a building in a factory, including water and electricity circuits, and assembling them on site. They are a solution to the challenge of labor shortages and, **with lower production and construction costs**, they also save time (by as much as 25-50% with prefabrication, for example) as well as **delivering of more affordable housing**, meeting both the imperatives of protecting household purchasing power in developed countries and providing decent and comfortable housing for all in emerging economies. Singapore, Australia and the UK are increasingly opting for modular buildings to deal with labor and housing shortages; the Nordic countries, such as Sweden, are already building 90% of individual prefabricated homes. In Norway, Byggsystemer, a subsidiary of the Optimera retailer and leader in its market, is surfing this wave by offering several types of prefabrication, from pre-distribution of wood to roof structures and ready-to-use items for small homes and large buildings. Among the offers developed by the Group, Glasroc X plasterboard, covered by a technical mineral pulp developed by Adfors, can be used on the façade, owing to its improved resistance to humidity and UV radiation. A new production line dedicated entirely to the manufacture of coated glass matting was opened in 2022 in the Czech Republic. In Germany, in 2021, Saint-Gobain renovated a childcare center in just three months, using custom prefabricated and pre-cut panels. In India, the combination of advanced glazing and modular construction techniques enabled the construction, in just 45 days, of the Indian Ministry of Defense's research and development center in Bangalore, a 1.3 million square meters building. In France, the Saint-Joseph Hospital chose to use Isover's F4 façades, sized and pre-decoupled in the factory; they are easy to disassemble and recycle, facilitating future expansion projects.

For Saint-Gobain, which offers a very wide range of expertise in this field, **light construction is at the heart of its contribution to a more environmentally friendly economy.**

c. Construction chemicals

Also at the cutting edge of the sector's transformation, **construction chemicals**, which groups together all the chemical components used to paste, join, waterproof, protect, strengthen and perfect different construction materials, both in new construction and renovation, for buildings and infrastructures (tunnels, bridges, roads, railways, dams, etc.). This sector takes a leading role as **its innovative technologies** – and its multiple applications – **reduce energy consumption, reduce the carbon footprint of cement and concrete, and promote the circular economy**. They therefore play a major role in the transition to low-carbon construction and are 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. Construction chemicals now account for more than 270 Saint-Gobain sites, spread over 75countries. This market is currently estimated to be worth between €80 billion and €90 billion, with annual growth significantly higher than that of the construction market in general. The Group, with a revenue of more than €5.7 [2] billion and a rich portfolio of brands (including Weber, Chryso, Impac and TekBond), is clearly positioned among the world's leading players in this key segment.

(2) *Pro forma.*

2.1.2 CONTRIBUTING TO THE "LOW CARBON" TRANSITION OF OTHER SECTORS

Saint-Gobain's advanced expertise allows **mobility market** players to respond to the daunting challenges they face. The accelerated shift of the automotive sector to **electric vehicles**, driven by rapid innovation and increasing regulatory pressure, requires technologies that enable progress in terms of **shared mobility**, **automation** and **connectivity** as well as lower vehicle weight, and **thermal** and **acoustic insulation** of the passenger compartment. With brands such as Sekurit, Saint-Gobain manufactures and delivers windshields, side windows, rear windows, glass roofs and pre-assembled modules to major car manufacturers. These solutions ensure everyday comfort for drivers and passengers and respond to the changes in mobility in terms of use and regulations, notably regarding to the environment. The Group is thus a key player in the transition of the automotive market (see section 1.4.6, p. 42). As one of the leaders in the glazing market for electric vehicles, it offers a whole series of solutions (in particular with **systems for insulation**, **batteries** and **electric motors**) to improve their performance in terms of energy efficiency, well-being, security and connectivity. The Group is present in every part of the transport market with glazing intended for the aerospace and rail sectors, ships and industrial vehicles.

For many of its industrial customers, Saint-Gobain provides high performance solutions and meets market expectations thanks to its capacity for innovation, its research and development potential (see section 1.4.3, p. 39), its proximity to its clients and its use of digital technology and data analysis (see section 1.4.2, p. 38).

The Group draws on strong expertise in materials science and formulation science. It has expertise in multiple state-of-the-art applications that make use of the specific properties of its materials (high temperature resistance, abrasion, chemical stability, surface properties, etc.). Many products are developed jointly with clients to cater to their needs, particularly in **plastics**, **construction chemicals**, and **high performance ceramics** and **refractory products for the metalworking** and **glass manufacturing industries**. These areas of expertise are essential for the **decarbonization of industry.**

2.2 LEVERS FOR OUTPERFORMING

2.2.1 A RANGE OF SOLUTIONS BASED ON BUSINESS EXPERTISE

A – Solutions for local and global markets...

Based on the results of the "Transform & Grow" plan running over the 2019-2021 period, Saint-Gobain today draws on its global presence and its extensive offering to provide market players with a genuinely **solution-based approach**, which is one of the pillars of its "Grow & Impact" **strategic plan**. Beyond the traditional approach of meeting a specific need with an appropriate product, the objective is to offer its clients **end-to-end support for complex issues** modeled as use cases, in other words, illustrations of specific cases such as the construction of a single-family house or the renovation of a hospital. The Group analyzed all of its product and service lines to define 22 use cases in which it offers **solutions for local markets** (new construction and renovation for residential and non-residential buildings) and four use cases in which it proposes **solutions for global markets** (sustainable construction, sustainable mobility, sustainable industry).

Saint-Gobain's organization by country and by market enables it to operate as close as possible to its clients and anticipate their expectations, taking into account local specificities, whether in terms of architectural styles, building methods, climate, standards and regulations, or cultural particularities. By capitalizing on this proximity to its clients, by combining its skills, by inventing new services, by strengthening synergies between its business lines, by accelerating innovation and use of data, by offering its employees an open and inclusive working environment, the Group differentiates itself and offers **the widest range of integrated solutions on the market** to better meet the expectations of its clients, as well as performance and sustainable development challenges.

B – ... incorporating strong business expertise

Gypsum

Plasterboard and plaster based solutions and construction systems for partitions and coverings for walls, façades, ceilings and floors **provide Group clients with benefits** in terms of thermal and acoustic comfort, fire protection and humidity resistance, thus meeting the growing market demand. Gypsum is a decisive asset in Saint-Gobain's vision, formulated as part of the "Grow & Impact" plan, and which aims to make the company **the worldwide leader particulary in** light and **sustainable construction**. Among the advantages of this construction method depending on the type of building, wall construction processes using plaster-based partitions can notably produce time savings of 20% to 50% compared to traditional materials [1], and bring environmental benefits such as reduced impacts in terms of CO_2 emissions and water consumption. In emerging markets in particular, the replacement of traditional masonry walls with plasterboard walls represents a very significant source of growth.

To develop this offer, the Group extracts and transforms gypsum into an extensive range of plaster-based products and systems for the construction and renovation markets, through all of its brands such as Placo®, Rigips and Gyproc (see section 2.2.2, p. 73), thanks to increasingly efficient industrial facilities, particularly in terms of energy consumption, diversification of energy sources, and the commissioning of the first "low-carbon" plasterboard plant in Norway starting in 2023. These solutions comply with **the highest technological standards** and Saint-Gobain promotes their widespread adoption, they also remain a step ahead of new regulations concerning, for example, the elimination of formaldehyde to improve interior air quality (Activ'Air).

Gypsum is mostly recyclable under certain conditions, thanks to processes enabling the removal of contaminants. The Group has waste recovery and gypsum recycling services in a dozen countries in order to supply its industrial sites with recycled raw materials (up to 30% of input materials in some plants), also contributing to the Group's strategic positioning in the global movement to expand the circular economy. Saint-Gobain continues to develop in this market, strengthening its presence and industrial capacity. In March 2023, Saint-Gobain Rigips and Dalsan Alçi merged their activities in Turkey to create a leader in plaster and plasterboards. In September 2022, the Group launched the world's first plasterboard made from 50% recycled plaster. Known as Placo® Infini 13, this innovation was developed at the Placo® plant in Chambéry, France, but also in other countries including Italy (where a board containing 30% recycled gypsum was developed and placed on the market) and Spain (with Placoplanet, which has a recycled gypsum content of 28%).

Insulation

In **residential and non-residential buildings**, Saint-Gobain's insulation market offering meets **the challenges of reducing energy consumption and improving thermal and acoustic comfort**. All of its brands, such as Isover, CertainTeed and Izocam, offer a wide range of products, from mineral wools (glass wool, stone wool), to polystyrene and polyurethane foams – on specific markets –, to bio-sourced products (wood fibers), thus covering the insulation needs of all types of buildings as well as their interior installations (roofs, walls, floors). Its offer brings benefits in terms of **ease of installation** for professionals and in terms of efficiency and sustainability for investors and owners.

[1] *Internal sources.*

The Group has considerably increased its production of glass wool for blowing, a mechanized solution, greatly reducing installation time. It is complemented by a whole range of solutions for insulating heating or air conditioning systems, improving their efficiency and reducing their energy consumption. The Climaver range, for example, is a “two-in-one” product that replaces metal ducts as well as the thermal and acoustic insulation used to protect them. The solutions proposed by Saint-Gobain for the exterior and interior insulation of walls also **support the strong momentum in the renovation market** (see section 1.4.6.A, p. 42), with innovations such as Optimax Habito, which saves installation time by 20% on average [(2)], reduces the risk of injury, and also reduces worksite waste and makes the materials used in this solution completely recyclable.

The Group also provides **cutting-edge insulation solutions** for a very wide range of applications outside construction, ranging from engine compartments and vehicle interiors (cars, railcars, ships, etc.) to household appliances and photovoltaic panels.

In the insulation market, Saint-Gobain is once again demonstrating its **commitment to circularity**. It should be remembered that mineral wools can be recycled indefinitely under certain conditions. In France, Isover is the first player in the market to have launched a **glass wool waste recovery service**, recycling the waste by reinjecting it back into the company’s production process. The Group acts both through the technical characteristics of its solutions and through initiatives such as its ILOOP project, supported by the European Union, to contribute to the gradual recovery of glass wool waste generated on construction or demolition sites, as well as through its participation in the European project for the recovery of mineral wool waste, WOOL2LOOP.

Construction chemicals and mortars

Protecting, repairing, strengthening, perfecting, decorating and even decarbonizing are among the key functions of Saint-Gobain’s offering. The Group is one of the world leaders in the field of mortars and construction chemicals with brands such as Weber, Chryso and GCP.

The Group’s special tiling and façade coating solutions ensure safety and ease of use. In flooring, its solutions cover various fields of application: new and renovated subfloors, leveling and finishing prior to laying a floor, protective coatings for industrial flooring, decoration with the use of self-colored mortars, solutions for heavily used floors and underfloor heating, as well as a pump truck service to improve the productivity and comfort of installers.

A range of technical mortars and coatings is available, covering all areas of construction, to help in structural work, rework and waterproofing solutions. A line of admixtures also caters to the growing demand for improved technical properties in concrete for use in construction and a reduction in the carbon impact.

The Group is expanding rapidly on the construction chemicals market, notably thanks to the acquisition in 2021 of Chryso, specializing in admixtures for construction materials, providing differentiated and innovative solutions and employing 1,300 people, as well as significant acquisitions in Mexico (Impac – liquid and bitumen waterproofing), in Romania (Duraziv – mortar and paint specialist), and in Peru (Z Aditivos). In 2022, Saint-Gobain continued to grow in the construction chemicals markets with the acquisition of GCP Applied Technologies, a global player in concrete admixtures, cement additives and waterproofing solutions, comprising around 1,800 people. In 2023, Saint-Gobain also acquired Matchem in Brazil and IDP Chemicals in Egypt to consolidate its position in construction chemicals, particularly in some cement additives, which play a key role in the decarbonization of the construction industry. The Group continued its development in this sector through the acquisition of Adfil, whose high-performance fibers help reduce the carbon footprint of reinforced concrete, improve the lead times and productivity of construction projects, and increase the lifetime of the concrete. Saint-Gobain also acquired Izomaks, a leading player in waterproofing products (floors, roofs) in Saudi Arabia, as well as Menkol, a leading player in India, specializing in high-performance waterproofing systems for foundations.

Saint-Gobain also announced a major partnership with Ecocem, an Irish company specializing in low-carbon cement. This partnership focuses on accelerating the delivery of low-carbon products to market. Designed to reduce CO_2 emissions from cement, mortar and concrete, these products will support the acceleration of the construction industry’s transition to a low-carbon economy. These acquisitions represent a decisive step towards establishing the Group as a worldwide leader in construction chemicals, with more than €5 billion in sales. Pooling these resources and solutions offers clients a highly comprehensive portfolio and global coverage.

Ceilings

Through its **portfolio of complementary brands**, such as Ecophon, CertainTeed, Eurocoustic, Sonex, and Vinh Tuong, Saint-Gobain is **one of the world leaders in ceiling solutions**, providing benefits particularly in terms of thermal and acoustic insulation. The Group offers a **wide range of multi-material solutions** for ceilings and wall panels that combine acoustics and aesthetics for the comfort and well-being of the end user. Its main brand, Ecophon, develops high-performance acoustic systems (capable of halving noise pollution) intended primarily for non-residential markets (offices, schools, healthcare buildings). In 2022, the Group strengthened its presence in the acoustic insulation and ceiling markets through the acquisition of several international companies, including Clipso and Fade. These acquisitions complement the Group’s know-how and geographical presence to offer to all its clients the most suitable solutions for their projects, whether it be museums, schools, hospitals, offices, collective or individual housing, or professional recording studios.

Glazing for buildings and vehicles

To address the challenges associated with protecting the environment, aesthetics, comfort, ergonomics and safety, Saint-Gobain develops, produces and sells **high-tech glazing solutions** intended for the façade, window and interior decoration markets and to protect assets and people. With brands such as Saint-Gobain Glass, GlassSolutions, Vetrotech and SageGlass (section 2.2.2, p. 73), the Group’s offering ranges from the production and transformation of flat glass to the distribution of glass solutions for the building market.

(2) *Internal sources.*

Saint-Gobain aspires to be the partner of choice for its clients: installers, processors, manufacturers, distributors and architects. The Group's glass solutions **provide benefits in terms of both performance and sustainability**. Infinitely recyclable under certain conditions, glass, in all its forms – from window and façade glass to automotive glass – is one of the areas where the Group's commitment **to the development of the circular economy** materializes (see section 3.4, p. 124). This requires both investment in industrial processes – in particular to eliminate all types of contaminants present in glass waste – and also the development of efficient and sustainable collection networks. It is in this spirit that Saint-Gobain Glass France signed partnership agreements from 2019 with several companies specializing in the recovery of end-of-life windows. At the same time, Saint-Gobain Glass is developing several cullet sorting lines on its flat glass manufacturing sites, to ensure optimal sorting before adding this secondary material to the product mix. During spring 2022, the Saint-Gobain Group achieved a world first: manufacturing flat glass with 100% cullet and 100% green energy, for a zero-carbon production (scope 1 and 2). Following this world first, Saint-Gobain Glass launched the world's first low-carbon glass, Oraé®. The carbon footprint of Oraé® is 40% lower than the European average for Saint-Gobain clear glass, and it is produced with a high content of recycled glass (64% cullet). Oraé is combined with the most efficient thin-film glazing in order to reduce both carbon emissions during use and the carbon footprint of the product.

They **improve the energy efficiency of buildings and user comfort in all its dimensions**: thermal insulation, control of light inputs, aesthetics, interior design and decoration, protection against bullets and fire. These properties are obtained as a result of thin film technologies: using physical and chemical methods, stacks of films transform the glass into functional glazing. This means that **the most complex glazing** can consist of up to twenty successive layers. Saint-Gobain presents itself as the technological leader in the sector by bringing to market innovations such as Priva-Lite active glazing, which is electrically opaque on demand, or SageGlass solutions, with variable tint, mainly offered for façade projects. State-of-the-art offers also meet specific needs: glazing with burglar resistance or fire protection capabilities.

The Group's glazing solutions play an essential role in both the construction market and the renovation market (see section 1.4.6.A and 1.4.6.B, p. 42-44) by providing strategic benefits, particularly in terms of energy savings. In the case of the construction of an office building in India, for example, this results in savings of 9% on the annual expenditure on temperature regulation (i.e., more than €50,000 per year) compared with standard glazing. These advances include solutions such as the integration of Eclaz One in façade solutions for the construction of new multi-family buildings, or Planitherm Stadip glass for the renovation of single-family homes, in particular to increase the reflection of thermal infrared rays and limit the loss of heat by radiation.

Saint-Gobain is present with its glazing solutions across the entire value chain of the transport market (cars, trucks, public transport, rail, aerospace industry), from production to distribution and maintenance. In these strongly innovation-oriented sectors, the Group provides its clients with solutions thanks to brands such as Saint-Gobain (flat glass manufacturing and sales), Sekurit, a brand with a long history of bringing safety and comfort benefits to the automotive market (automotive glass and windshields), Sekurit Service (production and distribution of replacement glazing), GlassDrive and France Pare Brise (automotive glass fitting and repairing).

Exterior products

Saint-Gobain, through its CertainTeed and Brasilit brands, is present in the United States and in Latin America with a full range of outdoor products. For roofs, the Group offers premium asphalt and composite shingles, solar roofing solutions, roll roofing systems and accessories. For façades, it offers polymer shakes and shingle, and insulation cladding solutions. Saint-Gobain also supplies solutions such as barriers, terraces and balustrades. Solutions incorporating these various products provide the Group's clients with benefits in terms of aesthetics, ease of installation and maintenance, and resistance to bad weather.

Distribution of products, solutions and services for construction and housing

Saint-Gobain serves hundreds of thousands of clients each year on the **construction, renovation and home improvement markets**. With brands such as CEDEO, Point.P, Optimera and Dahl, the Group has a network of strong and complementary brands, both generalist and specialist. Primarily oriented towards trade clients, the Saint-Gobain trading brands also serve small and medium-sized businesses and large companies and **allow for a presence of the Group across the whole construction value chain**. They also support individuals in the completion of their projects with professionals. The various brands thus strive to balance their client portfolios, a guarantee of solidity and profitability. Another major asset is the regional network: in France, the Group has more than 2,000 sales outlets, anchored in the local fabric, able to serve the most dynamic economic areas.

The Group's expertise in the field of distribution is **key to achieving the strategic goals of the "Grow & Impact" plan** (section 1.4.1, p. 36-37) by providing its professional clients with a large array of solutions and **making Saint-Gobain a one-stop-shop provider**. It also allows for a very high degree of **proximity with the Group's clients**, thanks to the value brought by data collection and analysis (section 1.4.2, p. 38) and thanks to the support the Group provides its clients across the board, including training on its products and services (see below). It also enables the Group to capture the structural growth of the residential building renovation market in Europe (section 1.4.6.A, p. 42-43).

Logistics is essential to distribution and receives special attention through the automation and robotization of processes. The trading brands are making their system of centralized logistics bases and adapted delivery centers increasingly efficient. This allows for a successful deployment of Saint-Gobain's e-commerce offering (regarding delivery times especially) for low-volume and low-weight products in particular. To support logistics, robust information systems are necessary. Thanks in particular to **data collection and analysis**, **digital technology** is one of the tools available to the Group's brands to **offer clients a unique omnichannel experience**: e-commerce, m-commerce, enhanced product content (features, descriptions, visuals, technical and regulatory sheets, etc.), as well as digital services that save time. The teams also benefit from productivity tools (robotic process automation), machine learning and optimal data exploitation using data processing algorithms. This approach allows the Group to better understand and model product and client targets to optimize the work of the sales force. Ultimately, digital technology acts as a lever to boost Saint-Gobain's growth.

Through distribution, the Group is also committed to supporting its professional clients throughout their journey. On the French market, the Group is actively delivering on this commitment by designing and marketing services ranging from training (via the creation of apprentice training centers or in 2023, more than 5,000 customers trained in theartisans label have logged on to the RGE application. They have completed more than 27,000 test sessions. And nearly 400 artisans have been certified. to the recovery of worksite waste (notably thanks to a partnership agreement with TriNCollect and Ecodrop, a worksite waste collection service), digital solutions offering assistance with estimates and costing on worksites (with the Solu+ platform), and the rapid generation of estimates and invoices (with the Tolteck solution).

Lastly, distribution is an area where the **Group's demanding stance** in the area of responsibility materializes. This is reflected, for example, **in the search for an ever-smaller delivery logistics footprint**, notably thanks to "low-carbon" delivery solutions, the optimization of circuits and the installation of sales outlets in the heart of urban areas, as well as through the use of distribution chains as an essential tool in the collection of worksite waste, with a view to **promoting the circular economy**. In 2017, Saint-Gobain Building Distribution France set up structures to collect waste from the same types of construction materials, products and equ ipment that it sells to professionals, thus becoming a key private network of worksite waste collection points in the construction and public works sector thanks to 300 multi-stream waste disposal centers in France.

Pipes

Saint-Gobain offers complete solutions **drawing on more than 165 years of experience** in the water supply market to meet the highest expectations. Through its PAM brands, the Group produces and markets ductile cast iron pipe systems for drinking water and sanitation, covers and gratings for roads, as well as cast iron systems for collecting and evacuating wastewater and rainwater in buildings. Saint-Gobain's offer is aimed at public authorities, public and private water companies, as well as players in the mining, hydroelectric and industrial markets.

To guarantee the preservation of water quality and the sustainability of these solutions, the Group offers a set of certificates and approvals in full compliance with all standards and regulations in force in its markets.

Construction industry

Saint-Gobain manufactures glass fiber materials and a full range of textiles and coating technologies for the sustainable construction, industry and mobility markets. These innovative and sustainable solutions, linked to an integrated model and a wide range of technologies, can be combined to meet customer needs:

- a full range of glass fiber materials for various applications in different markets;
- a wide range of high-performance and customizable technical textiles based on glass fiber and polyester for industrial manufacturers who use them in their construction systems;
- glass fiber-based finished products for road construction and reinforcement applications that ensure durability, comfort and good finish for end users;
- high-temperature thermal insulation solutions and protection against fire for the industry and sustainable mobility markets.

Surface solutions

Saint-Gobain offers **comprehensive solutions to shape, protect and bond surfaces of all materials**. Its solutions include abrasives, adhesives, sealants, tapes, foams, and films for complex and challenging applications. By working closely with clients, expert partners, and end users, Saint-Gobain designs and provides customized surface solutions to secure the best option for performance, cost and safety. It serves a **wide range of global and local markets: construction and habitat** (from rough cutting of concrete walls and floors to sanding of wooden floors and decorative finishes), **heavy industry** (steelworks, paper mills, and mineral extraction), **manufacturing and high-tech industries** (automotive, aerospace, and electronics).

Ceramics

Saint-Gobain has extensive expertise in ceramics and refractory materials, that enables the Group to serve a wide variety of industries such as the metallurgy, automotive, electric batteries, hydrogen, aeronautics and aerospace, electronics, telecommunications, security, defense, abrasives and chemicals.

With its unique research and development capacity in the field of technical ceramics, Saint-Gobain Ceramics partners with industry leaders and major innovators to help them meet their technical challenges, but also to support the decarbonization of industry and to achieve an economy that is as circular as possible.

In the glass industry, for example, the products and solutions offered through the SEFPRO subsidiary enable its clients to succeed in their technological transition towards "low-carbon glass" by electrifying and lowering their energy consumption in order to reduce CO_2 emissions. For the end of life of furnaces, VALOREF, another subsidiary of Saint-Gobain, offers a service to collect used ceramics, which are recycled as much as possible.

2.2.2 A PORTFOLIO OF COMPLEMENTARY BRANDS

A – Brands intended for regional clients

Strong brands and competitive positions

Main brands	Positioning
SAINT-GOBAIN SAINT-GOBAIN GLASS	Effective and sustainable solutions for more comfortable, safer living places.
placo, gyproc, British Gypsum (SAINT-GOBAIN)	Gypsum-based products and systems for interior solutions.
isover SAINT-GOBAIN	Thermal, acoustic and fire-retardant insulation solutions.
weber SAINT-GOBAIN	Solutions for construction chemicals, including mortars, solutions for façades and external thermal insulation, tile adhesive solutions, floor preparation and flooring solutions, sealing solutions.
ecophon SAINT-GOBAIN eurocoustic SAINT-GOBAIN	Multi-material acoustic solutions such as ceiling tiles, islands, wall panels, fabrics and coatings.
glassolutions SAINT-GOBAIN	Processing and distribution of effective glass solutions for residential and non-residential sector construction.
vetrotech SAINT-GOBAIN	Fire-resistant and high-security glazed solutions for building and marine applications.
SageGlass SAINT-GOBAIN	Smart tintable glass solutions.
PAM SAINT-GOBAIN	Full pipe system solutions for water supply, sewage and industrial systems.
France	
POINT.P VOTRE RÉUSSITE COMMENCE ICI	Distributor specializing in building materials and construction products distributor.
CEDEO SANITAIRE | CHAUFFAGE | PLOMBERIE	Distributor specializing in plumbing, heating, sanitaryware.
PUM	Distributor specializing in water, energy and telecommunication networks.
LA PLATEFORME DU BATIMENT GAGNEZ DU TEMPS ET DE L'ARGENT	Distributor for urban renovation professionals.
SFIC	Distributor of technical solutions and services for partitions, ceilings, waterproofing and insulation of buildings.
asturienne Pas de toit sans nous	Distributor specializing in roof solutions, leader on the French distribution market for roof windows and non-ferrous metals.
DISPANO BOIS PANNEAUX MENUISERIES	Distributor specializing in timber and byproducts for new construction and renovation markets.
North America	
certainteed SAINT-GOBAIN	Solutions for building exteriors and interiors: roofs, siding, fences, decks, trims, insulation, partitions and ceilings.
KAYCAN SAINT-GOBAIN	Solutions of siding systems for new construction and renovation markets.
Brazil	
telhanorte	Distributor to professionals and private individuals of home improvement products and services.

Brazil and Europe	
Alterna	International distributor specializing in sanitaryware and kitchens.
Spain	
Distriplac	Specialist retailer of interior solutions and insulation.
Europe	
Altech	International distributor specializing in plumbing, heating and ventilation products.
NOVIPRO	International distributor of tools, PPE, construction chemicals and site equipment.
Europe (excluding France)	
ULTIPRO	International distributor specializing in heavy building materials, roofing, interior solutions.
Nordic countries (Denmark, Finland, Norway, Sweden)	
DAHL	Distributor specializing in plumbing, sanitaryware, heating, ventilation, civil engineering, industry, and cooling products.
OPTIMERA	Distributor specializing in construction materials for professionals and private individuals.
BEVEGO	Distributor specializing in steel, insulation and ventilation.
Switzerland	
SANITAS TROESCH	Distributor specializing in bathrooms and kitchens, for professionals and individuals.

Competitive positions [(1)]

- Glazing: number 1 in Europe, number 2 worldwide (excluding China);
- Plaster and plasterboard: number 2 worldwide (excluding China);
- Insulation (all types of insulation products): number 2 worldwide, world leader in mineral wool and number 1 worldwide in glass wool;
- Roofing: number 3 in the United States;
- Vinyl siding: number 2 in the United States;
- World leader in mortars, number 2 in mortars and construction chemicals;
- Decorative and acoustic ceilings: number 3 worldwide;
- A global player in ductile cast iron pipe systems;
- Number 1 in Europe in professional construction materials distribution;
- A major player in the plumbing-heating-sanitaryware market.

Main competitors [(1)]

- NSG (worldwide)
- AGC Corporation (worldwide)
- Guardian (United States)
- Sisecam (Europe)
- Various Chinese glass manufacturers
- Armstrong (worldwide)
- CNBM (worldwide)
- Johns Manville (China, United States, Europe)
- Kingspan (worldwide)
- Knauf (worldwide)
- Etex (worldwide)
- Technonicol (Europe)
- Rockwool (worldwide)
- Owens Corning (worldwide)
- GAF (United States)
- Cardinal (North America)
- Ply Gem (North America)
- Sto (worldwide)
- Ardex (worldwide)
- Mapei (worldwide)
- Sika (worldwide)
- Duktus-VonRoll (Europe)
- Electrosteel (worldwide)
- XinXing (worldwide)
- Jindal (worldwide)
- Ahlsell (Scandinavia)
- Chausson, Herige, Samse (France)
- Stark Group (Germany, Austria, Scandinavia)
- CG Gruppe (France, Poland, Netherlands, Norway)
- Holcim (United States and Europe)

(1) *Internal sources.*

B – Brands intended for global clients

Portfolio of brands and business expertise

Main brands	Positioning
SAINT-GOBAIN	The Saint-Gobain brand is used by many activities serving global customers, such as silicon carbide-based ceramic parts (e.g. consumables for industrial furnaces); refractory products for metallurgy and foundry; ceramic catalyst substrates; ceramic composites (e.g. based on quartz filaments); abrasive grains and specialty and polishing powders; or ceramic coatings.
SEKURIT GLAZING IN MOTION	Innovative glazing systems for the automotive sector.
SEKURIT service	Saint-Gobain Sekurit Service: distribution of replacement glazing and related products for businesses in the automotive after-sales market.
GLASSDRIVE	European network of fixed and mobile assembly stations for automotive glazing repair, fitting and replacement.
FRANCE PARE-BRISE	French network of specialist automotive glazing repair, fitting and replacement franchise operators.
NORGLIDE	Bearings, in particular for the automotive market.
ADFORS SAINT-GOBAIN	Reinforcement and covering solutions comprising a broad range of technical fabrics for construction (insect screens, reinforcement grids and mesh, joint tapes, wall coverings), industry (glass fiber mat and mesh fabrics) and infrastructure (geogrids for the reinforcement of asphalt surfaces) markets.
Vetrotex	Glass fiber reinforcement solutions for use in industrial and construction markets.
HKO TRUST THE EXPERTS	Technical fabric solutions for high-temperature thermal insulation and protection against fire and heat for the industry and automotive markets.
CHRYSO SAINT-GOBAIN	Solutions in construction chemicals.
gcp	Solutions in construction chemicals: cement additives, concrete admixtures and other specialty building materials such as fireproofing, waterproofing and specialty grouts.
NORTON SAINT-GOBAIN	Abrasive solutions for all markets, materials and applications.
NORTON clipper	Light construction machinery, diamond tools and abrasives for building and construction.
NORTON WINTER	Diamond and cubic boron nitride tools for all precision grinding applications.
flexovit	Abrasives for industrial applications.
TEK BOND SAINT-GOBAIN / ONE BOND SAINT-GOBAIN	Adhesives and sealants for domestic and industrial use.
NORSEAL	Gasketing foam tapes to protect against environmental and mechanical influences.
NORBOND	Foam bonding tapes with adhesives for bonding applications.
NORGARD	Special films offering a perfect combination of thermal, chemical and electrical performance to protect surfaces.
Solar Gard SAINT-GOBAIN	Window films for automotive and architectural glass solar control, privacy and safety, as well as paint and surface protection products.

SEFPRO It's a matter of trust.	Refractory solutions for glass furnaces.
ZirPro	Ceramic beads for milling, ceramic beads and grains for blasting, zirconium oxide powders and chemicals for the EV, 5G, new energies, automotive, aerospace, and surface treatment industries.
Valoref	Waste management services for refractories and technical ceramics.

Competitive positions [(2)]

Saint-Gobain's competitive positions are estimated as follows:

- leader in refractory products for the glass industry, zirconia beads and powders, specialty abrasive grains, quartz filaments, catalyst substrates, silicon carbide consumables for industrial furnaces, ceramic coatings;
- leader for automotive glazing;
- number 1 worldwide for bearings for automotive applications;
- leader for single-use tubes for the pharmaceutical industry;
- number 1 worldwide for glass fiber wall coverings.

Main competitors [(2)]

- Imerys
- Coorstek
- Cumi Ceramics
- Shunk
- Morgan
- RHI Magnesita and Vesuvius
- Fujimi
- 3M
- Noritake
- Tyrolit
- Husqvarna
- Bosch
- Trelleborg
- NSG
- AGC Corporation
- Valmiera
- Fuyao
- Sika

(2) *Internal sources.*

2.2.3 AN AGILE AND EFFICIENT STRUCTURE

A – A Group organized by country according to its clients

Since 2019, Saint-Gobain has been organized according to its clients and therefore by geographical regions for its regional businesses, and by global Business Units within its High Performance Solutions division, with a view to **improving agility and remaining as close as possible to its client base**. Based on the “Transform & Grow” plan, the **Group’s corporate governance mode**l, which is as close as possible to its markets, is part of a resolutely “multi-national” approach. The new organization has enabled a **profound culture change**, highlighting the **empowerment of teams**, their **performance**, and the satisfaction of client needs, and granting a high degree of **decision-making autonomy** at local level.

Saint-Gobain’s organization and culture are therefore profoundly transformed, with a **simplified structure** (one boss principle) and 90% of CEOs native to the region in which they operate. The new rules for executive compensation (bonus entirely linked to the performance of the country or market) are aligned with performance: priority given to cash generation, ROCE, EBITDA and ESG impact (on greenhouse gas emissions, diversity and safety). In full control of the Group’s development in their market, they also aim to shape the evolution of local construction ecosystems.

B – A Group that leverages its global dimension

At the global level, the strength of an international group makes it possible to **build a pool of expertise to support its local activities**. First of all, this involves the widespread **sharing of best practices**. The **sharing of knowledge and expertise**, essential to promote synergies, is facilitated by meetings between innovation and marketing professionals, and has materialized with the creation of the “Hive” community. Evidence also of this dynamic is the roll-out globally via the "Unicampus" program, of a training offer that includes courses on the principal central offices (marketing, industrial performance, sustainable development, research and development, purchasing, etc.) combining theory, practice and experience sharing.

This approach also involves **setting up cross-business platforms** at Group level. It also involves the **deployment of shared service centers** in areas such as human resources or the finance function. Saint-Gobain’s global dimension also allows us to test numerous innovative business models in different contexts and promote the exchange of best practices between countries.

This clearly **differentiates Saint-Gobain from its competitors**: in addition to its in-depth knowledge of local markets, the Group sets itself apart from local competitors through its **capacity for innovation and the operational excellence** provided by its cross-functional organization at global level. Through the richness of its offering and its ability to offer complete solutions adapted to each client segment, Saint-Gobain stands out from its local and international competitors.

Saint-Gobain’s new organization, in general, encourages **synergies in support functions**: with unique client services, shared online stores and common logistics, sales forces can work more efficiently and devote more time to cross-selling and upselling. It has also led to **changes in sales organizations, in particular to develop cross-selling**. The search for synergies is an essential condition for the Group to be a solution provider (see section 1.4.7, p. 46-47). On the other hand, the objective is to offer clients combined offers and to make the Group a one-stop shop for a given application. Using these synergies, **Saint-Gobain improves the client experience** by offering complete building systems along with exclusive related services. The client only has to place a single order to receive all of the products at the worksite, while a Saint-Gobain team also ensures smooth progress of work on site.

Finally, synergies are also generated through the **spreading a culture of innovation** (see section 1.4.3, p. 39) developing dynamic project management methods and placing the client at the heart of the approach. This culture has historically been expressed in different ways within Saint-Gobain:

- The Group’s industrial business lines can thus benefit from the experience of retailers in terms of digitizing their product and service offering for clients;
- The regional businesses, in the construction markets, are increasingly developing a co-development approach, a model that is in the DNA of the High Performance Solutions businesses. They thus benefit from the experiences already existing within Saint-Gobain.

2.3 A RESPONSIBLE AND EFFICIENT GROUP

While it is one of the oldest companies, Saint-Gobain is also one of the fastest-changing companies in recent years. Rather than thinking in terms of obstacles and steps, it is about developing a model that can adapt continuously, in the context of a world that has become fundamentally unstable. During this transformation, Saint-Gobain relied on its values to act responsibly in its interactions with its stakeholders.

2.3.1 ETHICS AND COMPLIANCE

As part of its strategy to create sustainable growth, Saint-Gobain is committed to the ethical values shared in the Principles of Conduct and Action, its code of ethics.

The Principles of Conduct and Action apply to all Group entities and employees, across all employment contract types (permanent contracts, fixed-term contracts and temporary workers) and all functions.

This code of ethics sets out the framework for the Group's collaboration with all its stakeholders, employees, customers, shareholders, suppliers or local communities, and is based on local and international regulations as well as international standards and conventions relating to responsible conduct.

A – Applying Saint-Gobain's Principles of Conduct and Action

The Principles of Conduct and Action are the foundation of all Saint-Gobain policies and commitments (see section 1.1.3, p. 17) specifically compliance policies, the human rights policy, the environmental, health and safety charter, "buyer" and "supplier" charters of the responsible purchasing program.

This code of ethics is translated into 31 languages and is available on the Group's website for wide distribution to external as well as internal stakeholders. During the recruitment process or at the time of onboarding, it is communicated to each new employee, including those with fixed-term contracts and temporary workers, in the language of the country. This may take various forms, depending on the country:

- A welcome brochure with comments from the Human Resources representative or the manager;
- The code of ethics directly incorporated into the employment contract or the letter of commitment.

An e-learning course called "Adhere" is available for all employees and is compulsory for all new managers and has to be repeated every 2 years. The Saint-Gobain University Management School offers an introduction to business ethics to allow managers to discuss issues and share their operational experiences.

The Group has set for itself the goal of training each new manager, within the first year of integration, to the code of ethics, the fight against corruption and compliance with competition law ("Adhere", ACT and Comply). This objective is included in the CSR dashboard monitored by the Board of Directors (see section 4.2.1, p. 152).

In 2023, the Group celebrated 20 years of the Principles of Conduct and Action, through local events, video testimonials from employees and managers. In addition, nine "PCA Live" events intended to highlight the actions of the Group and its employees were broadcast throughout 2023. On 18 April, employees were able to celebrate these 20 years by sharing a birthday cake, through practical workshops, games or debates. A video by Benoit Bazin, the Group's Chief Executive Officer, was also distributed to all employees to reaffirm the Group's commitment to its values, in particular health and safety, the fight against global warming and also the fight against corruption.

B – Deploying the ethics and compliance programs

The ethics and compliance program is based on a network of professionals working centrally and in the regions or activities, which meets monthly to discuss internal policies and procedures, training, an alert system, audits, digital tools and appropriate reporting.

a. Commitment of the management bodies

In ethics and compliance, the Board of Directors exercises control over general management and ensures that the ethics and compliance program is properly implemented. An report is submitted to the Audit and Risk Committee every year.

General Management promotes and disseminates the culture of ethics and compliance, demonstrating its commitment through the following actions:

- Considering ethics and compliance issues in projects or strategic decisions: the Executive Committee is informed once a month about ethical and compliance issues;
- Implementing the ethics and compliance program with the support of the Ethics and Compliance Department;
- Communicating its support for the ethics and compliance program as a whole, and more specifically this year its commitment to the Group's code of ethics on the 20th anniversary of the Principles of Conduct and Action.

b. Ethics and Compliance Department

Its mission is to promote and defend the Principles of Conduct and Action and to design and implement the Group's ethics and compliance program in the areas of competition law, the fight against corruption and influence peddling, economic sanctions and export controls, data protection, the duty of care and human rights. It identifies and assesses risks, informs the Directors and proposes policies, procedures and programs to mitigate these risks and conducts internal whistle-blowing investigations. Finally, it develops and provides training and communication for the programs.

The department consists of the central ethics and compliance team, which relies on a network of ethics and compliance managers in the regions and activities who are responsible for ensuring that the programs within their scope are adapted to local regulations and are deployed effectively.

C – Main ethics and compliance policies

a. The fight against corruption and influence peddling

Since 2003, Saint-Gobain has expressed its commitment to the fight against corruption by signing the United Nations Global Compact, the 10th principle of which calls on companies to take action against corruption. A program is in place to prevent and detect corruption risk and influence peddling, including a commitment from executives and a strict prohibition of corruption.

In particular, this program is based on:

- a mapping of the risks of corruption and influence peddling;
- a policy and procedures;
- a digital register of employee declarations regarding gifts and invitations (given or received), donations, patronage, sponsorship and conflicts of interest;
- training, in particular digital training known as “ACT”, which is followed by all managers;
- audits conducted internally or by external service providers;
- a whistle-blowing system open to all Group employees and all other stakeholders;
- disciplinary action for breaches.

b. Competition law

Saint-Gobain has put in place a competition law compliance program based on:

- a policy, “The ins and outs of competition law”, and procedures and practical data sheets, especially regarding membership with professional associations, which is now declared in a dedicated digital tool;
- an e-learning training course called “Comply” is first given to all managers during onboarding and then repeated regularly; in-person training is regularly organized as well as practical workshops;
- audits conducted by external service providers (see section 6.2.2, p. 262).

c. Economic sanctions and export control

Saint-Gobain has implemented a program for compliance with economic sanctions and export controls. It is based on:

- a Group trade compliance policy and detailed procedures;
- a network of people in charge, deployed at the relevant level of the regional activities, the Business Units, or the country;
- a verification tool (screening sanctions) of third parties and country files to identify risks and apply due diligence;
- managers exposed to these issues undergo e-learning training; in-person training is provided by members of the dedicated network;
- “sanctions and export control” audits conducted by external service providers on Group entities previously identified by the central team.

d. Personal data protection

Saint-Gobain pays particular attention to personal data protection. The Group policy on this subject is available on its website. The purpose of this policy is to set out data collection, use, communication and confidentiality conditions.

As Saint-Gobain’s activities are highly decentralized, the data protection governance aims to support the entities by taking into account their needs and the local context in which they operate. Within the European Union, each Group entity must appoint a Privacy Correspondent who manages the compliance of activities with the support of a Privacy Advisor and in close collaboration with the business lines (IT, digital technology, marketing, human resources, etc.). This network is led by a central team (Data Protection Central Team), led by the Group Data Protection Officer. It is composed of 40 Privacy Advisors approximately (lawyers or auditors) and about 400 Privacy Correspondents (operational profiles).

Outside the European Union, the Legal Departments also take these issues into account. Each entity must appoint an employee who will be the point of contact dedicated to personal data protection issues. Saint-Gobain encourages the application of key principles of personal data protection, regardless of the location of the entity. As such, in the main countries concerned, these principles provide protection beyond the local regulations in force.

Communication actions are implemented with the Data Protection Network and support functions (human resources, IT, etc.). Practical guides and procedures are made available to them. Training is given, in particular through an e-learning course called “Data Protection by Saint-Gobain”.

Saint-Gobain continues to roll out a data protection management platform in its European entities, and also in other regions. This platform facilitates the governance of personal data protection, notably by keeping records of processing activities, assessing the guarantees presented by service providers in terms of data protection, carrying out related Data Protection Impact Analysis (DPIAs), the management of incidents involving personal data, etc. Training in the use of this platform is regularly offered to Privacy Correspondents and to Privacy Advisors.

e. Taxation

Saint-Gobain acts in compliance with the tax laws of the countries in which it operates and fulfills its tax reporting and payment obligations in time. The Group has therefore not established structures whose purpose is tax evasion. It applies tax laws and regulations with honesty and integrity. Its intragroup transactions comply with the arm's-length principle.

Even if the new rules related to the reform of the international tax system initiated by the OECD have not yet all been defined, Saint-Gobain does not anticipate any significant change in its income tax expense since it is correlated with its locations and therefore with the creation of the value.

2.3.2 COMMITTED EMPLOYEES

A – Deploying an engaged HR policy

Saint-Gobain's Human Resources (HR) policy ensures the provision of an environment that is conducive to the employee's professional and personal growth and balances job-related performance with their well-being. This policy requires a compulsory buy-in from all employees for the Group's values as expressed in its code of ethics, the Principles of Conduct and Action. Saint-Gobain's human resources policy must allow for rapid adaptation of the organization and, in particular, careful management of changes in skills requirements, support for employees in the face of major transformations, as well as attraction and retention of talent.

To do this, it incorporates two dimensions:

- Global coordination tasked with defining a common framework for all Group employees, incorporating ethical values, respect for human rights, the deployment of managerial principles based on trust, empowerment and collaboration, and the offering of training programs to better handle major cultural and market transformations, the establishment of ambitious and demanding health and safety objectives, social protection, diversity or any other subject that brings about decent working conditions for all;
- Local implementation, by the HR teams in charge of social dialog, wage policy, local adaptation and the implementation of action plans to achieve Saint-Gobain's objectives.

The Human Resources Committee meets every month under the chairmanship of the Executive Vice President in charge of Human Resources and Corporate Social Responsibility. It brings together the Directors of the HR support functions, in particular the Director of Social Affairs and the Director of Group Talent and Executive Career Management, the main Directors of Human Resources of the regions and the Human Resources Director of the HPS (High Performance Solutions) entity. Regular monitoring of local and global action plans and analysis of key HR indicators are carried out.

Each country implements Saint-Gobain's policies and major commitments (health, safety, diversity, etc.) by adapting the action plans, stages of attainment and tools to the specific features and culture of its region without compromising on the expected performance level. HR policies are disseminated by the global HR network. The local teams have guides to support their deployment, and special training sessions are organized by the HR Academy. Practical guides and training provided by the global support teams are available for the following topics in particular: social dialog, diversity, compensation and benefits, talent management, recruitment and integration, and mobility.

In addition, when companies are acquired, coordination takes place in order to align the HR policies of the new entities with the Group's principles. Newly integrated entities are monitored centrally to ensure that the policies applied correspond to those disseminated by the Group and applied within the network.

In addition to the operational HR performance indicators (see section 4.2.2.B, p. 158), the success of this policy and the quality of social dialog are measured each year in a survey of all employees. The proportion of employees responding to the survey, their satisfaction with working conditions, and their confidence in both the strategy and its implementation, are signs of a strong commitment that reinforces the Group's choice of a balance between local and global dimensions. For the past year, the number of employees who responded to the survey was 126,470, representing nearly 87% of the Group's workforce.

Saint-Gobain also submits its human resources practices each year to the Top Employers Institute, an independent organization that evaluates human resources and ethical performance on the basis of an evaluation questionnaire followed by audits of practices. This is the 9th year in a row that the Group has been ranked among the 15 companies recognized worldwide. Saint-Gobain is also recognized as a Top Employer locally in 40 countries, corresponding to more than 89% of employees.

B – Building a culture of trust, responsibility and collaboration

Saint-Gobain's new organization, aiming to empower countries and at local level, **entails building trust**, as a condition for **effective delegation of authority** and fostering cross-functional collaboration between all the Group's functions and business lines at global level.

The TEC (Trust, Empowerment, Collaboration) approach, which concerns **all Group employees**, applies to **behavioral, organizational and cultural aspects** of life at Saint-Gobain: **trust, empowerment** and **collaboration** lie at the heart of Saint-Gobain's transformation and growth model. This implies promoting reciprocity and environmentally friendly collaborative behavior, which must free up individual energies within its teams, which contribute to the development of collective intelligence.

TEC represents a **significant change in corporate culture within the Group, which primarily concerns managerial culture**: the aim is to **establish, by default, the principle of trust** and thus move from a vertical, traditional structure, to an **open, learning organization, leaving the freedom of act at local management level** in the 75 countries where Saint-Gobain operates. It also responds to the underlying trends affecting the world in which the Group operates, and in particular to the disintermediation brought about by new technologies, which makes managerial methods obsolete and promotes profound changes in the relationship between individuals and work. Successive lockdowns, the advent of remote working and the adaptation of working conditions at production sites have required employees to increase their autonomy. The evolution of work patterns has called for greater flexibility and adaptation. In this regard, the Covid-19 crisis served as a launching ramp to reshape the rules of management and interpersonal relations. In this sense, the TEC approach represents a way of aligning Saint-Gobain's strategy with changes in the lifestyles and expectations of its various stakeholders (see section 1.1.3, p. 16), as well as a way of enhancing its brand as an employer.

The TEC culture also helps make the **innovation process more efficient**, and also **helps to align it with client needs** by removing barriers between countries, business lines (solutions for construction and solutions for industry) and functions (for example, researchers, marketing specialists and technicians).

To **implement this approach on the ground**, the Group is relying increasingly on its training program (see section 2.3.2.C b, p. 81), as well as on approaches such as collective and individual coaching, made accessible to a greater number of employees, or even the gradual roll-out of 360° assessments, which are accessible to all employees and were made routine in 2022 by the entire "top 150" of the organization. Giving and receiving feedback is also encouraged, so as to strengthen collaboration and trust, at Group level (for example via the annual me@Saint-Gobain survey), at individual level (by developing the capacity to ask for feedback and to provide it), in project management (for example via the Evolve collaborative platform) and at individual level (by developing the ability to request feedback and receive it).

Among the initiatives put in place to promote the spread of the TEC culture throughout Saint-Gobain, two programs are deployed via the "Unicampus" program, combining courses and collaborative activities. The first is the virtual training session entitled "Become a Saint-Gobain culture champion to serve strategy", accessible to all Group employees, and highly recommended for new recruits. The second, called "Grow your Impact as a TEC leader", is a workshop specifically dedicated to managers in charge of teams.

A toolkit for managers and their teams is available to those who wish to work on these topics as a team. It includes content, articles, videos and books to study the notions of Trust, Empowerment and Collaboration in depth. For the third year in a row, the annual me@saint-gobain survey (see section 3.5.3.D, p. 136) contains a TEC index composed of 10 questions, which is used to measure progress on a collective basis. In 2023, this TEC index stands at 84%. 80% of Group employees feel involved in setting their objectives, 80% have confidence in management and 87% recognize that their manager promotes teamwork and collaboration.

Each manager can therefore measure the TEC index for their scope and draw up an improvement plan with their teams.

C – Developing human capital: recruiting, training and growing talent

Recruitment

Saint-Gobain's development depends first and foremost on the **quality and expertise of the men and women who make up the Group**. This is reflected first and foremost by **the attention paid to recruitment**, aiming to **recruit the best talents in all specialties**, including engineers, digital & data scientists, sales and marketing staff, product managers, supply chain and sustainable development specialists. Beyond the recruitment process and the attention paid to its brand as an employer, it is **Saint-Gobain's collective ability to train, nurture and constantly develop these talents** that will enable it to stand out. With digital technology and refined data processing, career paths can be more easily individualized and the HR support policy customized (see section 2.3.2.C, p. 81).

b. Training

Training provided by Saint-Gobain must guarantee the employability and success of all employees throughout their working lives. The objective is to facilitate access to training through processes and offers that correspond to their needs and expectations.

Training is part of the Group's major transformations as it provides support for employees and availability for the skills necessary for the success of operational teams.

Particular emphasis is placed on the skills that are the most critical for the future of the Group and that will therefore strengthen the employability of employees in the medium and long term.

The training policy is structured as follows:

- To support cultural transformation and leadership based on trust, empowerment and collaboration, in order to acquire greater operational agility and to promote new ways of working, offering greater efficiency and flexibility. This includes managerial training and talent development;
- Accelerate the digital transformation in operations, business models and skills;
- Foster growth and focus on clients: sales and marketing performance, product innovation, services and business models;
- Ensure efficiency and operational excellence: industrial performance, purchasing and supply chain, EHS, and R&D;
- Deploy mandatory training (compliance, ethics, cybersecurity, etc.) and programs dedicated to Saint-Gobain's major professional sectors (finance, HR, purchasing, marketing, etc.).

All programs are in digital or hybrid format (in-person and digital) and the majority of in-person programs are regional in order to maximize inclusion for all our employees wherever they are in the world, and to reduce the number of trips and minimize our CO_2 emissions and carbon footprint. The only global in-person programs are reserved for employees identified as having high potential.

The annual employee satisfaction survey measures the perceived adequacy of the training offered with the needs for improving skills, the ease of access to the training offer and the personal feeling of being properly trained.

The level of satisfaction measured in 2023 was strong and improved compared with 2022:

- 90% of employees confirm that they are satisfied with their training ("I feel adequately trained to do my work") (2022: 90%);
- 81% of employees are satisfied with the training and development proposals ("I have opportunities for learning and development within my company") (2022: 80%);
- 88% of employees believe they have improved their knowledge and skills ("I feel I have improved my skills and abilities") (2022: 88%).

The "Unicampus" programs continued to be updated and enhanced to accelerate skills development in relation to the pillars of the "Grow & Impact" strategic program. Training programs on innovation, agile methodologies, Dthe digital & data analytics, and sustainability are now available as well as programs related to the TEC culture, such as "Grow your Impact as a TEC Leader" and "Become a Saint-Gobain Culture Champion to Serve Strategy".

The "Climate Academy" to introduce all employees to the challenges of the ongoing climate emergency, supplemented by the climate fresk, in which nearly 34,000 employees have participated. Available on the e-learning platform, short Climate Academy modules present both the risks related to climate change and the actions that everyone can take to deal with this challenge. For the climate fresk, the Group now has 1,300 internal facilitators.

A new cybersecurity training was launched and 89,712 people were trained in 2023.

With regard to training for the sectors (finance, purchasing, communication, HR, etc.), 30 new e-learning courses have been launched, including a program on Saint-Gobain's corporate purpose "making the world a better home", a program on Inclusive Management, and several programs on management control and finance for buyers.

New leadership

The "Talent Lab" programs are continually reviewed in order to best match the skills required to support and maintain the Group's strategy. They have been redesigned to help participants build trust, empowerment and collaboration in their teams as well as their transformational leadership skills, essential to the Group's sustainable growth. These programs also favor the attraction and retention of talents.

A new "Welcome on Board" orientation program has been created for senior managers joining the Group. It quickly imparts knowledge of the Group as a way of improving integration, and is an opportunity to meet the Group's senior executives. The Meet the Group orientation program for middle and more junior managers is handled by the regions.

In 2023, 601 of the Group's talents, 33% of whom were women, took part in one of the Talent Lab programs.

Deployment of a new 360-evaluation tool with debriefing and coaching is ongoing, allowing managers to be assessed on their TEC behavior. This tool is available to all managers and used in the Talent Lab programs. In addition, the Group's 150 top executives underwent this assessment in 2022.

To supplement these programs for talents, digital tools and training programs specific to this new managerial culture have been rolled out at Group and country level for all managers.

Digital transformation

In 2020, the support programs for teams and employees were reviewed and reorganized according to Saint-Gobain's targets and transformation objectives:

- Supporting people to better understand new digital tools and improve efficiency. As part of this, a new "PowerBI" program was created and deployed;
- The development of tools in operations, in particular the integration of new tools;
- Digital culture, including the "Data Analytics Academy" program launched to develop and anchor the skills required for data processing and their use in operations, logistics and commercial activities. New data analytics programs have been launched to raise awareness among managers and for the Supply Chain function;
- The new Business Models and anticipation of new technologies.

Growth and client focus

The "Unicampus" program continues to improve the sharing and circulation of knowledge and know-how throughout the organization. This program uses the camps format to provide training mostly involving the sharing of practices, with a minority component of theoretical conceptualization. This format promotes collaboration, networking and interactive learning methods. It enables the dissemination of a shared culture of operational excellence focused on client needs and expectations. Thus, training sessions are mainly focused on marketing, sales and service offering to clients (innovation and offers, Sales and Marketing performance, Client Experience, digital marketing, sustainable construction, etc.) as well as innovation and research and development.

The "Unicampus" program quickly went virtual. More than 106 sessions during the e-camps were held in 2023, involving more than 1300 people.

Operational excellence

The "Unicampus" program also offers many trainings about management of technical skills related to the Group's business lines (Gypsum, Insulation, Mortars, etc.) and to industrial excellence (WCM, supply chain...). The "people development" pillar of the WCM program (see this chapter, section 2.3.3.A, p. 84) helps to identify and monitor key skills.

Training programs organized by technical business line ensure the management and updating of the skills required to offer the clients high-performance, competitive and innovative products and services. These programs are generally developed and implemented by training teams organized by business line: glass, gypsum, insulation, mortars, pipe, etc. The Glass Technical Academy thus incorporated all glass manufacturing training, and also technical glass transformation training for construction and automobile applications. Designed and delivered by around 70 experts, the training sessions provide in-depth technical content, practical exercises and site visits. This constitution of a center of excellence around the businesses enables the transfer of knowledge, sharing of best practices and the alignment of methods within the business lines.

Similarly to manufacturing, training programs are set up for the specific distribution business lines in countries where the Group has sales outlets.

In addition, new programs related to product compliance and the supply chain were launched in 2021.

Offering solutions tailored to individual expectations

Programs are designed and implemented to promote adaptation to individual preferences. Combining classroom training, blended training, e-learning modules or camps, they enable the dissemination of the Group's policies and processes and the sharing of best practices. Saint-Gobain University also offers individual development programs such as coaching and mentoring.

c. Employee development

Saint-Gobain's ambition is to grow the skills and know-how of its employees while still ensuring excellence in each of its businesses, but also to be an employer of reference, recognized for the richness of the career paths offered. It involves taking into account individual wishes and the requirements of the organization, offering adapted developing paths, whether individual or collective, specific to one business line or cross-functional. Establishing the TEC culture (Trust, Empowerment, Collaboration) is an important catalyst for the success of employee development.

Listening to employees individually

More individually, Saint-Gobain has introduced an annual interview procedure which makes it possible to ensure the regularity and quality of dialog with employees. Individual interviews are held at least once a year for management and are gradually being expanded to all employees.

Multiple initiatives (trainings, "Evolve" platform, etc.) have been developed to increase feedback practice in the managerial or project management framework.

Finally, the Group has developed, with the help of partners, a 360-degree assessment tool. This tool is available on request to any manager and mandatory before participation in any Talent Lab training courses (Group internal offering of leadership development training courses).

Mobility

Every Saint-Gobain employee, no matter what their position in the company, should benefit from career enrichment. Their career path must be a positive marker, so they can feel they are ambassadors for the Group. Promoting and enriching employees' professional mobility, whether geographic, functional or between Saint-Gobain activities, is a priority for accelerating the Group's growth:

- It is an essential way of attracting diversity, innovating, developing the individual and collective skills needed for the organizational and technological requirements of the Group's activities;
- This also enables the sharing of market and client knowledge, the comparison of different experiences, the development of an open mindset and the enrichment of employees' careers;
- Mobility should reconcile employees' professional development with the business's needs. Offering more career development opportunities builds employee loyalty and intensifies synergies, generating new solutions for clients.

The system deployed by Saint-Gobain to support mobility is based on broad communication of the policy and related actions, including a guide to support HR teams. Global reporting is used to monitor the mobility of managers through an HR Information System dedicated to them.

All employees are invited to consult the job offers that are made and to apply for them. The new online platform "Moov!" (replacing OpenJob) was developed and deployed in countries to meet this need. This platform is accessible on mobile devices for all employees.

In various Saint-Gobain entities, mobility committees bring together Human Resources managers to share job offers and exchange points of view about employees' development prospects. These mobility committees cover all employees and are reinforced for managers. The management teams also encourage employee mobility and include applications from employees from other activities in their succession plans.

In the event of geographic mobility, the Group offers all employees support for themselves and their families. Finally, within the scope of reorganization projects, Saint-Gobain favors the conclusion of mobility agreements.

"SG Talents" program

The "Talent" element of the OPEN program is aimed at all employees to anticipate the Group's needs and support its strategy. It is the subject of a specific annual progress update meeting with the members of the Executive Committee.

The "SG Talents" program identifies managers with significant development potential or key skills. Defined at all levels and in all Group business lines, it enables career plans to be drawn up, encouraging diversified paths. Personal reviews and succession plans, mentoring and relations with the Group's target schools and universities all feed into and reinforce this measure. A specific program has also been designed to support and develop experts within the Group.

As part of the drive to digitize human resources processes, a project using machine learning applied to the "SG Talents" program has been developed. In the first phase, the use of Big Data made it possible to verify that the selection of talents was adapted to the defined criteria and that the paths of the identified talents benefited from additional resources (part of mobility, training, etc.). The second phase is more focused on complementary elements to the program: the search for talent not identified by the traditional process, improving retention or a focus on soft skills research.

Career paths offered to its employees are an asset that Saint-Gobain continues to advertise to students and young graduates to attract the most appropriate talent. In 2022, the Group rolled out its new employer brand promise, notably through its communication: "Innovate for a more sustainable world. Think big, act locally. Bring out the best of your personality. Develop your career through shared trust."

Specific programs for young talent coordinated at the local level are being developed in Germany, Brazil, the United States, India, China and the Nordic countries.

The implementation of the "Transform & Grow" program required a large review of management positions at central and local level. The principles applied in the "Talents" component of the OPEN program identified managers with the most suitable profiles and organized their mobility in a way that has proven to be particularly active.

After the year 2021 that saw the consolidation of the country/cluster organizations (despite the constraints related to Covid-19 and its successive variants), the Group returned to the manager mobility level of previous years.

The definition of "Grow & Impact", the Group's new Strategic Plan (2021–2025), has identified as one of its six priorities, "to have the best teams in a diverse and inclusive work environment".

The definition of the Group's corporate purpose, like the definition of its "zero-carbon" roadmap, is a force of attraction for young talents, who are particularly demanding with regard to the sustainable dimension of Saint-Gobain's activities. They both constitute one of the foundations of the Group's employer promise.

2.3.3 OPERATIONAL AND INDUSTRIAL EXCELLENCE PROGRAM

While the sites are directly managed by country organizations, central coordination is ensured to deploy best practices, accelerate the implementation of technical innovation and optimize the performance of the sites. The Technology and Industrial Performance Department coordinates the operational excellence programs.

A – WCM program

Saint-Gobain's World Class Manufacturing (WCM) program combines standardization of methods, tools and best practices with the modularity required to adapt to a wide variety of industrial processes and site sizes. It is based on continuous performance improvement methods such as Lean, Six Sigma, TPM (Total Productive Maintenance), or 5S. This program defines the logic, the objective of rigor, and the actions to achieve continuous improvements in terms of quality, performance and sustainability by integrating a high level of service and client satisfaction.

The WCM program is based on certification procedures such as ISO 9001 for quality, ISO 14001 and 50001 for the environment, ILO OSH 2001 and ISO 45001 for health and safety. Its management, the monitoring of its execution and the improvement of the performance of the sites are managed across the businesses in coordination with the departments of the sites.

The deployment of the WCM program at a site is adapted to its priorities, size, strengths and weaknesses and its objectives in terms of financial and environmental performance, quality and client satisfaction. Thus, each site establishes its own roadmap, in accordance with international guidelines, standards specific to its business line, the expectations of its clients and the improvement objectives set. A WCM network of expertise has been set up to enable better dissemination of the program, the optimization of resources by country, region or business line, as well as the sharing of expertise on each of the program pillars. A central team heads up the WCM network, trains the teams, creates and applies the program standards, circulates the tools and provides site-specific assistance on request.

Saint-Gobain's WCM program is based on eight pillars, each one representing an area of excellence.

The foundations of the program define the methods and tools:

- Analyzing losses to determine a prioritization of actions;
- Resolving problems with logic, rigor and precision for lasting improvement;
- Involving and engaging employees in a proactive approach;
- Improving standards to make progress easier to deploy and more robust over time.

Achieving industrial excellence is a demanding process that requires gradual, methodical and constant implementation. To support the sites in this process, training programs are rolled out during sessions led either by the central teams or by local trainers. These trainers are trained and certified by the central team. In 2023, more than 1,523 employees were trained.

The benefits in terms of competitiveness, improvement of client service, stability of performance and employee commitment can be measured at each stage of the site path. Stringency levels have been established to set principles shared by the entire organization. Each of these requirement levels matches both a performance objective set by the business and a maturity milestone in the program. Audits verify the robustness of the implemented actions and the sustainability of the results obtained. As of the end of 2023, 192 sites were certified Bronze, 59 Silver and five Gold.

The WCM program delivers a significant reduction in production costs while minimizing risks in terms of health, safety, environmental and industrial risks. The "Quality", "Industrial performance" and "Environment" pillars contribute significantly to reducing Saint-Gobain's environmental footprint by reducing production waste and water consumption and by improving energy efficiency. The WCM program and its extension to the supply chain represent a change of culture and management system, with the aim of bringing a high level of service to clients, better competitiveness and greater efficiency, while continuously improving the health and safety of all Group employees and those of its partners. It fosters and promotes employee commitment and mobility. Finally, it contributes to the success of the digital transformation of plants and to the adoption of its methods and tools by user.

The methods developed in the "People Development" pillar make it possible to manage Saint-Gobain's technical skills by adapting training programs, employee career paths and, if necessary, the search for external skills. This pillar is also essential to strengthen the TEC culture (see section 2.3.2.B , p. 80).

B – Managing the environment, health and safety of employees

In addition to the environmental impact management activities and those related to health and safety integrated into the "environment" and "health and safety" pillars of the WCM program (see section 2.3.3.B, p. 85), Saint-Gobain's environmental, health and safety policy is applied to all its sites. Its deployment is based on a reference framework that describes the environmental, health, and safety management system and explains the risk identification and management approach (see section 2.3.3.B, p. 85). This management system is based on ISO or equivalent certification requirements, in particular ISO 14001 and ISO 45001.

Each site has tools to facilitate continuous performance improvement by reducing negative impacts and anticipating risks:

- thematic policies accompanied by standards and application guides;
- thematic training and webinars on the main EHS issues;
- tools for monitoring action plans and reporting to steer performance improvement.

A support team of experts, in the regions and at the central level, support the approach of the sites.

Audits of the environmental, health, and safety management system are conducted by the functional department concerned. These audits are conducted as a priority at sites which do not have an ISO or equivalent certification. In addition to these audits, a version of the audit methodology has been developed for smaller sites for which ISO certification is less suitable.

Lastly, a training matrix defines the training on managing environmental, health, and safety risks for the teams according to the position held. It is a particularly relevant tool to use to define employee training courses.

This approach is also based on the principle of sharing best practices between sites. EHS Awards have been organized for many years. Each site can present a recently implemented innovation that has reduced the site's environmental footprint or improved health and safety. In 2023, the 33rd "EHS Awards" received 66 project nominations that were assessed by an international jury, made up of Saint-Gobain employees and external EHS experts. Four main criteria are taken into account: the scale and sustainability of risk reduction; the scope for extending initiatives to other sites; the degree of involvement of employees in implementation; and the innovative nature of the actions undertaken.

On October 10, 2023, the winners selected by the jury took part in the award ceremony, which took place in the Tour Saint-Gobain and was broadcast to all the Group's sites. 15 winners were honored for their outstanding contributions to a safer, healthier and more environmentally friendly world.

a. Protecting the health and safety of employees

The health and safety of employees are absolute priorities, and Saint-Gobain makes them central to its corporate culture. It is important for everyone to participate in their own health and safety, and those of all of their colleagues.

Employees health

In terms of health and well-being, Saint-Gobain adopted a policy in 2013 and updated it early 2022. It sets out the guidelines for action to protect the health and promote the well-being of its employees, clients and suppliers, users of its products, as well as residents living near its sites. The action plans focused on external stakeholders are described in section 3.5, p. 131.

To ensure the same level of protection and medical care for all its employees worldwide, the Group has established mandatory standards, medical monitoring protocols and recommendations for health and industrial hygiene. They are supplemented by specific standards for certain activities.

All Saint-Gobain sites worldwide must implement the health policy. The actions implemented by each site are prioritized on the basis of risk assessments in accordance with the "risk assessment and control" standard. A Health Indicator for Occupational Exposure (HICE) is monitored at Group level, allowing performance to be monitored in terms of the risks of exposure to noise and chemical agents. The management of employee health risks is described in section 3.3.2.B, p. 115.

The arrangement of workstations and their adaptation in case of limitation of the employee's working capacities are also central points of implementation of the policy. In France, for example, a detailed guide has been published to help employees with limited working capacity to remain in employment with the Group. Preventive programs and programs to promote health and well-being, including access to healthcare and social protection for employees and their families (see section 3.2.3.A, p. 102) are implemented.

The recommendations concerning the organization of first aid for cardiac arrest and the equipment of the entities with automatic external defibrillators were communicated.

Well-being at work

Saint-Gobain attaches fundamental importance to physical health but also to the mental health of its employees, as outlined in the Group's new health policy. The Mental WellBeing (MWB) program was rolled out to all Group managers and concerns all employees. The program takes the form of an interactive app and was designed to clarify the approach to preventing mental health issues and help managers optimize the psychological well-being of their teams. Each manager can build a tailored program for his or her team, monitor it and exchange it with other managers or share relevant best practices drawn from their experience. There are six action areas: management practices, change management, interpersonal environment, physical working environment, work/life balance and personal well-being skills.

This interactive tool is above all aimed at primary prevention practices and proposes best practices, collects those identified by teams worldwide and provides key information so that each team can implement them. Thus, specific programs can be initiated locally by linking specific issues and proposals for concrete actions to improve well-being at work. This concept was designed on the impetus of the Medical and Workplace Health Department and a multicultural working group, with a very diverse range of profiles (HR, EHS, communication, site officers, etc.) and with the involvement of social partners.

This approach is linked to the "human resources" pillar of the WCM excellence program (see section 2.3.3.A, p. 84). It is also embedded in the Saint-Gobain HR process: in the training provided by the school of management, the individual annual reviews for managers' forms, or in the specific questions in the yearly survey to measure employee engagement. A MWB indicator is produced annually from this survey, followed by documented action plans.

In 2023, the Medical and Workplace Health Department and Training department have designed an easily accessible e-learning course: the Mental Health Academy. It consists of 11 short, independent videos. They cover topics such as the role of the manager and the employee, detection, measurement and factors in psychological well-being, action plans, the challenges and the Group's ambition. They show the commitment of Top Management and aim to inspire awareness among all employees, enabling them to go further and take action for their own mental health, and that of others! Saint-Gobain has a responsibility to create a supportive work environment, where early warning signs of mental health problems can be detected, and to provide the resources to respond. The Mental Health Academy encourages employees to take care of themselves, and managers to take care of their teams by adopting good practices and teaching them to recognize the early signs of trouble.

Generally speaking, the Group wishes to create a motivating and engaging work environment, respectful of the work/life balance for all employees. As such, flexible working and working from home are encouraged.

This platform is also a source of information on the general workplace mental health approach in four fundamental stages: training, awareness-raising, assessment, workplace best practices, support for people in hardship and monitoring of indicators and action plans.

This individual care can be provided by on-site psychologists, specialized external firms, or the in-house medical teams.

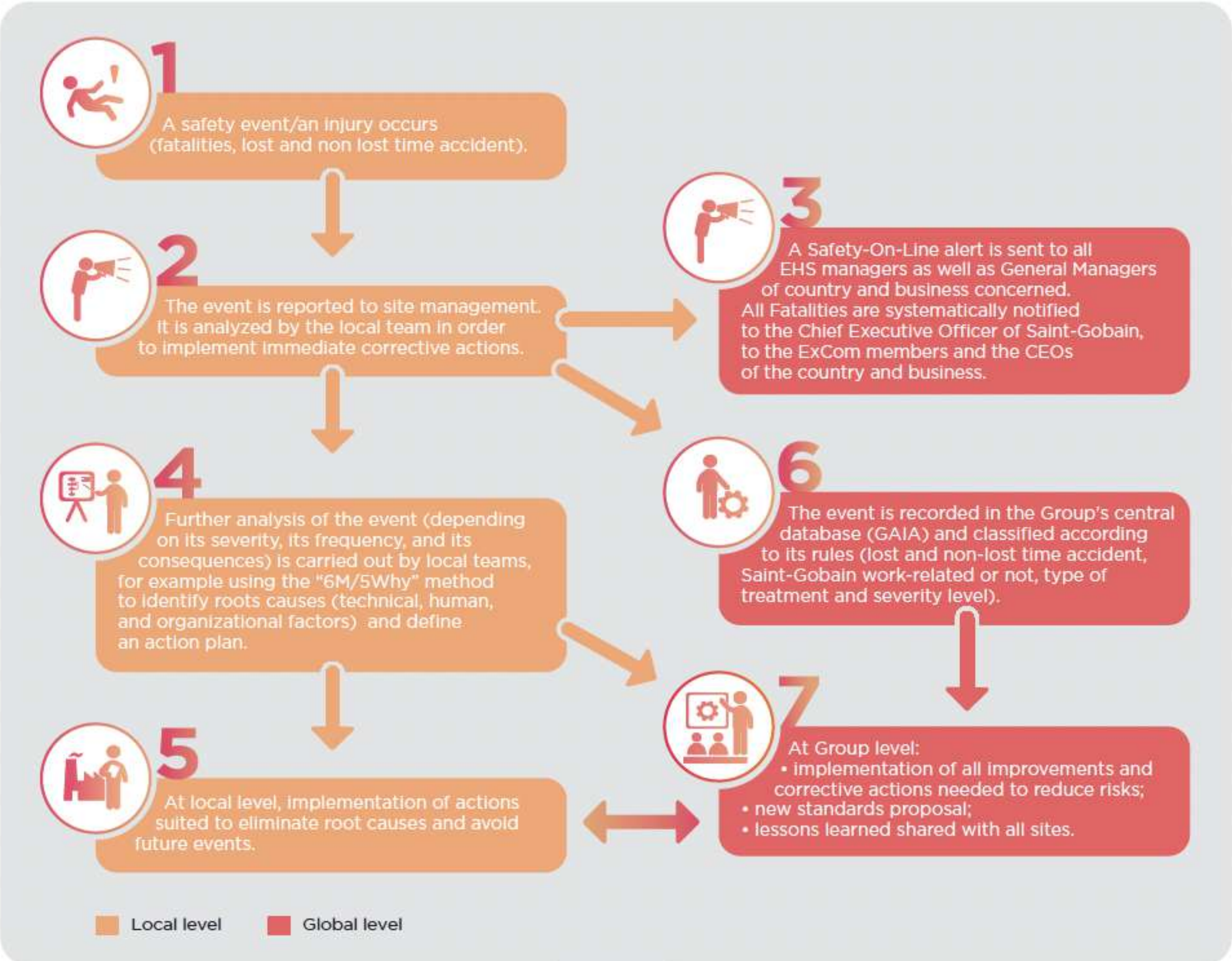
Safety

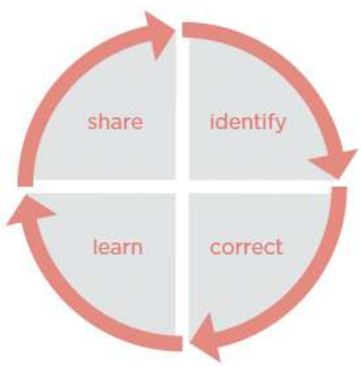
Saint-Gobain ensures that all employees on its sites, including temporary workers and subcontractors, have safe working conditions and environments by identifying, reducing and controlling risks.

At the highest level, the management has demonstrated its involvement in the development of a culture of safety within the Group. All meetings of the Board of Directors and the Executive Committee include a safety performance review. Operational management is responsible everywhere and guarantees all aspects of safety: objectives, action plans and performance measurement. To underline this commitment, part of managers' annual variable compensation is based on actions and results in the area of safety. The performance of safety inspections and the application of safety standards are also considered.

To build on this result and sustain the overall effort, the TRAR indicator has been included in the criteria for the long-term compensation plan since 2017 (see section 5.2.4, p. 240).

This approach affects all Saint-Gobain's businesses and endeavors to place safety at the heart of the Group's corporate culture. Reporting and processing are as follows for accidents with and without lost time. Other events, such as first aid, near misses and dangerous situations, are handled locally (reporting, analysis of causes, archiving, consolidation and communication).





b. Respect of the environment

Saint-Gobain's ambition is to minimize its environmental footprint. This involves an environmental management system based on internal guidelines that explain the process of identifying and managing environmental impacts and risks. This management system is based on ISO or equivalent certification requirements.

Thematic policies applicable to all Group sites are deployed to reinforce impact reduction measures. Each Saint-Gobain site deploys an environmental management program that complies with the Group's standards (see section 3.2.2. C, p. 101).

Ambitious targets for reducing Saint-Gobain's footprint have been defined and are monitored annually, with the results made public.

OBJECTIVES	Deadline	2023 data	2022 data	2021 data	Progress
- 33% in scope 1 and 2 CO2e emissions between 2017 and 2030 (in absolute value)	2030	-34.3%	-27.0%	-23.1%	+103.8%
		8.8 Mt	9.8 Mt	10.3 Mt	
- 16% in scope 3 CO2e emissions between 2017 and 2030 (in absolute value)	2030	+15.1%	+15.1%	+22.4%	-94.5%
		20.0 Mt	20.0 Mt	21.3 Mt	
- 50% in industrial water withdrawals between 2017 and 2030 (in absolute value)	2030	-24.0%	-19.9%	-14.3%	+47.9%
		42.7 M de m³	45.0 M de m³	48.1 M de m³	
Zero water discharge in area with extremely high water risk	2030	0.4 M de m³	0.6 M de m³	0.8 M de m³	
+30% of virgin raw materials avoided between 2017 and 2030	2030	-4.6%	-4.7%	+0.9%	-15.3%
		9.4 Mt	9.4 Mt	10.0 Mt	
- 80% non-recovered waste between 2017 and 2030 (in absolute value)	2030	-45.5%	-36.6%	-23.9%	+56.9%
		0.3 Mt	0.4 Mt	0.5 Mt	
100% of recyclable packaging (in absolute value)	2030	+94.6%	+91.1%	+69.0%	+94.6%
100 % of packaging with > 30% of bio-sourced or recycled content	2030	+81.9%	+86.3%	N/A	+81.9%
100% of revenue generated with products covered by verified LCA or EPD, excluding distribution activity	2030	+53.5%	+47.9%	+29.1%	+53.5%
100% of the Group's active quarries with a biodiversity management plan by 2025	2025	+27.0%	+28.0%	+31.0%	+27.0%

The emissions into the air

Saint-Gobain has an active approach to controlling all atmospheric emissions. Environmental managers coordinate this process.

Saint-Gobain's "Energy, atmospheric emissions and climate change" policy aims to reduce greenhouse gas emissions, both by cutting energy consumption and by switching to low-carbon energy sources for industrial processes, infrastructure and logistics at all sites. To coordinate actions to reduce energy consumption and greenhouse gas emissions (scope 1 and 2), energy and climate managers have been appointed for the most energy-intensive industrial processes. Their mission is to analyze performance gaps in relation to the best performers, and to share best practices that can be replicated across all sites.

The Group encourages energy audits at its sites and is implementing an energy management system based on ISO 50001 certification. By the end of 2023, 155 sites will be ISO 50001 certified, representing 23.4% of Saint-Gobain's annual energy consumption. In addition, the Group has developed an energy audit approach for industrial facilities, enabling it to identify solutions for improving energy efficiency, notably through better insulation. This tool, which is currently being deployed, will help identify and implement measures to reduce energy consumption at sites, as well as the resulting emissions.

Each site, in a manner commensurate with its impact, defines progress targets and monitoring procedures for energy management and atmospheric emissions, taking into account process comparisons between different sites.

Some of the Group's plants, mainly glass furnaces and pipeline production sites, emit substances other than carbon emissions, that contribute to the acidification of environments such as sulfur dioxide (SO_2) or nitrogen oxides (NOx). The primary measures introduced to reduce sulfur dioxide emissions include the reduction in energy consumption and the use of fuels with a low sulfur content. Primary measures to optimize processes, particularly combustion, make it possible to reduce $N0_x$ emissions at source. In addition to these primary measures, equipment for the secondary treatment of sulfur dioxide and nitrogen oxides is also installed.

Some industrial sites are affected by Volatile Organic Compound (VOC) emissions as a result of their industrial process. On-site monitoring is based on measurements as needed. The aim is to check that emissions are below the limits set by the environmental operation permit; as such, it is heavily dependent on the local context. Optimization of raw materials can reduce VOC emissions, while secondary measures through a decontamination unit are implemented when necessary.

Water management

Saint-Gobain's Water policy ("Water policy") confirms the desire to reduce the impacts of the Group's activities on water resources as much as possible, whether in terms of water intake or discharge. The long-term objective is to withdraw as little water as possible and to aim for "zero discharge" of industrial water in liquid form, while avoiding generating new impacts for other natural environments and/or for other stakeholders. Saint-Gobain does its utmost to:

- reduce water withdrawals from the natural environment and optimize processes to minimize water consumption;
- reuse "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 local populations for access to drinking water.

The "Focus Sites" program consists of supporting sites which contribute to 80% of the Group's environmental indicator. In 2023, 44 sites contributed 80% of Saint-Gobain's water discharges and 114 sites for 80% of the samples. These focus sites drew up a short-, medium-, and long-term action plan to reduce their impact.

When the site is located in a zone of high or very high water stress, specific measures are taken to limit water withdrawals and discharges. Rainwater harvesting measures to optimize available water resources are also studied.

Waste management and optimization of resource use

Saint-Gobain has implemented a policy of responsible resource management. The main axes for the deployment of this policy are :

- incorporate as much reused, recycled or biobased content as possible in its products;
- generate a minimum of production residues, and for those that remain, valorize them internally or externally.

The industrial sites are working to reduce the quantities of waste generated in accordance with the three Rs hierarchy: Reduce, Reuse and Recycle. Incineration and landfilling should be reduced until they are eliminated. Sites seek to reuse production residues in their own industrial processes.

Some of the waste generated during the production of mineral wools is reprocessed before being recovered externally as a secondary raw material for the roofing industry or for certain manufacturers that manufacture acoustic ceilings. The Group is also involved in the creation of recycling networks with the help of external local partners. Progress in the reduction and recycling of waste made at certain Group sites shows that "zero non-recovered waste" is an achievable ambition.

The main focuses for the deployment of this policy are incorporating as much reused, recycled or bio-sourced content into its products as possible, generating as little production waste as possible, and recovering that which remains internally or externally.

The procedures for collecting end-of-life products are described in section 3.4.3.C, p. 129.

This may involve investing in reprocessing plants and adapting their industrial processes.

Biodiversity and land use

Saint-Gobain is committed to protecting biodiversity , in particularly at its high-impact sites or in areas with remarkable biodiversity. Thanks to the experience acquired in the field of extraction activities, the Group now has strong internal expertise in the area; it has adopted a biodiversity policy, the aim of which is to preserve, restore, enhance and boost biodiversity, and to this end to encourage the involvement of all relevant stakeholders.

Out of the 100 underground or surface quarries operated by the Group worldwide, the vast majority are for the production of gypsum (75, or 75 %). A charter for the environment and biodiversity in all Saint-Gobain's quarries and mines was published in 2019, capitalizing on the experience acquired over many years in gypsum. The Group's quarries are operated and then restored with the aim of preserving the environment in accordance with the local rules. During the operating and restoration period, the effects on residents and on the environment are reduced as much as possible: visual impact, dust, noise and vibration, consequences to road traffic and repercussions on the local natural environments. In 2023, 38 % of Saint-Gobain priority sites, around three quarters of which are active quarries, already had a biodiversity management plan analyzed centrally. "Biodiversity representatives" have been appointed at each of the priority sites.

A catalog of best practices in the area of biodiversity was created this year to facilitate the implementation of biodiversity actions in the Group's sites.

2.3.4 RESPOND TO CLIENT EXPECTATIONS

A – A client-centric innovation process

The environment in which Saint-Gobain operates is a rapidly changing world, subject to fundamental trends on a global scale, massively digitized, and where there are very high expectations in terms of energy sobriety, the fight against climate change and limiting the use of natural resources, as well as productivity to deal with a growing shortage of labor specialized in construction and renovation. In essence, innovation is a non-linear process, which requires time to ask the right questions before converging towards solutions. To meet customer needs, anticipate market trends and integrate innovation into its industrial and trading activities, the Group's innovation strategy focuses on four key areas, all centered on the customer:

- processes and solutions for the transition to carbon neutrality;
- lightweight construction systems for performance and well-being;
- solutions to reduce the use of non-renewable natural resources;
- materials and solutions for new markets.

The collective approach to innovation applies both internally and more broadly, including Saint-Gobain's stakeholders outside the organization, primarily among its customers. This approach to innovation, geared to the outside of the organization, leads to open and crossfunctional methods, involving all of the Group's teams. The main objective is to better understand the specific expectations of customers in each of the Group's markets, in order to identify use cases and situations where Saint-Gobain will bring value, reduce time to market and optimize return on investment. For architects and engineers, this means technical support, ease of collaboration, and ease of testing new products and solutions; for craftsmen and building contractors, this involves the supply of products and materials, access to distribution sites, ease of installation, advice on installation, and project management support; for developers, this is the total cost of ownership, on-time delivery, and advice to help anticipate changes in standards; for owners and occupants of buildings, this concerns in particular the multiple dimensions of comfort, customization, maintenance costs and property prices.

If customer knowledge is acquired in particular by managing the customer relationship, collecting and analyzing data, innovation seen through the prism of co-development is carried out through a full range of tools and initiatives: deployment of training and methodologies, investments in test benches, development of real or virtual prototyping resources to accelerate customer validation, and creation of specific locations. "Design thinking" approaches and user experience in the development of new products, systems and services are also deployed in the various R&D centers. For the Group's industrial customers, Saint-Gobain's High Performance Solutions are particularly concerned by this approach. The Group's distribution activities are also a valuable tool for developing a more detailed knowledge of the market needs, owing to the proximity with the customers that they make possible.

As a result, the R&D teams are able to run scenarios for the use of different prototypes and to evaluate, modify and propose solutions that meet the expectations of customers in the mobility or construction industry markets. Teams of building science specialists, present in the various R&D centers around the world, are working to improve comfort continuously for end users and the ease of installation for craftsmen, as well as to reduce total cost of ownership for building owners.

Innovation should not be the preserve of the Research & Development and Marketing departments. Saint-Gobain is committed to developing a culture of innovation. Innovation requires a deliberately collective approach. Innovation is always born from a team, different people coming together, chance and serendipity; it presupposes a gathering of forces, different points of view. It also benefits from failures, which enable progress on the condition that their teams keep the right state of mind. Being open-minded and thinking outside the box, taking original paths, questioning practices inherited from the past to suggest and experiment with new ones: these are some of the skills exploited by all Saint-Gobain's employees.

In terms of operational management, this assumes that Saint-Gobain adapts its organization and methods in order to create conditions for creativity, encourage empathy with customers to spread co-development, give its space to divergent thinking, spread agile methods, tolerate failure – hence the "Grow from failure" training program available on the Boost platform – as well as to promote open innovation. Among the initiatives put in place, the Group has rolled out Innovation Catalysts, committed employees, trained in the mindset, methodology and innovation tools, having developed specific skills to put them into practice effectively, and who support their colleagues in the implementation of their innovation projects, both internally and externally.

More generally, it involves providing all employees with information and tools to innovate, thereby developing new skills, and acquiring, mastering and disseminating appropriate methodologies internally. The central objective is to foster an innovative mindset. It is about cultivating curiosity and empathy with customers and the courage to challenge achievements and assumptions. The deployment of the TEC (Trust, Empowerment and Collaboration) managerial approach (see section 2.3.2..B, p. 80) facilitates the spread of this culture of innovation. The aim is also to build diverse teams, which are in a position to seek solutions, design prototypes and judge the applicability and viability of the solutions conceived, at all times. Initially developed for the High Performance Solutions (HPS) scope, the Saint-Gobain Innovation Hub exchange, mutual assistance and resources platform is gradually expanding to offer the entire Group the necessary training and tools to bring innovation projects to a successful conclusion. In 2023, a program to get all employees on board was rolled out: "be open, be bold, take up the challenge". This program was accompanied by the publication of an innovation handbook shared on the exchange platform. This is a comprehensive guide to innovation methods, concepts and best practices. It is designed to help individual employees and teams unleash their innovative potential.

Creating more value for its customers, strengthening its solutions offering, taking full advantage of its local and global presence and expertise, and reducing time-to-market: these are the objectives to which Saint-Gobain's teams are committed.

B – Client satisfaction

Knowledge of current and future market expectations is essential in order to achieve Saint-Gobain's medium- and long-term targets. For this reason, the satisfaction of its clients is a priority for the Group, whose objective is to be an organization focused on their expectations.

To measure client satisfaction, several practices have been extended to all Group activities:

- Firstly, a short questionnaire is sent to all clients and potential clients, both direct and indirect, regularly in order to identify the main points of satisfaction and dissatisfaction, and to determine the net promoter score, the only measure common to all; this refined measure will eventually make all customers the Group's primary influencers;
- Secondly, a more rigorous and responsive measurement of compliance and punctuality since these two parameters are the two most frequent sources of dissatisfaction in the customer reviews: first and foremost, clients demand that their suppliers' promises be kept.

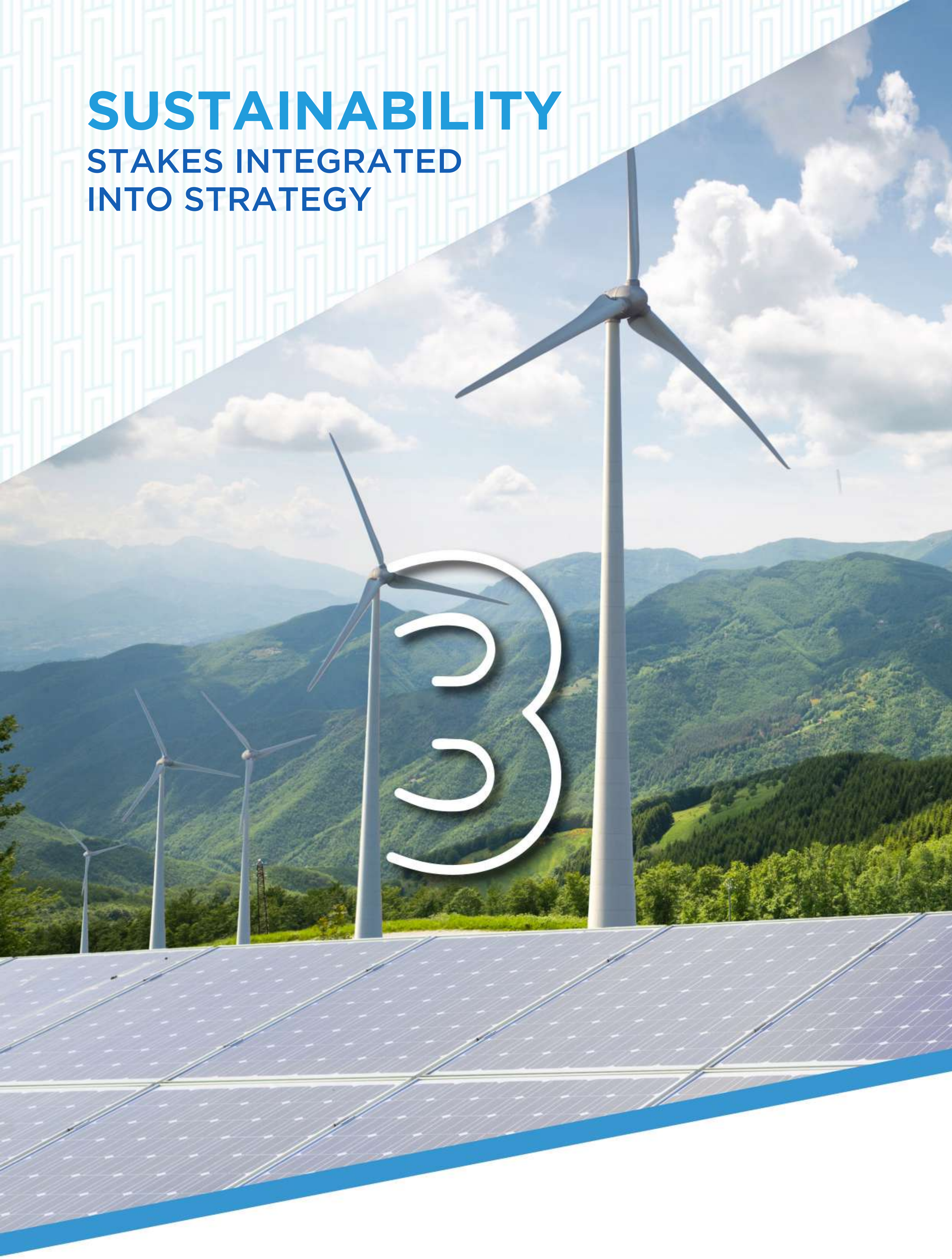
Thus, client satisfaction measurements are carried out on a regular basis for all activities.

In the field, brands are increasingly collecting feedback from clients (defined as any person having an influence on the purchasing decision) on a relationship and transactional level, with the dissemination, internally and across functions, of best practice in the area. This data is cross-referenced with the context of the relationship, as well as with the type of clients, in order to assess the degree of satisfaction throughout their journey, i.e., across the entire chain of interactions between them and the Group’s brands. In this context, the satisfaction questionnaires already implemented have shown that compliance and punctuality are the most frequently cited negative points. Every piece of customer feedback is useful in improving the quality of our performance in concrete, operational ways.

One of the Group’s areas of excellence and progress is training in order to build a growing community of client experience experts. Each year, more than 200 people are trained in client experience methods and concepts through the "Unicampus" program. In addition, a platform called “Pulse” has been created to centralize and make available to Saint-Gobain countries and entities methodologies and tools for managing the client experience, such as “personas”, i.e., the definition of groups of clients whose behaviors and preferences are merged into a single predictive model and interview guides to encourage each employee to develop a culture of customer feedback.

In addition to the measurement of satisfaction itself, all of these systems create the basis for a co-development approach; on the basis of client opinions, a shared innovation process can be put in place.

SUSTAINABILITY
STAKES INTEGRATED INTO STRATEGY



3

SAINT-GOBAIN

3.1 CSR STRATEGY

3.1.1 EMBEDDING CSR AT THE HEART OF THE BUSINESS MODEL

For Saint-Gobain, sustainable growth is conceived within its ecosystem, in other words, taking into account the interests of all its stakeholders. It is therefore a question of pursuing a development trajectory that integrates both the financial performance and shareholder value objectives as well as the Group's Corporate Social Responsibility.

Saint-Gobain has a perfect alignment between its corporate purpose - Making the world a better home -, its vision - to be the leader in sustainable construction - and its strategic plan - "Grow & Impact".

Stakeholders' expectations and the impact of the Group's activities (see section 1.3.2, p. 35) are thus translated into CSR challenges directly integrated into the Group's strategy. The aim is to contribute to three long-term ambitions:

- "a decarbonated home," encompassing all the initiatives implemented for the Group's contribution to the decarbonization of economies and reducing global carbon emissions on a trajectory aligned with the Paris agreement;
- "more performance with less" represents actions taken in favor of an economy that uses fewer resources, raw materials or water, avoiding waste throughout the value chain of Saint-Gobain's activities and promoting reuse or recycling;
- "a better living for all," aiming to create a safe, engaging working environment for Group employees and those of its partners operating in its value chain and to contribute to the development of local communities, based on our code of ethics: the Principles of Conduct and Action.

For each of these three ambitions, Saint-Gobain is deploying action plans which aim to :

- maximize impact through high-performance, sustainable solutions that deliver benefits to stakeholders in terms of environmental impact, health and well-being;
- minimize the environmental and social footprint of its activities across its value chain and with communities potentially affected.

Internal and external stakeholders are involved in these action plans as part of an ongoing dialog at both country organization and Group support function levels (see section 1.3.2, p. 35).

Saint-Gobain's CSR strategy has been presented to and approved by the Board of Directors and its CSR Committee.

3.1.2 MAXIMIZING THE GROUP'S IMPACT AND MINIMIZING ITS FOOTPRINT

Saint-Gobain's policies and programs are not limited to management of potential risks and environmental footprint, but also integrate benefits for stakeholders.

This is why the Group has made strong environmental commitments, such as the pledge to fight climate change signed in September 2019, or the commitment to the United Nations' Sustainable Development Goals, Foward Faster, signed during Climate Week in New York in September 2023.

Saint-Gobain relies on its Code of Ethics, the Principles of Conduct and Action, its responsible practices (see section 2.3, p. 78) and the values shared with its partners to make decisions that maximize impact and minimize the footprint on the environment, human beings and local communities, including those living near the Group's sites.

The Group's policies, the programs and action plans integrate the interests of stakeholders, as in the health policy, the environmental policies or the philanthropic programs such as "Build change" or the Saint-Gobain Foundation.

The "Solutions for Growth" program (see section 3.2.3.C, p. 104) is at the heart of Saint-Gobain's strategy of maximizing impact. Its aim is to develop solutions that bring benefits to all stakeholders, in particular for customers, right through to the end user.

Reducing the environmental footprint of its operations, managing its value chain responsibly and deploying its HR policy are the pillars of the Group's objective of minimizing the footprint of its operations.

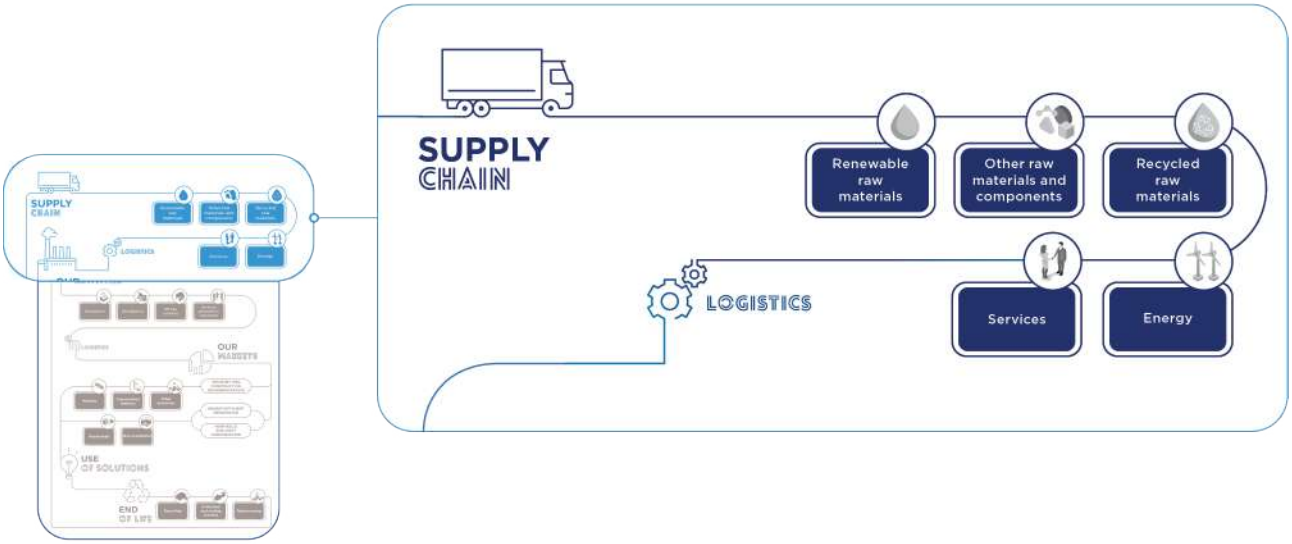
Medium and long-term objectives have been defined for the main challenges. A performance monitoring dashboard is updated annually and published in section 4.2.1, p. 152.

3.2 IDENTIFY AND MANAGE RISKS AND OPPORTUNITIES IN THE VALUE CHAIN

Saint-Gobain's value chain extends from the extraction of raw materials to the end-user, including the end-of-life of products. At each stage of this value chain, impacts, risks and opportunities are identified. Measures to control risks and develop opportunities are implemented with the stakeholders impacted.

The value chain diagram is described in section 1.1.3, p. 20.

3.2.1 SUPPLY CHAIN AND LOGISTICS



Purchasing meets the needs of the Group's manufacturing and distribution activities. Although the purchasing functions are based on shared policies and on a common base, especially the implementation of the Responsible Purchasing policy (see section 3.2.1.A, p. 106), they do not operate at the same level of the Saint-Gobain value chain:

- Non-trade purchases: these relate to purchases upstream of the production stage (raw materials, energy, chemicals, components, etc.), purchases of equipment used for production (machinery, civil engineering, etc.), all logistics expenses, as well as purchases of support functions (IT, marketing, human resources, environment, health and safety, communication, finance, audit, etc.);
- Trade purchases: downstream purchases of the production to ensure the offerings of the Group's distribution brands.

Saint-Gobain's purchasing policy favors the establishment of medium- and long-term contracts and partnerships with its suppliers.

The supply chain of industrial sites is mostly local. Under 4% of a region's purchases are made outside its geographical region. This implies the management of a large number of suppliers. More than 200,000 companies supply the sites, of which about 21,210 account for 90% of Group purchases. Trade purchases are concentrated around over 12,500 suppliers.

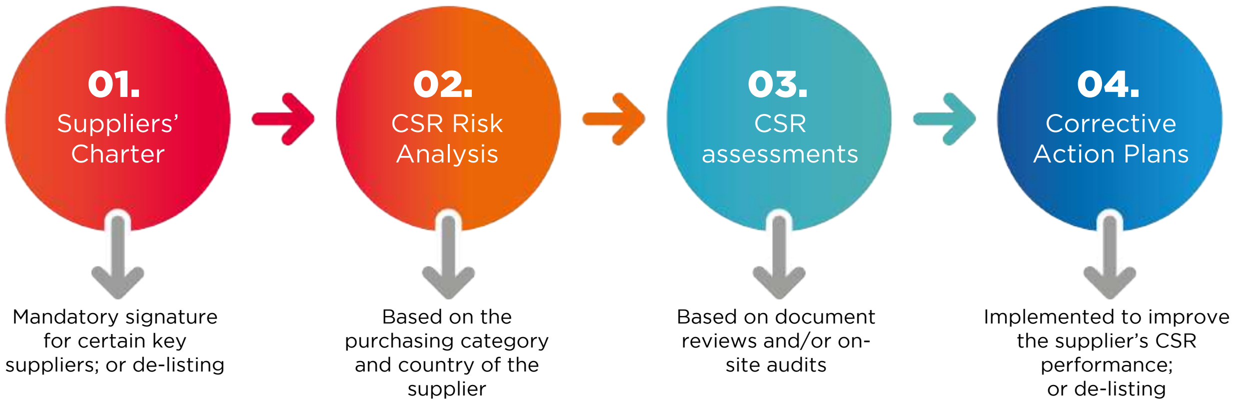
A – Responsible purchasing

In an environment where supply chains are becoming more complex, and where the collective awareness of the impacts of purchasing on stakeholders is growing, the responsible purchasing program aims to integrate ethical requirements into the purchasing process, both for suppliers, based on the supplier charter, and for buyers, by applying the buyer charter. It helps manage and reduce the environmental, social and societal risks associated with Saint-Gobain's supply chains.

Thus, ethical criteria respecting human rights, working conditions and compliance with standards, health and safety and the environment are integrated into the purchase process. The responsible purchasing program is implemented with high standards in accordance with the Group's general purchasing principles to develop long-term relationships with suppliers.

The program is based on ISO 20400. An audit conducted in 2021 by an independent third party validated the approach and attested to its maturity.

The “responsible purchasing” program includes four major steps set out in Saint-Gobain’s vigilance plan:



a. Risk management

The CSR risk mapping of purchases, developed by Saint-Gobain, includes risks related to sourcing country and risks related to purchasing category. Risks linked to human rights, particularly forced labor and child labor, and corruption risks are inherent to the environment of the countries of origin.

Risks linked to purchasing categories include environmental performance, and more specifically the carbon and water footprints, as well as health and safety impacts. The mapping uses recognized international sources to assess the specific risks by country and by activity. While the general principles and sources are identical, the impact of purchases and the risks for the company are weighted according to the nature of the purchase:

- Upstream purchases, managed by the non-trade purchasing team;
- Purchases related to distribution activity offerings managed by the marketing distribution teams and the trade purchasing teams.

In accordance with this procedure, purchasing categories or suppliers with specific risks have been identified, such as:

- Purchases of some natural raw materials such as wood or sand;
- Particular types of subcontractors working directly on Saint-Gobain sites;
- Purchases made in countries exposed to risks regarding human rights in general and child labor, corruption and working conditions in particular.

In 2023, Saint-Gobain updated its risk mapping using a specialized risk mapping platform based on ISO 31000. For each purchasing segment, 13 CSR challenges broken down according to the environmental, social and ethical fields are analyzed along with a description of the sources of the risk.

A supplier’s risk level is therefore assessed according to the risk associated with its business sector and the country of its operations.

In addition to the risk rating, each buyer has a description sheet of their supplier’s risk exposure on the platform, allowing them to better target any specific risk management action plans.

Risks were assessed in the second half of 2023, which called for updating the action plans and the objectives of the “responsible purchasing” program.

b. Risk management and mitigation measures

The process and tools used to manage risks for trade and non-trade purchases are aligned. However, the action plans put in place are specific to each of the two purchasing teams, to maintain management methods and a level of control adapted to the risks and potential negative impacts of each of the activities.

For non-trade purchases

Depending on the level of risk identified, suppliers answer an evaluation questionnaire based on documentation. It is verified and evaluated by a third party, and, depending on the results every 12 to 36 months depending on the assessment, an on-site CSR audit takes place depending on the results. The entire approach forms part of a constant dialog with the supplier and leads to the establishment of action plans and CSR performance improvement plans. In 2018, the evaluation questionnaire and its related score scale were reviewed to check that they corresponded to the types and levels of risks identified by the mapping. Since 2021, following the reassessment of the minimum performance thresholds, the suppliers concerned have been invited to undergo a new assessment to comply with the Group’s reinforced requirements.

Saint-Gobain has set a target of having assessed the CSR performance of more than 90% of suppliers identified as at risk and generating annual revenue of more than €100,000 with the Group for the period 2024–2026. Since the global health crisis in 2020 and its impacts on supply chains, 65.8% of these at-risk suppliers have been assessed.

The Group conducted around 98 CSR audits in 2023, mainly in emerging countries.

The use of the “SMETA 4-Pillar” standard for on-site audits is widespread, so that suppliers’ audit efforts can be better shared with all of their clients. Based on the results of the assessments, the relevant buyer implements a corrective action plan with the supplier, including priorities and deadlines for implementation.

In the event of non-compliance with these action plans or implementation deadlines, a supplier de-listing policy is applicable, after which the supplier will no longer have access to the Group’s calls for tenders and all entities of the latter will withdraw from any ongoing partnerships.

The Responsible Purchasing policy is being rolled out to non-trade suppliers via a private digital platform developed by Saint-Gobain and entirely dedicated to responsible purchasing. Suppliers have access to it to acknowledge receipt of the Group Suppliers Charter, to send essential supporting documents electronically (wood certificates, quality certificates, ISO standards), to answer self-assessment questionnaires, to obtain all information on Saint-Gobain’s “responsible purchasing” guidelines and to access details of their CSR evaluations or, where appropriate, CSR audits.

The responsible purchasing approach also includes ongoing training for buyers on the Group code of ethics, with particular emphasis on the fight against corruption, the working conditions of employees of suppliers, forced labor and child labor. Constant information on the sustainable development stakes is also communicated. The Non-Trade Purchasing Department has issued a “Best Practices” brochure for all purchasers, to remind them of the CSR best practices to be built into the entire purchase process.

For trade purchases

The procedures and tools are aligned with those already in place for non-trade purchases. Given the different nature of purchases, certain risk criteria and their weighting and performance monitoring are managed separately by the marketing and purchasing teams of the distribution entities. The program is overseen by members from the Group’s responsible purchasing team. Accordingly, synergies and best practices for responsible purchasing are shared between the various buyers, while performance measurement is both maintained and adapted to operational risks and opportunities.

This implementation is coupled with training sessions for buyers. Strategic suppliers are the ones primarily targeted by the deployment of the Responsible Purchasing program. This concerns the European partners of the distribution entities that supply more than €3 million as well as the main partners by retailers in each country. These identified suppliers cover more than 82% of trade purchases.

At the same time, the marketing and purchasing teams of the “Building Distribution” Business Unit are continuing the qualification and control audits of the plants of their own-brand suppliers, especially in India and China. The purpose of these audits is to assess their management system, the environmental, social and legal aspects of production activities, and to ensure that the products are of good quality.

Following each audit, the supplier receives a report as well as recommendations on compliance with an expected effective date or paths for improvement.

c. Risk management related to natural raw materials

Sand

Purchases of sand by Saint-Gobain are intended for glass and glass wool production, production of mortars, and distribution activities. Given the quality of the sand required for our business lines, purchases are mainly made from open and mechanized quarries. Suppliers undergo evaluations of their environmental and social practices as part of the Responsible Purchasing policy. Lastly, the Group is implementing an action plan to reduce its sand consumption by substituting it with recycled materials as part of the circular economy program (see 3.4, p. 124). Since 2018, an indicator to monitor the reduction of extractions of virgin natural raw materials has been implemented (see section 4.2.2, p. 153).

Timber purchases

Saint-Gobain’s activities have an impact on the timber sector either through the supply of packaging (pallets and boxes) or by purchases of timber for construction markets as part of its distribution activities. Environmental and social risks and those related to human rights adherence primarily affect trade purchasing. Through its timber purchasing policy, Saint-Gobain is committed to fighting deforestation by acting ethically and responsibly throughout the Group’s value chain to preserve forests, the local populations living in them, and biodiversity. This policy was issued in the early 2000s and updated in 2020.

To control risks and ensure traceability of purchases, the “Timber Purchasing” policy is based on a due diligence method in compliance with the requirements of the European Union Timber Regulation (EUTR), and the recommendations of recognized institutions or specialized non-governmental organizations (NGOs), such as the red list of endangered species maintained by the IUCN (International Union for Conservation of Nature) and reports of NGOs involved in the fight against deforestation. In particular, for species or regions at risk, specific certifications are required, such as the FSC® (Forest Stewardship Council) label. The Group is also assessing and preparing for the implementation of the European Union Deforestation Regulation (EUDR).

To ensure that the risks related to purchases can be controlled, Saint-Gobain carries out an inventory of its timber products purchases and their derivatives. This year, 95.8% of wood and derivative products are purchased according to the responsible purchasing criteria defined in the policy concerning timber purchasing. An audit of this inventory was carried out by a third party specializing in deforestation issues at the end of the year in 2020 and has confirmed the solidity of the program to secure purchases and compliance with the policy concerning timber purchasing.

As part of a continuous improvement process, the Group maintains a transparent and regular dialog with non-governmental organizations (NGOs) to promote responsible forest management.

Saint-Gobain has not completed the CDP questionnaire on forests since 2020. The Group shares CDP’s objective of combating deforestation for responsible forest management. It seeks a transparent dialog with the CDP so that the specific nature of construction timber is better valued in the ratings. The questionnaire is currently focused on issues related to the use of palm oil or exotic species which are little or not present in the construction business lines. As a result, the answers to the questionnaire and the assessment are not very representative of the conducted actions and their efficiency.

B – Optimizing logistics

Ensuring optimized management of the supply chain, from supplier to client, is an essential part of both industrial efficiency and client service. By ensuring the optimization of inventory levels, supply chain efficiency is also a crucial factor in cash management. The supply chain is also a major contributor to any corporate sustainability approach.

The Group's supply chains are mainly local and managed by country organizations. Global coordination and a team of experts allow common logistics optimization tools, dedicated training and customized supply chain improvement programs to be provided. These teams of experts work directly in the countries with the support of the general management bodies to raise awareness of all functions, identify potential for improvement and draw up action plans to be implemented by the country teams. Depending on the maturity of local supply chains, actions may involve optimizing the management of product lines by the marketing teams, implementing collaborative processes, developing the client culture at the sites, adapting planning (client forecasts such as plant scheduling) or optimizing transport. The objective is to maximize customer satisfaction while optimizing financial and environmental impacts.

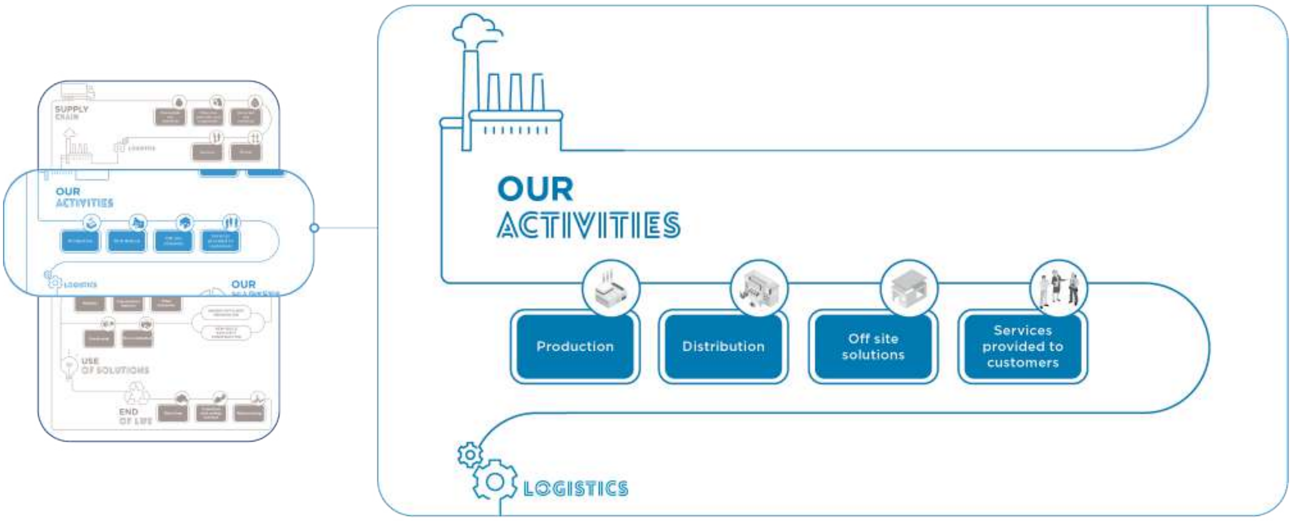
Saint-Gobain has also developed digital programs such as "Supply Chain 4.0" to optimize transport. Whether it is for its purchases or client delivery, the Group has programs for route optimization, optimal vehicle loading and more efficient travel planning by coordinating inbound and outbound transport to avoid empty kilometers.

Thus, the Group uses supply chain modeling, optimization and simulation software to find the best balance between delivery times, costs, inventories and carbon footprint.

The in-house teams also develop digital solutions to improve forecasts by integrating data mining and artificial intelligence algorithms. The supply chain support teams work with the central finance teams to test process mining solutions to improve process execution performance.

The impact of these scope 3 reduction efforts (categories 4 and 9) are described in section 3.3.3.B.b, p. 122.

3.2.2 THE GROUP'S ACTIVITIES



Saint-Gobain's industrial and trade activities have an impact on the environment, employees and stakeholders, especially local residents near the sites.

To manage its risks, Saint-Gobain has implemented shared risk identification and measurement methods. They are rolled out at all sites worldwide. The Group implements risk prevention and control policies for both industrial risks and environmental, health and safety risks.

A – Industrial and distribution risks

a. Industrial and distribution risk prevention policy

The aim of the industrial and distribution risk prevention policy is to reduce the likelihood of accidental events, to minimize their severity if they do occur, and finally to preserve the continuity of business operations. This policy applies to all Saint-Gobain sites.

Defined and led by the Risk and Insurance Department, this policy is rolled out within the organization to the sites by a network of prevention coordinators. A risk prevention manual is the Group reference base and is available in some fifteen languages. It includes the applicable standards, procedures and technical rules, methods for identifying and reducing risks, including natural risks, and the drafting of emergency and business continuity plans. This manual may be shared with the relevant stakeholders, such as permanent on-site subcontractors. The risk assessment tool is used by all operational sites and provides an objective assessment of the protection and prevention level. It takes into account both human factors (organization, procedures, communication, training, etc.) and physical facilities. This means that each site is able to identify its areas for improvement, develop action plans including investments, and use the tool to measure progress. The tool is accompanied by periodic site visits by prevention engineering: a total of 353 sites were visited in 2023.

The Group is rolling out business continuity plans for each site according to the risk assessment and the vulnerability of processes to unforeseen interruptions including an anticipation of the impacts of an accident so as to limit its effects. The aim is to fully or partially ensure client service and recover operational capacities as quickly as possible. The subcontractors working on the sites are involved in the process and must commit to a prevention plan. In 2023, 28 sites were visited by prevention engineering specifically to verify the quality of their continuity plans against the Group's guidelines in this area.

Saint-Gobain constantly adapts its risk management system to better anticipate the potential risks associated with the effects of climate change. In 2022, this system was enhanced with a study conducted on the effects of climate change in the major regions where Saint-Gobain operates. This study was conducted for over 500 industrial sites in 52 countries. The potential impacts were analyzed based on various global warming scenarios. Action plans to further increase prevention, particularly in the face of natural disaster risks, are being rolled out. In particular, they include changes in the design of certain sites to reduce, where necessary, the impacts of these natural events, especially flooding. In 2023, 28 at-risk sites were visited specifically to check their exposure to natural disasters, especially flooding.

b. Environmental, health, and safety risks

Whether it is certified (ISO or equivalent) or not, each site of the Group carries out its own assessment of environmental, health and safety risks under the site officer's responsibility. To do this, a standardized method has been deployed and is regularly updated. Training courses are organized for site teams, and a digital application incorporating risk analysis, assessment and management actions has been developed. This tool facilitates the deployment, reliability and monitoring of risk management action plans at all of the Group's sites.

An environmental, health, and safety risk matrix is also included in the internal control reference framework. Compliance audits are conducted, and external certification procedures supplement the control system. An internal audit standard also enables the monitoring and verification of action plans at the sites.

Audits of the environmental, health, and safety management system are conducted by the functional department concerned. These audits are conducted as a priority at ISO-certified or equivalent sites. In addition to these audits, a version of the audit methodology has been developed for smaller sites for which ISO certification is less suitable.

Lastly, a training matrix defines the training on managing environmental, health, and safety risks for the teams according to the position held. It is a particularly relevant tool to use to define employee training courses.

B – Employee health and safety

The health and safety of employees are absolute priorities, and Saint-Gobain makes them central to its corporate culture. It is important for everyone to participate in their own health and safety, and those of all of their colleagues.

a. Managing health risks

Measuring the exposure to health risks for employees.

Saint-Gobain has defined a risk control indicator for the health of its staff relating to its activities in line with its health standards.

Following the HICE (Health Indicator for oCcupational Exposure) indicator targeting noise exposure (HICE Noise), a new indicator dedicated to exposure to chemical agents has been calculated since early 2023 (HICE Chemicals). The health indicators are applied to all sites affected by exposure to noise and/or chemical agents. They correspond to the rate of potential exposure to these health hazards and aim to promote the prioritization of actions to reduce risks of exposure for employees on the sites.

The "HICE Bruit" indicator has been communicated twice a year to the Group's Executive Committee since its deployment in 2021. At the end of 2023, it stands at 14.5, which means that, on average, at each site, 14.5% of the work situations of employees and permanent subcontractors are subject to potential noise exposure. HICE Noise was equal to 17.4 in 2022.

The “HICE Chemicals” indicator also tracks the progress that remains to be made in assessing and reducing chemical exposures at each site. HICE is the percentage of potential exposure to hazardous substances that should be reduced. In 2023, 19% of performed risk assessments were validated by a trained person in accordance with the Saint-Gobain requirements listed in the “risk assessment and control” standard. The people in charge of validating must have completed the e-learning on the Boost platform. For these sites, the indicator is at HICE 9.4: this means that on average, on each site, 9.4% of the work situations of employees and permanent subcontractors are potentially exposed to chemical substances. For the remaining 81% of sites that need to start or improve their risk assessment, a default maximum exposure of 100% is considered. The average for the whole Group is 82.8.

Risks associated with hazardous substances and products

Saint-Gobain is committed to reducing and controlling chemical risks (hazardous substances and products, dust). Three complementary tools have been developed to support the sites in managing chemical risks:

- The internal standard and its implementation guide on the assessment and control of the risk linked to chemical agents provides guidance to industrial sites how to conduct a periodic assessment of exposure to hazardous substances according to precise minimum rules. It is supplemented by risk management guides (ventilation and personal protective equipment, examples of chemical management and storage procedures, activity-specific product inventories, etc.) as well as training kits;
- The SBASE database provides a list of chemical substances and their classification, according to their level of danger on the basis of an internal classification system. This database is updated on an ongoing basis by internal and external experts in response to changes in the classification of the various regulatory frameworks, such as REACH in Europe;
- The SAFHEAR management tool allows each industrial site to prepare and document its own inventory of the chemical substances and products used and also potentially generated during industrial production processes. In the second phase, it allows sites to document the results of exposure assessments. These data are consolidated worldwide.

The inventory of products and substances used by Saint-Gobain entities is a continuous improvement process. As of the end of 2023, 87% of the sites have used SAFHEAR to update their inventory. The Group’s objective is to have 100% of its sites covered by an up-to-date inventory by the end of 2025 (see section 4.2.2, p. 153).

Training, educational materials and technical assistance help develop the skills of health managers on site. In 2023, more than 1,700 people have taken at least one e-learning module related to the assessment and control of chemical risks.

Lastly, Saint-Gobain actively monitors updates to the European list of candidate substances for authorization or subject to authorization or restriction and anticipates the deadlines for authorization of substances, in order to complete its substitution and to fulfill its communication obligations with its clients.

In countries outside the European Union, subject to other chemical regulations such as the US Toxic Substance Control Act, the Environmental Protection Act and the Chemicals Management Plan in Canada, or China REACH in China, the Group applies the regulations in force and monitors their evolution.

This cross-functional control of the management of chemical substances and products is also part of the product innovation and stakeholder information processes, particularly for consumers.

Managing the risks of musculoskeletal disorders

A standard for assessing factors that may contribute to the occurrence of musculoskeletal disorders and a grid for detecting ergonomic factors were developed in 2021. The ergonomics standard lists the risk factors to be assessed and specifies the method for assessing these risks, in particular on the basis of international standards (for example, EN ISO 14738:2008 and ISO 11228-3). The detection grid is an easy-to-use tool that lists the criteria to be assessed. It aims to identify improvements to be made to a work situation through a before/after rating.

The Group has a set of information and precautions as to the use of exoskeletons. A dedicated platform brings together the results of the work and recommendations of the INRS (*Institut national de recherche et de sécurité* – the French national research and safety institute for the prevention of occupational accidents and diseases) and the IFA (*Institut für Arbeitsschutz der Deutschen Gesetzlichen Unfallversicherung* – the institute for occupational health and safety of German social insurance body covering accidents) to cover the use of an exoskeleton for the prevention of musculoskeletal disorders (MSDs).

b. Daily safety management

Saint-Gobain’s safety commitment applies not only to its employees and temporary staff, but also to on-site subcontractors. A training and awareness-raising course on specific risks related to the presence of on-site subcontractors is offered to the teams of the sites. The buyer network is also involved in training and informing subcontractors on the security standards to be put in place and respected.

At the end of 2023, the TRAR (total recordable accident rate with and without lost time for Saint-Gobain employees, temporary workers and permanent subcontractors) was 1.3. It was 1.5 at the end of December 2022. The TRAR indicator has decreased by 18% between 2022 and 2023 and by 52% between 2017 and 2023.

At the end of 2023, 79% of the entities had reported no occupational accidents, versus 76% at the end of 2023. The “Millionaires Club” comprises the most exemplary Group sites in terms of safety, with 1 million hours worked or five years without any accidents involving lost time, including all the individuals present on a site (employees, temporary workers, subcontractors, visitors, etc.). At the end of 2023, a total of 234 sites were in the “Millionaires Club,” compared with 236 at the end of 2022. It values the entities that have the best results and that demonstrate to all that the objective of zero work-related accidents is possible. Among these sites, 85 are “Silver Millionaires” (with ten years without a lost-time accident) and 57 “Gold Millionaires” (with 15 years without a lost-time accident).

C – Preserving the environment

The management of environmental risks relies on the environmental management system (see section 2.3.3.B. b, p. 87), the action plans carried out within the framework of the "environment" pillar of the WCM (see section 2.3.3.A, p. 84).

a. Air emissions

Air emissions from Saint-Gobain production sites are mainly carbon dioxide (CO_2), sulfur dioxide (SO_2), nitrogen oxides (NOx) and dust.

The Group does not significantly emit any other greenhouse gases (GHGs) besides carbon. The action plan to control CO_2 emissions across its entire value chain (scopes 1, 2 and 3) is described in its 2030 carbon roadmap (see section 3.3.3.B, p. 120). Beyond 2030, a new action plan will be drawn up to meet the objective of zero net emissions by 2050.

Regarding emissions into the air other than carbon, emission control actions primarily involve measures known as primary control measures of industrial processes described in the environmental pillar of the WCM program (section 2.3.3.A, p. 84). When these measures are not sufficient, secondary measures are deployed. They involve investment in air pollution control equipment to treat emissions. These equipments are deployed for each of the Group's businesses according to technical constraints. Thus, Saint-Gobain Glass continues to implement air pollution control equipment across all of its float production lines, taking advantage of shutdowns and repairs. Out of its 28 glass furnaces, 23 of them have a dust and SO_2 treatment system, and 13 have a NOx treatment system.

Dust emissions are controlled by investments in electrostatic precipitators or bag filters, depending on the type of industrial facility. This equipment also makes it possible to filter the heavy metals resulting from impurities contained in certain raw materials.

b. Water management

Preserving water resources

An action plan to reduce water withdrawals is implemented across all sites, with prioritization of actions based on the intensity of withdrawals and the risks of water stress associated with the site's location.

To assess the water sensitivity of its sites, the Group uses the global "Aqueduct" atlas of the WRI organization. This atlas is based not only on qualitative and quantitative physical risks (such as water stress or flood risk), but also on stakeholder risk (like access to water). This tool enables each industrial site to assess its water risk from "low" to "extremely high." In 2023, 257 sites representing approximately 19% of Saint-Gobain's water withdrawals and 10% of its discharge were located in high-risk or extremely high-risk areas.

In order to reduce water withdrawals from the sites, closed-loop water recycling equipment is being invested in. In 2023, 88% of the consumed water is reused in production processes through internal recycling systems.

To address the growing risks associated with access to water resources, site continuity plans may incorporate this dimension based on their location and the water needs of other stakeholders, particularly the drinking water needs of local populations and water needs for agriculture.

The risks of water pollution

Most of the water discharges are from cooling plants where the water does not come into contact with any chemicals used in the process. The risks of impact on the quality of water discharges are limited to certain Saint-Gobain work, such as the manufacture of fiberglass and glass wool, the use of certain ceramic materials and certain types of abrasives and the use of certain products in our chemical construction business. Industrial sites are required to comply with local regulations and environmental permits regarding effluent treatment and quality measures. In 2022, the Group published a technical guide on water efficiency for these industrial sites, which defines the applicable treatments according to the nature of the waste.

Saint-Gobain has put in place a program to reduce the presence of hazardous substances on its sites and in its productions. Identification of these substances is carried out, and a reduction program for their presence is initiated (see section 2.3.3.B.a, p. 85). Concurrently, the innovation program for Saint-Gobain's products and solutions (see section 3.2.3.C, p. 77) incorporates the objective of eliminating or at least limiting the presence of hazardous substances on the sites and controlling potential risks to health and the environment during production processes and throughout the value chain.

c. Preserving biodiversity

A mapping study of all Saint-Gobain sites, carried out using geographic tools such as WDPA, is updated regularly and makes it possible to assess their sensitivity to ecosystems based on their proximity to areas of high biodiversity value. The protected areas considered are areas recognized by the International Union for the Conservation of Nature (IUCN) or more locally defined as Natura 2000 or RAMSAR areas. In 2019, the study was continued, adding as criteria the environmental impact of the sites, the expectations of stakeholders and the actions already undertaken in terms of biodiversity. This made it possible to finalize a list of around one hundred priority sites in 2021, the vast majority of which were quarries, for the implementation of biodiversity management plans and the sharing of best practices.

A training module explaining the challenges of biodiversity and the successful implementation of a biodiversity management plan was rolled out in 2022, and around twenty best practices in terms of biodiversity were distributed internally.

Saint-Gobain participates in the "Act4nature International" program, a voluntary commitment to biodiversity from international companies: one of the strong commitments concerns the implementation of biodiversity management plans for all active open-cast quarries by 2025.

d. The limitation of natural resources and waste management

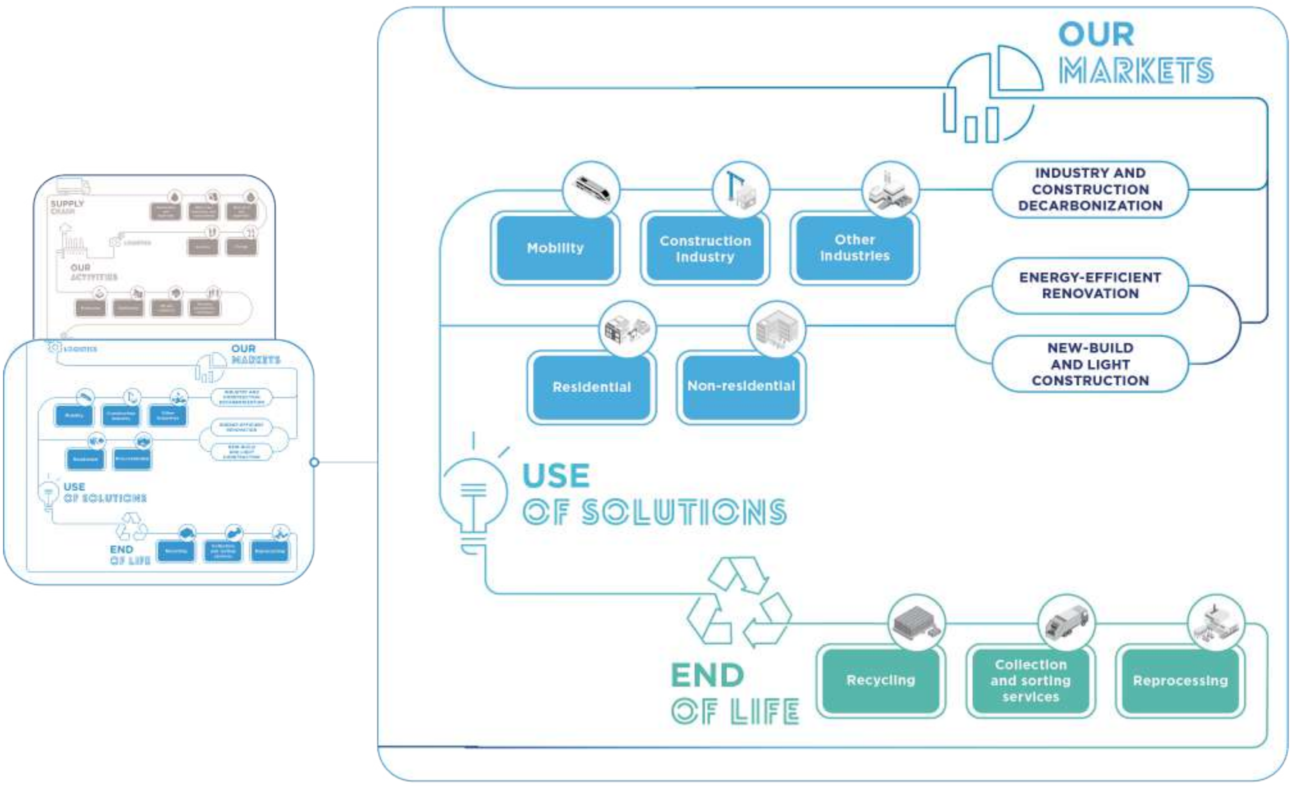
Saint-Gobain faces a potential risk of scarcity of raw materials used in the formulations of its products and solutions. The Group's strategy aims to reduce the natural resource intensity of the products and solutions offered and to promote the substitution of raw materials with renewable or recycled materials. For certain natural resources identified as at risk, such as sand or wood, specific monitoring measures for purchases and suppliers are implemented in accordance with responsible purchasing policies or the Timber Policy (see section 3.2.1. A.c, p. 97).

The Group has implemented an action plan by business and by country to optimize the use of resources from their extraction to end-of-life and minimize the generation of non-recovered waste at each stage of the life cycle of products and solutions brought to the market (see section 3.4.3. p. 128).

Beyond their environmental impact and the waste of resources represented by industrial waste from sites, their recovery in recycling circuits prevents their burial and potential environmental consequences such as soil pollution or groundwater pollution.

Finally, Saint-Gobain generates a limited amount of hazardous waste (7% in 2023), more than half of which is recovered. In line with Saint-Gobain's health policy and in compliance with local regulations, the management of hazardous waste is subject to special monitoring to ensure the protection of the health of employees, residents, customers, and users of its products and services.

3.2.3 MARKETS, THE USE AND MANAGEMENT OF THE END OF LIFE OF SOLUTIONS



A – An innovation process incorporating sustainability and performance issues

Saint-Gobain regularly develops its innovation methods and processes to meet new market expectations, particularly the development of ever more sustainable solutions (products, systems and services).

The innovation approach, made up of iterations, creativity, agility and openness to the outside world (university, partners, etc.), puts the client at the heart of the project from the identification of needs to the validation of prototypes.

The methods used concern both local projects and international projects (via pilot countries).

Innovation methods initially rely on the marketing teams, which are involved in the characterization of needs (functional analysis) and formalize functional specifications.

To integrate EHS (Environment, Health and Safety) issues, a checklist has been used in the Group since 2008.

This EHS checklist provides a qualitative assessment of the substances used in product formulations, allowing environmental and health impacts to be identified and reduced throughout the product life cycle.

In 2023, Saint-Gobain initiated a transition to replace the EHS checklist with a new EHS standard and a new tool for integrating sustainability into the innovation process.

The main objectives of the new EHS standard for innovation are:

- eliminating or limiting the presence of hazardous substances in new products placed on the market by Saint-Gobain and used in the downstream value chain;
- eliminating or limiting and controlling potential health and environmental risks during production processes at Saint-Gobain sites.

A new tool is also available to the marketing and R&D teams to help them integrate sustainability issues at every stage of the innovation process. This tool focuses on market trends and client needs in terms of sustainability. It defines and monitors targets for reducing the environmental footprint and maximizing the health and well-being benefits of new products brought to market, in line with Saint-Gobain's strategy.

These methods, standards and tools are a true foundation for the development of innovation for the marketing and R&D teams. Clients are also involved in the validation of industrialized solutions before their launch.

In addition, a monitoring procedure integrating every step in the innovation process allows for the rapid identification and consideration of potential difficulties prompt attention to potential problems. Close monitoring of the progress achieved and product performance means that the process of innovation is faster and more secure.

The innovation process also incorporates normative and regulatory requirements, from the functional marketing specifications stage. Local marketing teams ensure that products comply with regulations and standards applicable in the countries of commercialization. The process for launching new products, systems and services is checked within the framework of internal control (see section 6.2.2, p. 262). It is regularly updated to improve the quality management system procedures and associated monitoring indicators. Technical products are launched after sales force training and reinforced support by product managers and technical trainers. In several countries, they intervene directly on the worksites when installers use a differentiating innovation for the first time, throughout the launch phases until the sales organization reaches a sufficient level of maturity. The marketing and sales community, which brings together teams in different countries and activities, shares best practices and facilitates the integration of newly acquired brands.

Saint-Gobain University's Unicampus program (see section 2.3.2.C.b, p. 81) offers five training courses related to the innovation process. These training courses are primarily intended for the marketing and R&D functions but also aim to raise awareness across all functions. A product compliance training module has also been integrated into the program. Concrete courses combining theory, practice and experience sharing are offered widely to the principal offices involved in the innovation process, such as marketing, R&D, purchasing, production and industrial efficiency.

A new training course was launched in 2021, "Derisking a key success factor for your innovations," whose objective is to greatly increase the success and impact of innovations while reducing lead times by relying on better anticipation. Built around the Business Model Canvas, it helps identify all types of risks and conditions for the success of innovation projects at each stage of development, including launch.

Lastly, the World Class Manufacturing (WCM) industrial excellence program (see section 2.3.3.A, p. 84) ensures the deployment of best practices in terms of quality and product compliance at industrial sites, based on the ISO 9001.

At the European level, the Group contributes to the work of the European Committee for Standardization (CEN) in developing standards and regulatory systems. Likewise, its active participation in European interprofessional associations such as EURIMA, Eurogypsum, Glass for Europe and EMO provides input into the Group's vision of standards development in Europe, in particular through exchanges with the European Commission and its institutions such as the European Chemical Agency (ECHA) in charge of the REACH regulation. This work fosters the innovation process within the Group, enabling it to anticipate and go beyond regulatory changes.

With regard to consumer information, the Group's products comply with current regulations, such as CE marking in Europe or the requirement for chemical products to have labels and safety data sheets (SDS). Saint-Gobain also provides non-mandatory information specific to some of its products, such as:

- voluntary safety data declaration sheets for unclassified articles or substances;
- the declaration of the composition of components and materials via the IMDS database (International Material Data System) in the case of the automotive industry;
- Environmental Product Declarations (EPD) for construction products (or Environmental and Health Declaration Forms (FDES) in France);
- voluntary certifications obtained through independent national laboratories – or, failing that, international laboratories close to these markets – when innovative products or systems are not covered by international or national standards.

Specific measures related to the product compliance program are presented in section 6.2.5, p. 273.

B – Quality and the product compliance program

The Group's Quality Department aims to increase customer satisfaction by improving the quality approach through product compliance and reducing costs of poor quality.

The quality culture developed at the sites is based on the ISO 9001 or IATF 16494 certification standards, the "Quality & Process Control" pillar of the WCM program or the "Internal Quality Control" reference framework (see section 6.2.2, p. 262). Training programs on the culture and tools of quality and compliance are also offered as part of Unicampus (see section 2.3.2.C.b, p. 81) or e-learning courses available on the Group's training platform.

As product compliance is a constantly evolving process, Saint-Gobain has complemented the measures already in place in 2021 with a program to strengthen the culture of product quality and compliance. The program is designed to remind countries and local teams of the key principles and processes related to product quality and compliance throughout the product life cycle, from design to production, marketing, use and finally end of life.

This program includes four steps:

- Awareness campaigns at all Group levels;
- Definition of a roadmap by local management teams;
- Evaluation of the effectiveness of organizations and processes in the countries for each activity;
- Definition and implementation of sustainable improvement plans if necessary.

A network of local facilitators (more than 150 facilitators trained by the end of 2023) has been set up to support the teams in the countries or activities during deployment and to ensure the sharing of best practices, thus promoting the continuous improvement of procedures. The progress of the program's implementation is monitored by a committee created for this purpose and is regularly presenting to the Executive Committee members. The Group's internal control teams also assess the effective implementation of the program.

C – A range of sustainable and efficient solutions

Saint-Gobain's ambition is to offer solutions that combine performance and sustainability to meet the expectations of its stakeholders, in particular its clients, and to enable acceleration towards a more sustainable and low-carbon economy.

In order to standardize the assessment of the impact of the proposed solutions and accelerate differentiation in its various markets, use cases have been developed to illustrate the value provided by Saint-Gobain solutions. These use cases have been developed for 3 markets: decarbonization of industry thanks to the solutions of the HPS Business Units, renovation and sustainable construction for the construction Business Units. For each use case, local teams identify solutions combining products and services offered by the brands and distribution networks. The tools developed enable them to assess the benefits and thus adapt the offer and the sales pitch to the expectations of the stakeholders in the markets concerned.

The "Solutions for Growth" program incorporates these use cases, covers more than 90% of Saint-Gobain's sales, and helps guide Saint-Gobain's offer towards sustainable construction markets. The "Solutions for Growth" methodology used to identify sustainable solutions is available on the Group's website and has been reviewed by an independent third party.

The criteria used to measure environmental benefits are:

- Reduction of energy consumption and the carbon footprint;
- Optimization of non-renewable natural resources and water resources;
- Contribution to reduction of the environmental footprint of other sectors.

The criteria used to evaluate the benefits in terms of health, safety and well-being are:

- Reduction of occupational risks along the value chain;
- Ergonomics for contractors;
- Indoor air quality and acoustic, thermal and visual comfort for end clients, occupants of the buildings.

A method is being rolled out in the organization to facilitate the systematic consideration of sustainability in innovation projects (see section 3.2.3.A, p. 102). It is adapted to local markets and circumstances to characterize needs, identify the most relevant solutions and measure the provided benefits. The objectives of an innovation project are thus set to best meet the expectations and challenges in a given market. The impact and footprint of the developed solutions are assessed over its entire life cycle and for the main stakeholders involved throughout the value chain, up to the end client.

The share of revenue generated with solutions assessed as sustainable according to the "Solutions for Growth" method is 73% in 2023, in line with the target of 75% by 2025. Saint-Gobain's sustainable solutions revenue includes activities not assessed in the context of compliance with the European regulation 2020/852 Taxonomy Regulation (see section 9.3.5, p. 424) such as distribution activities, impacts and benefits not yet integrated into the regulation such as resources and the circular economy or finally benefits related to health, safety and comfort that will potentially be eligible for the social taxonomy.

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 clients reduce their carbon emissions through the use of its solutions, and to reduce

A – Governance

BOARD OF DIRECTORS

The **Board of Directors**, acting on the recommendation of General Management, determines the company's strategic orientations and oversees their implementation.

All Board members have received training in climate risk management from experts (see Chapter 5, section 5.1.2).

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.D for a description of the responsibilities and activities of the Corporate Social Responsibility Committee in 2023).

As climate change is a strategic issue for the Group, the reduction of CO_2 emissions is a performance indicator included in the Group's long-term compensation plans (see Chapter 5, section 5.2.4).

"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_2 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 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.

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

The **Sustainable Development Department** oversees the management of climate-related issues, which represent both a risk and an opportunity or 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 AND OPPORTUNITY 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 **Finance Department** assesses the financial impact of climate-related risks and opportunities on the Group, based on medium- and long-term scenarios.

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.

B – Strategy

Saint-Gobain's objective is to contribute to a FAIR and sustainable transition towards a low-carbon economy. The implementation and results of this strategy are integrated into scenarios that limit global warming to below a 1.5°C rise versus the pre-industrial era, so that they are aligned with the Paris Agreement.

In the face of climate risks, taking action as closely as possible to the regions (countries, regions, etc.) makes it possible to rely on resilient local ecosystems that are more favorable to the development of a "low-carbon" economy. The ability to initiate local partnerships is an asset in risk management.

In addition, Saint-Gobain's organizational structure is based on a unique combination of local and global, which makes it possible to benefit from new opportunities that meet local needs while being part of global dynamics, especially in terms of energy-efficient building renovation and the development of lightweight construction (see section 2.1.1.B, p. 66).

Buildings and construction account for around 37%.of annual CO_2 emissions worldwide [1]. Two thirds of the sector's carbon impact comes from the operation of buildings, while the remaining one third comes from the emissions contained in building products in particular. The transition of the buildings and construction sector towards carbon neutrality is therefore essential in the fight against climate change (see section 3.3, p. 106).

Maximizing contribution through innovative solutions

Saint-Gobain's solutions help reduce the negative impact of the construction sector. The Group is focusing its action plans around the following areas:

- Offering solutions that provide benefits during the building operation phase (use phase): the design, production and distribution of high-performance solutions with a positive contribution to the environment, i.e., solutions that promote energy efficiency and reduce CO_2 emissions during the use phase of buildings;
- solutions for decarbonizing industrial processes or manufactured products, such as the additives developed by the Construction Chemicals Business Unit to reduce the carbon impact of cement and concrete;
- Offering low-carbon solutions by reducing emissions in its operations (scope 1 and 2) and emissions related to its value chain (scope 3) to reduce the carbon content of buildings.

Minimizing the Group's carbon footprint towards zero net emissions (scopes 1, 2 and 3)

The goal is to achieve a 100% reduction in the Group's net direct and indirect carbon emissions by 2050. At least 90% of this objective will be achieved through the efforts of the sustainable transformation of its industrial processes and its value chain and less than 10% through carbon sequestration offsetting measures.

The action plan for reducing carbon emissions (scopes 1, 2 and 3) is divided into two periods:

- 2020 to 2030: Saint-Gobain is rolling out its "2030 carbon" roadmap, which has two ambitions:
  - achieving, between 2017 and 2030, the reduction targets (in absolute terms) of 33% of CO2e emissions under scopes 1 and 2 and a 16% reduction in CO2e emissions under scope 3. These objectives are validated by the Science-Based Targets initiative (SBTi), which considers them to be aligned with the Paris agreement and a 1.5°C trajectory.
  - innovating and testing industrial processes to achieve net zero emissions for the three scopes.
- 2030 to 2050: the roadmap will be adapted based on the results obtained during the previous period. The innovations identified during the implementation of the "2030 carbon" roadmap will be rolled out. Carbon capture projects may be activated at the end of the period to supplement the transformation measures up to a maximum of 10% of emissions (scopes 1, 2 and 3).

To support this carbon roadmap, Saint-Gobain has committed to investing at least €100 million a year in CAPEX and R&D over the period 2020 to 2030.

Short- and long-term executive compensation packages include performance indicators on the carbon roadmap.

Financing tools such as the Sustainability Link Bond and Sustainability Link Loan have been issued for 2022 and 2023.

Involving stakeholders

The fight against climate change requires the cooperation of all stakeholders – in particular states, businesses and civil society – around a demanding international framework.

Saint-Gobain is committed to working with its stakeholders to implement rapid action plans based on the shared objective of limiting the rise in temperatures to 1.5°C. To this end, action is being taken:

- with its employees: through training to help them understand the issues, by making resources available to them to enable them to take action, such as carbon funds, or by participating together in sponsorship projects to accelerate the renovation of housing for excluded populations or to help populations exposed to the effects of climate change ;
- with our partners: suppliers, customers, lobbying partners, international institutions and governments, to accelerate the transition to more sustainable construction and a low-carbon industry;
- in the countries and local communities where we are present, to get involved in public debate on local climate issues, provide training in sustainable construction skills, and support associations to help vulnerable populations.

[1] *Global Status Report for Buildings and Construction, 2022 p. 42.*

a. Analysis of climate scenarios for 2050

For strategic planning purposes, Saint-Gobain has built three qualitative climate scenarios that incorporate political, technological, economic and societal assumptions. These scenarios have been reassessed and updated for 2022.. Each scenario is associated with an increase in average temperature of between 1.5°C and 4.5°C before the end of the century. These scenarios help Business Units and the countries in which the Group operates to anticipate the impacts of climate change on their markets and their activities.

Indicators		Wind of Change	The Show Might Go On	Highway to Climate Hell
GENERAL CONTEXT				
Increased temperatures in 2100 compared with the pre-industrial era (1850–1900)		1.5-1.7°C	2.1-3.3°C	4.0-4.5°C
Peak global carbon dioxide emissions		Around 2020	Mid-2030	Around 2100
Achievement of the "Global zero carbon" objective		Mid-2050	After 2100	Not in the near future
International cooperation model		Multilateralism and cooperation	Digital arms race, lack of cooperation	Regional and isolationism rivalry
MACROECONOMIC FRAMEWORK				
Global population (2019 = 7.7 billion)		9.7 billion	9.7 billion	9.7 billion
Urbanization rate (2019 = 56%)		68%	68%	68%
CONSTRUCTION NEEDS				
Sea-level rise (compared with 1986–2005)		+0.4 meters	+0.5 meters	+0.6 meters
Average length of drought periods		9 to 11 months	18 months	22 months
Number of tropical nights (compared with 1981–2000)		+16 days	28 days	53 days
MOBILITY				
% of electric cars in the vehicle fleet in 2050 (2019 = 8%)		80%	60%	45%
Annual vehicle sales (market growth in 2026 compared with 2018)	In developed economies	-6%	-6%	-6%
	In Asia	+22%	+22%	+22%
	In total	**+9%**	**+9%**	**+9%**

Wind of Change scenario	
SUSTAINABLE CITY	
Model of existing city	Amsterdam, Valencia
Size	Medium-sized city – generally between 750,000 and 3 million inhabitants. The city center is dense.
Mobility	Well-established public transit system, increasing investments in active modes of mobility (walking, cycling) and shared roads.

METHOD OF CONSTRUCTION

- Buildings are generally collective buildings built around 2018 in accordance with the latest environmental regulations.
- Household appliances are shared and efficient while excess heat is shared between connected buildings.
- Apartments are easy to reconfigure and refurbish to optimize space.
- Builders favor natural lighting, passive cooling and solar protection.
- To improve their resilience, the buildings are equipped with green walls and roofs, wastewater and rainwater harvesting systems, reflective materials, and the foundations are adapted to remove clays.
- The use of bio-sourced, reused and recycled materials is becoming widespread to mitigate the effects of climate change. Likewise, energy self-production, waste sorting and composting systems are installed: innovations are thus used to optimize energy efficiency.
- The installation of smart meters and sensors makes it possible to monitor consumption and automatically regulate lighting, ventilation, cooling and heating.

The Show Might Go On scenario

SUSTAINABLE CITY	
Model of existing city	Nairobi, Buenos Aires, Beijing and some other Chinese cities
Size	Rapid growth due to intensive industrialization
Mobility	Public transit does not cover the entire city and does not make it possible to optimize travel. Most people continue to travel by car.

METHOD OF CONSTRUCTION

- Two models emerge: firstly, the European model, and secondly, the US model.
- In Europe, the majority of the population lives in office buildings built in 2000 and converted into residential buildings in 2030. The individual apartments are small, but benefit from large shared spaces (workspaces, fitness, high-tech kitchens). A centralized monitoring system automatically adapts heat, lighting, ventilation and cooling. Shared appliances in kitchens and laundry rooms are very efficient and use little energy. The roof is equipped with photovoltaic panels and the insulation has been reinforced with recycled materials.
- In the United States, the majority of the population lives in apartment buildings and private condominiums in the suburbs of a large city, in buildings dating from the 1970s. Only a minority of individual apartments have been renovated. Energy consumption is not systematically monitored. However, installations have been put in place to mitigate the effects of climate change on the comfort of residents: the insulation of the walls and roof has been improved and double-glazed windows have been installed. Most devices are programmable, but none are shared.

Highway to Climate Hell scenario

SUSTAINABLE CITY	
Model of existing city	London, Rio de Janeiro, some US cities, Lagos, Lima, New Cairo
Size	These immense cities occupy a vast territory and are home to 3 to 5 million inhabitants. In less developed countries, these growing cities are surrounded by large slums.
Mobility	The majority of the population lives in the suburbs, and driving is the most used mode of transportation thanks to the extent of the road network.

METHOD OF CONSTRUCTION

Subsidized, affordable but low-quality housing is built to contain the endless expansion of slums in emerging countries. Poor quality is often accompanied by raised living spaces, a lack of daylight, thermal discomfort, high levels of noise pollution and inadequate ventilation of fresh air. Basic insulation solutions are still incompatible with the affordability required for such “slum sanitation” approaches. Implementation of cooling processes as the only response to global warming. Access to basic services (wastewater, drinking water, electricity, sanitation, waste disposal) is an important step towards achieving the fundamental objectives of human development. Recycling, reuse and the circular economy can only be considered when these basic services have been fully realized.

b. The 2050 vision

The “2050 net zero emissions” contribution program

In addition to the programs initiated at site level, reducing the carbon footprint of production and thus the impact of the products requires three major strategies:

- Innovation and R&D programs to coordinate and expand efforts to improve manufacturing processes, reduce energy consumption and ensure the transition towards the use of decarbonized energies;
- Scope 3 control to identify the main emissions factors and mitigate the overall impact of the products;
- Management tools and financial resources to accelerate the transition to low-carbon technologies and a budget of 100 million euros per year between 2020 and 2030.

In 2020, and in accordance with the Group’s commitment to contribute to net zero carbon by 2050, Saint-Gobain published a roadmap with an action plan and intermediate targets for the end of 2030 (see section 3.3.3.B, p. 120).

Integrating carbon impact into operational decision-making tools to accelerate the transition

Since 2016, Saint-Gobain has established an internal carbon price to assess the current or potential impact of a regulatory carbon price on Saint-Gobain’s activities, identify opportunities for growth in low-carbon sectors, refocusing investments in manufacturing and R&D, and prioritizing actions to reduce CO_2 emissions. The Group has set two levels of internal carbon prices. The first internal carbon price level per metric ton is applied to industrial investments above, investments associated with a change in energy source, energy investments on an existing or greenfield site. The second carbon price level is used for R&D investment in breakthrough technology. This price level is of demonstrable value in supporting low-carbon R&D projects.

The internal carbon price levels are regularly updated in line with market trends and are applicable to all countries in which the Group operates. Since May 2023, the price level applicable to investments is €100 per metric ton of CO_2 and €200 per metric ton for R&D projects. In addition, a specific approach applicable to significant acquisitions has been defined. It includes any effort required to ensure that the carbon impact of this acquisition is compatible with Saint-Gobain's direct and indirect emissions target trajectory.

Scope 1 and scope 2 emissions are measured on a monthly basis for nearly 90% of the Group's impact. This reporting is based on the production management. The management controllers are responsible for updating the information used to calculate scope 1, such as consumption of raw material or energy. PPA (Purchase Power Agreement) contracts are updated by the purchasing teams and integrated into the reporting tools for monitoring scope 2.

Emissions reduction performance is therefore an operational performance indicator in the same way as financial performance indicators.

The carbon impact is also integrated into the processes for establishing annual budgets or strategic plans. Information on the carbon impact of planned investments is available to technical teams at sites and to the industrial departments of each business. Technical innovations such as investments in more mature technologies are identified according to their cost, technical maturity and potential for reducing CO_2 emissions.

While the automation of the scope 3 calculation is more complex, the carbon impact by more than 80% of industrial purchases (category 1) is measured automatically, and buyers have access to a dashboard to assess the impact of their decision. The quality of the assessment depends above all on the quality of the information provided by the supplier about the emission factors of materials and products. Similarly, the assessment of transport-related CO_2 emissions (categories 4 and 9) is based on data transmitted by operational logistics optimization systems.

This effort to automate and improve the reliability of scope 3 data is ongoin, and based on the principle of connecting to IT tools to monitor operational performance.

Under the European Union Emissions Trading Scheme (EU ETS), the rules defining the free allocation of carbon allowances from 2021 have been redefined.

At the end of the 2023 fiscal year, the Saint-Gobain Group had a stock of 3,6 million metric tons of greenhouse gas emission allowances allocated by the European Community. The Group considers that it will remain self-sufficient in allowances in for a minimum period of 4 years.

Innovate to optimize industrial processes and promote the use of decarbonized energies

In the short term, the actions performed involve the reduction of energy consumption and, in the medium and long term, the transition to the use of decarbonized energy, in particular the transition to the use of decarbonized electricity. The WCM program (see section 2.3.3.A, p. 84) and the "energy" and "CO_2" action plans for continuous improvement (see section 2.3.3.B.b, p. 117) provide structure for the action plans.

Short- and medium-term actions also include investments in optimization and energy efficiency processes. Pragmatically, Saint-Gobain identifies and analyzes projects for which rapid gains can be measured. The analysis also takes into account the impact on competitiveness and applies the rules related to the introduction of the internal carbon price. For example, the Group promotes the installation of energy and heat recovery systems. These low-carbon solutions can address each of the impacts of industrial production: raw materials, energy use, energy efficiency and energy recovery, and carbon capture and recovery.

Regarding energy, processes that are technically adaptable to the exclusive use of electrical energy have been identified. For these processes, the transition is facilitated by the development of local renewable electricity grids and the growing share of decarbonized electricity in national grids. Energy buyers have therefore been involved in identifying reliable and competitive sources of decarbonized electricity in the countries in which Saint-Gobain operates. This transition to the use of decarbonized energies takes the form of investments such as in solar and wind farms, through the installation of solar panels on our sites or the use of market mechanisms such as green certificates or Power Purchase Agreements (PPAs). At the Group level, the share of decarbonized electricity in electricity consumption reached 57% in 2023.

For processes for which the adaptation to the exclusive use of electrical energy is technically more complex, two axes of innovation are then deployed: one on the development of decarbonized energies (biogas, biomethane or decarbonated hydrogen for example); and the other, to develop processes and make them compatible with an increasing use of electricity.

Overall, innovation is a lever used by the Group to reduce the impact of its activities. Saint-Gobain also wants to develop zero-emission productions for scopes 1 and 2 as quickly as possible. In May 2021 the Group announced an investment of €25 million in its plasterboard plant at Fredrikstad, Norway, to increase its production capacity by around 40% and transform its plant into the first zero-carbon emissions production of plasterboard site in scopes 1 and 2 in the world thanks to a hydraulic power supply. Saint-Gobain receives a grant from the Norwegian government agency Enova; the new facilities have been operational since April, 2023. In June 2022, Saint-Gobain announced that it was investing in a second zero emission Scope 1 and 2 production plant in Canada, applying the same technical solutions. The investment will be approximately 90 million Canadian dollars.

At the same time, the Group has continued its efforts to develop "net zero carbon" industrial process pilots (scopes 1 and 2) or very low-emission. Saint-Gobain has become the first manufacturer to set up a low-pilot zero-carbon production facility (scope 1 and 2) for flat glass at Aniche (France). This technical feat was achieved by using 100% recycled glass and 100% energy produced from biogas and decarbonized electricity [2]. Each Saint-Gobain industrial process has established a net zero carbon production program (scopes 1 and 2) and conducted pilot production to test technical solutions.

To support this effort towards industrial processes contributing to carbon neutrality, a budget of €100 million per year has been allocated to Capex and research and development investments for the next ten years. In 2023, Saint-Gobain has invested over €223 million to support its 2030 roadmap.

c. Collaboration with stakeholders

Saint-Gobain includes as a rule of lobbying or collaboration the adherence of partners to the Group's values communicated in its code of ethics, the Principles of Conduct and Action, as well as a commitment to support the Paris climate agreement.

Strong commitments to the climate

Saint-Gobain supports the implementation of ambitious political frameworks to remove technical and financial obstacles and accelerate the transition to a low-carbon economy. The recovery plans initiated by governments following the Covid-19 crisis are an opportunity to combine the fight against climate change with economic development actions through such ways as initiatives that promote building renovation and energy efficiency. Indeed, decarbonization of construction and operation buildings is essential to achieve the greenhouse gas emission reduction targets that governments have set for themselves.

European regulatory projects related to sustainable finance and in particular taxonomy of sustainable activities are essential instruments for achieving the European Union's climate objectives, provided that they are guided by scientific criteria and developed in a transparent manner. The Group supports the work of the European Commission and the "sustainable finance" platform to ensure that the ambition developed in the taxonomy and the underlying criteria better reflect the potential and specificities of the business sectors concerned. However, a small proportion of the Group's activities have been assessed and are therefore eligible.

Saint-Gobain is fully committed as a non-state actor to the implementation of the Paris Agreement and participates with its partners in the subsequent COP (Conferences of the Parties) on climate change. At COP28, Saint-Gobain welcomed the "Buildings Breakthrough" initiative launched by France and Morocco as part of the Breakthrough Agenda proposed by the United Kingdom at COP26 in Glasgow in 2021. The goal is to make buildings offering resilient and nearly zero greenhouse gas emissions the norm for new buildings by 2030. This initiative builds on the expertise of the Global Alliance for Buildings and Construction (GABC), of which Saint-Gobain is a founding member.

In line with the commitment taken to contributing to carbon neutrality, Saint-Gobain has been involved in the "Race to Zero" initiative since its creation, and in the "We Mean Business" coalition, which now brings together more than 5,000 companies and 1,000 cities.

Transforming markets also means changing the entire construction market value chain. The Group forges partnerships with many players who share the same desire to promote more sustainable buildings. In this respect, the Green Building Councils (GBC), a unique global network of national associations of professionals and players in the construction market, are an essential partner. The GBC network offers a fast path for the deployment of sustainable construction technologies and dissemination of best practices, particularly via education for market players. It can create a collective momentum involving the various stakeholders (investors, builders, manufacturers, architects, etc.).

GBCs have a geographical organization that allows each Saint-Gobain entity, at the local, national, and international levels, to actively contribute to their work. The Group is a member of 40 local GBCs worldwide and a partner of the European network of GBCs (ERN) and serves as the vice-chair of the Corporate Advisory Board of the World Green Building Council (WGBC).

Saint-Gobain is committed to orienting the construction industry towards a low-carbon trajectory. This is why Saint-Gobain is a founding member of the Global Alliance for Buildings and Construction (GABC). Saint-Gobain is also a member of the projects steering committee of the World Business Council for Sustainable Development (WBCSD) for cities and buildings.

Saint-Gobain is campaigning for the introduction of a carbon price. This price must allow for a transition that keeps the level playing field between the various companies and countries, in particular through the establishment of a mechanism at the borders of Europe. Saint-Gobain has contributed to several projects on the subject at the European level within the ERT (European Round Table for Industry) and within the Afep and the Fabrique de l'Industrie in France. Saint-Gobain also joined the steering committee of the World Bank's Carbon Pricing Leadership Coalition.

Saint-Gobain belongs to the ETC (Energy Transition Commission), a group of about fifty leaders from the energy and climate community. Pierre-André de Chalendar is one of the commissioners. The aim of the ETC is to accelerate the shift towards a low-carbon energy system that enables robust economic growth while limiting global warming to 1.5°C. Because construction is its primary market, the Group is particularly involved in the promotion of sustainable construction and is involved in initiatives to promote energy efficiency.

Train clients locally, inform the end user

Some of the training courses delivered by local teams cover energy efficiency and reduction of environmental impact of buildings. The entity of tarde materials is particularly active in that area and plays a key role in supporting craftsmen, thereby facilitating the marketing and use of sustainable products. These services set up by distribution help accelerate the transition to a more sustainable construction and reduce the carbon impact of buildings.

[2] *Decarbonized electricity: from renewable and nuclear sources.*

In France, the Point.P network has launched an unprecedented program to train 1,000 "renovation assistance referents" in 2023, who will be able to provide all the necessary information and advice directly to craftsmen in sales outlets.

Building renovation programs in France rely on a network of trained, RGE-qualified craftsmen. Point.P has long been committed to increasing the skills of its craftsmen, and in particular to helping them obtain this qualification. An educational application is available to help craftsmen prepare and practice for the exam. In addition, examination sessions are organized in branches supervised by employees certified by the Certibat inspection body. Saint-Gobain's other distribution banners in France have also joined the program.

By 2023, more than 5,000 craftsmen had logged on to the RGE application. They completed more than 27,000 test sessions. And nearly 400 craftsmen have been certified.

Beyond Building Distribution, training structures are offered by country. They are open to craftsmen, installers, architects and other actors of the construction sector.

Enhancing employee commitment

Training

In order for employees to be able to commit to the fight against climate change, they must have the necessary keys to fully understand:

- climate-related issues;
- how to assess the impact of Saint-Gobain;
- how to act to reduce its environmental footprint.

"Climate Academy" is a set of e-learning courses made available to Saint-Gobain employees to inform them about the issues related to the risks of climate change and to help them respond to environmental challenges, regardless of their level of expertise on the subject or their role in the company. The Climate Academy was conceived in two stages. The first one to understand, the impacts and challenges in the format of modules of no more than five minutes. As for the second stage, the Climate Academy presents eight themes describing the various means of acting to protect the environment and contribute to carbon neutrality in 2050.

In addition to these online training courses, “Fresque du climat” workshops are organized around the world. By the end of 2023, more than 3,400 employees had taken part in workshops. The aim is to train 80% of employees by the end of 2025.

An internal carbon fund for employees

To engage all its employees on the road to the contribution to carbon neutrality by 2050, and to contribute to achieving the objective of reducing the Group’s CO_2 emissions between now and 2030, in April 2021, Saint-Gobain launched an internal “Carbon Fund.” First implemented in a pilot region, Northern Europe, it aims to accelerate the reduction of non-industrial CO_2 emissions through the daily actions of employees and targeted investments in sites. The areas covered by these investments are mainly related to the sustainable mobility of employees, renewable energies and the improvement of comfort and energy efficiency at Saint-Gobain sites. These projects proposed and selected by employees mainly concern their working environment. Organizational methods, thematic choices and priorities are defined by local organizations.

3.3.2 RISKS, OPPORTUNITIES AND SOLUTIONS

The challenges related to climate change represent both risks and opportunities for Saint-Gobain. The system for identifying, assessing and managing global and local risks is detailed in Saint-Gobain’s response to the CDP climate questionnaire. In this area, the Group follows the principles of due diligence. This process allows us to identify, prevent and mitigate actual and potential negative impacts associated with its business and supply chain, as well as to report on how these impacts are addressed.

A – Risks and opportunities across the value chain

The identification and assessment of risks and opportunities related to climate change is an integral part of Saint-Gobain’s global risk management and innovation processes. As such, the Group has identified ten risks and five strategic opportunities related to climate change. Each risk and opportunity affects each segment of the Saint-Gobain’s value chain differently, from the extraction of raw materials to their end of life. The tables below show how the opportunities and risks identified by Saint-Gobain impact each stage of the value chain while being part of global market dynamics and meeting consumer expectations. This approach has also been aligned with TCFD recommendations. The identified risks are not of significant financial materiality to the Group.

		IMPACT ON VALUE CHAIN			
TYPE OF RISK	RISK	Extraction and treatment of raw materials	Manufacturing and distribution, in particular of construction materials	Clients' expectations	Other stakeholders' expectations
POLITICAL AND LEGAL	**Increase in the price of GHG emissions**	In Europe, risk of competitiveness with respect to imported materials	Increase in manufacturing and distribution costs	Increasing demand for low-carbon buildings and products	Demand for reduced emissions from products and operations
	Product composition and regulatory changes	Risks associated with the substitution of raw materials currently used	Risks associated with the implementation of new compositions	Demand transparency and choice of more sustainable solutions. Stop purchasing of certain solutions	Demand transparency and orientation towards more sustainable solutions. Reputational risk
	Climate change litigation	Disruption of certain supplies	Disruption of operations	Threat to the company's reputation	Exposure to claims for damages resulting in financial costs
TECHNOLOGICAL	**Substitution of existing products with low-carbon options**	Use of low-carbon raw materials. Availability and costs	Integration of low-carbon solutions into the product range. Pace vs. competition and demand	Development of the circular economy. Communication expectations for carbon intensity of materials and products	Increased R&D spending to develop low-carbon solutions
	Transition to low-carbon technologies	Fluctuation in project profitability as a function of low-carbon raw material costs	Fluctuation in project profitability as a function of the production cost of low-carbon products	Risk of loss of competitiveness if consumers continue to use high-carbon solutions	Increase in R&D spending needed to develop breakthrough innovations
MARKET	**Increase in the price of raw material and energy**	Rising cost of carbon-intensive raw materials	Increase in production cost	Changing preferences encouraging to use new materials	Increase in R&D spending required to develop extraction methods and search for low-carbon raw materials
REPUTATIONAL	**Perception within civil society**	Risks associated with the retention of extractive practices and usage of fossil energies	Risk of reduced demand for products in the event of negative public opinion	Growing attention and responsiveness to climate change issues	Growing impact of public opinion on investors. Legal risk
ACUTE PHYSICAL	**Increase in the intensity and frequency of extreme events (cyclones, floods)**	Disruptions and delays in the extraction, transportation and delivery of raw materials	Decrease in production capacity due to damage and loss of equipment and buildings	Ensuring the safety of workers throughout the supply chain	Increasing requirements in terms of safety and resilience of structures to limit additional delays and losses
CHRONIC PHYSICAL	**Sea-level rise, increase in average temperatures, change in precipitation regime**	Reduced availability and/or increased cost of raw materials from suppliers exposed to risks of high heat, flooding or lack of water	Increasing exposure of sites to the risk of flooding and high temperatures affecting production costs and energy consumption	Consideration of risk of water shortage at the local level Construction of affordable housing adapted to the physical risks for local populations	Consideration of commitment of companies to at-risk populations. Calls for new construction methods adapted to these growing risks

TYPE OF OPPORTUNITY	OPPORTUNITY	IMPACT ON VALUE CHAIN: Extraction and treatment of raw materials	IMPACT ON VALUE CHAIN: Manufacturing and distribution, in particular of construction materials	IMPACT ON VALUE CHAIN: Clients' expectations	IMPACT ON VALUE CHAIN: Other stakeholders' expectations
RESOURCE USE	**Recycling and end of life management**	Replacement of natural raw materials with recycled materials; treatment of waste to convert them into potential new raw materials	Inclusion of recycled content into products; increased use of recycled material in industrial processes (gypsum, glass)	Increased demand for recycled products	Development of local recycling channels in response to the scarcity of resources
	Reduction of water consumption	Limitation of withdrawals, especially in water-stressed areas	Use of operational methods that consume less water	Inclusion of the water needs of local populations into new construction and renovation projects	Limiting water consumption in buildings to anticipate the risk of water stress
GOODS AND SERVICES	**Development of solutions for climate adaptation, resilience and insurance risks**	The development of low-carbon materials	Development of low-carbon methods to ensure safe and reliable operations	Taking into account local climate specificities in the development of sustainable habitat solutions	Cooperation with local actors to improve the resilience and adaptability of cities in relation to their exposure to physical risks
	Development/ expansion of low-carbon products	Use of low-carbon materials	Designing products that have a low impact on the environment, or even avoid carbon emissions	Increasing demand for low-carbon solutions	Tighter regulations on GHG emissions, supporting investment in low-carbon products research
RESILIENCE	**Participation in renewable energy programs and adoption of energy efficiency measures**	Identification of regular and reliable sources of renewable energy supply	Development of digital tools to adjust energy consumption as closely as possible to needs	Development of solutions that combine habitat comfort and energy efficiency	Increased energy efficiency requirements, encouraged by regulatory changes and public support programs for energy renovation

B – Risk and opportunity management

a. Risks related to climate change

Physical risks

The three major physical risks identified on the basis of the sixth IPCC report are increased frequency and/or intensity of potentially destructive events, resource scarcity and global temperature increase.

The Risk and Insurance Department continuously assesses the risks to which the Group's sites are exposed worldwide and, in particular, the risks related to the effects of climate change (see section 3.2.2.A.a, p. 99). In 2022, a specific study of the exposure of the main sites was conducted. These risks are then managed by the sites concerned, which draw up and implement action plans to reduce their risk exposure updating business continuity plans to take account of climatic risks.. The technical and industrial performance department, in particular the industrial and R&D departments of each activity, coordinates actions involving changes to industrial processes or plant design.

In addition, the Group ensures that physical risks are taken into account throughout its value chain. As part of its responsible purchasing program, Saint-Gobain relies on a diversity of suppliers and supply sources to reduce the risk of transportation difficulties and supply chain disruptions. Lastly, the Purchasing Department considers the risk of an increase in the price of raw materials or of energy and greenhouse gas emissions in its purchasing strategies.

Transition risks

Saint-Gobain is committed to achieving the target of "net zero emissions" by 2050. The analysis of physical risk exposure made possible the identification of transitional risks.

POLITICAL AND LEGAL	TECHNOLOGICAL	MARKET	REPUTATIONAL
• Evolution of local regulations (product composition, more sustainable solutions, emission reductions, etc.); • Climate change litigation.	• Availability and cost of raw materials for "low-carbon" products and/or substituted raw materials (in comparison with fossil raw materials); • Increase in R&D costs ("low-carbon" solutions, "low-carbon" raw materials and their extraction, disruptive innovation…) to ensure a transition to low-carbon technologies and solutions.	• Increased price of GHG emissions; • Increase in production and distribution costs (e.g., increase in the cost of carbon-intensive raw materials); • Competitiveness risk with respect to imported materials (specific risk for Europe); • Disruptions in the value chain (supplies, operations, etc.); • Risk of loss of competitiveness on new integrated ranges of "low-carbon" solutions; • Risk of loss of competitiveness if consumers are not interested in "low-carbon" solutions; • Risk of loss of profitability on "low-carbon" projects (production and raw material costs).	• Risks related to the continuation of extractive practices and the use of fossil fuels; • Risk of lack of responsiveness, communication and transparency of the Group on climate change issues (all stakeholders); • Changes in consumer preferences regarding the use of new materials.

The Group anticipates the technological risk linked to the substitution of existing products with low-carbon options by investing in the development of disruptive technologies and eco-innovative solutions to meet the expectations of its clients. Two internal carbon prices were set up in 2016 to support the viability of Saint-Gobain's projects and strategy (see section 3.3.1.B.b, p. 110). These two prices are regularly updated.

At the local level, monitoring and compliance programs have been implemented in the countries coordinated by the EHS Department, while the Legal Department monitors new environmental regulations. In addition, the marketing teams ensure that the Group's products comply with local environmental regulations. Similarly, the risks of climate change disputes are assessed as part of the existing risk management process. Saint-Gobain monitors changes in climate reporting requirements in order to meet the expectations of its stakeholders.

What is more, aware of the impact of a bad reputation on environmental matters, the Group fully integrates reputational risk into its risk management policy. Saint-Gobain is demonstrating its commitment to the climate through concrete targets for reducing its CO_2 emissions and energy consumption. Finally, the needs and risks related to access to water for local populations are also taken into account in its action plans.

b. Opportunities

Solutions conceived, produced and distributed by Saint-Gobain have a lesser impact on climate change. The physical risk exposure analysis has made it possible to identify opportunities for the Group.

POLITICAL AND LEGAL	TECHNOLOGICAL	MARKET	REPUTATIONAL
• Changes in regulations related to site operations (GHG emissions, energy performance); • Changes in regulations relating to product composition (recycled raw materials and/or low carbon footprint, labeling); • Changes in local regulations to take into account specific regional climatic conditions.	• Development of new materials and construction techniques for better energy efficiency and lower environmental impact; • Development of solutions to reduce dependence on raw materials (process optimization, recycling, waste treatment)	• Increasing demand for recycled and/or low-carbon impact products (changing consumer preferences); • Increasing demand to take into account local climate specificities in the development of more sustainable solutions; • Rising energy prices (e.g., development of more efficient insulation products, tools to adjust energy consumption closer to real needs, etc.).	• Consumers' need for transparency concerning the steps and investments made to reduce the Group's environmental impact; • Investors' need for transparency concerning the steps and investments linked to a reduction in the Group's environmental impact.

Saint-Gobain anticipates the risk of a scarcity of raw materials by actively promoting the transition towards a circular economy (see section 3.4, p. 124) and by reducing its consumption (see section 2.3.3.B.b, p. 87). The substitution of non-renewable virgin raw materials with renewable or recycled raw materials, the extension of the lifespan or use of our products or systems and the reduction of the intensity of materials are at the heart of the Group's innovation process and enable it to ensure the competitiveness of its solutions while anticipating changes in the preferences of its end consumers and legislation.

Saint-Gobain is also working to optimize and reduce its energy consumption through such means as investing in digital tools to adjust energy consumption as closely as possible to needs..

Anticipation of the increase in the cost of high-emission products, which would follow the tightening of regulations and the change in preferences expected by consumers and clients, encourages Saint-Gobain to support the development of low-carbon materials and methods throughout its value chain. In addition to its efforts to contribute to carbon neutrality in its operations, the Group promotes renewable energies and develops solutions to improve the energy efficiency of its clients to enable them to meet the climate and environmental challenges they face (see section 3.2.3.C, p. 104). Thanks to its strong exposure to the renovation market, the Group is ideally situated to play a decisive role in the national and European "green recovery" plans for the energy transition, which should support Saint-Gobain's structural growth.

c. Study of the amplification effects of risks and opportunities according to the climate scenarios

As part of the analysis of its exposure to physical risks and transition risks and opportunities, studies were conducted in 2022 and 2023 to identify the potential amplification effects of transition risks due to the intensity of physical risks, including their financial impacts. The objective of this exercise is to provide the Group with a global and regional view of its exposure to the risks and opportunities associated with the impact of climate change on its business as well as the integration of potential financial effects into its financial statements.

An identification of the evolution of major physical risks—globally and by region—was carried out on the basis of the sixth IPCC report. These physical risks were then linked to the transition risks and opportunities identified by Saint-Gobain and aligned with the TCFD recommendations. For each of them, the potential amplification effect caused by the physical risks was studied and quantified as low, moderate or significant according to three scenarios: SSP1-2.6, SSP2-4.5 and SSP5-8.5.

The three major physical risks identified on the basis of the IPCC report are increased frequency and/or intensity of potentially destructive events, resource scarcity, and global temperature increase. In the SSP2-4.5 and SSP5-8.5 scenarios, these three physical risks have expected amplification effects on the majority of transition risks in all regions. On the other hand, a particular influence on market risks is observed, such as the increase in production and distribution costs or the disruption of the value chain. This can be explained by various reasons, such as an increase in production costs linked to rising temperatures, which increases the energy requirements for cooling machines.

In terms of opportunities, the amplification effects seem to favor political and legal opportunities as well as technological opportunities. Indeed, the global rise in temperatures could accelerate the evolution of regulations related to building insulation, thus favoring demand. In addition, Saint-Gobain's ability to develop construction alternatives that are more energy efficient and have a lower environmental impact could represent an opportunity amplified by the increasing scarcity of certain resources, making it possible to reduce their additional cost.

In 2023, an initial estimate of the financial impact of climate change was made. The analysis includes three levels of impact:

- direct impacts: the immediate effects of climate change on the sites, infrastructure and living and working conditions;
- indirect impacts: the consequences of the effects of climate change on economic activity, the financial statements, as well as the social impact, including the impact of business interruptions;
- potential adaptation measures to reduce the vulnerability of the sites, including cost, feasibility and ease of implementation.

This study confirms that the identified risks are not of significant financial materiality to the Group. (see section 8.1, note 3, p. 307).

At the same time, a financial assessment approach was initiated for opportunities related to physical risks. It is based on:

- an analysis of the impact of the main climate risks on Saint-Gobain's markets, in particular construction and renovation;
- an estimate of potential demand growth for the Group's solutions.

Saint-Gobain's knowledge of the existence of these amplification effects enables it to include physical risks and transition risks and opportunities in its long-term vision and strategy, thus fully integrating climate change and its impacts into its decision-making.

C – Solutions

a. Designing innovative solutions incorporating "carbon benefits"

Saint-Gobain is innovating to develop solutions to reduce the carbon footprint of buildings throughout their life cycle:

- by reducing their energy consumption during the utilization phase; these are insulation and glazing solutions that improve energy efficiency;
- by reducing the carbon footprint of its products and solutions, particularly by developing lightweight construction solutions, increasing the amount of recycled materials used to manufacture them or by using renewable energy to power its industrial processes.
- by reducing the carbon footprint of building materials thanks to innovative solutions developed by the building chemistry sector.

An online platform called Green Buildings Saint-Gobain enables the Group's clients to evaluate the contribution of its products and solutions to obtaining LEED, BREEAM, WELL or international HQE certifications.

Energy efficiency and reducing the carbon footprint of products are two criteria incorporated into the methodology for evaluating sustainable solutions as part of the program (see section 3.2.3.C, p. 118).

b. Measuring the "carbon benefits" of products and solutions

The innovative solutions developed by Saint-Gobain to improve the energy efficiency of buildings lessen the negative impacts of the building and construction sector on the climate and cut occupants' energy bills, while enhancing well-being. They therefore play an important role in the fight against climate change, as they allow through a reduction of energy demand to decrease the quantity of greenhouse gases emitted. The Group's thermal insulation and insulating glass solutions provide benefits in terms of energy performance and greenhouse gas emissions that significantly outweigh the carbon footprint associated with their production.

Since 2015, Saint-Gobain regularly updates the methodology used to calculate the quantity of greenhouse gases avoided thanks to the use of its own solutions in order to:

- comply with the most recent and recognized international recommendations for the calculation of prevented greenhouse gas emissions;
- extend the geographic coverage of the assessment;
- update the operating conditions of the buildings taken into account, such as the heating systems, the distribution of energy used and the associated emission factors, and the efforts made to renovate the stocks.

Saint-Gobain has estimated that nearly 1,300 million metric tons of emissions was avoided thanks to the solutions produced and sold in one year in 2020 throughout their entire life cycle.. The updated methodology is available to all stakeholders on the Saint-Gobain website. This calculation has been reviewed by an independent third party.

Saint-Gobain is committed to promoting life cycle analyses (LCA) to better understand and control the environmental impacts of its products. These analyses are useful for guiding innovation, better informing clients and responding to growing market demand for greater transparency. Saint-Gobain is committed to ensuring that, by 2030, 100% of the Group's sales, excluding distribution activities, will be generated by products covered by verified LCAs (life cycle analyses) or EPDs (environmental product declarations). At the end of 2023, 53,5% of revenue was generated with products covered by LCAs or verified EPDs,

This represents more than 2,600 verified EPDs published in more than 40 countries, the Group is positioned as the world's leading provider of verified EPDs – by number – in the construction sector.

c. Co-developing solutions for new markets linked to the low-carbon economy

In response to the challenges of population growth and urbanization, it is imperative to design sustainable solutions and contribute to the construction of resilient cities that ensure the well-being of individuals in a context of resource scarcity and climate change. New lightweight construction methods can be used to meet these challenges. The development of prefabricated solutions or "off-site" construction favors the use of lighter construction methods using wood or metal structures, as alternatives to traditional constructions based on cement and brick. Saint-Gobain is also investing in 3D printing.

Among the many solutions developed, innovative solutions based on high-performance ceramics help to reduce carbon emissions and energy consumption in glass furnaces. But beyond construction, the high-performance solutions developed by the Group also improve hydrogen transport and the fire resistance of batteries for electric vehicles. In Construction Chemicals, Saint-Gobain has entered into a partnership with Ecocem to market binder, concrete and mortar solutions with a low carbon footprint.

The transition to a low-carbon economy is also impacting markets related to mobility and energy. Thus, the "Mobility" Business Unit is working both on solutions to support clients in the transition to vehicles that emit less and less CO_2 and on adapting its offer to the development of hybrid or 100% electric vehicles.

D – Toward a just transition

The transition to a more sustainable construction and industry mainly requires technological developments, the systematic integration of carbon impact into professional and personal decision-making, the development of a circular economy and the availability of decarbonized energy.

The transformation of Saint-Gobain's industrial processes as part of the implementation of its 2030 carbon roadmap (see section 3.3.3.B, p. 120) does not entail any major changes in the professions or organization of industrial sites. The training programs set up by the Group already anticipate this transition (see section 2.3.2.C.b, p. 81), in particular those aimed at:

- ensure efficiency and operational excellence;
- accelerate digital transformation in operations, business models and skills.

In addition to changes in the Group's businesses and organization, Saint-Gobain employees are trained in the challenges and urgency of climate change either through e-learning courses at the Climate Academy or face-to-face training at the Climate Fresco (see section 3.3.1.B.c, p. 112).

Beyond the Group's perimeter, achieving its carbon emissions reduction targets ("scope" 1, 2, 3) requires product formulations to incorporate low-carbon impact raw materials, in particular recycled materials (see section 3.4, p. 124).

This means creating new channels for the collection and processing of construction waste, with the emergence of new business models. These industries create jobs, often for low-skilled workers. In some countries, they are also opportunities to create jobs for vulnerable and excluded people. In France, for example, the social economy is a key player in glass and wood recycling. The Saint-Gobain Foundation supports work-integration projects linked to the emergence of more circular ecosystems.

Developing sustainable construction to accelerate the sector's contribution to carbon neutrality requires a shift to new construction methods, in particular lightweight construction, the renovation of existing buildings to improve energy efficiency, and the provision of low-carbon solutions and products.

Renovation plans to improve the energy efficiency of buildings have an undeniable effect not only on carbon emissions, but also on end-users' energy bills. This is all the more important for people in fragile or financially precarious situations. The Build Change program launched in 2022 identifies and promotes actions taken by countries in favor of social housing. The Saint-Gobain Foundation also supports employee initiatives to promote access to decent housing for excluded people.

To achieve the sector's goal of contributing to carbon neutrality, access to a skilled workforce trained in sustainable construction solutions will be decisive in all countries. The programs set up by Saint-Gobain's country organizations to support craftsmen in training their employees (see section 3.3.1.B.c, p. 112) contribute to this transition. Similarly, vocational training programs (see section 3.3.1.B.c, p. 112) anticipate the growing need for renovation and new construction.

Saint-Gobain's ambition to decouple its growth from its scope 1, 2 and 3 carbon emissions will enable it to meet the growing demand from the building and construction markets while controlling the sector's impact.

3.3.3 TARGETS AND PERFORMANCE MEASUREMENT

A – Measuring performance

The predictive scenarios to the climate change effects, assessment of scope 3 emissions, the measurement and effectiveness of carbon offsetting actions and the methodologies for assessing avoidance are all topics that are still being debated by experts. Saint-Gobain participates in these debates. The Group is also keen to engage in dialog with expert organizations with a view to improving the measurement of impacts in order to make the fight against climate change more effective.

Saint-Gobain has set targets and implemented a set of indicators to monitor its climate change performance. The carbon-related targets are detailed in the "Carbon 2030" roadmap.

The Group has set up a monthly review of its scope 1 and scope 2 emissions to integrate the carbon impact into its management tools.

In 2023, Saint-Gobain's CO_2 for scope 1 and 2 emissions were estimated at 8.8 million metric tons.

Scope 3 emissions are indirect emissions that are generated in a company's value chain. Given the complexity of the value chains, the assessment of emissions is a challenge, and the improvement of data quality is essential in the context of the commitment towards contributing to net zero emissions in the sector. For this reason, Saint-Gobain's updated scope 3 emissions assessment in 2021 has been accompanied by a more specific assessment of emissions factors and a more granular analysis of impacts on the three most significant categories, representing more than 80% of total scope 3 emissions.

This effort continued first and foremost thanks to the creation of digital tools to facilitate evaluations of categories 1, 4 and 9 in particular. A database was also created to monitor the emission factors of materials and products purchased by the Group. The ideal and most reliable way is to obtain from suppliers a life cycle analysis of the materials and products they have delivered to the Group. If this information is not available, the assessment is based on recognized database values such as Gabi or EcoInvent.

At the end of 2022, scope 3 emissions were estimated at 20 million metric tons considered within the framework of the 2030 target validated by SBTi.

Details of scope 3 emissions for each category are published in the CDP questionnaire available on the Saint-Gobain website.

The classification of Saint-Gobain's activities in the context of the European regulation on sustainable finance and compliance with the European regulation "2020/852 Taxonomy Regulation" (in force since July 2020), the delegated acts to the first two objectives regarding climate change mitigation and adaptation – "Taxonomy Climate Delegated Act (EU) 2021/2139 – as well as the delegated act to Article 8 of Regulation (EU) 2020/852 and its annexes on reporting requirements ("Disclosures Delegated Act") is disclosed in section 9.3.5, p. 424.

The proportion of Saint-Gobain's revenue linked to sustainable solutions is estimated at 73% in 2023 in line with the target of 75% by 2025. It includes activities that have not been assessed in the context of compliance with the European Taxonomy Regulation 2020/852, such as trade activities, and impacts and benefits that have not yet been included in the regulation, such as resources and the circular economy, as well as benefits related to health, safety and comfort, which will potentially be eligible for the social taxonomy.

All other objectives and indicators that the Group uses to make progress in mitigating, managing and adapting to climate change issues are presented in a detailed table in chapter 4. The 2030 targets based on 2017 have been validated by the independent organization Science-Based Target initiative (SBTi). Details of the methodology for calculating the indicators and targets are available in section 9.2.1, p. 410.

B – 2030 roadmap

In 2020, SBTi validated Saint-Gobain's 2030 target: 8.49 million metric tons of CO_2 for scope 1 and 2 in 2030, i.e., a 33% reduction in absolute terms between 2017 and 2030 and a 16% reduction in scope 3 over the same period. By the end of 2023, the group had reduced its emissions by 34% on scope 1 and 2 since 2017. This absolute target reflects the ambition to decouple CO_2 emissions from production growth.

To achieve the goal of zero net emissions by 2050, Saint-Gobain is acting on three main levels:

- transition to carbon-neutral production, which implies the consumption of low-carbon energies;
- evolution of products and their composition, in particular to include more recycled materials;
- logistical resources combining route optimization and low-impact transport methods.

The scope 3 impact of Saint-Gobain's activities is concentrated on the three most significant categories:

- Purchases of raw materials (category 1) and energy (category 3);
- Transport and logistics (categories 4 and 9);
- Purchases related to trade activities (category 1).

Each country is responsible for its own roadmap. Each year's financial budgets include an assessment of carbon emission reductions based on planned investments. The carbon roadmap is supported by a CAPEX and R&D investment plan of at least 100 million euros per year until 2030.

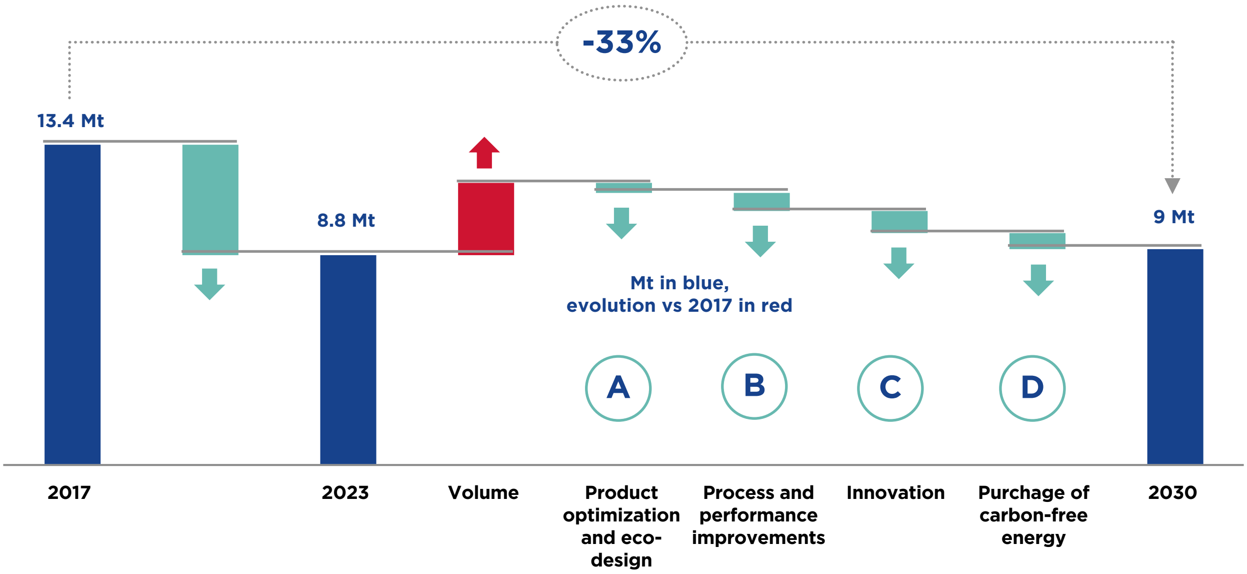
By 2023, 223 million euros of CAPEX and R&D related to the carbon roadmap had been invested.

a. Reducing emissions related to scope 1 and 2

The success of this roadmap requires the involvement of everyone and a change of mentality. Carbon reduction objectives are included in all operational processes: the WCM program for ongoing productivity efforts, energy purchases that include securing supplies of decarbonized energies (renewable electricity or biogas, for example), and increased use of recycled materials, which involves the development of collection channels in all countries or evolution of products through ecodesign (such as lightening, optimizing packaging and reducing the impact of transport).

The 2030 roadmap relies on four main levers to reduce scope 1 and 2:

- actions on products (A): product optimization and eco-design, including recycling efforts and integration of recycled materials;
- industrial excellence (B): industrial process improvements and productivity efforts;
- innovation (C): pillars of new technologies and new compositions;
- use of decarbonized energies (D).



Actions on products (A)

Drawing on the expertise of our central teams, our countries develop and optimize a portfolio of solutions tailored to market needs, local construction techniques and customer expectations, right through to the end-user. Priority is given to assessing ways of making products lighter, optimizing packaging to reduce the impact of logistics, or integrating recycled materials.

Several countries have already deployed the BANTAM program, aimed at making plasterboard lighter by working on industrial processes and product formulations. As a result, some plants have been able to reduce the weight of their standard plasterboard products by over 20% compared with their initial weight, for equivalent performance.

The SLIMWOOL program, rolled out worldwide since 2018, aims to optimize the weight of glass wool, while guaranteeing the product's thermal performance.

Finally, when raw materials emit CO_2 during the production phase, the integration of recycled glass to replace virgin raw materials enables significant reductions in scope 1 carbon impact. This is the case for glass production. Replacing one tonne of composition with its equivalent in cullet (recycled glass) reduces emissions by 300kg of CO_2 for one tonne of cullet replacing the virgin composition [(1)].

These measures can be accompanied by awareness-raising campaigns for customers and end-users if perception barriers are identified.

Industrial excellence (B)

The WCM industrial excellence program (see section 2.3.3, p. 77) is at the heart of the 2030 carbon roadmap. Through its actions on productivity and energy efficiency, environmental performance is combined with economic performance.

The deployment of digital technologies and the use of data have profoundly transformed the organization of the Group's factories: machines are increasingly connected in real time, and data analysis enables better control of production processes, faster resolution of any technical issues and, more generally, greater operational efficiency. Plant engineers use data to better understand the complex dynamics of manufacturing lines, enabling them to better control industrial processes and thus improve efficiency, deploy predictive maintenance approaches, and also reduce variability, defects, waste, energy and raw material consumption, and the production of greenhouse gases. This represents an essential lever for progress towards the Group's objectives in terms of decarbonization and circularity.

With production units where software tools and machine tools interact directly, numerous applications are made possible: real-time monitoring of production, automatic alert systems, predictive maintenance or even optimization of product quality by reducing both costs and the quantity of resources and energy used. For example, the Construction Industry Business Unit uses artificial intelligence-based software to optimize the operation of its fiberglass furnaces.

(1) *Internal sources.*

The widespread collection of data and its processing by algorithms are essential for monitoring the progress made in reducing CO_2 emissions, and in particular the quantified CO_2 reduction targets assigned to each of the Group's plants. At our plasterboard plants, for example, the deployment of sensors and detailed real-time data analysis have enabled us to precisely control gas combustion using an algorithm that adapts the intensity of the dryers.

Lastly, the Group's plants are adapting to the increase in the quantity of recycled materials in their composition through investments, notably in raw materials storage areas, compounding workshops, and even the industrial processes themselves.

The action plans and investments made to increase the availability and quality of recycled materials are presented in the "More performance with less" section of this chapter.

Innovation (C)

To ensure the transition towards productions contributing to carbon neutrality, Saint-Gobain relies on its R&D teams to devise industrial processes. Since 2021, programs and demonstrators have been set up in most of the Group's businesses: gypsum, glass and insulation.

Already, the first gypsum plants designed to emit minimum levels of carbon are being invested in Norway and Canada.

A pilot production run of zero-emission ("scope" 1 and 2) flat glass was also carried out in France in May 2022. Following this successful trial, a "low-carbon" glass offer has been proposed to the market in Europe. This new range, called Oraé®, has a low-carbon footprint with a reduction of around 40% compared with the European average.

This technical feat was made possible by an R&D program launched in 2022, drawing on the Group's extensive expertise in combustion, glass quality, refractory ceramic materials and industrial furnace design. The program in question is being conducted in collaboration with the independent German laboratory Gas and Heat Institute Essen e.V. (GWI), a specialist in industrial gas technologies, and financially supported by the state of North Rhine-Westphalia, to the tune of 3.64 million euros.

Analysis of the data from these tests will enable the use of hydrogen in the Group's floats to be deployed in the decades to come, when low-carbon hydrogen will be available in sufficient quantities.

Use of decarbonized energies (D)

More than three quarters of Saint-Gobain's total energy consumption is directly linked to purchases of fossil fuels. The ability of industrial processes to move from using fossil fuels to decarbonized energy solutions – electricity (when it is low-carbon), biogas, or even hydrogen – is therefore crucial. Action plans have been drawn up between the non-trade purchasing teams in the countries, the Industrial Departments and the local environmental managers, in order to identify regular and reliable sources of renewable energy. Decarbonized electricity now accounts for more than half of all electricity consumption.

The Group is also developing projects on its sites using new energies (wind energy, biomass, biogas, solar energy, etc.). These developments may be made in association with external partners.

b. Reducing scope 3 emissions

The deployment of the 2030 carbon roadmap includes the "scope" 3 reduction target. The first step is to improve the identification and measurement of impacts, while raising awareness among internal players, in particular buyers and logistics experts, and external partners, primarily suppliers.

Actions are taken in each of the 15 categories according to the materiality of their impact.

Three categories are crucial to achieving the reduction target:

- category 1: purchasing ;
- categories 4 and 9: transport.

With regard to category 3 (energy-related emissions not included in "scopes" 1 and 2), efforts to reduce fossil fuel consumption and promote the use of low-carbon energy sources will have a positive impact on the reduction of scope 3 emissions.

With regard to category 6 relating to business travel, the travel policy was updated in 2023 to:

- control and significantly reduce the number of trips, especially international ones;
- systematically review the advisability of postponing or transforming seminars or other meetings into virtual meetings;
- travel by train is mandatory for all journeys of less than 4 hours.

The impact of category 11, which relates to the use of products sold, is concentrated on two activities: the sale of windscreens by the mobility business, and the sale of air-conditioning and heating equipment by the heating equipment retail chains. For each of these activities, the Group's direct influence on the reduction in this category is limited. Nevertheless, Mobility Business Unit teams are developing specific products for electric vehicles, and are involved in their customers' action plans for sustainable mobility. Similarly, the purchasing teams of our retail banners work with their suppliers to reduce the carbon impact of heating during the building's use phase. The banners also contribute to the drive to transform the construction industry by training craftsmen and informing users (see section 3.3.1.B.c, p. 112).

Purchasing actions to reduce scope 3 category 1:

Five principles are implemented by the purchasing teams and environmental experts:

- A digital tool available to teams at local levels and by categories to enable them to estimate scope 3 emissions;
- Communication kits to share the challenges and targets of the fight against climate change with suppliers;
- The collection of information by suppliers on their emissions on the basis of life cycle analyses verified by independent third parties;
- The integration of the maturity of suppliers regarding their climate commitment into the overall assessment of their performance;
- The creation of joint action plans with suppliers to reduce their carbon impact.

This systematization will continue to make scope 3 assessments more reliable. It also structures action plans to accelerate the reduction of emissions. Best practices have been identified and shared with all Group buyers.

All over the world and for all Business Units, supplier awareness-raising initiatives have been carried out using formats adapted to each business, in particular the organization of awareness days or webinars incorporating question-and-answer sessions. Digital technology is also changing the way we interact with suppliers. Digitizing supplier processes means centralizing the purchasing department, and automating tasks using new online tools, including the possibility of integrating carbon impact questions right from the tender stage. These digital tools also facilitate the formalization of supplier commitments to reduce their "scopes" 1, 2 and 3 emissions, including medium-term objectives aligned with a 1.5°C trajectory. These tools can also be used to share action plans.

Innovation programs are also underway to identify ways of replacing the most impacting raw materials, either with recycled materials or by proposing new low-carbon compositions.

Logistics and transport initiatives (categories 4 and 9)

Optimizing logistics (see section 3.2.1. B, p. 97), both upstream and downstream of the value chain, is a key factor in achieving the objective of reducing Scope 3 emissions by 2030. The Group has equipped itself with a central tool for measuring, analyzing and challenging the carbon footprint of its activities. This tool is deployed by country and activity.

In partnership with logistics service providers, the Group favors the use of vehicles that comply with EURO V and VI emission standards, or promotes the transition to lower-emission fuels for the fleet.

Saint-Gobain is committed to using transport modes in an agile way, switching to less polluting multimodal transport modes, such as rail and river or sea transport, wherever possible. Numerous actions have been taken, such as Point.P's initiatives in France to develop river transport in the Paris region. For example, the Quai de Javel branch in Paris receives deliveries by barge, thus avoiding truck traffic.

C – Towards zero net emissions by 2050

Saint-Gobain's medium- and long-term growth ambitions require a reduction in carbon intensity.

As the 2030 roadmap is rolled out, new medium-term absolute targets may be defined. These targets will be aligned with the Paris Agreement, in line with the Group's commitment.

A new roadmap will be defined. It will incorporate the technical advances identified thanks to the innovation efforts made over the period 2020-2030.

The development of a circular economy in all countries is present and is also a determining factor in achieving the reduction target for "scopes" 1 and 3.

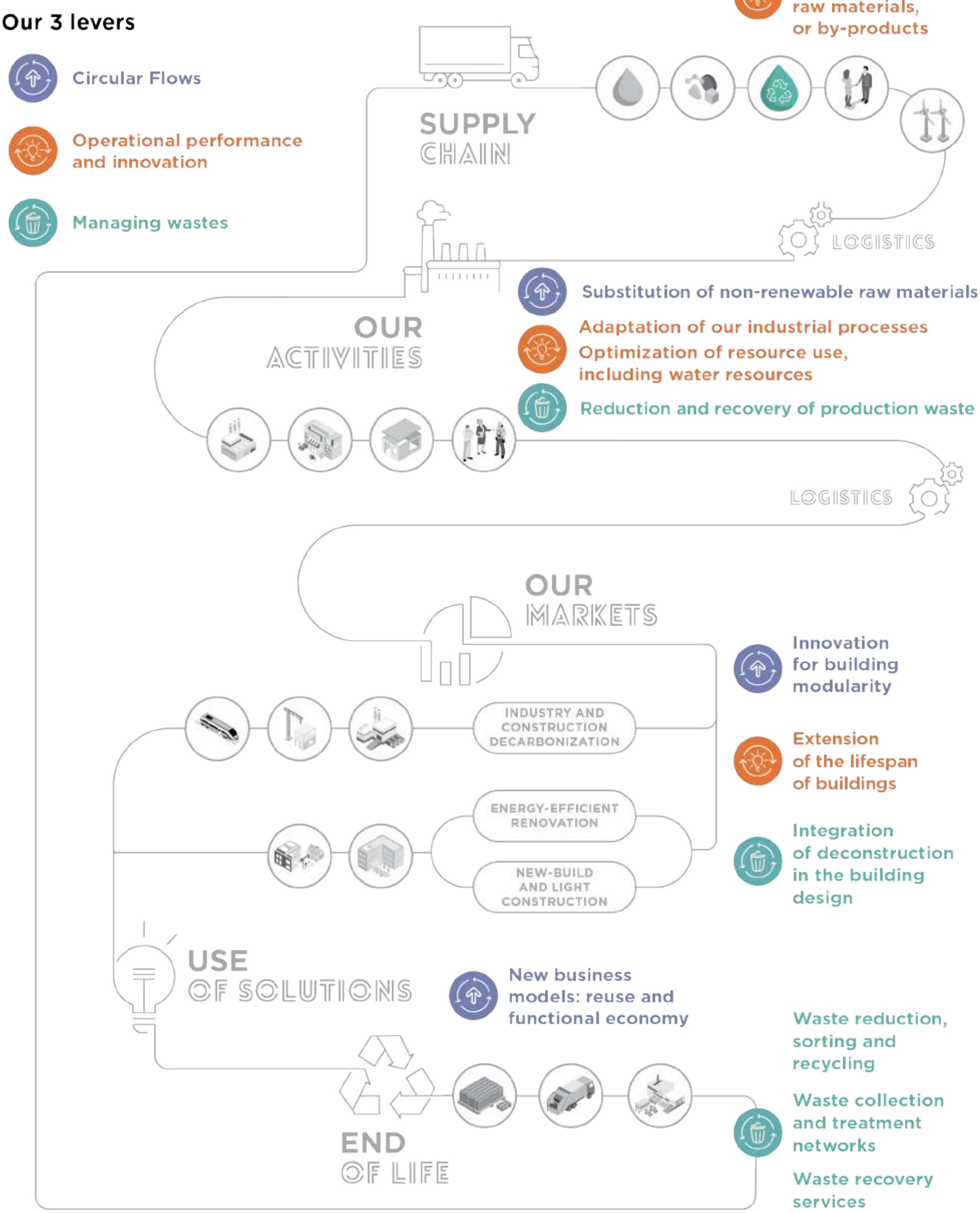
The availability of decarbonized and economically viable energy in sufficient quantities will be an indispensable element in achieving zero net emissions by 2050. This applies to energy production and distribution. Transporting energy and connecting sites are decisive elements to be included in the roadmap.

The associated financial resources will also be assessed.

3.4 MORE PERFORMANCE WITH LESS

The construction sector accounts for around 37% of global resource consumption [1] and generates around 100 billion tonnes of waste (construction, renovation and demolition), of which around 35% is landfilled.

SYSTEMATICALLY PROMOTING CIRCULAR FLOWS



(1) *Global Status Report for Buildings and Construction, 2022 p. 42.*

At the same time, construction markets are responding both to the need for buildings driven by demographics and growing urbanization in developing countries, and to the need for renovation, whose benefits in terms of energy efficiency and CO_2 emissions reduction are essential in the fight against climate change.

The circular economy is a model that helps reduce pressure on non-renewable natural resources. Circularity combined with an efficient and reasoned use of resources makes it possible to face the sustainable development issues, in particular the fight against climate change, biodiversity and pollution. For example, a study published by the World Economic Forum in December 2023 indicates that the circularity of materials can contribute to a reduction of around 75% in emissions linked to the materials used in the construction of a building by 2050, while creating significant economic value.

Developing circularity is applied closer to markets and at country and regional level. A successful transition towards the circular economy will make it possible to offer solutions and services over the long term which take into account environmental, social and societal expectations and which balance well-being, sustainability and performance for stakeholders. Saint-Gobain is actively and collaboratively involved in discussions on the evolution of construction methods towards lightweight construction solutions that use fewer materials for at least the same performance. In this way, the Group is participating in the transformation of the sector towards more sustainable construction in all the countries where it operates.

3.4.1 STRATEGY FOR A TRANSITION TOWARDS A CIRCULAR ECONOMY

Saint-Gobain's strategy is to preserve natural resources and the environment throughout its value chain and to offer products and solutions that can be reused or recycled and have a longer lifespan, thus avoiding the extraction of virgin raw materials and maintaining the value of resources at their highest level.

It focuses on three objectives:

- Reduce pressure on natural raw materials, especially exhaustible resources, across the value chain;
- Optimize the use of resources from their extraction to their end of life: minimize the generation of non-recovered waste at each stage of the life cycle of the solutions:
- Accelerate the transition to a circular model: implement local materials collection channels, initiate or participate in partnerships with all players in the value chain (suppliers, customers, specifiers, end-users, public authorities, etc.) in order to increase the efficiency of the resources employed and thus reduce the need to extract virgin raw materials.

To help achieve these objectives, Saint-Gobain's businesses and organizations in the countries where it operates rely on three levers:

- promote circular flows;
- strengthen circularity through operational performance and innovation, in terms of manufacturing processes, materials, products and solutions;
- manage waste throughout the value chain, minimizing its generation and increasing its recovery.

Saint-Gobain's aim is to promote the recirculation of natural resources and manufactured products while minimizing waste at every stage of the construction value chain: upstream with suppliers, downstream during customer operations through to the end user, and within the Group's own operations.

Responsible resource management and the preservation of water resources are the subject of Group-wide policies, and each Saint-Gobain site, whatever its business or country of operation, implements the principles of these policies (see section 2.3.3.B.b, p. 87).

Technical synergies and business expertise are fundamental to facilitating the reformulation of product compositions and accelerating the substitution of natural raw materials for renewable or recycled ones. These changes potentially imply changes in industrial processes, so the industrial and R&D departments of the business lines are at the heart of this approach.

Lastly, action plans are implemented on a country-by-country basis according to the portfolio of products and solutions on offer, the technical modalities of the construction market, the maturity of stakeholders on the subject of the circular economy, and local capacities to create partnerships. Finally, waste management regulations and public policies to encourage the application of circular economy principles throughout the construction market value chain.

3.4.2 REDUCE PRESSURE ON NATURAL RESOURCES

The challenge of the increasing scarcity of natural resources facing the world has many causes, all linked to human activities, particularly urbanization and population growth.

Even when technical solutions exist to enable virgin raw materials to be replaced by recycled or renewable materials, or by co-products, increasing the proportion of recycled materials in production depends on the availability of these alternative materials. Efforts are underway to increase the volumes available at an acceptable cost and quality (see section 3.4.3.B, p. 129), but the creation of supply chains will be gradual, country by country.

It is therefore essential to continue efforts to reduce the natural resource intensity per unit produced, in order to limit the impact of extraction on the environment and the risks of resource depletion.

The main natural raw materials consumed by Saint-Gobain are sand, gypsum and iron ore. Semi-processed raw materials such as cement, which uses sand as its main raw material, and plastics derived from fossil resources are also among the main raw materials purchased by the Group.

The portfolio of products and solutions of Saint-Gobain is analyzed transversally by the business line under the responsibility of the marketing and development teams with three priorities:

- reducing the intensity of virgin natural resources consumed per unit of output;
- the capacity of substitution of non-renewable raw materials and hazardous substances by recycled materials or co-products, including in the manufacture of packaging;
- The development of formulations to reduce their content of hazardous substances until their complete replacement, thus avoiding the dissemination of materials generated during the recycling process;

The solutions proposed by Saint-Gobain as part of its "Sustainable and High-Performance Solutions" initiative (see section 3.2.3.C, p. 104) are offers with a reduced environmental footprint or that reduce the environmental impact during the use phase. Solutions with a renewable or recycled materials content above a defined threshold, or solutions developed by Weber that help reduce water consumption on construction sites are examples of solutions that help reduce pressure on natural resources.

Lastly, because construction already accounts for 37% of the world's resource consumption [1], Saint-Gobain is actively and collaboratively involved in discussions on the evolution of building methods towards lightweight construction solutions (see section 2.1.1.B.c, p. 67) that use fewer raw materials for at least equivalent performance.

A - Reducing natural resource intensity

To reduce the natural resource intensity of its offering, Saint-Gobain relies on operational excellence carried out in the WCM program (see section 2.3.3.A, p. 84). Performance in terms in terms of quality and productivity, is the first step to reduce industrial waste and optimize the use of resources.

Most of the Group's business lines are working to reduce the resource intensity of their products, by reducing the average weight for the same unit of product, without affecting technical performance. This is the case, for example, for car windshields and plasterboard. Several countries have already implemented the BANTAM program, which aims to reduce the weight of plasterboard by working on industrial processes and product formulations. Some plants have been able to reduce the weight of their standard boards by more than 20% compared with their initial weight. The SLIMWOOL program, deployed since 2018 worldwide, aims to optimize the weight of glass wool, while guaranteeing the product's thermal performance.

Lightweight construction (see section 2.1.1.B.b, p. 66) consists of building a skeleton - made of wood, metal, concrete or a combination of these materials - onto which lightweight facade systems and non-load-bearing interior partitions are attached. This reduces the resource intensity of buildings. Traditional building techniques require greater consumption of cement, concrete or bricks, the production of which requires the extraction of large quantities of non-renewable natural raw materials, particularly sand. Lightweight construction can reduce raw materials consumption by up to 50%.

B - Substituting natural resources with recycled or renewable materials

Some Saint-Gobain products, such as glass and gypsum products, can be recycled indefinitely in a closed-loop industrial process. Industrial processes are then adapted to the replacement of natural raw materials by recycled materials from internal or external collection, whose characteristics, in terms of granulometry, moisture or impurity content, may differ from those of virgin materials.

Whether substitution is developed on the basis of closed-loop recyclable products, or by changing product formulations and adding renewable or recycled materials, or co-products from other businesses or markets, the quest for maximum substitution of non-recyclable raw materials is an element of the WCM industrial performance improvement program (see section 2.3.3.A, p. 84). The aim of this substitution is to maintain or even improve the quality and competitiveness of products and solutions, while reducing their carbon footprint. For example, glass wool production can incorporate recycled glass from flat glass recycling (window glazing or windscreens), packaging glass recycling and glass wool recycling from construction or deconstruction sites.

[1] *Global Status Report for Buildings and Construction, 2022 p. 42*

To avoid their dissemination or perpetuation in recycling cycles, it is essential to reduce the content of hazardous substances in compositions (see section 3.2.2..B.a, p. 99).

These compositional changes, which consist in reducing the contribution of extracted virgin materials and replacing them with recycled materials from end-of-life product recovery circuits, require adaptations to industrial sites, particularly in terms of raw material storage areas, composition workshops, and even the industrial processes themselves. It may also be necessary to set up ad hoc sorting and shredding facilities to prepare secondary materials.

Each country develops innovations based on its access to new sources of recycled or biosourced materials, or co-products. Actions concern not only products, but also their packaging. Action plans have been deployed to reduce packaging overall, increase the proportion of recycled or biosourced materials in its composition, and ensure that it is recyclable. For example, marketing teams and buyers have been working together to change packaging materials or their design to encourage recycling in existing circuits.

The quantity of recycled material in products depends essentially on the existence, in countries or even territories, of efficient and sustainable collection networks capable of supplying the sites.

C - Preserving water resources

The world's water resources are finite, and depend on the geographical area under consideration. The effects of climate change are having a major impact on the renewal of water resources, and the number of areas with high and very high water stress is constantly increasing. Depending on the location, access to water will have to be divided between use by populations, agriculture or industry. According to the World Resources Institute (WRI), some 4 billion people are already exposed to water stress for at least one month of the year. At the same time, demand for water is set to increase by 30% by 2050.

Saint-Gobain's Water policy (see section 2.3.3.B.b, p. 87) includes specific objectives for the preservation of water resources. These concern the reuse or recycling, internally or externally, of water used in industrial processes, and take into account the challenges of conflicts of use in regions of high and very high water stress.

Saint-Gobain uses water as a thermal fluid, particularly for cooling, as a washing fluid, as a raw material for the production of mortar and gypsum, and to provide our employees with access to drinking water and sanitary facilities. This last use represents a marginal share of the Group's water withdrawals.

The main use is for cooling operations. For many applications, it is possible to create closed-loop systems. In this way, water withdrawals are limited and correspond to the replacement of water evaporated during operations. The proportion of water reused in processes reached 88% in 2023. Investing in a closed-loop system is the first step towards drastically reducing water consumption.

When water is used as a raw material in a process, technical and R&D teams work on optimizing consumption and developing processes to reduce water requirements.

Saint-Gobain is committed to reducing water consumption by 50% in absolute terms between 2017 and 2030. Specific investments have been earmarked for priority projects in "focus sites" (see section 2.3.3.B.b, p xx), which account for almost 80% of the Group's water withdrawals and for sites located in areas of high or very high water stress. 31 projects have been identified. They concern the detection and sealing of leaks or the replacement of installations such as washing stations or compressors.

Saint-Gobain also offers solutions for water resource management. Materials retailers such as PUM in France and Brødrene Dahl in the Nordic countries, for example, offer rainwater management and leak detection solutions. Saint-Gobain PAM is a leader in the traditional water management market, offering innovative solutions for intelligent network monitoring. The High-Performance Solutions Business Units develop expanded clay-based filtration solutions and microfiltration membranes respectively.

3.4.3 OPTIMIZE THE USE OF NATURAL RESOURCES

Optimizing the use of natural resources means limiting waste throughout the value chain:

- the reduction of waste generated at every stage of the life cycle of products and their packaging;
- recovering waste through recycling channels, thereby multiplying the uses to which materials can be put;
- facilitating re-use, extending the lifespan of products and buildings, and anticipating their end-of-life right from the design stage.

Saint-Gobain's long-term ambition is to produce no unrecycled production waste and to maximize the recycled, biobased or co-product content of its products and packaging. The Group believes that waste should be considered as a strategic resource and that secondary materials (from reuse, recycling) or co-products should be used whenever possible, as a substitute for non-renewable virgin resources.

Reducing the consumption of non-renewable primary raw materials per functional unit produced and the waste generated by industrial processes are the pillars of the sustainable resources management policy initiated in 2015 (see section 2.3.3.B.b, p. 87) with the aim of moving towards the “zero unrecovered waste.”

Overall synergies are possible across the businesses for each industrial process or non-renewable raw material to identify the deposits, material qualities or even best technical practices and favorable technical innovations that are conductive to optimizing the use of resources. Cross-business working groups including the Industrial and Technical Departments, purchases, sustainable development experts on the collection and processing of recycled materials have been set up to develop these synergies.

A – Reducing and recovering waste

In Group operations

To achieve it's objectives of reducing and recovering the quantities of waste generated by its industrial and trade activities, Saint-Gobain relies on the three Rs hierarchy: Reduce, Reuse and Recycle.

The sites strive to reduce the waste generated during production operations and seek to reuse production residues in their own industrial processes. To this end, sites are investing in waste reprocessing units and adapting their industrial processes. For example, investments have been made at several sites in the United States, such as Nashville, Arkansas, where the manufacturing site is now able to recycle in a closed loop its production waste, equivalent to over 50,000 tonnes per year, thus saving as much virgin material and avoiding the environmental impacts associated with landfill disposal as well as the extraction of virgin raw materials.

Even for industrial processes favorable to the incorporation of recycled materials, optimizations are possible. Saint-Gobain’s plasterboard manufacturing plant in Vietnam has introduced a process to separate the paper from the plasterboard during a waste reprocessing phase. The plaster is reincorporated into the process when the paper is recycled in the manufacture of cardboard via an external recovery network. Production waste generated during the production of bitumen membranes in the United States is recovered externally for use in addition for bitumen for road construction or renovation.

Some of the waste generated during the production of mineral wools is reprocessed before being recovered externally as a secondary raw material for the cement and clay industries (tiles and bricks) or for certain manufacturers that manufacture acoustic ceilings. The Group is also involved in the creation of recycling networks with the help of external local partners. Progress in the reduction and recycling of waste made at certain Group sites shows that “zero non-recovered waste” is an achievable ambition.

Finally, the management of finished product inventories is also optimized. For example, Saint-Gobain in France works with an association of Group retirees, Saint-Gobain Solidarités, to act as a link between the Group's sites in France and local associations in order to facilitate donations of materials, particularly unsold stock. In this way, the destruction of certain stocks is avoided and their use is facilitated.

Downstream customer operations

Saint-Gobain strives to optimize the volume of packaging for its products and to ensure that it is recyclable. To this end, the Group has set itself the target of having 100% of its packaging recyclable by 2030. In 2023, the proportion of recyclable packaging reached 94.6%.

In the countries where they are present, building materials trading brands are organizing themselves to take back construction site waste from the same types of building materials, products and equipment they sell. In France, construction site waste collection points for craftsmen have been set up close to sales outlets. Various partnerships have been set up with specialized companies and start-ups such as Tri'n'collect to speed up the recovery, sorting and recycling of construction site waste.

Gypsum plasterboard recovered from construction sites is reprocessed. Once the contaminants have been eliminated, processing involves grinding and separating the paper present on both sides of the board. While plaster itself can be recycled in a closed loop and under certain conditions without any loss of material, the presence of paper on both sides of the board has a negative impact on the manufacturing process and must therefore be eliminated as far as possible. Today, some Saint-Gobain plants achieve an average recycled content of 30%, most of which comes from construction or demolition plaster waste. In France, Placoplâtre has even launched Placo Infini, a plasterboard with 50% recycled content, in 2023.

For flat glass, the recycling of window glass, facade glass or automotive glass is infinitely possible as long as the collected glass elements meet the quality requirements of a “float” furnace, in particular that contaminants of all kinds are eliminated. The integration into products is therefore mainly dependent on the existence of efficient and sustainable collection networks, which are able to ensure sorting that meets the desired quality specifications.

In February 2023, Saint-Gobain North America, through its building products subsidiary Certain Teed Roofing, acquired from its recycling partner Asphaltica the rights to a technology that will enable it to recycle asphalt shingle waste, This technology will enable Saint-Gobain to transform post-industrial and post-consumer shingle waste into granules.

Glass wool from renovation, building demolition or waste generated during construction operations can also be recycled for new glass wool production. A new technology has been developed by Saint-Gobain and has been operational since 2023 at the Chemillé site in France. This technology will gradually be rolled out across Europe.

This technology makes it possible to complete the range of construction products that can be recycled in a closed loop with a minimum loss of resources, thus ensuring the potential recovery of construction site waste for construction companies and customers. Whatever the construction products considered, for recovery to be effective it is essential that craftsmen sort their waste on site during construction, deconstruction or renovation operations.

B – Create recycling channels

While techniques for recycling and recovering construction waste do exist, the implementation of integrated waste collection, treatment and recycling systems is highly dependent on the region, country or even territory. It requires with the support of external partners, we are setting up channels to collect, transport, sort and reprocess waste, before turning it into secondary raw materials suitable for reintroduction into our processes. Other Group products also accept the replacement of virgin raw materials by recycled materials from other consumption channels, recycling channels from industries other than construction. This is the case, for example, in the production of glass wool, cast-iron pipes and ceramic grains and powders.

Saint-Gobain has developed a network in Europe, Saint-Gobain Glass Recycling, to facilitate the recycling of flat glass from dismantling or processing waste. The aim is to qualify local companies capable of collecting and dismantling glass products, and who are committed to promoting the closed-loop float recycling of end-of-life glass. Some twenty partners have already joined the network, offering processing and recycling services for glass products.

Since 2019, the Group has launched its I-LOOP project, supported by the European Union via its LIFE funding program. This project aims to contribute to the gradual recovery of glass wool waste generated on construction, renovation or demolition sites, waste currently most often landfilled. The project aims to offer construction market players new value chains for glass wool recycling in France, Germany and parts of Scandinavia, as a cost-effective alternative to landfill.

Ecophon, producer of acoustic panels and ceiling systems, has also developed a recycling and reuse service called "SoundCircularity" to collect and recycle end-of-life ceilings. This service is available in Sweden, Finland and France. The ambition is to extend its availability across Europe.

The industrial sectors are also developing new services linked to the circular economy. The Ceramics Business Unit has created the Valoref activity, specialized in the treatment and recovery of refractory brick waste. The recovery of waste is carried out mainly during the repair or reconstruction of glass furnaces. A global waste management service is offered to clients upstream of furnace repair or reconstruction sites. Valoref ensures the collection, treatment and recovery of waste from the sites. The waste collected are primarily recycled in the refractory production chain. The other recovery circuits are the manufacture of construction materials such as mortars or tiles, and other industrial additives.

C – Facilitating reuse or recycling

From the design of products, solutions or services to the benefits expected by clients and end users and the management of product end-of-life, Saint-Gobain's offering must enable the integration of more recycled, renewable materials or co-products to reduce the consumption of virgin raw materials, facilitate the recycling or reuse of products at the end of their life cycle to successfully meet market needs with a limited impact on natural resources, and extend the life of products. The same approach applied to products also applies to the packaging that accompanies them.

Action plans are deployed at central level and relayed to national level to improve the recyclability and increase the recycled or bio-sourced content of packaging used.

The criterion of optimizing natural resources is one of the benefits identified as part of the program to develop the range of sustainable, high-performance solutions (see section 3.2.3.C, p. 104). This criterion includes both limiting the use of exhaustible natural resources and integrating recycled or renewable materials or co-products into product compositions.

While it is difficult to extend the lifespan of construction products, it is possible to optimize the use of buildings. Thinking about building design and construction methods anticipates the possibility of modularizing buildings to make them more flexible and adapt their use during their life cycle. For example, Saint-Gobain's offerings include the ability to dismantle and reuse certain products, such as lightweight plasterboard partitions. For example, Saint-Gobain's offerings include the ability to dismantle and reuse certain products such as lightweight plasterboard partitions. For example, the 60,000 m² of interior partitions in the Athletes' Village buildings have been specially designed to be dismantled, and the majority of materials will be reused, in order to meet the Paris 2024 Games' objectives of being responsible and exemplary in terms of natural resource consumption. They will enable the athletes' rooms to be easily converted into accommodation and student rooms after the competitions.

3.4.4 ACCELERATE THE TRANSITION TO A CIRCULAR ECONOMY

Circular economy principles develop differently in different countries and regions of the world. These developments depend on a wide range of factors, such as consumption patterns, infrastructure and industrial fabric, regulatory environment, and technical and logistical conditions for waste management.

Even if the circular economy develops along the value chain of construction markets, the pool of materials that can be collected and recycled may be limited. The resources used in buildings are stored over the long term. Construction techniques have only recently taken into account deconstruction methods. As a result, it is often difficult to separate materials and isolate potential contaminants. Site waste collection is concentrated on waste from construction and renovation sites. The efficiency of waste collection channels relies on selective sorting of materials as close as possible to the worksite. Training craftsmen and customers' employees in the challenges of sorting and efficient selective collection systems are decisive factors in developing sources of materials for recycling.

This is why action plans for a transition to a circular economy are highly dependent on the country and the maturity of local stakeholders, regulations and logistics. Approaches are therefore deployed by country to mobilize channels for the recovery of construction waste. Saint-Gobain organizations in the countries initiate or participate in actions with local stakeholders: manufacturers participating in a channel, customers, local authorities or communities.

Saint-Gobain's organization by country is conducive to accelerating the transition. It makes it possible to seize opportunities and create local synergies, between brands or with partners outside the Group. Brands and businesses can pool their efforts in waste collection, particularly construction site waste. For example, the Leca and Isover brands have joined forces in Denmark. Together, they have signed an agreement with a company specializing in recycling, which will process unused or used glass wool. Danish craftsmen will thus be able to deposit used or unused glass wool in dedicated processing stations. The success of this approach depends largely on the quality of sorting at source. To this end, Danish teams have designed practical guides to support the roll-out of the approach.

In some countries, particularly in Europe, public authorities are introducing ambitious regulations to speed up the transition to a circular economy. When this is the case, Saint-Gobain usually joins forces with trade associations or collective business initiatives. In France, for example, Saint-Gobain was very active in the creation of the Valobat eco-organization, which aims to create recycling channels for construction waste.

In North America, initiatives have been taken to seize recycling opportunities, depending on the business and geographical location. In California, for example, windshield waste from the Mobility Business Unit's site is reprocessed and recycled in a glass wool production plant. Initiatives are also underway to recover plasterboard waste around the Certain Teed plant in Buchanan, New York, and in Canada, around the Vancouver plant.

3.5 A BETTER LIVING FOR ALL

3.5.1 DESIGNING SOLUTIONS THAT OFFER BENEFITS IN TERMS OF HEALTH, COMFORT AND WELL-BEING

"Solutions for Growth" program (see section 3.2.3.C, p 104) helps to orient Saint-Gobain's offer towards sustainable construction markets. Among the criteria used to evaluate the benefits in terms of health, comfort, safety and well-being are:

- the reduction of occupational risks in the value chain;
- ergonomics for applicators
- indoor air quality and comfort acoustic, thermal and visual for end-users, building occupants.

So the efforts to make products lighter as part of programs to reduce carbon footprints or reduce pressure on resources have beneficial effects on product ergonomics. As a result, the weights handled by craftsmen on site are limited.

In Europe, the emphasis is on a specific prescription offer for private tertiary, educational and healthcare establishments and multi-family housing. In Poland, Saint-Gobain Solutions brings together all local brands, promoting the development of systems and cross-selling in key segments such as premium multi-family housing, sports complexes, and educational and healthcare buildings. In France, Saint-Gobain has published a white paper bringing together the Group's expertise to meet the changing needs of healthcare establishments, such as the evolution of patient care,

Ecophon has published a research report on the impact of noise in education. Noise levels in educational establishments can have negative effects not only on learning, but also on the physical and mental health of teachers. Dedicated solutions are being developed.

Changing lifestyles and an ageing population also call for the adaptation of living spaces, particularly homes. For example, our materials trade teams in France have developed a specific offer for senior citizens and the adaptation of homes to anticipate loss of independence and the associated risk of falls.

3.5.2 ETHICS AND RESPONSABILITY

A – Respect for human rights

a. Commitments

Saint-Gobain's values, formalized by the Principles of Conduct and Action, are an essential vector of mobilization for human rights due to their reference to international conventions, such as the International Charter on Human Rights or the applicable conventions of the International Labor Organization and in particular the conventions 87, 98, 111 and 135 on the freedom of association and protection of the right to organize, on the right to organize and collective bargaining, on discrimination, and on workers' representatives respectively.

Saint-Gobain has been a signatory of the United Nations Global Compact since 2003. The first two principles of the Global Compact invite companies to "support and respect the protection of internationally proclaimed human rights" (principle No. 1) and "make sure that their own companies are not complicit in human rights abuses" (principle No. 2).

In 2019, the Group published its policy on respect for human rights. The policy has been presented to the Board of Directors. It describes how Saint-Gobain takes into account human rights impacts and outlines the associated due diligence process. The whole approach is based on the recommendations of the United Nations, particularly the guiding principles on business and human rights. Accordingly, Saint-Gobain is committed to respecting human rights wherever the Group conducts its activities and in its supply chain.

The principles for applying the human rights policy to the supply chain and the implementation of the associated due diligence are described in section 3.2.1.A, p. 95.

b. Analysis of human rights risks in the Group's activities

Saint-Gobain's main human rights issues are identified following the methodology proposed by the United Nations in the context of the application of its guiding principles and concern the human rights that are likely to be most seriously affected by the negative impact of the company's activities and its value chain.

The method to identify the risks of actual or potential negative impacts draws on the United Nations' reference base and on external sources recognized for their relevance. These sources are linked to international institutions such as the United Nations with the Human Development Index, specialist non-governmental organizations such as the Transparency International Corruption Perceptions Index, or foundations such as The Global Slavery Index by the Walk Free Foundation to end forced labor.

The analysis resulted in a mapping of the risks related to the Group's activities. It includes the risks related to the supply chain and respect for human rights described in the section on responsible purchasing (see section 3.2.1.A.a, p. 96).

The risk mapping covers the nature of the risks linked to activities and risks linked to the countries in which Saint-Gobain operates. The main risks identified concern four areas: respect for employee rights, health and safety at work, respect for the environment and anti-corruption.

The management of occupational health and safety risks is described in section 3.2.2.B, p. 99, and those concerning respect for the environment in section 3.2.2.C, p. 101. Corruption risk management is described in section 2.3.1.C.a, p. 79.

In November 2023, the due diligence process was undertaken to update the Group's assessment of human rights risks and impacts as well as the measures implemented to manage these risks, limit the risks of negative impacts, provide responses to impacted stakeholders if necessary, and improve situations that need to be improved. To this end, a questionnaire was sent to human resources and operational managers in 31 countries identified as the most exposed, and the responses were analyzed. This analysis allows the verification that the Group's practices are in line with human rights policy and that the risks are identified.

c. Measures to control risks associated with employee rights

Respect for people and respect for the rights of employees are essential to ensure a just and fair working environment for personal and professional development (see section 2.3.2, p. 80). Respect for people" and "respect for the rights of employees" are two principles that make up the Saint-Gobain Code of Ethics, the first being a principle of behavior and the second a principle of action. In addition, thanks to its human rights policy, Saint-Gobain clearly described its commitment to the following principles: the fight against forced labor, the fight against child labor, freedom of association and the fight against discrimination. Since signing the United Nations Global Compact, the Group has published a communication on progress in these areas. In addition, in 2022, the Group supplemented its system with the publication of an anti-harassment policy.

Saint-Gobain entities ensure that each employee performs their work on the basis of freely agreed terms of employment according to a shared and accepted document and receives payment of a fair wage according to the hours worked. Freedom of association is guaranteed at all industrial sites and sales outlets. The age of the employee is checked by local employees as part of the fight against child labor. An annual analysis of the HR database is performed to verify that employees under the age of 18 are employed under specific contracts related to their education, such as apprenticeship contracts.

Finally, the Group values and seeks diversity among its teams. Mutual respect and a policy of equal treatment in terms of recruitment, access to promotions, professional training and compensation are the main levers for action. Everywhere it operates, Saint-Gobain undertakes to promote inclusion and diversity in all its forms: gender, nationalities, training, career paths, generational diversity, disabilities and ethnic and social origins.

Incidents of discrimination, whether or not a complaint has been lodged and whether or not they are in the process of adjudication or have been definitively adjudicated and characterized as such, are reported by the network of local human resources managers. Every incident is examined and dealt with in the subsidiaries concerned. Group employees also have access to a whistle-blowing system allowing them to remain anonymous, described in, section 3.5.2.C, p. 133. Particular attention is paid to ensuring confidentiality and protecting people from all reprisals in accordance with the whistle-blowing policy.

Following the analysis of the questionnaires completed by Saint-Gobain's local teams at the end of 2023 as part of the due diligence process, preventive actions have been launched to further limit the risks of human rights incidents. Best practices identified in certain countries concerning recruitment agencies, worker accommodation and security forces have been shared. They will be supplemented by awareness-raising on certain forms of forced labor.

B – Participation in public debate

a. Advocacy

Saint-Gobain participates in public debates on the strategic challenges for its business activity and environment. This participation takes place directly, via professional associations, and via global, regional, or local alliances. The Group's advocacy activities aim to constructively feed into discussions and bring together value chain players and stakeholders. Inspired by its corporate purpose "Making the world a better home," Saint-Gobain regularly works on the priority themes of decarbonization of the economy and circularity in the construction sector (see sections 3.3, p. 106, and 3.4, p. 124).

Saint-Gobain and the majority of its subsidiaries belong to professional associations representing their industry at the national or supranational level. For example, in France, the Group is involved in professional associations representing companies, such as Afep or Medef. Saint-Gobain's subsidiaries also cooperate with various local associations or organizations involved in regulatory issues, or related to environmental, social, societal or economic issues. The subsidiaries have internal procedures in place to ensure that their participation in associations is recognized and referenced, and that employees who represent them in associations are trained in the rules of antitrust law.

Saint-Gobain ensures that its advocacy initiatives are aligned with its commitment to contribute to carbon neutrality by 2050. Its actions and positions therefore take into account the ambition to limit the rise in temperatures to below 1.5 °C.

The Group ensures proper coordination of the positions taken locally and ensures that these institutional commitments are well known and respected by the countries. Saint-Gobain complies with the transparency obligations applicable to relations between companies and public authorities in all countries where it operates.

A list of the Group's main partnerships and investments is available on the website (https://www.saint-gobain.com/en/corporate-responsibility/our-responsibility/our-commitments-partnerships-and-recognitions).

The Group refrains from financing any political party.

b. Multi-stakeholder partnerships

As a member of the United Nations Global Compact, Saint-Gobain regularly reports on its progress in the areas covered by the Compact, to which it adheres at the "GC Advanced" level, i.e., according to 21 criteria. Saint-Gobain also encourages its partners, particularly its suppliers, to commit to the Global Compact's ten principles.

Likewise, the Group pays special attention to the United Nations Sustainable Development Goals (SDGs), so as to make progress in evaluating the real impacts that companies can have in working towards a fairer, more sustainable world. These goals also make possible new multi-stakeholder collaborations, in which companies are engaged locally and globally.

Finally, the Group is a member of the forum of committed companies with the organization Transparency International France. Thus, Saint-Gobain supports the association's activities and has committed to rejecting and combating corruption, in all its forms. The Group undertakes to make its best efforts to implement a solid prevention mechanism, inspired by the current best practices of the business world.

C – The whistle-blowing system – SpeakUp! by Saint-Gobain

Saint-Gobain has an ethical and professional whistle-blowing system that is accessible to employees and all other stakeholders (clients, suppliers, shareholders, trade unions, NGOs, local communities, etc.) to report any breaches of applicable regulations or internal rules and procedures, in particular those related to the code of ethics.

A secure platform is used to collect reports and interact with whistle-blowers, including anonymously, and manage investigation follow-up until the recommendations are implemented. It is accompanied by a practical guide that reminds the "Alert Examiners" of the main principles of alert processing, describes the necessary steps (admissibility, investigation, and conclusions) and the precautions to take to conduct investigations in a confidential, professional and impartial manner. Finally, this guide provides documentary support to inform and secure exchanges with the parties, whether they are alleged victims, witnesses or respondents.

The policy on the Group whistle-blowing system and an explanatory video facilitating the understanding and the use of the platform by stakeholders are published on the Saint-Gobain website.

In 2023, more than 1,100 alerts were received and processed throughout the Group.

This year, reporting of the platform's alerts once again revealed the high expectations of employees regarding the Group's values and the behavior of managers. Beyond the personal situations, each report to the organization is also an opportunity to progress and deploy an action plan.

Annual data on the collection of alerts are published in Saint-Gobain's non-financial results (see section 4.2.2.C, p. 165).

3.5.3 AN ENGAGING WORK ENVIRONMENT

A – Wage policy and employee benefits

Wage policies are set by the countries in line with market conditions. In most of the countries in which Saint-Gobain operates, minimum wages are set either within the legal framework or by negotiating collective bargaining agreements. In 2021, under 3% of employees were not covered by one of these provisions. The Group favors the collective bargaining strategy which is a way of guaranteeing a minimum standard of living for all employees depending on the local situation.

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

In 2022, Saint-Gobain conducted a country survey to better identify the actions taken to ensure a decent wage, but also complementary elements to compensation such as individual and collective bonuses or social benefits. Under 3% of employees are paid only the legal or negotiated minimum wage. Almost 68% of full-time employees have an individual or group bonus program.

The survey also confirmed that over 99% of our employees benefit from locally-defined programs that guarantee them a pension at the end of their career.

In an uncertain economic climate in some countries, salary negotiations have taken into account the impact of inflation on the lowest salaries, so that employees can maintain a minimum standard of living.

At the same time, employee shareholding offers employees the option to become shareholders under preferential conditions, either directly as individuals or via involvement in a dedicated collective fund. The Group Savings Plan (PEG) enables them to acquire Saint-Gobain shares at a discount and, in some countries, an additional amount. In France, to encourage a team spirit and to associate each person with the success of the Group, Saint-Gobain favors the conclusion of collective incentive agreements. In 2023, employee shareholding programs were offered in 53 countries, covering 97,8 % Saint-Gobain employees and, in certain countries, retirees. In addition to these programs, Saint-Gobain has set up long-term compensation plans including, depending on the year, stock options, performance shares and performance units (see section 5.2.4, p. 240).

Saint-Gobain also seeks to offer its employees social guarantees enabling them to protect themselves against the uncertainties of life. Launched on January 1, 2020, CARE by Saint-Gobain is a social protection program for all Group employees and their families. The coverage is defined to meet basic daily healthcare needs but also to support key moments of family life:

- Daily medical monitoring of families and access to care, by covering health costs (doctor visits or basic hospitalization) at a rate of at least 80%;
- The birth of a child, including adoption procedures, by paying at least 14 weeks of maternity leave with full pay and three days for the partner leave with full pay;
- Fatality, by providing the family with financial capital representing at least one year of the employee's salary.

The program has been rolled out country by country. Parenthood measures were rolled out in 2020, and all Saint-Gobain employees currently enjoy minimum guaranteed parental leave at their full salaries.

By 2023, 100% of Saint-Gobain employees and their families will enjoy the full benefits of the CARE by Saint-Gobain program. Newly-acquired entities have three years to finalize the roll-out of the program.

B – Social dialog

Saint-Gobain has made the quality of social dialogue an essential criterion for the performance of its HR policy. The principle of consultation and negotiation, either directly with employees or through their representatives, is universal, with the aim of translating this dialog into collective agreements. Freedom of association is one of the values embedded in the Group's code of ethics and respect for it is a prerequisite for quality social dialog.

Because social dialog must provide concrete answers to the questions of working conditions, the specific expectations of employees, and the deployment of HR action plans, it is mainly carried out at local level in accordance with Saint-Gobain's HR policy (see section 2.3.2.A, p. 80). Executives in each country meet with employee representatives periodically to discuss strategy and local issues. As such, more than 3131 agreements signed with employee representative bodies are active, of which 24,5% include criteria related to employee health and safety.

The various discussions held locally have made it possible – in some subsidiaries – to develop work flexibility, in particular to meet employees' demands for a better balance between their personal and professional life and their family needs.

Even though Saint-Gobain encourages social dialog at a local level, Group coordination exists. So the Chief Executive Officer of Saint-Gobain meets with the central union coordinators several times a year and chairs the Works Council at least twice a year. At the European level, he chairs the Convention for social dialog, which brings together 70 union representatives from 28 European countries annually. With the aid of an independent expert, this Convention makes it possible to supplement the national dialog by dealing with subjects of common interest such as safety, Corporate Social Responsibility or the trend of employment on European sites. These subjects are raised in particular by the members of the Select Committee, which acts as spokesman for the Convention, who benefit from specific training to perform their role and met by the Director of Social Affairs at least four times a year.

Listening to employees is essential to the success of social dialog. The employee satisfaction survey conducted in 2023 (see section 2.3.4.B, p. 90) shows that 85% of respondents consider their working conditions to be good and 83% that the balance between personal and professional life was satisfactory.

In an uncertain economic context, the Group is committed, as far as possible, to implementing solutions to safeguard employment and only to making job cuts as a last resort. The aim is initially to reorganize to deal with situations on a temporary basis, as in the case of temporary lay-off, or to favor internal mobility agreements which, associated with incentive measures, make it possible to maintain jobs within Saint-Gobain. When restructuring is inevitable, the employees affected by workforce adjustments benefit from personalized support programs which may result in training associated with retraining, assistance for geographic mobility or support for the execution of a personal project, such as the creation of a business.

When companies are acquired, coordination is set up to align the HR policy of the new entities with the Group's principles.

C – Diversity and inclusion

Diversifying its teams ensures that Saint-Gobain is in tune with the world around it and understand its challenges, to be enriched by different skills and experience, while developing its capacity to innovate. To meet its diversity and inclusion targets, the Group is working to create an environment conducive to fairness and equality, crucial to employees' professional growth, while fostering training and the cohesion of high-performance operational teams. The main drivers of this strategy are managers leading by example and the policy of equal treatment in the fields of recruitment, vocational training and compensation. Everywhere it operates, Saint-Gobain undertakes to promote inclusion and diversity in all its forms: gender, nationalities, training, career paths, generational diversity, disabilities and ethnic and social origins.

In addition, employees are asked a specific question on diversity and inclusion as part of the annual me@Saint-Gobain survey. In 2023, more than 90% of employees indicated that people were respected in the company regardless of their profile (gender, age, origin, sexual orientation, etc.).

The Group is strongly committed to the themes of diversity and inclusion, which are one of its priority CSR challenges. The requirements to be followed are defined at the global level, while action plans to support this vision are rolled out locally. An overall diversity indicator incorporating diversity of gender, nationality and professional experience is monitored annually. It is a performance component of Saint-Gobain's long-term compensation plans for managers (see section 5.2.4, p. 240). The Group is committed to maintaining a diversity index always above 90%, which is the case in 2023 with a diversity index of 91%.

The increase in the gender diversity of teams is based on a voluntarist recruitment policy and on action plans for occupational promotion, equal pay, training and work/life balance. Objectives related to gender diversity have been set: 30% female managers in 2025 (target of 25% reached in 2020) and 25% female senior executives in 2025. They are monitored each quarter by the Executive Committee. They have been developed by country and Business Units and are integrated into the performance criteria that determine the annual variable compensation of senior executives. At Group level, each monthly meeting of the Human Resources Committee has a section dedicated to women with the aim of boosting career opportunities.

These objectives were strengthened in 2020 to promote the access of women to the management bodies of Saint-Gobain:

- 30% of women in the Group Executive Committee in 2025;
- an average of 30% of women in the Executive Committees of Business Units in 2025.

In terms of training, an e-learning document on awareness of gender diversity issues, entitled Gender Balance Awareness, has been drawn up in several languages and circulated to the human resources and management teams. This program was updated at the end of 2020 under a new e-learning format called Unconscious Bias.

In 2020, Saint-Gobain launched a program to use Big Data to identify differences in the situation between women and men in the Group's organizational structure. In addition to the quantitative indicators available in non-financial reporting, the aim is to identify underlying stereotypes that hinder the integration of women into management bodies or create systematic gaps in the situation. In accordance with the human resources policy (see section 2.3.2.A, p. 80), each country has implemented an action plan.

Finally, since 2020, the parenting component of the social protection program mentioned earlier, CARE by Saint-Gobain (see section 3.5.3.C, p. 135), was rolled out in all countries where the Group operates, with a guarantee of at least 14 weeks of maternity leave at full pay.

A systematic evaluation of the pay gap between women and men in equal positions is carried out. The ratios on the average pay gap of Group employees are measured and published in section xxx, p. xx. In 2023, the proportion of women managers rose from 27.4% to 28%. The Executive Committee consists of 31,3% female members (5 women out of 16 in 2023, compared with 4 out of 16 in 2020 and 4 out of 17 in 2019).

Saint-Gobain is a signatory to the Women's Empowerment Principles (WEP) since 2021, confirming its commitment to gender equality. Defined by the United Nations Global Compact, the WEP are a set of principles that aim to help companies to promote gender equality and women's empowerment in the workplace.

Likewise, insertion and retention of people with disabilities are important subjects for Saint-Gobain. First of all, disability awareness and training initiatives are in place in the various countries. Several subsidiaries offer workshops in partnership with specialized bodies. The Group also implements recruitment policies in partnership with various specialist agencies, applying a strict non-discrimination policy. For example, in France, several entities are in contact with ESATs (bodies promoting the inclusion of people with disabilities in society and the workplace) to support them in their efforts. One of Saint-Gobain's objectives is to make everyday life easier for employees with disabilities by adapting workstations and hours.

In terms of diversity and inclusion, Saint-Gobain's approach remains similar to that used to deploy the Group's HR policy: common values, policies and objectives, deployed by each country according to cultures and situations.

To develop a culture of inclusion, Saint-Gobain University has made available an e-learning program for managers: inclusive management. Saint-Gobain has also participated, along with major French companies, in the production of a glossary in French and English which provides definitions and explanations of the main terms and concepts relating to diversity and inclusion.

Each region or country establishes a diagnosis which then enables it to set priorities and local plans. Potential types of discrimination are identified, and appropriate programs are put into place. Gender, disability, and ethnic and social origins are taken into consideration in the diagnosis.

To encourage pluridisciplinarity and diversity of nationalities, the emphasis is on the valuing of diverse career paths in the areas of expertise (marketing, research and development, etc.) and on equal opportunities for local profiles. In terms of generational diversity, Saint-Gobain ensures that the age pyramid of its employees is balanced, giving young people as well as older employees their full place. Particular attention is paid to integration programs for young people.

Programs to educate teams about difference and training programs to avoid unconscious bias when recruiting are also deployed.

For example, since 2019, the Latin America region has developed a program called "diversity and inclusion" that incorporates gender mix, ethnic origins (especially vulnerable populations), disability, and social and economic inclusion. A communication campaign has accompanied the approach on the theme "with respect, we understand each other."

In North America, the focus is on raising awareness among HR teams and writing inclusive job descriptions to promote diversity in recruitment. Partnerships, networks and mentoring programs are deployed.

In India, mentoring programs for the inclusion of women are being deployed and a women's network are active.

D – Employee satisfaction

Increasing employees' involvement in a context of change, both generational and technological, is an essential challenge for the Group. To meet this challenge, the Group places managerial attitude and involvement at the heart of this approach: managers motivate and develop the loyalty of employees by giving more meaning to their everyday work and by favoring a spirit of initiative.

Since 2019, a unique tool to measure employee commitment has been developed. It makes it possible to conduct surveys targeted on particular populations and/or themes, for example, specifically listening to managers during the transformation phases. This platform is also used to conduct the annual global survey sent to all employees: "me@Saint-Gobain." Employees are asked questions covering the five main focus areas of the HR policy and the current transformation programs:

- Team: an energizing, collaborative working environment;
- Active: an empowering organization;
- Talent: an HR organization focused on talent development;
- Management: a management style based on influence;
- Inspiration: sharing clear objectives and a factual vision.

With a participation rate of 87% in 2023, 126,470 employees took part. In particular, 85% of them would recommend Saint-Gobain as a good place to work.

Despite a slight erosion, the level of commitment remains stable in a difficult environment.

The commitment rate reached a score of 83%, down one point compared with the survey conducted in 2022. This index groups the results into four themes:

- Pride in working for Saint-Gobain;
- Short-term retention capacity;
- Recommendation;
- The feeling of being appreciated and valued for their work.

In accordance with the HR organization, each country or Business Unit is able to obtain results for its own scope and is responsible for circulating the results and starting dialog with employees to define action plans to work on areas requiring improvement.

3.5.4 COMMUNITY ENGAGEMENT

The various Saint-Gobain entities, in their respective scopes and in line with their key local issues, are active in sponsorship and philanthropy in the Group's reference markets, and also in areas such as education, research, culture and health. To develop these actions, Saint-Gobain relies on local partnerships, in particular with non-profit organizations and charities.

Saint-Gobain invested 16,4 million in 2023 for philanthropy and sponsorship actions. This involves either direct financial support or donations of materials. Each entity and each country makes its own choices to support projects according to local issues. This takes the form of financial donations, donations of materials, skill-based sponsorship, or volunteer work. All of these actions with a local social impact are not systematically reported by the Group at the global level. Only a portion of financial donations and donations of materials is reported. The number of beneficiaries is also only partially assessed. The financial impact does not include skill-based sponsorship or employees' participation in voluntary work during their working hours.

In 2022, Saint-Gobain launched a program called "Build Change" to federate commitment around two priorities:

- Supporting the youth training in the construction sector;
- Promoting access to decent and sustainable housing.

This program encourages young people, especially the most disadvantaged, to join the construction industry, which in many countries is facing labor shortages.

Similarly, there is a chronic lack of decent housing for the most disadvantaged populations. Improving access to insulated housing also allows these vulnerable populations to reduce their energy bills and improve comfort.

While the Build Change program guides part of the actions, each country undertakes supplementary programs to support vulnerable populations in local communities.

A – A network of actors contributing to inclusive actions

At a central level, the Saint-Gobain International Corporate Foundation is based on employee commitment. All Group employees – both current and retired – can sponsor acts of solidarity in two areas:

- The professional integration of young adults in difficulty;
- The construction, improvement or renovation, in the general interest, of living spaces for people in precarious situations, contributing in particular to reducing energy consumption and preserving the environment.

Projects must be carried out by a non-profit organization and be located near a Saint-Gobain site. The Foundation provides direct financial support to the projects selected, thanks to an annual allocation of €2 million invested in the projects. In addition, current employee and retired employee sponsorships help charities access additional partnerships such as donations of materials, access to technical expertise in energy efficiency and other areas, and volunteer work.

Since its creation in 2008, the Foundation has supported 387 projects, including 35 in 2023.

Each country organizes its activities in the most appropriate way according to the local situation. Some, such as the United States or India created local foundations to develop programs to engage employees in philanthropic actions or actions to help vulnerable populations.

Other countries rely on dedicated local teams committed to bringing programs and initiatives to life.

B – Training for the construction sector to accelerate the transition to sustainable construction

a. Train our clients' employees

Training programs for our clients' employees are developed in most countries where Saint-Gobain operates. In France, a complete training catalog, via e-learning or face-to-face, is available for all clients of the Group. The Isover, Placo® and Weber's teams offer programs led by experts trained in teaching methods. Some of the courses are certifiable. In Brazil, a complete offer regrouping 17 programs is deployed under the form of 285 sessions per year. Finally, in some countries, Saint-Gobain teams travel to worksites. This is the case for Weber teams in France and certain training courses in Morocco.

Saint-Gobain PAM has also set up a "customer school" offering a range of training courses in the water and wastewater sectors. These courses can be given on site.

b. Train a qualified workforce

In North America, the Group has developed a partnership with the NGO YouthBuildUSA to meet a twofold ambition: to provide training in the sustainable housing industry to young people struggling with the school system, all while enabling them to obtain a high school diploma. Since 2011, the Group has been helping to integrate young people into the construction industry and raise their awareness of the sector.

Likewise, Saint-Gobain UK and Ireland supports Barnardo's YouthBuild Academy, which aims to train unemployed young people in building trades at a time when the construction industry is facing labor shortages.

Efforts are being made in South Africa to overcome the shortage of skills in roofing and partition installation through the "Saint-Gobain YouthBuild Academy." This training program, launched in 2003 and financially supported since 2016 by YouthBuild International, aims to share the know-how of Group employees with unemployed youth from disadvantaged communities, through a combination of theoretical courses and the achievement of a local renovation project. The "Saint-Gobain YouthBuild Academy" is the only CETA (Construction Education Training Authority) accredited training provider with accreditation to facilitate the National Certificate: Ceiling & Partition Installation NQF 3. The Group sustainably supports youth employment while contributing to the dynamism of its business sector. Since its creation, about 1,000 people have benefited from this program.

Since November 2021, Saint-Gobain in Morocco developed its own academy with the same objective of training young people in the building trades and in particular in the evolution of techniques related to sustainable construction. Qualifying training courses are provided in three training centers.

In France in 2022, Saint-Gobain developed a network of schools to train qualified workers for jobs in the construction sector that are in short supply. The specialized banners have formed partnerships with apprentice training centers (CFA) to develop professional training courses, such as the roofing school for roofers set up by Asturienne, the builder's school set up by Point.P and the thermal engineering school set up by CEDEO. Training programs are deployed region by region. By the end of 2023, 33 classes will have been opened and 350 apprentices recruited. The target is to train 3,000 craftsmen within 5 years.

Several professional training programs are on offer in India. For example, the Gyproc Academy has trained more than 1,150 young people since its creation in 2013, with a placement rate of over 90%.

For many years, Saint-Gobain has been supporting craft trades by being a partner of Worldskills France, the trades competition that enables young professionals from all over the world to showcase their skills. For the 2023 edition, in line with the actions taken to raise awareness, promote and train future generations of roofers, masons and plumbers with the Ecole du Toit, L'école des Bâtisseurs and 19° L'Ecole du génie climatique respectively, the Asturienne, POINT.P and CEDEO trade names, like Placo®, have supported the building trades competitors by donating equipment to enable them to compete in the best possible conditions.

C – Actions in favor of education

In addition to programs supported by the Saint-Gobain Foundation, many countries have set up partnerships for youth training.

In France, Saint-Gobain inaugurated an apprenticeship training center (CFA) in 2020, called "Generation Saint-Gobain." This center offers training courses focused on jobs in short supply, industrial maintenance and sales and marketing. In 2022, a supply-chain management certifying training course was successfully carried out.

In India, the Saint-Gobain India Foundation supports more than 9,500 young girls in targeted education programs. Saint-Gobain has also developed programs to accompany young people from rural areas.

D – Actions in favor of decent and sustainable housing

In 2022, nearly 35 projects in favor of access to decent and sustainable housing in over 15 countries were conducted. These actions are often carried out in collaboration with non-profit organizations operating in the same regions.

Partnerships with Habitat for Humanity have been established in many countries in Latin America, such as Argentina and Brazil, and in Europe, such as Poland.

E – Other actions in favor of communities

In emergency situations, Saint-Gobain's local teams mobilize to support the populations affected. For example, Saint-Gobain teams in Poland have continued to help Ukrainian. Families were taken in and are still being supported. A foundation has been set up to provide financial assistance to the refugees and to help them with the administrative process. Finally, psychological support is available to employees in Poland to help them cope with this situation. In 2023, many countries faced natural disasters. Saint-Gobain teams mobilized in Turkey and Morocco during the earthquakes.

In Turkey, a program to provide shelter for earthquake refugees led to the construction of more than 150 temporary homes. Group employees in many countries supported the donations made by Saint-Gobain entities. Unfortunately, another earthquake struck Morocco in September. Saint-Gobain teams in Morocco mobilized to provide immediate aid in the form of basic necessities. Support continued by participating with a charity in a program to build temporary housing. This program is supported by the Saint-Gobain Foundation.

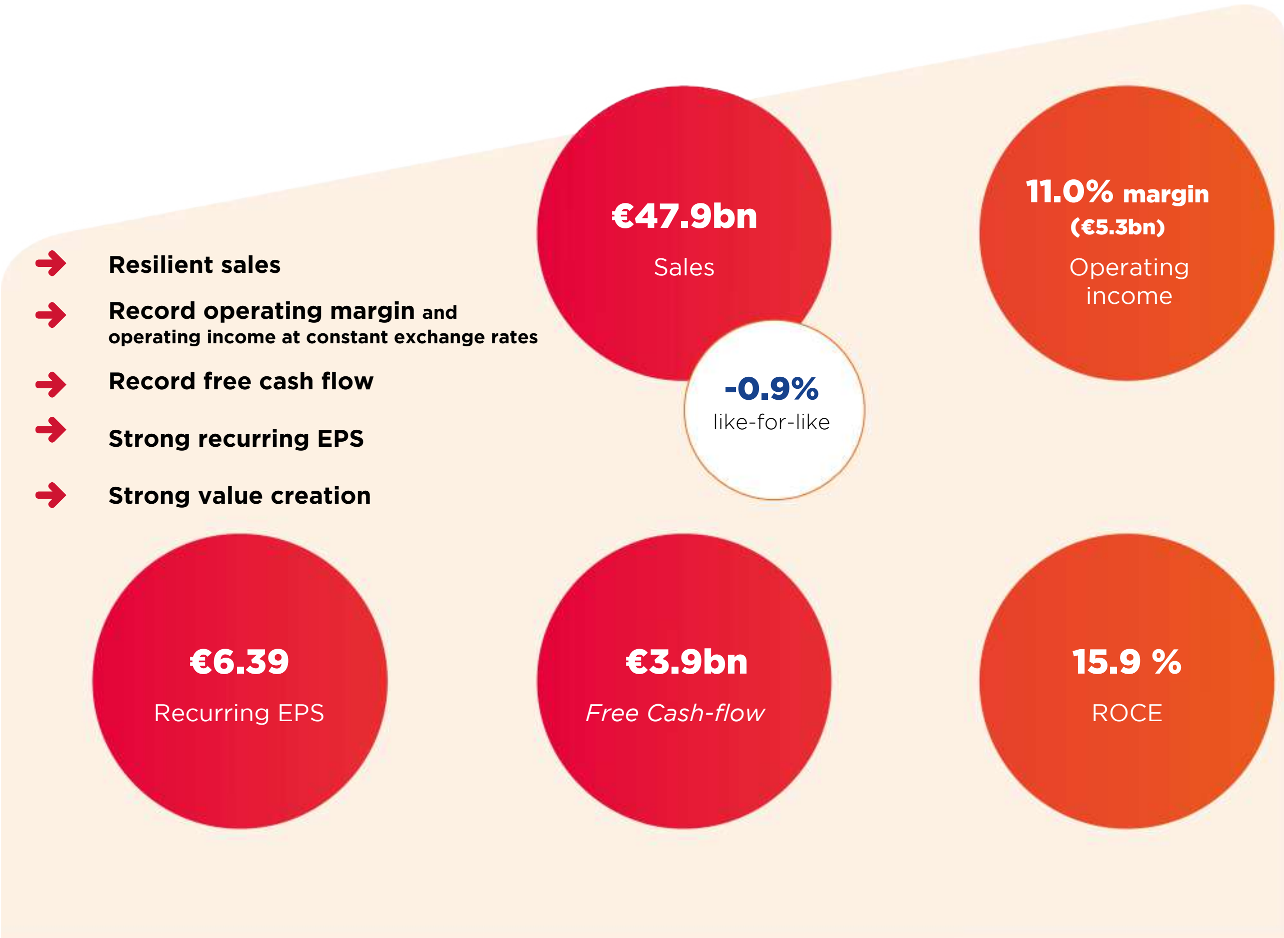
2023 RESULTS
AND OUTLOOK FOR 2024

4.1 FINANCIAL RESULTS

The 2023 consolidated financial statements were approved by Saint-Gobain's Board of Directors at its meeting of February 29, 2024. The consolidated financial statements were audited and certified by the statutory auditors.

4.1.1 STRONG RESULTS DESPITE A CHALLENGING ENVIRONMENT

Key figures



- **Good resilience in sales, down 0.9 % like-for-like** despite a difficult environment in new construction in Europe;
- **Record operating margin of 11.0 %** (up in all Regions) and record operating income at constant exchange rates;
- **Record free cash flow of €3.9bn**, with a cash conversion ratio of 62 %;
- **34 % reduction in CO_2 emissions vs 2017** (scope 1 and 2);
- **Total shareholder return (TSR) of 51% in 2023,** with €1.6bn of share buybacks and dividends. Dividend of €2.10 (+5%) recommended for 2023;
- **2024 outlook:** despite a context which remains difficult in certain markets, the Group expects a double-digit operating margin for the fourth consecutive year.

4.1.2 SUCCESS OF THE "GROW & IMPACT" STRATEGIC PLAN

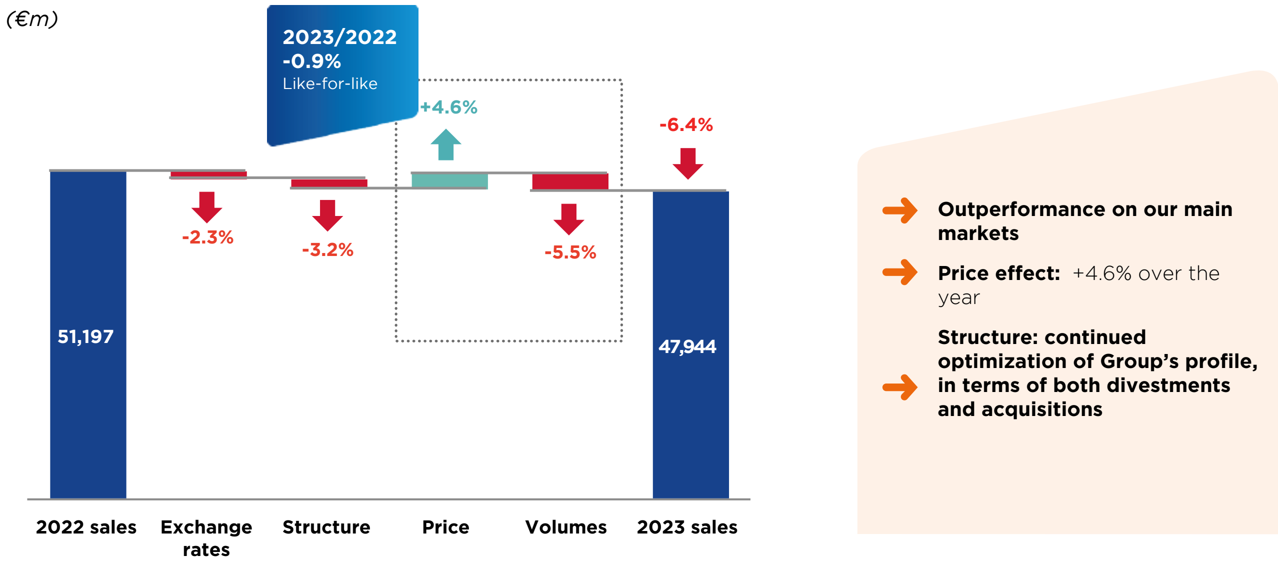
A – An attractive profitable and sustainable growth profile

The "Grow & Impact" plan rolled out as from 2021 has placed the Group on a financial trajectory that has seen an acceleration in growth of its results, cash flow and value creation, delivering on all the objectives set three years ago:

- **Strong organic growth of 6.4% per annum on average**[1], supported by an unrivalled range of sustainable solutions accounting for almost three-quarters of Group sales;
- **Creation of a world leader in construction chemicals, with annual sales of €5.7 billion** (pro forma for recent acquisitions and divestments), thanks to strong organic growth and the 30 acquisitions carried out in the last three years;
- **Pro forma operating income well-balanced between the three geographic zones:** 32% in North America, 31% in Asia and emerging countries and 37% in Western Europe;
- **Record profitability and value creation, with on average over three years:** an operating margin of 10.5%, a free cash flow conversion ratio of 58% and a ROCE of 15.8%;
- **Significant efficiency gains** thanks to the organization by country with 90% of CEOs native to their country, resulting in close proximity to customers, stronger pricing power and enhanced results-driven accountability for local teams;
- **Record-high shareholder return:** €4.1 billion returned to shareholders over a three-year period through share buybacks and dividends. With almost €1.6 billion in shares bought back over three years, the Group is ahead of the €2 billion target it had set for the five-year period 2021-2025.

4.1.3 GROUP OPERATING PERFORMANCE

A – Good resilience in like-for-like sales



Like-for-like sales showed good resilience, down 0.9%, supported by advances in Asia-Pacific, the Americas and High Performance Solutions, in contrast to the difficult macroeconomic environment in Europe. The Group continued to **outperform its main markets** thanks to the pertinence of its strategic positioning at the heart of **energy and decarbonization challenges**, and the strength of its local organization by country, offering comprehensive solutions to its customers.

In a less inflationary environment, **Group prices were up 4.6% over the year** (up 0.8% in the fourth quarter), generating a positive price-cost spread once again.

In line with the Group's expectations for the year announced at the start of 2023, **volumes were down by 5.5% over the year** (down 4.5% in the fourth quarter), reflecting a contrasting situation: a marked decline in new construction but good resilience overall in renovation. In each local market, the Group is taking the **proactive commercial and industrial measures necessary to maintain its strong operating performance.**

(1) *Average organic growth over 2021-2023: +6.9% in 2021 (+13.8% for 2021/2019 divided by two), +13.3% in 2022 and -0.9% in 2023.*

On a reported basis, sales were down by 6.4% to **€47.9 billion**, with a negative currency effect of 2.3% and a negative Group structure impact of 3.2%. The Group structure impact results from the ongoing **optimization of the Group's profile,** both in terms of disposals – mainly in distribution (UK, Poland and Denmark), glass processing activities, Crystals & Detectors and ceramics for the steel industry – and in terms of acquisitions, mainly in construction chemicals (**GCP** Applied Technologies, Impac in Mexico, Matchem in Brazil and Best Crete in Malaysia), exterior products in Canada (**Kaycan** and **Building Products of Canada**) and insulation (U.P. Twiga in India).

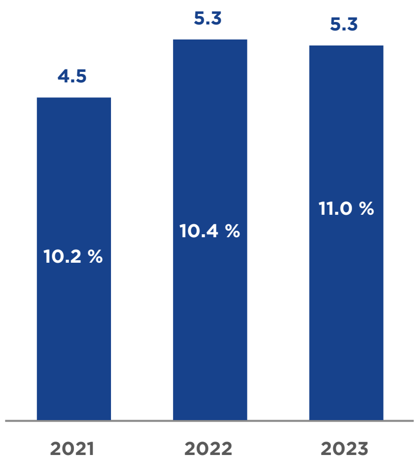
Thanks to its recent acquisitions and investments, the Group has **successfully strengthened its position in North America, Asia and emerging countries, as well as in construction chemicals. Construction chemicals** overall delivered **solid 3.4% organic growth in 2023**.

The integration of recent acquisitions is proceeding well, and synergies have been confirmed and successfully put in place:

- Taken together, **Chryso and GCP** improved their EBITDA margin by more than 400 basis points compared to 2022 and generated €50 million in synergies, ahead of targets. **Chryso created value** from year two – **one year earlier than expected** – thanks to its excellent operating performance and a seamless integration: the business reported EBITDA of €121 million and continues to deliver an industry-leading margin. **GCP** met its target of US$170 million in EBITDA for 2023, as expected for the first full year since its acquisition;
- **Kaycan** reported C$101 million in EBITDA in 2023 and also unlocked synergies, particularly in procurement, ahead of targets;
- The integration process is proceeding in line with expectations for **Building Products of Canada**, acquired in September 2023.

B – Double-digit margin for the third consecutive year

(€bn and %)

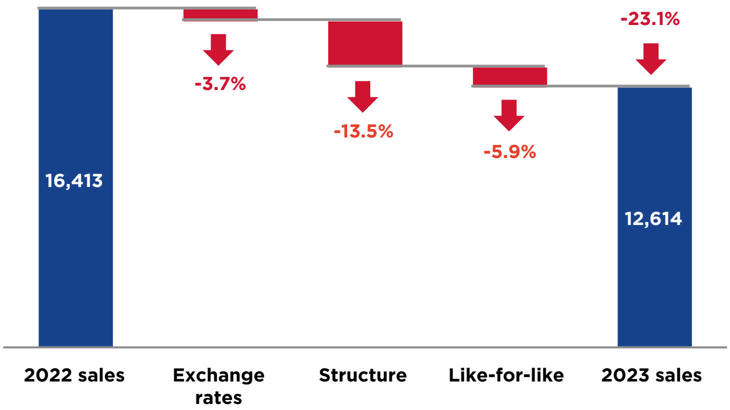


- **Record operating margin at 11.0% and record operating income at constant exchange rates**
- **Positive price-cost spread**
- Operating income up 64% and +330bps in the margin since the launch of the transformation in 2018

Operating income was **€5,251 million**, a **record-high at constant exchange rates** (2022 rates). The **operating margin** reached a **new record-high** of 11.0% in 2023 (versus 10.4% in 2022), representing an increase of 330 basis points since the launch of the Group's transformation at the end of 2018. Despite a difficult macroeconomic environment, **all Regions** reported operating margin growth, once again testifying to the Group's resilience.

4.1.4 SEGMENT PERFORMANCE (LIKE-FOR-LIKE SALES)

A – Northern Europe: record margin despite lower sales



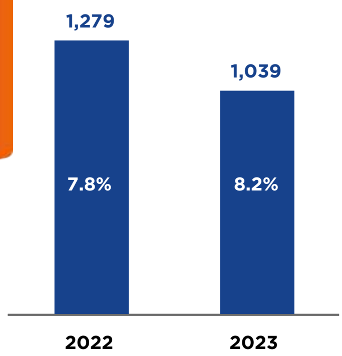
SALES *(€m)*

Change in sales on a like-for-like basis

Nordics
-6.2%

United Kingdom
-0.9%

Germany
-13.2%

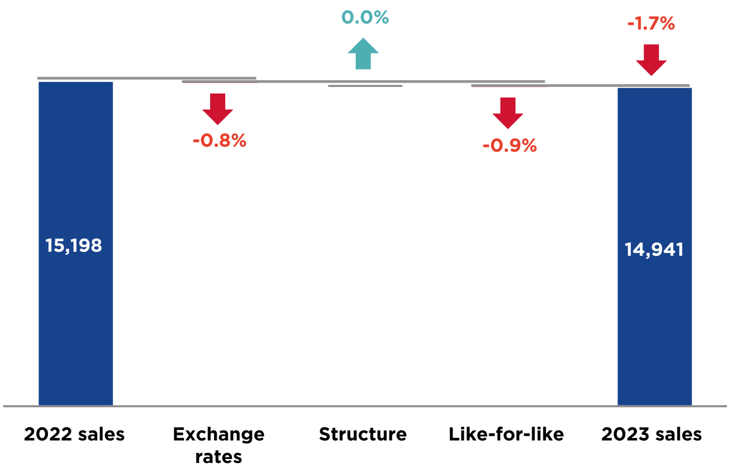


OPERATING INCOME *(€m)* and MARGIN *(%)*

The Region was **down 5.9%** in 2023 amid a sharp slowdown in new construction, while renovation (around 55% of sales) proved more resilient. The Region's operating margin hit a new annual record-high of 8.2% (versus 7.8% in 2022), thanks to an optimized business profile and very well managed costs and industrial efficiency.

In **Nordic countries,** the sharp fall in new construction, particularly in Sweden and Norway, was partly offset by our exposure to renovation. Saint-Gobain further differentiated its offer in 2023, with the commercial launch of Klima plasterboard manufactured at its Fredrikstad plant in Norway using 100% hydroelectric power. The **UK** outperformed a downbeat market, benefiting from strong sales momentum thanks to the success of its local organization and comprehensive range of solutions along with a newly optimized portfolio. **Germany** continued to suffer in a difficult macroeconomic environment which weighed on new construction; Saint-Gobain launched a closed-loop recycling service for Isover insulation and Rigips plasterboard in the country in 2023. In **Eastern Europe,** volumes progressed in the fourth quarter, driven by our comprehensive range of interior and exterior solutions.

B – Southern Europe – Middle East & Africa: resilient sales and margin growth

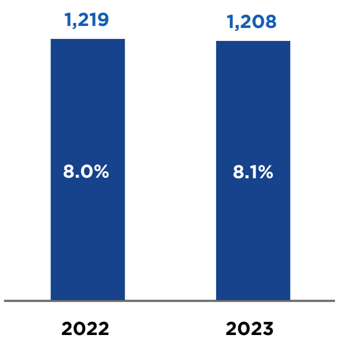


SALES *(€m)*

Change in sales on a like-for-like basis

France
-1.9%

Spain-Italy
+0.9%



OPERATING INCOME *(€m)* and MARGIN *(%)*

The Region's **sales held up well (down 0.9%)** owing to renovation (nearly 70% of sales), while new construction continued its decline. The operating margin for the Region performed well, at 8.1% (versus 8.0% in 2022), thanks to very well managed costs and industrial efficiency.

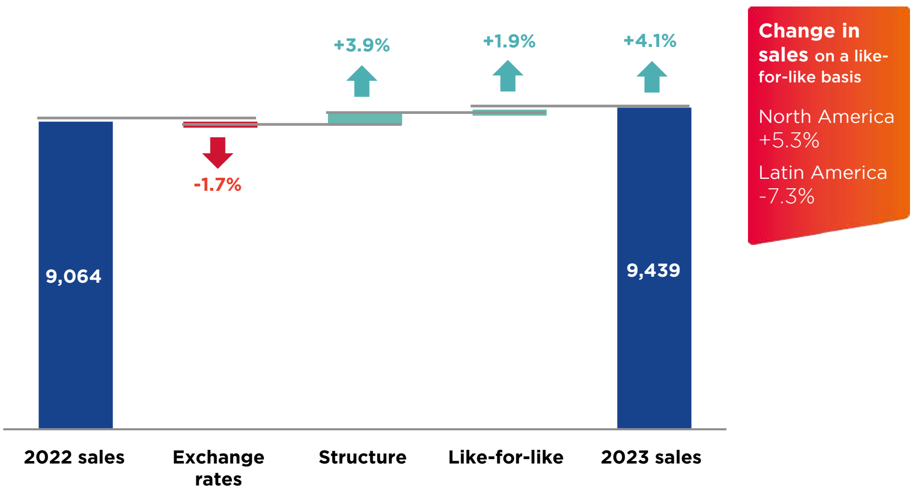
Amid a sharp decline in new construction, Saint-Gobain continued to outperform in **France** thanks to its exposure and extensive expertise in renovation, supported by regulatory tailwinds and the increase in stimulus measures, both for private housing (the MaPrimeRénov' household renovation package, which was raised from €2.7 billion for 2023 to €4 billion for 2024) and for programs related to public and commercial buildings. The Group continues to enhance its offering, with dedicated initiatives for major eco-certified projects, high value-added low-carbon solutions, and white papers on its complete offering for healthcare and educational facilities and the renovation of multi-family housing.

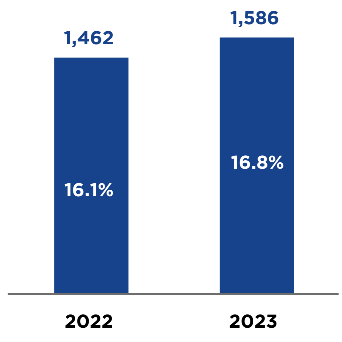
In line with the introduction of the Extended Producer Responsibility (EPR) regulation in 2023 on end-of-life management of construction waste, the Group has ramped up its recycling services with Saint-Gobain Glass® Recycling, Placo® Recycling and Isover® Recycling, thanks to the start-up of a new-generation furnace for recycling glass wool from construction waste at Chemillé.

In **Spain** and **Italy**, sales were up in broadly resilient construction markets, and the Group launched Placotherm® Integra, a comprehensive light façade solution offering thermal insulation and acoustic protection using Glasroc® X technology.

Middle East and Africa enjoyed strong growth, especially in Turkey – where the acquisition of Dalsan created a new leader in light and sustainable construction solutions – and in Egypt, where the Group's growth accelerated thanks to the acquisition of Drymix in construction chemicals. Saint-Gobain also enhanced its building envelope offering in Saudi Arabia through its acquisition of Izomaks in construction chemicals (waterproofing products).

C – Americas: sales growth in North America and record margin





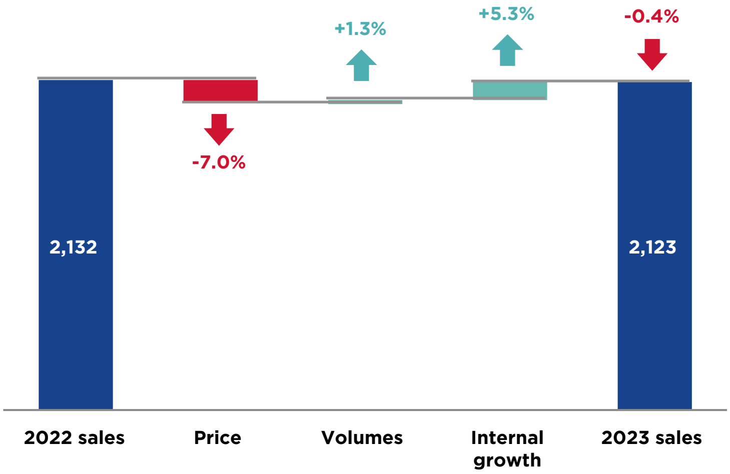
SALES *(€m)*

OPERATING INCOME *(€m)* **and MARGIN** *(%)*

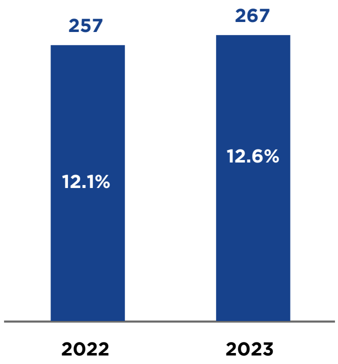
The Region delivered **1.9% organic growth** in 2023, driven by the outperformance in North America. Operating income hit a new record-high (€1.6 billion), along with its operating margin at 16.8% (versus 16.1% in 2022), supported by well-managed costs and productivity, and the upturn in volumes in North America.

- **North America** reported **5.3%** organic growth over the year (8.7% as reported, including the integration of Kaycan, Building Products of Canada and GCP's waterproofing membranes) in a new construction market that has stabilized. Good momentum in the second half of the year drove a significant rise in volumes and Saint-Gobain saw further market share gains thanks to its comprehensive, differentiated range of interior and exterior light construction solutions. The integrations of **GCP** and **Kaycan** are making particularly good progress, enabling us to achieve the expected synergies. The **Building Products of Canada** acquisition was completed more quickly than expected, as of September 2023, allowing Saint-Gobain to reinforce its leadership in Canada in construction materials with a comprehensive range of interior and exterior solutions. In light of the favorable growth outlook, capital expenditure increased in North America, totaling over €350 million in 2023.
- **Latin America** was down by 7.3% in 2023. Despite a difficult macroeconomic climate throughout the year in **Brazil**, the volume decline eased towards the end of the period – thanks to the outperformance of light construction solutions – and some macroeconomic indicators are improving (falling interest rates, inflation under control, stimulus plan). Saint-Gobain saw market share gains in Mexico and benefited from the highly successful integration of Impac (construction chemicals: waterproofing). Other countries benefited from an increase in sales prices, an enriched mix, and a geographic footprint and product range extended by bolt-on acquisitions. The Group has successfully replaced 25% of its natural gas with biogas at its glass plant in Jacarei near São Paulo, and 100% at its mortars plant in Rio de Janeiro.

D – Asia-Pacific: good sales momentum and record margin



SALES *(€m)*



OPERATING INCOME *(€m)*
and MARGIN *(%)*

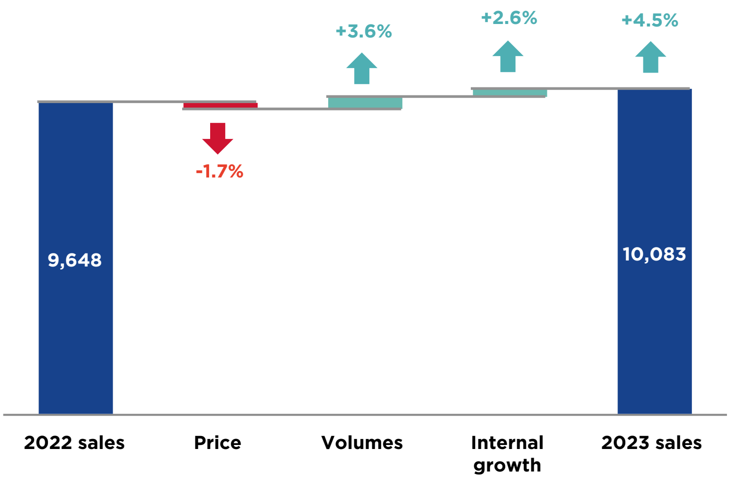
The Region reported **5.3% organic growth** over the year, with good momentum in volumes and a record operating margin at 12.6% (versus 12.1% in 2022).

India posted another year of outperformance thanks to its comprehensive and innovative range of solutions, the successful integration of recent acquisitions in insulation and the start-up of new capacity (plasterboard, glass and construction chemicals). Saint-Gobain plays a pioneering role in promoting low-carbon buildings in India: the Group has launched the first low-carbon production of plaster and the first low-carbon glass in the country, with a 40% reduction in CO_2 emissions (scope 1 and 2).

In a difficult construction market in **China**, the Group continued to capture market share and increase volumes, thanks to its light construction solutions and its differentiated range of products and services (moisture resistance, fire resistance, improved air quality, digital marketing). The Group inaugurated its fourth plasterboard factory and its fifth gypsum factory, in Yuzhou (Henan province), thereby expanding its footprint towards inner China.

In **South-East Asia**, Malaysia, Singapore, Indonesia and the Philippines reported strong growth, driven by an enriched range of solutions and recent acquisitions (Best Crete in construction chemicals and Hume Cemboard Industries in light construction in Malaysia). Vietnam outperformed a difficult market in 2023 thanks to the rollout of personalized logistics and digital services.

E – High Performance Solutions (HPS): sales and margin held firm

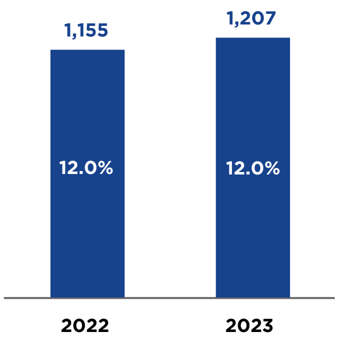


Change in sales on a like-for-like basis

Construction and industry
-3.2%

Mobility
+12.9%

SALES *(€m)*



OPERATING INCOME *(€m)*
and MARGIN *(%)*

HPS delivered 2.6% organic growth, benefiting from innovation efforts, a recovery in automotive and an increase in sales prices. The operating margin remained stable at 12.0%, with good cost management offsetting the negative mix effect in Mobility.

- Businesses serving **global construction customers** saw sales grow 23% as reported, due mainly to the GCP integration. **Chryso** continued to post a strong performance, with **9.1% organic growth** driven by infrastructure projects and innovation for decarbonizing construction. Business picked up pace for GCP, thanks to the successful implementation of integration synergies, in particular vertical integration in polymerization. In 2023, three new acquisitions were carried out to complete the portfolio of technological solutions and accelerate geographic expansion; four new plants or production lines were opened (Romania, India, Turkey and France) – notably leveraging Saint-Gobain's global presence to start up new production facilities in record time at existing Group sites – and the construction of 10 new facilities began (notably in the US, Mexico, Brazil, the Philippines and Australia).

However, Adfors' reinforcement solutions contracted due to their greater exposure to new construction in Europe.

- The Mobility business outperformed, buoyed by the increase in sales prices, its technological expertise and its position in electric vehicles – accounting for 38% of sales at the end of the year. Momentum remained upbeat in the Americas and Asia and volumes rebounded in Europe against a weak comparison basis.
- Businesses serving **Industry** were driven by sales prices and by demand for cutting-edge materials and decarbonization technologies, despite a slowdown in industrial markets. In France in the fourth quarter, the Group inaugurated a new automated production line reducing energy requirements by 65% to manufacture Cruciforms® refractories – which are essential for our glass customers' decarbonization processes. The recent acquisition of Glass Service, a leading provider of digital solutions for glass furnaces, particularly in the field of control and optimization systems, completes our offer for these customers.

4.1.5 FINANCIAL RESULTS

A – New record EBITDA Margin

(in EUR million)	2022	2023
Operating income	**5,337**	**5,251**
Non-operating costs	(262)	(236)
Capital gains (losses) and impacts resulting from changes in Group structure	(85)	(365)
Asset write-downs and other	(408)	(419)
Business Income	4,582	4,231
Operating income	**5,337**	**5,251**
Operating depreciation and amortization	2,048	1,986
Non-operating costs	(262)	(236)
EBITDA	**7,123**	**7,001**
EBITDA MARGIN	**13.9 %**	**14.6 %**

EBITDA came in at **€7,001 million**, close to its all-time high of 2022. EBITDA includes lower non-operating costs of €236 million.

The net balance of capital gains and losses on disposals, asset write-downs and the impact of changes in Group structure represented an expense of €784 million. It reflects €238 million in asset write-downs essentially relating to site closures and disposals (€292 million in 2022), €181 million in Purchase Price Allocation (PPA) intangible amortization (€116 million in 2022), and €365 million in disposal losses and impacts relating to changes in Group structure, mainly translation adjustments on UK distribution assets sold in March 2023.

B – Recurring net income and EPS at a very good level

(in EUR million)	2022	2023
BUSINESS INCOME	**4,582**	**4,231**
Net financial expense	(405)	(425)
Income tax	(1,082)	(1,060)
NET ATTRIBUTABLE INCOME	**3,003**	**2,669**
RECURRING NET INCOME	**3,335**	**3,242**
Recurring EPS *(in EUR)* [(a)]	**6.48**	**6.39**

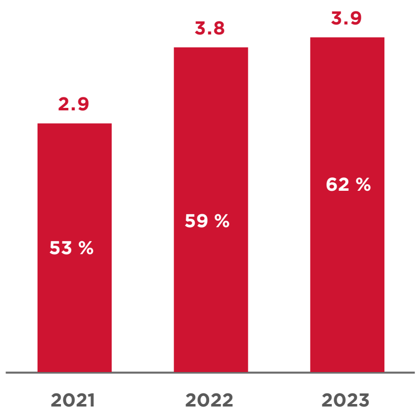
(a) *Recurring EPS: calculated based on the weighted average number of shares outstanding (507,282,902 shares in 2023, versus 514,372,413 shares in 2022, thanks to the share buyback program).*

Recurring net income was **€3,242 million**. The tax rate on recurring net income was 25%.

Capital expenditure totaled **€2,029 million,** with around **70% of growth capex invested in North America, Asia and emerging countries.** The Group opened 23 new plants and production lines focused on the fast-growing markets of construction chemicals and light construction

C – Conversion ratio consistently above 50% new record free cash flow generation

FREE CASH-FLOW **IN €bn AND CONVERSION RATIO IN %**



- **Reduction of 2 days in OWCR***
- **Strict allocation of capex to high-growth markets,** by optimizing maintenance CAPEX
- **Three-fold increase in cash** since the transformation thanks to a **deep-rooted cash culture**

*Operating Working Capital Requirement

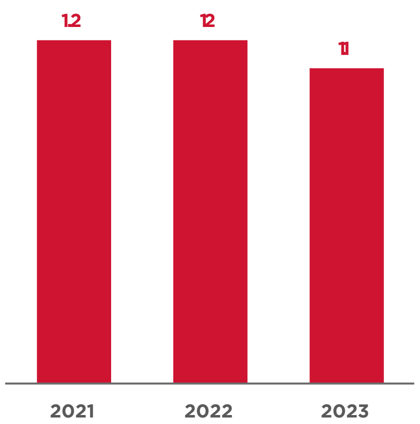
Free cash flow came in at a **new record-high of €3,910 million** – a three-fold increase compared to 2018. **The conversion ratio was 62%** (59% in 2022), reflecting very good management of operating working capital requirement (WCR), which represented 13 days' sales at end-2023 compared to 15 days' sales at end-2022.

ROCE was **15.9%** in 2023, resulting in **strong value creation for our shareholders.**

Investments in securities totaled **€1,306 million**, with Building Products of Canada (roofing) the largest acquisition for around €900 million. **Divestments** totaled €947 million, mainly reflecting the sale of distribution activities in the UK for €803 million.d'euros.

D – Strong financial structure

Net debt / EBITDA ratio



- **Net debt / EBITDA exceeding objective of 1.5x to 2.0x**
- **Strong financial discipline recognized by rating agencies**

Net debt fell 10.2% to €7.4 billion. The net debt to EBITDA ratio was 1.1 versus 1.2 at end-2022.

4.1.6 ATTRACTIVE SHAREHOLDER RETURN POLICY

In 2023, the **dividend** paid and **share buybacks** carried out represented **€1.6 billion:**

- A dividend of €1,013 million was paid in respect of 2022;
- An amount of €542 million was allocated for share buybacks in 2023 (net of employee share creation), reducing the number of shares outstanding to 502 million at end-2023 (511 million at end-2022).

Saint-Gobain's Board of Directors decided to recommend to the Shareholders' Meeting on June 6, 2024 the payment of a cash **dividend up 5% to €2.10 per share** for 2023 (€2.00 in 2022). The ex-dividend date has been set at June 10 and the dividend will be paid on June 12, 2024.

In 2024 the Group expects to complete – one year earlier than expected – its five-year **€2 billion share buyback program** announced in 2021, i.e. €420 million of share buybacks in 2024.

4.1.7 2024 OUTLOOK AND STRATEGIC PRIORITIES

In a geopolitical and macroeconomic environment that remains challenging, Saint-Gobain will continue to demonstrate its resilience and its excellent operating performance, thanks to its focused strategy and its proactive commercial and industrial initiatives.

Saint-Gobain expects some of its markets to remain difficult in 2024, especially in the first half of the year owing to a high comparison basis, with a contrasting situation between Europe and the rest of the world:

- Europe: resilience in renovation; new construction remaining difficult before gradually reaching its low point country by country;
- Americas: construction to hold firm in North America (new build and renovation); recovery expected during the year in Latin America;
- Asia-Pacific: good growth in most countries;
- High Performance Solutions: Construction Chemicals to see dynamic growth; Mobility to hold firm and a contrasting situation on industrial markets in terms of demand

Against this backdrop, in 2024 the Group will continue to implement the **strategic priorities set out in its "Grow & Impact" plan for 2021-2025:**

1. **Continue our initiatives focused on profitability and free cash flow generation**
   - Constant focus on the price-cost spread;
   - Productivity initiatives and swift adjustments from country to country where necessary;
   - Capital expenditure slightly above 4% of sales, with strict allocation to high-growth markets.
2. **Outperform our markets by strengthening our profitable growth profile**
   - Enrich our comprehensive range of integrated, differentiated and innovative solutions offering sustainability and performance for our customers;
   - Continue our value-creating targeted acquisitions and divestments dynamic, and benefit from the successful integration of recent acquisitions.
3. **Continued focus on our ESG roadmap as leader in sustainable construction**
   - Promote our positive-impact and low-carbon solutions among our customers;
   - Extend the decarbonization of construction to the entire value chain, playing our full role as leader in light and sustainable construction.

Despite a context which remains difficult in certain markets, in 2024 Saint-Gobain expects a double-digit operating margin for the fourth consecutive year

This document contains forward-looking statements with respect to Saint-Gobain's financial condition, results, business, strategy, plans and outlook. Forward-looking statements are generally identified by the use of the words "expect", "anticipate", "believe", "intend", "estimate", "plan" and similar expressions. Although Saint-Gobain believes that the expectations reflected in such forward-looking statements are based on reasonable assumptions as at the time of publishing this document, investors are cautioned that these statements are not guarantees of its future performance. Actual results may differ materially from the forward-looking statements as a result of a number of known and unknown risks, uncertainties and other factors, many of which are difficult to predict and are generally beyond the control of Saint-Gobain, including but not limited to the risks described in the "Risk Factors" section of this document. These forward-looking statements are made as of the date of this document. Saint-Gobain disclaims any intention or obligation to complete, update or revise these forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable laws and regulations.

4.2 NON-FINANCIAL RESULTS

4.2.1 ALIGNMENT OF THE CSR DASHBOARD WITH THE GROUP'S CHALLENGES

Saint-Gobain has prioritized its CSR challenges and actions. They have been associated with risks and opportunities, identified in application of legal provisions (see section 9.3.3, p. 420). This prioritization also takes into account the expectations of stakeholders identified in the materiality analysis and the environmental, social and societal challenges facing the Group.

The Group's CSR strategy (see section 3.1, p. 94) reflects its determination to contribute to three long-term ambitions:

- Contribute to a decarbonated world: combat climate change ;
- Improving the performance of our ecosystem by reducing its footprint: preserving our resources and promoting a circular economy;
- Contribute to a healthier, fairer and more inclusive world: ethics, health & safety, inclusion & diversity, local value creation throughout the value chain.

For each of these ambitions, action plans and objectives have been set for the short, medium and long term. In order to monitor Saint-Gobain's performance on its sustainability challenges, a scorecard of the main objectives is published. The full set of Environmental, Social and Governance indicators (ESG information pack) is available on the Group's website.

	A decarbonated home	More performance with less	A better living for all	
	2030	2030	Annual	Annual
OBJ.	***-33%*** *Scope 1 and 2 vs. 2017*	***-80%*** *non-recovered waste vs. 2017*	***100%*** *of managers trained on ethics in their 1st year*	***Employee engagement rate*** *above benchmark >74%*
2023	**-34%** (8,8 Mt CO2e)	**-46%** (0,329 Mt)	**97%** ethics; **98%** corruption; **97%** competition law	**83%** vs. **74%** (benchmark)
	2030	2030	2025	2025
OBJ.	***-16%*** *Scope 3 vs. 2017*	***-50%*** *water withdrawals vs. 2017*	***100%*** *of countries help local communities*	***30%*** *of managers are women*
2023	**+15%** (20 Mt CO2e**)	**-24%** (42,7 M of m^3)	**92%**	**28%**
	2030	2030	2023	2030
OBJ.	***100%*** *of sales generated by products are covered by a verified LCA or EPD ****	***+30%*** *virgin raw material avoided vs. 2017*	***100%*** *coverage of our CARE program*	***1.5*** *TRAR**
2023	**53.5%** of turnover covered***	**-5%** 9,4 Mt of virgin raw material avoided)	**100%** of employees covered	Safety*: **1.3**

Close to 75% of the Group's sales are made through our sustainable solutions: 1,300 Mt of CO_2 avoided during their lifespan (based on 2020 sales)

** TRAR: frequency rate of accidents with and without lost time per million hours worked for our employees, temporary workers and permanent subcontractors. / ** 2022 data calculated on a wider scope vs. 2017 and using the SBTi scope and methodology. / *** Excluding distribution.*

4.2.2 NON-FINANCIAL INDICATORS

Saint-Gobain has placed CSR at the heart of its strategy and wishes to transparently communicate its non-financial performance and its progress towards its short-, medium- and long-term objectives.

This communication is part of its dual commitment: minimizing its footprint on human beings and the environment and maximizing its positive contribution to environmental issues, particularly climate change, as well as social and societal challenges.

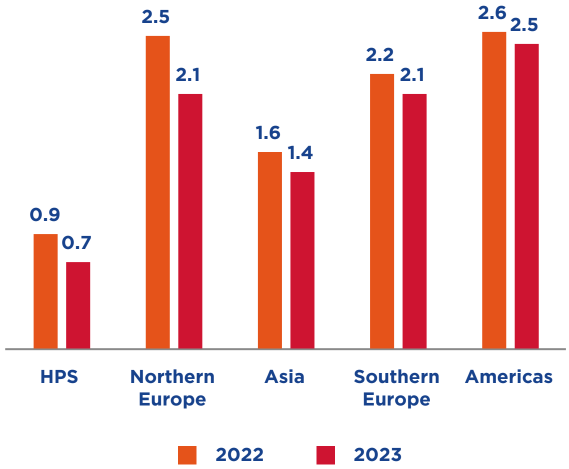
A. Environment

Saint-Gobain acts to reduce its environmental footprint and is committed to achieving carbon neutrality by 2050 thanks to its 2030 CO_2 roadmap.

2023 results show the following trends :

- Reduction in scope 1 and 2 CO_2 emissions by around 1 million tonnes between 2022 and 2023 thanks to efforts to decarbonize energy consumption, operational improvements, and partly to a lower level of production;
- Reduction in scope 1 and 2 emissions by 34% versus 2017 (in absolute value) in line with the 1.5°C trajectory of the Paris agreement and with the 2030 target validated by the Science Based Targets initiative (SBTi);
- Growth decoupled from CO_2 emissions: carbon intensity per euro of sales and EBITDA fell by 44% and 56% respectively in 2023 compared to 2017, reflecting the Group's objective of maximizing its positive impact for the environment while minimizing its footprint;
- Increase in the share of decarbonated electricity in total electricity consumption to 57%, an increase of 5 points between 2022 and 2023, thanks to the signing of new PPAs & green electricity contracts in all regions of the world. In total, the Group has benefited from more than 120 decarbonized electricity contracts in 2023;
- Reduction in energy consumption by 4% between 2022 and 2023. Today, the energy consumed is still largely derived from fossil fuels, and considering the impact of energy on carbon emissions, Saint-Gobain favors the transition to decarbonized energies by changing its energy mix.

EVOLUTION OF SCOPE 1 AND 2 EMISSIONS BY REGION (MT CO_2E)



- A 13% reduction in the quantity of water abstracted and a 28% reduction in discharges, in line with targets set for 2030, and an increase in the proportion of water reused in production processes to 88% (84% in 2022). These efforts are essential to anticipate the already significant increase in 2023 in the number of sites in zones of extreme risk of water stress (from 79 in 2022 to 108 sites in 2023). In 2023, 42 of these 108 sites will have achieved the 0 discharge target (vs. 34 in 2022);
- A 9% reduction in waste generation compared with 2022, and a 14% reduction in the quantity of non-recovered waste. This is thanks to the ongoing efforts of our teams, investments in systems for recycling residues in production, and active research into external waste recovery networks to avoid incineration and landfill.

OBJECTIVES	Deadline	2023 data	2022 data	2021 data	Progress
- 33% in scope 1 and 2 CO2e emissions between 2017 and 2030 (in absolute value)	2030	-34.3% 8.8 Mt	-27.0% 9.8 Mt	-23.1% 10.3 Mt	+103.8%
- 16% in scope 3 CO2e emissions between 2017 and 2030 (in absolute value)	2030	+15.1% 20.0 Mt	+15.1% 20.0 Mt	+22.4% 21.3 Mt	-94.5%
- 50% in industrial water withdrawals between 2017 and 2030 (in absolute value)	2030	-24.0% 42.7 M of m³	-19.9% 45.0 M of m³	-14.3% 48.1 M of m³	+47.9%
Zero water discharge in area with extremely high water risk	2030	0.4 M of m³	0.6 M of m³	0.8 M of m³	
+30% of virgin raw materials avoided between 2017 and 2030	2030	-4.6% 9.4 Mt	-4.7% 9.4 Mt	+0.9% 10.0 Mt	-15.3%
- 80% non-recovered waste between 2017 and 2030 (in absolute value)	2030	-45.5% 0.3 Mt	-36.6% 0.4 Mt	-23.9% 0.5 Mt	+56.9%
100% of recyclable packaging (in absolute value)	2030	+94.6%	+91.1%	+69.0%	+94.6%
100 % of packaging with > 30% of bio-sourced or recycled content	2030	+81.9%	+86.3%	N/A	+81.9%
100% of revenue generated with products covered by verified LCA or EPD, excluding distribution activity	2030	+53.5%	+47.9%	+29.1%	+53.5%
100% of the Group's active quarries with a biodiversity management plan by 2025	2025	+27.0%	+28.0%	+31.0%	+27.0%
- 20% in scope 1 and 2 CO2e emissions between 2010 and 2025 (at iso-production)	2025	-30.8%	-26.0%	-21.7%	+153.8%
- 20% in SOx emissions by between 2010 and 2025 (at iso-production)	2025	-86.1%	-67.0%	-66.1%	+430.5%
- 20% in NOx emissions between 2010 and 2025 (at iso-production)	2025	-56.4%	-33.0%	-32.4%	+282.0%
- 20% in dust emissions between 2010 and 2025 (at iso-production)	2025	-86.9%	-64.0%	-57.1%	+434.5%
- 15% in energy consumption between 2010 and 2025 (at iso-production)	2025	-6.7%	-6.0%	-3.4%	+44.7%
- 80% in liquid water discharge between 2010 and 2025 (at iso-production)	2025	-34.9%	-41.0%	-39.8%	+43.6%
- 50% in non-recovered waste between 2010 and 2025 (at iso-production)	2025	-44.5%	-38.0%	-27.3%	+89.1%

(1) 2022 data updated in 2023. Scope 3 methodology and scope aligned with the Science Based Targets initiative (SBTi). Wider scope vs 2017 thanks to improved data collection

MANAGEMENT ENVIRONNEMENTAL	2023	2022	2021	GRI	SDG
Total environmental expenditure, of which:	**€246.6 M**	**€217.7 M**	**€188.1 M**		**9; 13**
a) Salaries and other payroll expenses for environmental officers	€35.9 M	€35.3 M	€30.7 M		13
b) Environmental certification and renewal costs (ISO 14001, EMAS or ISO 50001)	€2.5 M	€2.9 M	€2.5 M		13
c) Environmental taxes	€9.7 M	€11.9 M	€8.8 M		13
d) Insurance and warranties	€12.1 M	€12.2 M	€12.0 M		13
e) Environmental fines	€1.1 M	€0.1 M	€0.5 M		13
f) Cost of environmental incidents	€2.5 M	€1.0 M	€1.4 M		13
g) Cost of technical measures	€11.3 M	€9.7 M	€9.5 M		13
h) Environmental R&D budget	€152.2 M	€129.5 M	€110.7 M	3-3	9
i) Soil decontamination, site remediation and other clean-up costs	€19.3 M	€15.0 M	€11.9 M		9
Capital expenditure on environmental management measures	€147.1 M	€224.0 M	€118.4 M		13
Provisions for environmental risks	€221.0 M	€204.1 M	€189.8 M		13
Number of serious major Group environmental events or accidents	0	0	0		12
Number of “Environment” certified sites (ISO 140001 and / or EMAS)	580	608	593		
Proportion of “Environment” certified sites in scope of consolidation	71.7%	79.0%	77.0%		12; 13; 15
Number of sites certified for Energy management (ISO 50001)	155	161	152		
Proportion of sites certified for Energy management in scope of consolidation	23.4%	23.0%	21.0%		7; 12; 13
Number of quality-certified sites	648	659	630		
Of which ISO 9001	582	596	568		
Proportion of certified sites (across the total scope)	59.5%	62.0%	60.0%		9; 12; 13
Variation in production in sellable units	-10.6%	+3.4%	+7.9%		13

GHG EMISSIONS	2023	2022	2021	GRI	SDG
Total CO_2e emissions (scope 1+2+3)*	28,810,207 t	29,785,225 t	31,660,210 t	305-1 & 2	12; 13
CO_2e emissions (scope 1+2)	8,827,350 t	9,802,368 t	10,330,210 t	305-1 & 2	12; 13
Change in total CO_2e emissions (scope 1+2)	-975,018 t	-527,842 t	-116,517 t	305-5	12; 13
	-9.9%	-5.1%	-1.1%	305-5	12; 13
Direct CO_2e emissions (scope 1)	7,738,985 t	8,396,326 t	8,402,819 t	305-1	12; 13
Other relevant direct emissions (for the entire Group or the relevant scope) of greenhouse gases, by weight (t of CO_2e)	Non applicable	Non applicable	Non applicable	305-1	12; 13
Change in direct CO_2e emissions	-657,341 t	-6,494 t	502,819 t	305-5	12; 13
	-7.8%	-0.1%	6.4%	305-5	12; 13
Indirect CO_2e emissions (purchases of electricity, steam, hot water) (scope 2)	1,088,365 t	1,406,043 t	1,927,391 t	305-2	12; 13
Change in indirect emissions of greenhouse gases (scope 2) (purchases of electricity, steam, hot water)	-317,677 t	-521,349 t	-572,609 t	305-5	12; 13
	-22.7%	-27.0%	-22.9%	305-5	12; 13
Other indirect CO_2e emissions (scope 3)*	19,982,857 t	19,982,857 t	21,330,000 t	305-3	12; 13
Emissions intensity					
CO_2e emissions intensity (total GHG emissions on Group revenue)	0.60 t CO_2e/€	0.58 t CO_2e/€	NA	305-4	12; 13
CO_2e emissions intensity (scope 1+2) on Group revenue (value in 2017: 0,33 kg CO_2e/€)	0.18 kg CO_2e/€	0.19 kg CO_2e/€	0.23 kg CO_2e/€	305-4	12; 13
CO_2e emissions intensity (scope 1+2) on Group Ebitda (value in 2017**: 2.87 kg CO_2e/€)	1.26 kg CO_2e/€	1.38 kg CO_2e/€	1.67 kg CO_2e/€	305-4	12; 13

* *2022 data : Scope 3 methodology aligned on Science Based Targets (SBTi) ** 2017 data restated for inclusion of IFRS impacts.*

OTHER EMISSIONS INTO THE AIR	2023	2022	2021	GRI	SDG
SOx emissions	8,985 t CO_2e	8,789 t CO_2e	8,372 t CO_2e	305-7	7; 12; 13
NOx emissions	16,749 t CO_2e	18,257 t CO_2e	16,906 t CO_2e	305-7	7; 12; 13
Dust emissions	5,222 t CO_2e	4,705 t CO_2e	4,731 t CO_2e	305-7	7; 12; 13

ENERGY	2023	2022	2021	GRI	SDG
Total energy consumption of entire Group	39,603,344 Mwh	41,854,429 Mwh	43,460,632 Mwh	302-1	7; 12
Energy consumption (breakdown by source)					
Coal and coke consumption	1,921,008 Mwh	2,586,243 Mwh	2,539,873 Mwh		7; 12
Petroleum products consumption	2,347,277 Mwh	2,606,139 Mwh	2,021,911 Mwh		7; 12
Natural gas consumption	26,000,918 Mwh	27,464,573 Mwh	29,504,941 Mwh		7; 12
Consumption of decarbonated energy (electricity purchases, electricity generated on site and biomass)	5,719,879 Mwh	4,934,970 Mwh	4,320,616 Mwh	302-1	7; 12
Consumption of self-generated non-fuel renewable energy	39,956 Mwh	24,503 Mwh	20,592 Mwh	302-1	7; 12
Total energy consumption (breakdown by use)					
Change in total energy consumption	-2,251,085 Mwh	-1,606,203 Mwh	2,440,632 Mwh	302-4	7; 12
	-5.4%	-3.7%	5.9%	302-4	7; 12
Total direct energy consumption	31,309,118 Mwh	33,581,623 Mwh	35,091,158 Mwh	302-1	7; 12
Change in direct total energy consumption	-2,272,505 Mwh	-1,509,535 Mwh	2,071,158 Mwh	302-4	7; 12
	-6.8%	-4.3%	6.3%	302-4	7; 12
Total indirect energy consumption	8,294,226 Mwh	8,272,806 Mwh	8,369,473 Mwh	302-2	7; 12
Of which electricity consumption	8,231,214 Mwh	8,239,693 Mwh	8,309,345 Mwh	302-1	7; 12
Of which heat, steam, etc.	63,012 Mwh	33,112 Mwh	39,536 Mwh	302-1	7; 12
Change in indirect total energy consumption	21,420 Mwh	-96,668 Mwh	369,000 Mwh	302-4	
	0.3%	-1.2%	4.6%	302-4	7; 12
Share of renewable energy in total energy consumption	14.4%	11.8%	10.0%	302-3	7; 12
Share of carbon-free electricity in total electricity consumption2	57.3%	51.9%	39.2%	302-1	7; 12
Energy intensity (Energy consumed on Group revenue - value in 2017: 1.12 kWh/€)	0.83 kWh/€	0.82 kWh/€	0.98 kWh/€	302-3	7; 12
Renewable electricity produced onsite and sold outside the Group	4,149 Mwh	4,037 Mwh	3,420 Mwh		7; 12
Utilities (steam, hot water, etc.) produced on site and sold outside the Group	7,200 Mwh	1,121 Mwh	2,387 Mwh		7; 12

* *Decarbonized electricity = electricity from renewable and nuclear sources.*

WATER	2023	2022	2021	GRI	SDG
Total water withdrawals	42,650,587 m^3	44,958,605 m^3	48,076,654 m^3	303-3	6; 12
Municipal water withdrawal	15,048,012 m^3	15,088,935 m^3	15,250,132 m^3	303-3	6; 12
Surface water withdrawal	10,613,030 m^3	10,976,023 m^3	12,688,512 m^3	303-3	6; 12
Ground water withdrawal	14,773,757 m^3	16,233,871 m^3	17,356,618 m^3	303-3	6; 12
Water withdrawal from high water stress sites based on Aqueduct 2020 data	4,456,945 m^3	4,635,048 m^3	4,742,023 m^3	303-3	6; 12
Surface water withdrawal on sites with very high water stress (sites with >5,000 m3 /year) based on Aqueduct 2020 data	2,453,877 m^3	2,828,957 m^3	2,961,260 m^3	303-3	6; 12
Total water discharge	19,355,679 m^3	21,554,596 m^3	23,502,011 m^3	303-4	6; 12
Water discharges into the surrounding environment	13,287,955 m^3	14,575,095 m^3	14,883,761 m^3	303-4	6; 12
Water discharges into the municipal waste water collection system	5,882,532 m^3	6,390,267 m^3	7,049,027 m^3	303-4	6; 12
Water discharge on sites with very high water stress based on Aqueduct 2020 data	5,882,532 m^3	1,476,065 m^3	1,467,025 m^3	303-4	6; 12
Water discharges on sites with high water stress based on Aqueduct 2020 data	429,652 m^3	600,530 m^3	763,736 m^3	303-4	6; 12
Quantity of water reused in production processes through internal recycling systems	308,896,846 m^3	230,066,358 m^3	274,297,753 m^3	303-5	6; 12
Percentage of water reused in production processes through internal recycling systems	87.9 %	83.9 %	85.1 %	303-5	6; 12

CIRCULAR ECONOMY	2023	2022	2021	GRI	SDG
Quantity of waste generated	1,179,009 t	1,298,811 t	1,413,203 t	306-3	9; 12; 13
Quantity of non-recovered waste	328,880 t	382,713 t	459,383 t	306-5	9; 12; 13
Quantity of waste diverted from disposal	800,438 t	876,700 t	958,542 t	306-4	9; 12; 13
Quantity of waste reused or recycled	830,718 t	894,660 t	958,542 t	306-4	9; 12; 13
Quantity of hazardous waste generated	85,225 t	122,791 t	82,845 t	306-3	9; 12; 13
Quantity of non-recovered hazardous waste	44,527 t	42,924 t	40,470 t	306-5	9; 12; 13
Extraction of natural raw materials avoided	9,416,172 t	9,407,175 t	9,952,202 t	306-5	9; 12; 13
Recycled materials included in the product	9,292,673 t	8,548,400 t	8,191,687 t	301-2	9; 12; 13
Percentage of recyclable packaging	94.6%	91.1%	69.0%	301-1	9; 12; 13

BIODIVERSITY	2023	2022	2021	GRI	SDG
Percentage of the Group's active quarries with a biodiversity management plan	27.0%	28.0%	31.0%	304-1	15

B. Social

The strong commitment of our teams was further demonstrated by the satisfaction survey carried out in 2023: a record participation rate of 87% in 2023, with a remarkably stable level of employee commitment at 83% which is the highest in the sector.

- While safety results are steadily improving, with a TF2, including subcontractors and temporary workers, of 1.3 in 2023, the Group has unfortunately suffered two fatal accidents on its sites;
- 100% of employees and their families benefit from the CARE by Saint-Gobain social protection program, which offers defined benefits to meet essential, day-to-day health needs and to support important moments in a family's life;
- More than 92% of employees had access to training in 2023, either face-to-face or in a digital format;
- The proportion of female managers and senior managers is increasing, in line with our 2025 targets: 28.0% of female managers in 2023, closing in on the target of 30% by 2025, and 24.8% of female senior managers, even closer to the target of 25% by 2025.

OBJECTIVES	Deadline	2023 data	2022 data	2021 data	Progress
Decrease TRAR to 1.5 (baseline 2017) (*)	2030	1.3	1.5	1.9	OK
100% of industrial sites covered by a chemical inventory (SAFHEAR)	2025	87.0%	81.0%	66.0%	87.0%
Exceed employee engagement rate benchmark every year (>74%)	Annual	83.0%	84.0%	83.0%	OK
100% coverage of the CARE program	2023	100.0%	100.0%	88.0%	100.0%
30% of women managers	2025	28.0%	27.4%	26.3%	93.2%
25% of women senior managers	2025	24.8%	24.0%	21.0%	99.2%
40% of women managers hired	2025	33.1%	34.9%	34.9%	82.8%
Maintain diversity index above 90%	Annual	91.0%	91.8%	91.1%	OK

(*) *Frequency accident rate, with and without lost time per million hours worked for our employees, temporary works and permanent subcontractors.*

HEALTH – SAFETY	2023	2022	2021	GRI	ODD
Number of recordable work-related accidents (employees)	352	465	549		
Number of recordable work-related accidents (non-employees)	87	98	130		
Group accident frequency rate (TRAR) (employees, temporary workers and permanent subcontractors)	1.3	1.5	1.9	403-9	3; 8
Group accident frequency rate (TRAR) (employees)	1.3	1.6	1.9	403-9	3; 8
Group accident frequency rate (TRAR) (non-employees)	1.2	1.3	1.9	403-9	3; 8
Total recordable accident rate with lost time of more than 24 hours (employees, temporary workers and permanent subcontractors)	0.8	1.0	1.3	403-9	3; 8
Group accident severity rate (employees)	0.05	0.05	0.05	403-10	3; 8
Number of fatal incidents connected with the work of Saint-Gobain employees	0	2	4	403-9	3; 8
Number of fatal incidents connected with the work of Saint-Gobain non-employees	2	1	1	403-9	3; 8
Number of fatal incidents connected with the work of subcontractors	2	1	1	403-9	3; 8
Number of fatal incidents connected with the work of temporary workers	0	0	0	403-9	3; 8
Number of fatal incidents connected with the work of third parties	0	0	0	403-9	3; 8
Percentage of industrial sites covered by a chemical inventory (SAFHEAR) (target: 100% by 2025)	87.0%	81.0%	66.0%	403-9	3; 8
Number of Health & Safety certified sites at the actual scope (OHSAS 18001 – ILO OSH 2001 – ISO 45001)	372	387	359	403-8	3; 8
Percentage of employees covered	33.0%	32.0%	27.0%	403-8	3; 8
Percentage of sites offering medical inspections at comparable scope	80.0%	82.0%	83.0%		3; 8
Number of occupational illnesses in France	65	80	60	403-10	3; 8
Absenteeism rate	4.0%	4.0%	3.9%		3; 8
Education, training, advising, prevention and risk control programs to assist employees in the event of severe illness	YES	YES	YES		3; 8
Extension of the program to families	Advice and assistance in case of severe accident	Advice and assistance in case of severe accident	Advice and assistance in case of severe accident	403-1	3; 8
Extension of the program to communities	Sometimes in collaboration with associations	Sometimes in collaboration with associations	Sometimes in collaboration with associations	403-1	3; 8
Proportion of health and safety signed and active agreements with employee representatives*	24.5%	25.9%	23.2%	403-4	3; 8

* *Value includes all active agreements that include a health and safety dimension*

EMPLOYMENT	2023	2022	2021	GRI	SDG
Number of employees					
Total headcount at 31 December	159,145	167,665	165,871		
Percentage of Blue Collar	42.5 %	41.0 %	41.1 %	2-7	8
Average headcount (number of employees)					
Average headcount including temporary workers	170,569	177,379	176,037	2-7	8
Average headcount excluding temporary workers	161,678	168,726	166,464	2-7	8
Average temporary headcount	8,891	8,653	9,573	2-7	8
Spot headcount at year-end					
Headcount at year-end including temporary workers	168,508	175,792	173,591	2-7	8
Permanent contracts in absolute value	142,804	150,386	149,718	2-7	8
Percentage of permanent contracts in the headcount excluding temporary workers	94.5 %	93.6 %	93.4 %	2-7	8
Fixed-term contracts in absolute value	8,314	10,325	10,585	2-7	8
Percentage of fixed-term contracts in the headcount excluding temporary workers	5.5 %	6.4 %	6.6 %	2-7	8
Temporary headcount	9,363	8,127	7,720	2-7	8
Temporary working hours rate	5.7 %	4.6 %	5.2 %	2-7	8
Percentage of temporary workers (fixed-term employees and temporary workers)	11.0 %	10.8 %	10.8 %	2-7	8
Full-time equivalent (FTE) excluding temporary workers	144,422	155,685	155,619	2-7	8
Organization of working time					
Percentage headcount at Full-time employment	96.3 %	95.5 %	95.4 %	2-7	8
Percentage headcount at Part-time employment	3.7 %	4.5 %	4.6 %	2-7	8
Overtime rate	3.5 %	4.9 %	4.3 %	2-7	8
Distribution of employees by age group					
< 30 years old	26,130	28,725	28,647	401-1	8; 10
30-50 years old	83,505	88,461	88,043	401-1	8; 10
> 50 years old	39,060	41,070	40,113	401-1	8; 10
Breakdown of headcount by region					
North America	11.5 %	9.7 %	9.6 %	2-7	8
South America	13.7 %	13.7 %	13.9 %	2-7	8
Asia-Pacific	13.1 %	11.3 %	10.5 %	2-7	8
Northern Europe	29.0 %	33.4 %	35.1 %	2-7	8
Southern Europe, Middle East, Africa	32.7 %	31.9 %	30.9 %	2-7	8
Breakdown of headcount by country (most significant countries)					
France (number)	37,557	39,355	37,621	2-7	8
France (percentage)	23.6 %	23.5 %	22.7 %	2-7	8
United States	9.7 %	9.0 %	8.8 %	2-7	8
United Kingdom	3.1 %	8.2 %	9.3 %	2-7	8
Brazil	7.4 %	7.5 %	8.1 %	2-7	8
Germany	5.4 %	5.2 %	5.3 %	2-7	8
India	5.9 %	4.9 %	4.3 %	2-7	8
Mexico	4.8 %	4.8 %	4.4 %	2-7	8
Poland	4.3 %	4.1 %	4.5 %	2-7	8
China	3.8 %	3.5 %	3.3 %	2-7	8
Norway	3.5 %	3.3 %	3.2 %	2-7	8
Czech Republic	2.6 %	2.7 %	2.6 %	2-7	8
Sweden	2.7 %	2.6 %	2.5 %	2-7	8
Annual change in headcount by country (most significant countries)					
France	-4.6 %	+4.6 %	-6.0 %	2-7	8
United States	-8.6 %	+2.5 %	+5.8 %	2-7	8

EMPLOYMENT	2023	2022	2021	GRI	SDG
Annual change in headcount by country (most significant countries)					
United Kingdom	-64.6 %	-10.7 %	-1.7 %	2-7	8
Brazil	-6.0 %	-6.1 %	+3.0 %	2-7	8
Germany	-1.6 %	-2.0 %	-4.3 %	2-7	8
India	+14.1 %	+16.1 %	+9.6 %	2-7	8
Mexico	-4.0 %	+10.4 %	+12.0 %	2-7	8
Poland	+1.1 %	-8.6 %	+2.4 %	2-7	8
China	+2.4 %	+7.7 %	-12.5 %	2-7	8
Norway	+0.5 %	+5.7 %	+2.2 %	2-7	8
Czech Republic	-9.1 %	+2.2 %	+1.6 %	2-7	8
Sweden	-3.6 %	+5.1 %	+1.2 %	2-7	8
Average temporary headcount (breakdown by geographical region)					
North America	4.4 %	4.8 %	4.6 %	2-7	8
South America	9.4 %	9.0 %	13.7 %	2-7	8
Asia-Pacific	34.7 %	27.2 %	22.4 %	2-7	8
Northern Europe	17.9 %	21.3 %	21.5 %	2-7	8
Southern Europe, Middle East, Africa	33.6 %	37.7 %	37.8 %	2-7	8

HIRING	2023	2022	2021	GRI	SDG
Hires	24,935	33,663	33,268	401-1	8
Hiring rate	16.3 %	20.7 %	20.6 %	401-1	8
Breakdown of new hires by type of contract					
External hires: permanent contract hires in absolute value	17,234	23,035	22,016	401-1	8
External hires: percentage of permanent hires	69.1 %	68.4 %	66.2 %	401-1	8
External hires: fixed-term contract hires in absolute value	7,701	10,628	11,252	401-1	8
External hires: percentage of hires on fixed-term contracts	30.9 %	31.6 %	33.8 %	401-1	8
Internal hires: fixed-term contracts converted to permanent contracts in absolute value	3,444	3,803	4,673	2-7	8
Internal hires: percentage of fixed-term employment contracts converted into permanent contract	38.1 %	36.2 %	44.4 %	2-7	8
Hiring rate by gender					
Men	71.7 %	72.5 %	73.1 %	401-1	5; 8; 10
Women	28.3 %	27.5 %	26.9 %	401-1	5; 8; 10
Breakdown of executive recruitment by gender					
Men	66.9 %	65.1 %	65.1 %	401-1	5; 8; 10
Women	33.1 %	34.9 %	34.9 %	401-1	5; 8; 10
Breakdown of hires by age					
< 30 years old	47.8 %	46.5 %	47.7 %	401-1	8; 10
30-50 years old	43.9 %	44.4 %	44.1 %	401-1	8; 10
> 50 years old	8.3 %	9.1 %	8.2 %	401-1	8; 10
Breakdown of hires by geographical region					
North America	14.6 %	14.1 %	13.7 %	401-1	8
South America	17.1 %	16.0 %	17.2 %	401-1	8
Asia-Pacific	14.6 %	11.3 %	10.3 %	401-1	8
Northern Europe	24.9 %	32.4 %	31.8 %	401-1	8
Southern Europe, Middle East, Africa	28.8 %	26.2 %	27.0 %	401-1	8

DEPARTURES	2023	2022	2021	GRI	SDG
Departures on permanent and fixed-term contracts	27,024	29,632	27,852	401-1	8
• Of which layoffs	8,202	8,609	7,573	401-1	8
• Of which resignations	12,062	13,966	13,792	401-1	8
• Including others (retirements and end of contract)	6,760	7,057	6,487	401-1	8
Rate of employee turnover	0.18	0.18	0.17		
Breakdown of departures by gender					
Men	73.6 %	73.9 %	74.6 %	401-1	5; 8; 10
Women	26.4 %	26.1 %	25.4 %	401-1	5; 8; 10
Breakdown of departures by age					
< 30 years old	34.8 %	35.6 %	33.7 %	401-1	8; 10
30-50 years old	46.0 %	45.5 %	46.4 %	401-1	8; 10
> 50 years old	19.2 %	18.9 %	20.0 %	401-1	8; 10
Breakdown of departures by geographical region					
North America	14.4 %	14.4 %	13.4 %	401-1	8
South America	20.6 %	19.6 %	15.6 %	401-1	8
Asia-Pacific	8.9 %	8.7 %	8.9 %	401-1	8
Northern Europe	26.4 %	30.2 %	32.8 %	401-1	8
Southern Europe, Middle East, Africa	29.7 %	27.1 %	29.3 %	401-1	8

LAYOFFS	2023	2022	2021	GRI	SDG
Rate of layoffs of permanent and fixed-term contracts	5.3 %	5.3 %	4.7 %	401-1	8
Breakdown of layoffs by type of contract					
Permanent contract	88.3 %	83.5 %	88.4 %	401-1	8
Fixed-term contract	11.7 %	16.5 %	11.6 %	401-1	8
Breakdown of manager layoffs by gender					
Men	74.8 %	71.9 %	71.5 %	401-1	5; 8; 10
Women	25.2 %	28.1 %	28.5 %	401-1	5; 8; 10
Breakdown of layoffs by geographical region					
North America	23.6 %	20.9 %	19.7 %	401-1	8
South America	34.4 %	29.6 %	27.7 %	401-1	8
Asia-Pacific	2.9 %	3.5 %	3.6 %	401-1	8
Northern Europe	15.1 %	19.8 %	27.2 %	401-1	8
Southern Europe, Middle East, Africa	24.0 %	26.2 %	21.8 %	401-1	8

RESIGNATIONS	2023	2022	2021	GRI	SDG
Resignation rate, permanent and fixed-term	7.9 %	8.6 %	8.5 %	401-1	8
Breakdown of resignations by gender					
Men	73.4 %	73.1 %	72.8 %	401-1	5; 8; 10
Women	26.6 %	26.9 %	27.2 %	401-1	5; 8; 10
Breakdown of resignations by seniority					
Less than 1 year	31.0 %	36.5 %	36.7 %	401-1	8
1-4 years	42.8 %	39.8 %	38.4 %	401-1	8
5-14 years	19.2 %	18.4 %	18.5 %	401-1	8
15-24 years	4.9 %	4.2 %	5.3 %	401-1	8
25-34 years	1.2 %	0.9 %	0.8 %	401-1	8
> 34 years	0.9 %	0.2 %	0.3 %	401-1	8

DIVERSITY	2023	2022	2021	GRI	ODD
Diversity index (objective to maintain above 90%)	91.0 %	91.8 %	91.1 %	405-1	5; 8; 10
Gender diversity					
Number of women in the headcount	38,476	39,672	38,680	405-1	5; 8; 10
Number of men in the headcount	120,665	127,993	127,191	405-2	5; 8; 11
Number of people identifying as other in the headcount	4	NA	NA		
Percentage of women in the headcount:					
Percentage of women in the headcount at the end of the year	24.2 %	23.7 %	23.3 %	405-1	5; 8; 10
Percentage of women on fixed-term contracts at the end of the year	29.8 %	31.9 %	31.1 %	405-1	5; 8; 10
Percentage of women in the average headcount	24.1 %	23.5 %	23.0 %	405-1	5; 8; 10
Percentage of women on fixed-term contracts in the average headcount	30.6 %	32.1 %	29.5 %	405-1	5; 8; 10
Percentage of women in top management:					
Senior management (target: 25% by 2025)	24.8 %	24.0 %	21.0 %	405-1	5; 8; 10
Management (female managers in the total managerial headcount)	28.0 %	27.4 %	26.3 %	405-1	5; 8; 10
Promotion of female managers among all management promotions	30.7 %	32.4 %	31.4 %	405-1	5; 8; 10
Hiring rate of women managers (target: 40% by 2025)	33.1 %	34.9 %	34.9 %	401-1	5; 8; 10
* indicators regarding executive and board diversity are included in the governance tab					
Equal treatment					
Gender pay gap (employees - average basic wage)	0.95	0.95	0.94	405-2	5; 8; 10
Gender pay gap (employees - total compensation)	0.92	0.92	0.91	405-2	5; 8; 10
Percentage of women in the top pay quartile	19.7 %	18.8 %	18.0 %	405-2	5; 8; 10
Percentage of women in the upper middle pay quartile	21.4 %	21.1 %	20.1 %	405-2	5; 8; 10
Percentage of women in the lower middle pay quartile	24.0 %	22.3 %	22.4 %	405-2	5; 8; 10
Percentage of women in the lower pay quartile	24.3 %	24.0 %	24.2 %	405-2	5; 8; 10
Remuneration ratio (highest paid individual vs. median annual total remuneration)	80.35	60.70	58.39	405-2	5; 8; 10
Generational diversity					
Breakdown of headcount by age					
< 30 years old	17.5 %	18.2 %	18.3 %	405-1	8; 10
30-50 years old	56.2 %	55.9 %	56.1 %	405-1	8; 10
> 50 years old	26.3 %	26.0 %	25.6 %	405-1	8; 10
Breakdown of headcount by seniority					
Less than 1 year	10.9 %	13.8 %	14.0 %	405-1	8; 10
1-4 years	29.6 %	28.6 %	27.9 %	405-1	8; 10
5-14 years	29.8 %	28.9 %	29.4 %	405-1	8; 10
15-24 years	19.1 %	18.7 %	18.3 %	405-1	8; 10
25-34 years	7.8 %	7.5 %	7.8 %	405-1	8; 10
> 34 years	2.8 %	2.5 %	2.6 %	405-1	8; 10
Disability					
Percentage of employees with disabilities	2.0 %	1.9 %	1.6 %	405-1	8; 10

TALENT DEVELOPMENT	2023	2022	2021	GRI	ODD
Training					
Proportion of payroll of training investment	0.47 %	0.44 %	0.40 %		4
Employees who received training during the year (target: 100% by 2025)	92.6 %	89.2 %	85.0 %	404-1	4
Average number of training hours per employee per year	18.2 hours	17.2 hours	14.6 hours	404-1	4
Average number of training hours per employee per year and by gender (M/F)	17,7/19,7	16,7/18,7	14,3/15,2	404-1	4
Share of technical and EHS training	70.6 %	64.2 %	61.0 %	404-1	4

EMPLOYEE'S ENGAGEMENT	2023	2022	2021	GRI	ODD
Annual employee satisfaction survey (me@Saint-Gobain):					
Participation rate	87.0 %	84.0 %	81.0 %		3; 8
Engagement rate (target above benchmark every year)	83.0 %	84.0 %	83.0 %		
Recommendation rate	85.0 %	86.0 %	85.0 %		3; 8
Annual reviews					
Proportion of employees who had annual reviews	72.9 %	64.0 %	64.1 %	404-3	8
Proportion of non-managers who had annual reviews	67.8 %	58.1 %	58.1 %	404-3	8
Proportion of managers who had annual reviews	94.5 %	91.0 %	92.1 %	404-3	8
Social dialogue					
Percentage of employees with employee representation	69.3 %	68.3 %	71.0 %	2-30	8; 16
Percentage of Group employees covered by a collective bargaining agreement	70.8 %	67.5 %	68.0 %	2-30	8; 16
Number of collective agreements with employee representatives	3,131	3,109	2,941	2-30	8; 16
Minimum prior notice period before any organizational change	two weeks to several months, depending on the country	two weeks to several months, depending on the country	two weeks to several months, depending on the country	402-1	8; 16

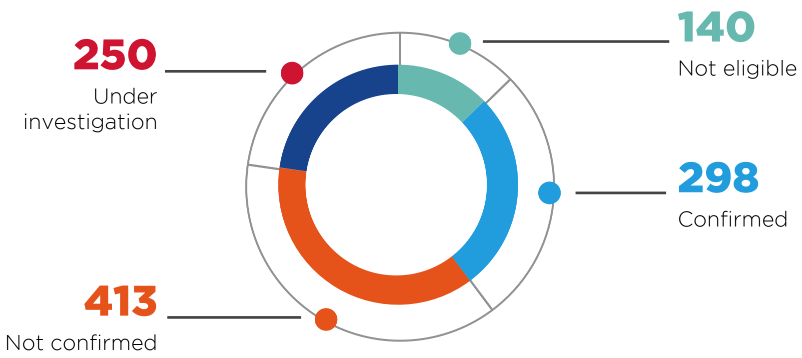
PROGRAMME DE PROTECTION SOCIALE *CARE BY SAINT-GOBAIN* *(% d'employés couverts)*	2023	2022	2021	GRI	SDG
CARE program coverage in number of employees covered (target: 100% by 2023)	100.0 %	100.0 %	88.0 %	403-6	1; 3; 8; 10

C – Governance

In 2023, the Group celebrated 20 years of the Principles of Conduct and Action, with local events and testimonial videos from employees and managers. General Management promotes and disseminates a culture of ethics and compliance, demonstrating its commitment to ethical and responsible business practices.

- As every new manager receives training in ethical issues upon joining the Group, by 2023 almost 99% of all managers will have received training in the Code of Ethics and competition rules, and over 99% will have received training in anti-corruption;
- ESG criteria are integrated into compensation packages: the weight of ESG in compensation packages is 10% in the short-term portion (addition of the CO_2 emissions reduction criterion to safety in 2021) and 20% in the long-term portion (increase in the CO_2 emissions reduction criterion from 5% to 10%, in 2021 with the other criteria of safety and diversity accounting for 5% each);
- The risk maps related to responsible purchases and those related to human rights have been updated and are based on recognized external sources, providing a more precise identification of issues and locations to prioritize in our actions;
- The new professional alert system allows for easier reporting and analysis of alerts. Thus, while the number of alerts has doubled since its implementation in 2019 (from 537 to 1101), half of the alerts have been deemed inadmissible or unconfirmed, but all are subject to review.

BREAKDOWN OF ALERTS IN 2023



OBJECTIVES	Deadline	2023 data	2022 data	2021 data	Progress
30% of women on the Group Executive Committee	2025	31.3 %	37.5 %	37.5 %	104.3 %
30% of women on the Executive Committees of Business Units	2025	26.7 %	26.5 %	24.0 %	89.0 %
100% of responsible timber purchases	2025	95.8 %	95.7 %	93.4 %	95.8 %
100% of new managers are trained to the code of ethics in their induction year every year	Annuel	97.0 %	95.8 %	95.0 %	97.0 %
100% of countries have a community assistance program	2025	91.7 %	84.0 %	67.0 %	91.7 %

GROUP VALUES	2023	2022	2021	GRI	SDG
Adhere training: training of new managers in the code of ethics (Principles of Conduct and Action) in their first year (target: 100% per year)	97.0 %	95.8 %	95.0 %		4
Adhere training: training for all managers	98.7 %	97.9 %	96.9 %		4
Human rights					
Number of incidents involving forced or compulsory labor	0	0	0	409-1	8; 16
Number of incidents involving union freedom	0	0	1	407-1	8; 16
Other incidents involving human rights, including child labor	0	0	0	408-1	8; 16
Reports received through the occupational whistle-blowing system	1,101	845	645	2-16	8; 16
Anticorruption					
ACT training: training of managers in their first year	97.8 %	98.2 %	95.0 %	205-2	4; 16
ACT training: share of managers trained	99.2 %	98.6 %	98.0 %	205-2	4; 16
Number of proven cases of corruption	0	0	0	205-3	8; 16
Respect for the law					
Online training Comply (anti-trust laws): proportion of managers trained in the 1st year after joining the Group	97.0 %	98.0 %	93.0 %		4; 16
Online training Comply (anti-trust laws): share of managers trained	98.9 %	98.5 %	98.0 %		4; 16
Major fines for non-compliance with laws and regulations	0	0	0	206-1	8; 16
Number of non-financial penalties for violation of laws and regulations	0	0	0	206-1	8; 16

FIGHT AGAINST DISCRIMINATION AND HARASSMENT	2023	2022	2021	GRI	SDG
Total number of incidents of discrimination, including harassment	**58**	**72**	**54**	**406-1**	**8; 10**
Discrimination of which:	**36**	**51**	**35**	**406-1**	**8; 10**
Ethnic origin	0	9	6	406-1	8; 10
Disability	5	2	5	406-1	8; 10
Gender	2	4	3	406-1	5; 8; 10
Age	0	7	2	406-1	8; 10
Sexual orientation	0	2	2	406-1	5; 8; 10
Family status	0	2	1	406-1	8; 10
Freedom of association	0	4	1	406-1	8; 10
Other causes	29	21	15	406-1	8; 10
Harassment	**22**	**21**	**19**	**406-1**	**8; 10**
of which sexual harassment	10	11	8	406-1	8; 10

RESPONSIBLE PURCHASING	2023	2022	2021	GRI	SDG
Trade suppliers and outside subcontractors					
Percentage of contracts with European partners that include the Suppliers Charter	100.0 %	100.0 %	100.0 %		9; 12
Proportion of suppliers per CSR performance level (evaluation includes in particular human rights, working conditions, fight against corruption, against forced labor, against child labor, etc.) as a percentage of revenue					
Percentage of so-called “risky” purchases following risk mapping: 21.6%					
Percentage of so-called “risky” purchases evaluated in terms of CSR*: 67.4%					
Proportion of document reviews concluding on a “critical” CSR performance	4.8 %	3.3 %	2.9 %	414-2	9; 12
Proportion of document reviews concluding on a “to be improved” CSR performance	14.3 %	18.8 %	17.5 %	414-1	9; 12
Proportion of document reviews concluding on an “effective” CSR performance	80.9 %	77.9 %	79.6 %	414-1	9; 12
Results of onsite audits of own-brand suppliers evaluated in terms of CSR					
Proportion of onsite audits concluding on a “critical” CSR performance	0.0 %	0.0 %	0.5 %	414-2	9; 12
Proportion of onsite audits concluding on a “to be improved” CSR performance	48.0 %	40.6 %	57.9 %	414-1	9; 12
Proportion of onsite audits concluding on an “effective” CSR performance	52.0 %	59.4 %	41.6 %	414-1	9; 12
Responsible timber purchases	95.8 %	95.7 %	93.4 %		8; 9; 12; 15
Non-trade suppliers and outside contractors					
Total non-trade purchases covered by the Suppliers Charter (eligible perimeter)	91.6 %	92.7 %	91.3 %		9; 12
Proportion of suppliers per CSR performance level (evaluation includes in particular human rights, working conditions, fight against corruption, forced labor, child labor, etc.) as a percentage of revenue					
Percentage of so-called “risky” purchases evaluated in terms of mapping: 16.3%					
Percentage of so-called “risky” purchases evaluated in terms of CSR*: 65.8%					
Proportion of document reviews concluding on a “critical” CSR performance	6.1 %	11.8 %	14.0 %	414-2	9; 12
Proportion of document reviews concluding on a “to be improved” CSR performance	18.3 %	30.9 %	35.0 %	414-1	9; 12
Proportion of document reviews concluding on an “effective” CSR performance	75.6 %	57.2 %	51.0 %	414-1	9; 12
Proportion of onsite audits concluding on a “critical” CSR performance	8.8 %	10.7 %	18.5 %	414-2	9; 12
Proportion of onsite audits concluding on a “to be improved” CSR performance	29.1 %	20.7 %	16.5 %	414-1	9; 12
Proportion of onsite audits concluding on an “effective” CSR performance	62.0 %	68.6 %	65.0 %	414-1	9; 12

* *Methodology update.*

LOCAL IMPACT	2023	2022	2021	GRI	SDG
Support to local communities					
Investments in projects	16.3 M€	13.4 M€	15.1 M€	413-1	1; 4; 8; 10; 11
Percentage of countries with a community assistance program (target: 100% by 2025)	91.7%	84.0%	67.0%	413-1	1; 4; 8; 10; 11

EXECUTIVE COMMITTEES DIVERSITY	2023	2022	2021	GRI	SDG
Women in Group Executive Committee (target: 30% by 2025)	31.3%	37.5%	37.5%	405-1	5; 8; 10
Women in Executive Committees Business Units (target: 30% by 2025)	26.7%	26.5%	24.0%	405-1	5; 8; 10

GROUP SAVINGS PLAN	2023	2022	2021	GRI	SDG
Proportion of shares held by employees through the Group Savings Plan	8.7%	8.8%	8.3%	401-2	8
Number of countries participating in the Group Savings Plan	53	53	48	401-2	8
Group Savings Plan coverage rate for the entire Group headcount	97.8%	96.9%	95.5%	401-2	8

4.2.3 INTEGRATION OF THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

To embed the Sustainable Development Goals (SDGs) within its CSR approach, Saint-Gobain draws upon the materiality analysis (see section 1.3.2 p. 17), the Group's stakeholder dialog and its understanding of its value chain. Saint-Gobain generally actively follows the debates on SDGs and reporting, especially the working group initiated by the Global Compact. The 17 SDGs were subdivided into different levels: SDGs aligned with the strategy, moderately aligned SDGs (limited scope of influence or associated with a specific activity) and non-priority SDGs where the Group has little or no impact.

- **SDG 9** SDGs aligned with the strategy
- **SDG 14** SDGs moderately aligned with the strategy
- **SDG 15** Non-priority SDGs

The Group is especially committed to 14 Sustainable Development Goals aligned with the strategy:

SDG 1

No poverty

Creating inclusive growth in the countries where it operates:

- for employees: the Group ensures fair compensation to its employees (see section 3.5.3, p. 134);
- for local communities: Saint-Gobain contributes to economic development, improving access to decent housing and local employment (see section 3.5.4, p. 137).

SDG 3

Good health and well-being

Ensure healthy lives and promote well-being for all at all ages:

- for employees: health and safety are central to Saint-Gobain's environmental, health and safety Charter and are top priorities at the heart of its corporate culture (see section 2.3.3.B.a, p. 85);
- for suppliers: the Group encourages its suppliers to improve the workplace health and safety of its employees through its Responsible Purchasing policy (see section 3.2.1.A, p. 69);
- for customers: one of the Group's priorities is to design convenient, sustainable products (see section 2.3.3.A, p. 84 and 3.2.3.A, p. 102);
- for local communities: in the context of emergency situations, Saint-Gobain's local teams are mobilized to assist the populations In 2023, action was taken in Turkey and Morocco (see section 3.5.4.E, p. 138).

SDG 4

Quality education

Promote lifelong learning opportunities:

- for employees: Saint-Gobain's ambition is to be a benchmark employer, known and recognized for the wealth of career paths it offers. Saint-Gobain is committed to facilitating access to training for all its employees, using formats that meet their needs and expectations (see section 2.3.2.C, p. 81);
- for customers: the Group develops training programs for customers' employees, some of which lead to certification (see section 3.5.4.B, p. 137);
- for local communities: the Group maintains relationships with local partners in many countries where it operates to boost local employment and support disadvantaged populations with their career aspirations. Saint-Gobain also contributes to major societal issues through sponsorship and philanthropy (see section 3.5.4, p. 137);
- for civil society: support for young people is a priority in all countries where the Group operates, particularly the professional integration of young adults in difficulty in the construction industry through the Build Change program (see section 3.2.3, p. 102).

SDG 5

Gender equality

Be inclusive by promoting equal opportunities:

- for employees: Saint-Gobain is working to create an environment that fosters fairness and equality, which are essential for genuine professional development, while facilitating the formation and cohesion of high-performance operational teams. Exemplary management and a policy of equal treatment in recruitment, professional training and compensation are the main levers for action (see section 3.5.3, p. 134);
- for civil society: Saint-Gobain is working to promote a more inclusive environment through its membership of the UN's Women Empowerment Principles (WEPs).
- for local communities: the Saint-Gobain India Foundation has set itself the task of improving the living conditions of the most underprivileged by supporting education-related projects, in particular by accompanying approximately 9,500 young girls (see section 3.5.4, p. 137).

SDG 6

Clean water and sanitation

Ensure sustainable management of water:

- for civil society: reduce the impacts of the Group's activities on water resources as much as possible, whether in terms of intake or discharge. The long-term objectives are to withdraw as little water as possible and aim for "zero discharge" of industrial water in liquid form while avoiding generating new impacts for other natural environments and/or for other stakeholders (see section 2.3.3.B.b, p. 87);
- for suppliers: the Group pays particular attention to the quality of its supplies and the suppliers' performance in terms of sustainable resource management. Risks related to purchasing categories include environmental performance and in particular those related to water (see section 3.2.1.A, p. 95);
- for local communities: manage these issues locally. The needs and risks related to water access for local populations are systematically taken into account in the Group's action plans. (see section 2.3.3.B.b, p. 87).

SDG 7

Clean and affordable energy

Use our potential for local consumption to foster the development of local renewable energy networks:

- for civil society: Saint-Gobain is a member of the ETC (Energy Transition Commission), whose aim is to accelerate the transition to a low-carbon energy system (see section 3.3.1, p. 106).

SDG 8

Decent work and economic growth

Create conditions guaranteeing quality jobs for our employees:

- for employees: the development of a T.E.C. (Trust, Empowerment, Collaboration) culture is an important catalyst for successful employee development (see section 2.3.2.B, p. 80). All of the actions undertaken have made it possible to achieve a record employee engagement index of 83% in 2023, with 85% of employees considering their working conditions to be good (see section 2.3.2.C, p. 81);
- for suppliers: the Group's suppliers are committed to ensuring decent working conditions. Ethical criteria on human rights, working conditions and compliance with standards, health and safety and the environment are integrated into the purchasing process (see section 3.2.1.A, p. 95).

SDG 9

Industry, innovation and infrastructure

Put our innovation to work for sustainable development and a circular economy:

- for employees: to develop solutions that anticipate market trends, the Group has introduced an innovation approach that integrates the challenges of sustainable development. It is thanks to innovation and the evaluation of the performance of solutions that the group is able to increase the avoidance of CO_2 emissions and to adapt its offer to the new opportunities linked to a fair and sustainable transition (see section 3.2 , p. 95);
- for civil society: Saint-Gobain has been a member of the WBCSD Board with responsibility for “climate, energy, the circular economy, towns and cities, and mobility” since 2017 (see section 3.3.1, p. 106).

SDG 10

Reduced inequalities

Be inclusive by promoting equal opportunities:

- for employees: Saint-Gobain is working to create an environment conducive to fairness and equality, which is crucial to employees' professional growth, while fostering training and the cohesion of high-performance operational teams (see section 3.5.3.C, p. 135);
- for local communities: wherever it is present, the Group is committed to promoting inclusion and diversity in all its forms: gender, nationalities, training, career paths, generational diversity, disabilities and ethnic and social origins (see section 3.5.3, p. 134).

SDG 11

Sustainable cities and communities

Offer sustainable and affordable solutions in response to lifestyle changes in line with increasing urbanization:

- for customers: for Saint-Gobain, it is imperative to design sustainable solutions and to contribute to the construction of resilient cities, guaranteeing the well-being of individuals in a context of increasing resource scarcity and climate change (see section 3.3.2, p. 113);
- for civil society: at the local level, the Group is forging partnerships with many players who share the same desire to promote more sustainable buildings. The Green Building Councils (GBC), a unique global network of national associations of construction professionals and players, are a key partner. (see section 3.3.1, p. 106).

SDG 12

Responsible consumption and production

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

- for employees: the Climate Academy is a series of training courses made available to Saint-Gobain employees to inform them about the risks associated with climate change and to help them respond to environmental challenges (see section 3.3.1, p. 106);

- for customers: Saint-Gobain designs, produces and distributes sustainable solutions that must adapt to new modalities: integrating more recycled or renewable materials to reduce the consumption of virgin raw materials and the consequences of their exploitation, in particular on biodiversity; extending the lifespan of products to reduce their environmental impact; facilitating the recycling or reuse of products at the end of their life cycle to succeed in satisfying the needs of the markets with a limited impact on natural resources (see section 3.3.3, p. 120);
- for local communities: the sustainable resource management policy aims to promote responsible resource management in order to foster the transition to a circular economy. For example, the Group is committed through a policy called "Wood Purchasing" to fight deforestation by acting ethically and responsibly in the Group's value chain to preserve forests, the local populations living in them and biodiversity (see section 3.2.2.C.d, p. 102).

SDG 13

Climate action

Contribute to the emergence of a sustainable economy aligned with the Paris Agreement:

- for customers: the innovative solutions developed by Saint-Gobain to improve the energy efficiency of buildings make it possible to reduce both the negative impact of construction on the climate and the energy bills of occupants, while at the same time improving their well-being (see section 3.3.2, p. 113);
- for civil society: Saint-Gobain's ambition is to foster the emergence of a fair, sustainable economy aligned with the Paris Agreement in the countries where it operates (see section 3.3.1, p. 106);
- for investors: Saint-Gobain is aligned with the recommendations of the Task Force on Financial Disclosure (TCFD) (see section 3.3.2, p. 113) and published its first ESG Information Pack in 2022 (see section 1.3.2, p. 17);
- for regulatory authorities: the Group takes part in the public debate on climate change (see section 3.5.2.B, p. 132);
- for suppliers: the scope 3 control program involves suppliers in the negotiations conducted by the purchasing teams (see section 3.3.3, p. 120). At the same time, Saint-Gobain encourages suppliers to reduce their carbon footprint through its Responsible Purchasing policy (see section 3.2.1.A, p. 95).

SDG 16

Peace, justice and strong institutions

Share the Group's values with the stakeholders:

- for employees: the Group's responsible approach is based on its Code of Ethics: the Principles of Conduct and Action (see section 2.3.1, p. 78);
- for suppliers: the Responsible Purchasing approach incorporates suppliers' compliance with the Suppliers Charter, based on the Principles of Conduct and Action (see section 2.3.1, p. 78);
- for civil society: compliance with the law, the principles of the Code of Ethics and respect for human rights constitute the Group's fundamental values (see section 2.3.1, p. 78).

SDG 17

Partnerships to achieve the objectives

Promote multi-stakeholder cooperation:

- for employees: through its commitments, the Group ensures decent working conditions and fights against practices that do not comply with its Code of Ethics and its human rights policy (see section 3.5.2, p. 131);
- for suppliers: Saint-Gobain also encourages its partners, particularly its suppliers, to commit to the ten principles of the United Nations Global Compact (see section 3.5.2, p. 131);
- for regulatory authorities: the Group participates in the public debate on the major issues it faces, such as climate change or the transition to a circular economy (see section 3.5.2.B, p. 131);
- for civil society: through its positions, commitments and partnerships, Saint-Gobain is working towards a fair and sustainable transition (see section 3.2 , p. xx).

CORPORATE
GOVERNANCE

SAINT-GOBAIN

5.1 COMPOSITION AND OPERATION OF THE GOVERNING BODIES

The following sections 5.1.1 p. 174 and 5.1.2 p. 191, prepared with the assistance of the Board's Nomination and Remuneration Committee and the Lead Independent Director, hereby report, pursuant to Articles L. 225-37 et seq. and L. 22-10-10 et seq. of the French Commercial Code, the composition of the Board and its operation (see section 5.4 p. 246 for the entire report of the Board of Directors on corporate governance).

Compliance with the Afep-Medef Corporate Governance Code

Compagnie de Saint-Gobain refers to and complies with the Afep-Medef Corporate Governance Code for French listed companies in its updated version of December 2022, which may be found on the Afep website at the following address: www.afep.com/en/.

The Company's practices comply with all recommendations contained in the Afep-Medef Code (the "Afep-Medef Code").

Afep-Medef Code recommendation revoked	Saint-Gobain practice and justification
None	None

5.1.1 COMPOSITION OF THE BOARD OF DIRECTORS

A – Members of the Board of Directors as of February 1, 2024

The Board of Directors consists of the 14 members named below, appointed for four-year terms, including one Director representing employee shareholders and two Employee Directors, appointed in accordance with the law, and one Lead Independent Director, in charge of overseeing the efficient running of the Company's governance bodies and preventing and managing conflicts of interest.

73% independent directors

96% attendance rate

1 lead independent director

45% women [(a)]

2 employee directors

1 director representing employee shareholders

(a) Excluding directors representing employees and directors representing employee shareholders.

The table below gives a general overview of the members of the Board of Directors and its Committees as of February 1, 2024:

	Name	Age	Independent [a]	Other terms [e]	ARC [f]	NRC [g]	CSRC [h]	Years of seniority
	Pierre-André de Chalendar	65	No	2				17.5
	Benoit Bazin	55	No	1				2.5
	Jean-François Cirelli	65	Yes	0		(P) [j]		3.5
	Lydie Cortes	52	No [b]	0		(M)		5.5
	Sibylle Daunis-Opfermann	49	No (a)	0				3.5
	Thierry Delaporte	56	Yes Y es	1				1.5
	Iêda Gomes Yell	67	Yes	1	(M) [i]			7.5
	Pamela Knapp	65	Yes	2	(P)			10.5
	Agnès Lemarchand	69	Yes	0	(M)		(P)	10.5
	Dominique Leroy	59	Yes	3 [l]		(M)		6.5
	Jana Revedin	58	Yes	0				1.5
	Gilles Schnepp	65	No	2	(M)			14.5
	Jean-Dominique Senard [d]	70	Yes	2			(M)	11.5
	Philippe Thibaudet	43	No [b]	0			(M)	5.5
	NUMBER OF MEETINGS [k]			**BOARD: 10**	**ARC: 4**	**NRC: 6**	**CSRC: 4**	
	ATTENDANCE RATE			**96%**	**88%**	**100%**	**83%**	

(a) *According to the criteria set forth in Recommendation 10.5 of the Afep-Medef Code, see section 5.1.1, p. 174, for more details.*
(b) *Employee Director, appointed pursuant to the law, not included in the calculation of the Director independence ratio on the Board of Directors, in compliance with the recommendations of the Afep-Medef Code, nor in the gender parity ratio on the Board of Directors, in accordance with the law.*
(c) *Director representing employee shareholders, not included in the calculation of the ratio of independent Directors on the Board of Directors, in accordance with the recommendations of the Afep-Medef Code, and gender parity on the Board of Directors, in accordance with the law.*
(d) *Lead Independent Director.*
(e) *Held within listed companies (excluding Compagnie de Saint-Gobain).*
(f) *Audit and Risk Committee.*
(g) *Nomination and Remuneration Committee.*
(h) *Corporate Social Responsibility Committee.*
(i) *Member of a Committee.*
(j) *Chairperson of a Committee.*
(k) *For the period from January 1, 2023, to December 31, 2023.*
(l) *Dominique Leroy holds all her offices within Deutsche Telekom AG Group. T-Mobile USA (USA) and OTE (Greece) being companies controlled by Deutsche Telekom AG.*

Each year, specifically on the occasion of its assessment, the Board of Directors considers the desirable balance of its composition and that of the Committees. Regarding the diversity and internationalization of the Saint-Gobain Group's activities, it specifically provides for the presence of Directors with international experience, and ensures that the profiles and competencies represented on the Board reflect, to the greatest possible extent, the diversity of challenges the Group may face, to guarantee to shareholders and the market that its tasks are executed with the necessary competency, independence and objectivity.

The following biographies show the members of the Board of Directors as of February 1, 2024, their experience and their respective expertise, and the principal offices and functions they exercise or have exercised outside the Group over the past five years, to the best of the Company's knowledge.

PIERRE-ANDRÉ DE CHALENDAR

Chairman of the Board of Directors
Principal office held:
Chairman of the Board of Directors of Compagnie de Saint-Gobain
Compagnie de Saint-Gobain – "Tour Saint-Gobain" – 12, place de l'Iris – 92400 Courbevoie, France

65 years

Nationality: French

Number of shares held: 450 945

Date of first election: June 2006

Term start date: June 2022

Term end date of Director: General Shareholders' Meeting convened to approve the financial statements for fiscal year 2025 [(a)]

EXPERTISE AND EXPERIENCE

Mr. Pierre-André de Chalendar joined Compagnie de Saint-Gobain as Corporate Planning Director on October 1, 1989. Appointed Director of Abrasives Europe (1992–1996), then of the Abrasives Division (1996–2000), the Head Office of which was located in Worcester, United States, before being named Vice President for the United Kingdom and the Republic of Ireland (2000–2002), Mr. Pierre-André de Chalendar was named Senior Vice President of Compagnie de Saint-Gobain in charge of the Building Distribution Sector in 2003.

Appointed Chief Operating Officer of Compagnie de Saint-Gobain in May 2005 and elected Director in June 2006, he was appointed Chief Executive Officer of Compagnie de Saint-Gobain in June 2007 then Chairman and Chief Executive Officer in June 2010, a position held until June 2021. Since July 2021, Mr. Pierre-André de Chalendar has been Chairman of the Board of Directors of Compagnie de Saint-Gobain.

Mr. Pierre-André de Chalendar has been a Director of Compagnie de Saint-Gobain since 2006.

His offices and duties held outside the Group over the past five years are described below.

Offices and duties held outside the Group	Other offices held outside the Group and expired over the past five years
• Director, Chairman of the Compensation Committee and member of the Governance, Ethics, Nomination and CSR Committee of BNP Paribas* • Director, Chairman and member of the Nomination Committee and member of the Purpose (*raison d'être)* Committee of Veolia Environnement* • Director and Chairman of the Remuneration Committee and the Climate Committee of	None

* *Listed company.*
(a) *As indicated in the Company's press release dated November 23, 2023, Pierre-André de Chalendar informed the Board of his decision to step down as Chairman of the Board and resign as a director with effect from the close of the General Meeting of June 6, 2024*

BENOIT BAZIN

Director
Principal office held: Chief Executive Officer of Compagnie de Saint-Gobain
Compagnie de Saint-Gobain – "Tour Saint-Gobain" – 12, place de l'Iris – 92400 Courbevoie, France

55 years

Nationality: French

Number of shares held: 150,802

Date of first election: June 2021

Term start date: June 2021

Term end date: General Shareholders' Meeting convened to approve the financial statements for fiscal year 2024

EXPERTISE AND EXPERIENCE

After studying in France and in the United States and spending four years at the Interministerial Committee on Industrial Restructuring (ICIR) and the Treasury Department within the French Ministry of Finance, Mr. Benoit Bazin joined Saint-Gobain in 1999. He held various positions in France, including Corporate Planning Director from 2000 to 2002, and, starting in 2002, in the United States, in a general management role within High-Performance Materials, before taking the Chief Financial Officer role of Compagnie de Saint-Gobain in 2005. From 2009 to the end of 2015, Mr. Benoit Bazin headed the Building Distribution Sector. In 2010, he was appointed Senior Vice President of Compagnie de Saint-Gobain. From 2016 to the end of 2018, Mr. Benoit Bazin headed the Construction Products Sector. During 2017, he was President and CEO of CertainTeed Corporation in the United States. Appointed Chief Operating Officer of Compagnie de Saint-Gobain on January 1, 2019, then Director on June 3, 2021, he was appointed Chief Executive Officer of Compagnie de Saint-Gobain as from July 1, 2021. On November 23, 2023, he was appointed Chairman and Chief Executive Officer of Compagnie de Saint-Gobain with effect from the General Meeting of June 6, 2024. He is also Director of the Cité de l'Architecture et du Patrimoine.

Mr. Benoit Bazin has been a director of Compagnie de Saint-Gobain since 2021.

His offices and duties held outside the Group over the past five years are described below.

Offices and duties held outside the Group	Other offices held outside the Group and expired over the past five years
• Director and Chairman of the Strategy and CSR Committee and member of the Nomination and Governance Committee of Vinci*	None

* *Listed company.*

JEAN-FRANÇOIS CIRELLI

Independent Director
Chairman of the Nomination and Remuneration Committee
Principal office held: Chairman of BlackRock France, Belgium and Luxembourg (1)
Compagnie de Saint-Gobain – "Tour Saint-Gobain" – 12, place de l'Iris – 92400 Courbevoie, France

65 years

Nationality: French

Number of shares held: 1,300

Date of first election: June 2020

Term start date: June 2020

Term end date: General Shareholders' Meeting convened to approve the financial statements for fiscal year 2023

EXPERTISE AND EXPERIENCE

Mr. Jean-François Cirelli began his professional career at the Treasury Department of the French Ministry of Economy and Finance, holding several positions, from 1985 to 1995 where he was in particular in charge of housing policy. In 1995, he was appointed Economic Advisor to the President of the Republic. In 2002, he was appointed Deputy Director of the Prime Minister's Office, more specifically in charge of economic, industrial and social issues. Mr. Jean-François Cirelli was appointed Chairman and Chief Executive Officer of Gaz de France in 2004, an office he held until 2008. From 2008 to 2014, he was Vice Chairman and Chief Operating Officer of GDF SUEZ (now ENGIE). From 2012 to 2014, he also managed all of GDF SUEZ's Energy activities in Europe.

Mr. Jean-François Cirelli has been a director of Compagnie de Saint-Gobain since June 2020.

His offices and duties held outside the Group over the past five years are described below.

Offices and duties held outside the Group	Other offices held outside the Group and expired over the past five years
• Chairman of BlackRock France, Belgium and Luxembourg • Senior Advisor of Advent International • Director of Idemia • Member of the Saur Supervisory Committee, Advisory Committee and Nomination and Remuneration Committee • Director of MET Holding AG** (Switzerland)	• Member of the Supervisory Board of Uniper SE* (Germany) (2017–2020)

(1) *Director as an individual, and not as a BlackRock representative, Mr. Jean-François Cirelli does not represent BlackRock on the Board of Directors.*
* *Listed company.*
** *Non-listed foreign company.*

LYDIE CORTES

Employee Director
Member of the Nomination and Remuneration Committee
Principal office held: Product Safety Coordinator
Saint-Gobain Weber France – D 1083 – Le Grand Étang – 01960 Servas, France

52 years

Nationality: French

Number of shares held: 7

Date of first election: May 2018

Term start date: June 2022

Term end date: General Shareholders' Meeting convened to approve the financial statements for fiscal year 2025

EXPERTISE AND EXPERIENCE

Mrs. Lydie Cortes joined the Saint-Gobain Group in 1992, working at the Saint-Gobain Weber research and development laboratory on the Servas site, where she performed various functions, first as a color development and control technician, then as a technician for the development of control methods for finished pulp goods. From 1999 to 2012, she was an R&D technician for the formulation of finished powder goods.

Since 1996, Mrs. Lydie Cortes has held various elected and union offices, including member of the Works Committee, Employee Representative and member of the Saint-Gobain Weber CHSCT, and, since 2004, CFDT Central Trade Union Representative.

Since 2007, Mrs. Lydie Cortes has been a member of the Company's Works Council, and in 2010, she was elected Secretary of the European Convention and to the Saint-Gobain Select Committee.

Since 2012, Mrs. Lydie Cortes has been the Product Safety Coordinator (management and assessment of product hazard classes, awareness and prevention of the use and handling of chemicals) at Saint-Gobain Weber France.

Mrs. Lydie Cortes has been a Director of Compagnie de Saint-Gobain since June 2018.

Offices and duties held outside the Group	Other offices held outside the Group and expired over the past five years
None	None

SIBYLLE DAUNIS OPFERMANN

Director representing employee shareholders
Principal office held: Chief Executive Officer of La Plateforme du Bâtiment
La Plateforme du Bâtiment - 7 rue Benjamin Constant – 75019 Paris, France

49 years

Nationality: French

Number of shares held: 2,800

Date of first election: March 2020

Term start date: June 2021

Term end date: General Shareholders' Meeting convened to approve the financial statements for fiscal year 2024

EXPERTISE AND EXPERIENCE

Mrs. Sibylle Daunis Opfermann began her career in 1996 in an SME in the automotive sector, where she was responsible for optimizing the non-production purchases of large groups in the automotive subcontracting sector.

In 1998, she joined the Welding activity of the Air Liquide Group, where she held the position of deputy to the head of Production Purchasing, before joining the Marketing Department and being in charge of the management of the whole trading products.

In 2001, she joined Virax, a Facom Group company specializing in plumber's tools, as purchasing manager.

In 2005, she joined the Saint-Gobain Group, within PUM Plastiques, where she was deputy to the Purchasing Director. She held this position until 2010 before being appointed head of Marketing and Purchasing. In 2013, she was entrusted, in addition to her duties, with the digitalization of the trading brand, and with the function of Head of the Communication Department. Since September 2016, she has been the Chief Executive Officer of PUM.

Since February 1, 2024, she has been Chief Executive Officer of La Plateforme du Bâtiment.

Mrs. Sibylle Daunis Opfermann has been a Director of Compagnie de Saint-Gobain since March 2020.

Offices and duties held outside the Group	Other offices held outside the Group and expired over the past five years
None	None

THIERRY DELAPORTE

Independent Director
Principal office held: Chief Executive Officer of Wipro Limited
Compagnie de Saint-Gobain – "Tour Saint-Gobain" – 12, place de l'Iris – 92400 Courbevoie, France

56 years

Nationality: French

Number of shares held: 1,795

Date of first appointment: June 2022

Term start date: June 2022

Term end date: General Shareholders' Meeting convened to approve the financial statements for fiscal year 2025

EXPERTISE AND EXPERIENCE

Mr. Thierry Delaporte began his career in 1992 at the consulting firm Arthur Andersen before joining Capgemini Group in 1995. He first held various financial positions, including Chief Financial Officer for Southern Europe, then Asia-Pacific. He then spent nearly 15 years in the United States in the financial and operational management functions; in this capacity, he was Chief Financial Officer of North America, Chief Executive Officer of the global strategic international financial services unit and then Chief Executive Officer of the Latin America region. In 2017, he was appointed Chief Operating Officer of the Group, an office he held until 2020.

In June 2020, he joined Wipro Limited, a company headquartered in Bangalore, listed on the NYSE (New York Stock Exchange) and the BSE (Bombay Stock Exchange), the world leader in information technology, as Chief Executive Officer.

Mr. Thierry Delaporte has been a Director of Compagnie de Saint-Gobain since June 2022.

His offices and duties held outside the Group over the past five years are described below.

Offices and duties held outside the Group	Other offices held outside the Group and expired over the past five years
• Chief Executive Officer of Wipro Limited* (India)	None

* *Listed company.*

IÊDA GOMES YELL

Independent director
Member of the Audit and Risk Committee
Principal office held: Research fellow and Director of Companies
Compagnie de Saint-Gobain – "Tour Saint-Gobain" – 12, place de l'Iris – 92400 Courbevoie, France

67 years

Nationalities:
Brazilian, British

Number of shares held: 1,200

Date of first election:
June 2016

Term start date:
June 2020

Term end date:
General Shareholders' Meeting convened to approve the financial statements for fiscal year 2023

EXPERTISE AND EXPERIENCE

Mrs. Iêda Gomes Yell was Chief Executive Officer of Companhia de Gas de São Paulo from 1995 to 1998.
She then held various senior positions within the BP Group, in particular as Vice President of Pan American Energy (1998-1999), Vice President of Regulatory Affairs (1999-2000), Chairwoman of BP Brazil (2000-2002), Vice President of Development of BP Solar (2002-2004), and Vice Chairwoman of BP Integrated Supply and Trading (2004-2011).

Mrs. Iêda Gomes Yell was also Vice President of New Ventures for the Middle East and South Asia (2004-2011) and Independent Chairwoman of British Taekwondo Ltd. (2011-2016).
She has also held several senior positions within professional organizations (the Brazilian Association of Infrastructure, the International Gas Union, the US Civil Engineering Foundation and the Brazilian Association of Gas Distribution Companies).

In 2011, she founded Energix Strategy Ltd, an energy market consulting company based in Warrington that she chaired until October 2017.

In addition, Mrs. Iêda Gomes Yell serves as Director of the Department of the Infrastructure of the Federation of the State Industry of São Paulo (since 2012), Councilor to the Brazilian Chamber of Commerce of England, member of the Advisory Board of the Fundação Getúlio Vargas Energia and Director and co-founder of WILL Latam, a non-profit organization for the development of women executives (since 2014). Mrs. Iêda Gomes Yell has been a visiting research fellow at the Oxford Institute for Energy Studies since September 2012. In October 2020, she became a representative of energy consumers at the Isle of Man Climate Change Citizens Forum.

Mrs. Iêda Gomes Yell has been a Director of Compagnie de Saint-Gobain since June 2016.

His other offices and positions held during the last five years are described below.

Offices and duties held outside the Group

- Director and Chairwoman of the Strategy Committee and member of the Human Resources, Compliance and Sustainable Development Committee of Prumo Logistica SA** (Brazil)
- Director and member of the Nomination Commitee of The Institute of Directors** (United Kingdom)
- Director of The Business Agency Isle of Man**
- Director and member of the Transformation Committee and the Corporate Social Responsibility Committee of Seatrium Ltd* (Singapore)

Other offices held outside the Group and expired over the past five years

- Director and Chairwoman of the Nomination, Sustainable Development and Governance Committee and Human Capital and Remuneration Committee of Exterran Corporation* (United States) (2015-2022)
- Director and member of the Audit and Risk Committee and of the Strategic Committee of Bureau Veritas* (2013-2021)
- Director and Chairwoman of the Governance Committee of InterEnergy Group Holdings** (2013-2020)
- Director and Chairwoman of the Compliance Committee of Novonor (formerly Odebrecht SA) (Brazil)** (2018-2019)

* *Listed company.*
** *Non-listed foreign company.*

PAMELA KNAPP

Independent director
President of the Audit and Risk Committee
Principal office held: Director of companies
Compagnie de Saint-Gobain – "Tour Saint-Gobain" – 12, place de l'Iris – 92400 Courbevoie, France

65 years

Nationality: German

Number of shares held: 1,818

Date of first election: June 2013

Term start date: June 2021

Term end date: General Shareholders' Meeting convened to approve the financial statements for fiscal year 2024

EXPERTISE AND EXPERIENCE

Mrs. Pamela Knapp began her career in 1987 as an M&A consultant at Deutsche Bank Morgan Grenfell GmbH and Fuchs Consult GmbH.

In 1992, she was named Director of Strategic Projects, then of the Maintenance & Services Branch in the Transportation Systems Division of the Siemens Group, where she served until 1997. From 1998 to 2000, she was a Board member and Chief Financial Officer (CFO) of Siemens SA, Belgium and Luxembourg.

In 2000, she became Director of the Siemens Group's central Corporate Development Executives Department then, starting in 2004, Board member and Chief Financial Officer of the Power Transmission and Distribution Division of the Siemens Group, until 2009. From 2009 to October 2014, she was a Board member of GfK SE. Since June 2020, she has been a member of the Monopoly Commission (Monopolkommission), which advises the German Minister of the Economy on competition issues.

Mrs. Pamela Knapp has been a Director of Compagnie de Saint-Gobain since June 2013.

His other offices and positions held during the last five years are described below.

Offices and duties held outside the Group	Other offices held outside the Group and expired over the past five years
• Member of the Supervisory Board and Chairwoman of the Audit Committee of Lanxess AG* (Germany) • Member of the Supervisory Board and Chairwoman of the Audit Committee and member of the Nomination Committee of Signify NV* (Netherlands)	• Member of the Supervisory Board, the Nomination, Remuneration and Governance Committee and the Finance and Audit Committee of Peugeot SA* (2011–2021) • Director and member of the Audit Committee of NV Bekaert* (Belgium) (2016–2020) • Director of HKP Group AG (Switzerland) (2013–2019) • Director and member of the Audit Committee of Panalpina World Transport (Holding) Ltd* (Switzerland) (2015–2019)

* *Listed company.*

AGNÈS LEMARCHAND

Independent director
Chairwoman of the Corporate Social Responsibility Committee
Member of the Audit and Risk Committee
Principal office held: Director of companies
Compagnie de Saint-Gobain – "Tour Saint-Gobain" – 12, place de l'Iris – 92400 Courbevoie, France

69 years

Nationality: French

Number of shares held: 2,252

Date of first election: June 2013

Term start date: June 2021

Term end date: General Shareholders' Meeting convened to approve the financial statements for fiscal year 2024

EXPERTISE AND EXPERIENCE

Mrs. Agnès Lemarchand began her professional life with various operational responsibilities within the Rhône-Poulenc Group from 1980 to 1985.

Appointed in 1986 as Chief Executive Officer of Industrie Biologique Française (IBF), she created IBF Biotechnics, a subsidiary of the Rhône-Poulenc Group and the Institut Mérieux, in the United States in 1987, of which she was appointed Chairwoman and Chief Executive Officer.

In 1991, she joined the Ciments Français Group as Chief Executive Officer of Prodical, an industrial minerals subsidiary which she led from 1991 to 1996. She joined the Lafarge Group in 1997, held the position of head of strategy for the Specialty Materials branch, then in 1999 was appointed Chairwoman and Chief Executive Officer of Lafarge Chaux.

In 2004, she took over, together with its senior executives, the Lafarge Chaux subsidiary in the United Kingdom and founded Steetley Dolomite Limited, where she served as executive Chairwoman for 10 years before selling the company to the Lhoist industrial group. Mrs. Agnès Lemarchand is a member of the ESG Committee of the Institut Français des Administrateurs (the French Institute of Directors).

Mrs. Agnès Lemarchand has been a Director of Compagnie de Saint-Gobain since June 2013.

His other offices and positions held during the last five years are described below.

Offices and duties held outside the Group	Other offices held outside the Group and expired over the past five years
None	• President of COMDEV (2021–2022) • President of Orchad SAS (2014–2019) • Director and member of the Nomination and Remuneration Committee of Solvay SA* (Belgium) (2017–2023) • Director and member of the Audit Committee of BioMérieux* (2014–2023)

* *Listed company.*

DOMINIQUE LEROY

Independent director
Member of the Nomination and Remuneration Committee
Principal office held: Member of the Management Board of Deutsche Telekom AG and Chief Executive Officer for Europe
Compagnie de Saint-Gobain – "Tour Saint-Gobain" – 12, place de l'Iris – 92400 Courbevoie, France

59 years

Nationality: Belgian

Number of shares held: 1,200

Date of first election: November 2017

Term start date: June 2019

Term end date: General Shareholders' Meeting convened to approve the financial statements for fiscal year 2026

EXPERTISE AND EXPERIENCE

Mrs. Dominique Leroy held various positions at Unilever Belgium and Benelux for 24 years. Having started out in marketing, finance and client development, between 1999 and 2006 she was appointed first Director of Operations Division, then Director of Logistics and finally Director of Client Development at Unilever Foods Belgium. Up to 2011, she was then Director of Client Development and member of the Management Committee, then Managing Director of Unilever Benelux, where she also sat on the Management Committee from 2008 to 2011.

In 2011, she joined Proximus Group (formerly Belgacom) as Vice Chairwoman with responsibility for sales and e-business for the Consumer Business Unit, before becoming its Executive Vice Chairwoman in June 2012. Between January 2014 and September 2019, Mrs. Dominique Leroy was Chief Executive Officer of Proximus Group, listed on the first market of Euronext Brussels. At Proximus Group, she also chairs the Boards of Directors of BICS and Be-Mobile and was a director of Proximus Art until 2019.

Mrs. Dominique Leroy has been Senior Advisor of Apheon Capital (formerly Ergon Capital Partners) since May 2020. She chaired the International Advisory Board of the Solvay Brussels School of Economics and Management until October 2019.

Mrs. Dominique Leroy has been a Director of Compagnie de Saint-Gobain since November 2017.

His other offices and positions held during the last five years are described below.

Offices and duties held outside the Group	Other offices held outside the Group and expired over the past five years
• Member of the Management Board of Deutsche Telekom AG* and Chief Executive Officer for Europe (outside Germany) • Member of the Board of Directors and the Nomination and Governance Committee of T-Mobile USA* (United States), a company controlled by Deutsche Telekom AG* • Member of the Board of Directors of OTE* (Greece) a subsidiary more than 50% owned by Deutsche Telekom AG* • Senior Advisor of Apheon Capital	• Member of the Supervisory Board, the Governance and Nomination Committee, the Risk Management Committee and the Sustainable Development and Innovation Committee of Ahold Delhaize* (Netherlands) (2016–2021) • Senior Advisor of Bain & Company (Belgium) (2019–2020) • Chief Executive Officer of Proximus* (Belgium) (2014–2019)

* *Listed company.*

JANA REVEDIN

Independent director
Principal office held: Architect and full professor of architecture and urban planning at the École Spéciale d'Architecture in Paris
Compagnie de Saint-Gobain – "Tour Saint-Gobain" – 12, place de l'Iris – 92400 Courbevoie, France

58 years

Nationality: German

Number of shares held: 1,200

Date of first election: June 2023

Term start date: June 2023

Term end date: General Shareholders' Meeting convened to approve the financial statements for fiscal year 2026

EXPERTISE AND EXPERIENCE

Mrs. Jana Revedin is an architect with a PhD in architectural and urban sciences, authorized to supervise research, and a full professor of architecture and urban planning at the ESA (Ecole Spéciale d'Architecture, Paris). She teaches at the IUAV University of Venice, where she obtained her PhD in architectural and urban sciences, then at the Beuth University of Berlin and the University of Umeå in Sweden as an associate professor of architecture and urban planning, as well as at the Blekinge Institute of Technology in Karlskrona, Sweden, as a full professor.

Mrs. Jana Revedin is also a member of the ENSALLAURE "Environment, city, society" research laboratory at the French National Center for Scientific Research (CNRS).

In 2006, she created the Global Award for Sustainable Architecture, which, under the patronage of UNESCO, is awarded every year to five architects committed to the search for a new architectural and urban ethical code.

Mrs. Jana Revedin has also been a UNESCO delegate and Advisor to the Education and Research Commission of the International Union of Architects (UIA) since 2010, a member of the Scientific Council of Société du Grand Paris and the Scientific Council of the European Commission for the Innovation of Building Materials, and an associate member of the Académie d'Architecture.

Mrs. Jana Revedin has been a director of Compagnie de Saint-Gobain since June 2023.

Offices and duties held outside the Group	Other offices held outside the Group and expired over the past five years
None	None

GILLES SCHNEPP

Director
Member of the Audit and Risk Committee
Principal office held: Chairman of the Board of Directors of Danone
Compagnie de Saint-Gobain – "Tour Saint-Gobain" – 12, place de l'Iris – 92400 Courbevoie, France

65 years

Nationality: French

Number of shares held: 1,200

Date of first election: June 2009

Term start date: June 2021

Term end date: General Shareholders' Meeting convened to approve the financial statements for fiscal year 2024

EXPERTISE AND EXPERIENCE

Mr. Gilles Schnepp began his career at Merrill Lynch in 1983 and was appointed head of the bonds and derivatives departments in 1988 and then Vice Chairman. In 1989, he joined the Legrand Group where he held several positions including that of Corporate Secretary and Chief Financial Officer, before being appointed Chief Operating Officer (2000), member of the Management Committee and Director (2001), Vice Chairman and Chief Executive Officer (2004), Chairman and Chief Executive Officer of Legrand (2006) and Chairman of the Board of Directors (2018), a term he held until June 2020.

From 2018 to 2021, he was Chairman of the Medef Ecological and Economic Transition Commission, where he is a member of the executive committee.

Mr. Gilles Schnepp has been a Director of Compagnie de Saint-Gobain since June 2009.

His other offices and positions held during the last five years are described below.

Offices and duties held outside the Group	Other offices held outside the Group and expired over the past five years
• Chairman of the Board of Directors of Danone* • Director, Chairman of the Nomination, Governance and CSR Committee and member of the Strategic Thinking Committee of Sanofi* • Director of Socotec	• Director (2002–2022) and Chairman of the Board of Directors (2018–2020) of Legrand* • Vice Chairman and Senior Independent Member of the Supervisory Board, Chairman of the Nomination, Remuneration and Governance Committee and member of the Finance and Audit Committee of Peugeot SA* (2019–2021)

* *Listed company.*

JEAN-DOMINIQUE SENARD

Lead Independent Director
Independent Director
Member of the Corporate Social Responsibility Committee
Principal office held: Chairman of the Board of Directors of Renault
Renault – 13, quai Alphonse le Gallo – 92100 Boulogne-Billancourt, France

70 years

Nationality: French

Number of shares held: 7,685

Date of first election: June 2012

Term start date: June 2020

Term end date: General Shareholders' Meeting convened to approve the financial statements for fiscal year 2023

EXPERTISE AND EXPERIENCE

Mr. Jean-Dominique Senard began his career with various financial and operational responsibilities within the Total Group from September 1979 to September 1987, before working at Saint-Gobain from 1987 to 1996.

From September 1996 to March 2001, he was Chief Financial Officer of the Pechiney Group and a member of the Group's Executive Committee. He then managed the Primary Aluminum Division of the Pechiney Group until 2004. Then, as a member of the Alcan Group Executive Committee, he was in charge of Pechiney's integration and Chairman of Pechiney SA.

Mr. Jean-Dominique Senard joined Michelin in March 2005 as Chief Financial Officer and member of the Executive Council of the Michelin Group. In May 2007, he became Non-Limited Partner of the Michelin Group before being appointed Limited Managing Partner in May 2011 alongside Mr. Michel Rollier, and then Chairman from May 2012 to May 2019.

Mr. Jean-Dominique Senard has been a Director of Compagnie de Saint-Gobain since June 2012.

His other offices and positions held during the last five years are described below.

Offices and duties held outside the Group	Other offices held outside the Group and expired over the past five years
• Chairman of the Board of Directors of Renault* • Director of Nissan Motor Co., Ltd.** (Japan) • Member of the Supervisory Board of Groupe Fives • Director of Groupe Center France – La Montagne S.A.	• Chairman of Michelin* (2012–2019)

* *Listed company.*
** *Listed foreign company.*

PHILIPPE THIBAUDET

Employee Director
Member of the Corporate Social Responsibility Committee
Principal office held: EHS Operations Manager
Saint-Gobain Isover – 19, rue Paul Sabatier – 71102 Chalon-sur-Saône, France

43 years

Nationality: French

Number of shares held: 7

Date of first election: May 2018

Term start date: June 2022

Term end date: General Shareholders' Meeting convened to approve the financial statements for fiscal year 2025

EXPERTISE AND EXPERIENCE

Mr. Philippe Thibaudet has spent his professional career at the Saint-Gobain Isover Chalon-sur-Saône plant as a continuous-shift production operator.

He began his union career path very early on, first at the Chalon-sur-Saône plant, then in the central, national and European union organizations of the Saint-Gobain Group as representative of the CGT.

He has been responsible for industrial activity and collective bargaining in all professional sectors covered by the CGT National Federation of Glass and Ceramic Workers.

Within the Saint-Gobain Isover and the Saint-Gobain Group union organizations, he held various elected and trade union offices, including Employee Representative, member of the CHSCT, member of the Works Committee, member of the Central Works Council, secretary of the CHSCT, member of the Company's Works Council, member of the Convention for European Social Dialog, Trade Union Delegate, SGI Central Trade Union Delegate, FNTVC-CGT Federal Secretary, as well as CWC Alternate Representative on the Saint-Gobain Isover Board of Directors.

Mr. Philippe Thibaudet has been EHS Officer at Saint-Gobain Isover in Chalon-sur-Saône since July 1, 2019.

Mr. Philippe Thibaudet has been a Director of Compagnie de Saint-Gobain since June 2018.

Offices and duties held outside the Group	Other offices held outside the Group and expired over the past five years
None	None

B – Appointments and reappointments proposed at the General Meeting of June 6, 2024

On the recommendation of the Nomination Committee, the Board of Directors, at its meeting of November 23, 2023, considering the departures in 2024 of Pierre-André de Chalendar (see the part on governance structure, section 5.1.2.A, p. 191) of Jean-Dominique Senard (who reached by the age limit), and Iêda Gomes Yell (who did not wish to be reappointed because she had reached the age limit before the end of a reappointment term), decided to submit to the General Meeting of June 6, 2024, the nominations of Sophie Brochu, Hélène de Tissot and Geoffroy Roux de Bézieux as independent directors [(1)] (see section 5.1.2.D p.195). If these appointments are approved by the General Meeting of June 6, 2024, the Board of Directors would be composed of 82% of independent directors, 37% foreign directors (excluding employee directors and employee shareholders, in accordance with the Afep-Medef Code), and 55% women.

C – Independence, diversity policy and representation of employee shareholders and employees on the Board of Directors

a) Independence

The Board has carried out the annual review of each Director's situation as of February 1, 2024, with regard to the independence criteria set out in the Afep-Medef Corporate Governance Code for French listed companies, with which the Company complies, at the proposal of the Nomination and Remuneration Committee.

As every year, during its meeting of February 29, 2024, the Board of Directors, scrutinized, with vigilance and with the same attention as the other criteria, the business relationships that may exist between the Saint-Gobain Group and the other entities or groups where each director holds an executive management position or chairmanship of a corporate administrative or supervisory body: Mr. Jean-Dominique Senard, Chairman of the Board of Directors of Renault, Mr. Gilles Schnepp, Chairman of the Board of Directors of Danone, Mrs. Dominique Leroy, member of the Board of Directors and Europe Chief Executive Officer of Deutsche Telekom AG, Mr. Jean-François Cirelli, Chairman of BlackRock France, Belgium and Luxembourg, and Mr. Thierry Delaporte, Chief Executive Officer of Wipro Limited. The Board's review, described below, concluded that, with the exception of Mrs. Dominique Leroy and Mr. Jean-Dominique Senard, none of these Directors, nor any company or group within which they hold office as senior executives or exercise Board chairmanship functions (or supervisory board) has any business relationship with Compagnie de Saint-Gobain, its Group or its management.

As no business relationships exist between the groups Danone, BlackRock or Wipro Limited, on the one hand, and Saint-Gobain, on the other hand, the Board of Directors conducted a quantitative and qualitative review of the situation of Mrs. Dominique Leroy and Mr. Jean-Dominique Senard and of business relationship between Deutsche Telekom and the Renault Alliance (Renault, Nissan, Mitsubishi), on the one hand, and Saint-Gobain, on the other.

Business flows between the Saint-Gobain and Deutsche Telekom groups represent less than 0.1% of their respective consolidated revenues, all activities combined and worldwide. Between the Renault Alliance and the Saint-Gobain group, business flows represent less than 0.1% of Renault's consolidated revenues and less than 0.5% of Saint-Gobain's consolidated revenues, all activities combined and worldwide. These figures are well below the 1% materiality threshold set by the Board of Directors. In addition, the Board of Directors noted that, given the

(1) *See their biographies in the press release of November 23, 2023: https://www.saint-gobain.com/sites/saint-gobain.com/files/media/document/20231123_Governance2024_VA.pdf.*

organization of the Saint-Gobain Group, its size and the diversity of its activities, it is not the Board's role to intervene in the commercial relations of the Group's various business units, which are managed on a decentralized basis by the departments concerned. Furthermore, Mrs. Dominique Leroy and Mr. Jean-Dominique Senard, in their capacity as Directors of the Saint-Gobain Group, have no direct or indirect decision-making power in the establishment or maintenance of these business relationships. If however such an issue were to be discussed at a Board meeting, the Board's internal rules provide for rules on the management of conflicts of interest, under which the Director concerned would have the duty to inform the Chairman of the Board of Directors and the Lead Independent Director of his or her situation and to abstain from participating in the discussions and deliberations on the matter in question (see section 9.1.1 B, p. 402).

On the basis of the above, the Board of Directors considered that Mrs. Dominique Leroy and Mr. Jean-Dominique Senard do not have, directly or indirectly, any significant business relationships with the Group that could affect their freedom of judgment or independence.

Note that Mr. Jean-François Cirelli is a director as an individual and not as a representative of BlackRock, which held 8.07 % of the capital and 7.33% of the voting rights of the Company [2] as of December 31, 2023 . Furthermore, Jean-François Cirelli was not appointed on the proposal of BlackRock. In addition, for the purposes of exercising the voting rights attached to the shares of the Company held by BlackRock, BlackRock has given a mandate to a third party who exercises these voting rights on behalf of BlackRock so that (i) Jean-François Cirelli cannot influence the exercise by BlackRock of its voting rights and that (ii) BlackRock cannot, based on its status as a shareholder and the related voting rights, influence Jean-François Cirelli's performance of his duties as a director.

Regarding the absence of conflicts of interest of members of the Board of Directors and the Company's entry into agreements subject to the procedure set out in Article L. 225-38 of the French Commercial Code, see the section on conflicts of interest and declarations relating to members of the Board of Directors, section 5.1.1.D, p. 188.

The Board of Directors concluded from its review of Directors' independence against the criteria set down by the Afep-Medef Code that, as of February 1, 2024, eight directors out of 11 (i.e., 73%) completely satisfied the independence criteria and were therefore considered to be independent directors: Iêda Gomes Yell, Pamela Knapp, Agnès Lemarchand, Dominique Leroy, Jana Revedin, Jean-François Cirelli, Thierry Delaporte and Jean-Dominique Senard. In compliance with the recommendations of the Afep-Medef Code, the employee directors and employee shareholders were not included in calculating that proportion.

The table below summarizes the results of the independence review of each Director in relation to the criteria set out in the Afep-Medef Code.

(2) *Ownership below the 10% capital or voting rights threshold referred to Article 10.7 in the Afep-Medef Code.*

Director	Criteria [a]							
	Criterion 1: *Employee or executive corporate officer during the previous 5 years*	Criterion 2: *Cross-directorships*	Criterion 3: *Significant business relationship*	Criterion 4: *Family ties*	Criterion 5: *Statutory Auditor*	Criterion 6: *Term of office of more than 12 years*	Criterion 7: *Non-executive corporate officer*	Criterion 8: *Major shareholder*
Pierre-André de Chalendar	✗	✓	✓	✓	✓	✗	✓	✓
Benoit Bazin	✗	✓	✓	✓	✓	✓	✓	✓
Jean-François Cirelli	✓	✓	✓	✓	✓	✓	✓	✓ [b]
Lydie Cortes	✗	✓	✓	✓	✓	✓	✓	✓
Sibylle Daunis-Opfermann	✗	✓	✓	✓	✓	✓	✓	✓
Thierry Delaporte	✓	✓	✓	✓	✓	✓	✓	✓
Iêda Gomes Yell	✓	✓	✓	✓	✓	✓	✓	✓
Pamela Knapp	✓	✓	✓	✓	✓	✓	✓	✓
Agnès Lemarchand	✓	✓	✓	✓	✓	✓	✓	✓
Dominique Leroy	✓	✓	✓	✓	✓	✓	✓	✓
Jana Revedin	✓	✓	✓	✓	✓	✓	✓	✓
Gilles Schnepp	✓	✓	✓	✓	✓	✗	✓	✓
Jean-Dominique Senard	✓	✓	✓	✓	✓	✓	✓	✓
Philippe Thibaudet	✗	✓	✓	✓	✓	✓	✓	✓

In this table, ✓ represents an independence criterion that has been met and ✗ represents an independence criterion that has not been met.

[a] *According to the criteria set forth in Recommendation 10.5 of the Afep-Medef Code: (i) not be or not have been within the previous five years an employee or executive corporate officer of Compagnie de Saint-Gobain or employee, executive corporate officer or Director of a company within the Compagnie de Saint-Gobain scope of consolidation, (ii) not hold a cross-directorship as defined by Recommendation 10.5.2 of the Afep-Medef Code, (iii) not have a significant business relationship with the Saint-Gobain Group, (iv) not be related by close family ties to an executive corporate officer of Compagnie de Saint-Gobain, (v) not have been Statutory Auditor of Compagnie de Saint-Gobain within the previous five years and (vi) not be a Director of Compagnie de Saint-Gobain for more than 12 years, it being specified that the loss of the status of independent Director occurs on the date when this 12 years is reached, (vii) not receive, for a non-Executive Director, variable compensation in cash or in the form of shares or any compensation linked to the performance of Compagnie de Saint-Gobain or the Saint-Gobain Group, and (viii) not represent a major shareholder of Compagnie de Saint-Gobain.*

[b] *Note that Mr. Jean-François Cirelli is a director as an individual and not as a representative of BlackRock, which held 8.07 % of the capital and 7.33 % of the voting rights of the Company as of December 31, 2023. Mr. Jean-François Cirelli does not represent BlackRock on the Board of Directors.*

b) Diversity policy, complementarity of skills and Director experience

As of February 1, 2024, four of the 11 members of the Board of Directors (36%) are foreign nationals (excluding employee directors and employee shareholders, in accordance with the Afep-Medef Code). In addition, the majority of directors have, or have had, very strong international exposure, managing groups with a significant proportion of their activities, or exercising significant duties, outside of France (see biographies in section 5.1.1,A p. 174).

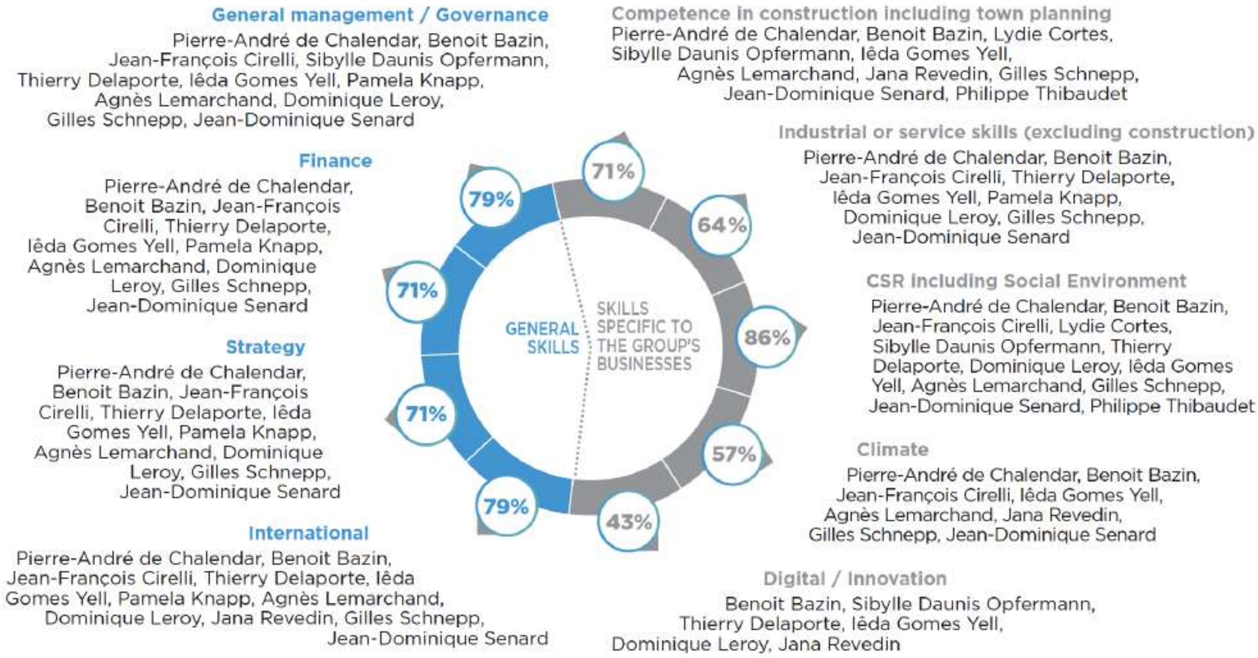
As part of its self-assessment of the work of the Board of Directors in 2023 (see section 5.1.2,E p. 191), the Board of Directors, taking into account in particular the appointments to be proposed to the General Meeting of 6 June 2024, assessed its composition very positively in terms of diversity, age, experience, complementarity of sectoral and functional skills and noted the rejuvenation, the internationalization and diversification of the Board (see biographies in section 5.1.1, p. 174).

The Directors considered that it would be desirable to continue to reduce the age and broaden the international scope of the Board of Directors as part of future replacements of directors in 2025 based on the needs resulting from the analysis of the skills matrix by the Nomination and Remuneration Committee by promoting the following research areas:

- Serving executive corporate officer,
- Good knowledge of the world of construction, materials and industry,
- Financial experience,
- International experience,
- Foreign director.

Lastly, the Board of Directors intends to maintain balanced numbers of men and women (see the paragraph on "Gender parity" below).

The chart below summarizes the skills of the members of the Board of Directors as of February 1, 2024, which were identified based on their respective backgrounds and experience (in particular, with the help of the outside firm responsible for assessing the Board of Directors in 2022) and validated by the Nomination and Remuneration Committee :



If the reappointments and appointments of directors are approved by the General Meeting of June 6, 2024, the following skills will be represented on the Board of Directors: General Management/governance 71%; Finance 71% ; Strategy 71% ; International 79% ; Competence in construction including town planning 50% ; Industrial or service skills (excluding construction) 57%; CSR including Social Environment : 79 % ; Climate 50 % ; Digital/Innovation 50 %.

c) Gender parity

As of February 1, 2024, the Board of Directors includes five women out of 11 members (45%), i.e., more than 40% women, in accordance with the provisions of Articles L. 225-17 et seq. of the French Commercial Code concerning the balanced representation of men and women on Boards of Directors. In accordance with the law, Mrs. Sibylle Daunis Opfermann, who represents employee shareholders, and employee representatives Mrs. Lydie Cortes and Mr. Philippe Thibaudet are not counted when calculating this proportion. Including them, the Board of Directors has 50% women.

d) Representation of employee shareholders and employees

Mrs. Lydie Cortes and Mr. Philippe Thibaudet were appointed as Employee Directors by the Company's Works Council (*Comité de Groupe*) in accordance with the Company's bylaws. These were amended by the General Shareholders' Meeting of June 7, 2018, to provide for the appointment of two Employee Directors regardless of the size of the Board of Directors, even though, given its size, the law only required the appointment of one Employee Director. This initiative, in anticipation of the Pacte Law published in May 2019, is fully in line with Saint-Gobain's culture of social dialog.

Sibylle Daunis Opfermann was appointed as director representing employee shareholders in accordance with the appointment procedures in the Company's bylaws. Sibylle Daunis Opfermann, Chairwoman of the Supervisory Board of the "Saint-Gobain PEG France" [(3)] collective employee shareholding vehicle (*fonds commun de placement d'entreprise*), was nominated as a candidate by this Supervisory Board. This candidacy was supported by the Supervisory Board of the "Saint-Gobain PEG Monde" corporate mutual fund, which did not propose any other candidates, nor did the employees holding registered shares. Sibylle Daunis Opfermann was reappointed as director representing employee shareholders by the Combined General Meeting of June 3, 2021. Her term will end at the close of the General Meeting called to approve the financial statements for the fiscal year ending December 31, 2024.

Employee directors and employee shareholders also receive training appropriate for the performance of their duties. These internal or external training courses are organized by the Company, which is solely responsible for them.

The Employee Directors and the Director representing employee shareholders are members of the Board of Directors in the same way as the other Directors and have voting rights. Subject to the laws applying specifically to them, these Directors are subject to all legal and statutory provisions, have the same rights and are subject to the same duties, as fixed, in particular, by the Board's internal rules, as those applicable to the other Directors.

(3) *Pursuant to Article 214-164-I of the French Monetary and Finance code, the Supervisory Board of the collective employee shareholding vehicle is made up of employees members representing the unit holders, who are themself unit holders, and of members representing the company. The President of the Supervisory Board of the collective employee shareholding vehicle shall only be elected among employees members representing the unit holders.*

By law, one member of the Economic and Social Committee (Mr. Vincent Cotrel, elected by the members of the Economic and Social Committee and representing employees) holds a seat on the Board of Directors in a consultative capacity.

The Company bylaws and the Board's internal rules provide that each Director must hold a minimum of 1200 registered shares, with the law exempting employee Directors, whether shareholders or not, from this type of obligation [4].

As of February 1, 2024, all the shares held by the Directors (including Mr. Benoit Bazin) represented 0.12% of the Company's capital stock.

D – Management of conflicts of interest and statements regarding members of the Board of Directors

a) Declaration of conflicts of interest

To the best of Compagnie de Saint-Gobain's knowledge, as of February 1, 2024, there are no family relationships between the Company's Directors and, within the past five years, no Director has been found guilty of fraud, been associated with a bankruptcy, sequestration, liquidation or placed into court ordered administration, has been accused or received an official public sanction issued by a statutory or regulatory authority and/or been disqualified by a court from holding the office of a member of an administrative, management or supervisory body of an issuer of securities, or from taking part in managing or conducting an issuer's business.

To the best of Compagnie de Saint-Gobain's knowledge, there are no conflicts of interest between Compagnie de Saint-Gobain and the personal and professional activities of the members of its Board of Directors, and there are no service contracts between any members of the Board and either Compagnie de Saint-Gobain or any of its subsidiaries that provide for the conferral of benefits at the term of such contracts. For this purpose, the Lead Independent Director reviewed the responses provided by each director to the questionnaire sent to them.

Should such a situation arise, the internal rules of the Board of Directors provide set out rules for managing conflicts of interest: the director in question would have a duty to inform the Chairman of the Board of Directors and the Lead Independent Director and refrain from participating in discussions and deliberations on the topic in question (see section 9.1.1 B, p. 402).

In addition, each year, each director is asked to provide a list of offices and positions held in all companies over the past five years and to respond to the Company's conflict of interest questionnaire.

b) Related-party agreements

As of February I, 2024 the following related-party agreements were entered into and will be submitted for approval by the General Meeting of June 6, 2024 :

1) Agreements for the Global Award for Sustainable Architecture

Three agreements related to the organization and production of the Global Award for Sustainable Architecture, which recognizes five architects each year whose achievements reflect the principles of sustainable development and meet the needs of societies, with a sustainable, innovative, participatory approach.
The person concerned is Jana Revedin, a member of the Company's Board of Directors and founder of the Global Award for Sustainable Architecture.

These agreements forming part of a single set of agreements, authorized by the Board of Directors on December 19, 2023, and entered into on December 22, 2023, break down as follows:

- an agreement with Jana Revedin for partnership and trademark licensing free of charge for three years, whereby Jana Revedin authorizes the Company to use the Global Award for Sustainable Architecture and GA Global Award for Sustainable Architecture trademarks in connection with the organization of the competition;
- a copyright assignment agreement with Jana Revedin in her capacity as co-author of two works dedicated to the work of the winners of the 2023 and 2024 editions of the Global Award for Sustainable Architecture, providing for a remuneration of €35,000 excluding taxes per work, including €27,000 excluding taxes per work for Jana Revedin, for a total of €70,000 excluding taxes for the two works, including €54,000 excluding taxes for Jana Revedin; and
- an agreement for the publication and distribution of these works with an international publishing house, not associated with Jana Revedin, for an estimated publishing cost of €43,400 excluding taxes per work.

The Global Award for Sustainable Architecture is a competition in line with the Group's activities and the values it promotes and is in line with its information policy.

2) Partnership support agreement with the Institut de l'Entreprise Endowment Fund

A partnership support agreement has been authorized by the Board of Directors on December 19, 2023. Under the terms and conditions of this agreement, the Group undertakes to provide a financial support of 300,000 euros VAT allocated to the activities from *Institut de l'Entreprise* related to education and training for teachers in the *Teachers-Companies/Melchior* Program and the creation of teaching materials through the *Melchior Planète* project.

The interested party is Pierre-André de Chalendar, Chariman of the Board of Directors of Compagnie de Saint-Gobain and Chairman of the *Institut de l'Entreprise* and the *Institut de l'Entreprise* Endowment Fund.

[4] *The General shareholders' meeting of June 8, 2023 has decided to increase the required number of shares of the Company that directors must hold from 800 shares to 1,200 shares. All the directors of the Company have complied with this obligation.*

The conclusion of the contract will enable the Group to benefit from the production of a case study on its activities and the free use of the productions of *Melchior Planète*, particularly for internal training purposes.

The *Institut de l'Entreprise* undertakes to organize training and exchange programs, such as webinars, for employees of the French Ministry of Education, to sensibilize and inform them about the issues of thermal renovation of buildings, with the participation of speakers from the Group.

In accordance with the provisions of Article L. 22-10-13 of the French Commercial Code, information on the agreements referred to in Article L. 225-38 of the French Commercial Code is available on the Company's website in the Governance/Board of Directors and Committees section: https://www.saint-gobain.com/sites/saint-gobain.com/files/media/document/decisions_ca_19_decembre_2023_EN.pdf.

The Statutory Auditors' special report mentioning the related-party agreements can be found in section 8.4, p. 389 of this Universal Registration Document.

c) Ordinary agreements

On February 27, 2020, on the recommendation of the Audit and Risk Committee, in accordance with Article L. 22-10-12 of the French Commercial Code, the Board adopted a procedure for regularly assessing whether agreements entered into in the ordinary course of business and under normal conditions meet these conditions. This procedure, updated in February 2023, indicates, in particular:

- the scope of the agreements at issue as well as a typology of the agreements that may be considered current for Compagnie de Saint-Gobain; and
- the determination of the persons in charge, within the Corporate Secretariat, the Treasury and Financing Department, the Finance Department and the Corporate Legal Department, of the classification of such agreements depending on the nature of the agreements in question.

E - Renewal of the Board of Directors and changes in its composition

The members of the Board of Directors may be re-elected in a staggered and balanced fashion as follows:

Date of expiration of the term of office	Director and date of first election
Upon completion of the General Meeting approving the financial statements for the fiscal year ended December 31, 2023 [(a)]	Pierre-André de Chalendar (June 2006) [(a)] Jean-François Cirelli (June 2020) Iêda Gomes Yell (June 2016) [(b)] Jean-Dominique Senard (June 2012) [(c)]
Upon completion of the General Shareholders' Meeting approving the financial statements for the fiscal year ended December 31, 2024	Benoit Bazin (June 2021) Sibylle Daunis-Opfermann (March 2020) Pamela Knapp (June 2013) Agnès Lemarchand (June 2013) Gilles Schnepp (June 2009)
Upon completion of the General Shareholders' Meeting approving the financial statements for the fiscal year ended December 31, 2025	Thierry Delaporte (June 2022) Lydie Cortes (May 2018) Philippe Thibaudet (May 2018)
Upon completion of the General Shareholders' Meeting approving the financial statements for the fiscal year ended December 31, 2026	Dominique Leroy (November 2017) Jana Revedin (June 2023)

(a) *Pierre-André de Chalendar's term of office will end at the close of the General Meeting called to approve the financial statements for the fiscal year ending December 31, 2025. However, as indicated in the Company's press release dated November 23, 2023, Pierre-André de Chalendar informed the Board of his decision to step down as Chairman of the Board and resign as a director as of the close of the General Meeting of June 6, 2024.*
(b) *Iêda Gomes Yell informed the Board of Directors that she would not seek reappointment as of the close of the General Meeting called to approve the financial statements for the fiscal year ended December 31, 2023, because she would reach the statutory age limit during her term if she were reappointed.*
(c) *Jean-Dominique Senard reached the age limit of 70 years during the 2023 fiscal year. His term of office will therefore end at the close of the General Meeting called to approve the financial statements for the 2023 fiscal year, in accordance with Article 9, Paragraph 8 of the Company's bylaws.*

During its meeting of November 23, 2023, the Board of Directors decided, on the recommendation of the Nomination and Remuneration Committee, to submit the appointments of Sophie Brochu, Hélène de Tissot and Geoffroy Roux de Bézieux to the General Meeting of June 6, 2024.

These three proposals will ensure changes in the environment are anticipated as effectively as possible and are in line with the following conclusions of the Board's 2022 assessment: one or more serving or former executive officers or with such experience within other major groups, a serving chief financial officer and a director with expertise in climate change issues. They are the result of research entrusted to a specialist consultant, at the request of the Appointments and Remuneration Committee and in conjunction with the work carried out under the aegis of the Lead Independent Director.

Summary of changes in the composition of the Board of Directors

The following table shows the changes in the composition of the Board of Directors in the 2023 fiscal year:

	General Shareholders' Meeting of June 8, 2023
Cessation of duties	Lina Ghotmeh [(a)] (November 2021)
Reappointment	Dominique Leroy [(a)] (November 2017)
Appointment	Jana Revedin [(a)] (June 2023)

(a) *Independent Director.*

The following table shows the composition of the Board of Directors with regard to independence, representation of women and representation of foreign members as of the close of the General Shareholders' Meeting of June 8, 2023:

	General Shareholders' Meeting of June 8, 2023
Percentage of independent directors [(a)]	73%
Percentage of women [(b)]	45%
Percentage of foreign nationals [(c)]	36%

(a) *In accordance with the rules set by the Afep-Medef Code.*
(b) *Excluding Employee Directors and Directors representing employee shareholders. If they were included, the Board of Directors would have 50% women.*
(c) *Excluding employee directors appointed under specific mandatory legal provisions.*

Summary of the composition of the Committees of the Board of Directors

The tables below show the composition of the three Committees of the Board of Directors as of the close of the General Meeting of June 8, 2023.

Audit and Risk Committee	As from the General Shareholders' Meeting of June 8, 2023
President	Pamela Knapp [(a)]
Members	Iêda Gomes Yell [(a)] Agnès Lemarchand [(a)] Gilles Schnepp

(a) *Independent Director.*

Nomination and Remuneration Committee	As from the General Shareholders' Meeting of June 8, 2023
President	Jean-François Cirelli [(a)]
Members	Lydie Cortes [(b)] Dominique Leroy [(a)]

(a) *Independent Director.*
(b) *Employee Director, not included in the ratio of independent Directors, in accordance with the recommendations of the Afep-Medef Code.*

Corporate Social Responsibility Committee	As from the General Shareholders' Meeting of June 8, 2023
President	Agnès Lemarchand [(a)]
Members	Jean-Dominique Senard [(a) (b)] Philippe Thibaudet [(c)]

(a) *Independent Director.*
(b) *Lead Independent Director.*
(c) *Employee Director, not included in the ratio of independent Directors, in accordance with the recommendations of the Afep-Medef Code.*

5.1.2 OPERATION OF THE BOARD OF DIRECTORS

A – Governance structure

a) Combination of the Chairman of the Board and CEO roles until June 30, 2021

After the end of a transitional period related to the succession of Jean-Louis Beffa, the Board of Directors decided at its meeting of June 3, 2010, that the roles of Chairman of the Board of Directors and Chief Executive Officer would be combined and to appoint Pierre-André de Chalendar as Chairman and Chief Executive Officer.

During Pierre-André de Chalendar's term of office, in particular when he was reappointed as a director in 2014 and 2018, the Board of Directors considered that the combination of the roles was in the company's best interest, as it enabled greater responsiveness and efficiency and was suited to its operation.

b) Separation of the roles of Chairman of the Board of Directors and Chief Executive Officer for a transitional period until June 6, 2024

In line with best corporate governance practices, starting in 2019, the Board of Directors of Compagnie de Saint-Gobain has been working in depth, under the responsibility of the Lead Independent Director and the Nomination and Remuneration Committee and with the assistance of an independent recruitment firm, on preparations for the succession of Mr. Pierre-André de Chalendar, Chairman and Chief Executive Officer.

In 2021, as a result of this process, the Board of Directors deemed it essential for Saint-Gobain that there is a seamless transition, by separating the roles of Chairman and Chief Executive Officer. On the proposal of Pierre-André de Chalendar, the Board unanimously decided to appoint Benoit Bazin as Chief Executive Officer, with effect from July 1, 2021 [(1)]. Pierre-André de Chalendar would continue to serve as Chairman of the Board of Directors. At the time of his reappointment in 2022, he indicated that he would serve as Chairman for a maximum of two years, i.e., no later than the General Meeting of June 6, 2024.

Benoit Bazin had also been appointed director of Compagnie de Saint-Gobain by the General Meeting of June 3, 2021.

This corporate governance structure ensured a smooth and successful transition in the context of the process of succession of Pierre-André de Chalendar, which began in 2019, when Benoit Bazin was appointed Deputy Chief Executive Officer and continued with his appointment as Chief Executive Officer on July 1, 2021.

During the transition period, the Board of Directors conducted in-depth work, under the supervision of the Lead Independent Director and the Chairman of the Board, in conjunction with the Nomination and Remuneration Committee. The Nomination and Remuneration Committee focused its work on the recomposition of the Board following the conclusions of the 2022 assessment and, to this end, appointed a a specialist consultant to select candidates for director roles to be proposed to the General Meeting.

In addition to informal contacts between Board members, this in-depth work included the following steps:

- the Lead Independent Director, Jean-Dominique Senard, met with all the members of the Board of Directors during the Board's assessment in October 2021 and October 2022;
- in October 2022, during the assessment of the Board of Directors by a specialist consultant, the consultant interviewed all the directors individually;
- the Lead Independent Director, Jean-Dominique Senard, chaired "executive sessions" without the presence of the Chief Executive Officer in November 2021, November 2022, and November 2023 concerning the Company's governance structure;
- in September 2023, the Lead Independent Director and the Chairman of the Board, in the presence of the members of the Nomination and Remuneration Committee, heard from a law firm specializing in governance;
- in October 2023, the Lead Independent Director and the Chairman of the Board met with all the Board members again;
- in November 2023, Benoit Bazin presented his vision of the Group's governance to the Lead Independent Director and the Chairman of the Board in the presence of the members of the Nomination and Remuneration Committee;
- in November 2023, the Lead Independent Director chaired an "executive session" without the presence of the Chief Executive Officer, during which he reported on Benoit Bazin's presentation. This "executive session" resulted in a unanimous consensus among the directors on the combined roles of Chairman of the Board of Directors and Chief Executive Officer and the appointment of a Lead Independent Director with greater authority.

c) Combination of roles starting on June 6, 2024, at the end of the transition period

Following the in-depth work described above carried out by the Board of Directors under the supervision of the Lead Independent Director and the Chairman of the Board, and in order to have the governance structure best suited to its ambitions and challenges and opportunities that arise, without any bias in principle on the structure to be adopted, the Saint-Gobain Board of Directors unanimously decided on November 23, 2023, not to change the structure that existed prior to the transition period with the combined roles of Chairman of the Board of Directors [(2)] and Chief Executive Officer. It thus decided:

- appoint Benoit Bazin as Chairman and Chief Executive Officer with effect from the General Meeting of June 6, 2024;
- that Jean-François Cirelli, an independent director since 2020, would be appointed as Lead Independent Director and Vice Chairman of the Board at the end of that general meeting called to vote on Jean-François Cirelli's reappointment as a director;
- that the authority of the Lead Independent Director would be increased (see below and section 9.1.1B p 402;

(1) *Benoit Bazin has been Deputy Chief Executive Officer since January 1, 2019.*
(2) *Pierre-André de Chalendar will step down as Chairman of the Board of Directors at the close of the General Meeting of June 6, 2024. He also expressed his intention to resign as a director at that time.*

- that the General Meeting of June 6, 2024, would be called to vote on an amendment to the Company's bylaws to make the appointment of a Lead Independent Director and Vice Chairman of the Board mandatory if the roles of Chief Executive Officer and Chairman of the Board of Directors are combined or if the Chairman of the Board of Directors is not independent.

The Board of Directors pragmatically decided to combine the roles of Chairman and Chief Executive Officer, taking into account the Group's operational and strategic specificities and the environment in which it operates. This will ensure clear, embodied of the Group's management as well as optimal alignment between the strategic objectives validated by the Board of Directors and their effective implementation in a decentralized, multi-location international organization. Combining the roles means that we can make the most of the momentum we have built up thanks to the recent simplification of the Group's chain of command, with a presence in more than 75 countries and a single CEO responsible for each of them. It also provides proximity, responsiveness, simplicity and stability for the teams, directors and shareholders.

The Board of Directors also took into account the skills and experience of Benoit Bazin, who, beyond his strategic vision and deep knowledge of the Group, demonstrated his ability to move the culture of Saint-Gobain forward and successfully transform the Group in terms of both its scope of activities and its operational, financial, social, and environmental performance, maintaining a regular, constructive dialog with the directors.

He also took into account the views expressed by the various employee representatives within it.

As was the case during Pierre-André de Chalendar's term, the Board of Directors will continue to discuss the appropriateness of the existing governance structure as part of the evaluation of its work.

d) Reinforcement of checks and balances within the Board of Directors

As part of its work, the Board of Directors decided to appoint a new Lead Independent Director and, aware of the expectations of investors, set out to increase both the authority of the Lead Independent Director and the independence of the Board of Directors.

The Board of Directors, taking into account the development of the practice within companies in France chaired by a combined Chairman of the Board/CEO and the expectations of certain investors expressed during the Company's dialog with them, had created the role of Lead Independent Director in June 2017, a position held by Mr. Jean-Dominique Senard, an independent director, since that date. This role had been maintained during the transition period since the Chairman of the Board of Directors, Pierre-André de Chalendar, was not independent.

Appointment of a new Lead Independent Director

In view of the end of Jean-Dominique Senard's term of office following the General Meeting of June 6, 2024, and the decision to have combined roles of Chief Executive Officer and Chairman of the Board, the Board decided at its meeting of November 23, 2023, to entrust the role of Lead Independent Director and Vice Chairman of the Board to Mr. Jean-François Cirelli, an independent director, following that Meeting and subject to his reappointment at the General Meeting of June 6, 2024.

The selection of Jean-François Cirelli was gradually established during the governance process described above, carried out under the supervision of Jean-Dominique Sénard, Lead Independent Director, in conjunction with the Nomination and Remuneration Committee, which focused its work on the recomposition of the Board of Directors.

Jean-François Cirelli has both knowledge of the industry and governance issues from his previous executive roles and knowledge of Saint-Gobain from being on the Board of Directors for nearly four years. He also has strategic skills, highlighted by his role in one of the main strategy firms, governance skills given his accumulated experience as a director of companies, and strong shareholder sensitivity from his responsibilities within one of the largest asset managers in the world (see biography in 5.1.1.A p. 174). For the purposes of exercising the voting rights attached to the Company's shares held by BlackRock, BlackRock has appointed a third party to exercise these voting rights on its behalf (see 5.1.1.C p. 184).

Furthermore, the Board of Directors considered that the exclusively non-executive duties performed by Jean-François Cirelli outside Saint-Gobain did not represent a position that could conflict with his future role as Lead Independent Director.

A Lead Independent Director with enhanced powers starting from the General Meeting of June 6, 2024

The General Meeting of June 6, 2024, will be called to vote on an amendment to the Company's bylaws to make the appointment of a Lead Independent Director and Vice Chairman of the Board mandatory if the roles of Chief Executive Officer and Chairman of the Board of Directors are combined or if the Chairman of the Board of Directors is not independent.

The Lead Independent Director's main responsibility is to oversee the efficient running of the Company's governance bodies. Effective June 6, 2024, he will serve as Vice Chairman of the Board of Directors, reflecting the importance of his role.

The internal rules of the Board of Directors, which will be applicable starting from the close of the General Meeting of June 6, 2024, provide that he will be in charge of the duties and have the resources listed below. The items in italics and underlined below reflect the extensive reinforcement of the duties and means of the Lead Independent Director in the internal rules of the Board of Directors that will apply starting from the close of the General Meeting of June 6, 2024, compared with the internal rules applicable before that date:

Duties:

- prevent and manage conflicts of interest;
- assess the organization and operation of the Board of Directors, <u>*distinguishing between the assessment of the Chairman and the assessment of the Chief Executive Officer;*</u>
- serve as a point of contact for shareholders of Compagnie de Saint-Gobain <u>*and contribute to shareholder engagement on governance issues; lead governance Road Shows*</u>; and
- in conjunction with the Chairman of the Board of Directors, ensure that the directors receive the information they need to perform their <u>*duties and act as their spokesperson with the Chairman of the Board when necessary;*</u>
- more generally, ensuring compliance with the internal rules of the Board of Directors.

Means:

- *ask* (*Note: could only "propose" previously*) the Chairman to add items to the *agenda of any Board meeting and be consulted on the agenda and schedule of Board meetings*;
- *convene and chair "Executive Sessions" in connection with his or her duties* (including at the end of a Board meeting), the purpose of which is to discuss and assess the Board's performance once a year; report the findings to the Chief Executive Officer;
- *preside over the directors' discussions at the end of Board meetings on the governance of the meeting in the presence of the Chief Executive Officer;*
- convene and chair the Board meetings in the event of the temporary inability or death of the Chairman;
- *ask the Chairman to convene the Board of Directors* on any specific agenda; the Chairman is bound by the Lead Independent Director's request;
- *lead* discussions at Board meetings relating about its assessment;
- *attend meetings of Committees of which he is not a member (Note: as was the case before, without having to obtain approval from the Chairman and Chief Executive Officer) in consultation* with the Chairman of the Committee in question, who informs the Chairman;
- *request, in the performance of his or her duties, external studies at the Company's expense or request the assistance of the Group's corporate secretary in the performance of his duties*;
- *meet* with the members of the Executive Committee after informing the Chairman.

Once a year, the Lead Independent Director reports on his actions to the Board of Directors.

A Board of Directors with strong independence

The proper operation of the Board of Directors also depends on the independence of its members.

Independent directors represent 73% of the Board members, and their proportion will be increased to 82% if the appointments and reappointments proposed at the General Meeting of June 6, 2024, are approved) (voir 5.1.1.B. p. 184).

They also represent three quarters of the members of the Audit and Risk Committee and 100% of the members of the Nomination and Remuneration Committee, as well as the Corporate Social Responsibility Committee, and Committee Chairpersons.

The particularly high level of independence of the Board of Directors ensures that the checks and balances introduced by the Board or already in place function smoothly.

e) Other pre-existing checks and balances

In addition to the role of Lead Independent Director and Vice Chairman of the Board and the proportion of independent directors on the Board and the Committees, balance is ensured in particular by:

- the limitation of the powers of the executive corporate officers regarding all capital expenditures, restructuring, disposals, acquisitions and financial investment and divestment projects in individual amounts greater than €150 million, and any material transaction that fall outside the scope of the Saint-Gobain Group's stated strategy, requiring the prior approval of the Board of Directors (see operating rules of the Board of Directors – internal rules, section 5.1.2, p. 191, and section 9.1.1, p. 400);
- the director representing the major shareholder (the Group Savings Plan Funds); and
- the Employee Directors appointed by the Saint-Gobain Group Works Council in accordance with the Company's bylaws and in application of the law.

It follows from the above that the checks and balances within the Board of Directors are ensured given the many pre-existing or reinforced factors, in particular the independence of the Board of Directors, and the extremely broad authority that the Lead Independent Director will have starting on June 6, 2024. Of particular Note is the Lead Independent Director's right to ask the Chairman to convene a meeting of the Board of Directors, the Chairman being bound by the Lead Independent Director's request.

B – Activities of the Lead Independent Director during fiscal year 2023

The Lead Independent Director carried out his activities during fiscal year 2023 in accordance with the duties and means described in the internal rules of the Board of Directors applicable during that fiscal year (voir 9.1.1.B p. 402).

In 2023, the Lead Independent Director attended nine of the 10 meetings of the Board of Directors and three of the four meetings of the Corporate Social Responsibility Committee, of which he is a member.

At the meeting of the Board of Directors on February 29, 2024, Mr. Jean-Dominique Senard presented a review of his activity as Lead Independent Director for fiscal year 2023. His work especially consisted of:

- working with the Chairman of the Board of Directors and in conjunction with the Nomination and Remuneration Committee to perform the in-depth work of the Board of Directors on the Company's governance structure (see above);
- working with the Nomination and Remuneration Committee to examine the independent status of the Directors in light of the criteria set out in the Afep-Medef Code (including through the review of conflict-of-interest questionnaires and the analysis of business relationships);
- discussing the succession plan for the Chief Executive Officer in the event of a vacancy with the Chairman of the Board of Directors;
- conducting the assessment of the organization and operation of the Board and its Committees, which took place as follows in January and February 2024:
  - the Lead Independent Director reviewed the draft questionnaire to be submitted to the directors prepared by the General Secretary as well as the answers provided, all Directors having had the opportunity to discuss them with the Lead Independent Director;

  - the Lead Independent Director spoke with the Chairman of the Board and the Chairman of the Nomination and Remuneration Committee and was available to the Directors who wanted to discuss the individual contributions of the Directors to the work of the Board in terms of their skills and their respective participation in deliberations;
  - the Lead Independent Director presented the results of this self-assessment to the directors,
- meeting, in view of the General Shareholders' Meeting on June 8, 2023, at the request and with the participation of the Chairman of the Board of Directors, with several shareholder groups to discuss the governance of Saint-Gobain;
- meeting, in late 2023, after the announcement of the change in governance decided on November 23, 2023, at the request and with the participation of the Chairman of the Board of Directors, with all the major shareholders who so wished to discuss the announced governance;
- reviewing the draft agendas for the meetings of the Board of Directors and the Committees in fiscal year 2024;
- reviewing section 5.1.1, p. 174 of this chapter on the "Composition of the Board of Directors" and section 5.1.2, p. 191 regarding the "Operation of the Board of Directors".

The Lead Independent Director presented a summary of his fifth year in that office to the shareholders at the General Meeting held on June 8, 2023.

C – Operating rules of the Board of Directors – internal rules in force on February 1, 2024

In line with the recommendations of the Afep-Medef Corporate Governance Code for French listed companies, the Board of Directors adopted a set of internal rules in 2003, as a supplement to the applicable laws and regulations and the Company's bylaws, aimed at defining the conditions for the operation of the Board and its Committees (Nomination and Remuneration Committee, Audit and Risk Committee and Corporate Social Responsibility Committee), as well as the Lead Independent Director's responsibilities and powers.

The version of the Board's internal rules in force on February 1, 2024, incorporating successive revisions of the Afep-Medef Code and the PACTE Law, is reproduced in its entirety in section 9.1.1 B, p. 402, with the exception of the provisions regarding the Board Committees, which are reproduced in the paragraphs indicated below.

The internal rules of the Board of Directors that will apply following the close of the General Meeting of June 6, 2024, are also fully reproduced in section 9.1.1 B, p. 402, with the exception of the provisions concerning the Board Committees, which are reproduced in the paragraphs indicated below and are not the subject of amendments in the Board's internal rules that will apply following the General Meeting of June 6, 2024.

a) Deliberations of the Board of Directors

The internal rules in force on February 1, 2024, provide for Board activities to include the following:

- examination and approval of the Saint-Gobain group annual report and consolidated and corporate financial statements, both annual and biannual;
- examination and approval each year of the Saint-Gobain group budget;
- examination and approval of the strategic orientations of the Saint-Gobain group at least once a year and monitoring of their implementation, taking into account the social and environmental challenges of its business;
- prior approval of investment transactions, restructurings, disposals, acquisitions, taking or selling of equity interests in individual amounts greater than €150 million, and any significant transaction not falling within the strategy announced by the Saint-Gobain group.

b) Ability to debate without the presence of the executive corporate officers

The Board's internal rules in force on February 1, 2024, afford Directors the authority to meet without the presence of the executive corporate officers during or after a session, in order to assess the performance of the executive corporate officers and to reflect on the future of the Saint-Gobain Group's General Management. Thus, each year, the Chief Executive Officer leaves the sessions of the Board and the Nomination and Remuneration Committee during such discussions (deliberations and votes) on issues involving the assessment of his performance and the setting of his variable compensation (February sessions), as well as during the Board's assessment, of governance issues, and on his long-term compensation scheme (November sessions). In November 2023, a meeting of the Board of Directors was held exclusively without the presence of the Chief Executive Officer, as well as in November 2022.

The Board of Directors intends to continue to meet in 2024 without the presence of the executive corporate officers to discuss governance issues more generally, beyond the issues of executive corporate officers' compensation and the Board assessment. As indicated above, the internal rules of the Board that will apply following the General Meeting of June 6, 2024, includes new provisions relating to *executive sessions* that may be held at the end of Board meetings or at any other time.

c) Prior and ongoing information for directors

At each meeting, the Board is provided with an analysis of the Saint-Gobain group's operating income and net debt situation, prepared as of the end of the month preceding the meeting.

Between meetings, the Directors receive copies of all press releases issued by Compagnie de Saint-Gobain and, as the case may be, any relevant information about events or transactions that are material for Saint-Gobain. They are entitled to request any other documents they consider necessary to make an informed contribution to the Board's discussions; requests are put to the Chairman of the Board of Directors, who may submit the request to the Board for a decision.

The Chairman of the Board of Directors and the Lead Independent Director ensure that the Directors receive the information they need to perform their duties under the best possible conditions.

d) Duties of the directors

The internal rules stipulate the duties of Directors, specifically with regard to stock trading ethics (status of occasional insider, closed periods, reporting of trades involving Saint-Gobain securities and the obligation to hold their Saint-Gobain shares in registered form), with regard to confidentiality and the management of potential conflicts of interest.

e) Other provisions in the internal rules

Finally, the internal rules provide for the distribution of the annual amount allocated by the General Shareholders' Meeting as compensation for the work of the Directors and the right of Directors to additional training on the specific activities of the Saint-Gobain group, its businesses, business lines and Corporate Social Responsibility challenges (see section 9.1.1, p. 400).

D – Principal activities of the Board and its Committees during fiscal year 2023

Principal activities of the Board of Directors and its Committees during fiscal year 2023

The Board of Directors held 10 meetings during the 2023 fiscal year (compared with nine in 2022). The attendance rate of the Directors in office as of February 1, 2024, for all of those sessions was 96%.

The table below summarizes the attendance of Directors, on an individual basis, at meetings of the Board of Directors and its Committees (Audit and Risk Committee, Nomination and Remuneration Committee and Corporate Social Responsibility Committee) of which they are members as of February 1, 2024.

	Attendance at			
	10	4	6	4
First and last name (function)	Board meetings [a]	meetings of the Audit and Risk Committee	meetings of the Nomination and Remuneration Committee	meetings of the Corporate Social Responsibility Committee
Pierre-André de Chalendar *(Chairman of the Board of Directors)*	100%	_	_	_
Benoit Bazin *(Chief Executive Officer)*	100%	_	_	_
Jean-François Cirelli *(Independent Director)*	100%	_	100%	_
Lydie Cortes *(Employee Director)*	100%	_	100%	_
Sibylle Daunis-Opfermann *(Director representing employee shareholders)*	100%	_	_	_
Thierry Delaporte *(Independent Director)*	100%	_	_	_
Iêda Gomes Yell *(Independent Director)*	90% [1]	100%	_	_
Pamela Knapp *(Independent Director)*	90% [1]	100%	_	_
Agnès Lemarchand *(Independent Director)*	80% [2]	50% [4]	_	75% [5]
Dominique Leroy *(Independent Director)*	100%	_	100%	_
Jana Revedin [3] *(Independent Director)*	100%	_	_	_
Gilles Schnepp *(Director)*	100%	100%	_	_
Jean-Dominique Senard *(Lead independent Director)*	90% [1]	_	_	75% [5]
Philippe Thibaudet *(Employee Director)*	90% [1]	_	_	100%

(1) *The 90% rate corresponds to one missed Board meeting.*
(2) *The 80% rate corresponds to two missed Board meetings.*
(3) *As of June 8, 2023, the date of her appointment as a director by the General Shareholders' Meeting.*
(4) *The 50% rate corresponds to two missed committee meetings.*
(5) *The 75% rate corresponds to one missed committee meeting.*

In accordance with the recommendations of the Afep-Medef Code on multiple directorships, with which the Company complies, an executive director officer should not hold more than two other directorships in listed companies, including foreign companies, not affiliated with his or her group. He or she must also consult the Board before accepting any new appointment in a listed company. A director should not hold more than four other directorships in listed companies, including foreign companies, not affiliated with his or her group. This recommendation applies at the time of appointment or the next reappointment of the director in question. The director must keep the Board of Directors informed of directorships held in other companies, including his or her participation in Board committees of these French or foreign companies.

To the best of the Board's knowledge, all these rules are respected by all the directors.

In addition, and as shown by the attendance rate of directors at meetings of the Board and its Committees (see attendance table above), the directors have a very high attendance rate. The various offices held by each of them allow the directors to devote the necessary time and attention to their duties.

The principal topics discussed during Board meetings are listed below.

Monitoring of the Group's strategic orientations, its geographical presence and its business lines

At each meeting except for meetings held on the same day as the General Shareholders' Meeting, consistent with its internal rules, the Board of Directors analyzed the Group's situation. In addition, during each of these meetings, including a full-day seminar dedicated to the presentation of the Group's strategy, the Board of Directors reviewed and approved the Group's strategic orientations or examined its pipeline M&A or a specific aspect of the strategy, such as:

- comparison with the main competitors;
- the position of a business or a region after having heard, if relevant, an operational manager from the relevant business lines or regions;
- a particularly important industrial investment ;
- presentation of the CO_2 roadmaps, innovation, digital.

The Board of Directors also examined the proposed disposals, in particular the finalization of the disposal of its distribution activity in the United Kingdom (see section 1.4.5 p. 41). It also reviewed proposed acquisitions, including that of Building Products of Canada Corp. and Dalsan (see section 1.4.5 p. 41).

In addition, it examined the Group's geographical exposure, particularly with regard to the war in Ukraine and its consequences.

The Board of Directors also monitored the progress of the Group's cost reduction and operational excellence measures year on year.

Financial management

Pursuant to its legal competency, the Board of Directors approved the annual and consolidated financial statements for the 2022 fiscal year and the consolidated financial statements for the first half of 2023, the various reports relating to them, as well as the strategy and outlook for 2023 and 2024, after hearing the opinions of the Chairwoman of the Audit and Risk Committee and the Statutory Auditors. The Board also approved the draft resolutions submitted to the General Shareholders' Meeting of June 8, 2023, in particular the proposed dividend distribution, and the reports made available to shareholders, and convened the meetings of shareholders and holders of participating shares. It approved the report on payments made to Governments (extractive industries).

It approved the Group's 2023 budget presented by Mr. Benoit Bazin and the various provisional management reports and documents and renewed the annual authorizations granted to the Chief Executive Officer to issue bonds, sureties and guarantees. It also reviewed and updated, on the proposal of the Audit and Risk Committee, the procedure applicable to the current agreements entered into under normal terms and conditions and examined the related-party agreements approved or entered into during the fiscal year 2023 or previous fiscal years, the execution of which was ongoing during fiscal year 2022.

It approved the implementation of the Company's share buyback program.

Internal control and risk management

The Board of Directors undertakes an annual review of the internal control and risk management processes in force within the Group, following analysis of the mapping of major financial and non-financial risks updated in 2023 by the Audit and Internal Control Department, and after hearing the report of the Chairwoman of the Audit and Risk Committee on these topics.

In particular, the Board of Directors and the Audit and Risk Committee examine and monitor the continued roll-out of the Saint-Gobain group cybersecurity plan. It was decided to implement, following the 2017 NotPetya cyberattack, an annual monitoring plan and a general external audit of Saint-Gobain Group's IT at the request of the Audit and Risk Committee. This audit was conducted annually over the period 2018–2021. In 2022, sufficient progress had been made in order to move to a permanent and automated control system. In this context, audits will now be conducted every two years. The most recent audit, conducted in early 2023, found that Saint-Gobain had a good level of maturity in this area and confirmed or defined the actions to be taken in this area. In addition to external audits, Saint-Gobain has obtained certifications at the level of some of its activities or factories (SOC2 certification for GCP, TISAX certification for several High-Performance Solutions factories).

It was also informed of the compliance program.

In addition, it examined the Group's geographical exposure (see above).

On several occasions, it reviewed the position of the Company and Group with regard to certain risks in particular, procedures, litigation, and related provisions (notably in relation to asbestos, competition, the Grenfell Tower fire in the United Kingdom, and PFOA) and the evolving regulatory environment.

Finally, the Board of Directors reviewed the services assigned to the Statutory Auditors and their network as authorized by the Audit and Risk Committee.

Corporate Social Responsibility/Climate change

Over four sessions, one point on the agenda was dedicated to Corporate Social Responsibility matters, more specifically the following topics:

- 2022 environmental and climate results and non-financial information;
- expectations of credit rating agencies regarding non-financial reporting;
- update on the CO_2 roadmap and environmental strategy including the climate strategy within the framework of the 2030 targets, validated by the Science-Based Targets initiative, to contribute to global carbon neutrality by 2050, comprising numerous levers, including product design offering mitigation opportunities, circularity, improvement of the Group's processes, the Group's use of low-carbon solutions, the use of decarbonized energy and implementation of action plans on scope 3, (see sections 1.5.1, p. 53, and 1.5.2, p. 56) ;
- policy on water abstraction and discharge and action plans in this area;
- presentation of the circular economy;
- ethics and impact of the Group's activities on stakeholders;
- review of the compliance program (competition, embargoes, anti-corruption) (see section 2.3.1 p. 78) ;
- the human resources policy (see section 2.3.2, p. 80, and below) and in particular, the non-discrimination and diversity policies both at Group level and for the Senior Management. With regard to gender diversity, the Board of Directors has noted the progress made and new measures were adopted in 2020 and 2022, on the proposal of the General Management, setting gender diversity targets within the management bodies of Compagnie de Saint-Gobain and its subsidiaries by 2025: namely 40% women hired, 25% women senior executives, 30% women on the Executive Committee of Compagnie de Saint-Gobain, and on the Executive Committees of the Business Units, and 40% of women overall on the boards of the Business Units. To achieve these targets, it was decided to require that at least 40% of new hires be women and require gender diversity among spokespersons. The monitoring of these objectives was discussed at the Board meeting of November 2023;
- presentation of the results of the me@Saint-Gobain 2022 survey, a tool for assessing and managing the Group's transformation, with more than 125,000 employees responding to this survey;
- various actions in favor of inclusions, such as solidarity actions facing emergency situations (war in Ukraine), the implementation within the Group of diversity and inclusion programs with the objective of considering all types of potential discrimination (gender, disability, social and ethnic origins, etc.), and the development of training in construction trades with multiple societal and inclusive actions and operations adapted to the challenges, local needs and cultures.

In April 2023, the directors took part in training organized specifically for them by the Climate Change Group, which involved each of them taking part in the Climate Fresk.

This collaborative workshop based on IPCC data was designed to enable each director to better understand the workings, scale and complexity of issues posed by climate change.

It is recalled that the Directors had participated in seminars in February 2018, April 2019, April 2020, April 2021, and April 2022 devoted, respectively, to climate change and its consequences for companies, the circular economy and its challenges for companies, the transformation of energy and industrial systems in a zero-carbon economy, biodiversity and "The City of the Future".

Governance

The Board of Directors made decisions regarding the governance of the Company following the transition period initiated in 2021 (see section 5.1.2.A p. 191 above).

In accordance with the Afep-Medef Corporate Governance Code for listed companies and under the supervision of the Lead Independent Director, the Board formally conducted the annual assessment of its operations and discussed the results of this assessment (see the assessment of the Board's performance in section 5.1.2, p. 191).

It satisfied itself that a succession plan for the Chief Executive Officer, in the event of an unforeseeable vacancy, exists and has been implemented.

The Board of Directors reviewed the situation of Director independence. At the proposal of the Nomination and Remuneration Committee, it also discussed changes in its size and composition due to the expiration of the terms of office of certain Directors.

Lastly, it ruled on the training program for the Employee Directors.

Compensation of corporate officers and long-term incentives for executive corporate officers and employees

The Board established:

- at its meeting of February 23, 2023, the general principles of the compensation policy for the Chairman of the Board and the Chief Executive Officer for fiscal year 2023; and
- at its meeting of February 29, 2024, for the 2024 fiscal year (see section 5.2.1, p. 205), the general principles of the compensation policy for:
  - the Chairman of the Board of Directors and the Chief Executive Officer for the period from January 1, 2024, until the end of the General Shareholders' Meeting of June 6, 2024; and
  - the Chairman and Chief Executive Officer for the period from the close of the General Meeting of June 6, 2024, to December 31, 2024.

In particular, it reviewed and approved the various components of the compensation of Mr. Benoit Bazin (fixed portion, variable portion and long-term compensation instruments) and the respective balance of those various components.

At its meeting of November 23, 2023, the Board also decided to implement and approve the main characteristics of the 2023 performance share plan and set the performance criteria of that plan that may benefit executive corporate officers and certain categories of employees (see section 5.2.4, p. 240).

As part of the ongoing development of employee shareholders, the Board resolved to again offer its employees and former employees the opportunity to subscribe to, under certain conditions, a capital stock increase reserved for them in 2024, up to a maximum of 6.5 million shares, i.e., approximately 1.28 % of the capital stock (see section 7.1.6, p. 285).

Principal activities of the Committees during fiscal year 2023

Board Committees

The Board has three Committees designed to facilitate its functioning and contribute effectively to the preparation of its deliberations: the Audit and Risk Committee, the Nomination and Remuneration Committee and the Corporate Social Responsibility Committee.

These Committees do not have their own decision-making authority (barring specific provision otherwise provided for by the internal rules of the Board of Directors as regards the Audit and Risk Committee's approval of services other than the certification of accounts assigned to the Statutory Auditors), and report to the Board regarding their activities, conclusions and proposals.

The Board's internal rules incorporate the rules governing the composition, prerogatives and responsibilities of each Committee, as described below.

The activities of these three Committees during fiscal year 2023 were regularly presented to the Board in the form of activity reports and proposals.

Composition of Committees

The Board's practice is to allow some time for all new Directors to adapt and train before proposing them to join a Committee.

At the recommendation of the Nomination and Remuneration Committee, the Board of Directors thus considers, on a case-by-case basis, the opportunity to propose to Directors their participation in one of the three Committees, depending upon the most appropriate schedule. Further, in its examination of the composition of the Committees and appointment of new Directors to these Committees, the Board ensures compliance with the recommendations of the Afep-Medef Code with regard to the proportion of independent Directors on these Committees.

In view of the Board reappointments and appointments planned and forthcoming in 2025, the Board and the Nomination Committee will review the changes to be made to the composition of each of the Committees as part of their work.

Audit and Risk Committee

Composition	
President	Pamela Knapp
Members	Iêda Gomes Yell Agnès Lemarchand Gilles Schnepp

75% independent directors

88% attendance rate

As of February 1, 2024, three of the four members of the Audit and Risk Committee are independent Directors (75%), including its Chairwoman. No executive corporate officers sit on the Committee.

By virtue of their current or past positions as Chief Financial Officers and/or Chief Executive Officers, each Committee member has considerable experience and high-level expertise in financial and accounting matters (see biographies in section 5.1.1, p. 174).

The Audit and Risk Committee is chaired by Mrs. Pamela Knapp, who began her career as a consultant in the field of mergers and acquisitions, was Chief Financial Officer of Siemens SA, Belgium and Luxembourg, then in the Power Transmission & Distribution sector of Siemens Group. She is currently a member of the Supervisory Board of Lanxess AG (a company listed in Germany) and Signify N.V. (a company listed in the Netherlands) and sits on the audit committees of each of these companies. Among other offices, she was also a member of the Supervisory Board and the Finance and Audit Committee of Peugeot SA from 2011 to 2021.

Mrs. Iêda Gomes Yell has senior management experience in a large international group and strong financial expertise. In particular, she was Director and member of the Audit and Risk Committee and of the Strategic Committee of Bureau Veritas from 2013 to 2021.

Mrs. Agnès Lemarchand has held General Management positions primarily in industrial groups in the construction sector, and internationally, enabling her to provide financial expertise as well as a business vision useful for internal control and risk management. She was also a director and member of the Audit Committee of BioMérieux from 2014 to 2023.

Mr. Gilles Schnepp began his career at Merrill Lynch where he was head of the Bonds and Derivatives Departments. He brings his extensive financial experience to the Committee, particularly given his experience as Chief Financial Officer and Chairman and Chief Executive Officer of Legrand, Chairman of the Board of Directors of large listed companies and Chairman of the Finance and Audit Committee of Peugeot SA from 2019 to 2021, bearing in mind that he is currently Chairman of Danone's Board of Directors.

It should be noted that each newly appointed member consults with the Group's Chief Financial Officer on specific accounting, financial and operational aspects of the Saint-Gobain group.

Responsibilities (excerpts from the Board's internal rules)

In accordance with the internal rules of the Board of Directors in effect on February 1, 2024, the Audit and Risk Committee has the following responsibilities:

- without encroaching on the role of the Board of Directors, the Audit and Risk Committee is primarily responsible for overseeing the following matters:
  - the process of preparing financial and non-financial accounting information;
  - the efficiency of the internal control and risk management systems;
  - work performed by the Statutory Auditors on the financial statements of the Company and the Group;
  - independence of the Statutory Auditors.

- it ensures that any questions relating to the preparation and control of financial and non-financial accounting information are followed up on, that the accounting policies used to prepare the financial statements are both appropriate and applied consistently from one period to the next, and that the internal procedures used to collect and control accounting and financial information provide the necessary assurance in this regard;
- it reviews the annual and consolidated financial statements, and the interim consolidated financial statements, as presented by General Management, prior to their examination by the Board of Directors;
- it reviews the scope of consolidation and, if applicable, the reasons why any companies have been excluded;
- it reviews significant risks, including those of a social and environmental nature, and off-balance sheet commitments, based on an explanatory report prepared by the Chief Financial Officer;
- it receives updates from general management on organization and operation of the risk management system;
- it reviews the Group's internal control action plan and receives updates at least once a year on the plan's results;
- it makes recommendations concerning the organization of the internal audit function and receives a copy of the internal audit program as well as executive summaries of the internal audit reports;
- it reviews the external Statutory Auditors' work plan and conclusions of their checks. It receives a post-audit report prepared by the Statutory Auditors concerning their main observations and the accounting options selected for preparation of the financial statements;
- it conducts the Statutory Auditor selection process, expresses an opinion on the amount of proposed statutory audit fees requested for performing tasks connected with a statutory audit, submits the results of the selection process to the Board and puts forward candidate Statutory Auditors for appointment by the General Shareholders' Meeting;
- it approves, with regard to rules in force and in accordance with the procedures implemented within the Group, under the responsibility of the Board of Directors, the services other than the certification of the accounts they can be assigned to the Statutory Auditors and members of their network to be provided to Compagnie de Saint-Gobain and other Group entities;
- each year it reviews the Statutory Auditors statement of independence, the amount and breakdown of the fees paid to them and to the members of their network by the Group over the past year, by category of service, as well as the percentage of these fees in their turnover, and reports to the Board its opinion concerning the Statutory Auditors' independence.

Operation during fiscal year 2023

The Audit and Risk Committee met four times in 2023, in February, April, July and September. The attendance rate of its members at all these meetings was 88%.

The following were the major topics of discussion:

- detailed advance review of the annual and consolidated financial statements for fiscal year 2022 and the interim consolidated financial statements for the first half of 2023 and discussions with General Management, the Finance Department, the Internal Control Department and the Statutory Auditors. On these occasions, the Committee discussed with the Statutory Auditors the main audit issues raised with the Finance Department during the accounts closing process, particularly the key risk exposures, especially climate risks and material off-balance sheet commitments. The main points of the results of the statutory audit, as well as the accounting options applied, were also discussed;
- review of the Audit and Internal Control Department's activity report for fiscal year 2022, audit plans for 2023 and 2024, the activity report for the first half of 2023, and the report on major fraud incidents;
- review of work related to the 2023 update of the mapping of major financial and non-financial risks by the Audit and Internal Control Department and discussion with General Management, the Finance Department and the Audit and Internal Control Department;
- update on the continued roll-out of the Saint-Gobain Group's cybersecurity plan and on the audit conducted in 2023, which concluded that the Group had a good level of maturity in this area;
- update on the compliance program with a presentation by the Group Head of Compliance, particularly concerning the anti-corruption program pursuant to the Sapin II Law, competition law and economic sanctions and control of exports;
- situation resulting from the development of litigation, in particular related to asbestos in the United States, the Grenfell Tower fire in the United Kingdom and PFOA, its exposure to certain countries whose geopolitical situation has been or is changing, and changes in the regulatory environment. The Committee regularly discusses in detail with the Statutory Auditors the financial and accounting consequences, including the related provisions, of this litigation for the US subsidiaries involved and for the Group, in order to present a report on this issue to the Board;
- update on the Group tax policy with a presentation by the Group Tax Officer;
- update on the product compliance program;
- update and proposal to update the procedure for standard agreements entered into under normal conditions;
- authorization for services other than statutory certification assigned to the Statutory Auditors and review of fees received by each Statutory Auditor of the Group's companies for fiscal year 2022 and the first half of 2023 for their auditing assignments, as well as for their other services (see section 9.1.4, note 14, p. 409).

In addition, the Committee interviewed the Statutory Auditors (without anyone else in attendance) and then interviewed individually the Head of Treasury and Financing, the Head of Financial Management, the Chief Financial Officer, and the Head of the Internal Control Department in accordance with the recommendations of the Afep-Medef Code of Corporate Governance for listed companies.

The Committee reported to the Board on its activities and offered its recommendations during the Board meetings of February 23, 2023, April 19, 2023, July 26, 2023, and October 6, 2023.

Nomination and Remuneration Committee

Composition	
President	Jean-François Cirelli
Members	Lydie Cortes Dominique Leroy

100% independent directors

100% attendance rate

As of February 1, 2024, two out of three members of the Nomination and Remuneration Committee were independent Directors, plus one Employee Director in accordance with the recommendations of the Afep-Medef Code (see section 5.1.1, p. 174). The Employee Director is not included in the computation of the ratio of independent Directors, in accordance with the recommendations of the Afep-Medef Code and the Committee is therefore t 100% composed of independent Directors.

Jean-François Cirelli has chaired the Committee since the General Meeting of June 2, 2022. He is currently Chairman of BlackRock France, Belgium and Luxembourg, one of the world's largest asset managers. In the past, he was notably Chairman and CEO of Gaz de France.

Mrs. Dominique Leroy has held executive positions in a large international group. She is also a member of the T-Mobile USA nomination and governance committees.

Therefore, the members of the Nomination and Remuneration Committee have extensive experience, particularly in the areas of governance and remuneration (see their biographies in section 5.1.1, p. 174).

Lastly, Mrs. Lydie Cortes, employee director, also sits on the Nomination and Remuneration Committee.

Responsibilities (excerpts from the Board's internal rules)

The Committee fulfills the duties of both a Nominations Committee and a Compensation Committee, provided for in the Afep-Medef Corporate Governance Code for French listed companies.

According to the Board's internal rules in force as of February 1, 2024, it has the following responsibilities:

- the Nomination and Remuneration Committee is responsible for making proposals to the Board of Directors in all cases where one or more seats on the Board fall vacant or the terms of one or more Directors are due to expire. The Committee organizes the procedure to select candidates for election as independent Directors, based on the criteria set out in the Afep-Medef Code;
- it reviews annually each Director's situation in relation to the independence criteria set out in the Afep-Medef Code, and reports its conclusions to the Board;
- through its Chairman, it obtains assurance from the Chief Executive Officer that a candidate has been identified for succession to his/her position in the event that it falls vacant for an unforeseen reason, and that enough potential successors are available to step in when they might be needed;
- it recommends candidates to the Board in the event that the position of Chairman and Chief Executive Officer falls vacant for any reason;
- it reviews any proposals by Chief Executive Officer for the appointment of one or more Chief Operating Officers, and reports its conclusions to the Board;
- it makes recommendations to the Board concerning the amount and terms and conditions of the compensation of the Chairman of the Board of Directors and concerning the determination of the other aspects of their positions;
- it makes recommendations to the Board of Directors concerning the amount and terms and conditions of the compensation of executive corporate officers, in particular the criteria for the variable portion of the Chief Executive Officer, and, where applicable, of the Chief Operating Officers, and concerning the determination of the other aspects of their positions;
- it discusses the Group's overall stock option and performance share policy and whether options should be exercisable for new or existing shares, and reviews General Management's proposals concerning stock option and performance share plans for the Saint-Gobain Group employees;
- it reviews the Chief Executive Officer's recommendations concerning his implementation of long-term compensation plans;
- it makes recommendations concerning the granting of stock options, performance shares and long-term compensation to the Chief Executive Officer and other members of the Saint-Gobain Group General Management.

Operation during fiscal year 2023

The Nomination and Remuneration Committee met six times in 2023: twice in February, once in September, once in October and twice in November. The attendance rate of its members at all these meetings was 100%.

The following were the major topics of discussion:

- the Committee made recommendations to the Board on the variable portion of the Chief Executive Officer's compensation;
- it also made proposals to the Board, pursuant to the ex-ante Say-on-Pay regime, concerning the 2023 compensation policy for the Chairman of the Board of Directors (proposal to maintain the compensation policy established in 2022 for the entire duration of his term of office) and for the Chief Executive Officer (in particular, the amount of the fixed compensation and the cap, the criteria and the targets to use to determine the variable portion for 2023 and the rules on caps to be applied with respect to the allocation of long-term compensation instruments in 2023);
- the Committee proposed to the Board of Directors to submit to the General Meeting of June 8, 2023, the appointment of Jana Revedin and the reappointment as a director of Dominique Leroy, whose term was due to expire at the end of that meeting;
- the Committee decided to propose that the Board of Directors grant only performance shares in 2023, as in 2022, and notably set the service and performance criteria applicable to those plans and stated to the Board its proposals for allocations to the Chief Executive Officer;

- the Committee reviewed the situation of the directors' independence with regard to all the independence criteria set out in the Afep-Medef Code, in collaboration with the Lead Independent Director with regard to conflicts of interest and business relations (see section 5.1.1,C. p. 184);
- With Pierre-André de Chalendar, Jean-Dominique Senard and Iêda Gomes Yell (who did not wish to be reappointed) stepping down in 2024, the Committee carried out in-depth work on the recomposition of the Board with the help of a recruitment firm: .examination of lists of potential candidates, particularly with regard to the search criteria identified during the previous evaluation of the Board of Directors, study of profiles (independence, diversity and expertise), interviewing several candidates, etc. This procedure led the Committee to recommend to the Board of Directors to submit the appointments of Sophie Brochu, Hélène de Tissot and Geoffroy Roux de Bézieux to the next General Meeting of June 6, 2024 (see section 5.1.2. p. 191) ;
- it made proposals regarding the training program of the Employee Directors and the Director representing employee shareholders;
- under the authority of the Lead Director and the Chairman of the Board, the Committee took part in in-depth work on the governance of the Company, focusing on the recomposition of the Board of directors;
- finally, it reviewed the "Corporate Governance" section of the 2022 Universal Registration Document.

The Committee reported to the Board on its activities and offered its recommendations during the Board meetings of February 23, 2023, March 30, 2023, July 26, 2023, October 6, 2023 and November 23, 2023.

Corporate Social Responsibility Committee

Composition	
President	Agnès Lemarchand
Members	Jean-Dominique Senard Philippe Thibaudet

100%
independent directors

83%
attendance rate

The Corporate Social Responsibility Committee is chaired by Mrs. Agnès Lemarchand. She has held General Management positions in particular in industrial groups in the construction sector, was a member of the Economic, Social and Environmental Council from 2012 to 2014, and is currently a member of the ESG Committee of the Institut Français des Administrateurs (French Institute of Directors).

Mrs. Agnès Lemarchand also sits on the Audit and Risk Committee. As such, she ensures consistency between the work of the Audit and Risk Committee and that of the Corporate Social Responsibility Committee, particularly with regard to the examination of environmental and societal risks and associated control procedures, as well as with regard to non-financial information.

Mr. Philippe Thibaudet, Employee Director, has a very high level of knowledge of the Group and its business lines as well as social issues more generally. He is currently EHS Officer at Saint-Gobain Isover in Chalon-sur-Saône.

Mr. Jean-Dominique Senard has experience as a manager and Director of major industrial groups. His functions have raised his awareness of responsible development, social dialog and governance. In particular, he co-authored with Nicole Notat the Notat-Senard report entitled "The Company, a Matter of Public Interest", which contributed to the strengthening of CSR under the Pacte law. As Lead Independent Director, he meets with several shareholder groups each year to discuss Saint-Gobain's governance.

Responsibilities (excerpts from the Board's internal rules)

According to the Board's internal rules in force as of February 1, 2024, it has the following responsibilities:

- The Corporate Social Responsibility Committee is responsible for reviewing the Corporate Social Responsibility roadmap, its potential for improvement and the related topics proposed by its members;
- It ensures that Corporate Social Responsibility topics are taken into account when defining and implementing the Group's strategy.

Operation during fiscal year 2023

The Corporate Social Responsibility Committee met four times in 2023: in February, June, September, and November. The attendance rate of its members at all these meetings was 83%.

Its work focused on:

- 2022 environmental and climate results and non-financial information;
- expectations of credit rating agencies regarding non-financial reporting;
- the review regarding their levels of ambition of the sub-criteria of the performance criterion related to Corporate Social Responsibility to which the long-term compensation plan implemented in November 2023 is subject, namely the total recordable accident rate – more than 24 hours' lost and non-lost time (TRAR), the reduction rate of CO_2 emissions and the senior executives diversity index (see section 5.2.4, p. 240);
- review of the CO_2 roadmap and the environmental strategy including the climate strategy within the framework of the objectives for 2030 and 2050, including numerous levers, including product design offering mitigation opportunities, circularity, improvement of the Group's processes, use of the Group's low-carbon solutions, use of decarbonized energy and implementation of scope 3 action plans;
- the policy on water abstraction and discharge and action plans in this area;
- the ethics and impact of the Group's activities on stakeholders as well as the vigilance plans and, in particular, the actions rolled on the occasion of the twentieth anniversary of the implementation within the Group of the Principles of Conduct and Action (PCA) program, which are the ethical reference applicable to all Group employees and the basis for established vigilance plans;

- the circular economy: presentation of the challenges of circularity and its applications in connection with the Group's activities (initiatives and actions in all geographical regions and adaptations to the Group's various business lines and local context). This imperative of circularity also creates value by improving competitiveness, reducing dependence on raw materials whose prices may be volatile, or developing new markets;
- presentation of the results of the me@Saint-Gobain 2023 survey, a tool for assessing and managing the Group's transformation, with more than 126 000 employees responding to this survey;
- various actions in favor of inclusions, such as solidarity actions facing emergency situations (earthquake in Turkey), the implementation within the Group of diversity and inclusion programs with the objective of considering all types of potential discrimination (gender, disability, social and ethnic origins, etc.), and the development of training in construction trades with multiple societal and inclusive actions and operations adapted to the challenges, local needs and cultures;
- the review of Chapters 3, 4 and 9 of the Universal Registration Document for 2022 relating respectively to Corporate Social Responsibility, non-financial performance and the declaration of non-financial performance (DPEF), and Taxonomy reporting.

The Committee reported to the Board of Directors on its activities in its meetings of February 23, 2023, March 30, 2023, July 26, 2023, October 6, 2023 and November 23, 2023.

E – Assessment of the Board's performance

Procedure

Formal assessments of the Board's performance and that of the Committees are carried out each year, in accordance with the Board's internal rules. These assessments are conducted with the assistance of outside consultants (as in 2022) every three years.

In the intervening years, it is carried out on the basis of a questionnaire sent to each of the Directors.

In line with best practices allowing the Directors to receive feedback on their individual contribution, the assessment also includes the following three stages:

- confidential review of each Director's individual contribution by the Chairman of the Nomination and Remuneration Committee, the Lead Independent Director and the Chairman of the Board of Directors;
- individual review for each Director with the Chairman of the Board of Directors; and
- the option for every Director to request feedback on his/her individual contribution from the Chairman of the Board or the Lead Independent Director.

Moreover, the detailed questionnaire to which each director responds, which concerns the functioning performance of the Board in particular, allows them to freely express their assessment of the other directors' individual contributions if they wish to do so. The directors' individual contributions are also closely examined by the Nomination and Remuneration Committee, and then by the Board, on the occasion of the reappointment of the directors and recomposition of the Committees, as needed.

The Directors who are members of a Board Committee also report on the operation of the Committees in which they participate.

The organization of the 2023 assessment was decided by the Board at its meeting of October 6, 2023, on the Lead Independent Director's proposal. The sitting 14 Directors as of that date were consulted and participated in the Board assessment work. The Lead Independent Director conducted the self-assessment and reported on the results of this assessment by making proposals at the Board meeting of February 29, 2024.

General observation

The Board's assessment of the working process relating to the choice of governance demonstrated that the directors were very satisfied with the process put in place. The number, schedule, and conduct of the executive sessions concerning the choice of governance were deemed satisfactory, allowing discussions (i) between the directors and (ii) between the directors and the Lead Independent Director and the Chairman of the Board.

The directors also unanimously emphasized the role played by the Lead Independent Director and the Chairman of the Board in the in-depth work carried out by the Board as well as the very successful completion of the transition period provided by Mr. Pierre-André de Chalendar, as Chairman of the Board, and Mr. Benoit Bazin, as Chief Executive Officer, this transition period having made it possible to note that the Chief Executive Officer was ready to assume the duties of Chairman and Chief Executive Officer.

The directors, taking into account in particular the appointments that will be proposed to the General Shareholders' Meeting on June 6, 2024, judged very positively the composition of the Board of Directors in terms of diversity, age, experience, and complementarity of sectoral and functional skills, and noted the rejuvenation, internalization, and diversification of the Board of Directors.

Almost unanimously, the directors underscored the quality of the discussions by the Board of Directors and its open functioning. The functioning of the Board and its committees was considered to be very satisfactory and its collaborative, transparent, and fluid nature was noted.

With regard to strategic topics such as M&A monitoring and the decision-making process regarding acquisitions, the directors are completely satisfied with the quality of the information made available to the Board of Directors on potential acquisitions and divestments, as well as the fluidity and openness of discussions on the various projects. In addition, it was noted that strategic issues were dealt with on an ongoing basis at each meeting of the Board of Directors and that the strategic seminar was highly useful on all the issues dealt with by the Board of Directors.

The directors are also of the opinion that the information they receive regarding follow-up on the main disputes is satisfactory.

In general, the directors noted the quality of monitoring of corporate social responsibility issues by the Corporate Social Responsibility Committee and the Board of Directors. The directors emphasized the quality of training modules on environmental and climate issues and, more generally, on corporate social responsibility.

The directors welcomed the on-site visit, which made it possible to illustrate different facets of the Group's strategy in situ.

Results of implementing the 2023 recommendations and paths for 2024

Directors believe that the recommendations formulated upon completion of the 2022 assessment were duly taken into account in 2023. In particular, they were as follows:

- implement a work process involving one or more executive sessions concerning the governance and succession of the Chairman of the Board and/or the Lead Independent Director, depending on the scenario selected;
- continue to reduce the age and broaden the international scope of the Board as part of future renewals, particularly those of Committee Chairmen/Chairwomen, over a three-year period, based on the needs resulting from the analysis of the skills matrix by the Nomination and Remuneration Committee and the Board, particularly by promoting the following research areas: one or several serving executive corporate officers or with such experience within other major groups, a serving Chief Financial Officer, a Director from the construction value chain and/or a Director with climate change skills; and
- regularly address financial, digital and commercial matters in the Board's work.

As indicated above, the directors indicated that they were satisfied with the process implemented regarding the mode of governance.

In addition, they considered that the appointment of Jana Revedin in June 2023 and the appointments of Sophie Brochu, Hélène de Tissot, and Geoffroy Roux de Bézieux to be proposed to the General Meeting on June 6, 2024, meet the above criteria. Taking these appointments in particular into account, they considered the composition of the Board very positively in terms of diversity, age, experience, complementarity of sectoral and functional skills and noted the rejuvenation, internationalization and diversification of the Board while identifying the search focuses presented below for future appointments in 2025.

Lastly, financial, digital, and commercial matters were considered to have been handled professionally and comprehensively.

In order to sustain progress, the Board adopted the following conclusions on the proposal of the Lead Independent Director, resulting from the assessment:

- Composition of the Board of Directors: continuing the rejuvenation and internationalization of the Board of Directors during the 2025 replacement of directors, by favoring the following search focuses:

i. Serving executive corporate officers;

ii. Good knowledge of the world of construction, materials and/or industry;

iii. Financial skills;

iv. International experience; and

v. Foreign director.

- Role and responsibilities of the Chairman of the Board of Directors

i. Working on the format of the strategic seminar;

ii. Providing updates on the following topics: the use of AI in the Group; adapting to climate change; light and sustainable construction methods; off-site construction;

iii. Preparing successions for Committee chairs;

iv. Holding a joint meeting of the Audit and Risk Committee and the Corporate Social Responsibility Committee on non-financial reporting topics.

F – Director integration pathway

The Board of Directors meets once a year at a Group's plant or research center.

Each new Director may ask for training on the topic of his or her choice and visit the Group's plants, distribution facilities or research centers. In this context, the new Directors may also visit various industrial sites or Building Distribution sites, and any Director may meet with members of the Executive Committee at his or her request (see section 1.1.2 p. 14).

Furthermore, in accordance with the law, Employee Directors benefit from supplementary training, the content of which is set every year by the Board of Directors, after consultation of such Employee Directors.

The Director representing employee shareholders also received such training.

5.1.3 THE GROUP'S SENIOR MANAGEMENT

Current governance structure: Separation of the Chairman of the Board and CEO roles until June 6, 2024

Since July 1, 2021, the Chief Executive Officer has been responsible for the General Management of Company de Saint-Gobain. The operational organization of the Saint-Gobain Group's Management is provided by an Executive Committee chaired by the Chief Executive Officer (see section 1.1.2 p. 12).

Since the separation of the functions of Chief Executive Officer of Compagnie de Saint-Gobain from those of the Chairman of the Board of Directors on July 1, 2021, to prepare for the succession of the company's management, the position of Chief Executive Officer has been assumed by Mr. Benoit Bazin (see section 5.1.2, p. 191). Mr. Benoit Bazin has also been a Director of the Company since June 3, 2021.

Combination of roles starting on June 6, 2024

At the end of the transition period, the Company's Board of Directors decided on November 23, 2023, to appoint Benoit Bazin as Chairman and Chief Executive Officer with effect from the General Meeting of June 6, 2024 (see section 5.1.2, p. 191, and section 9.1.1, p. 400).

Restrictions on the authority of Management

In accordance with the law, the Chief Executive Officer is vested with the broadest authority to act under all circumstances on behalf of Compagnie de Saint-Gobain within the scope of its corporate purpose and subject to the limits set by law, the bylaws, and/or the internal rules of the Board of Directors (see section 5.1.2,A. p. 191, and section 9.1.1, p. 400).

Regarding checks and balances within the Board of Directors, which guarantee proper compliance with governance rules, see "Checks and balances within the Board of Directors" and section 5.1.2,E p. 189.

Executive Committee

The Committee, whose composition reflects the new organizational structure of the Saint-Gobain Group, comprises 16 members as of January 1, 2024 (see section 1.1.2 p. 12). In addition to the Chief Executive Officer, the senior operational and functional managers of the Saint-Gobain Group are members (see section 1.1.2 p. 12).

The mission of the Executive Committee is to review operational management, coordinate project management and implement Saint-Gobain Group strategy. It meets every month.

5.2 COMPENSATION OF THE MANAGEMENT AND GOVERNING BODIES

This section, prepared with the assistance of the Board's Nomination and Remuneration Committee, describes the compensation components for the Directors, the executive corporate officers and members of Group General Management, and sets out the long-term compensation plans in place within the Group.

5.2.1 DIRECTORS' COMPENSATION

Compensation policy for Directors (ex-ante Say-on-Pay)

Following the review of the compensation policy for directors, on the recommendation of the Nomination and Remuneration Committee, the Board of Directors decided to propose to the General Shareholders' Meeting of June 8, 2023, to amend the compensation policy for directors to promote its international diversity and thus continue to attract the best talents.

To that end, it was decided that the Directors would receive compensation set at an annual total of €1.3 million by the General Shareholders' Meeting of June 8, 2023, with effect from January 1, 2023.

The compensation policy for Directors for fiscal year 2023 was approved by the General Shareholders' Meeting of June 8, 2023 (eleventh resolution).

Taking into account (i) the proposed appointment at the General Shareholders' Meeting of 6 June 2024 of a Lead Director and Vice-Chairman of the Board, whose fixed compensation will be 80,000 euros per year (ii) the fact that Mr Pierre-André de Chalendar, who is leaving the Board, did not receive any compensation in respect of his directorship and will be replaced by a director who, like his colleagues, will receive compensation in this respect, and (iii) the prospect of recruiting foreign directors, the Board of Directors reviewed the compensation policy for directors. In this context, the Board of Directors, on the recommendation of the Nomination and Remuneration Committee, has decided to promote the international diversity of the Board and to continue to attract the best talents:

i. to propose to the Ordinary Shareholders' Meeting of June 6, 2024, to increase the annual compensation package for directors from €1.3 million to €1.6 million;

ii. subject to the approval by the Ordinary Shareholders' Meeting of June 6, 2024, of the total annual compensation of Directors referred to in (i) above, to revise the allocation rules to be applied from June 7, 2024, as follows :

- The Chairman and Chief Executive Officer does not receive any compensation for his duties as a director taking into account its extended responsibilities as well as group size;
- The Lead Director and Vice-Chairman of the Board receives fixed compensation of 80,000 euros per year for these duties;
- Each of the other members of the Board of Directors receives an annual fixed compensation of €24,750 and a variable compensation of €3.300 for each meeting attended;
- The Chairmen and members of Committees (currently: Audit and Risk Committee, Nomination and Remuneration Committee, and Corporate Social Responsibility Committee) (excluding executive corporate officers) also receive fixed annual payments of €5,500 and €2,750 respectively, and variable annual payments of €2,200 for each meeting attended;
- An additional sum per Board meeting and per Committee meeting is paid to cover the travel expenses of directors residing outside France (2,500 euros per actual trip to a Board meeting or Committee meeting for a director residing in Europe (outside France); 5,500 for a director residing outside Europe). If several Board or committee meetings are held on the same day, this sum is paid only once;
- The amounts allocated as a fixed portion are paid prorata temporis when the mandates begin or end during the financial year;
- Payments are made half-yearly in arrears and the distribution of all or part of any available balance of the annual amount allocated would be made at the beginning of the following financial year should the Board of Directors decide to do so, in proportion to the variable portions allocated to Board members (excluding additional sums to take account of travel by directors resident outside France), in respect of both Board meetings and Committee meetings held during the previous financial year.

The variable portion takes precedence in the event of regular attendance at Board meetings and Committee meetings.

Compensation components paid to Directors during fiscal year 2023 or granted for the same fiscal year, subject to approval by the General Shareholders' Meeting of June 6, 2024 (*ex-post Say-on-Pay*)

In accordance with Articles L. 22-10-34 I and L. 22-10-9 I of the French Commercial Code, the fixed, variable and exceptional components of the total compensation and benefits of any kind paid during the year or granted for the same fiscal year to corporate officers are submitted every year for approval by the General Shareholders' Meeting. This vote is binding (as opposed to an advisory vote).

The table below shows the individual compensation received by the members of the Board of Directors (fixed and variable components combined) for their terms of office as Directors in respect of fiscal years 2022 and 2023 pursuant to the compensation policy outlined in this section 5.2.1 p. 205.

TABLE 3 – SUMMARY OF EACH NON-EXECUTIVE CORPORATE OFFICER'S COMPENSATION (AMF NOMENCLATURE)

	Gross amounts received *(in EUR)*	
Non-Executive corporate officers	for 2023 fiscal year	for 2022 fiscal year
Jean-François Cirelli	118,671	94,414
Lydie Cortes [(a)]	115,921	92,817
Sibylle Daunis-Opfermann	87,908	75,137
Thierry Delaporte [(b)]	87,908	36,837
Lina Ghotmeh [(c)]	47,769	82,340
Iêda Gomes Yell	123,684	92,817
Anne-Marie Idrac [(d)]	-	53,023
Pamela Knapp	126,434	95,566
Agnès Lemarchand	104,579	109,514
Dominique Leroy	128,421	89,084
Jana Revedin [(e)]	53,047	-
Gilles Schnepp	107,500	92,817
Jean-Dominique Senard	96,974	92,817
Philippe Thibaudet [(a)]	101,184	92,817
TOTAL	**1,300,000**	**1,100,000**

(a) *It should be noted that, at the time they took up their positions and for the entire duration of their terms as Employee Directors, Mrs. Lydie Cortes and Mr. Philippe Thibaudet each decided to donate to the trade unions with which they are each affiliated, i.e. the Confédération Française Démocratique du Travail (for Mrs. Lydie Cortes) and the Confédération Générale du Travail (for Mr. Philippe Thibaudet), respectively, all compensation (net of social charges) paid by the Company for their term of office as Director. The net amount of this compensation is consequently paid directly by Compagnie de Saint-Gobain to these trade unions.*
(b) *Director since June 2, 2022.*
(c) *Director from November 25, 2021, to June 8, 2023.*
(d) *Director until June 2, 2022.*
(e) *Director since June 8, 2023.*

With the exception of the Employee Directors and the Director representing employee shareholders, who received compensation for their salaried positions, the non-Executive Directors received no other compensation from the Company or Group entity for their offices in respect of the 2022 and 2023 fiscal years.

5.2.2 COMPENSATION OF EXECUTIVE CORPORATE OFFICERS

General principles of the compensation policy for executive corporate officers

The Board of Directors and the Nomination and Remuneration Committee are committed to ensuring that the compensation of the executive corporate officers complies at all times with the recommendations of the Afep-Medef Corporate Governance Code for French listed companies and in particular meets transparency and performance measurement requirements. They also ensure that it evolves taking into account the Group's performance and average compensation within the Group and market practices.

The compensation package of the executive corporate officers is determined by taking into account all pay components (fixed compensation, annual variable compensation, long-term incentives, severance indemnity and pension benefits), with a view to achieving a balanced mix of these components.

When setting the various components of the compensation of the executive corporate officers, the Board of Directors also takes into consideration the comments of the Company's shareholders during constructive discussions and also benchmarks of CAC 40[1] companies and CAC 40 industrial companies [2].

The Board of Directors also seeks to ensure that the granting of long-term compensation instruments (stock options, performance shares and performance units, as the case may be) to the executive corporate officers in a given fiscal year does not represent a disproportionate share of their maximum total compensation in respect of that fiscal year and has conditioned these grants to demanding ceiling and holding rules.

Compensation and benefits allocated to the executive corporate officers

Summary of the compensation and benefits paid or granted to the executive corporate officers for the 2023 fiscal year

In accordance with the principles set out above, the Board of Directors, at its meeting of February 23, 2023, approved, on the proposal of the Nomination and Remuneration Committee, the compensation policies for the Chairman of the Board of Directors and the Chief Executive Officer for the fiscal year 2023.

These policies were approved by the General Shareholders' Meeting of June 8, 2023 (ninth and tenth resolutions).

The following tables present a summary of the compensation, performance shares and stock options granted to Mr. Pierre-André de Chalendar, Chairman of the Board of Directors and Mr. Benoit Bazin, Chief Executive Officer, for the fiscal years ended December 31, 2022 and 2023. No stock options or performance units were granted to them in 2022 and 2023.

TABLE 1 – SUMMARY OF COMPENSATION, STOCK OPTIONS AND PERFORMANCE SHARES PAID OR GRANTED TO THE EXECUTIVE CORPORATE OFFICERS (AMF NOMENCLATURE)

(in EUR before social charges and income tax)	2023 fiscal year	2022 fiscal year
Pierre-André de Chalendar, Chairman of the Board of Directors		
Compensation paid or granted in respect of the fiscal year *(see Table 2 for details)* [(a)]	450,000	450,000
Value of multi-year variable compensation allocated during the year	N/A	N/A
Value of stock options granted during the year *(see Table 4 for details)*	N/A	N/A
Value of performance shares granted during the year *(see Table 6 for details)*	N/A	N/A
TOTAL	**450,000**	**450,000**
Benoit Bazin, Chief Executive Officer		
Compensation paid or granted in respect of the fiscal year *(see Table 2 for details)*	2,700,000	2,700,000
Value of multi-year variable compensation allocated during the year	0	0
Value of stock options granted during the year *(see Table 4 for details)*	0	0
Value of performance shares granted during the year *(see Table 6 for details)*	2,656,656	1,919,924
TOTAL	**5,356,656**	**4,619,924**

(a) *Mr. Pierre-André de Chalendar decided to retire and exercise his rights under the supplementary defined-benefit pension plan "SGPM" of which he was a beneficiary as Chairman and Chief Executive Officer, as of July 1, 2021. Since that date, he has received a supplementary retirement pension, the gross annual amount of which was €417,942 for fiscal year 2023.*

(1) *Within the CAC 40 sample, the Company is positioned as follows: 22/40 in terms of market capitalization at December 31, 2023, 10/40 in terms of sales in 2022 and 10/40 in terms of headcount in 2022.*

(2) *Air Liquide, Airbus Group, Alstom, Bouygues, Carrefour, Danone, Engie, Essilor Luxottica, Kering, Legrand, L'Oréal, Michelin, Renault, Safran, Sanofi, Schneider Electric, Stellantis, Thales, TotalEnergies, Véolia Environnement and Vinci.Within the CAC 40 industrial sample, the Company is positioned as follows: 14/22 in terms of market capitalization at December 31, 2022, 7/22 in terms of sales 2022 and 6/22 in terms of headcount 2022.*

Compensation and benefits paid or granted to executive corporate officers for the 2023 fiscal year

The tables below show the breakdown of fixed compensation, variable compensation and other benefits granted to Mr. Pierre-André de Chalendar, Chairman of the Board of Directors, and to Mr. Benoit Bazin, Chief Executive Officer, for the fiscal years ended December 31, 2022 and 2023.

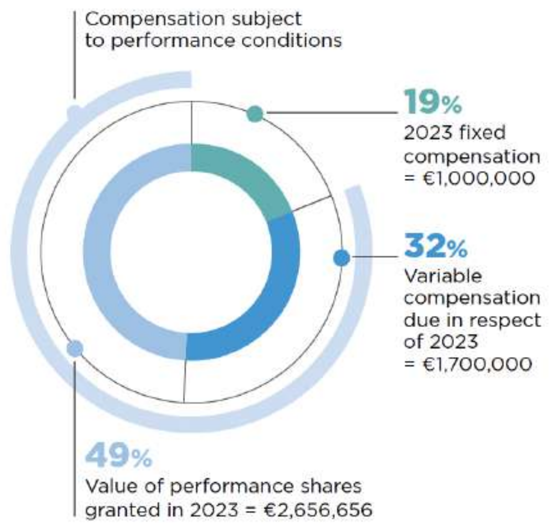
TABLE 2 – SUMMARY OF THE COMPENSATION PAID OR GRANTED [(a)] TO THE EXECUTIVE CORPORATE OFFICERS (AMF NOMENCLATURE)

	2023		2022	
(in EUR before social charges and income tax)	Amounts awarded [(b)]	Amounts paid [(c)]	Amounts awarded [(b)]	Amounts paid [(c)]
Pierre-André de Chalendar, Chairman of the Board of Directors				
Fixed compensation	450,000	450,000	450,000	450,000
Annual variable compensation	N/A	N/A	N/A	N/A (e)
Multi-year variable compensation	N/A	N/A	N/A	N/A
Exceptional compensation	N/A	N/A	N/A	N/A
Compensation in respect of the Director's term of office [(d)]	0	0	0	0
Benefits in kind: company car	3,301	3,301	3,300	3,300
TOTAL	**453,301**	**453,301**	**453,300**	**453,300**
Benoit Bazin, Chief Executive Officer				
Fixed compensation	1,000,000	1,000,000	1,000,000	1,000,000
Annual variable compensation	1,700,000	1 700 000	1 700 000	843 625 [(f)]
Multi-year variable compensation	0	0	0	0
Exceptional compensation	0	0	0	0
Compensation in respect of the Director's term of office [(d)]	0	0	0	0
Benefits in kind: company car	2,156	2,156	2,158	2,158
TOTAL	**2,702,156**	**2,702,156**	**2,702,158**	**1,845,783**

(a) *On a gross basis before taxes.*
(b) *Compensation allocated during the year, regardless of payment date.*
(c) *Compensation paid during the year.*
(d) *The executive corporate officers of Compagnie de Saint-Gobain do not receive any compensation for their duties as Directors in companies outside the Group in which the Group has equity interests.*
(e) *During the 2022 fiscal year, 1,012,350 euros was also paid to Mr. Pierre-André de Chalendar, as part of his annual variable compensation for the period from January to June 2021, as Chairman and Chief Executive Officer. These compensation elements were approved by the General Shareholders' Meeting of June 2, 2022 in the context of the ex-post say-on-pay (seventh resolution).*
(f) *During 2022 fiscal year, 558,281 euros was also paid to Mr. Benoit Bazin, as part of his annual variable compensation for the period from January to June 2021 as Deputy Chief Executive Officer. These compensation elements were approved by the General Shareholders' Meeting of June 2, 2022, in the context of the ex-post Say-on-pay (eighth resolution).*

The graph below shows the breakdown of the various components of the compensation components of Mr. Benoit Bazin, paid during the 2023 fiscal year or awarded in respect of the same fiscal year, as Chief Executive Officer.

M. Benoit Bazin, Chief Executive Officer



In accordance with the compensation policy for the Chairman of the Board of Directors and the Chief Executive Officer approved by the General Shareholders' Meeting of June 8, 2023 (ninth and tenth resolutions), the various compensation components paid during the 2023 fiscal year or awarded in respect of the same fiscal year to Mr. Pierre-André de Chalendar and Mr. Benoit Bazin are determined as follows:

Fixed compensation

The fixed portion of the compensation of executive corporate officers reflects their experience and responsibilities and is comparable to that of equivalent positions in large companies that are similar in terms of revenues, workforce and market capitalization.

Fixed compensation of Mr. Pierre-André de Chalendar, Chairman of the Board of Directors

Pursuant to the compensation policy approved by the General Shareholders' Meeting of June 8, 2023, the compensation of Mr. Pierre-André de Chalendar was set at €450,000 gross per annum for the entire duration of his term of office as Chairman of the Board of Directors, to the exclusion of any other compensation in respect of his term of office [(3)]. The Nomination and Remuneration Committee had noted in 2021, with the assistance of an external firm, that this level was below the median of compensation paid to non-executive Chairmen of CAC 40 companies who previously held the position of Chairman and Chief Executive Officer (excluding financial companies).

(3) *Mr. Pierre-André de Chalendar decided to retire and benefit from his pension rights under the supplementary defined-benefit pension plan "SGPM" of which he was a beneficiary as Chairman and Chief Executive Officer as of July 1, 2021. Since that date, he has received a supplementary retirement pension, the gross annual amount of which was €417,942 for fiscal year 2023.*

Fixed compensation of Mr. Benoit Bazin, Chief Executive Officer

In accordance with the compensation policy approved by the General Shareholders' Meeting of June 8, 2023, Mr. Benoit Bazin's fixed compensation was set at €1,000,000 for 2023, with no increase since 2021, when he took office as Chief Executive Officer, and even though the Nomination and Remuneration Committee found in 2022, with the help of an external firm, that this level is lower than the median of CAC 40 industrial companies comparable to Saint-Gobain in terms of size: revenue, workforce or market capitalization.

Annual variable compensation

This component of compensation rewards the contribution of the Chief Executive Officer to the Group's results over the past fiscal year. It is expressed as a percentage of the annual fixed compensation.

At its meeting of February 23, 2023, on the proposal of the Nomination and Remuneration Committee, the Board decided, for fiscal year 2023, to set the cap for the annual variable portion of the compensation of Mr. Benoit Bazin, as Chief Executive Officer, at 170% of the fixed portion of his compensation.

Furthermore, at its meeting of February 23, 2023, the Board determined, on the proposal of the Nomination and Remuneration Committee, the components and objectives of the variable compensation of Mr. Benoit Bazin as Chief Executive Officer for 2023 as follows:

A quantifiable portion of 75%, based on financial objectives (60%) and CSR objectives (15%):

- With regard to quantifiable financial objectives, the Board decided to select four objectives, considered relevant for assessing the operational and financial performance of the Group and its strategy, each accounting for 25%:
  - the FCF (Free Cash Flow), which is an indicator published and monitored by investors and which replaces the "OFCF" objective (Operating Free Cash Flow), which is an internal indicator;
  - ROCE (Return on Capital Employed);
  - the Group's operating income; and
  - Group recurring net income per share.

The objectives for the above quantifiable criteria are not disclosed for confidentiality reasons.

- Given the volatility of the environment in which the Group operates, which makes it difficult to forecast each indicator, the Board of Directors, after consulting the Nomination and Remuneration Committee, reserves the right to apply an "outperformance" mechanism unchanged from 2022, which would allow partial compensation for the non-achievement of quantifiable objectives on certain criteria by exceptional outperformance on others. In the event of outperformance on one or more of the four criteria beyond the maximum, it is possible to reach up to 20% of the bonus share relating to the outperforming criterion/criteria, in the event of achievement above the maximum and up to 120% of the maximum, with linearity between 0 and 120% (which leads, for example, to 10% of the bonus share relating to a criterion in the event of achievement of up to 110% of the maximum), it being specified that the sum of the four components may not exceed 102% [(4)] of the fixed portion. Thus, in the extreme case of outperformance of more than 20% of the maximum on three criteria and performance equal to zero on the fourth, the quantifiable portion of the annual variable will be equal to 91.8% of the fixed portion (which responds to the concern that the maximum of 102% of the fixed portion cannot be reached when one criterion is at zero). In 2023, as in 2022, this mechanism was not applied given the strong performance on all financial criteria.
- With regard to quantifiable CSR objectives, the Board decided to retain three objectives, each accounting for 5%:
  - Carbon objective: reduction of CO2 emissions (in scopes 1 and 2) versus 2022 at current scope (i.e., at actual production) [(5)];
  - Safety objective: TRAR between 1.5 (maximum) and 1.8 (minimum); and
  - Diversity and teams objective: diversity index between 90% (maximum) and 85% (minimum) [(6)].

It is specified as necessary that the outperformance mechanism described above and applicable to the financial quantifiable part does not apply to the CSR quantifiable part.

A qualitative portion of 25%, based on the following three objectives:

- Objective 1: stakeholders management;
- Objective 2: continuing to optimize the Group's scope;
- Objective 3: deployment of the Grow & Impact strategic plan in its six action priorities – 1 – Position ourselves in high-growth markets, 2 – Be Solutions-oriented, combining performance and sustainability, 3 – Drive growth through client innovation and the power of data, 4 – Embedding Corporate Social Responsibility in our decisions and actions, 5 – Strengthen our TEC (Trust, Empowerment and Collaboration) culture (including maintaining high scores in the 2023 "me@Saint-Gobain" survey), and 6 – Have the best teams in a diverse and inclusive work environment, including ongoing actions on diversity and inclusion within the Group.

(4) *The quantifiable part of the variable represents 60% of the variable part, which can reach a maximum of 170% of the fixed part, so that with its maximum amount is 102% of the fixed amount.*

(5) *The Board of Directors had the possibility, after consultation with the Nominating and Compensation Committee, to adjust this objective in the event of exceptional circumstances justifying it, particularly in the event of a change in the Group's scope of consolidation or a change in accounting method, in order to neutralize, as far as possible, the consequences of these circumstances on the carbon objective.*

(6) *Index corresponding to the proportion of the Group's Senior managers who have at least one of the following three diversity characteristics: being of a non-French nationality, having diverse professional experience (having worked for Saint-Gobain in two countries other than their country of origin or in at least three different sectors, or having more than 12 years' experience outside the Saint-Gobain Group), and being a woman.*

The quantifiable and qualitative variable compensation due for the 2023 fiscal year to the Chief Executive Officer was determined by the Board of Directors at its meeting of February 29, 2024, on the proposal of the Nomination and Remuneration Committee, as follows:

		Weighting	Possible variation under each objective *(in EUR)*	Amount at target budget (target compensation) *(in EUR)*	Percentage achieved compared to target compensation	Percentage achieved	Achievement *(in EUR)*
Benoit Bazin, Chief executive officer							
Quantifiable objectives financial (60%) of which:	FCF	15%	0 à 255,000	178,500	143%	100%	255,000
	Group operating income	15%	0 à 255,000	178,500	143%	100%	255,000
	ROCE	15%	0 à 255,000	178,500	143%	100%	255,000
	Group recurring net income per share	15%	0 à 255,000	178,500	143%	100%	255,000
	Quantifiable financial total	**60%**	**0 à 1,020,000**	**714,000**	**143%**	**100%**	**1,020,000**
Quantifiable objectives CSR (15%) of which:	Carbon	5%	0 à 85,000	N/A	N/A	100%	85,000
	Safety	5%	0 à 85,000	N/A	N/A	100%	85,000
	Diversity and teams	5%	0 à 85,000	N/A	N/A	100%	85,000
	Quantifiable CSR total	**15%**	**0 à 255,000**	**N/A**	**N/A**	**100%**	**255,000**
	Quantifiable total	**75%**	**0 à 1,275,000**	**N/A**	**N/A**	**100%**	**1,275,000**
Qualitative objectives (see above for a detailed description of each objective) (25%) of which:	Objective 1	8%	0 à 141,667	N/A	N/A	100%	141,667
	Objective 2	8%	0 à 141,667	N/A	N/A	100%	141,667
	Objective 3	8%	0 à 141,667	N/A	N/A	100%	141,667
	Qualitative (global)	**25%**	**0 à 425,000**	**N/A**	**N/A**	**100%**	**425,000**
TOTAL VARIABLE SHARE		**100%**	**0 à 1,700,000**	**N/A**	**N/A**	**100%**	**1,700,000**

Variable quantifiable financial compensation for the Chief Executive Officer

For reasons of confidentiality, the limits of the quantifiable objectives are not disclosed. In fact, the Group does not give any guidance on the objectives of CFL, ROCE, Group operating profit and Group net current profit per share. Disclosing these targets would therefore be likely to mislead investors. For each objective, a target is set based on the budget, which is confidential by nature. The budget is ambitious. In 2022 and 2023, the Group's record performance has meant that rates financial targets are at their maximum.

Thus, in 2022, free cash flow was €3,791 million, Group operating income €5,337 million, ROCE 16.1% and net income from recurring operations per share €6.48. In 2023, free cash flow was €3,910 million, Group operating income 5,251 million euros, ROCE of ROCE 15.8%, and Group net income from recurring operations per share €6.39.

For each quantifiable objective, the portion of the variable remuneration relating to it is triggered when the objective in question is achieved, depending on the case, between 90% and 86% of the target for the objective in question (based on the budget), and reaches its maximum when the objective reaches between 106% and 108%, as appropriate, of the target for the objective in question.

Quantifiable variable CSR compensation for the Chief Executive Officer

The Board of Directors, at its meeting of February 29, 2024, on the recommendation of the Nominations and Remuneration Committee, noted that the level of achievement of each of the quantifiable CSR objectives, as set out above, was 100%:

- Objective Carbon: the Group has reduced its CO2 emissions from "scopes" 1 and 2 from 9.8 million tonnes in 2022 to 8.8 million tonnes in 2023.
- Safety target: TF2 is 1.3 in 2023.
- Diversity and team objective: the diversity index stood at 91% in 2023.

Qualitative variable compensation of the Chief Executive Officer

The Board of Directors, at its meeting of February 29, 2024, on the recommendation of the Nomination and Remuneration Committee, set at 100% the overall level of achievement of the three qualitative objectives used to determine the variable compensation for 2023 of Mr. Benoit Bazin, Chief Executive Officer, as outlined above.

In particular, it took the following main achievements into consideration:

- With regard to stakeholders management, the Board of Directors noted the following points in particular:
  - Regarding the external visibility of the Group's strategy, image and representation, the Group's strategy is clearly established and understood externally by stakeholders, its visibility in the press has been further strengthened and a communication strategy has been deployed to establish Saint-Gobain as a leader in sustainable construction,
  - As far as investors and the stock market are concerned, the Group's image is very positive, thanks to a clear strategy, dialogue with Investors was very active and Saint-Gobain had one of its best years on the stock market in 2023, finishing second in terms of annual growth (+46%) in the CAC 40. In September 2023, the Group also returned to the EURO STOXX 50, which it had left in 2018,

- With regard to the rating agencies, the Group gained one notch in its credit rating in April 2023, moving back to 'BBB+ stable' at S&P and the equivalent at Moody's. In terms of CSR ratings, the Group has maintained a good level of performance;

- With regard to continuing to optimise the Group's scope of consolidation, the Board of Directors noted the following points in particular:
  - With regard to divestments, the programme to sell non-strategic businesses or businesses that are too far removed from the Group's expectations in terms of financial performance is continuing. A total of €3 billion in sales has been divested by 2023 through 10 operations,
  - With regard to the integration of acquisitions, the integration of recent acquisitions is proceeding very satisfactorily,
  - With regard to acquisitions, the Group completed 36 deals in 2023, bringing in additional sales of €0.9 billion, with significant deals in emerging countries, the relative weighting of the Regions continues to evolve in order to reflect more appropriately the economic and demographic weight of the various regions of the world;
- Concerning deployment of the Grow & Impact strategic plan in its six action priorities (1 - Position ourselves in high-growth markets, 2 - Be solutions-oriented, combining performance and sustainability, 3 - Drive growth through customer innovation and the power of data, 4 - Embed Corporate Social Responsibility in our decisions and actions, 5 - Strengthen our "TEC" (Trust, Empowerment and Collaboration) culture (including maintaining high scores in the 2023 me@Saint-Gobain survey), 6 - Have the best teams in a diverse and inclusive work environment, including ongoing actions on diversity and inclusion within the Group, the Group's actions are described in section 2.3, p. 78. The Board of Directors noted in particular:
  - Acquisitions in North America, Asia, Africa and the Middle East, accelerating acquisitions in the construction chemicals segment (11 acquisitions by 2023), and focusing sales and R&D efforts on the fastest-growing segments,
  - The ramping up of Saint-Gobain Solutions organisations in the main European countries and the pursuit of partnerships with key accounts; the launch in France of "Les Engagés", a comprehensive range of sustainable, low-carbon solutions,
  - Continued deployment of innovation initiatives around the key priorities defined in 2022, with two major achievements (on the product side, with Glasroc® X, offering a carbon footprint 2 to 3 times smaller than the traditional offering, and on the industrial process side, with another world first involving the production of glazing in a furnace fuelled by over 30% hydrogen, which will enable reduce CO_2 emissions (scope 1) by up to 70%,
  - Increasing internal carbon prices from €75 to €100 per tonne for investment decisions and from €150 to €200 per tonne for research and development projects; promoting water issues within the Group,
  - The very good results of the 2023 survey ("me@SaintGobain"), consolidating high scores on a still broader participation base, the implementation of multiple initiatives to deepen the TEC culture, and
  - The Group's award of the "Top Employer Global" label for the ninth year running, and the continuation of local inclusion initiatives in each country.

In total, for the fiscal year 2023:

- pursuant to the compensation policy approved by the General Shareholders' Meeting of June 8, 2023, the compensation of Mr. Pierre-André de Chalendar was set at €450,000 gross per annum for the entire duration of his term of office as Chairman of the Board of Directors. ;
- Mr. Benoit Bazin's total compensation (fixed and variable) as Chief Executive Officer amounted to €2,700,000. This compensation is equal to that of Mr. Benoit Bazin in 2022.

Long-term compensation policy

Grant cap in relation to the total compensation of the Chief Executive Officer

In addition to the constraints set out below, the Board of Directors decided, in accordance with the Afep-Medef Code, that the long-term compensation instruments that would be awarded to Benoit Bazin in 2023 could not exceed a total of 75,000 shares.

In 2023, the 75,000 performance shares allocated to Mr. Benoit Bazin amounted to a total value (according to IFRS), at the time of their grant, of €2,656,656, corresponding to 98.4% of his maximum gross total compensation for the 2023 fiscal year. In determining the allocation for the 2023 financial year, the Board of Directors took into account the Group's excellent operational and non-financial performance, resulting in strong share price growth and alignment with shareholders' interests.

No stock option or performance unit plan was implemented in 2023.

Grant cap to the Chief Executive Officer in relation to the overall grant

The Board of Directors decided, during its meeting of February 23, 2023, as in previous years, that the Chief Executive Officer could not receive more than 10% of the overall grants of performance shares under the long-term compensation plan to be set up in 2023.

Hedging rules

The Chief Executive Officer formally committed not to hedge his risk either on stock options or on shares resulting from the exercise of stock options, on performance shares or on performance units he has been or will be granted during his term of office as executive corporate officer, until the cessation of his duties. To the Company's knowledge, the executive corporate officer has not hedged his risk.

Closed periods

In their capacity as executive corporate officers and by virtue of the applicable regulations as recalled in the Board's internal rules (see section 9.1.1.B, p. 402), Mr. Pierre-André de Chalendar and Mr. Benoit Bazin must refrain from carrying out any transactions on Saint-Gobain securities for 30 days prior to Board meetings during which the annual consolidated financial statements and the half-year consolidated financial statements are examined, for 15 days prior to the release of quarterly consolidated sales and on the day following the release of the full-year and half-year results. Outside of these periods, they are also required, as are the other Directors, to abide by the provisions on the prevention of insider trading.

Stock options

The tables below present the stock options exercised by the executive corporate officers during the 2023 fiscal year.

No stock option plan was implemented since 2018.

TABLE 4 – STOCK OPTIONS GRANTED IN 2023 TO THE EXECUTIVE CORPORATE OFFICERS (AMF NOMENCLATURE)

Name of the Executive corporate officer	Plan date	Type of options (subscription or purchase)	Value (based on method used to prepare the consolidated financial statements)	Number of options granted during the fiscal year	Exercise price	Exercise period
Pierre-André de Chalendar, Chairman of the Board of Directors	N/A	N/A	N/A	N/A	N/A	N/A
Benoit Bazin, Chief Executive Officer	N/A	N/A	N/A	N/A	N/A	N/A

TABLE 5 – STOCK OPTIONS GRANTED IN RESPECT OF THE TERM OF OFFICE AND EXERCISED IN 2023 BY THE EXECUTIVE CORPORATE OFFICERS (AMF NOMENCLATURE)

Name of the Executive corporate officer	Plan date	Type of options (subscription or purchase)	Number of options granted during the fiscal year	Exercise price
Pierre-André de Chalendar [(a)]	11/22/2018	Subscription	15,000	32,24 €
Benoit Bazin	N/A	N/A	N/A	N/A

(a) *Options granted to Mr. Pierre-André de Chalendar as Chairman and Chief Executive Officer.*

Performance shares

The following tables show the performance shares granted or delivered to the executive corporate officers during the 2023 fiscal year.

TABLE 6 – PERFORMANCE SHARES GRANTED IN 2023 TO THE EXECUTIVE CORPORATE OFFICERS (AMF NOMENCLATURE)

Name of the Executive corporate officer	Plan date	Number of options granted during the fiscal year	Value of granted shares (based on method used to prepare the consolidated financial statements)	Vesting date	Availability date	Performance conditions
Pierre-André de Chalendar, Chairman of the Board of Directors	11/23/2023	N/A	N/A	N/A	N/A	N/A
Benoit Bazin, Chief Executive Officer	11/23/2023	75,000	2,656,656	11/23/2027	11/26/2027	See plans details*

* *See section 5.2.4, p. 240.*

Grant for Benoit Bazin, Chief Executive Officer in fiscal year 2023

At the Board meeting of November 23, 2023, on the proposal of the Nomination and Remuneration Committee, Mr. Benoit Bazin was granted 75,000 performance shares, representing approximately 0.015% of the capital stock, less than the sub-cap set by the General Shareholders' Meeting of June 2, 2022, and less than the 10% cap on the overall grant for performance shares and performance units decided by the Board.

The features of the performance shares, specifically the service and performance conditions to which the allocation is subject and which apply to the Chief Executive Officer, are explained in this section 5.2.4, p. 240.

TABLE 7 – SHARES GRANTED FREE OF CHARGE AND WHICH BECAME AVAILABLE IN 2023 FOR EACH EXECUTIVE CORPORATE OFFICER (AMF NOMENCLATURE)

Name of the Executive corporate officer	Plan date	Number of shares delivered during the year	Availability date
Pierre-André de Chalendar	11/21/2019	90,000	11/21/2023
Benoit Bazin [(a)]	11/21/2019	45,000	11/21/2023

(a) *Shares granted for a term of office as executive corporate officer.*

Retention rules

The Chief Executive Officer is required to retain 50% of the performance shares awarded in 2023 until the end of his duties. However, this holding obligation will cease to apply if and when the total number of Saint-Gobain shares that the Chief Executive Officer personally holds in registered form—at the date of delivery of the performance shares—represents the equivalent of three years of gross fixed compensation (based on the average opening prices quoted for Saint-Gobain shares in the 20 trading days preceding the delivery date of the performance shares and the amount of the gross fixed compensation applicable at that time).

Performance units

No performance unit plans were set up since 2015, and there are no longer any performance unit plans being vested (see section 5.2.4, p. 240). No performance units therefore became exercisable during fiscal year 2023.

Employment contract, retirement benefits and termination benefits for executive corporate officers

For the Chairman of the Board of Directors

TABLE 11 – EMPLOYMENT CONTRACT, RETIREMENT BENEFITS AND TERMINATION BENEFITS FOR THE CHAIRMAN OF THE BOARD OF DIRECTORS (AMF NOMENCLATURE)

Executive corporate officer	Employment contract		Supplementary pension scheme		Indemnities or benefits due or likely to be due as a result of termination or a change of role		Indemnities in relation to a non-compete clause	
	Yes	No	Yes	No	Yes	No	Yes	No
Pierre-André de Chalendar, Chairman of the Board of Directors		X		X [(a)]		X		X

(a) *Mr. Pierre-André de Chalendar decided to retire and exercise his rights under the supplementary defined-benefit pension plan "SGPM" of which he was a beneficiary as Chairman and Chief Executive Officer, as of July 1, 2021. Since that date, he has received a supplementary retirement pension, the gross annual amount of which was approximately €417,942 for fiscal year 2023.*

Mr. Pierre-André de Chalendar benefits from the commitments made by the Group to him, as described below.

Health and personal risk insurance

See the heading "Health and personal risk insurance" described hereunder.

For the Chief Executive Officer

TABLE 11 – EMPLOYMENT CONTRACT, RETIREMENT BENEFITS AND TERMINATION BENEFITS FOR THE CHIEF EXECUTIVE OFFICER (AMF NOMENCLATURE)

Executive corporate officer	Employment contract		Supplementary pension scheme		Indemnities or benefits due or likely to be due as a result of termination or change of duties		Indemnities in relation to a non-compete clause	
	Yes	No	Yes	No	Yes	No	Yes	No
Benoit Bazin, CEO		X [(a)]	X		X		X	

(a) *Mr. Benoit Bazin whose employment contract entered into when he joined the Group on September 1, 1999, had been suspended since January 1, 2019, and for the entire duration of his term of office as Chief Operating Officer, committed to renounce his employment contract as from July 1, 2021, the date on which he became Chief Executive Officer.*

Mr. Benoit Bazin benefits from the commitments made by the Group to him, as described below.

Severance indemnity of Chief Executive Officer

See the heading "Severance indemnity" described hereunder.

Non-compete indemnity

See the heading "Non-compete indemnity" described hereunder.

Supplementary pension arrangements

See the heading "Supplementary pension arrangements" described hereunder.

Health and personal risk insurance

See the heading "Health and personal risk insurance" described hereunder.

Compensation components paid to executive corporate officers during the 2023 fiscal year or granted in respect of the same fiscal year, subject to the approval of the General Shareholders' Meeting of June 6, 2024 (*ex-post Say-on-Pay*)

Article L. 22-10-34 II of the French Commercial Code requires that the fixed, variable and exceptional components of the total compensation and benefits of any kind, paid during the past fiscal year or allocated for the same fiscal year to executive corporate officers, be submitted to the General Shareholders' Meeting for approval each year. This vote is binding (as opposed to an advisory vote).

The compensation components paid in 2023 or granted in respect of that fiscal year to Mr. Pierre-André de Chalendar, Chairman of the Board of Directors, and to Mr. Benoit Bazin, Chief Executive Officer, were decided by the Board of Directors at its meetings of February 23, 2023, November 23, 2023, and February 29, 2024, on the proposal of the Nomination and Remuneration Committee, pursuant to the compensation policies for the Chairman of the Board of Directors and Chief Executive Officer, approved by the General Shareholders' Meeting of June 8, 2023 (ninth and tenth resolutions) and in accordance with the principles outlined in paragraph Compensation and benefits paid or granted to executive corporate officers for the 2023 fiscal year, in section 5.2.2, p. 207.

Compensation components paid to Mr. Pierre-André de Chalendar, Chairman of the Board of Directors, for fiscal year 2023 or granted for the same fiscal year (*ex-post Say-on-Pay*)

The following table shows the compensation components paid in the 2023 fiscal year or granted in respect of that fiscal year to Mr. Pierre-André de Chalendar, Chairman of the Board of Directors, subject to shareholders' approval at the General Shareholders' Meeting of June 6, 2024, in accordance with Article L. 22-10-34 II of the French Commercial Code.

Compensation components paid to Mr. Pierre-André de Chalendar, Chairman of the Board of Directors, for fiscal year 2023 or granted for the same fiscal year (Article L. 22-10-34 II of the French Commercial Code) (*ex-post Say-on-Pay*)

Compensation components submitted to vote	Amounts paid or granted or book value subject to vote *(in EUR)*	Description
Fixed compensation	**Amount paid: €450,000** (Board of Directors meeting of February 23, 2023)	In accordance with the compensation policy approved by the General Shareholders' Meeting of June 8, 2023 (ninth resolution).
Annual variable compensation	**None**	Mr. Pierre-André de Chalendar has not been granted any annual variable compensation.
Deferred variable compensation	**None**	Mr. Pierre-André de Chalendar has not been granted any deferred variable compensation.
Multi-annual variable compensation	**None**	Mr. Pierre-André de Chalendar has not been granted any multi-year variable compensation.
Exceptional compensation	**None**	Mr. Pierre-André de Chalendar has not been granted any exceptional compensation.
Long-term compensation	**None**	No long-term compensation was awarded to Mr. Pierre-André de Chalendar in 2023.
Compensation for serving as a director	**None**	Mr. Pierre-André de Chalendar does not receive any compensation for his term of office as Director of Compagnie de Saint-Gobain.
In-kind benefits	**€3,301 (book value)**	Mr. Pierre-André de Chalendar has use of a company car.
.		
Severance indemnity	**None**	The Board of Directors has not granted any severance indemnity to Mr. Pierre-André de Chalendar.
Non-compete indemnity	**None**	The Board of Directors has not granted any non-compete indemnity to Mr. Pierre-André de Chalendar.

Compensation components paid to Mr. Benoit Bazin, Chief Executive Officer, during the 2023 fiscal year or granted in respect of the same fiscal year (ex-post Say-on-Pay)

The following table shows the compensation components paid during the 2023 fiscal year or granted in respect of that fiscal year to Mr. Benoit Bazin, Chief Executive Officer, subject to approval at the General Shareholders' Meeting of June 6, 2024, in accordance with Article L. 22-10-34 II of the French Commercial Code.

Compensation components paid during fiscal year 2023 or granted for the same fiscal year to Mr. Benoit Bazin, Chief Executive Officer (Article L. 22-10-34 II of the French Commercial Code) (*ex-post Say-on-Pay*)

Compensation components submitted to vote	Amounts paid or granted or book value subject to vote *(in EUR)*	Description
Fixed compensation	**Amount paid: €1,000,000** (Board of Directors meeting of February 23, 2023)	In accordance with the compensation policy approved by the General Shareholders' Meeting of June 8, 2023 (tenth resolution).
Annual variable compensation	**Amount due: €1,700,000** (Board of Directors meeting of February 29, 2024)	On February 23, 2023, on the proposal of the Nomination and Remuneration Committee, the Board decided to maintain the cap for the annual variable portion of the compensation of the Chief Executive Officer at 170% of the fixed portion of his compensation. Based on the recommendations of the Nomination and Remuneration Committee, the Board of Directors, at its February 29, 2024, meeting, determined Mr. Benoit Bazin's variable compensation as Chief Executive Officer as follows, taking into account the extent to which the objectives outlined below have been attained: • the portion of the variable compensation based on the fulfillment of the four quantifiable financial objectives (return on capital employed (ROCE), Group operating income, Group recurring earnings per share, Free Cash Flow) amounted to €1,020,000, corresponding to a realization exceeding all the maximums of the said objectives and a compensation achievement rate against the target of 143% (see section 5.2.2, p. 207); • the amount of the variable portion for the three quantifiable CSR objectives (Carbon objective, Safety objective and Diversity and teams objective) amounted to €255,000, corresponding to the achievement of all these objectives and a 100% completion rate; • the amount of the variable portion in respect of the three qualitative objectives (management of stakeholders, continuing to optimize the Group's scope and deployment of the 'Grow & Impact' strategic plan in its six action priorities) amounted to €425,000, corresponding to the realization of all the said targets and a 100% achievement rate (see section 5.2.2 p. 207 above). The variable portion of the compensation of Mr. Benoit Bazin as Chief Executive Officer totaled €1,700,000 for 2023, which corresponds to an achievement rate of 100%. In all, Mr. Benoit Bazin's total compensation for fiscal year 2023 (fixed and variable) as Chief Executive Officer amounted to €2,700,000. *Pursuant to the law, payment of the annual variable compensation is subject to the approval of the General Shareholders' Meeting of June 6, 2024.*
Deferred variable compensation	**None**	Mr. Benoit Bazin has not been granted any deferred variable compensation.
Multi-annual variable compensation	**None**	Mr. Benoit Bazin has not been granted any multi-year variable compensation.
Exceptional compensation	**None**	Mr. Benoit Bazin has not been granted any exceptional compensation.

Compensation components paid during fiscal year 2023 or granted for the same fiscal year to Mr. Benoit Bazin, Chief Executive Officer (Article L. 22-10-34 II of the French Commercial Code) (*ex-post Say-on-Pay*)

Compensation components submitted to vote	Amounts paid or granted or book value subject to vote *(in EUR)*	Description
Performance shares	**Amount due: €2,656,656 (value based on the method used to prepare the consolidated financial statements)**	On the recommendation of the Nomination and Remuneration Committee, the Board of Directors' meeting of November 23, 2023, decided to grant Mr. Benoit Bazin 75,000 performance shares unchanged from 2022.. This allocation represents a total value (in accordance with IFRS) at the time it was granted of €2,656,656, which is in line with the 75,000 share allocation ceiling set by the Board's decision of February 23, 2023. It corresponds to 98.4% of the total gross compensation of the Chief Executive Officer for 2023, so that it does not represent a disproportionate share of it. This allocation represents less than the sub-cap set by the General Shareholders' Meeting of June 2, 2022, and is less than the cap of 10% of the overall allocation envelope of performance shares decided by the Board. Refer to section 5.2.4, p. 240 for a description of the presence and performance conditions applying to the vesting of performance shares granted on November 23, 2023. The performance targets set for each criterion are final. However, in accordance with the allocation plan rules, the Board of Directors will have the possibility, after consulting the Nomination and Remuneration Committee, to adjust them in the event of exceptional circumstances justifying this, in particular in the event of a change in the scope of consolidation or a change in accounting method, in order to neutralize, as far as possible, the consequences of these circumstances on the objectives set at the grant date. Given the Group's record performance over the last two years, the achievement rates for the latest two performance share plans for which the performance condition has been determined are high (100% for the 2019 plan, 94,37% for the 2018 plan [(1)]). For the 2017 plan, the rate was 75% [(2)], which was lower than the median rate of the vesting in 2021 (the vesting year of the said plan) of the executive number 1s of the CAC 40 companies, which stood at 88%. Percentage of share capital represented by the allocation to the executive corporate officer: approximately 0,014%. Date of authorization by the General Shareholders' Meeting: June 2, 2022 (eighteenth resolution). Date of the Board's grant decision: November 23, 2023.
Stock options	**None**	No stock options were granted to Mr. Benoit Bazin in 2023.
Performance units	**None**	No performance units were granted to Mr. Benoit Bazin in 2023.
Compensation for serving as a director	**None**	Mr. Benoit Bazin does not receive any compensation in respect of the fiscal year for serving as a Director of Compagnie de Saint-Gobain.
In-kind benefits	**€2,156 (book value)**	Mr. Benoit Bazin has use of a company car.
Severance indemnity	**None**	See the heading "Severance indemnity", in the part on the compensation policy for the Chief Executive Officer, subject to approval by the General Shareholders' Meeting of June 6, 2024 (ex-ante Say-on-Pay), section 5.2.2, p. 207 below.

(1) *The achievement rate for the 2018 performance share plan would have been the same if the mechanism for taking into account the impact of the Covid-19 crisis had not been applied (see section 2.4.2 of chapter 5 of the Company's 2020 Universal Registration Document).*

(2) *The achievement rate for the 2017 performance share plan would have been 53.33% if the mechanism for taking into account the impact of the Covid-19 crisis had not been applied (see section 2.4.2 of chapter 5 of the Company's 2020 Universal Registration Document).*

Compensation components paid to Mr. Benoit Bazin, Chief Executive Officer, during the 2023 fiscal year or granted in respect of the same fiscal year (Article L. 22-10-34 II of the French Commercial Code) (*ex-post Say-on-Pay*)

Compensation components submitted to vote	Amounts paid or granted or book value subject to vote *(in EUR)*	Description
Non-compete indemnity	**None**	See the heading "Non-compete indemnity" in the part on the compensation policy for the Chief Executive Officer for the period from January 1, 2024, to June 6, 2024, inclusive subject to approval by the General Shareholders' Meeting of June 6, 2024 (ex-ante Say-on-Pay), section 5.2.2, p. 207 below.
Supplementary pension scheme	**None**	Following the freezing of the defined-benefit supplementary pension plan with conditional rights, set up in 2012, pursuant to Article L. 137-11 of the French Social Security Code (the "**2012 Plan**"), a defined-benefit supplementary pension plan with certain rights, meeting the conditions set out in Article L. 137-11-2 of the French Social Security Code (the "**2012/2 Plan**"), could be set up following the publication of the instruction of the Social Security Department on December 23, 2020. This 2012/2 Plan provides continuity to the 2012 Plan due to consistency in terms of population and benefits. Therefore, the 2012/2 Plan is not an addition to the 2012 Plan but a gradual replacement of it. Indeed, the pension rights vested annually in the 2012/2 Plan reduce the frozen rights in the 2012 Plan by the same proportion and are capped so that, when combined as the case may be with the frozen rights of the 2012 Plan, they do not allow the receipt of a benefit greater than that which could have resulted from the 2012 Plan if its closure had not been imposed by the Order of July 3, 2019. The characteristics of the 2012 and 2012/2 Plans are specified in the Chief Executive Officer's compensation policy for the period from January 1, 2024, to June 6, 2024, inclusive submitted for approval to the General Shareholders' Meeting (see section 5.2.2, p. 207). The extension of the 2012/2 Plan to Mr. Benoit Bazin as from 2021 results from the Chief Executive Officer's compensation policy for 2021, approved by the General Shareholders' Meeting held on June 3, 2021 (fourteenth resolution). The vesting of annual rights under the 2012/2 Plan is subject to the fulfillment of conditions related to the professional performance of Mr. Benoit Bazin assessed annually by the Board of Directors. The performance condition is defined as follows: the achievement, for the year in question, of at least 50% of the individual part of the quantifiable and qualitative objectives relating to the variable portion of the compensation. In February 2024, the Board of Directors noted that the performance condition determining the vesting of Mr. Benoit Bazin's rights in respect of 2023 had been met. As a result, under the 2012/2 plan, the rights vested in 2023 amount to a gross amount of approximately €37,000 per year. In addition, as of December 31, 2023, the total estimated amount of the rights that will be received by Mr. Benoit Bazin under the 2012/2 Plan amounts to a gross amount of approximately €109,000 per year. This indicative amount is calculated in accordance with the procedures set forth in Article D. 22-10-16 of the French Commercial Code. As indicated, this amount reduces the amount that could be paid under the 2012 Plan. In fact, the estimated amount of the rights paid under the 2012/2 Plan, together with that of the rights which could be paid under the 2012 Plan, remains in any event lower than the cap provided for in the "2012" pension plan (eight times the annual social security cap, i.e., €351,936 in 2023) and the cap of 45% of fixed and variable compensation provided for in the Afep-Medef Code.

Compensation policies for executive corporate officers subject to approval by the General Shareholders' Meeting of June 6, 2024 (*ex-ante Say-on-Pay*)

Article L. 22-10-8 II of the French Commercial Code requires that the compensation policy for executive corporate officers be submitted to the General Shareholders' Meeting for approval each year. This vote is binding (as opposed to an advisory vote).

At its meeting of February 29, 2024, the Board of Directors, on the proposal of the Nomination and Remuneration Committee, determined the compensation policies for executive directors for 2024, namely that of the the Chairman of the Board of Directors and the Chief Executive Officer for the period from January 1, 2024, to June 6, 2024, inclusive and then that of the Chairman and Chief Executive Officer for the period from June 7, 2024, to December 31, 2024 .

The general principles of the compensation policy for the executive corporate officers described in section 5.2.2, p. 207, were reviewed by the Board of Directors and were confirmed for the 2024 fiscal year.

Compensation policy for the Chairman of the Board of Directors for the period from January 1, 2024, to June 6, 2024, inclusive, subject to approval by the General Shareholders' Meeting of June 6, 2024 (ex-ante Say-on-Pay)

The table below shows the compensation policy for the Chairman of the Board of Directors, submitted for approval to the General Shareholders' Meeting of June 6, 2024, pursuant to Article L. 22-10-8 II of the French Commercial Code.

As announced in 2022 at the time of his reappointment, Pierre-André de Chalendar will step down as Chairman of the Board of Directors following the General Shareholders' Meeting of June 6, 2024. Accordingly, the compensation policy for the Chairman of the Board of Directors submitted for approval by the General Shareholders' Meeting of June 6, 2024, is applicable only for the period from January 1, 2024, to June 6, 2024, inclusive.

Compensation policy for the Chairman of the Board of Directors, subject to approval by the Ordinary Shareholders' Meeting (Article L. 22-10-8 II of the French Commercial Code)

Compensation components attributable to the Chairman of the Board of Directors	Maximum	Description
Fixed compensation	-	The compensation of the Chairman was set by the Board of Directors, at its meeting of February 25, 2021, on the proposal of the Nomination and Remuneration Committee, at €450,000 gross per year for the entire duration of his term of office with no other compensation in respect of his office [(a)]. This compensation is maintained for the period from January 1, 2024, to June 6, 2024, inclusive, i.e. €194,262 gross prorata temporis.
Annual variable compensation	None	The Board of Directors does not intend to grant any annual variable compensation to the Chairman for the period from January 1, 2024, to June 6, 2024, inclusive.
Deferred variable compensation	None	The Board of Directors does not intend to grant any deferred variable compensation to the Chairman for the period from January 1, 2024, to June 6, 2024, inclusive.
Multi-annual variable compensation	None	The Board of Directors does not intend to grant any multi-year variable compensation to the Chairman for the period from January 1, 2024, to June 6, 2024, inclusive.
Exceptional compensation	None	The Board of Directors does not intend to grant any exceptional compensation to the Chairman for the period from January 1, 2024, to June 6, 2024, inclusive..
Indemnity for taking up office	None	The Board of Directors has not granted the current Chairman any indemnity for taking up office.
Long-term compensation	None	The Board of Directors does not intend to grant any long-term compensation to the Chairman during his term of office.
Compensation for serving as a director	None	The Chairman does not receive any compensation for serving as a Director of Compagnie de Saint-Gobain.
In-kind benefits	-	The Chairman has use of a company car.
Severance indemnity	None	The Board of Directors does not intend to grant any severance indemnity to the Chairman.
Non-compete indemnity	None	The Board of Directors does not intend to grant any non-compete indemnity to the Chairman.
Health and personal risk insurance	-	Mr. Pierre-André de Chalendar continues to fully benefit from the Group's health and personal risk insurance policies entered into with GAN and Mutuelle Malakoff Médéric respectively during his term of office.

(a) *Mr. Pierre-André de Chalendar decided to retire and benefit from his pension rights under the supplementary defined-benefit pension plan "SGPM" of which he was a beneficiary as Chairman and Chief Executive Officer as of July 1, 2021. Since that date, he has received a supplementary retirement pension, the gross annual amount of which was €417,942 for fiscal year 2023.*

Compensation policy for the Chief Executive Officer for the period from January 1, 2024, to June 6, 2024, inclusive, subject to approval by the General Shareholders' Meeting of June 6, 2024 (*ex-ante Say-on-Pay*)

In view of the Board of Directors' decision on November 23, 2023, to combine the functions of Chairman of the Board of Directors and Chief Executive Officer at the end of the General Shareholders' Meeting on June 6, 2024, the compensation policy for the executive corporate officer for the 2024 financial year submitted to the General Shareholders' Meeting on June 6, 2024, comprises:

- a policy for the period from January 1, 2024, to June 6, 2024, inclusive, and
- a policy for the period from June 7, 2024, to December 31, 2024.

The table below details the compensation policy for the Chief Executive Officer, subject to the approval of the General Shareholders' Meeting of June 6, 2024, pursuant to Article L. 22-10-8 II of the French Commercial Code (including the commitments made in his favor on matters such as compensation components and indemnities or benefits due or likely to be due in the event of termination of his duties), for the period from January 1, 2024, to June 6, 2024, inclusive. In substance, the Board of Directors has decided not to modify the Chief Executive Officer's compensation in relation to his 2023 compensation, during this first period of 2024.

Compensation policy for the Chief Executive Officer for the period from January 1, 2024, to June 6, 2024, inclusive, subject to approval by the General Shareholders' Meeting (Article L. 22-10-8 II of the French Commercial Code)

Compensation components attributable to the office of Chief Executive Officer	Maximum	Description
Fixed compensation		The fixed compensation of the Chief Executive Officer reflects his experience and responsibilities as Chief Executive Officer and is comparable to those of equivalent positions in CAC 40 and CAC 404 Industrial Companies. On February 29, 2024, the Board of Directors decided, on the proposal of the Nomination and Remuneration Committee, to maintain this fixed compensation at €1,000,000 per year, i.e. €431,694 for the period from January 1, 2024 to June 6, 2024, inclusive (unchanged from 2022). The Nomination and Remuneration Committee noted again in February 2024, with the assistance of an external firm that this level was still 20% and 25% below, respectively, the median fixed compensation of the Chief Executives of the CAC 40 and CAC 40 industrial companies.

Compensation policy for the Chief Executive Officer for the period from January 1, 2024, to June 6, 2024, inclusive, subject to approval by the General Shareholders' Meeting (Article L. 22-10-8 II of the French Commercial Code)

Compensation components attributable to the office of Chief Executive Officer	Maximum	Description
Annual variable compensation	**170% of the fixed compensation at maximum**	The Board of Directors decided to maintain the cap on the annual variable portion of the Chief Executive Officer's compensation unchanged at 170% of the fixed portion of his compensation (as in 2021, 2022 and 2023). In February 2024, the Nomination and Remuneration Committee noted that 170% of the maximum variable portion is slightly higher (10% and 13%, respectively, than the median variable compensation of the Chief executives of CAC 40 and CAC 40 industrial companies). However, insofar as the variable portion is calculated on the basis of fixed compensation, which is lower than the median fixed compensation of Chief executives of CAC 40 and industrial CAC 40 companies, the Committee notes that the amount in euros of the Chief Executive Officer's maximum monetary compensation, at €2,700,000, is well below the median for Chief executives of CAC 40 companies (median of €3,505,000) and industrial CAC 40 companies (median of €3,425,000). The Board of Directors also decided to maintain the structure of the Chief Executive Officer's variable compensation unchanged from 2023. The amount of this variable compensation in respect of the period from January 1, 2024. to June 6, 2024, inclusive will be determined by the Board of Directors in 2025 on the basis of the achievement of quantifiable and qualitative targets that he has set, amounting to 75% and 25% respectively of the variable part of his compensation. The quantifiable targets comprise financial targets and CSR targets, which account for 60% and 15% respectively of variable compensation. As regards the quantifiable financial objectives, the Board decided to adopt, for the period from January 1, 2024, to June 6, 2024, inclusive, four quantifiable objectives, considered relevant for assessing the Saint-Gobain Group's operating and financial performance and its strategy (as in 2023), each accounting for 25%: the return on capital employed ("ROCE"), the Group's operating income, the Group's net income from recurring operations per share, and the free cash flow. Given the volatility of the environment in which the Group operates, which makes it difficult to forecast each indicator, the Board of Directors, after consulting the Nomination and Remuneration Committee, reserves the right to apply an "outperformance" mechanism unchanged from 2022, which would allow partial compensation for the non-achievement of objectives on certain criteria by exceptional outperformance on others. The Board of Directors will base its decision on various factors such as the economic environment. In the event of outperformance on one or more of the four criteria beyond the maximum, it is possible to reach up to 20% of the bonus share relating to the outperforming criterion/criteria, in the event of achievement above the maximum and up to 120% of the maximum, with linearity between 0 and 120% (which leads, for example, to 10% of the bonus share relating to a criterion in the event of achievement of up to 110% of the maximum), it being specified that the sum of the four components may not exceed 102%[(a)] of the fixed portion. Thus, in the extreme case of outperformance of more than 20% of the maximum on three criteria and performance equal to zero on the fourth, the quantifiable portion of the annual variable will be equal to 91.8% of the fixed portion (which responds to the concern that it is not possible to reach the maximum set at 102% of the fixed portion, when one criterion is at zero). If this mechanism were implemented, this would be presented in the compensation components of the ex-post Say-on-Pay. With regard to quantifiable CSR objectives, the Board decided to retain three objectives, each accounting for 5%: • Carbon objective: CO_2 emissions (in scopes 1 and 2) at current scope (i.e., at actual production) [(b)]; between 8.7Mt (maximum) and 9.1Mt (minimum), linear between these two limits; and • Safety objective: TF2 between 1.3 (maximum) and 1.7 (minimum), linear between these two limits; and • Diversity and teams objective: diversity index [(c)] between 90% (maximum) and 85% (minimum), linear between these two limits.

(a) *The quantifiable financial portion of the variable represents 60% of the variable portion, which may reach a maximum of 170% of the fixed portion, so that its maximum amount is 102% of the fixed portion.*

(b) *With regard to the carbon target, the Board of Directors will have the possibility, after consultation with the Nominating and Compensation Committee, to adjust this objective in the event of exceptional circumstances justifying it, particularly in the event of a change in the Group's scope of consolidation or a change in accounting method, in order to neutralize, as far as possible, the consequences of these circumstances on the carbon objective.*

(c) *Index corresponding to the proportion of the Group's Senior managers who have at least one of the following three diversity characteristics: being of a non-French nationality, having diverse professional experience (having worked for Saint-Gobain in two countries other than their country of origin or in at least three different sectors, or having more than 12 years' experience outside the Saint-Gobain Group), and being a woman.*

Compensation policy for the Chief Executive Officer for the period from January 1, 2024, to June 6, 2024, inclusive, subject to approval by the General Shareholders' Meeting (Article L. 22-10-8 II of the French Commercial Code)

Compensation components attributable to the office of Chief Executive Officer	Maximum	Description
		It is specified as necessary that the outperformance mechanism described above and applicable to the financial quantifiable part does not apply to the CSR quantifiable part. In addition, the Board of Directors selected the following qualitative objectives as relevant insofar as they reflect the implementation of strategic objectives for the fiscal year 2024: ● Stakeholders management; ● Group scope: continuing to optimize the Group's scope; ● Deployment of the "Grow & Impact" strategic plan in its six action priorities: 1 – Position ourselves in high-growth markets, 2 – Be Solutions-oriented, combining performance and sustainability, 3 – Drive growth through client innovation and the power of data, 4 – Embedding Corporate Social Responsibility in our decisions and actions, 5 – Strengthen our TEC culture, and 6 – Have the best teams in a diverse and inclusive work environment. In compliance with the law, the payment of variable compensation to the Chief Executive Officer in respect of the period from January 1, 2024, to June 6, 2024, inclusive, will be subject to approval by the 2025 General Shareholders' Meeting.
Deferred variable compensation	**None**	The Board of Directors does not intend to grant deferred variable compensation to the Chief Executive Officer for the period from January 1, 2024, to June 6, 2024, inclusive.
Multi-annual variable compensation	**None**	The Board of Directors does not intend to grant any multi-year variable compensation to the Chief Executive Officer for the period from January 1, 2024, to June 6, 2024, inclusive.
Exceptional compensation	**None**	The Board of Directors does not intend to grant any exceptional compensation to the Chief Executive Officer for the period from January 1, 2024, to June 6, 2024, inclusive. *In accordance with the law, the payment of any exceptional compensation would be conditioned to the approval of the 2025 General Shareholders' Meeting.*
Indemnity for taking up office	**-**	The Board of Directors reserves the option, if a new Chief Executive Officer were to be recruited outside the Group, to grant him/her an indemnity for taking up office to compensate for the loss of benefits, in compliance with current practices, such as the annual variable compensation and/or long-term compensation components which he/she was entitled to as part of his/her previous duties. This indemnity for taking up office could take the form of payments in cash and/or allocation of securities subject to performance conditions.
Long-term compensation		The Board of Directors has no plans to grant long-term compensation term to the Chief Executive Officer for the period from January 1, 2024 to June 6, 2024, inclusive, as the allocation is usually made in November of each year.

Compensation policy for the Chief Executive Officer for the period from January 1, 2024, to June 6, 2024, inclusive, subject to approval by the General Shareholders' Meeting (Article L. 22-10-8 II of the French Commercial Code)

Compensation components attributable to the office of Chief Executive Officer	Maximum	Description
Consequences of the termination of his duties as a corporate officer on his stock options, performance shares performance units and other long-term compensation instruments	-	a) In the event of **termination of his office as corporate officer**, the Chief Executive Officer (or his heirs in the event of death) **shall be deprived of his right to exercise stock options or receive performance shares, performance units and other long-term compensation instruments granted to him during his term** as Chief Operating Officer for which the minimum exercise period, or the acquisition period, will not have expired as of the date of termination of his office as corporate officer (with the exception of events of death, disability or retirement, in which case the long-term compensation instruments will be maintained as stated in the related rules for the long-term compensation plans). b) **The Board of Directors will nevertheless have the option**, at the proposal of the Nomination and Remuneration Committee, to decide to derogate from the service condition and **to maintain, exclusively on a *pro rata temporis basis*,** the benefit of stock options, performance shares, performance units and other long-term compensation instruments granted to him since his appointment as Chief Operating Officer for which the minimum exercise period, or the acquisition period, will not have expired as of the date of termination of his office as corporate officer. Such decision by the Board of Directors shall occur no later than the day of the termination of office. Any such decision by the Board of Directors must be justified in accordance with the Afep-Medef Code. The exercise of stock options and performance units, and the vesting of performance shares and other long-term compensation instruments would nonetheless remain subject in this case to the fulfillment of the performance conditions stipulated in the rules of the relevant plans. c) By exception, the Board of Directors **shall not have the option to maintain this benefit** in the following cases: • dismissal for gross or serious misconduct, or serious misconduct not related to his duties; and • **resignation** from the duties of company Director which does not constitute a case of "Forced Resignation". "**Forced Resignation**" means a resignation from the duties of executive corporate officer that occurs within the 12 months following: – the date of approval by the General Shareholders' Meeting of a merger or a demerger affecting Compagnie de Saint-Gobain, or – the effective date on which a third party or group of investors acting in concert acquires control of Compagnie de Saint-Gobain (in accordance with Article L. 233-3 of the French Commercial Code), or – the announcement by the Compagnie de Saint-Gobain's management bodies of a significant shift in the Saint-Gobain Group's strategy leading to a major change in its business.
Compensation for serving as a director	None	The Chief Executive Officer does not receive any compensation for serving as a Director of Compagnie de Saint-Gobain.
In-kind benefits	-	The Chief Executive Officer has use of a company car.

Compensation policy for the Chief Executive Officer for the period from January 1, 2024, to June 6, 2024, inclusive, subject to approval by the General Shareholders' Meeting (Article L. 22-10-8 II of the French Commercial Code)

Compensation components attributable to the office of Chief Executive Officer	Maximum	Description
Severance indemnity	**Cap set at twice the total gross annual compensation, including the non-compete indemnity**	Mr. Benoit Bazin has renounced his employment contract, which he entered into with the Saint-Gobain Group more than 20 years ago, as from July 1, 2021. He has not been granted any indemnity payment on this occasion. In the event of Forced Departure, whatever form this departure takes, in the following circumstances: a) Early dismissal or non-renewal of the term of office of the Chief Executive Officer at the end of the term, except at his initiative or in the event of serious or gross misconduct or misconduct not related to the duties of Chief Executive Officer, or b) Forced resignation, Mr. Benoit Bazin would receive an indemnity equal to a maximum of twice the total gross annual compensation defined as the sum of the fixed portion of his annual compensation as Chief Executive Officer received at the date of termination of office, and the average of the variable portion of his annual compensation received or to be received in respect of the last three full fiscal years available during which he held the position of Chief Executive Officer and ended prior to the date of termination of his office. In any event, no amount would be due in respect of the severance indemnity in the event that Mr. Benoit Bazin would leave Compagnie de Saint-Gobain at his own initiative, other than in the circumstances described above, or if, leaving the Company at his own initiative in one of the circumstances described above, he had the opportunity, within 12 months following the date of termination of his duties as Chief Executive Officer, to retire and be eligible to benefit from his retirement rights under the "2012" defined-benefit pension plan or any other supplementary pension plan then applicable (see the "Supplementary pension arrangements" section below). In any event, the combination of this severance indemnity and the non-compete indemnity may not exceed twice the amount of the total gross annual compensation of Mr. Benoit Bazin. Eligibility for severance indemnity will be subject to the fulfillment of a performance condition defined as the granting by the Board of Directors, on average for the last three full fiscal years available during which he held the position of Chief Executive Officer and closed prior to the date of termination of his duties, of a variable portion of compensation at least equal to half of the maximum amount set for this variable portion. The payment of this severance indemnity shall be subject to the prior verification by the Board of Directors, under the conditions prescribed by the applicable law, of the fulfillment of said performance condition, assessed on the date of termination of his duties.
Non-compete indemnity	**Cap set at one year of total gross annual compensation** **and** **Combined non-compete indemnity and severance indemnity capped at two years of total annual gross compensation**	Mr. Benoit Bazin has signed a firm and binding non-compete undertaking in favor of Compagnie de Saint-Gobain [(a)] with a term of one year as from the date of his loss of office as Chief Executive Officer. In consideration of this undertaking, in the event of termination of office as Chief Executive Officer for any reason whatsoever, Mr. Benoit Bazin would receive an **indemnity equal to one year's total gross annual compensation.** The total gross annual compensation would consist of the same fixed and variable components as those used to determine the severance indemnity mentioned above. In consideration of this undertaking, in the event of termination of office as Chief Executive Officer for any reason whatsoever, Mr. Benoit Bazin would receive an **indemnity equal to one year's total gross annual compensation.** In any event, **the combination of this non-compete indemnity and the severance indemnity may not exceed twice the amount of the total gross annual compensation** of Mr. Benoit Bazin. It should be noted that this non-compete undertaking is a protection mechanism of the Saint-Gobain Group, the non-compete indemnity being the imperative financial consideration for the restrictions imposed. However, the Board of Directors has reserved the right to unilaterally waive the benefit of this non-compete undertaking no later than the date of termination of the office of the Chief Executive Officer, in which case the Chief Executive Officer would be released from any commitment and no sum would be due to him in this respect. In addition, the payment of the non-compete indemnity would be excluded as soon as Mr. Benoit Bazin benefited from his pension rights. In any event, no indemnity would be paid beyond the age of 65.

(a) *Activity concerned: any company whose main activity is the trading of construction materials or the production of construction materials similar to those produced by the Saint-Gobain Group. Territory: European Union, EFTA and Switzerland.*

Compensation policy for the Chief Executive Officer for the period from January 1, 2024, to June 6, 2024, inclusive, subject to approval by the General Shareholders' Meeting (Article L. 22-10-8 II of the French Commercial Code)

Compensation components attributable to the office of Chief Executive Officer	Maximum	Description
Supplementary pension scheme	-	**2012 Plan:** Mr. Benoit Bazin benefits from the 2012 Plan, under the same conditions as those applicable to all beneficiaries of this pension plan. The 2012 Plan benefits all Compagnie de Saint-Gobain employees who meet the following five conditions: (i) have at least ten (10) years' seniority within the Saint-Gobain Group as of July 4, 2019, (ii) have received annual compensation exceeding eight annual social security caps for at least three of the last ten years of employment prior to July 4, 2019, (iii) have completed their career as an employee of Compagnie de Saint-Gobain, (iv) have liquidated all of their retirement pensions, (v) have not been dismissed for gross misconduct. The methods for determining the reference compensation set by the 2012 Plan and used to calculate the rights of beneficiaries are as follows: (i) base compensation consists exclusively of the following elements: fixed, variable and benefits in kind, and (ii) the base compensation taken into account for the calculation is an average of three consecutive years, including the highest over the last ten years of activity. The 2012 Plan's benefit entitlement is calculated as follows: 1.8% of the portion of base compensation between 8 and 20 times the annual social security cap, plus 0.4% of the portion of base compensation exceeding 20 times the annual social security cap. The amount of the supplemental pension provided by the 2012 Plan is capped twice: • by the number of years of seniority taken into account in the calculation, which cannot exceed 20. Only the years of presence of the potential beneficiary until December 31, 2019, are taken into account. Thus, to determine the annual pension amount, the above-mentioned benefit entitlements are multiplied by the number of years of service, and • by an absolute cap: the pension may never exceed eight times the annual social security cap (i.e., €351,936 in 2023). In addition, the annual amount of the supplementary pension provided for under the 2012 Plan is reduced by the amount of other defined-benefit supplementary pensions received. Thus, the annual pension vested by beneficiaries of the 2012 Plan under another defined-benefit plan, such as the 2012/2 Plan, reduces the annual rights that would be paid under the 2012 Plan by the same amount. Since Mr. Benoit Bazin joined the Saint-Gobain Group on September 1, 1999, he had reached the 20 years' service cap provided under the 2012 Plan in September 2019, and therefore, he would be unable to acquire any conditional rights under this plan as from that date. In the event of departure with the maximum years of service (acquired in September 2019) under the 2012 Plan, Mr. Benoit Bazin would be entitled to an annual pension supplement equivalent to 30% of his last fixed compensation. Mr. Benoit Bazin's maximum supplementary theoretical retirement payout is lower than the Afep-Medef Code's recommended cap, which is set at 45% of the sum of the fixed and annual variable compensation. These rights are financed by premiums paid to an insurance company which are deductible from the corporate income tax base. With respect to the social security charges associated with the payment of the rights, the Company would be subject to the payment of a contribution based on the premiums paid to the insurer, the rate of which is set by the French Social Security Code at 24%. At December 31, 2022, Mr. Benoit Bazin's estimated rights under the 2012 Plan would amount to around €300,000 per year, below the cap for the 2012 Plan (eight times the annual social security cap, i.e., €351,936 in 2023). This indicative amount is calculated in accordance with Article D. 22-10-16 of the French Commercial Code, according to which the rights must be estimated on an annual basis, take into account the accumulated years of service of the corporate officer in his/her duties on the fiscal year-end date, be based on the compensation during the last fiscal year(s) and be calculated disregarding the effective satisfaction of the conditions to which the commitment is subject, as if the corporate officer could benefit from it starting the day after fiscal year-end. The commitments made by the company to Mr. Benoit Bazin under the 2012 Plan may be terminated by decision of the Board of Directors. The 2012 Plan has been frozen as of December 31, 2019, such that no conditional rights can be vested after that date in accordance with Order No. 2019-697 of July 3, 2019, relating to supplementary professional pension arrangements.

Compensation policy for the Chief Executive Officer for the period from January 1, 2024, to June 6, 2024, inclusive, subject to approval by the General Shareholders' Meeting (Article L. 22-10-8 II of the French Commercial Code)

Compensation components attributable to the office of Chief Executive Officer	Maximum	Description
		2012/2 Plan: Following this freeze, a defined-benefit supplementary pension plan with certain rights, meeting the conditions set out in Article L. 137-11-2 of the French Social Security Code, the "2012/2 Plan", could be set up following the publication of the instruction of the Social Security Department on December 23, 2020. This 2012/2 Plan provides continuity to the 2012 Plan due to consistency in terms of population and benefits. Therefore, the 2012/2 Plan concerns only those employees who are in the workforce on its effective date and who benefit from the 2012 Plan. Moreover, the 2012/2 Plan is not an addition to the 2012 Plan but a gradual replacement of it. Indeed, the pension rights vested annually in the 2012/2 Plan reduce the frozen rights in the 2012 Plan by the same proportion and are capped so that, when combined as the case may be with the frozen rights of the 2012 Plan, they do not allow the receipt of a benefit greater than that which could have resulted from the 2012 Plan if its closure had not been imposed by the Order of July 3, 2019. The 2012/2 Plan provides for the payment of a life annuity to the beneficiary, with the possibility of reversion, starting at the earliest from the date of liquidation of his pension in a compulsory old age insurance scheme to which he has contributed or from the legal retirement age mentioned in Article L. 161-17-2 of the French Social Security Code. After the life annuity has been settled, no new pension rights may be granted. In the event of death before the liquidation of the vested rights, the latter will be converted into capital and paid to the previously designated beneficiaries. The reference compensation used to calculate the rights consists of the fixed and variable portions of the compensation as well as benefits in kind, taken into account for the calculation of social security contributions (pursuant to Article L. 242-1 of the French Social Security Code). For the calculation of the reference compensation, the variable portion paid for the year in question is capped at 60% of the fixed portion of the previous year's compensation. The rights vested annually correspond to: 5.4% of the reference compensation between 8 and 20 times the annual social security cap in force for the year in question, plus 1.2% of the reference compensation exceeding 20 times the annual social security cap in force for the year in question. The acquisition of annual rights is subject to compliance with conditions related to the beneficiary's professional performance, assessed annually by the employer. The rights vested annually may not exceed 3% of the reference compensation. In addition, the cumulative number of percentage points applied to the same beneficiary under a scheme covered by Article L. 137-11-2 of the French Social Security Code is capped at 30 points over the beneficiary's entire career and for all employers combined. Finally, in addition to these legal limits, the 2012/2 Plan has its own limit to ensure that it does not allow the beneficiary to receive a higher benefit than that which would have resulted from the 2012 Plan had its closure not been imposed by the Order of July 3, 2019. Thus, it is verified each year that the estimated rights vested under the 2012/2 Plan do not exceed the estimated amount of the "maximum" annual rights corresponding to the rights that could have resulted from the 2012 Plan if its closure had not been imposed by the July 3, 2019, Order. If this cap is not observed, the grant of rights for the following year is null and void. In accordance with the Chief Executive Officer's compensation policy for 2022, approved by the General Shareholders' Meeting held on June 2, 2022 (thirteenth resolution), the application of the 2012/2 Plan has been extended to Mr. Benoit Bazin as of 2021. Mr. Benoit Bazin's vesting of annual rights is subject to compliance with conditions related to his professional performance, verified and validated annually by the Board of Directors at the beginning of the year following the year concerned. The performance condition is defined as follows: the achievement, for the year in question, of at least 50% of the individual part of the quantifiable and qualitative objectives relating to the variable portion of the compensation. Vesting may be zero (0%) in the year in which performance is below the threshold thus determined. The vested rights are revalued annually by a coefficient equal to the change in the social security cap. In the event of Mr. Benoit Bazin's departure from the Company, the rights will be revalued annually according to the technical and financial results of the insurer. These rights are financed exclusively by premiums paid by the Company to an insurer, which are deductible from the corporate tax base. As regards the social security charges associated with the payment of the annuity, the Company is subject to the payment of a contribution based on the premiums paid to the insurer, the rate of which is set by the French Social Security Code at 29.7%.

Compensation policy for the Chief Executive Officer for the period from January 1, 2024, to June 6, 2024, inclusive, subject to approval by the General Shareholders' Meeting (Article L. 22-10-8 II of the French Commercial Code)

Compensation components attributable to the office of Chief Executive Officer	Maximum	Description
		The commitments made by the Company to Mr. Benoit Bazin under the 2012/2 Plan may be terminated by decision of the Board of Directors. However, the rights prior to this termination would remain vested, in accordance with the applicable legal provisions. On February 29, 2024, the Board of Directors noted that the performance condition determining the vesting of Mr. Benoit Bazin's rights in respect of 2022 had been met. As a result, under the 2012/2 plan, the rights vested in 2023 amount to a gross annual amount of approximately €37,000. In addition, as of December 31, 2022, the total estimated amount of the pension that will be received by Mr. Benoit Bazin under the 2012/2 Plan amounts to a gross annual amount of approximately €109,000. This indicative amount is calculated in accordance with the procedures set forth in Article D. 22-10-16 of the French Commercial Code. As indicated, this amount reduces the amount that could be paid under the 2012 Plan. In fact, the estimated amount of the rights paid under the 2012/2 Plan, together with those which could be paid under the 2012 Plan, remains in any event lower than the cap provided for in the 2012 Plan (eight times the annual social security cap, i.e., €351,936 in 2023) and the cap of 45% of fixed and variable compensation provided for in the Afep-Medef Code. Pursuant to Article 5, II of the above-mentioned Order of July 3, 2019, the Board of Directors reserves the right to transfer the commitments of the 2012 Plan to the 2012/2 Plan and to extend its application to Mr. Benoit Bazin. In any event, no rights would be transferred beyond the 30-point ceiling provided for in Article L. 137-11-2 of the Social Security Code, it being specified that this ceiling would be assessed by comparing the amount of the conditional rights at the date of the transfer to the average remuneration of the persons concerned over the last three years in the 2012 Plan. In the event of a transfer, the Company would be liable for a contribution in full discharge of its liabilities at a rate of 29.7% under the conditions provided for in Article 5, II of the Order of July 3, 2019. This contribution would then replace, in respect of the rights transferred, the 24% contribution based on the premiums paid to the insurer.
Health and personal risk insurance	-	By decision of the Board of Directors, Mr. Benoit Bazin continues to fully benefit from the Group's health and personal risk insurance policies entered into with GAN and Mutuelle Malakoff Médéric respectively during his term of office.

Compensation policy of the Chairman and Chief Executive Officer for the period from June 7, 2024, to December 31, 2024, subject to approval by the General Shareholders' Meeting of June 6, 2024 (ex-ante Say-on-Pay)

In view of the Board of Directors' decision on November 23, 2023, to combine the functions of Chairman of the Board of Directors and Chief Executive Officer at the end of the General Shareholders' Meeting on June 6, 2024, the compensation policy for the executive corporate officer for the 2024 financial year submitted to the General Shareholders' Meeting on June 6, 2024, comprises:

- a policy for the period from January 1, 2024, to June 6, 2024, inclusive, and
- a policy for the period from June 7, 2024, to December 31, 2024.

The table below details the compensation policy for the Chairman and Chief Executive Officer, subject to the approval of the General Shareholders' Meeting of June 6, 2024, pursuant to Article L. 22-10-8 II of the French Commercial Code (including the commitments made in his favor on matters such as compensation components and indemnities or benefits due or likely to be due in the event of termination of his duties), for the period from June 7, 2024, to December 31, 2024, inclusive.

Compensation policy for the Chairman and Chief Executive Officer for the period from June 7, 2024, to December 31, 2024, subject to approval by the General Shareholders' Meeting (Article L. 22-10-8 II of the French Commercial Code)

Compensation components attributable to the office of Chairman and Chief Executive Officer	Maximum	Description
Fixed compensation		The fixed compensation of the Chairman and Chief Executive Officer reflects his experience and responsibilities as Chairman and Chief Executive Officer and is comparable to those of equivalent positions in CAC 40 and CAC 40 industrial companies. In applying these principles, on February 29, 2024, the Board of Directors decided, on the proposal of the Nomination and Remuneration Committee, to maintain this fixed compensation at €1,300,000 per year, i.e. €738,798 for the period from June 7, 2024 to December 31, 2024. In view of the change in Mr Benoit Bazin's duties from Chief Executive Officer to Chairman and Chief Executive Officer at the close of the General Shareholders' Meeting on June 6, 2024, the Nomination and Remuneration Committee considered it necessary to reconsider the level of the fixed part of his compensation and decided to propose to the Board that it be increased to €1,300,000. Except for unforeseen exceptional events or other major reasons, the Board decided that this amount should remain stable for the next 5 years. The Nomination and Remuneration Committee took the following factors into account: • Mr Benoit Bazin's current compensation as Chief E x e c u t i v e Officer has not increased since his appointment 3 years ago, even though it was systematically substantially lower than the benchmark for Chief Executive Officers of both CAC 40 and CAC 40 industrial companiesa, and over the 3-year period 2021-2024, the estimated average annual increase in compensation within the Group is greater than 15%; • The performance of Mr. Benoit Bazin as Chief Executive Officer, who has demonstrated his ability to transform Saint-Gobain's business portfolio as well as its operational, financial, social and environmental performance; • The role of Chairman and Chief Executive Officer entails greater responsibilities than that of Chief Executive Officer; • A fixed remuneration of 1,300,000 euros is at the median of the 2023 benchmark for CEO compensation, which is €1,275,000 for CAC 40 companiesb and €1,300,000 for CAC 40 industrial companiesc; • The sum of the fixed compensation for 2023 of the Chairman of the Board of Directors (€450,000) and the Chief Executive Officer (€1,000,000) exceeds the compensation of the Chairman and Chief Executive Officer (€1,300,000).

(a) *It was also substantially lower than the median of a benchmark of international peers.*

(b) *As a reminder: within the CAC 40 sample, the Company is positioned as follows: 22/40 in terms of market capitalization at December 31, 2023, 10/40 in terms of sales in 2022 and 10/40 in terms of headcount in 2022.*

(c) *As a reminder: within the CAC 40 industrial sample, the Company is positioned as follows: 14/22 in terms of market capitalization at December 31, 2022, 7/22 in terms of sales 2022 and 6/22 in terms of headcount 2022.*

Compensation policy for the Chairman and Chief Executive Officer for the period from June 7, 2024, to December 31, 2024, subject to approval by the General Shareholders' Meeting (Article L. 22-10-8 II of the French Commercial Code)

Compensation components attributable to the office of Chairman and Chief Executive Officer	Maximum	Description
Annual variable compensation	**170% of the fixed compensation at maximum**	The Board of Directors decided that the cap on the annual variable portion of the Chairman and Chief Executive Officer's compensation will be 170% of the fixed part of his remuneration. 170% of the fixed portion is less than the median of the maximum bonuses paid to CEOs of CAC 40 and CAC 40 industrial companies, which in both cases is 180%. The Nomination and Remuneration Committee noted that the increase in the amount of the fixed portion of his compensation presented above would automatically have the effect of increasing the maximum amount of the variable portion of his compensation, so that the maximum amount of his fixed and variable compensation would be €3,510,000, slightly below the median of the maximum monetary compensation of the Chairman and Chief Executive Officers of CAC 40 companies and CAC 40 industrial companies, which in both cases is set at €3,635,000. The amount of this variable compensation for the period from June 7, 2024, to December 31, 2024, will be determined by the Board of Directors in 2025 on the basis of the achievement of quantifiable and qualitative targets set by the Board, respectively 75% and 25% of the variable portion of his compensation. The quantifiable targets comprise financial and CSR objectives, respectively accounting for 60% and 15% of variable compensation. As regards the quantifiable financial objectives, the Board decided to adopt, for the period from June 7, 2024, to December 31, 2024, four quantifiable objectives, considered relevant for assessing the Saint-Gobain Group's operating and financial performance and its strategy (as in 2022), each accounting for 25%: the return on capital employed ("ROCE"), the Group's operating income, the Group's net income from recurring operations per share, and the free cash flow. Given the volatility of the environment in which the Group operates, which makes it difficult to forecast each indicator, the Board of Directors, after consulting the Nomination and Remuneration Committee, reserves the right to apply an "outperformance" mechanism unchanged from 2022, which would allow partial compensation for the non-achievement of objectives on certain criteria by exceptional outperformance on others. In making its decision, the Board Board of Directors will take into account various factors such as the economic environment. In the event of outperformance on one or more of the four criteria beyond the maximum, it is possible to reach up to 20% of the bonus share relating to the outperforming criterion/criteria, in the event of achievement above the maximum and up to 120% of the maximum, with linearity between 0 and 120% (which leads, for example, to 10% of the bonus share relating to a criterion in the event of achievement of up to 110% of the maximum), it being specified that the sum of the four components may not exceed 102% [(a)] of the fixed portion. Thus, in the extreme case of outperformance of more than 20% of the maximum on three criteria and performance equal to zero on the fourth, the quantifiable portion of the annual variable will be equal to 91.8% of the fixed portion (which responds to the concern that it is not possible to reach the maximum set at 102% of the fixed portion, when one criterion is at zero). If this mechanism were implemented, this would be presented in the compensation components of the ex-post Say-on-Pay. With regard to quantifiable CSR objectives, the Board decided to retain three objectives, each accounting for 5%: • Carbon objective: CO_2 emissions (in scopes 1 and 2) at current scope (i.e., at actual production) [(b)]; between 8.7Mt (maximum) and 9.1Mt (minimum), linear between these two limits; and • Safety objective: TF2 between 1.3 (maximum) and 1.7 (minimum), linear between these two limits; and • Diversity and teams objective: diversity index [(c)] between 90% (maximum) and 85% (minimum), linear between these two limits.

(a) *The quantifiable financial portion of the variable represents 60% of the variable portion, which may reach a maximum of 170% of the fixed portion, so that its maximum amount is 102% of the fixed portion.*

(b) *With regard to the carbon target, the Board of Directors will have the possibility, after consultation with the Nominating and Compensation Committee, to adjust this objective in the event of exceptional circumstances justifying it, particularly in the event of a change in the Group's scope of consolidation or a change in accounting method, in order to neutralize, as far as possible, the consequences of these circumstances on the carbon objective.*

(c) *Index corresponding to the proportion of the Group's Senior managers who have at least one of the following three diversity characteristics: being of a non-French nationality, having diverse professional experience (having worked for Saint-Gobain in two countries other than their country of origin or in at least three different sectors, or having more than 12 years' experience outside the Saint-Gobain Group), and being a woman.*

		It is specified as necessary that the outperformance mechanism described above and applicable to the financial quantifiable part does not apply to the CSR quantifiable part. In addition, the Board of Directors selected the following qualitative objectives as relevant insofar as they reflect the implementation of strategic objectives for the fiscal year 2024: • Stakeholders management; • Group perimeter: continuing to optimize the Group's perimeter; • Deployment of the "Grow & Impact" strategic plan in its six action priorities: 1 – Position ourselves in high-growth markets, 2 – Be Solutions-oriented, combining performance and sustainability, 3 – Drive growth through client innovation and the power of data, 4 – Embedding corporate social responsibility in our decisions and actions, 5 – Strengthen our TEC culture and 6 – Have the best teams in a diverse and inclusive work environment; • Changes in governance: managing the transition Chief Executive Officer/ Chairman and C h i e f Executive Officer. In compliance with the law, the payment of variable compensation to the Chief Executive Officer in respect of fiscal year 2024 will be subject to approval by the General Shareholders' Meeting to be held in 2025.
Deferred variable compensation	**None**	The Board of Directors does not intend to grant deferred variable compensation to the Chairman and Chief Executive Officer for the period from June 7, 2024, to December 31, 2024.
Multi-annual variable compensation	**None**	The Board of Directors does not intend to grant any multi-year variable compensation to the Chairman and Chief Executive Officer for the period from June 7, 2024, to December 31, 2024.
Exceptional compensation	**None**	The Board of Directors does not intend to grant any exceptional compensation to the Chairman and Chief Executive Officer for the period from June 7, 2024, to December 31, 2024. *In accordance with the law, the payment of any exceptional compensation would be conditioned to the approval of the 2025 General Shareholders' Meeting.*
Indemnity for taking up office	**-**	The Board of Directors reserves the option, if a new Chief Executive Officer were to be recruited outside the Group, to grant him/her an indemnity for taking up office to compensate for the loss of benefits, in compliance with current practices, such as the annual variable compensation and/or long-term compensation components which he/she was entitled to as part of his/her previous duties. This indemnity for taking up office could take the form of payments in cash and/or allocation of securities subject to performance conditions.

Long-term compensation	**Cap for the allocation of long-term compensation instruments to the CEO of 75,000 shares** **and** **Cap for the allocation to the CEO set at 10% of the overall grant of performance shares in 2022 (no performance unit)** **and** **Cap for the allocation to the Chairman and CEO provided for by the seventeenth (options) and eighteenth (performance shares) resolutions of the General Shareholders' Meeting of June 2, 2022**	The Board of Directors has decided that the allocation of long-term compensation instruments from which the Chairman and Chief Executive Officer may benefit may not exceed 75,000 shares. This cap, which defines the latitude available to the Board at the time of granting long-term compensation instruments, does not necessarily prejudge the decision that will be taken in November 2024. This ceiling is unchanged from that of 2023. In addition, the Board of Directors decided that the Chairman and Chief Executive Officer could not be allocated more than 10% of the overall grant of performance shares under the plan to be implemented in 2024 (no performance unit plan). As a reminder, the sub-cap for the allocation of stock options to executive corporate officers was set by the General Shareholders' Meeting of June 2, 2022, at 10% of the cap set by the seventeenth resolution (sub-cap common to the eighteenth resolution of the same Meeting relating to the allocation of performance shares which itself provides for a sub-cap for allocation to executive corporate officers of 10% of the cap in the resolution). The Board of Directors, on the recommendation of the Nomination and Remuneration Committee, indicated to the General Shareholders' Meeting of June 2, 2022, its intention to submit the delivery of performance shares (the only long-term compensation instruments planned to be granted in 2024) subject to a presence condition and performance conditions that will be based at least on the following criteria historically applied to the Group's long-term compensation plans: 1. an internal performance criterion (the Group's ROCE); 2. a relative performance criterion (the stock market performance of the Saint-Gobain share compared to the CAC 40 stock market index); 3. a criterion relating to Corporate Social Responsibility. These criteria were deemed relevant by the Board of Directors as they reflect the operational, financial and non-financial performance of the Saint-Gobain Group and ensure that the beneficiaries are aligned with the interests of Saint-Gobain shareholders. If these criteria cease to be relevant, the Board would set criteria of a comparable requirement in order to continue to put in place consistent compensation instruments over the long term. The performance objectives relating to each of the above criteria will be set by the Board of Directors when the performance shares are allocated and will be final. However, the Board of Directors will have the possibility, after consulting the Nomination and Remuneration Committee, to adjust them in the event of exceptional circumstances justifying this, in particular in the event of a change in the Group's scope of consolidation or a change in accounting method, in order to neutralize, to the extent possible, the consequences of these circumstances on the objectives set on the grant date. The assessment period for the performance conditions of long-term compensation instruments may not be less than three years. Given that performance shares are awarded each year in November, the criteria cannot be set as at the date of this document. As indicated above, the Board of Directors intends not only to retain the criteria historically used for the Group's long-term remuneration plans (unless they cease to be relevant), but also to apply the same rigour to the choice of limits as in the past. See section 5.2.4 p. 240 for the criteria applicable to the plan set up in November 2023. As in the past, the Board will set for the Chairman and Chief Executive Officer, for any allocation in 2024 as part of a long-term compensation plan in the form of performance shares, a strict obligation to retain shares or to reinvest in shares that the Chairman and Chief Executive Officer must hold in registered form until the end of his term of office.

<table>
<tr><td>Consequences of the termination of his duties as a corporate officer on his stock options, performance shares performance units and other long-term compensation instruments</td><td>-</td><td>a) In the event of termination of his office as corporate officer, the Chairman and Chief Executive Officer (or his heirs in the event of death) shall be deprived of his right to exercise stock options or receive performance shares, performance units and other long-term compensation instruments granted to him during his term as Chief Operating Officer for which the minimum exercise period, or the acquisition period, will not have expired as of the date of termination of his office as corporate officer (with the exception of events of death, disability or retirement, in which case the long-term compensation instruments will be maintained as stated in the related rules for the long-term compensation plans).

b) The Board of Directors will nevertheless have the option, at the proposal of the Nomination and Remuneration Committee, to decide to derogate from the service condition and to maintain, exclusively on a pro rata temporis basis, the benefit of stock options, performance shares, performance units and other long-term compensation instruments granted to him since his appointment as Chief Operating Officer for which the minimum exercise period, or the acquisition period, will not have expired as of the date of termination of his office as corporate officer.

Such decision by the Board of Directors shall occur no later than the day of the termination of office. Any such decision by the Board of Directors must be justified in accordance with the Afep-Medef Code.

The exercise of stock options and performance units, and the vesting of performance shares and other long-term compensation instruments would nonetheless remain subject in this case to the fulfillment of the performance conditions stipulated in the rules of the relevant plans.

c) By exception, the Board of Directors shall not have the option to maintain this benefit in the following cases:
● dismissal for gross or serious misconduct, or serious misconduct not related to his duties; and
● resignation from the duties of company Director which does not constitute a case of “Forced Resignation”. “Forced Resignation” means a resignation from the duties of executive corporate officer that occurs within the 12 months following:
– the date of approval by the General Shareholders’ Meeting of a merger or a demerger affecting Compagnie de Saint-Gobain, or
– the effective date on which a third party or group of investors acting in concert acquires control of Compagnie de Saint-Gobain (in accordance with Article L. 233-3 of the French Commercial Code), or
– the announcement by the Compagnie de Saint-Gobain’s management bodies of a significant shift in the Saint-Gobain Group’s strategy leading to a major change in its business.</td></tr>
<tr><td>Compensation for serving as a director</td><td>None</td><td>The Chairman and Chief Executive Officer does not receive any compensation for serving as a Director of Compagnie de Saint-Gobain.</td></tr>
<tr><td>In-kind benefits</td><td>-</td><td>The Chairman and Chief Executive Officer has use of a company car.</td></tr>
</table>

Severance indemnity	**Cap set at twice the total gross annual compensation, including the non-compete indemnity**	Mr. Benoit Bazin has renounced his employment contract, which he entered into with the Saint-Gobain Group more than 20 years ago, as from July 1, 2021. He has not been granted any indemnity payment on this occasion. In the event of Forced Departure, whatever form this departure takes, in the following circumstances: a) early dismissal or non-renewal of the term of office of the Chairman and Chief Executive Officer at the end of the term, except at his initiative or in the event of serious or gross misconduct or misconduct not related to the duties of the Chairman and Chief Executive Officer, or b) Forced resignation, Mr. Benoit Bazin would receive an indemnity equal to a maximum of twice the total gross annual compensation defined as the sum of the fixed portion of his annual compensation as Chairman and Chief Executive Officer received at the date of termination of office, and the average of the variable portion of his annual compensation received or to be received in respect of the last three full fiscal years available during which he held the position of Chairman and Chief Executive Officer and ended prior to the date of termination of his office. In any event, no amount would be due in respect of the severance indemnity in the event that Mr. Benoit Bazin would leave Compagnie de Saint-Gobain at his own initiative, other than in the circumstances described above, or if, leaving the Company at his own initiative in one of the circumstances described above, he had the opportunity, within 12 months following the date of termination of his duties as Chairman and Chief Executive Officer, to retire and be eligible to benefit from his retirement rights under the “2012” defined-benefit pension plan or the 2012/2 benefit pension plan or any other supplementary pension plan then applicable (see “Supplementary pension arrangements” section below). In any event, the combination of this severance indemnity and the non-compete indemnity may not exceed twice the amount of the total gross annual compensation of Mr. Benoit Bazin. Eligibility for severance indemnity will be subject to the fulfillment of a performance condition defined as the granting by the Board of Directors, on average for the last three full fiscal years available during which he held the position of Chairman and Chief Executive Officer or Chief Executive Officer and closed prior to the date of termination of his duties, of a variable portion of compensation at least equal to half of the maximum amount set for this variable portion. The payment of this severance indemnity shall be subject to the prior verification by the Board of Directors, under the conditions prescribed by the applicable law, of the fulfillment of said performance condition, assessed on the date of termination of his duties.
Non-compete indemnity	**Cap set at one year of total gross annual compensation** **and** **Combined non-compete indemnity and severance indemnity capped at two years of total annual gross compensation**	Mr. Benoit Bazin has signed a firm and binding non-compete undertaking in favor of Compagnie de Saint-Gobain [(a)] with a term of one year as from the date of his loss of office as Chairman and Chief Executive Officer. In consideration of this undertaking, in the event of termination of office as Chairman and Chief Executive Officer for any reason whatsoever, Mr. Benoit Bazin would receive an **indemnity equal to one year’s total gross annual compensation.** The total gross annual compensation would consist of the same fixed and variable components as those used to determine the severance indemnity mentioned above. In any event, **the combination of this non-compete indemnity and the severance indemnity may not exceed twice the amount of the total gross annual compensation** of Mr. Benoit Bazin. It should be noted that this non-compete undertaking is a protection mechanism of the Saint-Gobain Group, the non-compete indemnity being the imperative financial consideration for the restrictions imposed. However, the Board of Directors has reserved the right to unilaterally waive the benefit of this non-compete undertaking no later than the date of termination of the office of the Chief Executive Officer, in which case the Chairman and Chief Executive Officer would be released from any commitment and no sum would be due to him in this respect. In addition, the payment of the non-compete indemnity would be excluded as soon as Mr. Benoit Bazin benefited from his pension rights. In any event, no indemnity would be paid beyond the age of 65.

(a) Activity concerned: any company whose main activity is the trading of construction materials or the production of construction materials similar to those produced by the Saint-Gobain Group. Territory: European Union, EFTA and Switzerland.

Supplementary pension scheme	-	**2012 Plan:** Mr. Benoit Bazin benefits from the 2012 Plan, under the same conditions as those applicable to all beneficiaries of this pension plan. The 2012 Plan benefits all Compagnie de Saint-Gobain employees who meet the following five conditions: (i) have at least ten (10) years' seniority within the Saint-Gobain Group as of July 4, 2019, (ii) have received annual compensation exceeding eight annual social security caps for at least three of the last ten years of employment prior to July 4, 2019, (iii) have completed their career as an employee of Compagnie de Saint-Gobain, (iv) have liquidated all of their retirement pensions, (v) have not been dismissed for gross misconduct. The methods for determining the reference compensation set by the 2012 Plan and used to calculate the rights of beneficiaries are as follows: (i) base compensation consists exclusively of the following elements: fixed, variable and benefits in kind, and (ii) the base compensation taken into account for the calculation is an average of three consecutive years, including the highest over the last ten years of activity. The 2012 Plan's benefit entitlement is calculated as follows: 1.8% of the portion of base compensation between 8 and 20 times the annual social security cap, plus 0.4% of the portion of base compensation exceeding 20 times the annual social security cap. The amount of the supplemental pension provided by the 2012 Plan is capped twice: • by the number of years of seniority taken into account in the calculation, which cannot exceed 20. Only the years of presence of the potential beneficiary until December 31, 2019, are taken into account. Thus, to determine the annual pension amount, the above-mentioned benefit entitlements are multiplied by the number of years of service, and • by an absolute cap: the pension may never exceed eight times the annual social security cap (i.e., €351,936 in 2023). In addition, the annual amount of the supplementary pension provided for under the 2012 Plan is reduced by the amount of other defined-benefit supplementary pensions received. Thus, the annual pension vested by beneficiaries of the 2012 Plan under another defined-benefit plan, such as the 2012/2 Plan, reduces the annual rights that would be paid under the 2012 Plan by the same amount. Since Mr. Benoit Bazin joined the Saint-Gobain Group on September 1, 1999, he had reached the 20 years' service cap provided under the 2012 Plan in September 2019, and therefore, he would be unable to acquire any conditional rights under this plan as from that date. In the event of departure with the maximum years of service (acquired in September 2019) under the 2012 Plan, Mr. Benoit Bazin would be entitled to an annual pension supplement equivalent to 30% of his last fixed compensation. Mr. Benoit Bazin's maximum supplementary theoretical retirement payout is lower than the Afep-Medef Code's recommended cap, which is set at 45% of the sum of the fixed and annual variable compensations. These rights are financed by premiums paid to an insurance company which are deductible from the corporate income tax base. With respect to the social security charges associated with the payment of the rights, the Company would be subject to the payment of a contribution based on the premiums paid to the insurer, the rate of which is set by the French Social Security Code at 24%. At December 31, 2023, Mr. Benoit Bazin's estimated rights under the 2012 Plan would amount to around €300,000 per year, below the cap for the 2012 Plan (eight times the annual social security cap, i.e., €351,936 in 2023). This indicative amount is calculated in accordance with Article D. 22-10-16 of the French Commercial Code, according to which the rights must be estimated on an annual basis, take into account the accumulated years of service of the corporate officer in his/her duties on the fiscal year-end date, be based on the compensation during the last fiscal year(s) and be calculated disregarding the effective satisfaction of the conditions to which the commitment is subject, as if the corporate officer could benefit from it starting the day after fiscal year-end. The commitments made by the company to Mr. Benoit Bazin under the 2012 Plan may be terminated by decision of the Board of Directors. The 2012 Plan has been frozen as of December 31, 2019, such that no conditional rights can be vested after that date in accordance with Order No. 2019-697 of July 3, 2019, relating to supplementary professional pension arrangements.

2012/2 Plan:

Following this freeze, a defined-benefit supplementary pension plan with certain rights, meeting the conditions set out in Article L. 137-11-2 of the French Social Security Code, the “2012/2 Plan”, could be set up following the publication of the instruction of the Social Security Department on December 23, 2020. This 2012/2 Plan provides continuity to the 2012 Plan due to consistency in terms of population and benefits. Therefore, the 2012/2 Plan concerns only those employees who are in the workforce on its effective date and who benefit from the 2012 Plan. Moreover, the 2012/2 Plan is not an addition to the 2012 Plan but a gradual replacement of it. Indeed, the pension rights vested annually in the 2012/2 Plan reduce the frozen rights in the 2012 Plan by the same proportion and are capped so that, when combined as the case may be with the frozen rights of the 2012 Plan, they do not allow the receipt of a benefit greater than that which could have resulted from the 2012 Plan if its closure had not been imposed by the Order of July 3, 2019.

The 2012/2 Plan provides for the payment of a life annuity to the beneficiary, with the possibility of reversion, starting at the earliest from the date of liquidation of his pension in a compulsory old age insurance scheme to which he has contributed or from the legal retirement age mentioned in Article L. 161-17-2 of the French Social Security Code. After the life annuity has been settled, no new pension rights may be granted. In the event of death before the liquidation of the vested rights, the latter will be converted into capital and paid to the previously designated beneficiaries.

The reference compensation used to calculate the rights consists of the fixed and variable portions of the compensation as well as benefits in kind, taken into account for the calculation of social security contributions (pursuant to Article L. 242-1 of the French Social Security Code). For the calculation of the reference compensation, the variable portion paid for the year in question is capped at 60% of the fixed portion of the previous year’s compensation.

The rights vested annually correspond to: 5.4% of the reference compensation between 8 and 20 times the annual social security cap in force for the year in question, plus 1.2% of the reference compensation exceeding 20 times the annual social security cap in force for the year in question.

The acquisition of annual rights is subject to compliance with conditions related to the beneficiary’s professional performance, assessed annually by the employer. The rights vested annually may not exceed 3% of the reference compensation. In addition, the cumulative number of percentage points applied to the same beneficiary under a scheme covered by Article L. 137-11-2 of the French Social Security Code is capped at 30 points over the beneficiary’s entire career and for all employers combined.

Finally, in addition to these legal limits, the 2012/2 Plan has its own limit to ensure that it does not allow the beneficiary to receive a higher benefit than that which would have resulted from the 2012 Plan had its closure not been imposed by the Order of July 3, 2019. Thus, it is verified each year that the estimated rights vested under the 2012/2 Plan do not exceed the estimated amount of the “maximum” annual rights corresponding to the rights that could have resulted from the 2012 Plan if its closure had not been imposed by the July 3, 2019, Order. If this cap is not observed, the grant of rights for the following year is null and void.

In accordance with the Chief Executive Officer’s compensation policy for 2022, approved by the Ordinary Shareholders’ Meeting held on June 2, 2022 (thirteenth resolution), the application of the 2012/2 Plan has been extended to Mr. Benoit Bazin as of 2021.

Mr. Benoit Bazin’s vesting of annual rights is subject to compliance with conditions related to his professional performance, verified and validated annually by the Board of Directors at the beginning of the year following the year concerned. The performance condition is defined as follows: the achievement, for the year in question, of at least 50% of the individual part of the quantifiable and qualitative objectives relating to the variable portion of the compensation. Vesting may be zero (0%) in the year in which performance is below the threshold thus determined. The vested rights are revalued annually by a coefficient equal to the change in the social security cap. In the event of Mr. Benoit Bazin’s departure from the Company, the rights will be revalued annually according to the technical and financial results of the insurer.

These rights are financed exclusively by premiums paid by the Company to an insurer, which are deductible from the corporate tax base. As regards the social security charges associated with the payment of the annuity, the Company is subject to the payment of a contribution based on the premiums paid to the insurer, the rate of which is set by the French Social Security Code at 29.7%.

		The commitments made by the Company to Mr. Benoit Bazin under the 2012/2 Plan may be terminated by decision of the Board of Directors. However, the rights prior to this termination would remain vested, in accordance with the applicable legal provisions. On February 29, 2024, the Board of Directors noted that the performance condition determining the vesting of Mr. Benoit Bazin's rights in respect of 2022 had been met. As a result, under the 2012/2 plan, the rights vested in 2022 amount to a gross amount of approximately €37,000 per year. In addition, as of December 31, 2023, the total estimated amount of the pension that will be received by Mr. Benoit Bazin under the 2012/2 Plan amounts to a gross amount of approximately €109,000 per year. This indicative amount is calculated in accordance with the procedures set forth in Article D. 22-10-16 of the French Commercial Code. As indicated, this amount reduces the amount that could be paid under the 2012 Plan. In fact, the estimated amount of the rights paid under the 2012/2 Plan, together with those which could be paid under the 2012 Plan, remains in any event lower than the cap provided for in the 2012 Plan (eight times the annual social security cap, i.e., €351,936 in 2023) and the cap of 45% of fixed and variable compensation provided for in the Afep-Medef Code. Pursuant to Article 5, II of the above-mentioned Order of 3 July 2019, the Board of Directors reserves the right to transfer the commitments of the 2012 Plan to the 2012/2 Plan and to extend its application to Mr. Benoit Bazin. In any event, no rights would be transferred beyond the 30-point ceiling provided for in Article L. 137-11-2 of the Social Security Code, it being specified that this ceiling would be assessed by comparing the amount of the conditional rights at the date of the transfer to the average remuneration of the persons concerned over the last three years in the 2012 Plan. In the event of a transfer, the Company would be liable for a contribution in full discharge of its liabilities at a rate of 29.7% under the conditions provided for in Article 5, II of the Order of 3 July 2019. This contribution would then replace, in respect of the rights transferred, the 24% contribution based on the premiums paid to the insurer.
Health and personal risk insurance	-	By decision of the Board of Directors, Mr. Benoit Bazin continues to fully benefit from the Group's health and personal risk insurance policies entered into with GAN and Mutuelle Malakoff Médéric respectively during his term of office.

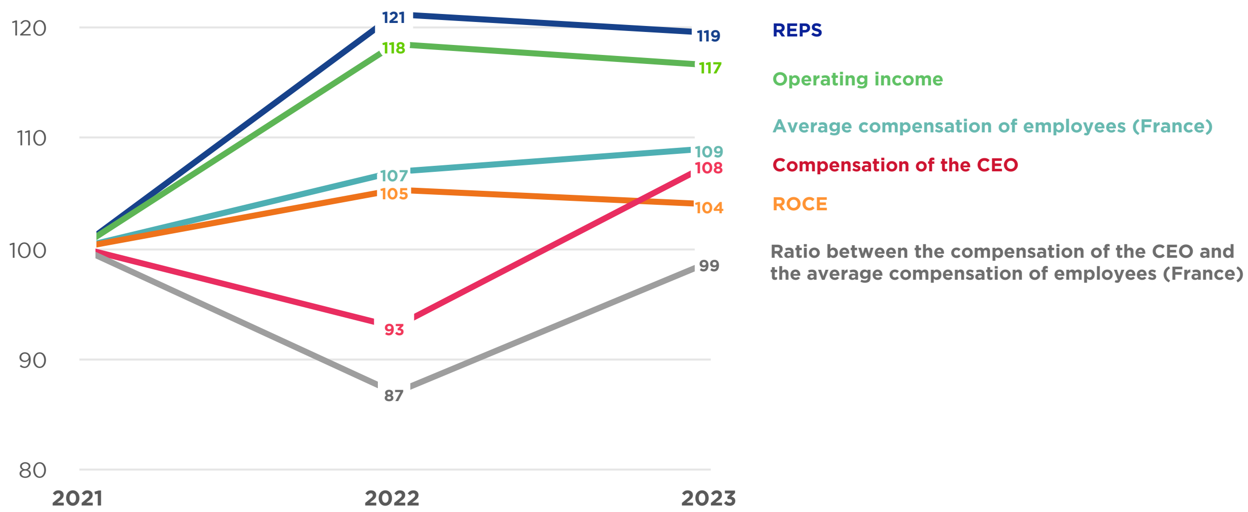
Compensation ratios

The chart below shows the change of:

- the compensation of the Chief Executive Officer;
- the average compensation of the employees of the consolidated subsidiaries of the Saint-Gobain Group in France [(7)];
- the ratio between the compensation of the Chief Executive Officer and the average compensation of the employees of the consolidated subsidiaries of the Saint-Gobain Group in France; and
- the performance of the Saint-Gobain Group (operating income, return on capital employed (ROCE) and recurring earnings per share (REPS).

The employees of Saint-Gobain Group's consolidated subsidiaries incorporated in France represent 37,557 employees, nearly 23,6% of the Group's workforce at December 31, 2023.

Given the appointment of Mr. Benoit Bazin as Chief Executive Officer since July 1, 2021, and in accordance with the guidelines on compensation multiples published by the Afep on January 28, 2020, updated in February 2021, data relating to Mr Benoit Bazin's compensation are presented only for fiscal years 2021 (annualized 2021 compensation, in accordance with the methodology for calculating the compensation ratios described below), 2022, and 2023.



Change in compensation

Pursuant to Articles L. 22-10-9, 6° and 7° of the French Commercial Code, the table below shows, over the last five fiscal years on a full-time equivalent basis:

- the change in the compensation of the executive corporate officers of Compagnie de Saint-Gobain, the mean and median compensation of employees of Compagnie de Saint-Gobain, and the performance of the Group;
- the ratios between the compensation of the executive corporate officers of Compagnie de Saint-Gobain and the mean and median compensation on a full-time equivalent basis of its employees, and any changes thereto, over the last five fiscal years.

On a voluntary basis, in the interest of relevance and transparency vis-à-vis Saint-Gobain Group stakeholders, the table below also presents these data on the basis of the "France scope" [(8)].

(7) *Information provided on a voluntary basis.*
(8) *Data on the median compensation of employees in France are only available from 2021 (see the "France scope" below).*

TABLE OF EQUITY RATIOS AND COMPARISON OF THE ANNUAL CHANGE IN COMPENSATION AND PERFORMANCE OF THE COMPANY UNDER ARTICLE L. 22-10-9, 6° AND 7° OF THE FRENCH COMMERCIAL CODE

	2023	2022	2021 [a]	2020	2019
Evolution of the Group performance					
Evolution of operating income	(1.6)%	18.4%	57.9%	(15.8%)	5.7%
Evolution of recurring earnings per share	(1.4)%	21.1%	28.8%	(22.4%)	10.3%
Evolution of return on capital employed	(1.2)%	5.2%	47.1%	(6.3%)	3.7%
Employees compensation					
Evolution of the average compensation (Compagnie de Saint-Gobain)	26.9% [b]	1.2%	8.6%	6.1%	5.1%
Evolution of the median compensation (Compagnie de Saint-Gobain)	9.7%	13.5%	13.4%	2.1%	5.4%
Evolution of the average compensation (France)	1.9%	6.9%	8.1%	—%	2.3%
Evolution of the median compensation (France)	1.1%	7.6%	8.6%	*	*
Mr Pierre-André de Chalendar, Chairman and Chief executive officer (until July 1, 2021)					
Evolution of compensation	—	—	(29.5)% [c]	3.3%	26.1%
Ratio on average compensation (Compagnie de Saint-Gobain)	—	—	15	22	23 [e]
(change in ratio)	—	—	(35.1)%	(2.6)%	20.0% [e]
Ratio on median compensation (Compagnie de Saint-Gobain)	—	—	26	42	42
(change in ratio)	—	—	(37.8)%	1.2%	19.6%
Ratio on average compensation (France)	—	—	69	106	103
(change in ratio)	—	—	(34.8)%	3.3%	23.3%
Ratio on median compensation (France)	—	—	84	130	*
(change in ratio)	—	—	(35.1)%	*	*
Mr Pierre-André de Chalendar Chairman of the Board of Directors (since July 1, 2021)					
Evolution of compensation	—	—	N/A	N/A	N/A
Ratio on average compensation (Compagnie de Saint-Gobain)	2 (e)	2	2	—	—
(change in ratio)	(21.2)% (f)	— %	—	—	—
Ratio on median compensation (Compagnie de Saint-Gobain)	3 (e)	3	4	—	—
(change in ratio)	(8.9)% (f)	(25)%	—	—	—
Ratio on average compensation (France)	9 (e)	9	10	—	—
(change in ratio)	(1.9)% (f)	(10.0)%	—	—	—
Ratio on median compensation (France)	11 (e)	11	12	—	—
(change in ratio)	(1.1)% (f)	(8.3)%	—	—	—
Mr Benoit Bazin, Chief operating officer (until July 1, 2021)					
Evolution of compensation	—	—	(29.9)% [d]	16.9%	N/A
Ratio on average compensation (Compagnie de Saint-Gobain)	—	—	8	13	12
(change in ratio)	—	—	(35.5)%	10.2%	N/A
Ratio on median compensation (Compagnie de Saint-Gobain)	—	—	15	25	21
(change in ratio)	—	—	(38.2)%	14.5%	N/A

	2023		2022	2021 [(a)]	2020	2019
Ratio on average compensation (France)	—		—	40	62	53
(change in ratio)	—			(35.2)%	16.9%	N/A
Ratio on median compensation (France)	—			49	76	*
(change in ratio)	—			(35.5)%	*	*
Mr Benoit Bazin, Chief executive officer (since July 1, 2021)						
Evolution of compensation	15.9%		(7.2)% [(e)]	N/A	N/A	N/A
Ratio on average compensation (Compagnie de Saint-Gobain)	19	(f)	21	23	—	—
(change in ratio)	(8.7)%	(g)	(8.7)%	—	—	—
Ratio on median compensation (Compagnie de Saint-Gobain)	35	(f)	33	40	—	—
(change in ratio)	5.6%	(g)	(17.5)%	—	—	—
Ratio on average compensation (France)	106	(f)	93	107	—	—
(change in ratio)	13.7%	(g)	(13.1)%	—	—	—
Ratio on median compensation (France)	129	(f)	112	130	—	—
(change in ratio)	14.7%	(g)	(13.8)%	—	—	—

* *Information not available.*
(a) *Given the changes in corporate governance during the 2021 fiscal year, the compensation of executive corporate officers for the 2021 fiscal year has been annualized.*
(b) *The evolution of the average compensation of Compagnie de Saint-Gobain employees between 2022 and 2023 is explained in particular by the increase in variable remuneration linked to the year's performance, the increase in the value of performance shares, and the transfer of employees from the Group to Compagnie de Saint-Gobain, whose remuneration is higher than the average for Compagnie de Saint-Gobain employees.*
(c) *Mr. Pierre-André de Chalendar did not receive any performance shares for 2021.*
(d) *Mr. Benoit Bazin did not receive any performance shares in his capacity as Chief Operating Officer for the period from January 1 to June 30, 2021.*
(e) *The decrease in Mr. Benoit Bazin's compensation is explained by the decrease in the valuation (according to IFRS) of the performance shares granted on November 24, 2022.*
(f) *The ratio is rounded to the nearest whole number.*
(g) *The evolution of the ratio is calculated from the unrounded of the concerned ratio.*

Method used to calculate compensation ratios

To calculate the compensation ratios presented above, Compagnie de Saint-Gobain referred to the guidelines on compensation multiples published by the Afep on January 28, 2020, updated in February 2021. The compensation components and the methodology selected are shown below.

France scope

The France scope includes all employees of the consolidated subsidiaries of Saint-Gobain Group incorporated in France, on a full-time equivalent basis, and any changes thereto (excluding executive corporate officers). Data on the median compensation of employees in the France scope are available for 2020 and 2021. The median compensation ratio (France scope) is therefore presented from 2020 onwards.

The France scope is homogeneous in terms of salary structure and the type of contracts taken into account, and is not subject to exchange rate fluctuations, which allows a better comparability over time. The workforce in France represented nearly 23,6% of the Group's workforce at December 31, 2023.

The difference between the ratios on Compagnie de Saint-Gobain's average compensation and on average compensation in France is mainly due to the distribution structure of the employees in the scopes concerned: thus, while in 2023, Compagnie de Saint-Gobain comprised 82,7% managers (including all members of the Executive Committee of the Saint-Gobain Group except those based in a foreign country) and 17,3% administrative employees, the France scope comprised 25,9% managers, 51,7% administrative employees, and 22,4% blue-collar workers. In addition, the compensation structure of employees of Compagnie de Saint-Gobain generally includes variable compensation and performance shares.

Compensation components

For executive corporate officers: all compensation components paid or awarded during or for the fiscal year in question, submitted to the vote of the General Shareholders' Meeting (ex-post Say-on-Pay) [(9)], namely:

- the fixed compensation paid during the given fiscal year;
- the annual variable compensation granted in respect of the same fiscal year;
- any exceptional compensation paid during the same fiscal year;
- long-term compensation instruments granted during the same fiscal year (stock options, performance shares and/or performance units) at IFRS value on the grant date;
- benefits in kind (company car) granted during the same fiscal year (book value);

(9) *Refer to Section 5.2.2 for details of the gross amounts paid or allocated in respect of the 2023 fiscal year to the Chairman of the Board of Directors and the Chief Executive Officer.*

- it being specified that executive corporate officers are not granted any compensation in respect of their Directors' term of office within the Saint-Gobain Group.

For employees:

- the fixed gross compensation paid during the given fiscal year;
- for reasons of information availability on the publication date of the Universal Registration Document, the annual gross variable (annual bonus, profit sharing, incentive schemes, payments into the Group Savings Plan, as applicable) and exceptional (premiums) compensation paid during the same fiscal year;
- long-term compensation instruments granted during the same fiscal year (stock options, performance shares and/or performance units) at IFRS value on the grant date;
- benefits in kind granted during the same fiscal year (book value);
- to ensure consistency with the compensation components paid to the executive corporate officers, termination of office indemnities are not included.

Governance changes in 2021

In view of the changes in governance in 2021:

- the executive corporate officers compensation for the 2021 fiscal year has been annualized;
- the compensation ratios of all executive corporate officers over the last five years are presented.

Employees taken into account

Only the employees who have entered into an indefinite or fixed-term employment contract with Compagnie de Saint-Gobain or a consolidated subsidiary of the Saint-Gobain Group registered in France and who have been continuously employed in these companies from January 1 to December 31 of the fiscal year in question were taken into account when calculating the ratios. The employees who have entered into a part-time employment contract with Compagnie de Saint-Gobain or a consolidated subsidiary of the Saint-Gobain Group registered in France were not taken into account when calculating the ratios but represent less than 2,2% of the workforce for the considered scope.

Concept of full-time equivalent

To determine the average and median compensation paid to employees of Compagnie de Saint-Gobain and the consolidated subsidiaries of the Saint-Gobain Group registered in France on a full-time equivalent basis, the methodologies already in use within the Group for social reporting reviewed by the independent third party in charge of reviewing non-financial information were used (see section 9.2.1, p. 410).

Changes in scope

Within the French scope, the consolidated subsidiaries sold during a given fiscal year are excluded from the ratios calculations of that fiscal year. The acquired companies which were in the process of being consolidated on December 31, 2023, are excluded from the ratios calculations, but represent less than 3% of the total number of employees of the consolidated subsidiaries of the Saint-Gobain Group registered in France.

Effect of Covid-19 on the calculation of compensation ratios in 2019 and 2020

On the proposition of the corporate executive officers concerned, the compensation of executive corporate officers for fiscal years 2019 and 2020 taken into account for the calculation of the compensation ratios for 2019 and 2020 were impacted by the reductions of 25% of their fixed compensation for 2020 and 25% of their variable compensation for 2019 (see Chapter 5, section 2.2.2 of the Company's 2020 Universal Registration Document) decided by the Board of Directors for as long as the Saint-Gobain Group's employees were subject to partial employment in the context of the emergency measures taken by the French Government to halt the spread of the Covid-19 pandemic.

Compensation paid by the French State in 2020 to employees of Saint-Gobain Group entities subject to partial employment in the context of the emergency measures taken by the French Government to halt the spread of the Covid-19 pandemic are taken into account for the purposes of calculating compensation ratios for 2020 as if that compensation had been paid by the Saint-Gobain Group.

5.2.3 COMPENSATION OF MEMBERS OF THE GROUP'S SENIOR MANAGEMENT

Compensation paid to members of the Group's Senior Management is set at a level consistent with compensation packages offered by comparable groups. It is determined and reviewed, among other things, based on the results of specific surveys from specialized consultants commissioned by Group's Senior Management. They include, in addition to a fixed portion, a reasonable variable portion in relation to the total compensation, the purpose of which is to reflect the CEO's personal contribution to the results and development of the scope, taking into account three financial indicators: cash flow generation, operating margin relative to turnover, and Return on Capital Employed ("ROCE"), qualitative objectives and the results concerning occupational health and safety and CO_2 emissions.

This principle is applied to the whole of middle and senior management.

In this way, management compensation is clearly linked to performance and to the achievement of objectives that promotes a high level of personal commitment. Each manager's compensation can fluctuate significantly from one year to the next, based on the results achieved.

Total gross compensation received in 2023 from the Group's French and foreign companies by members of the Executive Committee as of December 31, 2023 (excluding the executive corporate officers and excluding long-term compensation components), amounted to €15.1 million (versus €12.9 million in 2022), including €5.5 million (versus €4.4 million in 2022) in gross variable compensation for 2023, an increase compared with the gross variable portion of this compensation for 2022. No severance payments were made to members of the Executive Committee as composed on December 31, 2023 (same as in 2022).

Pensions and other post-employment benefits (Defined-Benefit Obligations in respect of retirement bonuses and pensions) accruing for the members of Group Management totaled €40.5 million at December 31, 2023 (versus €29.2 million at December 31, 2022) (see Note 6.2 of the consolidated financial statements, section 8.1 p. 298).

Compensation allocated to Directors representing the Group (particularly members of Group's Senior Management) in Group companies other than Compagnie de Saint-Gobain is either reverted to their employer company, or paid directly to that company.

5.2.4 LONG-TERM COMPENSATION PLANS (PERFORMANCE SHARES, STOCK OPTIONS AND PERFORMANCE UNITS)

Attribution policy

The objective of the Group's long-term compensation policy is to retain and motivate the Group's Senior Management, officers and employees, and to associate them with the Group's performance, in particular through conditional allocations of performance shares, stock options or performance units to reflect their fulfillment of the Group's long-term strategy.

At the recommendation of the Nomination and Remuneration Committee, the Board of Directors authorizes the features of the performance share and stock option plans, as well as the identity of the beneficiaries. These plans are subject to a service condition and to the strict internal and/or relative performance criteria set by the Board (see below for details of each allocation).

In 2023, it was decided, as in 2022, to only implement a performance share plan. This plan applied to 2,877 of the Group's managers and officers, in France and overseas: managers with outstanding performance and high-potential managers and the main functional and operational heads of the Entities and Regions (2498), executives who benefited from an exceptional grant (364) and Executive Committee (15), excluding the Chief Executive Officer. Grants to the Chief Executive Officer are detailed in the paragraph "Long-term compensation policy" in section 5.2.2, p. 207.

The beneficiaries of this plan are of 75 different nationalities and work in 75 countries.

The performance share plan entitles beneficiaries to existing shares and therefore has no impact in terms of dilution. No stock option or performance unit plan was set up during fiscal year 2023.

The other instruments designed to associate employees with business results are presented in section 7.1.6, p. 285, and section 3.5.3.A, p. 134.

Performance share plans

Performance share plans have been set up by the Board of Directors every year since 2009.

Under the authorization granted by the eighteenth resolution of the General Shareholders' Meeting of June 2, 2022, at its meeting of November 23, 2023, the Board of Directors resolved to implement a performance share plan, following analysis and the recommendation of the Nomination and Remuneration Committee.

This plan covers 2,878 officers of the Group in France and abroad, who were granted a total of 1,268,633 performance shares (including the grant to the Chief Executive Officer).

It should be noted that, as in 2022, no stock option plans or performance units were put in place in 2023, as all beneficiaries received performance shares.

The duration of the vesting period was set at four years, with delivery of the shares to occur on the fourth day after the close of this period.

The performance criteria applicable to the performance share plan implemented on November 23, 2023, applicable for both the Chief Executive Officer and the Group's managers and officers, include, as has been the case since 2015, an internal performance condition linked to Saint-Gobain Group's Return on Capital Employed, including goodwill, and a performance condition linked to the performance of the Saint-Gobain stock price compared to the performance of the CAC 40 stock market index. Furthermore, following dialog with investors, the long-term compensation plans put in place since 2017 by the Board of Directors, on the proposal of the Nomination and Remuneration Committee, now include a criterion relating to Corporate Social Responsibility. These criteria were deemed relevant by the Board of Directors as they reflect the operational, financial and non-financial performance of the Saint-Gobain Group and ensure that the beneficiaries are aligned with the interests of Saint-Gobain shareholders.

The vesting of performance shares under the plan set up in November 2023 is therefore subject to the following conditions cumulatively:

- service condition: to be an employee or a company Director of a Saint-Gobain Group company throughout the entire duration of the vesting period, without interruption, except in a number of specific cases such as death, disability (as defined in paragraphs (2) and (3) of Article L. 341-4 of the French Social Security Code), no-fault termination, negotiated departure, retirement, transfer to another position within the Group, or change of control of the grantee's host company to outside the Group;
- performance condition linked to the following three criteria:
  - 60% of the shares initially allocated are subject to the criteria of Return on Capital Employed, including goodwill, of the Saint-Gobain Group (ROCE);
  - 20% of the shares initially allocated are subject to a criterion linked to the performance of the Saint-Gobain stock price versus the performance of the CAC 40 stock market index; and
  - 20% of the shares initially allocated are subject to a criterion linked to Corporate Social Responsibility. This criterion, resulting from dialog with investors, comprises the following three indicators, all quantifiable and published each year as key CSR indicators: the rate of reduction of CO_2 emissions (10% of the shares initially allocated), the total recordable accident rate - more than 24 hours' lost and non-lost time (TRAR), and the senior executives diversity index (5% of the shares initially allocated to each of them).

However, the first 100 shares granted to each beneficiary other than Executive Committee members will be exempt from the performance conditions.

ROCE performance will be calculated as follows:

Arithmetic mean of the ROCE for the years 2024, 2025 and 2026	Percentage of shares initially granted, contingent upon the ROCE (i.e. 60% of grant), vested
Greater than 13.5%	All
Between 12% and 13.5%	50% + 50%*[(Arithmetic mean of ROCE for 2024, 2025 and 2026 – 12%)/(13.5% – 12%)]
Equal to 12%	50%
Between 11% and 12%	50%*[(Arithmetic mean of ROCE for 2024, 2025 and 2026 – 11%)/(12% – 11%)]
11% or less	None

These criteria are the same since 2021, the Board of Directors considering that, despite the Group's performances, particularly in view of the high level of geopolitical uncertainty and the sharp downturn in the global economy, he did not want to increase them. But given the Group's performances, it did not wish to reduce them either. As a reminder, the reasoning behind the criteria to calculate performance is based, for the ROCE, on the objective announced at the Capital Markets Day on October 6, 2021, of an average annual ROCE of between 12% and 15% for the period 2021–2025. Even though the announced objective is reached from 12%, an ambitious criterion has been set (13.5%) for 100% of the shares initially allocated to vest. If the arithmetic mean of ROCE for 2023, 2024 and 2025 is equal to 12%, i.e., if the objective is reached within the range of 12% to 15% announced at the Capital Markets Day, it was decided to allocate only 50% at this level, with a linear progression between 11% and 12% and then between 12% and 13.5%. The 2021 plan criteria reflect the Group's performance conditions, which will only definitively allocate 50% of the shares with an ROCE of 12% and therefore if the target is reached.

Stock price performance will be calculated by comparing the average opening listing price of the Saint-Gobain stock price and the CAC 40 index over the six months prior to November 23, 2023, to the average over the six months prior to November 23, 2027, as follows:

Performance of the Saint- Gobain share price compared with the CAC 40 index	Percentage of shares initially granted, contingent upon the stock market performance (i.e. 20% of grant), vested
At least 10% greater	All
Between 0% and +10%	2/3 + 1/3*[(Performance of the Saint-Gobain share price/CAC 40 index) (a) - 100%]/[110% – 100%]
Lower than the CAC 40 index	None

(a) *Saint-Gobain stock price performance/CAC 40 index performance (performance of the Saint-Gobain stock price versus performance of the CAC 40 index) is equal to: 100% + the difference between the performance of the Saint-Gobain stock price and that of the CAC 40 index, in both cases expressed as a percentage.*

Performance in respect of the Corporate Social Responsibility criterion is calculated as follows:

Arithmetic mean of the Group's CO_2 emissions (scopes 1 and 2) for 2024, 2025, and 2026 [(a)]	Percentage of shares initially granted, contingent upon the percentage reduction in CO_2 emissions (i.e. 10% of the grant), vested
Less than or equal to the target [(b)]	All
Above the target [(b)] but not by more than 5%	Linear interpolation
More than 5% above the target [(b)]	None

(a) *The results will be evaluated on actual production and are no longer assessed on production based on the new 2030 target validated by the Science-Based Targets initiative (SBTi).*
(b) *The target corresponds to an emissions level of 9.5 million metric tons.*

Arithmetic mean of Group's TRAR for 2024, 2025, and 2026 [(a)]	Percentage of shares initially granted, contingent upon the TRAR (i.e. 5% of grant), vested
Below 1.7	All
Between 1.7 and 2.0	Linear interpolation
Greater than 2.0	None

(a) *Total recordable accident rate—more than 24 hours' lost time and non-lost time—for a million hours worked by the permanent and temporary employees and by permanent subcontractors of Saint-Gobain Group.*

Arithmetic mean of the diversity index for the years 2024, 2025 and 2026 [(a) (b)]	Percentage of shares initially awarded, contingent upon the diversity index (i.e. 5% of the grant), vested
Greater than 90%	All
Between 85% and 90%	Linear interpolation
Below 85%	None

(a) *Index corresponding to the proportion of the Group's senior executives satisfying at least one of the three following diversity characteristics: being non-French, having diverse professional experiences (having worked at Saint-Gobain in two countries different from the country of origin or at least in three different sectors, or having an experience of more than 12 years outside the Saint-Gobain Group), being a woman (see section 4.2.2, p. 153).*
(b) *The Group set a general objective of maintaining a minimum of 90% of senior executives meeting one of the three above-mentioned criteria and a target for 2025 of 25% of its senior executives being female (see section 4.2.2, p. 153).*

The following table shows the history of the performance share plans outstanding at December 31, 2023, as well as the features of the 2019 plan, delivered in November 2023.

Given the Group's record performance over the last two years, the completion rates for the last two performance share plans for which the performance condition was met are high (100% for the plan 2019, 94.37% for the plan 2018 [(1)]). For the 2017 plan [(2)], it had been 75%, which was lower than the median vesting rate in 2021 (vesting year of the said plan) of the number 1 executives of the industrial CAC 40, which stood at 88%. The performance condition for the 2020 plan will be determined in November 2024, since it includes, in addition to the ROCE criterion, a relative external criterion that is assessed over a four-year period ending in November 2024.

The 10 Group employees and non-executive officers who were granted the highest number of shares in 2023 were allocated 187,500 performance shares (global information), valued at €58.32 per share based on the opening stock price on the day of the grant decided by the Board of Directors' meeting of November 23, 2023. These 187,500 performance shares had a total value (according to IFRS) at the time of grant of approximately €6.6 thousand in 2023.

(1) *The achievement rate for the 2018 performance shares plan would have been the same if the mechanism taking into account the impact of the Covid-19 crises had not been applied (see Chapter 5, section 2.4.2 of the Company's 2020 Universal Registration Document).*
(2) *The achievement rate for the 2017 performance shares plan would have been 53.33% if the mechanism taking into account the impact of the Covid-19 crises had not been applied (see Chapter 5, section 2.4.2 of the Company's 2020 Universal Registration Document).*

TABLE 10 – HISTORICAL INFORMATION ABOUT PERFORMANCE SHARES (AMF NOMENCLATURE)

Fiscal year	2023	2022	2021	2020	2019 [d]
Date of General Shareholders' Meeting	6/2/2023	6/2/2022	6/6/2019	6/6/2019	6/6/2019
Date of Board of Directors' meeting	11/23/2023	11/24/2022	25/11/2021	26/11/2020	21/11/2019
Type of shares	existing	existing	existing	existing	existing
Total number of performance share rights initially granted (4+0)	1,268,633 [a]	1,232,792 [a]	1,184,475 [a]	1,268,295 [a]	1,251,770 [a]
of which shares granted to Executive corporate officers:					
Pierre-André de Chalendar, Chairman of the Board of Directors *	N/A	N/A	N/A	90,000	90,000
Benoit Bazin, Chief executive officer **	75,000	75,000	64,000	57,500	45,000
Total number of shares delivered	0	0	700 [b]	1,100 [b]	1,159,695 [c]
Number of rights forfeited	0	0	0	0	92,075
TOTAL OUTSTANDING PERFORMANCE SHARE RIGHTS	1,268,633 [c]	1,232,792 [c]	1,183,775 [c]	1,267,195 [c]	0

* *Chairman and Chief Executive Officer until June 30, 2021.*

** *Chief Executive Officer since July 1, 2021, previously Chief Operating Officer from January 1, 2019, to June 30, 2021.*

(a) *Before application of the performance conditions related to the ROCE of the Saint-Gobain Group, the Saint-Gobain share price performance and the Group's Corporate Social Responsibility (see 2018 and 2019 Reference Documents, 2020, 2021 and 2022 Universal Registration Documents and above).*

(b) *In advance, under the exceptions defined for the presence condition (notably death, disability - see section 5.2.4, p.240)*

(c) *Subject to the cumulative satisfaction of presence and performance conditions (see the Reference Document/Universal Registration Document for the year in which the plan in question was set up).*

(d) *The performance condition related to ROCE for the year 2020 was adjusted for the 2018 and 2019 plans by decision of the Board of Directors on September 24, 2020, in order to take into account the impact of the Covid-19 pandemic crisis (see Chapter 5, section 2.4.2 of the Company's 2020 universal registration document).*

Stock option plans

The Board of Directors approved stock option plans every year between 1987 and 2018. No stock option plan was implemented in 2023.

Under these plans, each beneficiary has a conditional right to exercise a certain number of options at a set price, each option carrying entitlement to the subscription or purchase of a Saint-Gobain share.

The lifetime of the options is 10 years.

The performance criteria applicable to the stock option plans implemented since 2017 are strictly identical to those applicable to the performance share plans for the same year.

The performance conditions for performance shares allocated by the Group are demanding, as evidenced by the achievement rates for the latest three performance share option plans for which the performance condition has been determined (94.37% for the 2018 plan [3], 53.33% for the plan 2017 plan and 24.5% for the 2016 plan).

Stock option plans are subject to fulfillment of a service condition that applies during the entire duration of the exercise period in a manner similar to that stipulated for performance shares (see this section 5.2.4, p. 240).

The following table shows stock options granted to the ten highest-paid non-executive employees, and options exercised by them in 2023 (global information).

TABLE 9 – STOCK OPTIONS GRANTED TO THE TEN HIGHEST-PAID NON-EXECUTIVE EMPLOYEES AND OPTIONS EXERCISED BY THEM (AMF NOMENCLATURE)

	Total options granted or subscribed or purchased shares	Weighted average price	Plans
Options granted during the year by the issuer and any company included within the scope of the options allocation, to the ten employees of the issuer or of any company within this scope with the highest number of options granted (global information)	N/A	N/A	N/A
Options on the issuer and the companies referenced above, exercised during the year by the ten employees of the issuer or of these companies with the highest number of options thus purchased or subscribed (global information)	63,981	€33.33	Plan 2013 and Plan 2018

(3) *Vesting of the stock options granted in November 2018 was subject to a service condition and a performance condition, the latter being linked to the following three criteria: (i) 65% of the shares initially granted were subject to a ROCE criterion, (ii) 20% of the shares initially granted were subject to a stock market performance criterion of the Saint-Gobain share compared with the CAC 40, and (iii) 15% of the shares granted were subject to a Corporate Social Responsibility criterion (see Chapter 5 of the 2018 Registration Document, section 2.4.2). As the achievement rate of these criteria (as verified by the Statutory Auditors) was respectively 100%, 71.87% and 100%, the overall achievement rate of the performance condition of the 2018 plan was 94.37%.*

The following table shows the history of the stock option allocation plans in place at December 31, 2023. There are no other stock option plans in place or other option instruments involving the shares, whether listed or non-listed, of Group companies within or outside France.

TABLE 8 – HISTORICAL INFORMATION ABOUT STOCK OPTION PLANS (AMF NOMENCLATURE)

Fiscal year	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Date of General Meeting	6/2/2023	6/2/2022	6/6/2019	6/6/2019	6/6/2019	6/2/2016	6/2/2016	6/2/2016	6/5/2014	6/5/2014
Date of Board of Directors' meeting	N/A	N/A	N/A	N/A	N/A	22/11/2018	23/11/2017	24/11/2016	26/11/2015	20/11/2014
Type*	N/A	N/A	N/A	N/A	N/A	subscription	purchase	purchase	purchase	purchase
Total number of exercisable options at the start of the Plan	N/A	N/A	N/A	N/A	N/A	290,500	284,500	280,000	224,950	234,550
Cumulative number of canceled or forfeited options	N/A	N/A	N/A	N/A	N/A	32,411 (5)	141,862 (4)	212,998 (3)	162,408 (2)	234,550 (1)
Total number of exercisable options after adjustments and forfeitures	N/A	N/A	N/A	N/A	N/A	258,089	142,638	67,002	62,542	0
of which executive corporate officers:	N/A									
Pierre-André de Chalendar, Chairman**	N/A	N/A	N/A	N/A	N/A	54,734 (6)	30,931 (6)	14,210 (6)	14,220 (6)	0 (6)
Benoit Bazin, Chief executive officer***	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Starting date of exercise period	N/A	N/A	N/A	N/A	N/A	11/22/2022	11/23/2021	11/24/2020	11/26/2019	11/20/2018
Expiration date	N/A	N/A	N/A	N/A	N/A	11/21/2028	11/22/2027	11/23/2026	11/25/2025	11/19/2024
Subscription or purchase price	N/A	N/A	N/A	N/A	N/A	€32.24	€49.38	€40.43	€39.47	€34.13
Number of options exercised at 12/31/2022	N/A	N/A	N/A	N/A	N/A	106,675	30,787	27,117	28,077	0
Exercisable options outstanding at 12/31/2022	N/A	N/A	N/A	N/A	N/A	151,414	111,851	39,885	34,465	0

* *Among the plans in place at December 31, 2022, the 2018 plan is for the subscription of new shares and the 2013 to 2017 plans are purchase plans.*
** *Chairman and Chief Executive Officer until June 30, 2021.*
*** *Chief Executive Officer since July 1, 2021, previously Chief operating officer from January 1, 2019, to June 30, 2021.*
(1) *Options not exercisable (i) following non-fulfillment of the performance condition based on the relative change in the Saint-Gobain share price, to which all options granted in November 2014 were subject, and (ii) following non-fulfillment of the presence condition.*
(2) *Options which cannot be exercised (i) due to the performance condition related to the relative performance of the Saint-Gobain share price and the partial fulfillment of the performance condition based on the relative change in the Saint-Gobain Group's ROCE, to which all options granted in November 2015 were subject not being met and (ii) due to the service condition not being met.*
(3) *Options which cannot be exercised (i) due to the performance condition related to the relative performance of the Saint-Gobain share price not being met and the performance condition on the relative performance of the Saint-Gobain Group's ROCE being only partially met, to which all options granted in November 2016 were subject, and (ii) due to the service condition not being met.*
(4) *Options which cannot be exercised (i) due to the performance condition related to the relative performance of the Saint-Gobain share price, not being met and the performance condition on the relative performance of the Saint-Gobain Group's ROCE being only partially met and the partial fulfillment of the relative CSR performance condition for the Saint-Gobain Group, to which all options granted in November 2017 were subject, and (ii) due to the service condition not being met.*
(5) *Options which cannot be exercised (i) due to the partial fulfillment of the performance condition based on the relative change in the Saint-Gobain share price, to which all options granted in Saint-Gobain share price to which all options granted in November 2018 were subject, and (ii) following the non-fulfillment of the condition of presence.*
(7) *After deducting the granted options that are not exercisable because the performance conditions were not, or only partly, met.*

Performance unit plans

The Company set up performance unit plans annually between 2012 and 2015.

No performance unit plan was set up in 2023 and at December 31, 2023, there are no longer any performance unit plans in the process of being vested.

5.3 COMPANY STOCK TRADED BY CORPORATE OFFICERS

Transactions by corporate officers involving Compagnie de Saint-Gobain shares exceeding an aggregate amount of €20,000 reported to the *Autorité des marchés financiers* (AMF) in 2023 pursuant to Article L. 621-18-2 of the French Financial and Monetary Code were the following:

	Securities	Type	Transaction date	Unit price	Total amount
Pierre-André de Chalendar *Chairman of the Board of Directors*	Shares	Disposal	February 27, 2023	€56.00	€280,000
	Units of the Saint-Gobain France FCPE (Saint-Gobain Group Savings Plan)	Subscription	May 16, 2023	€44.19	€108,544
	Units of the Saint-Gobain France FCPE (Saint-Gobain Group Savings Plan)	Exercise	July 28, 2023	€32.24	€483,600
	Exercise of stock options	Disposal	July 31, 2023	€60.98	€540,289
	Shares	Disposal	August 1, 2023	€61.38	€306,900
	Units of the Saint-Gobain France FCPE (Saint-Gobain Group Savings Plan)	Acquisition	August 2, 2023	€59.66	€27,308
	Shares	Disposal	November 30, 2023	€60.00	€600,000
	Shares	Disposal	December 8, 2023	€62.13	€621,300
	Exercise of stock options	Exercise	December 8, 2023	€32.24	€483,600
Benoit Bazin *Chief Executive Officer*	Units of the Saint-Gobain France FCPE (Saint-Gobain Group Savings Plan)	Subscription	May 16, 2023	€44.19	€156,544
	Units of the Saint-Gobain France FCPE (Saint-Gobain Group Savings Plan)	Disposal	June 15, 2023	€56.07	€281,954
	Units of the Saint-Gobain France FCPE (Saint-Gobain Group Savings Plan)	Disposal	June 15, 2023	€65.58	€378,902
	Exercise of stock options	Exercise	June 14, 2023	€38.80	€342,953
	Units of the Saint-Gobain France FCPE (Saint-Gobain Group Savings Plan)	Subscription	June 16, 2023	€55.81	€15,508
Jean-François Cirelli *Director*	Shares	Acquisition	June 15, 2023	€56.07	€28,035
Gilles Schnepp *Director*	Shares	Acquisition	June 21, 2023	€54.59	€21,835
Sibylle Daunis Opfermann *Director representing employee shareholders*	Shares	Disposal	July 31, 2023	€61.50	€30,750
	Units of the Saint-Gobain France FCPE (Saint-Gobain Group Savings Plan)	Disposal	September 14, 2023	€55.80	€17,881
	Units of the Saint-Gobain France FCPE (Saint-Gobain Group Savings Plan)	Disposal	September 14, 2023	€55.80	€4,691
	Shares	Disposal	December 11, 2023	€61.75	€24,700
	Shares	Disposal	December 15, 2023	€66.50	€17,157
Jana Revedin *Director*	Shares	Acquisition	August 3, 2023	€60.81	€72,972
Iêda Gomes Yell *Director*	Shares	Acquisition	November 13, 2023	€54.41	€11,481

5.4 REPORT OF THE BOARD OF DIRECTORS ON CORPORATE GOVERNANCE (ARTICLES L. 225-37 AND SEQ. AND L. 22-10-10 AND SEQ. OF THE FRENCH COMMERCIAL CODE)

Report of the Board of Directors on corporate governance

This report on corporate governance was prepared in accordance with Articles L. 225-37 et seq. and L. 22-10-10 *et seq.* of the French Commercial Code under the responsibility of the Board of Directors and based on information provided by the relevant departments of Compagnie de Saint-Gobain and was approved by the Board of Directors at its meeting of February 29, 2024.

The law stipulates that this report should include a number of corporate governance items.

Compensation of the management and governing bodies (Articles L. 22-10-8 and L. 22-10-9)

As regards compensation, the report must present the draft resolutions of the Board of Directors relating to the compensation policy for the corporate officers; this policy must comply with the Company's corporate interest, contribute to its longevity and be part of its business strategy.

Furthermore, the report must include the total compensation and benefits of any kind paid or granted by Compagnie de Saint-Gobain to the Company's corporate officers during or in respect of the fiscal year, as well as commitments of any kind made by Compagnie de Saint-Gobain in favor of the executive corporate officers, such as compensation components, indemnities or benefits due or to be due as a result of taking, losing or changing office or subsequent to the performance thereof, including retirement commitments and other annuity benefits.

The report must also present changes, over the last five fiscal years, in the compensation of the executive corporate officers, the average compensation of Compagnie de Saint-Gobain's employees, the performance of the Saint-Gobain Group and the ratios between the compensation levels of the executive corporate officers of Compagnie de Saint-Gobain and the average and median compensation of its employees, on a full-time equivalent basis.

Finally, the report must contain an explanation of how total compensation complies with the compensation policy adopted, including how it contributes to the company's long-term performance, and how the performance criteria have been applied.

This information, set out in section 5.2 , p. 205 et seq. and prepared on the basis of details provided by the Corporate Legal, Human Resources and Finance Departments, was reviewed by the Nomination and Remuneration Committee and is included by reference in this report.

Composition and operation of the Board of Directors (Article L. 22-10-10)

The report must include the composition of the Board of Directors and the conditions for preparing and organizing its work, as well as any limitations on the powers of the Chief Executive Officer (see section 5.1, p. 174, and section 9.1.1, p. 400).

The report must also include a list of all offices and duties held in all companies by every Compagnie de Saint-Gobain Board member during the year (see section 5.1.1, p. 174), the method for exercising General Management (see section 5.1.2, p. 191), and adherence to a corporate governance code and application of its recommendations (see section 5.1.1, p. 174).

The report must include a description of the diversity policy applied to the members of the Board of Directors, as well as a description of the objectives of that policy, its methods of implementation and the results achieved during the previous fiscal year (see section 5.1, p. 174).

This information, prepared on the basis of details provided by the Corporate Legal Department, was reviewed by the Nomination and Remuneration Committee and the Lead Independent Director, and is included by reference in this report.

Other information (Articles L. 22-10-10 and L. 22-10-11)

Finally, the report must present information likely to have an impact in the event of a takeover bid (see section 7.1.9, p. 286), Finally, the report must present information likely to have an impact in the event of a takeover bid (see section 5.5 , p. 247), a description of the procedure to properly assess whether the agreements on current transactions concluded under normal conditions meet these conditions and information on its implementation (section 5.1.1, p. 174), specific procedures for shareholder participation in the General Shareholders' Meeting (section 9.1.1, p. 400) and must contain a summary table of current valid delegations of authority granted by the General Shareholders' Meeting regarding capital increases showing how these delegations of authority were used during the fiscal year (see section 7.1.2, p. 281).

This information is prepared on the basis of details provided by the Corporate Legal and Financial Departments and is included by reference in this report.

The report must also include a description of how a balanced representation of women and men on the Executive Committee is sought and the gender diversity results in the 10% of the positions with the most responsibility in Compagnie de Saint-Gobain.

This information, which is listed in sections 3.5.3.C, p. 135, 4.2.2, p. 153, and 9.3.3, p. 420, and based on information submitted by the Human Resources Department, has been reviewed by the Board of Directors and is incorporated by reference into this report.

5.5 STATUTORY AUDITORS' SPECIAL REPORT ON RELATED-PARTY AGREEMENTS

To the Annual General Meeting of Compagnie de Saint-Gobain,

In our capacity as Statutory Auditors of Compagnie de Saint-Gobain, we hereby report to you on related-party agreements.

It is our responsibility to report to you, based on the information provided to us, on the main terms and conditions of agreements that have been disclosed to us or that we may have identified as part of our engagement, as well as the reasons given as to why they are beneficial for the company, without commenting on their relevance or substance or identifying any undisclosed agreements. Under the provisions of article R.225-31 of the French commercial Code (Code de commerce), it is your responsibility to determine whether the agreements are appropriate and should be approved.

Where applicable, it is also our responsibility to provide you with the information required by article R.225-31 of the French Commercial Code in relation to the implementation during the year of agreements already approved by the Annual General Meeting.

We performed the procedures that we deemed necessary in accordance with professional standards applicable in France to such engagements. These procedures consisted in agreeing the information provided to us with the relevant source documents.

Agreements to be submitted for the approval of the Annual General Meeting

Agreements authorized and/or concluded during the year or since the year-end

Pursuant to Article L.225-40 of the French Commercial Code, the following agreements entered into during the year or since the year-end and previously authorized by the Board of Directors, have been brought to our attention.

Agreements between Compagnie de Saint-Gobain and Mrs. Jana Revedin under a partnership relating to the organization and production of the Global Award for Sustainable Architecture

Person involved: Mrs. Jana Revedin, director of Compagnie de Saint-Gobain since June 8, 2023 and founder of the Global Award for Sustainable Architecture

Nature, purpose and terms and conditions:
Several agreements governing the creation of a partnership relating to the organization and production of the Global Award for Sustainable Architecture were previously authorized by your Board of Directors on December 19, 2023.

The Global Award for Sustainable Architecture, created in 2006 by Mrs. Jana Revedin, who has organized it since that date, annually rewards architects whose constructions reflect sustainable development principles and satisfy the needs of companies, with a sustainable, innovative and participatory approach.

The agreements governing this partnership were signed on December 22, 2023 and break down as follows:

- a Partnership Agreement and Trademark License for no consideration with Mrs. Jana Revedin, under which the latter authorizes the Company to use the Global Award for Sustainable Architecture and GA Global Award for Sustainable Architecture trademarks when organizing the competition;
- a Copyright assignment agreement with Mrs. Jana Revedin, as the co-author of two publications dedicated to the work of the 2023 and 2024 winners of the Global Award for Sustainable Architecture, providing for compensation of €35,000 excluding taxes per publication, including €27,000 excluding taxes per publication for Mrs. Jana Revedin, i.e. a total of €70,000 excluding taxes for both publications, including €54,000 excluding taxes for Mrs. Jana Revedin; and
- a Publishing Agreement for said publications with Mrs. Jana Revedin and ArchiTangle GmbH, an international publishing house not related to Mrs. Jana Revedin, for an expected publishing cost of €43,400 excluding taxes for each publication paid directly to the publishing house.

Reasons as to why the agreements are beneficial for the Company:
Your Board of Directors considered that the conclusion of these agreements were beneficial for the Company, due to the fact that the Global Award for Sustainable Architecture is a competition that is in keeping with Saint-Gobain Group's activities and values and falls within the scope of its communication policy.

Partnership and support agreement between Compagnie de Saint-Gobain and the endowment fund of the Institut de l'Entreprise

Person involved: Mr. Pierre-André de Chalendar, Chairman of the Board of Directors of Compagnie de Saint-Gobain, Chairman of the Institut de l'Entreprise and the endowment fund of the Institut de l'Entreprise.

Nature, purpose and terms and conditions:
This partnership and support agreement, set up to determine the support procedures provided by your Company to the Institut de l'Entreprise endowment fund, was previously authorized by your Board of Directors on December 19, 2023.

This agreement, which was signed on January 25, 2024, provides for financial support of €300,000 excluding taxes (in three annual installments of €100,000, excluding taxes, to be paid before February 29, 2024, December 31, 2024 and December 31, 2025, respectively), allocated to the Institut's activities, regarding the education and training of teachers and implemented under the Corporate Teacher/Melchior program, and regarding support for the creation of teaching materials under the Melchior Planète educational project.

Reasons as to why the agreements are beneficial for the Company:
Your Board of Directors considered that the partnership with the Institut de l'Entreprise endowment fund will enable your Company to benefit from the production of a case study on Saint-Gobain's activities based on a theme identified with your Company. The Institut de l'Entreprise also undertakes to organize training sessions and exchanges, particularly via webinars, for staff in the Department of Education to shed light on building thermal renovation issues with Saint-Gobain contacts. This support will enable Saint-Gobain to freely use Melchior Planète productions, particularly for internal training initiatives.

Agreements previously approved by the Annual General Meeting

We inform you that we have not been advised of any agreements which were already approved by the Annual General Meeting in previous years, and which were applicable during the year.

Paris-La Défense, February 29, 2024

The Statutory Auditors

KPMG S.A.

Pierre-Antoine DUFFAUD   Laurent CHILLET

Deloitte & Associés

Frédéric GOURD

RISKS
AND CONTROL

SAINT-GOBAIN

6.1 RISK FACTORS

The Group conducts its business in a constantly evolving environment. It is therefore exposed to risks, the occurrence of which could have a material adverse effect on its businesses, financial position, results and outlook. This chapter presents the main risks to which the Group believes it is exposed at the date of this Universal Registration Document.

Due to the Group's multiple geographic locations, the diversity of its markets and product ranges, as well as its development, the Saint-Gobain Group is exposed to different categories of risks. In the framework of the provisions of Article 16 of Regulation (EU) 2017/1129 of the European Parliament and of the Council, the risk factors considered most important (identified with an asterisk), at the date of this Universal Registration Document, are mentioned in the first place within each of the risk categories mentioned below, in line with an evaluation that takes account of their impact and probability of occurrence. Saint-Gobain's evaluation of the significance of the risks may be modified at any time, particularly if new internal or external events occur.

The reader's attention is drawn to the fact that other risks of which the Group is not aware at the date of this Universal Registration Document, or the occurrence of which is not currently considered likely to have a material adverse effect on the Group, its businesses, financial position, results and outlook, may or might exist or arise.

6.1.1 RISKS SPECIFIC TO THE GROUP AND ITS BUSINESS SECTOR

Risks related to the economic situation*

A significant part of the Group's activities is linked to investment in the construction sector, namely the following markets: and infrastructure (50% % [1] of 2023 revenue), new residential construction (23% [1] of 2023 revenue) and non-residential construction (13% [1] of 2023 revenue), which are sensitive to economic conditions, including the consequences of the inflation over the past two years and the rise in interest rates in the Group's main countries. Consequently, the Group's results are sensitive to the macroeconomic conditions of the geographic regions, both at regional and local levels, where the Group is active. Since the Group is established in 75 countries around the world (particularly in Northern Europe, Southern Europe, the Middle East, Sub-Saharan Africa, North America, Latin America and Asia-Pacific), a deterioration in the global economic environment due, for example, to a severe economic downturn or a major recession in any of these geographic regions is likely to have a negative impact on the consumption of the Group's products in the regions concerned, which could have a material adverse effect on the Group's revenues, results, free cash flow generation and outlook (see section 2.2.2 p. 73).

Risks related to the Group's international activities*

The Group is active worldwide, including outside Western Europe and North America. It is present in particular in Eastern Europe, the Middle East, Africa, Asia-Pacific, and Latin America, particularly in Brazil. Approximately 24% of the Group's consolidated revenue was generated in these regions in 2023. Generally speaking, the Group's activities in these regions carry higher risks than in Western European and North American countries, due to the existence of greater economic and political instability, as well as greater exposure to social and infrastructure disruptions than in more mature markets.

Thus, the direct and indirect consequences of political instability or of an unstable economic or regulatory environment in which the Group operates, in a country in which the Group is active or markets its products, could have a material adverse effect on investments in those countries' construction sector, and consequently on the Group's businesses, financial position, results or outlook.

In this respect, the war between Russia and Ukraine, which is a factor of economic uncertainty affecting economic activity and world trade, could have an adverse impact on the Group's activities even though the Group's economic exposure to Russia is not significant (approximately 0.7% of the Group's consolidated turnover in 2023 and approximately 2,000 employees, some 1,350 of whom are spread over the Group's nine factories). Similarly, the war in the Middle East is likely to affect the Group: even though its activities in the region are modest and it has no presence in Israel, the conflict is likely to destabilize the prices of certain raw materials on world markets such as oil or disrupt the freight transport flows, which could indirectly affect the Group's activities.

The Covid-19 pandemic has clearly abated, but a potential resurgence of the epidemic could lead to further restrictive measures that could affect supply chains and the economy more generally. The Group is partly protected from this risk by the highly local nature of its sourcing and its production and sales activities.,

Moreover, legal or regulatory changes applicable to the Group's activities (involving, among other things, taxation, restrictions on capital transfers, customs duties, intellectual property and import and export licenses, the employment system or health, safety or the environment) could significantly increase the Group's costs in the various countries in which it is active, or limit its ability to freely transfer its capital, and consequently have a material adverse effect on its businesses, financial position, results and outlook.

[1] *Estimated end market of Saint-Gobain.*

Lastly, the Group operates in an uncertain geopolitical climate where trade tensions such as those that may arise from the war between Russia and Ukraine or those between China and the United States, are becoming increasingly prominent. The Group mainly operates in local markets (see section 2.2.1.A, p. 69), although some of its manufacturing activities have global value chains and could be subject to political and trade tensions, such as the automotive industry. Further deterioration of global trade relations could therefore have an adverse effect on the Group's results and outlook in these business sectors. At the date of this Universal Registration Document, the war between Russia and Ukraine has had no material adverse effect on the value chains of the Group's activities.

Risks related to innovation and the digital revolution

The Group has placed innovation at the heart of its strategy (see section 1.4.3, p. 39) in order to feed its competitiveness and maintain a high level of operational excellence and financial and non-financial performance.

Certain markets in which the Group is positioned are evolving rapidly, with the appearance of new practices, products and solutions (for instance prefabrication, 3D printing, light construction, digital services linked to the various phases of construction projects, optimized logistics and management of circularity), new technologies and new communication and distribution channels relying on digital tools and content (see section 1.4.2, p. 38) The success of the Group depends on its capacity to keep pace with these changes at all times and integrate these new technologies into its product offerings, in order to respond effectively to clients' needs.

Following the success, one year in advance, of the "Transform & Grow" program set up in November 2018, one of the challenges of which, in terms of innovation and digital transformation, was to optimally reconcile, on the one hand, initiatives and coordination of marketing policies and strategic innovations on a global scale, and, on the other hand, necessary local adaptations or initiatives to meet the needs of local markets and clients in the most pertinent and efficient way possible (in particular sales channels, logistics offering, etc.), the new "Grow & Impact" strategic plan announced to investors on October 6, 2021, continues to pursue these objectives and significantly strengthens the ambitions regarding the digital transformation in terms of both organization and resources. The Group's Digital & IT and Innovation entities are pooling resources to explore the potential and the possible scaling-up of the new digital technologies. The Group might not be in a position to fully implement its digital strategy, which could adversely affect its revenues, results or outlook.

The Group's innovation policy notably also comprises an ambitious marketing approach which seeks to better understand, anticipate and respond to client requirements, working where appropriate closely with Research and Development to supply customized solutions. This policy of marketing innovation and operational excellence is based in particular on specific strategic watches. Innovation involving research and development requires material investments €(493 million at December 31, 2023, i.e., 28 % of the Group's total investments) as well as an appropriate recruitment and training policy, particularly in the new business lines resulting from the digital boom (digital marketing, business lines linked to the use of data, artificial intelligence, the development of digital platforms, and Industry 4.0 for example, see section 1.4.2, p. 38), the expected benefits of which cannot be guaranteed.

The Group's revenue, operating margins and results could be affected if it fails to invest or invests insufficiently in appropriate technologies related to the digital transformation, or if is unable rapidly to bring new products to market, or if seeks to market products that do not adequately address client needs or if competing products are quickly introduced.

Intellectual property risks

The growth in the Group's activities relies on the protection of its manufacturing secrets, patents (more than 450 patents registered in 2023), brands and models, and other intellectual property rights (for a description of the Group's portfolio of patents and brands, see section 2.2.2 A, p. 73 and 2.2.2 B p. 75). If the Group were to be unable to obtain, protect and preserve its intellectual property rights, or its freedom to exploit them, this could result in the loss of its exclusive rights to use technologies and processes, which could have a material adverse effect on its results.

The Group has an active policy for the protection of its intellectual property rights but cannot rule out the risk of its products being counterfeited, the appropriation or illicit use of its intellectual property rights or an unfavorable ruling by the courts.

The Group may be forced to take legal action against third parties suspected of breaching its rights. Any such proceedings may give rise to significant costs and hamper growth in sales of the products manufactured using the rights concerned or force the Group to incur additional expenses to develop other technologies that do not use the disputed technology.

Risks related to the supply of energy and raw materials and changes in the cost of energy and raw materials

The Group's industrial activities, some of which consume high levels of energy, such as Building and Automobile Glass, Insulation or Gypsum (see section 2.2.2 B, p. 75 for a description of these activities), or are dependent on certain raw materials, could be impacted by a significant increase in prices resulting from difficulties in sourcing raw materials and/or energy (e.g., natural gas or electricity), or by the occurrence of natural disasters, extreme weather conditions, or geopolitical circumstances such as the war between Russia and Ukraine. By way of illustration, at December 31, 2023, the Group's irrevocable purchase commitments relating to raw materials and energy represented €2.2 billion (see Note 5.5.1 to the consolidated financial statements, section 8.1, p. 321).

The Group's ability to pass on these cost increases to its clients depends to a large extent on market conditions and commercial practices. Even if the Group passes them on, it may do so only in part and/or with a slippage over time. The Group's inability to immediately and/or fully pass on increases in the cost of raw materials and/or energy in the short term could have a material adverse effect on its operations, financial position or results.

The Group has set up hedging arrangements for some of the risks associated with the cost of energy and/or raw materials (see Note 10.1 Financial Risks to the consolidated financial statements, section 8.1, p. 343). Nevertheless, it cannot guarantee that these hedges, which themselves represent a cost for the Group, will fully cover any additional costs incurred as a result of future price increases in the cost of energy and/or raw materials; they will depend on the underlying assumptions regarding movements in costs applied by the Group.

Industrial and environmental risks

The Group could incur significant expenses and be exposed to environmental liabilities as a result of its operation of past, present or future industrial sites (see Note 9 to the consolidated financial statements, section 8.1, p. 339).

The industrial and environmental risks arising from the operation of some sites primarily relate to the storage of certain hazardous substances.

At December 31, 2023, seven sites were classified under Directive 2012/18/EU on the control of major-accident hazards involving dangerous substances, known as the "Seveso III" Directive. These industrial sites are subject to specific regulations and close supervision by the competent authorities and the Group's Environment, Health and Safety Department.

These sites include Balsta (Gypsum) in Sweden, storing liquid natural gas, Etolikon (Gypsum) in Greece and Stjordal (Insulation) in Norway, storing liquefied petroleum gas, Billesholm (Insulation) in Sweden and Sully-sur-Loire (Sekurit-Transport) and Sermaises (HPS) in France, storing combustive liquids, which fall under the "lower-tier" defined by the "Seveso III" Directive. Two other facilities are classified as "upper-tier": the Bagneaux-sur-Loing site (Flat Glass) in France, which stores arsenic (AS203) and the Carrascal del Rio site (Flat Glass) in Spain, which stores hydrofluoric acid (HF).

After identifying accident risks and their potential impact on the environment, preventive measures were implemented at these facilities, covering the design and construction of storage areas, as well as the manner in which they are operated and maintained. Internal contingency plans have been developed to respond to incidents. The financial consequences of personal injury and damage to property that may arise by accident from plant operations are covered by the current Group civil liability and environment impairment liability insurance programs (for a description of these programs, see section 6.1.5, p. 259), except for the Bagneaux-sur-Loing plant, which is operated by a joint venture and which is insured under a specific policy subscribed by this subsidiary. In the event of an industrial accident, compensation payments to victims would be organized jointly by the company, the insurance broker and the insurer.

The Saint-Gobain Group is also exposed to risks of chronic pollution, and could therefore be required to incur expenses to restore active or closed industrial sites or clean up the environment. At December 31, 2023, 63 European Group sites are classified as "IED" installations in the meaning of Directive 2010/75/EU on industrial emissions, and are subject to integrated pollution prevention and control regulations.

A breach of these regulations could result in fines or other civil, administrative or criminal penalties, specifically the withdrawal of permits and licenses needed for the activities in question to continue operation, which could have a material adverse effect on the Group's revenue, results, free cash flow generation and outlook.

Lastly, changes in environmental regulations, including their interpretation, and consideration of climate change risks (see section 3.3, p. 106) could cause the Group to incur significant expenses and/or investments.

Risks related to external growth

The Group's strategy is based, in part, on external growth, in particular by acquiring businesses or assets, taking equity interests or establishing joint ventures in the Group's business lines and in geographic regions where the Group seeks to establish or strengthen itself (see section 1.4.5, p. 41). For example For example, on June 12, 2023, the Group announced that it had entered into a definitive agreement for the acquisition of Building Products of Canada Corp.a manufacturer of residential roofing shingles and wood fiber insulation panels in Canada
However, the Group may not be in a position to identify attractive targets or to enter into transactions at the optimal time and/or under satisfactory conditions (see paragraph B of section 1.4.5, p. 41, for a description of the business portfolio management strategy). The expected benefits of these external growth operations depend, in part, on the realization of expected synergies and integration of the activities of the acquired companies, and on relationships with other participants in the joint ventures. The Group gives no guarantees as to these objectives, which, if not fulfilled within the expected timeframes and at the expected levels, could affect the Group's financial position, results and outlook.

Risks related to information systems

Daily management of the Group's activities, specifically the conduct of its commercial, industrial, logistics and accounting processes, particularly in its Distribution activities, requires the proper functioning of all technical infrastructure and computer applications. The risk of system malfunction or interruption, which may be external or internal in origin (computer viruses or hacking, service provider default, blackouts or network shutdowns, natural disasters, human error, etc.), cannot be ruled out. In particular, a cyber attack could affect not only operations, but also the protection of confidential information or lead to the theft, loss or exposure of personal data.

It should be recalled that, in June 2017, the Group, along with numerous other companies and organizations in France and abroad, was affected by the NotPetya cyber-attack, which required IT systems to be disconnected in order to prevent the spread of the virus, as well as the introduction of alternative processes in all of the Saint-Gobain business lines. The impact of the cyber-attack on operating income for the 2017 fiscal year was calculated to be €80 million. All of the information systems were back up and running within ten days, without any data being lost or compromised.

With a view to learning from NotPetya and minimizing the probability and the impact of this type of malfunction, the Cybersecurity Department of the Group, as part of a cyber-defense plan, has introduced strict rules relating to the governance and security of information systems, both in terms of infrastructure and applications, data protection and business continuity plans. This plan was deployed at Group level, controlled by the Audit and Internal Control Department and by regular external audits (see section 5.1.2, p. 191, on the work of the Board of Directors and the Audit and Risk Committee). Since 2021, the cyber-defense plan has become the cybersecurity continuous improvement plan, and an external audit is carried out on behalf of the Audit and Risk Committee every two years. Furthermore, a new insurance program covering the Group's cyber risks has been in place and renewed annually since the end of 2017. The implementation of these various actions has made it possible to ensure that the cybersecurity incidents and cyberattacks that Saint-Gobain Group has had to deal with over the past three years have had no consequences for the Group's operations.

The occurrence of such malfunctions may adversely affect the Group's operations, the protection of its know-how and its financial results.

Risks related to climate change and the energy transition

The fight against climate change involves both risk management and the development of the Group's markets (see section 3.3.1, p. 106).

The Group has placed the fight against climate change at the heart of its strategy and aims to contribute to a fair and sustainable transition to a low-carbon economy with the adoption of a 2030 roadmap with a view to attaining its goal of contribution to carbon neutrality by 2050 and the implementation of the "Sustainable Solutions for Growth" program.

Achieving its climate objectives requires, among other things, the Group's ability to access sufficient renewable energy sources to meet its needs at satisfactory pricing conditions. The Group's failure to access such energy sources could have an adverse effect on its ability to implement its strategy and meet the expectations of its clients and investors.

In addition, the need for decarbonization of the Group's industrial clients requires an acceleration of innovation in decarbonization technologies for the construction industry, green mobility and in specialty materials for the decarbonization of industrial processes. The implementation of new industrial processes and procedures as part of the Group's sustainability roadmap represents a major technical and technological challenge. The Group's failure to deploy these new processes or procedures, or a delay in deploying them, could adversely affect its ability to implement its strategy and meet the expectations of its clients and investors.

6.1.2 GROUP STRUCTURAL RISKS

Risks linked to the Group's pension and similar commitments*

The Group recognizes significant pension and similar obligations mainly in Western Europe (in particular in France, Germany and the United Kingdom) and in North America (United States and Canada), in respect of pension plans that for the most part are no longer open to new employees. At December 31, 2023, the total amount of pension plan commitments was €9.2 billion (see Note 6.3 to the consolidated financial statements, section 8.1, p. 322).

The level of provision for Group pension plans (€2 billion at December 31, 2023) may be affected by adverse changes in the actuarial assumptions used to calculate the projected plan liabilities, by a reduction in the discount rates used to measure future commitments, a change in the assumed mortality rates or an increase in the inflation rates used, or a fall in the market values of plan assets, consisting mainly of equities and bonds.

Risks linked to cost reduction and restructuring

The Group constantly strives to reduce or optimize its costs. While further savings are planned, there is no guarantee that the forecast reductions will be achieved or that the costs related to possible restructuring will not exceed forecasts. In particular, certain restructuring operations and other initiatives may cost more than expected, or the cost savings may be less than expected or take longer than expected to achieve. An increase in restructuring costs and/or the Group's inability to achieve the expected savings could have a material adverse effect on the Group's results and outlook.

Risks linked to goodwill and impairment of property, plant and equipment, intangible assets and rights of use

The Group has a significant amount of intangible assets linked, on the one hand, to brands, client relations and intellectual property, and on the other hand to goodwill (respectively €4 billion and €13.1 billion at December 31, 2023). In line with Group accounting policies, goodwill and certain other intangible assets with indefinite use lives are tested for impairment periodically and whenever there is an indication that their carrying amount may not be fully recoverable. Goodwill and other identified intangible assets may become impaired as a result of worse-than-expected Group performance, unfavorable market conditions, unfavorable legal or regulatory changes or many other factors. The recognition of impairment losses on goodwill could have an adverse effect on consolidated net income.

Property, plant and equipment including rights of use under leases (€15.6 billion at December 31, 2023), could also be subject to impairment in the event of adverse changes in the business (see note 7 to the consolidated financial statements, section 8.1, p. 329).

6.1.3 FINANCIAL RISKS

The Group is exposed to financial risks, and notably a liquidity risk on financing. In particular, in a crisis environment, the Group might be unable to raise the financing or refinancing needed to cover its investment plans on the credit or capital markets, or to obtain such financing or refinancing on acceptable terms. For more information on this liquidity risk and the other financial risks to which the Group is exposed, please see Note 10.1 to the consolidated financial statements for the fiscal year ended December 31, 2022, section 8.1, p. 329.

6.1.4 LEGAL RISKS

Risks linked to legal and administrative procedures

The Group is exposed to risks of investigations, litigations and claims arising in the normal course of business. The most significant disputes pending or for which the Group has received notifications are described below. These proceedings may result in a conviction, the payment of substantial damages, regulatory or even criminal sanctions, and may tarnish the Group's reputation and thus have a significant negative impact on the Group's image, financial position and operating results. At December 31, 2023, total provisions for Group litigation amounted to 275 millions d'euros (cf. note 9 to the consolidated financial statements , section 8.1, p. 329).

Competition law and related proceedings*

Competition laws apply to the Group companies in countries in which it operates. Violation of competition law exposes the Group to fines and, in certain countries, potential criminal sanctions on the Group and the employees involved. Any litigation filed by a competition authority could, in the event of conviction, give rise to the payment of fines and potentially damages, which is likely to have a significant impact on the Group's reputation, financial situation and operating results.The Saint-Gobain Group is firmly committed to opposing any practice that might violate competition rules and has long applied the principle of zero tolerance. A competition law compliance program has been in place within the Group since 2007 (cf. section 2.3.1 p.78).

Investigation by the Swiss Competition Commission in the sanitary products wholesale industry

In November 2011, the Swiss Competition Commission (*Commission suisse de la concurrence*) opened an investigation into anti-competitive practices in the sanitary products wholesale industry. In May 2014, the Commission Secretariat issued a notice of complaints against Sanitas Troesch and other wholesalers in the industry alleging that Sanitas Troesch and some of its competitors had, among other things, agreed in 2005 and 2012 to lower gross prices.

The total fine imposed on all companies involved is CHF 80 million. For Sanitas Troesch, the fine is CHF 28.8 million. Sanitas Troesch appealed this decision on May 2, 2016 and continues to firmly refute the claims made. The hearing took place before the Federal Administrative Court on January 21, 2020 and the date on which the Federal Administrative Court will issue its decision is not yet known. However, a provision for claims and litigation was recognized at December 31, 2015 in an amount equivalent to the fine (unchanged as at December 31, 2023).

Investigations by Competition Authorities in the additives and admixtures sector

The European Commission, the Competition and Markets Authority in the UK and the Turkish competition authority have launched investigations into anti-competitive practices in relation to the supply of chemical additives for cement and chemical admixtures for concrete and mortar. As of 31 December 2023, no statement of objections has been issued.

Incidentally, class actions have been instituted against the Group in the United States and Canada in connection with these investigations which remain at a preliminary stage.

Asbestos-related litigation

Current legal actions related to asbestos are described below.

Asbestos-related litigation in France

Inexcusable fault lawsuits

In France, Everite and Saint-Gobain PAM, which in the past manufactured fiber-cement products containing asbestos fibres, are the subject of actions by former employees of these companies (or persons claiming through them) for recognition of inexcusable fault following diseases recognized as being of occupational origin.

As of December 31, 2023, a total of 854 lawsuits had been issued against the two companies since the outset with the aim of obtaining supplementary compensation over and above the amounts paid by the French Social Security authorities in this respects.

As of the same date, 839 of these 854 lawsuits had been completed and 15 actions are still pending.

The total amount of compensation paid by Everite and Saint-Gobain PAM since the outset of these litigations in settlement of these lawsuits totaled approximately €11.5 million as of December 31, 2023 (compared to approximately € 9.7 million as of December 31, 2022).

In addition, similar suits had been filed against 15 French companies of the Group (excluding suits against companies that are no longer part of the Group) which in the past used equipment containing asbestos to protect their employees and installations against heat from furnaces.

As of December 31, 2023, a total of 292 lawsuits had been filed since the outset against these 15 companies. 254 of these 292 lawsuits had been completed and 38 actions were still pending at the same date.

The total amount of compensation paid since the outset of the litigations by these companies was approximately €15,2 million as of December 31, 2023 (compared to approximately €11,8 million as of December 31, 2022).

Anxiety claims

Eight of the Group's subsidiaries that operate or have operated facilities in France classified as containing asbestos, were the subject of anxiety claims brought by current or former employees not suffering from an occupational disease due to asbestos – claiming compensation for prejudice of anxiety suffered as a result of their alleged exposure to asbestos.

As of December 31, 2023, a total of 861 lawsuits had been brought against these companies.

At the same date, the lawsuits have been all definitely completed.

The total amount of compensation paid since the outset of the litigations was €8.8 million as of December 31, 2023 (against approximately €8.5 million as of December 31, 2022).

It should be clarified that the above figures do not take into account suits filed against companies that are no longer part of the Group.

Last, the total amount registered as provision for asbestos-related litigations in France – inexcusable faults lawsuits and anxiety claims – amounted to around €7 million as of December 31, 2023 (compared to around €8 million as of December 31, 2022).

Situation in the United States

Measures taken to achieve an equitable and permanent resolution of the former CertainTeed Corporation's legacy asbestos liabilities in the United States

DBMP LLC, an affiliate of CertainTeed LLC based in North Carolina, that holds the legacy asbestos liabilities of the former CertainTeed Corporation, filed, on January 23, 2020, a voluntary petition for relief under Chapter 11 of the US Bankruptcy Code in the US Bankruptcy Court for the Western District of North Carolina in Charlotte. The matter remains pending. The purpose of the filing is to achieve a certain, final and equitable resolution of all current and future claims arising from asbestos-containing products manufactured and sold by the former CertainTeed Corporation.

DBMP LLC intends to seek court authority to establish a trust under section 524(g) of the US Bankruptcy Code – a specific provision that is applicable to companies that face substantial numbers of asbestos-related claims – to achieve a fair and equitable resolution of its asbestos-related liabilities. Upon establishment of the trust, current and future plaintiffs with qualifying claims will be able to receive faster payment of their claims without the delay, stress and uncertainty of litigation in the tort system; at the same time, the creation and funding of such a trust will permanently and finally resolve DBMP LLC's asbestos liability.

During the course of this bankruptcy process, which is expected to take up to approximately five to eight years, all asbestos litigations have been stayed and all related costs suspended, providing DBMP LLC with the time and protection to negotiate an agreement to be approved on behalf of all claimants and by the court.

This action was taken as a result of the increasing risks presented in the US tort system. Despite the passage of time, the aging of the population and lessening opportunity for claimants to assert legitimate claims of exposure to the asbestos-containing products of the former CertainTeed Corporation, naming practices in the tort system continued to result in a steady volume of claims against DBMP LLC, with no foreseeable end in sight. In addition, there has been, in general, an escalation of settlement demands and verdicts in the tort system.

Certain adversary proceedings have been filed by representatives of current and future asbestos plaintiffs against DBMP LLC, CertainTeed LLC, Saint-Gobain Corporation, Compagnie de Saint-Gobain and various other parties. No decisions on the merits of the claims have been made and such claims do not affect the Company's financial assessment of the Chapter 11 case.

Impact on the financial statements

Following the commencement of the proceeding under Chapter 11 of the US Bankruptcy Code on January 23, 2020, the assets and liabilities of DBMP LLC and its wholly-owned subsidiary Millwork & Panel LLC, and in particular the provision for asbestos-related litigation in the United States, are no longer consolidated in the Group's financial statements.

Nonetheless, because of a funding agreement between CertainTeed LLC and DBMP LLC by which CertainTeed LLC has agreed to fund the costs of the Chapter 11 case and, ultimately, the 524(g) trust, in both cases solely to the extent DBMP LLC is unable to do so in full, the Group recorded in its consolidated financial statements a provision corresponding to the amount of the estimated debt against DBMP LLC amounting to $407 million as of December 31, 2023 ($410 million as of December 31, 2022).

The Group's consolidated income for 2023 is not impacted by the ongoing Chapter 11 proceeding described above.

As a result of this bankruptcy proceeding, all legal costs and indemnity payments related to DBMP LLC's asbestos tort claims have been suspended, and no further charges in relation to such claims have been taken in 2023 (as in 2022).

Situation in Brazil

In Brazil, former employees of Brasilit, that once manufactured fiber cement containing asbestos, suffering from asbestos-related occupational illnesses are offered, depending on the case, either financial compensation alone or lifetime medical assistance combined with financial compensation. Around 1,200 contractual instruments have accordingly been signed to date.

Two class actions were initiated against Brasilit in 2017 by two associations defending former employees exposed to asbestos at the São Caetano (São Paulo state) and Recife (Pernambuco state) plants, asking for their medical assistance and compensation to be revised. First and second instance decisions were rendered in connection with the suit related to the São Caetano plant respectively in July 2020 and July 2021, rejecting the claims of the plaintiffs. The latter have nevertheless appealed the second instance decision. First and second instance decisions were rendered in relation to Recife case, respectively in February and October 2022 rejecting the claiming party arguments. The plaintiff has appealed such second instance decision.

A third class action was initiated against Brasilit in 2019 in Capivari (State of São Paulo) by the Labor prosecutor asking for health insurance, as well as collective moral damages, in favor of employees, former employees and their respective families, as well as subcontractors who were exposed to asbestos. First and second instance decisions were rendered respectively in September 2020 and May 2023 partly in favor of the plaintiffs. In particular, collective moral damages were granted to the plaintiffs, for an amount reduced to BRL 5 million (€0.8 million). Brasilit has appealed the second instance decision.

Brasilit is subject to controls by the Ministry of Labor and continues to comply with all of its legal obligations with regard to medical assistance for its current and former employees.

In November 2017, the Supreme Court of Brazil decided to ban asbestos definitively across the country. Brasilit stopped using asbestos voluntarily as early as 2002.

Environmental disputes

PFOA proceedings in the United States

Levels of PFOA (perfluorooctanoic acid) in excess of US Environmental Protection Agency (EPA) health advisories or state maximum contaminant levels for drinking water have been found in municipal water systems and private wells near current Saint-Gobain Performance Plastics (SG PPL) facilities in Hoosick Falls (New York) and Merrimack (New Hampshire), and two former facilities in North Bennington (Vermont) in the United States. PFOA and PTFE (polytetrafluorethylene) have never been manufactured by these plants. SG PPL is a processor of PTFE which it purchases from third party suppliers and which in the past contained some PFOA.

SG PPL has voluntarily provided bottled water in all three communities, installed point-of-entry treatment systems to residents and businesses in all three communities, installed carbon filtration systems on the municipal water supply in Hoosick Falls and funded the installation of a carbon filtration system on the Merrimack Valley District's municipal water supply. In addition, it has voluntarily funded construction of water line extensions in certain communities in the Merrimack and Bennington areas. The investigations are on-going and the scope of responsibility for SG PPL arising from environmental remediation in New Hampshire and New York and clean-up obligations at these sites has not yet been established. The scope of the remediation in Vermont is defined and largely completed; future operation and maintenance obligations remain. Without admitting liability, SG PPL has signed consent orders with the environmental regulators in New York in 2016 and 2023 in Vermont in 2017 and 2019 with respect to two different areas, and in New Hampshire in 2018, pursuant to which SG PPL has agreed to complete investigations, implement interim or final remediation measures at its current and former facilities and in the case of Vermont and New Hampshire, fund construction of water lines. Responsibility, if any, is expected to be shared with other parties as regards in particular the Hoosick Falls site.

PFOA-related lawsuits alleging both health-related and economic damages claims have been filed in civil courts in New York, New Hampshire and Vermont, some of which are in the form of class actions. It is difficult to predict the timing or outcome of any such litigation, or whether any additional litigation will be brought against SG PPL, however, both the New York and Vermont class actions are settled.

On December 31, 2023, the provision recorded by the Company in respect of this matter amounts to €226 million (compared to €201 million as of December 31, 2012). This provision covers both remediation and litigation related to PFOA matters.

Other contingent liabilities

Grenfell Tower fire in the United Kingdom

Celotex - whose control was transferred by Saint-Gobain Construction Products UK on January 5, 2024, provides insulation materials for specific applications for the building and construction industry. Insulation materials from two Celotex ranges were purchased via distributors and used in refurbishing Grenfell Tower, London in 2015/2016, including as one component of the rainscreen cladding system designed and installed (by third parties) on the tower's external facade.

Following the Grenfell Tower fire on June 14, 2017, a Public Inquiry was constituted to consider, among other things, the modifications made to the building as part of the refurbishment, the role played by the various construction professionals, and the information provided by the manufacturers of the products used. The Inquiry's work was divided into two phases. Its phase 1 report was published on October 30, 2019. Phase 2 commenced in January 2020 and public hearings are complete. A final report is expected to follow later this year. A criminal investigation into the circumstances of the fire is also in progress.

There are a large number of issues and circumstances that need to be explored and the full implications for Celotex Limited and Saint-Gobain Construction Products UK Limited are unlikely to be known for some time.

Civil proceedings in connection with Grenfell Tower brought against Celotex Limited and/or Saint-Gobain Construction Products UK Limited and a number of other defendants were issued by bereaved, survivors and residents and emergency responders.

Following confidential alternative dispute resolution processes involving a number of parties, confidential settlements have been concluded in relation to the majority of these claims and resulted in payments to relevant claimants without admission of liability. Celotex Limited is continuing to engage with a number of other defendants in an alternative dispute resolution process to seek to resolve the remaining claims brought by the emergency responders. The principal financial implications from the concluded settlements have been paid in full and are reflected in the financial statements as of 31 December 2023.

The extent to which Celotex Limited and Saint-Gobain Construction Products UK Limited may incur further financial expenditure or civil or criminal liability in connection with the production, marketing, supply or use of their products is currently unclear and these companies are currently unable to make a reliable estimate of their potential liability in this respect.

Other proceedings and disputes

Some of the Group's companies may also be the subject of other claims made by their employees or by the tax authorities, or in the context of the enforcement of seller's warranties granted by the Group to the buyers of divested businesses (see . in the consolidated financial statements p. 321, note 5.5.2). Apart from the proceedings and litigation described above, to the best of the Company's knowledge, no other government, court or arbitration proceedings exist (including pending proceedings or proceedings where the Company and/or the Group might be threatened) which could have or have had, in the last 12 months, a significant impact on the financial position or profitability of the Company and/or Group. Please refer to the consolidated financial statements note 9 relating to provisions for litigation p. 339,

Risk of regulatory changes

The Group is not subject to any specific regulations that could have an impact on its financial position, although the Group companies that operate industrial sites are generally required to comply with the specific national laws and regulations of the country where such sites are located. Such is the case for example, with regard to France, of the regulations applicable to classified sites, and certain regulations relating to the environment.

A certain number of legislative measures are already in place in certain countries and regions in which the Group operates. For example at European level, Directive 2003/87/EC of October 13, 2003, known as the "Quotas Directive" and its successive amendments, has set a cap on carbon dioxide emissions and a quota trading system for certain large production sites. Notwithstanding the Group's efforts to reduce CO_2 emissions, and more broadly, the use of best available techniques for its investments (see section 3.3, p 106) changes in regulations applicable to the Group's activities could impact the operation of its production sites, which could have a material adverse effect on its operation, financial position or results.

Laws and regulations applicable to the Group's activities and to the materials and products that it uses in its activities may change in a manner that could be unfavorable to the Group. The introduction of stricter regulations or more diligent enforcement of existing regulations may affect the conditions under which the Group operates its businesses, which could increase its operating expenses, limit the scope of its activities or act as a brake on business growth. More generally, the Group cannot guarantee that there will be no rapid and/or significant regulatory changes in the future with a material adverse effect on its business, financial position or results.

6.1.5 INSURANCE

The Group transfers its risks to the insurance market when this is the most efficient solution. Default by one or more of the Group's insurers could therefore lead to financial losses.

The Group policy is to implement preventive programs and purchase insurance coverage to protect its assets and revenue. This policy is embedded within a Group doctrine, which takes into account current conditions in the insurance market. It is determined, coordinated and overseen by the Risk and Insurance Department. It defines insurance criteria for the most significant risks, such as property and business interruption, as well as general and product liability. With this in mind, a new insurance program to cover the Group's cyber risks was implemented at the end of 2017.

For other types of coverage, such as automobile fleet insurance, the Risk and Insurance Department advises the individual operating units on policy content broker selection and which market to consult. These are called "high-frequency" risks, for which claims are monitored internally and appropriate action taken. The policies in force in 2022 are the result of the renewal of the policies for 2021.

The captive insurance company set up to cover property risks was highly successful and delivered real benefits for the Group.

Companies acquired during the year have been integrated into existing insurance programs.

Property and business interruption insurance

The risks covered are non-excluded property and casualty risks as well as operating losses following a sudden accident affecting the insured property. They are covered by a global program.

The programs meet the insurance criteria laid down by the Risk and Insurance Department, specifically:

- all policies are "all risks except";
- limits on compatible coverage with worst-case scenarios where safety systems operate effectively;
- deductibles are proportionate to the size of the site concerned and cannot be considered as self-insurance.

These criteria take into account current insurance offerings, which exclude certain risks and cover natural disasters such as floods, storms, earthquakes or tsunamis only up to a certain amount.

In extreme scenarios, such events could have a substantial uninsured financial impact in terms of both reconstruction costs and lost production costs.

The Risk and Insurance Department's policy is based on the findings of the annual audits carried out by independent prevention experts recognized by the Group's insurers. These audits give a clear picture of the risk exposure of the main sites in the event of a fire or other incident, and provide an estimate of the financial consequences in a worst-case scenario.

The transfer of risk to the insurance market takes place beyond €17.5 million per claimable event for all Group entities as from January 1, 2022.

This amount is self-insured by the Group through its captive insurance company. The latter has taken out reinsurance protection to protect it against an excessive frequency and/or severity.

Coverage of the risk of civil liability

A program provides coverage for third-party personal injury and property damage claims for which the Group would be legally held liable. This program comprises several programs for the lower tranches of coverage.

The first program covers all subsidiaries and has a coverage limit of €100 million. Those located in North America are subject to a deductible of US$50 million. The program's exclusions are consistent with market practice and concern in particular potentially carcinogenic substances and gradual pollution.

In order to satisfy local regulatory requirements, a policy is taken out in each country in which the Group has a significant presence. Local policies are backed up by the master policy issued in Paris, which can be activated when local coverage proves inadequate.

The second program, with a cover limit of US$50 million, concerns the subsidiaries located in North America. This program is structured differently to deal with the specific nature of liability risks in the United States. It is divided into several lines of coverage, requiring it to be placed, if needed, on the London insurance market. Exclusions are in line with current market practice in the United States and primarily concern contractual liability, pollution and third-party consequential loss.

In addition to the two programs described above, a number of supplementary programs have been set up in order to bring the total coverage limit to a level considered compatible with the Group's businesses.

Within the operating units, action is taken to raise awareness of civil liability risks, and the units are motivated to control costs by assuming a deductible that does not, however, constitute self-insurance. The Group also runs a risk prevention program at its operating units with the support of the Environment, Health and Safety Department.

Furthermore, to meet the environmental requirements set out in Directive 2004/35/EC of April 21, 2004 on environmental liability with regard to the prevention and remedying of environmental damage, the Group has since 2017 had a specific policy with a limit currently set at €75 million per year. This policy offers worldwide cover, excluding the United States, for the Group's civil environmental liability arising in relation to damage affecting natural resources (protected natural species and habitats, soil and water) as a result of its activities.

Exceptions

Joint ventures not controlled by the Group and minority interests are excluded from the scope of the above policies. These insurance policies are taken out separately.

6.2 INTERNAL CONTROL

Each of the Group companies evaluates the main risks affecting the shaping of its strategy, the smooth running of its operations, compliance with laws and regulations and resilience to external events.

Thus the general aims of internal control are:

- management of the company's operational risks;
- quality of execution of processes and reliability of financial information;
- compliance, in accordance with the Group's programs, particularly on competition law, laws on economic sanctions, controls on exports, the fight against corruption and influence peddling (in accordance with the recommendations of AFA, the French Anti-corruption Agency) and personal data protection;
- anti-fraud.

Each level of the organization plays a role in internal control, and risk management, which affect all Group employees. The three lines of defense model is therefore adopted by Saint-Gobain:

- In the first line of defense, companies employ an internal control and risk management system tailored to their situation, at the initiative of the Chief Executive Officers and local managerial structures (Regions, countries and activities). The companies have access to Shared Services Centers (Finance, Human Resources – Payroll, IT). It is essential that there is a segregation of tasks between these organizations for successful skills optimization and transaction security;
- In the second line, Group Internal Control establishes an internal control reference framework applicable to all, in addition to specific guidelines prepared by the Group's corporate departments; and
- The third line involves verification of the proper application of the internal control principles which is carried out in-house by the Audit Department and externally by the Statutory Auditors.

6.2.1 COMPAGNIE DE SAINT-GOBAIN'S INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM

The aims of internal control and risk management

The Saint-Gobain internal control and risk management system is part of the legal framework applicable to companies listed on the Euronext Paris regulated market, and is inspired by the reference framework on the internal control and risk management system of the AMF (French Financial Markets Authority) and the "Committee of Sponsoring Organizations of the Treadway Commission" (COSO).

Saint-Gobain Group's internal control and risk management system is supported by a continuous improvement process and an Internal Control Reference Framework. This is a whole set of resources, behaviors, procedures and actions tailored to each company's specific characteristics which:

- enables it to appropriately address material operational, financial or compliance risks;
- helps it to manage its operations and meet its objectives;
- improves the efficiency of its operations and ensure that its resources are used to best effect.

It is more specifically designed to provide assurance concerning:

- application of General Management's instructions and orientations;
- compliance with the laws and regulations applicable to the company;
- the efficiency and effectiveness of internal operating, industrial, marketing, financial and other processes;
- the protection of property, plant and equipment and intangible assets, in particular the prevention of fraud;
- the reliability of financial information.

By promoting continuous improvement in all entities, internal control creates value and supports the companies' performance.

The internal control and risk management environment

The Group's core

Internal control is based on values and rules of conduct which are formalized in:

- the Saint-Gobain Group Principles of Conduct and Action: professional commitment, respect for others, integrity, loyalty, solidarity, compliance with the law, respect for the environment, protection of health and safety at work and employee rights (see section 1.1.3, p. 16). The Principles of Conduct and Action are distributed to all Group employees; the Group's Human Rights policy (see section 1.5.3, p. 60);
- the Saint-Gobain Attitudes: being close to clients, acting as an entrepreneur, innovating, being flexible, building an open and engaging culture;
- the Group's compliance program: competition law, economic sanctions and export control, anti-corruption, influence peddling and fraud, professional associations, conflicts of interest, gift policy, personal data protection, etc. (see section 6.2.5, p. 273).

Executives leading by example, and control at all levels in implementing the Principles is essential in disseminating these values, which all Group employees must adhere to.

The organizational model

The implementation of an internal control system requires:

- appropriate organization which provides a framework for the planning, execution, monitoring and management of operations;
- clearly defined roles and responsibilities, according to a human resources management policy which recruits people with the knowledge and skills necessary to perform their jobs, providing them with training to develop employees' knowledge;
- rotation and succession plans for key positions and replacement solutions during temporary absences;
- powers of attorney granted to suitable people in line with the principle of task segregation.

Dissemination of policies and programs

The policies and programs devised by the Group's Senior Management are disseminated within each corporate department. The Regions, countries and activities formalize guidelines and directives within their scope of responsibility in line with the Group's own guidelines and directives, ensuring that they are applied when conducting operations.

Information systems

The Group's organizations and their operations rely to a large extent on information systems, information-sharing and the digitalization of processes. Information systems must therefore be efficiently protected in terms of both physical and logical security. The Saint-Gobain Group companies thus comply with the security rules set out by the Group "Digital & IT" Department and Internal Control (automated controls described in detail in the "ITAC" reference base).

Internal control and risk management process

Within Saint-Gobain, internal control is a continuous and ongoing process that integrates risk management procedures.

Due to the constantly changing environment and the regulatory context, the companies must take steps to identify, evaluate, process and monitor any risks which may affect them.

At Group entity level

The internal control and risk management process can be summarized in four stages:

- analysis of the main identifiable risks. The company analyzes the main risks that could prevent it from meeting its objectives, as well as dangers that could harm its interests or have a major impact on its internal control situation;
- developing controls that are proportionate to the risks involved in each process;
- communicating the objectives of internal control to employees and implementing controls;
- permanent oversight of and regular checks on the effectiveness of internal control: an internal control self-assessment or "compliance statement" is therefore signed each year by the Chief Executive Officers according to the scope defined for each annual campaign.

This process is described in the Internal Control Reference Framework (see section 6.2.5, p. 273) and applies to the entire Group.

At the level of Compagnie de Saint-Gobain

The Audit, Risks and Internal Control Department updates the Group's risk mapping every year. These updates draw on the contributions of the various management levels, and the results are submitted to the Audit and Risk Committee and the Board of Directors.

For the various risks analyzed, the necessary corrective action is taken.

6.2.2 PARTIES INVOLVED IN INTERNAL CONTROL AND RISK MANAGEMENT

Everyone within the organization has some responsibility for internal control and risk management, from General Management down to the employees of the individual entities.

The Board of Directors of Compagnie de Saint-Gobain and the Audit and Risk Committee

The Audit and Risk Committee periodically reviews the organization of the Group's internal control and risk management (see section 5.1.2, p. 191).

The Audit and Risk Committee is specifically tasked with monitoring the process of preparing financial information and the effectiveness of the internal control and risk management system.

It also reviews the risks map prepared by the Audit, Risks and Internal Control Department.

It analyzes significant internal control incidents, results of audits and oversees the corrective actions necessary to address failures.

Finally, it reports regularly to the Board of Directors on its work and notifies the Board promptly of any issues encountered (see section 5.1.2, p. 191).

Group Management

Saint-Gobain's Management oversees implementation of the Group's internal control and risk management system and the existence and effectiveness of appropriate internal control monitoring systems within the Group's subsidiaries.

In this context, the Chairman of the Board of Directors signed a charter on April 16, 2021 with the Audit, Risks and Internal Control Department to reiterate the principles of audit, internal control and risk management which support the Group's teams.

Audit, Risks and Internal Control Department

The general remit of the Audit, Risks and Internal Control Department is to provide systematic, methodical assurance that the internal control systems are relevant and effective, and to make recommendations for reinforcing them. It also promotes the pursuit of added value and enhanced performance, in line with the Group's focus areas and programs (notably in anticipation of the digitalization of company processes).

Therefore, the Audit, Risks and Internal Control Department is involved in the Group's compliance program and is primarily responsible for the following:

- designing the Group's internal control and risk management system;
- coordinating the implementation of this system, in liaison with the company's corporate departments and operational management structures. To do this, the Audit, Risks and Internal Control Department particularly relies on internal control/risk reference frameworks and the issuing and checking of the compliance statements signed by the general managers for the applicable management levels;
- carrying out audits in line with the audit plan approved by the Audit and Risk Committee.

The Saint-Gobain Group Internal Audit Department applies the international standards of the profession as described in the Professional Internal Auditing Standards (RPAI), 2020 version, and thus complies with the Core Principles for the Professional Practice of Internal Auditing (CRIPP) of the Institute of Internal Auditors (IIA). The Group's Audit Department has been certified by the IFACI, the French branch of the IIA, since 2020.

At the end of 2023, the Audit, Risks and Internal Control Department had 70 staff, split between audit, internal control and risk management.

Audit, Risks and Internal Control Department	Main responsibilities	Reference standards and/or measures	2023 key figures
Internal control	• Lead the internal control excellence program • Draw up and maintain the Internal Control Reference Frameworks in line with the Group's risk universe • Propose useful tools for the implementation of internal control by the first and second lines of defense • Lead the annual process of compliance statements • Analyze incidents, self-assessments and audit results to suggest changes • Monitor the implementation of the action plans decided upon as a result of these exercises • Communicate and train in internal control	• Internal Control Reference Framework Standard (ICRF) • Internal Control Reference Framework for Information systems (ITAC) • Internal Control Reference Framework for companies with annual sales below €20 million and for newly acquired companies (ICRF MINI) • Internal Control Quality Reference Framework (ICQRF) • Anti-corruption internal control framework (ACRF) • Internal control toolbox • Associated practical data sheets or Group memos • Internal control, risk management and audit training academy (Academy), part of the "Saint-Gobain University" training program accessible from the "Boost!" e-learning platform • Certification of internal control as part of the training academy (Academy) • "MY ICRF" mobile app available for all employees • Best practices library • Webinars and training sessions by region/country (ICRM Forums [1]) • Intranet and digital internal control community on "Viva Engage" ("My ICRM") • Integrated Audit/Internal Control/Risks tool: "INTERACT" [2] and Analysis tool: "TABLEAU" Software [3]	• 1,684 action plans open in the "INTERACT" database at the end of 2023 • 2023 campaign of compliance statements including the self-assessment of 217 scopes and 37 super-validations (see section 6.2.4, p. 271) • Annual "internal control and risks" conference bringing together 665 remote participants • More than 1,771 executives and managers trained at 22 internal control and risk forums in 18 countries • 31 webinars bringing together more than 4,535 participants • 17 newsletters published • 166 publications on the Yammer community "My ICRM" • 205 best practices including 16 in 2023 • Network of 149 internal control correspondents • 9 regional meetings/HPS of internal control correspondents (385 participants) • 29 discussion meetings with the corporate departments • 92 one-to-one meetings were held with Internal Control correspondents within the Group • Digital Internal Control Community with 2,060 members • Training academy containing 55 internal control and risk modules and two audit familiarization modules. As of December 31, 2023, Group employees had taken 24,486 modules and 1,641 modules were in progress • 64 candidates awarded internal control certification in 2023; 118 certified in all since the certification was launched

Audit, Risks and Internal Control Department	Main responsibilities	Reference standards and/or measures	2023 key figures
Risk management	• Define and maintain the Group's risk universe • Produce and maintain the risk management methodology • Update risk mapping at the different Group management levels • Analyze responses to the identified risks and associated action plans • Communicate and train in risk management	• Risks universe • Methodological risk analysis tool for Group companies • "AVANTEAM" risk mapping tool, containing the risk database • Mapping of Group risks • Management of action plans in the "INTERACT" tool • Intranet and digital risk management community on "Viva Engage" ("My ICRM") • Annual "Risk Perspective" publication	• 62 maps updated in 2023 • "AVANTEAM" risk database including 553 active risks in 2023 • "INTERACT" tool including 76 risk action plans • Updated risks universe with 13 main categories and 76 sub-categories

Audit, Risks and Internal Control Department	Main responsibilities	Reference standards and/or measures	2023 key figures
Internal Audit	• Conduct audits and monitor the implementation of the mandatory controls required by the Internal Control Reference Frameworks • Check the consistency of compliance statements • Carry out cross-cutting studies of operational benefit for the Group • Identify and share best practices	• Audit plan • Audit methodology • Specific "Essential Controls" anti-fraud methodology • Best practices library • "TABLEAU" data analysis tool • "CELONIS" process analysis tool • Management of action plans in the "INTERACT" tool • Internal control, risk management and audit training academy ("IABC Academy"), part of the "Saint-Gobain University" training program accessible from the "Boost!" e-learning platform • Auditor training Program	• Entities audited every 3 to 5 years depending on company size • 161 audit missions, 14 special missions to review executive expense reports and 31 intrusion tests conducted • Training academy containing 37 audit methodology modules, access to which is restricted to Group auditors. As of December 31, 2023, the Group's auditors had completed 2,605 modules and 259 modules were in progress • 20 candidates awarded internal audit certification in 2023 (corresponding to 27% of audit staff); 34 certified in all since the certification was launched • Monthly methodological update meetings for regional supervisors (7 sessions in 2023) • Training week organized in January 2023 for all auditors, representing 32 hours of training in all • Induction training program for newcomers held in April, September and November 2023, representing 31 hours of training in all • Methodological training cycle, i.e. 11 thematic sessions scheduled for 2023 for all auditors, representing 11.5 hours of training in all • Data analysis training cycle, i.e. 10 sessions dedicated to the use of TABLEAU software scheduled for 2023 for all auditors, representing 10 hours of training in all • SAP software package training cycle, i.e. 3 sessions scheduled in 2023 for all auditors, representing 3 hours of training in all • 189 publications on the Yammer community "My IABC

(1) *The ICRM Forums are local training sessions delivered over one or two days for senior executives and managers. They include topics such as the fundamentals of internal control and the fight against fraud, audit results and compliance statements, as well as case studies and/or workshops on various processes.*
(2) *Integrated audit and internal control tool used for the management of compliance statements, action plans and audits.*
(3) *Intelligent data analysis and reporting tool.*

Corporate departments

Compagnie de Saint-Gobain's Corporate Directors are responsible for determining the organization of their areas, and for defining the applicable internal control guidelines and procedures.

They assist the Audit, Risks and Internal Control Department in leading and conducting the internal control process in their area, notably:

- identify and analyze the main risks associated with their internal processes;
- define effective and relevant controls formalized in the Internal Control Reference Framework;
- inform and train the employees responsible for internal controls within their area;
- analyze any internal control weaknesses or incidents and the results of internal audits.

The Corporate Directors are also responsible for the internal control system within the Company entities, notably to establish the Group's procedures.

Corporate departments	Main responsibilities	Reference standards and/or measures	2023 key figures
Environment, Health and Safety (EHS) Department and Medical Department	• Promote and coordinate Group EHS policy • Monitor the application of EHS standard principles	• EHS reference framework and standards • ISO 45001, ISO 14001 and ISO 50001 standards • EHS Saint-Gobain audits • ISO certification audits	• Industry audits: – 42 "ISA" audits – 45 "ISA-MINI" audits • Distribution audits: – 25 2023 Format audits
Information Systems Department	• Develop the Group's Digital and IT Strategy in line with the Group Strategy • Leading the Group's Digital Transformation • Define Group policy for information systems and computer network security • Promote and coordinate an annual self-assessment plan • Control the implementation of rules and best practices	• Minimum security rules • Technical standards • Development standard for secure web applications • Note on the Cloud • Datacenter security rules and public Cloud security rules • ITAC reference bases • SAP users control tool • SAP systems security monitoring and checking tool (SAP4SG) • Industrial Systems Security Framework	• See section 6.2.5, p. 273
Purchasing Department	• Manage the World Class Purchasing program, an approach focused on purchasing performance, department professionalization, the internal clients department, and supplier innovation with a view to creating a competitive advantage for Saint-Gobain • Exploit all centralized multi-business and multi-country purchasing synergies • Coordinate the purchasing function • Develop the culture of Responsible purchasing, in line with the Group's commitments • Execute the Digital transformation of the Purchasing function, in collaboration with the countries and businesses	• ISO 9001 standard with certification in Raw Materials, Precious Metals and Energy for Saint-Gobain Purchasing • Purchasing Process within the Internal Control Reference Framework	• Completion of nearly 9,556 individual actions by buyers in 2023 • 1 specific local purchasing internal audit • 7 buy techs (3) were carried out in 4 countries

Corporate departments	Main responsibilities	Reference standards and/or measures	2023 key figures
Risk and Insurance Department	• Define Group policy for property damage at industrial or distribution sites • Define Group policy for insurance and monitoring its implementation • Steering centralized insurance programs	• Prevention/protection reference base • "Risks Grading" self-assessment tool • Doctrine memos • Risks and Insurance Intranet	• 409 site visits by prevention engineers including 28 visits specific to flood risks and 28 dedicated to checking the Continuity Plans • 1,345 sites that have performed their Risk Grading self-assessment • 676 sales outlet evaluations, including 46 in self-assessments. • 18 prevention/business continuity plan training sessions • Regular plant inspections
Treasury and Financing Department	• Define policy for financing, market risk control and banking relationships for the entire Group	• Procedural reference base – for DTF activities – for subsidiary activities • Daily reports (DTF) and monthly reports (subsidiaries and DTF)	• 165,229 internal/external foreign exchange transactions in 2023 • 33,001 internal/external transfers issued in 2023
Financial Control Department	• Implement continuous control of the Group's results, balance sheet and operating performance • Participate in drawing up the budget and periodic reviews of profit and cash flow forecasts • Study and validation of the main investment, acquisition, disposal, financial operations and reorganization projects • Develop a vision and implement the (digital) transformation programs of the Finance function within the Group	• Dashboards • Permanent relationship with the Regions/HPS • Oversight of the network of Group controllers • Common chart of accounts and analysis tools • Group reference base (doctrine and accounting standards)	• 10 remote training modules; 7 new online e-learning modules • 201 company Authorization Applications • 54 acquisition projects, of which 29 were finalized (23 closed + 6 signed) • 7 sales closed • 8 mergers completed
Accounting Standards and Pension Liabilities Department	• Manage, update and distribute all financial, administrative and management procedures applicable to the Group companies • Coordination and review of the valuation of the Group's pension obligations • Monitoring of IFRS 16 Lease contracts • Coordination of the financial portion of the Universal Registration Document • Coordination of the auditors in the different regions and monitoring of their fees	• Group organization and procedures • Financial and accounting standards (IFRS) • Group intranet and Viva Engage page	• 941 documents available on the Accounting Standards intranet • 784 questions addressed via the hotline • 1967 employees subscribed to the news from the Accounting Standards Department and 1,274 to specific disclosures relating to IFRS16

Corporate departments	Main responsibilities	Reference standards and/or measures	2023 key figures
Legal and Ethics and Compliance Department	• Identify the main legal and ethics and compliance risks • Define and implement an ethics and compliance program aimed at preventing breaches of the Code of Ethics, the Group's commitments, and the law in the areas of competition law, anti-corruption and influence peddling, economic sanctions and export control, the duty of vigilance and human rights, and personal data protection • Advise operational staff, via the network of Heads of Ethics and Compliance, on matters falling within the scope of the ethics and compliance program • Perform controls to verify the application of the rules of the ethics and compliance program	• Group policies and procedures in relevant matters • "SpeakUp! by Saint-Gobain" Whistle-blowing Line • Digital register of gifts and invitations, conflicts of interest, and other items sensitive to the risk of corruption • Third-party screening tool and Wiki country page on economic sanctions and export control • Coordination of a network specializing in ethics and compliance • Employee training related to legislation in force and Group policy adopted on the subject (online and in-person training) • Questions of the compliance statement on compliance-related topics • Dedicated audits (Compliance Essentials) focusing on ethics and compliance issues	• Policies and procedures: translated into an average of thirty languages • Online training: – At the end of 2023, 96.3% of new managers, and 98.5% of all managers, had completed the "Adhere" online training course on the Principles of Conduct and Action – At the end of 2023, 97.6% of new managers, and 99.1% of all managers, had completed the "ACT" anti-corruption training course online – At the end of 2023, 96.2% of new managers, and 98.7% of all managers, had completed the "Comply" antitrust law training course online • Face-to-face/Hybrid/Teams: in 2022, 3,500 employees received training on one or more ethics and compliance topics

Corporate departments	Main responsibilities	Reference standards and/or measures	2023 key figures
Security and Anti-Fraud Department	• Protect business travelers and expatriates and monitor international crises: - Ensure continuous monitoring of the international security situation and communicate appropriate preventive instructions to operational and functional departments and employees - Define Group policy for the protection of business travelers and expatriates. Monitor its implementation and train the country security officers on internal control operations - Guarantee 24/7 management of incidents related to business travelers and expatriates, and 24/7 support for the crisis management systems put in place by the countries • Guarantee site security: - Define and monitor implementation of Group policy for site security - Conduct or supervise site audits and ensure recommendations are followed up • Contribute to the protection of information and ensure compliance with guidelines on confidentiality • Fight against fraud - Contribute to and monitor implementation of Group anti-fraud guidelines - Provide awareness-raising and training initiatives in the area of fraud prevention - Conduct or supervise fraud investigations within the Group - Monitor cases of fraud	• The employer's legal safety obligation and duty of protection • Security policy for business travelers and expatriates • Anti-fraud policy • Site security policy • Guidelines on protecting sensitive information and respecting confidentiality • Safety Officer function • Fraud Officer function • Site security audits and visits • Security awareness-raising • Fraud reporting to the Audit and Risk Committee • 24/7 security on-call system • Mapping of security risks relating to industrial and distribution sites in France • Annual accreditation of Regional Fraud Officers by the ACFE • System for monitoring business travelers and expatriates	• At December 31, 2023, 29,317 international trips (PNR) were recorded • 15 sites underwent an audit or security visit • 20 awareness actions relating to security or the fight against fraud have been carried out • Implementation of a dedicated fraud prevention unit within Distribution in France • Number of alerts or reports relating to fraud received: 119 - 18 cases from the Group Alert System - 101 cases reported by management or reported following control operations

(1) *Buy-Tech: Workshop that brings together purchasers and technicians with the aim of improving their cooperation, optimizing local purchases, promote best practices in terms of defining specifications and using the TCO (Total Cost of Ownership) tool and guarantee the best use of framework, national or regional contracts.*

Operational departments

The Heads of the Regions, countries, Business Units and companies' CEOs are crucial in rolling out the internal control and risk management system in the Group; their main roles include:

- analyzing major risks faced by the companies;
- carrying out appropriate controls based on the Internal Control Reference Framework;
- gradually implementing the Group's programs;
- making self-assessments on the internal control system, in the form of an annual compliance statement, for the applicable management levels, that includes a letter of commitment confirming the Chief Executive Officer's personal commitment regarding the fairness and accuracy of the self-assessment;
- active, constructive and transparent involvement in the various assessment exercises: internal, specialized and external audits.

6.2.3 THE INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM IN THE GROUP ENTITIES

Each entity is responsible for implementing an internal control and risk management system that is appropriate to its needs and aligned with the Group's internal control and risk management system. Each Managing Director is responsible for:

- the relevance and effectiveness of the internal control system in place within their entity;
- its compliance with the Group's internal control system;
- appropriate management of the risks faced by their entity.

This responsibility cannot be delegated. Management exercises this by relying on the company's corporate Directors, operational staff and the site Directors.

To build an internal control system adapted to their activity, the Chief Executive Officers of the companies aim to:

- establish the fundamental bases for internal control and risk management, and in particular the controls described in the Internal Control Reference Framework;
- adapt the internal control and risk management system by analyzing specific risks and enhancing the internal control system to include checks tailored to the management of identified risks;
- roll out the internal control and risk management system on all of the sites;
- oversee the internal control and risk management system.

6.2.4 THE PROCEDURE FOR MONITORING THE INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM

The Audit, Risks and Internal Control Department monitors the internal control and risk management systems using four main factors:

- compliance statement;
- internal audits;
- action plan monitoring;
- monitoring of fraud and incidents.

The results of this oversight are reported to the Audit and Risk Committee.

The Compliance Statement

The Managing Directors, for the applicable management levels, report to the Group's General Management on their levels of internal control via an annual compliance statement.

The form includes a certain number of key checks extracted from the Internal Control Reference Framework.

The Chief Executive Officer must provide assurances that:

- the controls selected are implemented in a compliant and efficient manner;
- the action plans arising from the self-assessment have been activated and implemented within the given time frames;
- significant internal control incidents, fraud and breaches of the Principles of Conduct and Action were reported to the Audit, Risks and Internal Control Department or via the Group whistle-blowing system.

The Managing Directors make a personal commitment to the accuracy of the self-assessment by signing a letter of commitment at the end of the form.

At the second level, the Directors of Clusters, Regions and HPS validate all compliance statements belonging to their respective scopes.

The compliance statements and the action plans are gathered, summarized and monitored by the Audit, Risks and Internal Control Department. They are covered in an annual report to the Group's Management team and the Audit and Risk Committee.

Internal audits

Internal audits are centralized at Compagnie de Saint-Gobain level. The Vice-President of Audit, Risks and Internal Control reports to the Chief Executive Officer of the Group. Internal auditors located at the headquarters or in the regions report directly to the Audit, Risks and Internal Control Department and work under its authority.

The audits are scheduled based on long-term, pre-determined criteria, in line with a yearly audit plan which is designed taking into account the requirements of the Group's General Management, corporate departments and operational departments. The audit plan prepared by the Audit, Risks and Internal Control Department is approved by the Audit and Risk Committee.

The aim of the audits is to evaluate the relevance and effectiveness of the internal control systems of the Group and its subsidiaries and to carry out cross-business missions with an operational benefit. Generally, they include an examination of the internal control environment, risk analysis system, internal control organization and procedures, information systems and a selection of processes.

The auditors use IT tools provided to them to analyze the data systematically (data analytics) and share the results operationally with the entities:

- a performance-oriented tool for process analysis that can be used to analyze and represent an entity's organizational structure and its processes, to identify bottlenecks and irregularities in process flows;
- a conformance-oriented data analysis tool that is useful in targeted searches for inconsistencies with the internal control rules in place.

These two highly complementary tools thoroughly analyze the populations concerned (transactions, master files, access rights, etc.), so that anomalies can be detected and the most reliable conclusions reached.

At the end of the work, the internal auditors design a priority action plan in conjunction with the entity which should improve the coverage of the risks identified; they also produce a report setting out their main observations and recommendations. The report is then sent to the Group's General Management and the operational department to which the entity reports.

Action plan monitoring

The "INTERACT" integrated audit and internal control tool centralizes:

- actions taken to correct the non-compliance identified during the annual campaign of compliance statements;
- the priority action plans defined following the audits carried out;
- the main actions defined as part of the annual risk mapping campaign.

The INTERACT tool also enables entities to trigger action plans independently, as part of a dynamic management of their internal control.

This means that each Group company has access to a centralized operational platform it can use to manage its action plans by reporting the corrective measures taken and the progress made compared with the predefined implementation schedule. The corporate departments can also use the system to monitor these action plans.

Furthermore, a dashboard circulated at the Group's different management levels makes it possible to monitor the results of the compliance statements, internal audit grades and the progress of the related action plans.

Monitoring of fraud and internal control incidents

Fraud and other major internal control incidents are closely monitored by the Audit and Risk Committee.

Facts to be reported to the Group

- Accounting anomalies and alterations which damage the integrity of the financial information, irrespective of whether they are favorable or unfavorable to the entity or the Group;
- Misappropriation or jeopardizing of assets, whether tangible or intangible;
- Events likely to be construed as acts of passive or active corruption, or influence peddling;
- Violations of laws and regulations;
- Other violations of the Principles of Conduct and Action.

Alert procedure

Fraud alert procedure

The Group's Fraud Officer ensures monitoring by applying a single, centralized procedure which all of the Group's subsidiaries must follow. The facts are reported via the Group Whistle-blowing System or by using a standard form available on the Security Intranet under the fraud section, which describes the facts and the measures taken. The declaration is updated by the entity as necessary. These declarations are then communicated by the Fraud Officer to the relevant management bodies.

Group whistle-blowing system

The Group's internal whistle-blowing system makes it possible to collect reports from any employee concerning conduct or situations which are contrary to the Group's Principles of Conduct and Action and the Group's Anti-Corruption policy, offenses or crimes or serious and obvious violations of laws or regulations (for details, see the Saint-Gobain Group Alert System policy). The internal whistle-blowing system is accessible at the following address: https://www.bkms-system.com/bkwebanon/report/clientInfo?cin=CwmSdg&c=-1&language=eng.

When the eligibility conditions for the report are met, the reported facts are investigated in a professional and independent manner. Investigations are coordinated by duly trained alert examiners.

Whistle-blower protection system

The whistle-blower is protected under the terms of the Whistle-blowing policy.

6.2.5 GUIDELINES AND PROCEDURES

Compagnie de Saint-Gobain has developed internal control and risk management procedures for its own needs and those of its subsidiaries.

Internal control reference framework

In 2023, the internal control reference framework library is as follows:

ICRF

MINI ICRF

ITAC

ICQRF

ACRF

There are three main manuals:

- ICRF: Internal Control Reference Framework, in its standard format, applicable to companies with annual sales in excess of €20 million and the support units (Finance, HR/Payroll and Shared Services Centers, IT Expertise and Telecommunications Centers, R&D Centers);
- MINI ICRF: Internal Control Reference Framework applicable to companies with annual sales of less than €20 million;
- ITAC: Internal Control Reference Framework applicable to all of the Group's business applications and ERP.

ICRF

Section 1 of the Internal Control Reference Framework highlights the role of each person in the perpetuation of the Group's internal control and risk management system.

Section 2 of the Internal Control Reference Framework presents the Group's risk universe. Each ICRF control is referenced against the relevant risk sub-categories. Each process contains a control/risk matrix used to refer specifically to risk types by control and contributing to understanding the control system.

Section 3 of the Internal Control Reference Framework presents the list of mandatory controls to be implemented by all Group subsidiaries (250 controls in the 2023 version).

The Mini ICRF

This framework has the same structure as the standard ICRF with 17 chapters. It sets out 100 controls, which have been carefully selected and developed for small entities. The Mini ICRF also presents a practical tool for the consolidation of newly acquired companies.

ITACs

The Automated Control Reference Framework (ITAC) supplements the Group's Internal Control Reference Framework (ICRF) and lists the controls that are wholly or partially automatable, the implementation of which is mandatory. The Group companies are responsible for the implementation of this reference framework in the business applications within their scope (e.g. SAP) in order to guarantee the perpetuation of the control, limit its recurring costs and minimize the risk of human error or fraud.

In the 2023 edition of the ITAC standard, which covers eight processes, there are 97 controls listed. They are divided into three categories: automated process, automated workflow approval and automated reporting (R).

There are also two thematic manuals.

ICQRF

The ICQRF (Internal Control Quality Reference Framework) manual deals with internal control applied to quality.

ACRF

The ACRF (Anti-corruption Reference Framework) manual summarizes the internal controls related to the fight against corruption and influence peddling.

All of the reference frameworks are available on the Audit, Risks and Internal Control Intranet.

Other tools are also available on the Intranet site to help entities implement the controls (tool box: typical procedures, flow diagrams, library of controls) and best practices.

The best practices are compiled by:

- the Internal Audit Department – auditors gather best practices during their audit missions;
- the Internal Control Department, using a system of external monitoring (notably the French Audit and Internal Control Institute, IFACI);
- entities that agree to share their tools.

The Accounting Standards and Pension Liabilities Department

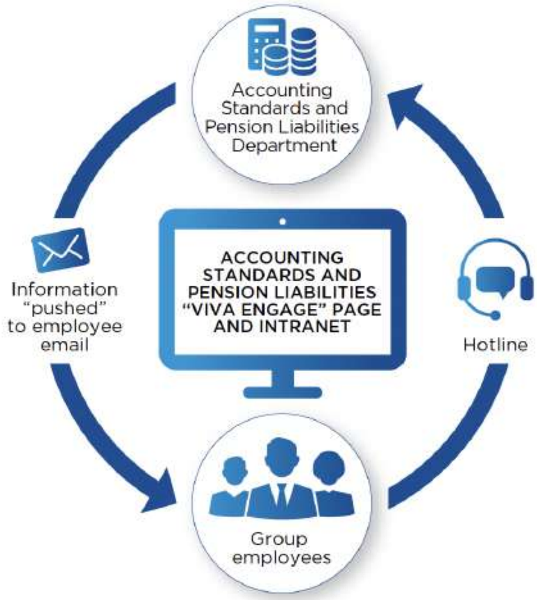
The Accounting Standards and Pension Liabilities Department presents all financial, administrative and management procedures applicable to Group companies.

These procedures, accessible via the Group Intranet, are based on two main themes:

- Group organization and procedures;
- financial and accounting standards.

It is also in charge of coordinating the calculation of the Group's pension provisions and ensures the detailed review of commitments and other related long-term benefits for employees of French companies in conjunction with actuaries.

Its missions also cover the supervision of pension fund management in France.



It has also been responsible for the monitoring of "IFRS 16" leases using a global database of all of the Group's leases (about 41,000 contracts).

It is also in charge of coordinating the integration of auditors in the various regions as well as monitoring their fees.

The activities of the Accounting Standards and Pension Liabilities Department are the subject of a report sent to the Audit and Risk Committee of the Board of Directors in February.

The Environment, Industrial hygiene, Health and Safety (EHS) standard, associated standards and implementation guides

The EHS standard describes the management system to be put in place to achieve the EHS objectives and achieve an autonomous and interdependent EHS culture. It is based on the principle of continuous improvement. It takes into account:

- international management standards in the three areas of EHS: ISO 45001: 2018 for health and safety and ISO 14001: 2015 for the environment;
- the specific requirements of Saint-Gobain, in particular the Group's EHS standards.

The EHS Reference Framework was updated in 2021. It is based on the conviction that the implementation of an effective EHS management system in the branches is a necessary condition for the long-term improvement of their EHS performance.

The implementation of the requirements of the EHS Standard is assessed through ISA (Integrated System Assessment) audits launched in 2018 for the industrial scope. An audit system more suitable for institutions whose management system is not ISO-certified, called the ISA-MINI audit, was developed in 2020 and gradually rolled out since 2021. A new version of the ISA audit was developed and tested in 2022 to take into account the evolution of the EHS Standard in 2021, and was launched in 2023. The reflection on the EHS Saint-Gobain audits at the Distribution sites was conducted in 2022, leading to the launch of a new audit tool for distribution sites in 2023.

Each country is in charge of defining its multi-year audit program according to the prioritization criteria proposed by the central EHS team. The objective is to target sites and entities that need audit recommendations to progress.

Furthermore, the EHS Department continues to work with its network to develop and update Group EHS standards, which describe the minimum applicable requirements and/or methodologies. These standards help to ensure that risks are assessed and controlled on the same basis in all Group entities, irrespective of the country and the local laws and regulations. Among the documents made available to the sites for the implementation of standards, there are implementation guides, examples of procedures, training materials including eLearning modules, questionnaires for assessing the implementation of standards and IT tools. Every year and as needed, certain documents and tools are updated or added. Two safety standards were updated in 2023: "Vehicles used in the workplace" and "working at heights". An eLearning module on Work Permits was also finalized. A guide specifically dedicated to managing dangerous situations that could lead to serious accidents has been produced, together with an eLearning module.

The entire document system has been reorganized under SharePoint to allow sites easier access to this information source, which increases the efficiency of the EHS network of countries and activities. It includes, for example, the EHS training matrix updated in 2023.

Finally, the Group provides a set of EHS IT applications (eSuite) in the manufacturing digital hub managed by the OPEX (Operational Exchange) department. These help with the reporting of events (eEvent), risk assessment (eRisk), collection of data during security visits (eSMAT), completion of questionnaires (eCheck) and management of EHS action plans (eAction).

General doctrine on information systems security

The Information Systems Department compiles security rules and policies concerning the information systems and networks, based on four sets of compulsory minimum security rules in the following areas:

- infrastructure, with 23 minimum security rules (31 control points, 94 entities) and IT Security Reporting (34 control points, 17 local IT Services covering 776 entities);
- applications and websites, with the minimum security rules (50 control points);
- industrial information technology systems, with 28 minimum security rules (68 control points, 891 entities, including 189 with critical or large industrial IT systems);
- the hosting of resources in the Datacenters or Cloud solutions operated by partners led by GDI or local IT Services (99 control points, 17 Datacenters/private Cloud solutions, 33 Cloud Public security rules, one Cloud Public Azure solution).

These rules are the operational application by area of another two key high-level documents in the new IT security document reference system:

- the General IT Security policy letter, ensuring the importance of this issue and its sponsorship by top management;
- the Group Information Systems Security policy, an essential repository;
- the reference framework for short and medium-term actions to strengthen Saint-Gobain's cyber-defense against new cyber-attacks. This framework is implemented in a continuous cybersecurity improvement plan adapted to each Business organization and Group teams. This plan covers global infrastructure, local infrastructure, applications and websites, and industrial systems.

These rules are also supplemented downstream by periodically updated technical standards to monitor technological developments and control application, industrial and infrastructure services.

The Information Systems Department has notably defined and rolled out:

- a tool (GRC, Governance Risk and Compliance) for controlling SAP user rights and managing conflicting segregations of duties. This tool will be gradually integrated into all the Group's SAP systems;
- a technical standard (SAP4SG) to improve the security of SAP environments. A tool is being rolled out across 47 SAP environments hosted by GDI in the Kyndryl (P1) Datacenter to monitor and check the points covered by this standard:
  - implementing security patches in SAP production and non-production environments,
  - the technical configuration of the environments to improve security,
  - the monitoring of technical roles, profiles and accounts, as well as high privilege accounts;
- a technical standard to manage technical and business accounts that have access to applications (ATA/ABA, Application Technical Accounts/Application Business Accounts);
- a standard for the secure development of web applications (WASD, Web Application Secured Development 3.3) as well as the SSDLC (Secure Software Development Life Cycle) policy;
- a technical standard to secure the hosting of internet applications (SHIA);
- a technical standard for SaaS systems which defines responsibilities and security measures for implementation;
- a series of security rules for the annual security control of the central and regional datacenters (Datacenter Security Rules 4 SG) and the Public Cloud Security Rules;
- a technical standard for the security of applications hosted by Saint-Gobain partners for publication on the internet;
- the methodology for the assessment of Cybersecurity risks used to assess the measures to be implemented to integrate security into all projects from the first stage, and into contracts with suppliers.

In addition, an ITAC (Information Technology Automated Controls) repository has been published since 2012 and is updated regularly. It is a complement to the Internal Control Reference Framework that describes the automatic or semi-automatic IT controls of key purchasing, sales, inventory, production, human resources, treasury and accounting processes. It is valid for all Group ERPs (SAP, Movex, QAD, Exact).

Industrial and distribution risk prevention manual

The Group's policy for prevention of property damage and the resulting operating losses, compiled as part of an internal collection of standards and best practices, is defined by the Risk and Insurance Department. The Risk and Insurance Department coordinates the implementation of the policy by the Group's operational entities in its different business lines.

Within the business lines and regional entities, Prevention Coordinators manage the application of Group policy within the scope of their activities.

At site level, those in charge of Prevention Management perform an annual self-assessment of risks at their sites using a risk rating software package. This tool assesses risks as well as the corresponding levels of protection and prevention. This self-assessment is updated annually by the industrial sites, the Research and Development Centers and logistical sites. A special assessment is carried out for the sales outlets.

Furthermore, regular inspections of the Group's most important sites are carried out by prevention engineers, who are auditors external to the Group (approximately 350 inspections and 400 remote meetings per year). The sites update their action plans with a view to improving their level of prevention and protection based on recommendations prepared by these prevention engineers.

Tools of the Group's compliance culture

The culture of compliance that drives the Group has developed through its values, which are formally stated in the Principles of Conduct and Action.

The ethics and compliance program is strongly focused on the prevention and detection of risks and is now structured around the following main themes: the promotion and defense of the Principles of Conduct and Action; the fight against corruption and influence peddling; the prevention of money laundering; compliance with the rules on competition law, economic sanctions and export control; monitoring of the vigilance plan and respect for human rights; and personal data protection.

The tools used in implementing the program include:

- a dedicated intranet, called Compliance, on which key messages are posted and tools made available;
- online training modules such as Adhere (Principles of Conduct and Action), ACT (preventing corruption), Comply (competition law), and SGU – Economic Sanctions and Export Control – Saint-Gobain Embargoes (rules relating to economic sanctions and embargoes, for persons concerned);
- in-person, hybrid or team training;
- the dissemination and implementation of internal policies such as:
  - the policy on the alert system in place at the Saint-Gobain Group,
  - the anti-corruption policy and its procedures, particularly relating to gifts and invitations, conflicts of interest, or sponsorship and patronage operations,
  - the Group policy on management of the corruption risk by Human Resources,
  - sales agents and intermediaries policy,
  - the "buyer" and "supplier" charters,
  - policy on economic sanctions and control of exports, and related procedures;
- membership in professional associations policy;
- distribution of practical and technical guides:
- the Thread of Competition,
  - 20 best practices in competition law for purchasers,
  - best human rights practices (child labor, forced labor, worker housing, recruitment agencies and security forces),
  - the Lexia video on the alert system;
- frequent dissemination of messages by the Chief Executive Officer, the Corporate Secretary and the Chief Executive Officers of the regions, countries and activities of the Saint-Gobain Group, via the Skyline publication or other forums;
- a network of compliance and ethics managers present locally and covering, within their respective scopes, all the matters concerned.

6.2.6 ORGANIZATION OF INTERNAL CONTROL IN PREPARING AND PROCESSING FINANCIAL AND ACCOUNTING INFORMATION TO THE SHAREHOLDERS

Compagnie de Saint-Gobain individual (parent company) financial statements

The Accounting Department is responsible for producing financial information for shareholders, partners and other third parties in accordance with French legal requirements. This information is prepared using the standards and principles in force. These are generally accepted principles such as the going concern principle, the principles of consistent application of accounting policies, alignment of the opening balance sheet with the prior-period closing balance sheet, recognition of expenses in the same period as the income to which they relate, segregation of accounting periods and substance over form.

Accounting organization

The accounting organization is based on the rules, methods and procedures set out in the Group's doctrine memos. It enables the monthly reconciliation and substantiation of the accounts and the true and fair view of the events which are represented. The organization also has an advisory role and works upstream to anticipate the accounting impacts of events and the regulatory changes that are likely to have a material impact on the Company's financial statements.

The chart of accounts is aligned with the Company's needs in terms of classification of transactions, and complies with the materiality principle. It is linked to the Group's Financial Information system.

Internal control

On the one hand, internal control is based on periodic assessments of the process for preparing accounting and financial information.

In addition to controlling compliance with payment authorization procedures and the double signature rule for secure payment means, the Accounting Department contributes to internal control by acting as guarantor in respect of responsibilities defined by General Management and formalized through a cost accounting system organized by cost center. Specifically, cost center managers receive monthly schedules listing the expenses incurred under their signature, allowing them to check these expenses and also to compare actual and year-to-date expenses with the initial budget.

A summary of these cost accounting reports is sent to the Finance Department and the Group's General Management at the end of each month.

On the other hand, measures are implemented to strengthen the arrangements for managing accounting risks and contributing to the reliability of the financial statements.

For this purpose, since 2016, Group units have been subject to a Balance Sheet Review (BSR) procedure under the direction of the Group Financial Control Department, to increase the level of accounting control by the Finance Department of each entity.

The Group's consolidated financial statements

The Consolidation Department provides information and periodic training for the subsidiaries in conjunction with the Regions and HPS. To do so, it has a consolidation manual, several entry aid guides, an intranet site and an online training tool in French and English. New consolidation instructions are issued for each monthly closing, describing the changes compared with the previous period-end and enhancements to reporting systems, standards and procedures, in collaboration with the Group's Accounting Standards and Pension Liabilities Department.

Group standards

The Consolidation Department provides information and periodic training for the subsidiaries in conjunction with the Regions and HPS. To do so, it has a consolidation manual, several entry aid guides, an intranet site and an online training tool in French and English. New consolidation instructions are issued for each monthly closing, describing the changes compared with the previous period-end and enhancements to reporting systems, standards and procedures, in collaboration with the Group's Accounting Standards and Pension Liabilities Department.

Each year, the Consolidation Department offers training sessions.

Processing information and control of the financial statements

Each subsidiary submits its accounts in accordance with the timetable set by the Company. They are processed and controlled by the Consolidation Department and by each Region and HPS. The Consolidation Department reviews the Group's financial statements as a whole and makes the necessary adjustments to prepare the consolidated financial statements. These consolidated accounts are submitted to General Management every month.

The consolidated financial statements are then examined by the Statutory Auditors in accordance with professional Auditing Standards.

Consolidation tools

The consolidated financial statements are prepared using consolidation software equipped with a powerful, efficient and highly secure database aligned with the Group's structure. The software is regularly updated to guarantee the financial information system's sustainability. A tightly controlled access procedure has also been put in place to ensure that the overall system is secure, and a comprehensive access review is performed once a year.

This tool manages a common database that contains the data of all of the Group's consolidated entities.

It feeds data into a secure reporting system accessible on the Group's Intranet, for the Group's General Management and the Region and HPS Management, contributing to the internal control of information output.

Account reliability through the reporting

The monthly reporting process ensures that the annual and interim consolidated financial statements are reliable. Hard closes are performed at May 31 and October 31, to reduce the workload at June 30 and December 31. These two closes are thoroughly reviewed in accordance with the same principles as the annual and interim financial statements. At this time, the main financial managers from the Company and Regions analyze in detail the net income and the hard close balance sheet. The entities' accounts are then analyzed before the final closing dates and are reviewed by the Statutory Auditors. This procedure helps to ensure early detection of any errors and their adjustment during the actual close.

A consolidated report is prepared each month for the Company's General Management, with supporting comments and analyses of material events over the period.

CAPITAL
AND OWNERSHIP STRUCTURE

7

SAINT-GOBAIN

7.1 CAPITAL STOCK

7.1.1 SHARE CAPITAL

Share capital at December 31, 2023

At December 31, 2023, the share capital of Compagnie de Saint-Gobain amounted to €2,025,752,048 divided into 506,438,012 common shares (compared with 515,769,082 shares at December 31, 2022) each with a par value of €4.00 fully paid up and all of the same category.

At December 31, 2023, the Company had issued no shares not representing its share capital and had issued no securities giving access to its share capital other than stock options and performance shares (see section 5.2.4, p. 240).

Changes in share capital over the last three fiscal years

Since December 31, 2020, Saint-Gobain's share capital has changed as follows:

Date	Type of transaction	Share capital after transaction *(in EUR)*	Number of shares after transaction
12/2023	Issuance of 96,997 shares upon exercise of the same number of subscription options	€2,025,752,048	506,438,012
10/2023	Capital reduction: cancelation of 7,577,049 shares	€2,025,364,060	506,341,015
06/2023	Capital reduction: cancelation of 6,629,309 shares	€2,055,672,256	513,918,064
05/2023	Group Savings Plan: issue of 4,778,291 shares (at €44.19)	€2,082,189,492	520,547,373
12/2022	Issuance of 12,476 shares upon exercise of the same number of subscription options	€2,063,076,328	515,769,082
10/2022	Capital reduction: cancelation of 4,305,432 shares	€2,063,026,424	515,756,606
06/2022	Capital reduction: cancelation of 8,871,654 shares	€2,080,248,152	520,062,038
05/2022	Group Savings Plan: issue of 4,916,097 shares (at €45.19)	€2,115,734,768	528,933,692
12/2021	Issuance of 2,962 shares upon exercise of the same number of subscription options	€2,096,070,380	524,017,595
11/2021	Capital reduction: cancelation of 8,543,174 shares	€2,096,058,532	524,014,633
06/2021	Capital reduction: cancelation of 5,700,000 shares	€2,130,231,228	532,557,807
05/2021	Group Savings Plan: issue of 5,562,855 shares (at €35.81)	€2,153,031,228	538,257,807
05/2021	Issuance of 11,239 shares upon exercise of the same number of subscription options	€2,130,779,808	532,694,952

Liens, guarantees and pledges

At December 31, 2023, to the best of the Company's knowledge, there were no significant liens, guarantees or pledges applying to Saint-Gobain shares.

7.1.2 FINANCIAL AUTHORIZATIONS CURRENTLY IN FORCE

The following table shows the status of delegations of authority and authorizations granted to the Board of Directors by the General Shareholders' Meetings of June 2, 2022 and June 8, 2023 and the use made of these delegations during the 2023 fiscal year.

Purpose of the resolution and securities concerned	Source (resolution number)	Authorization duration and expiration	Maximum par value of the capital increase
ISSUANCES WITH PREFERENTIAL SUBSCRIPTION RIGHT			
Capital increase (common shares or securities giving access to shares in the Company or its subsidiaries) (A)	2023 General Meeting 14th resolution	26 months (August 2025)	€412 million, excluding adjustments, i.e., approximately 20% of the share capital (1) (A) + (B) + (C) + (D) + (E) + (I) being limited to €412 million (the "**Global Cap**") (2)
Capital increase by incorporation of premiums, reserves, profits and free allocation of shares to shareholders (B)	2023 General Meeting 19th resolution	26 months (August 2025)	€103 million, excluding adjustments, i.e., approximately 5% of the share capital Included in the Global Cap (2)
ISSUANCES WITHOUT PREFERENTIAL SUBSCRIPTION RIGHT			
Capital increase, through a public offer, other than those referred to in Article L. 411-2 of the French Monetary and Financial Code, with the option of granting a priority period for shareholders, by issuing common shares or securities giving access to the share capital of the Company or subsidiaries, or shares of the Company to which securities to be issued by subsidiaries would grant entitlement (C)	2023 General Meeting 15th resolution	26 months (August 2025)	€206 million (shares), excluding any possible adjustments, i.e., approximately 10% of the share capital (1) Included in the Global Cap (C) + (D) + (E) + (I) being limited to €206 million (2)
Capital increase, through a public offering referred to in paragraph 1 of Article L. 411-2 of the French Monetary and Financial Code, by issuing common shares or securities giving access to the share capital of the Company or subsidiaries, or shares of the Company to which securities to be issued by subsidiaries would grant entitlement (D)	2023 General Meeting 16th resolution	26 months (August 2025)	€206 million (shares), excluding any possible adjustments, i.e., approximately 10% of the share capital (1) Allocation to the cap of (C), included in the Global Cap (2)
Capital increase (common shares or securities giving access to shares in the Company shares with shares as primary securities) in compensation for contributions in kind (E)	2023 General Meeting 18th resolution	26 months (August 2025)	10% of the share capital, i.e., approximately €206 million excluding any possible adjustments Allocation to the cap of (C), included in the Global Cap (2)
ISSUANCES RESERVED TO GROUP EMPLOYEES AND CORPORATE OFFICERS			
Capital increase (equity securities) through the Group Savings Plan (F)	2023 General Meeting 21st resolution	26 months (August 2025)	€52 million, excluding any possible adjustments, i.e., approximately 2.5% of the share capital (3)
Allocation of options to buy or subscribe shares (G)	2022 General Meeting 17th resolution	38 months (August 2025)	1.5% of the share capital on the date of the 2022 General Meeting, i.e., approximately €31.5 million with a sub-cap of 10% of this limit of 1.5% for corporate officers (2) (G) + (H) being limited to 1.5% of the share capital
Free allocation of existing shares (H)	2022 General Meeting 18th resolution	38 months (August 2025)	1.2% of the share capital on the date of the 2022 General Meeting, i.e., approximately €25 million with a sub-cap of 10% of this limit of 1.2% for corporate officers (4) Allocation to the cap of (G)

Purpose of the resolution and securities concerned	Source (resolution number)	Authorization duration and expiration	Maximum par value of the capital increase
OTHER			
Option for complementary issuance in case of oversubscription of an issuance of common shares or securities giving access to the share capital with or without preferential subscription right (I)	2023 General Meeting 17th resolution	26 months (August 2025)	For each issuance, legal limit of 15% of the initial issuance [1] Allocation to the cap of (C) and/or included in the Global Cap depending on the initial issuance [2]
Determination of the issue price in the event of a capital increase without preferential subscription right through a public offer made pursuant to the 15th or 16th resolutions of the 2023 General Meeting (J)	2023 General Meeting 20th resolution	26 months (August 2025)	10% of the share capital per 12-month period [1] Issuances completed pursuant to (C) or (D) depending on the type of capital increase Allocation to the cap of (C), included in the Global Cap [2]
SHARE BUYBACK PROGRAM			
Share buyback [5]	2023 General Meeting 13th resolution	18 months (December 2024)	10% of the total number of shares composing the share capital at the date of the General Meeting [6] Maximum purchase price per share: €100
Cancellation of shares	2023 General Meeting 22nd resolution	26 months (August 2025)	10% of the share capital per 24-month period [7]

(1) *Maximum nominal amount of debt securities giving access to the share capital that may be issued capped at €1.5 billion. Global cap applicable to resolutions (A), (C), (D) and (I).*

(2) *No use made of the delegation of authority in 2023.*

(3) *Recognition of the subscription of 4,778,291 shares in May 2023 by the Chief Executive Officer having received a delegation of authority from the Board of Directors on November 24, 2022 on the basis of the 25th resolution of the General Shareholders' Meeting of June 3, 2021 to implement a capital increase through the Group Savings Plan.*

(4) *Free allocation of 268,633 existing performance shares by the Board of Directors on November 23, 2023.*

(5) *The objectives of the program are as follows: allocation of free shares, granting of stock options, allocation or sale of shares as part of an employee savings plan or other similar schemes; hedging against the potential dilutive impact of free share allocations, the granting of stock options and employee share subscriptions under employee savings plans or other similar schemes; delivery of shares upon exercise of the rights attached to securities giving access in any way - in particular through the exercise of rights attached to securities giving access to capital by redemption, conversion, exchange or presentation of a warrant - to the allocation of shares in the Company; market animation of the company's shares under liquidity agreements concluded with an independent investment service provider in accordance with the code of ethics recognized by the French Financial Markets Authority (Autorité des marchés financiers – AMF); cancellation of shares; the implementation of any market practice that may be authorized by the French Financial Markets Authority and, more generally, for any other transaction authorized under the relevant laws and regulations.*

(6) *See section 7.1.3, p. 283, for a description of the implementation of the share buyback program in 2023.*

(7) *Cancelation of (i) 6,629,309 shares resulting in a reduction of the share capital by a nominal amount of €26,517,236, decided by the Board of Directors on June 8, 2023, effective June 13, 2023, and (ii) 7,577,049 shares resulting in a reduction of the share capital by a nominal amount of €30,308,196, decided by the Board of Directors on October 06, 2023, effective October 10, 202 (See section 7.1.3, p. 283).*

7.1.3 SAINT-GOBAIN TREASURY SHARES AND ACQUISITION OF OWN SHARES

Treasury shares and own shares

At December 31, 2023, Compagnie de Saint-Gobain directly held a total of 3,715,236 treasury shares, i.e., 0.73% of its share capital, each with a par value of €4.00, acquired at an average purchase price of 54.91. The gross book value of treasury shares at December 31, 2023 was 204,018,101. At that date, it was not holding any treasury shares indirectly.

The following table shows, at December 31, 2023, the allocation of treasury shares held directly by Compagnie de Saint-Gobain for purposes of the program authorized by the General Shareholders' Meeting of June 8, 2023:

Purpose	Number of shares and percentage of share capital	Average purchase price *(in EUR)*	Gross book value *(in EUR)*
Coverage of performance share plans and other allocations to employees (including stock options for existing shares)	1,627,187 shares (0.32% of the share capital)	€58.32	€94,905,499
Cancellation	2,082,749 shares (0.41% of the share capital)	€52.22	€108,761,352
Liquidity agreement	5,300 shares (0% of share capital)	€66.27	€351,250

During the 2023 fiscal year, 1,159,695 treasury shares were re-allocated as part of existing performance share plans and 45,373 treasury shares were re-allocated as part of stock option plans.

Pursuant to decisions of the Board of Directors, 6,629,309 shares were canceled on June 13, 2023 and 7,577,049 shares were canceled on October 10, 2023. These share cancelations resulted in share capital reductions of nominal amounts of €26,517,236 and €30,308,196 respectively.

Information on transactions involving treasury shares during the 2023 fiscal year (excluding liquidity agreement)

In 2023, as part of the authorizations granted by the General Shareholders' Meetings of June 2, 2022 and June 8, 2023 to the Board of Directors, the Company purchased, excluding the liquidity agreement, 15,405,361 shares, at an average price of 54.82, and did not sell any of its treasury shares. Total trading expenses, fees and taxes incurred by the Company in 2023 in connection with all transactions on its treasury shares amounted to 2,814,718.

It made no use of derivative products in connection with these transactions. Further, the Company was holding no open purchase or sale positions at December 31, 2023.

Liquidity agreement

In November 2007, Compagnie de Saint-Gobain entered into a liquidity agreement with Exane BNP Paribas in accordance with the code of ethics issued by the Association française des marchés financiers (AMAFI).

To comply with current regulations (particularly AMF decision No. 2018-01 of July 2, 2018 establishing liquidity agreements on equity securities as an accepted market practice), Compagnie de Saint-Gobain entered into a new liquidity agreement with Exane BNP Paribas on June 20, 2019, with retroactive effect from January 1, 2019, which replaces the previous one.

The purpose of this contract is to mandate the liquidity provider to maintain a liquid market in Compagnie de Saint-Gobain shares and ensure that prices are regularly quoted for the shares, so as to avoid price fluctuations not justified by market trends.

Following the acquisition of 100% of Exane SA by the BNP Paribas group on July 13, 2021, Exane SA's market leadership activities were transferred to BNP Paribas Arbitrage, a member of Euronext Paris. Compagnie de Saint-Gobain, Exane SA and BNP Paribas Arbitrage have agreed to the sale of the liquidity agreement by Exane SA to BNP Paribas Arbitrage, with effect from October 23, 2023. With the exception of the change in counterparty, the provisions of the liquidity agreement remain unchanged and continue to apply.

The resources provided by Compagnie de Saint-Gobain under this contract entered into in June 2019 and applied to the credit of the liquidity account amounted to €4,002,006.22 and to 21,000 Compagnie de Saint-Gobain shares (compared to €5 million under the previous contract). At December 31, 2023, the liquidity account held 5,300 shares and had a credit balance of €6.2 million.

During the 2023 fiscal year, cumulative purchases under the liquidity agreement involved 1,705,916 shares at an average price of €54.76 while 1,730,366 shares were sold at an average price of €54.86. No shares allocated to the liquidity agreement were reallocated to another purpose of the share buyback program in 2023.

7.1.4 MAJOR SHAREHOLDERS

At December 31, 2023, the share capital of Compagnie de Saint-Gobain amounted to €2,025,752,048 euros, divided into 506,438,012 common shares, to which 561,403,284 theoretical voting rights were attached.

The following table presents, to the best of the Company's knowledge, changes in the distribution of the Company's share capital and voting rights over the last three years.

	Dec. 31, 2023			Dec. 31, 2022			Dec. 31, 2021		
	Number of shares	% of share capital (1)	% of voting rights (2)	Number of shares	% of share capital (1)	% of voting rights (2)	Number of shares	% of share capital (1)	% of voting rights (2)
Group Savings Plans Fund	44,232,843	8.73	15.28	45,131,274	8.75	15.23	43,253,088	8.30	14.90
BlackRock, Inc	40,881,117 (3)	8.07	7.33	31,029,009 (5)	6.02	5.49	30,760,840 (7)	5.87	5.33
Caisse des Dépôts et Consignations	17,854,052 (4)	3.53	4.49	22,181,586 (6)	4.30	5.19	18,950,947 (8)	3.62	4.53
Treasury shares	3,715,236	0.73	0.00	3,745,751	0.73	0.00	2,085,448	0.40	0.00
Other shareholders (9)	399,754,764	78.93	72.90	413,681,462	80.21	74.09	428,967,272	81.86	75.25
TOTAL		**100**	**100**		**100**	**100**		**100**	**100**

(1) *The percentages of share capital are calculated with reference to the total number of shares forming the Company's share capital, including treasury shares. See section 5.2.4, p. 240, for details of stock options not yet exercised and performance shares allocated. At December 31, 2023, the maximum percentage of dilution was 0.05%.*

(2) *The percentages of voting rights are calculated with reference to the number of voting rights exercisable at General Shareholders' Meetings. Since 1987, registered shares in the name of the same shareholder for at least two years have benefited from a double voting right. For further information, see section 9.1.1.A, p. 400.*

(3) *To the best of the Company's knowledge, based on the statutory disclosure threshold statement prepared by BlackRock, Inc. dated December 20, 2023.*

(4) *To the best of the Company's knowledge, based on the statutory disclosure threshold statement prepared by Caisse des dépôts et consignations dated September 20, 2023.*

(5) *To the best of the Company's knowledge, based on the statutory disclosure threshold statement prepared by BlackRock, Inc. dated December 30, 2022.*

(6) *To the best of the Company's knowledge, based on the statutory disclosure threshold statement prepared by Caisse des dépôts et consignations dated December 14, 2022 indicating its direct and indirect ownership through CNP Assurances, which it controls.*

(7) *To the best of the Company's knowledge, based on the statutory disclosure threshold statement prepared by BlackRock, Inc. dated October 12, 2021.*

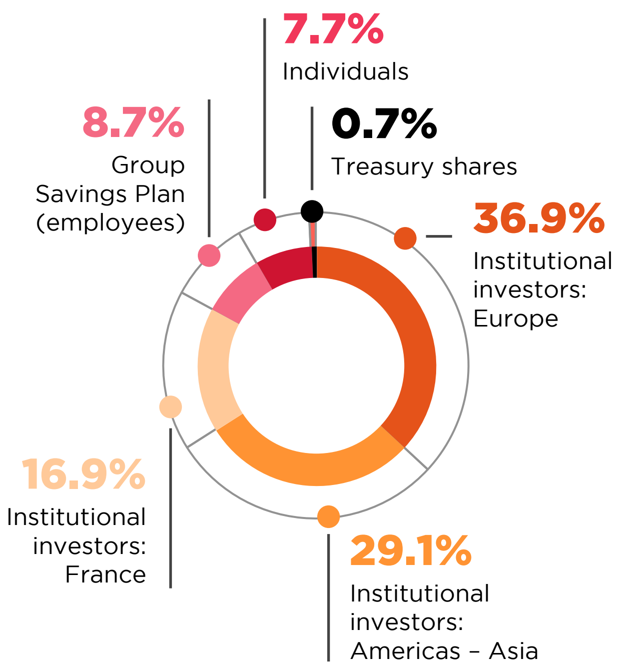
(8) *To the best of the Company's knowledge, based on the statutory disclosure threshold statement prepared by Caisse des dépôts et consignations dated December 21, 2021 indicating its direct and indirect ownership through CNP Assurances, which it controls.*

(9) *The percentage of share capital and voting rights held by all Directors and members of the Group's General Management is less than 0.10%. The number of shares held by each Director is shown in section 5.1.1, p. 174.*

To the best of the Company's knowledge, at December 31, 2023, no other shareholder directly or indirectly, acting alone or in concert, held more than 5% of the Company's share capital or voting rights.

According to the latest study at December 31, 2023, the number of shareholders was estimated at approximately 200,000.

The following chart presents the ownership structure of Compagnie de Saint-Gobain at December 31, 2023 by major shareholder category.



7.1.5 DISCLOSURE THRESHOLDS

Caisse des dépôts et consignations

During fiscal year 2023, the Caisse des dépôts et consignations made several threshold disclosures stating that it had exceeded or dropped below the 5% legal threshold. Most recently, on June 12, 2023, the Caisse des dépôts et consignations disclosed to the French Financial Markets Authority (AMF) that it had exceeded, on June 8, 2023, directly and indirectly, the threshold of 5% of the voting rights of Compagnie de Saint-Gobain, holding, directly and indirectly through CNP Assurances, which it controls, 3.67% of the share capital and 4.57% of the voting rights.

The Caisse des dépôts et consignations specified that this disclosure threshold statement was the result of the return of Compagnie de Saint-Gobain shares held as collateral by CNP Assurances.

Statutory disclosure thresholds

In addition, the Company received several notifications during the year in respect of the obligation set out in the Company's bylaws to disclose any and all changes in interest to above or below 0.5% of the share capital or voting rights, or any multiple thereof. Those disclosure statements, upwards or downwards, were received following the sale of shares or changes in Compagnie de Saint-Gobain's shares and voting rights.

7.1.6 EMPLOYEE OWNERSHIP

At December 31, 2023, Group employees held 8.7% of the share capital and 15.3% of the voting rights attached to Compagnie Saint-Gobain shares through the Group Savings Plan Funds [(1)]. The Group Savings Plan Funds are thus the Group's main shareholder.

The Group Savings Plan is a key feature of Saint-Gobain's social contract. It represents an excellent mean of giving employees a stake in the Group and sharing in its results. By allowing employees to become shareholders, the Group Savings Plan strengthens the motivation and sense of belonging of employees within the Group, as well as aligning their interests with those of shareholders.

Employee share ownership transactions have been very successful both in France and internationally. The ownership rate of the Group Savings Plan Funds has remained stable over the past 10 years, although the Company carried out capital increases reserved for employees each year (8.4% of the capital held by the Group Savings Plan Funds (fonds commun de placement d'entreprise, FCPE) as at December 31, 2013 compared with 8.7% at December 31, 2023). This stability can be explained in particular by employees' periodic disposals of available assets.

At December 31, 2023, approximately 61,000 employees of the Group were shareholders of the Compagnie de Saint-Gobain through the Group Savings.

In 2023, 4,778,291 shares were issued under the Group Savings Plan offering Group employees two classic formulas with a five- or ten-year lock-up, for a total of €211.2 million (compared with 4,916,097 shares and €222.2 million in 2022).

In France, 72% of French employees invested in the Group Savings Plan through a corporate mutual fund (FCPE). Employees in 27 other European countries and 25 countries outside Europe were also given the opportunity to take part in the Group Savings Plan. In total, 50,395 present and former Group employees participated in the Group Savings Plan in 2023.

A new plan has been launched in 2024. It gives employees the opportunity to acquire up to 6.5 million shares, i.e., approximately 1.28% of the share capital, with the classic five- or ten-year lock-up formulas.

(1) *At December 31, 2023, to the Company's knowledge, in accordance with the provisions of Article L. 225-102 of the French Commercial Code, the number of Company shares held directly or indirectly by employees of the Company and related companies under the Group Savings Plan amounted to 49,858,412, i.e., 9.84% of the Company's share capital, including 44,232,843 shares through the company mutual funds (FCPE) and 5,625,569 registered shares held by employees. At December 31, 2023, 2,161,835 performance shares were held in registered form by employees.*

7.1.7 SHAREHOLDER PACTS OR AGREEMENTS INVOLVING COMPAGNIE DE SAINT-GOBAIN SHARES

The Company has no knowledge of shareholder agreements, or of shareholders acting in concert with regard to the shares forming its share capital.

7.1.8 CONTROL OF THE COMPANY

At December 31, 2023, to the best of its knowledge, the Company was not controlled and has not been subject to any agreement binding on one or more shareholders or any other individual or legal entity, acting alone or in concert, concerning the direct or indirect holding of its capital or its control, or the implementation of which might subsequently involve a change in control of the Company.

7.1.9 ASPECTS THAT MAY HAVE AN EFFECT IN THE EVENT OF A TAKEOVER BID

Agreements that could result in restrictions on share transfers and the exercise of voting rights

The Company is not aware of any agreements between shareholders that could result in restrictions on the transfer of shares and the exercise of the Company's voting rights.

Impact of a change of control on certain Company operations

Company bonds issued since 2006 by Compagnie de Saint-Gobain contain a bearer protection clause in the event of change of control, allowing bearers to ask Compagnie de Saint-Gobain (at its discretion) to either buy them back with a view to early redemption or to buy them at par (plus accrued interest). This option is provided for only in the following cases: (i) the rating of the bonds concerned has been lowered from investment grade to non-investment grade by a designated rating agency; (ii) the rating of the bonds concerned, which was non-investment grade, has been lowered by one notch (e.g. from BB + to BB) by a designated rating agency; (iii) the rating is withdrawn – and, in each of these cases (i) to (iii), the action of the rating agency is expressly linked to the change of control –; or (iv) at the time of the change of control, the bonds concerned were not rated. The total outstanding amount of the borrowings concerned at December 31, 2023 was €11,417 million.

In addition, the agreement relating to the syndicated bank lines of credit in support of the general financing of the Group (dated December 2023 for the amount of €4 billion) also contains a change of control clause.

Finally, certain deferred compensation and defined-benefit pension plans of the Group's US subsidiaries would be immediately terminated in case of change of control, causing beneficiaries' rights to become due in 12 months. The amounts concerned total US$154,904 million at December 31, 2023.

7.2 STOCK MARKET INFORMATION/SECURITIES MARKET

7.2.1 THE SAINT-GOBAIN SHARE

Saint-Gobain shares are listed on Compartment A of the Euronext market in Paris (ISIN FR 0000 125007) where, at December 31, 2023, the Company had the 18th largest market capitalization of the CAC 40 (€33,758 million) and the 21st most actively traded stock on this market, with average daily trading volume of 1,180,083 shares during 2023. Saint-Gobain shares have also been traded on the following European stock exchanges: London and Zurich (since 1987), and Amsterdam and Brussels (since 1988).

In addition, Saint-Gobain shares are part of "The Global Dow", a world index comprising 150 companies from both traditional and innovative sectors.

SAINT-GOBAIN SHARE PRICE AT 12/31/2023 (1)

(Source: Euronext Paris)

(1) *Data adjusted for the effects of the March 1994 and February 2009 capital increases, and the four-for-one stock split in June 2002.*

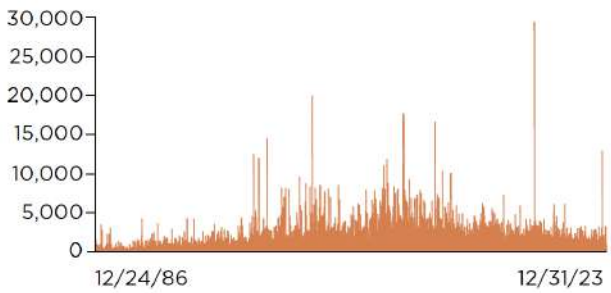
In the area of sustainable development and Corporate Social Responsibility, Saint-Gobain is referenced by the CAC 40 ESG, CAC SBT 1.5, FTSE4Good and Stoxx Europe 600 ESG, and several MSCI and Solactive indexes.

Saint-Gobain equity options are also traded on the options markets in Paris (MONEP) and on the London Stock Exchange. MONEP trading volumes on Saint-Gobain options represented 308,469 contracts in 2023, versus 299,525 in 2022.

The LEI Code of Compagnie de Saint-Gobain is NFONVGN05Z0FMN5PEC35.

NUMBER OF SHARES EXCHANGED (IN THOUSANDS) AT 12/31/2023 (2)

Historical record of the number of shares exchanged per day (in thousands) at the end of 2023



(Source: Euronext Paris)

(2) *Data adjusted for the effects of the March 1994 and February 2009 capital increases, and the four-for-one stock split in June 2002.*

HIGHEST AND LOWEST SHARE PRICES (IN EUROS)

Year	Highest	Lowest	Year-end price
2021	64.930	37.790	61.870
2022	67.120	35.180	45.650
2023	67.550	45.895	66.660

(Source: Euronext Paris)

7.2.2 TOTAL SHAREHOLDER RETURN

The total shareholder return on Saint-Gobain shares amounts to:

- 8.6% per annum over the period from December 22, 1986 (date of privatization of Saint-Gobain) to December 29, 2023;
- 21.0% per annum over the last five years (from December 31, 2018 to December 29, 2023).

The total shareholder return is the effective rate of return for the shareholder: it includes variations in the share price, dividends received over the period and assumed to be reinvested in shares, and securities transactions (capital increases).

It is calculated based on the "Total Return" indicator published by Datastream for all listed companies.

TRANSACTIONS SINCE JANUARY 2022

Paris Stock Exchange ISIN code FR0000125007	In number of shares	In capital *(in EUR)*	Highest *(in EUR)*	Lowest *(in EUR)*
2022				
January	29,553,154	1,848,093,442	67.120	56.950
February	28,604,682	1,699,623,110	63.200	53.840
March	41,942,526	2,287,907,783	59.190	45.760
April	29,620,440	1,573,046,020	58.100	48.915
May	23,474,055	1,261,840,171	56.910	50.980
June	38,235,026	1,829,051,861	57.870	39.870
July	24,555,188	1,037,643,651	45.795	39.190
August	22,074,058	957,714,522	46.560	39.665
September	27,007,044	1,065,821,771	43.000	35.180
October	22,623,973	894,583,050	42.105	36.390
November	23,110,640	1,007,838,861	46.070	39.720
December	27,148,344	1,242,692,555	47.825	43.985
TOTAL	**337,949,130**	**16,705,856,797**		
2023				
January	29,677,309	1,553,323,835	55.000	45.895
February	27,785,121	1,503,883,312	56.740	50.330
March	34,632,115	1,842,929,169	58.530	48.830
April	20,230,035	1,030,727,497	52.920	48.920
May	20,526,490	1,088,087,554	55.750	50.690
June	26,472,010	1,458,564,780	56.960	51.960
July	19,414,455	1,114,269,025	62.140	52.770
August	20,508,684	1,232,441,255	61.780	57.660
September	34,047,132	1,946,841,780	60.850	55.360
October	26,572,739	1,391,735,636	57.480	48.870
November	20,550,921	1,159,913,429	60.140	50.740
December	20,504,331	1,302,489,112	67.550	59.250
TOTAL	**300,921,342**	**16,625,206,384**		

(Source: Euronext Paris)

In 2023, 219,682,300 shares were traded on the London Stock Exchange (source: Datastream).

The only Group companies apart from Compagnie de Saint-Gobain that are currently listed on a regulated market are: Grindwell Norton and Saint-Gobain Sekurit India in Mumbai and Compañía Industrial El Volcán in Santiago, Chile.

7.2.3 BONDS

The majority of the bonds issued by the Company (see note 10 to the consolidated financial statements, section 8.1, p. 343) are listed on a regulated market and issued under the Company's Medium Term Notes ("MTN") program.

On two occasions during the year, the company turned to the bond market under the aegis of this programme for two classic transactions:

- On January 18, 2023: a bond for a total amount of 1.150 billion euros divided into two tranches (one variable-rate, the other fixed-rate);
- On November 29, 2023: a bond for a total amount of €2 billion euros divided into two tranches (fixed rate).

7.2.4 NON-VOTING PARTICIPATING SECURITIES

Non-voting participating securities issued in June 1983

In June 1983, Compagnie de Saint-Gobain issued 1,288,299 non-voting participating securities (titres participatifs), each with a face value of FRF1,000, now fixed at €152.45, following the conversion to euros in 1999.

Some of those securities have been repurchased over the years. At December 31, 2023, 606,883 of these securities were outstanding with an aggregate face value of €92.5 million.

Interest on these non-voting participating securities ranges from 75% to 125% of the average corporate bond yield (TMO), based on the Saint-Gobain Group's consolidated income. The amount paid out per bond in 2023 was €3.66.

TRANSACTIONS SINCE JANUARY 2022 (FIRST TRANCHE)

Paris Stock Exchange ISIN code FR0000140030	In number of shares	In capital *(in EUR)*	Highest *(in EUR)*	Lowest *(in EUR)*
2022				
January	3,669	486,322	135.000	123.390
February	308	40,362	134.970	124.360
March	1,791	232,002	134.980	125.050
April	943	123,031	131.990	124.450
May	2,691	353,911	135.000	124.640
June	3,792	488,230	134.970	125.850
July	252	32,397	130.000	125.190
August	96	12,401	130.000	125.780
September	1,506	194,112	130.470	125.190
October	4,142	533,162	130.000	124.170
November	2,653	319,922	122.070	115.180
December	2,389	290,932	130.000	115.180
TOTAL	**24,232**	**3,106,784**		
2023				
January	196	25,466	130.990	128.030
February	2,677	346,083	131.000	123.350
March	1,765	220,948	131.000	111.750
April	4,154	497,457	124.970	110.220
May	1,493	178,193	120.000	114.240
June	438	51,293	124.890	113.990
July	550	63,983	120.000	113.990
August	4,131	491,957	119.950	115.980
September	550	63,688	120.000	108.030
October	2,624	311,759	120.000	107.930
November	518	60,964	119.000	115.000
December	3,599	421,478	119.970	111.030
TOTAL	**22,695**	**2,733,269**		

(Source: Euronext Paris)

TRANSACTIONS SINCE JANUARY 2022 (SECOND TRANCHE)

Paris Stock Exchange ISIN code FR0000047607	In number of securities	In capital *(in EUR)*	Highest *(in EUR)*	Lowest *(in EUR)*
2022				
January	1,921	248,770	129.500	129.500
February	76	9,440	130.000	117.060
March	32	3,895	129.000	120.000
April	76	9,524	127.000	125.000
May	20	2,391	124.980	115.900
June	108	12,647	118.000	117.000
July	3	387	135.300	122.800
August	49	6,126	125.990	125.000
September	19	2,375	125.000	125.000
October	86	9,743	120.000	110.050
November	17	1,967	124.100	115.000
December	142	16,823	119.800	113.000
TOTAL	**2,549**	**324,088**		
2023				
January	52	5,845	113.960	112.040
February	0	0		
March	99	11,297	119.480	113.000
April	10	1,150	115.000	115.000
May	46	5,165	113.000	111.100
June	64	7,250	116.550	111.500
July	120	13,233	112.000	109.340
August	51	5,547	114.300	108.020
September	52	5,980	120.000	110.080
October	48	5,168	112.960	103.200
November	186	19,567	112.910	102.310
December	211	22,299	106.940	103.670
TOTAL	**939**	**102,501**		

(Source: Euronext Paris)

Non-voting participating securities issued in April 1984

In April 1984, Compagnie de Saint-Gobain also issued 194,633 non-voting participating securities (*titres participatifs*) with a face value of ECU 1,000 (€1,000 currently).

Some of those securities have been repurchased over the years. At December 31, 2023, 77,516 of these securities were outstanding with an aggregate face value of €77.5 million.

Interest on these non-voting participating securities comprises a fixed portion of 7.5% paid per year applicable to 60% of the nominal amount of the security, and a variable portion applicable to the remaining 40% of the nominal amount of the participating security, which is linked to consolidated net profit (loss) for the previous year and to the reference six-month Euribor rate +7/8%. The amount paid per security in 2023 was €67.50, settled in two installments (€33.75 and €33.75).

TRANSACTIONS SINCE MARCH 2013

Luxembourg Stock Exchange ISIN code LU0002804531	In number of securities	In capital *(in EUR)*	Highest *(in EUR)*	Lowest *(in EUR)*
2013				
March	16	13,753	875.000	847.500
April	12	9,810	830.000	815.000
May	56	42,050	800.000	750.000
June	4,001	2,920,730	730.000	730.000
December	51	33,200	700.000	700.000
TOTAL	**4,136**	**3,019,543**	**-**	**-**
2014				
April	1,545	817,500	530.000	500.000
June	11	6,600	600.000	600.000
July	4,002	2,401,100	600.000	550.000
September	12	7,800	650.000	612.000
December	2	1,400	700.000	700.000
TOTAL	**5,572**	**3,234,400**	**-**	**-**
2015				**No transaction**
2016			-	-
February	55	41,250	750.000	750.000
April	2	1,420	720.000	700.000
TOTAL	**57**	**42,670**	**-**	**-**
2017				**No transaction**
2018				
November	1	700	700.000	700.000
TOTAL	**1**	**700**	**-**	**-**
2019				
September	5	3,500	700.000	700.000
TOTAL	**5**	**3,500**	**-**	**-**
2020				
September	3	2,100	700.000	700.000
TOTAL	**3**	**2,100**	**-**	**-**
2021				**No transaction**
2022				**No transaction**
2023				**No transaction**

(Source: Bourse du Luxembourg)

These non-voting participating securities are not redeemable and the interest paid on them is reported under financial costs.

No securities issued by Compagnie de Saint-Gobain were traded on a stock market in 2023, other than shares, bonds and non-voting participating securities.

7.3 INFORMATION POLICY AND FINANCIAL CALENDAR

Information policy

The Investor Relations Department is responsible for implementing the Group's information policy as regards the financial community, investors and shareholders. Its manager is Mr. Vivien Dardel.

This Department is available to answer questions and address requests for information about the Group:

Saint-Gobain
Investor Relations Department
Tour Saint-Gobain
12, place de l'Iris
92400 Courbevoie Cedex - France

Tel.: +33 (0)1 88 54 05 05

Toll-free number 0800 32 33 33

During 2023, the Chief Executive Officer and the Chief Financial Officer met quarterly with the financial community to present the Group's financial results and performance strategy, during conference calls or meetings broadcast live on the Company's website. In addition to the quarterly meetings, numerous meetings and roadshows were organized physically or virtually, with financial analysts, institutional investors and journalists. Specific meetings and conferences dedicated to ESG issues were also conducted by the Chairman of the Board of Directors, the Group's Lead Independent Director and the Vice President for Sustainable Development.

The year was marked by the announcement of several acquisitions and disposals of businesses as part of Saint-Gobain's strategy of continuing to optimize its portfolio to improve the Group's growth and profitability, in line with its "Grow & Impact" plan.

The Group also favored a policy of exchanges with individual shareholders. Once a month, "Cultural Breathing" events were organized at the Tour Saint-Gobain, to which individual shareholders were invited. These were cultural events led by lecturers, historians and guide-interpreters. On this occasion, shareholders were given access to the showroom, with its interactive terminals, and were able to discover the more than 80 solutions used in the Tower by experimenting with different types of comfort (thermal, acoustic, visual and air quality).

Benoit Bazin, Chief Executive Officer, participated remotely in "Investir Day", the exhibition dedicated to all those involved in individual investment and savings management, on November 28, 2023, at the Carrousel du Louvre: he detailed the Group's strategy and its implementation. The Saint-Gobain team was on hand at a dedicated stand to answer questions from participants.

Benoit Bazin also hosted a conference-debate for individual shareholders on November 30, 2023, at the Tour Saint-Gobain to present the Group's strategy to become the world leader in sustainable construction and discuss their expectations.

One hundred invitations to visit the Château de Versailles were distributed to shareholders at the various meetings organised at the Tour Saint-Gobain.

In December 2023, Saint-Gobain received the "Grand Trophée d'Or" for the best shareholder relations in the CAC 40, awarded by Le Revenu. This award recognises listed companies for the quality of their relations with individual investors, reflecting the Group's commitment to this audience.

We also communicate regularly on our website regular updates on Group news: our solutions for our clients, the Group's commitment to carbon neutrality, the digital magazine on sustainable construction ("Constructing a sustainable future") and the Sustainable Construction Observatory. As "Official Supporter of solutions for renovation and sustainable construction" for the Paris 2024 Olympic and Paralympic Games, Saint-Gobain regularly publishes its "Top stories" in video format to share the commitment of its teams to this event.

In addition, the "Saint-Gobain Shareholder" app allows shareholders to follow the Group's financial news and find essential and useful information (share price, financial calendar, press releases, etc.). Finally, the Letter to Shareholders, sent twice a year to Group shareholders highlights the Group's financial results and strategic priorities.

In order to ensure privileged contact, shareholders can used the following address:

actionnaires@saint-gobain.com

Compagnie de Saint-Gobain also makes additional services available to holders of registered shares through UPTEVIA, to improve the management of their fully registered shares. For more information, contact the Compagnie de Saint-Gobain Investor Relations Department or:

UPTEVIA
90-110 Esplanade du Général de Gaulle
92931 Paris La Défense Cedex

By telephone: Toll-free number 0800 03 33 33

By fax: + 33(0)1 55 77 34 17

Online, on the website:
https://www.uptevia.com/en

2024 financial calendar

2023 final results: February 29, 2024, after the market closes

First quarter 2024 revenue: April 25, 2024, after the market closes.

General Shareholders' Meeting: June 6, 2024 at 3 pm, Salle Pleyel in Paris (8th arrondissement).

Dividend:

- Ex-dividend date: June 10, 2024
- Dividend payment date: June 12, 2024

First-half 2024 final results: July 25, 2024, after the market closes.

Revenue for the first nine months of 2024: October 29, 2024, after the market closes.

2025 financial calendar

General Shareholders' Meeting: June 5, 2025

7.4 DIVIDENDS

Year	Number of shares with dividend rights		Net dividend per share *(in EUR)*	Adjusted yield based on year-end share price
2021	512,006,300 shares	[1]	1.63	2.6%
2022	507,094,880 shares	[2]	2.00	4.4%
2023	506,453,012 shares	[3]	2.10	3.2 %

(1) *Based on 524,017,595 outstanding shares on the ex-dividend date less 12,011,295 treasury shares held on this date.*
(2) *Based on 515,805,368 outstanding shares on the ex-dividend date less 12,011,295 treasury shares held on this date.*
(3) *Estimated amount based on 506,453,012 outstanding shares at January 31, 2024 less 3,718,391 treasury shares held at this date.*

Dividends not claimed within five years are time-barred and are paid over to the French State.

At its meeting of February 29, 2024, the Board of Directors of Compagnie de Saint-Gobain decided to propose to the General Shareholders' Meeting of June 6, 2024 a dividend of €2.10 per share.

FINANCIAL
AND ACCOUNTING INFORMATION

8.1 2023 Consolidated Financial Statements

CONSOLIDATED BALANCE SHEET

Assets

(in EUR millions)	Notes	Dec. 31, 2023	Dec. 31, 2022
Goodwill	(7.1)	13,111	12,858
Other intangible assets	(7.2)	4,368	4,026
Property, plant and equipment	(7.3)	12,744	12,163
Right-of-use assets	(7.4)	2,810	2,752
Investments in equity-accounted companies	(8.1)	705	639
Deferred tax assets	(12.2)	407	382
Pension plan surpluses	(6.3)	322	569
Other non-current assets	(8.3)	596	537
NON-CURRENT ASSETS		**35,063**	**33,926**
Inventories	(5.4)	6,813	7,219
Trade accounts receivable	(5.4)	5,096	5,178
Current tax receivable	(5.4)	93	76
Other receivables	(5.4)	1,386	1,450
Assets held for sale	(4.3)	246	1,394
Cash and cash equivalents	(10.3)	8,602	6,134
CURRENT ASSETS		**22,236**	**21,451**
TOTAL ASSETS		**57,299**	**55,377**

Equity and liabilities

(in EUR millions)	Notes	Dec. 31, 2023	Dec. 31, 2022
Shareholders' equity	(11.1)	23,273	22,711
Non-controlling interests		485	443
TOTAL EQUITY		**23,758**	**23,154**
Non-current portion of long-term debt	(10.3)	10,638	8,964
Non-current portion of long-term lease liabilities	(10.3)	2,354	2,324
Provisions for pensions and other employee benefits	(6.3)	1,960	1,712
Deferred tax liabilities	(12.2)	824	768
Other non-current liabilities and provisions	(9.1)	1,182	1,092
NON-CURRENT LIABILITIES		**16,958**	**14,860**
Current portion of long-term debt	(10.3)	1,820	1,841
Current portion of long-term lease liabilities	(10.3)	615	597
Current portion of other liabilities and provisions	(9.1)	818	693
Trade accounts payable	(5.4)	6,806	7,266
Current tax liabilities	(5.4)	249	263
Other payables	(5.4)	5,504	5,078
Liabilities held for sale	(4.3)	203	985
Short-term debt and bank overdrafts	(10.3)	568	640
CURRENT LIABILITIES		**16,583**	**17,363**
TOTAL EQUITY AND LIABILITIES		**57,299**	**55,377**

The accompanying notes are an integral part of the consolidated financial statements.

CONSOLIDATED INCOME STATEMENT

(in EUR millions)	Notes	2023	2022
Sales	(5.1)	47,944	51,197
Cost of sales	(5.1)	(35,109)	(38,006)
General expenses including research	(5.1)	(7,664)	(7,915)
Share in net income of core business equity-accounted companies	(8.1)	80	61
OPERATING INCOME		**5,251**	**5,337**
Other business income	(5.1)	68	245
Other business expense	(5.1)	(1,088)	(1,000)
BUSINESS INCOME		**4,231**	**4,582**
Borrowing costs, gross		(358)	(250)
Income from cash and cash equivalents		229	54
Borrowing costs, net, excluding lease liabilities		**(129)**	**(196)**
Interest on lease liabilities		(85)	(66)
Other financial income and expense		(210)	(142)
NET FINANCIAL EXPENSE	**(10.2)**	**(424)**	**(404)**
Share in net income of non-core business equity-accounted companies	(8.1)	9	5
Income taxes	(12)	(1,060)	(1,082)
NET INCOME		**2,756**	**3,101**
GROUP SHARE OF NET INCOME		**2,669**	**3,003**
Non-controlling interests		87	98

	Notes	2023	2022
EARNINGS PER SHARE, GROUP SHARE (in EUR)	**(11.2)**	**5.26**	**5.84**
Weighted average number of shares in issue		507,282,902	514,372,413
DILUTED EARNINGS PER SHARE, GROUP SHARE (in EUR)	**(11.2)**	**5.23**	**5.80**
Weighted average number of shares assuming full dilution		510,458,619	517,595,809

The accompanying notes are an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME AND EXPENSE

(in EUR millions)	Notes	2023	2022
NET INCOME		**2,756**	**3,101**
Items that may be subsequently reclassified to profit or loss			
Translation adjustments and restatement for hyperinflation		(86)	323
Changes in fair value of financial instruments		(17)	23
Tax on items that may be subsequently reclassified to profit or loss		4	(4)
Items that will not be reclassified to profit or loss			
Changes in actuarial gains and losses	(6.3)	(519)	(12)
Tax on items that will not be reclassified to profit or loss		120	(10)
Changes in assets at fair value through equity and other items	(8.3)	(2)	(9)
OTHER ITEMS OF COMPREHENSIVE INCOME (EXPENSE)		**(500)**	**311**
COMPREHENSIVE INCOME (EXPENSE)		**2,256**	**3,412**
Group share		2,145	3,327
Non-controlling interests		111	85

Translation adjustments in 2023 primarily concern the pound sterling, US dollar, Argentine peso and Mexican peso.

The accompanying notes are an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

(in EUR millions)	Notes	2023	2022
NET INCOME		**2,756**	**3,101**
Share in net income of equity-accounted companies, net of dividends received	(8.1)	(69)	(58)
Depreciation, amortization and impairment of assets (including right-of-use assets)	(5.1) (7)	2,395	2,442
Gains and losses on disposals of assets	(5.3)	347	42
Unrealized gains and losses arising from changes in fair value and share-based payments		75	21
Restatement for hyperinflation		39	18
Changes in inventory		234	(855)
Changes in trade accounts receivable and payable, and other accounts receivable and payable		72	785
Changes in tax receivable and payable		(28)	51
Changes in deferred taxes and provisions for other liabilities and charges	(9.1) (12.2)	214	164
NET CASH FROM OPERATING ACTIVITIES		**6,035**	**5,711**
Acquisitions of property, plant and equipment and intangible assets, and changes in amounts due to suppliers of fixed assets	(7.2) (7.3)	(1,971)	(1,889)
Acquisitions of shares in controlled companies, net of cash acquired		(1,046)	(3,413)
Increase in investment-related liabilities		28	57
Decrease in investment-related liabilities		(64)	(21)
Acquisitions of other investments	(8.3)	(233)	(99)
Investments		**(3,286)**	**(5,365)**
Disposals of property, plant and equipment and intangible assets	(7.2) (7.3)	69	89
Disposals of shares in controlled companies, net of cash divested		(55)	416
Disposals of other investments	(8.3)	3	6
(Increase) decrease in amounts receivable on sales of fixed assets		12	(32)
Divestments		**29**	**479**
Increase in loans and deposits	(8.3)	(63)	(70)
Decrease in loans and deposits	(8.3)	90	118
NET CASH FROM (USED IN) INVESTMENT AND DIVESTMENT ACTIVITIES		**(3,230)**	**(4,838)**
Issues of capital stock	(a)	213	222
(Increase) decrease in treasury stock	(a)	(828)	(781)
Dividends paid	(a)	(1,013)	(833)
Transactions with shareholders of the parent company		**(1,628)**	**(1,392)**
Capital increases in non-controlling interests	(a)	6	15
Acquisitions of minority interests without gain of control		0	(2)
Disposals of minority interests without loss of control		0	39
Changes in investment-related liabilities following the exercise of put options of minority shareholders		(2)	0
Dividends paid to non-controlling interests and change in dividends payable	(a)	(76)	(77)
Transactions with non-controlling interests		**(72)**	**(25)**
Increase (decrease) in bank overdrafts and other short-term debt		502	(46)
Increase in long-term debt	(b) (10.3)	3,322	1,624
Decrease in long-term debt	(b) (10.3)	(1,636)	(1,286)
Decrease in lease liabilities	(b)	(693)	(725)
Change in debt		**1,495**	**(433)**
NET CASH FROM (USED IN) FINANCING ACTIVITIES		**(205)**	**(1,850)**
Net effect of exchange rate changes on cash and cash equivalents		(91)	175
Net effect of changes in fair value on cash and cash equivalents		(2)	5
Cash and cash equivalents classified within assets held for sale		(39)	(12)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		**2,468**	**(809)**
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD		**6,134**	**6,943**
CASH AND CASH EQUIVALENTS AT END OF PERIOD		**8,602**	**6,134**

(a) *Please see the consolidated statement of changes in equity.*
(b) *Including bond premiums, prepaid interest, issue costs and interest on lease liabilities.*

In 2023, income tax paid represented €1,124 million (€1,001 million in 2022), total rental expenses paid €968 million (€974 million in 2022), including €85 million in interest paid on lease liabilities (€66 million in 2022), and interest paid net of interest received €117 million (€210 million in 2022).

The accompanying notes are an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(in EUR millions)	Capital stock	Additional paid-in capital and legal reserve	Retained earnings and consolidated net income	Cumulative translation adjustments	Fair value reserves	Treasury stock	Share-holders' equity	Non-controlling interests	Total equity
AT JANUARY 1, 2022	**2,096**	**4,544**	**16,244**	**(1,949)**	**(16)**	**(204)**	**20,715**	**411**	**21,126**
Income and expense recognized directly in equity			(26)	335	15		324	(13)	311
Net income for the period			3,003				3,003	98	3,101
Total income and expense for the period			**2,977**	**335**	**15**		**3,327**	**85**	**3,412**
Issues of capital stock									
Group Savings Plan	20	202					222		222
Other								15	15
Dividends paid			(833)				(833)	(78)	(911)
Shares purchased and sold			8			(789)	(781)		(781)
Shares canceled	(53)	(617)				670			0
Share-based payments			43				43		43
Changes in Group structure and other			18				18	10	28
AT DECEMBER 31, 2022	**2,063**	**4,129**	**18,457**	**(1,614)**	**(1)**	**(323)**	**22,711**	**443**	**23,154**
Income and expense recognized directly in equity			(395)	(112)	(17)		(524)	24	(500)
Net income for the period			2,669				2,669	87	2,756
Total income and expense for the period			**2,274**	**(112)**	**(17)**		**2,145**	**111**	**2,256**
Issues of capital stock									
Group Savings Plan	20	190					210		210
Stock subscription option plans and other		3					3	6	9
Dividends paid			(1,013)				(1,013)	(75)	(1,088)
Shares purchased and sold			26			(854)	(828)		(828)
Shares canceled	(57)	(701)				758			0
Share-based payments			62				62		62
Changes in Group structure and other			(17)				(17)		(17)
AT DECEMBER 31, 2023	**2,026**	**3,621**	**19,789**	**(1,726)**	**(18)**	**(419)**	**23,273**	**485**	**23,758**

The accompanying notes are an integral part of the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements reflect the accounting position of Compagnie de Saint-Gobain (the Company) and its subsidiaries ("the Group"), as well as the Group's interests in associate companies and joint ventures. They are expressed in euros rounded to the nearest million.

These consolidated financial statements were adopted on February 29, 2024 by the Board of Directors and will be submitted to the Shareholders' Meeting of June 6, 2024 for approval.

Accounting principles and policies are highlighted in a distinct color.

NOTE 1 ACCOUNTING PRINCIPLES AND POLICIES

The accounting policies applied are consistent with those used to prepare the financial statements for the year ended December 31, 2022, except for the application of the new standards and interpretations described below. The consolidated financial statements have been prepared using the historical cost convention, except for certain assets and liabilities that have been measured using the fair value model as explained in these notes.

1.1 Standards applied

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) and interpretations adopted for use in the European Union at December 31, 2023. These consolidated financial statements have also been prepared in accordance with the IFRS issued by the International Accounting Standards Board (IASB).

1.1.1 Standards, interpretations and amendments to existing standards applicable for reporting periods beginning on or after January 1, 2023

The following standards and amendments, effective since January 1, 2023, were applied where necessary to the consolidated financial statements for the year ended December 31, 2023:

- IFRS 17, "Insurance Contracts", including the amendments published in June 2020;
- Amendments to IFRS 17, "Insurance Contracts" concerning the presentation of comparative information on initial application of IFRS 17 and IFRS 9;
- Amendments to IAS 1, "Presentation of Financial Statements" and IFRS Practice Statement 2, "Making Materiality Judgments", aimed at improving accounting policy disclosures and providing guidance on how to apply the concept of materiality to accounting policy disclosures;
- Amendments to IAS 8, "Accounting Policies, Changes in Accounting Estimates and Errors", clarifying the distinction between changes in accounting estimates and changes in accounting policies;
- Amendments to IAS 12, "Income Taxes" concerning deferred tax related to assets and liabilities arising from a single transaction;
- Amendment to IAS 12, "Income Taxes" concerning international tax reform and Pillar Two model rules. This amendment provides for a mandatory and temporary exemption to the requirement to recognize deferred taxes associated with Pillar Two income taxes but introduces specific disclosure requirements.

The main finalized IFRIC decisions published in 2023 concern:

- IFRS 16, "Leases" – Definition of a Lease – Substitution Rights;
- IFRS 9, "Financial Instruments" – Guarantee over a Derivative Contract;
- IFRS 9, "Financial instruments" and IFRS 17, "Insurance Contracts" – Premiums Receivable from an Intermediary;
- IFRS 9, "Financial Instruments" and IAS 19, "Employee Benefits" – Home and Home Loans Provided to Employees.

These amendments and decisions have no material impact on the Group's consolidated financial statements.

1.1.2 Standards, interpretations and amendments to existing standards available for early adoption in reporting periods beginning on or after January 1, 2023

The new standards, interpretations and amendments to existing standards applicable to accounting periods starting on or after January 1, 2024 were not early adopted by the Group at December 31, 2023.

They concern:

- The amendments to IFRS 16, "Leases" relating to leaseback liabilities in a sale and leaseback;
- The amendment to IAS 1, "Classification of Liabilities as Current or Non-current", and "Non-current Liabilities with Covenants".

1.1.3 Standards, interpretations and amendments to existing standards published but not yet applicable

The new standards, interpretations and amendments to existing standards that have been published but are not yet applicable concern:

- Amendments to IAS 7 and IFRS 7, "Supplier Finance Arrangements";
- Amendment to IAS 21, "The Effects of Changes in Foreign Exchange Rates" – Lack of Exchangeability.

Where applicable to Saint-Gobain, these amendments are currently being analyzed by the Group.

Due to its scale, the Saint-Gobain Group is concerned by the OECD's Pillar Two rules introducing a minimum tax rate of 15%, which will be applicable as from fiscal year 2024. The impact analyses carried out within the Group on the consequences of the Pillar Two rules, if they had been applied for 2023, show that only a very limited number of small jurisdictions would have been likely to trigger the requirement to pay Pillar Two top-up taxes. In contrast, all other jurisdictions would have been eligible for the transitional "safe harbors" introduced by the OECD to enable the progressive adoption of the Pillar Two rules.

The estimated impact of paying the top-up tax for the few jurisdictions identified above would have represented an amount well below 0.1% of the Saint-Gobain Group's total tax expense for 2023.

Further, in accordance with the temporary exemption introduced by IAS 12.4A, the Saint-Gobain Group did not recognize any deferred tax under Pillar Two rules at December 31, 2023.

1.2 Estimates and assumptions

The preparation of consolidated financial statements in compliance with IFRS requires management to make estimates and assumptions that affect the amounts of assets and liabilities reported in the balance sheet and the disclosure of contingent assets and liabilities in the notes to the financial statements, as well as the reported amounts of income and expenses during the period. These estimates and assumptions are based on past experience and on various other factors in the prevailing economic and financial environment which makes it difficult to predict future business performance. Actual amounts may differ from those obtained through the use of these estimates and assumptions.

The main estimates and assumptions described in these notes concern the measurement of employee benefit obligations and share-based payments (see note 6, p. 322), asset impairment tests (notably the assumptions used in the tests relating to the Group's commitments to reduce its net carbon emissions) and the determination of lease terms (see note 7, p. 329), provisions for other liabilities (see note 9, p. 339), the measurement of financial instruments (see note 10, p. 343) and taxes (see note 12, p. 355).

NOTE 2 MACROECONOMIC CONDITIONS

Saint-Gobain is having to contend with a volatile economic environment in its main countries of operation, notably due to a wave of inflation prompted by the Covid-19 pandemic and the war in Ukraine, and the ensuing aggressive monetary policy adopted in the world's major economies. This environment, combined with heightened geopolitical tensions, is generating commodity and energy price uncertainty as well as a marked economic slowdown, particularly in the construction sector, which is highly sensitive to interest rate trends.

Amidst higher interest rates and a slowing economy, the Group continued its rigorous management of liquidity, interest rate and foreign exchange risks (see note 10.1 p. 343), while increasing its oversight and tracking of credit risk and continuing to apply its strict gas and electricity price hedging policy.

Interest rates should nevertheless start to fall in 2024, and the Group is well positioned to take advantage of medium-term opportunities beyond the current downturn, with housing shortages in the Group's major countries (especially the US, Canada and Germany) and the major energy retrofits needed to meet climate objectives representing sources of sustainable growth for Saint-Gobain.

2.1 Impact of the Russia-Ukraine conflict on the Group's strategy and financial performance

Group operating activities

Since the outbreak of the conflict between Russia and Ukraine, in addition to the Group's application of the sanctions imposed against Russia, Saint-Gobain has decided to halt all its exports to customers in Russia and Belarus, and all its imports from these two countries, and has shelved all new investment projects in these countries.

Nevertheless, its local Russian operations, which represent around 0.7% of the Group's worldwide sales and do not involve any local partnerships, continue to operate autonomously, with locally produced solutions sold exclusively on local construction markets.

Saint-Gobain does not have any industrial operations in Ukraine.

In organizational terms, Ukraine is now included in a Poland-Ukraine cluster falling under the direct responsibility of the management team in Poland.

Scope of consolidation

Insofar as the Group continues to produce and sell in Russia for the local market, and to ensure its local business can continue to operate with complete autonomy of management and control of returns, Saint-Gobain still controls its Russian subsidiaries.

In accordance with IFRS 10, its Russian and Ukrainian companies have not therefore been deconsolidated, and continue to be included in the Group's scope of consolidation for the preparation of the consolidated financial statements for the year ended December 31, 2023.

Asset impairment review

Total non-current assets in Russia represent €161 million, or 0.5% of the Group's total non-current assets.

No indication of impairment was identified for these companies. Consequently, no impairment losses related to the Russia-Ukraine conflict were recognized in 2023.

Financial risks

Given the Group's limited presence in Russia and Ukraine, the conflict has not generated any credit or liquidity risks, and forex exposure is also being managed effectively.

Group cash and cash equivalents held in Russia represented 1.3% of the Group's total cash and cash equivalents at December 31, 2023. The Group does not consider the cash and cash equivalents held in Russia to be restricted within the meaning of IAS 7.

Since March 2, 2022, the Group has been using the Russian ruble exchange rate published by Reuters for the translation of its consolidated financial statements.

While the Russia-Ukraine conflict has not had a direct material impact on the financial statements for the year ended December 31, 2023, the situation remains unstable and complex. The Group therefore remains vigilant in analyzing the potential future impacts of the conflict.

2.2 Impact of the Israel-Palestine conflict on the Group's strategy and financial performance

The Group has no operations in the countries directly involved in this conflict (Israel and Palestine).

Nevertheless, the Group is keeping a close watch on its Middle East operations, particularly on account of the risk that the conflict spreads across the rest of the region.

NOTE 3 CLIMATE ISSUES

Sustainability concerns are at the heart of the Group's strategy and are an essential element in supporting its growth. Saint-Gobain's commitment to achieving net-zero-emissions is taken into account in its financial decisions.

3.1 The "net-zero-emissions" commitment at the heart of the Group's strategy

In 2019, the Group committed to being net-zero-emissions by 2050. This commitment was approved by the Science Based Targets initiative (SBTi) in September 2022, considering the Group's roadmap to be consistent with the new net-zero standard and the Paris climate agreement.

In order to be net-zero-emissions by 2050, Saint-Gobain defined a 2030 roadmap in November 2020. The roadmap identifies the levers and action plans that will enable the Group to meet its goal of a 33% reduction in scope 1 and 2 carbon emissions in absolute terms compared to a 2017 baseline, and a 16% reduction for scope 3 emissions.

The Group's capital expenditure is aligned with the investment requirements identified in this CO_2 roadmap, which covers all of the Group's business activities.

At the end of 2023, the Group had already reduced its scope 1 and scope 2 CO_2 emissions by 34% compared to the 2017 baseline.

As well as its commitments to reduce its emissions through to 2030, the Group seeks to develop and propose solutions to help decarbonize the construction sector and its customers' markets.

The innovative solutions developed by Saint-Gobain help to:

- improve the energy performance of buildings so as to reduce both the negative impact of construction on the environment and their occupants' energy bills, while also enhancing occupant well-being. Saint-Gobain's solutions play an important role in the fight against climate change, since they reduce the amount of greenhouse gas emissions by reducing energy use;
- encourage the replacement of heavy materials (cement, concrete, brick) by light materials (plasterboard structures when feasible);
- accelerate the decarbonization of heavy materials.

The Group's High Performance Solutions enable it to meet growing market needs linked to the decarbonization of construction processes and sustainable mobility and industry.

Following the acquisition of Chryso and GCP Applied Technologies Inc. (GCP) in 2023, the Group further strengthened its position in construction chemicals, whose products play a significant role in helping to decarbonize construction through the design of innovative admixtures that reduce the carbon footprint of cement. Saint-Gobain proceeded to acquire IDP Chemicals (Egypt), Menkol (India) and Adfil (Belgium). It also entered into agreements to acquire Izomaks (Saudi Arabia) and Imptek Chova (Ecuador).

In order to increase the percentage of sales represented by its sustainable solutions, Saint-Gobain has developed a method for evaluating the environmental benefits of its solutions for all stakeholders. According to this internal method, the Group generated 73% of its sales from sustainable solutions (products identified as being low-carbon) in 2023.

All in all, the Group's initiatives are enabling it to dissociate growth from CO_2 emissions: carbon intensity (scopes 1 and 2) per euro of sales and EBITDA fell by 44% and 56%, respectively, in 2023 compared with the 2017 baseline, reflecting the Group's objective of maximizing its positive impact on the environment while reducing its footprint.

3.2 Taking into account the "net-zero-emissions" commitment when preparing the Group's financial statements

In line with these commitments and targets, the Group has taken into account climate change and sustainable development issues in its financial statements, mainly in the areas cited below:

A Group-wide commitment

All Regions and the High Performance Solutions (HPS) business have drawn up structured roadmaps for reducing CO_2 emissions.

These roadmaps are broken down by country or entity, plant and project, and together, will be used to justify the Group's 2030 scope 1 and scope 2 emissions reduction targets and to set objectives for 2030-2050.

The roadmaps are reviewed each year in line with the Group's main financial deadlines (strategic plan, budget) and combine a large number of potential improvements, action plans and industrial projects (energy efficiency and energy mix; application of new technologies; growth in the circular economy; product reformulation, streamlining and design, etc.). The roadmaps contain measures for each site designed to reduce scope 1 direct emissions, and take into account the growing number of new Purchase Power Agreements (PPA) and Virtual Purchase Power Agreements (VPPA) on a country-by-country basis aimed at reducing scope 2 indirect emissions.

2023 was shaped by:

- Further decarbonization of production processes:
  - Start of 100% electric (100% renewable energy) plasterboard production at the Fredrikstad plant in Norway, and a project to build a second 100% electric (100% renewable energy) plant in Montreal (Canada) under way;
  - After achieving the world's first-ever zero-carbon production (scopes 1 and 2) of flat glass in 2022, Saint-Gobain delivered another world-first in March 2023, producing glass with a furnace powered by over 30% hydrogen at its Herzogenrath site in Germany, which will allow a reduction of 70% in scope 1 direct CO_2 emissions.

- Faster development of sustainable solutions:
  - Launch of ORAÉ®, a low-carbon glass offering on the European market. This new range has a low carbon footprint, around 40% less than the average for European products;
  - The Group has developed the Glasroc®X board reinforced with an Adfors glass-mat, making it highly resistant to moisture and mould. Glasroc®X is now manufactured at 23 sites across the globe, and has a carbon footprint two to three times lighter than traditional alternatives;
  - In February 2023 in France, Saint-Gobain launched *Les Engagés,* a comprehensive range of sustainable and low-carbon solutions including Placo® Infinaé 13, the world's first plasterboard made from more than 50% recycled gypsum;
  - Acceleration of circular economy initiatives, notably following the acquisition of Asphaltica technology in February 2023, which will allow Saint-Gobain to recycle asphalt shingles used in roofing in the United States;
  - As an official supporter of the Paris 2024 Olympic and Paralympic Games, Saint-Gobain has rolled out a novel interior partitioning solution for the athletes' village, combining plasterboard with 50% recycled gypsum content. These temporary partitions will be removed and reused on other sites in the Paris region.

Renewable Power Purchase Agreements

The Group has entered into renewable electricity supply (scope 2) contracts, either with physical electricity delivery (Power Purchase Agreement – PPA), or financial contracts without physical delivery, including a cash settlement based on the difference between the contract price and the market price (Virtual Power Purchase Agreement – VPPA).

Saint-Gobain analyzes the accounting treatment for such agreements before they are set up. They are accounted for in accordance with either IFRS 16 for leases, IFRS 9 for financial instruments, or IAS 37 for the own-use exemption (IFRS 9.2.4) or regular purchase agreements.

The majority of the contracts signed by the Group are PPAs that are considered regular purchase agreements.

The Group has also entered into four VPPAs, which are financial instruments accounted for under IFRS 9.

The most material agreements (>200 GWh over the term of the contract) at December 31, 2023 are presented in the table below along with their main characteristics:

Type	Location	Type of energy	Power (per year)	Start date	Contract duration	Accounting treatment
VPPA	USA (Blooming Grove)	Wind	460 GWh	2020	12 years	IFRS 9 (derivatives)
VPPA	USA (Cotton Bayou)	Solar	452 GWh	2024	10 years	IFRS 9 (derivatives)
VPPA	USA (Danish fields)	Solar	224 GWh	2024	15 years	IFRS 9 (derivatives)
VPPA	Poland	Wind	180 GWh	2025	15 years	IFRS 9 (derivatives)
PPA	Spain	Mix	100 GWh	2024	10 years	Purchase contract
PPA	USA (Chowchilla)	Solar	78 GWh	2023	15 years	IFRS 16
PPA	France	Solar	36 GWh	2024	15 years	Purchase contract
PPA	Sweden	Solar	28 GWh	2024	10 years	IFRS 9.2.4
PPA	Italy	Wind	22 GWh	2024	12 years	Purchase contract
PPA	Spain	Solar	18.5 GWh	2023	12 years	Purchase contract
PPA	Romania	Solar	12 GWh	2023	20 years	Purchase contract

In accordance with IFRS 9, VPPAs are measured at fair value through profit or loss, with the exception of one VPPA qualified as a hedge (Poland VPPA), with changes in fair value recognized through other comprehensive income.

Overall, the impact of changes in fair value of VPPAs on the Group's 2023 financial statements is not material.

Green power represented 57% of the Group's electricity purchases in 2023, and this percentage is set to rise once the above agreements take effect in 2024.

Measuring and tracking scope 3 emissions

The scope 3 categories on which the Group has real leverage and which are subject to SBTi validation are mainly upstream categories (purchases of raw materials and trading products, energy purchases and transport). The Group is continuing its efforts to improve the quality and quantity of available data using a fine-tuned tool that regularly tracks emissions in the main scope 3 categories. The aim is to build an efficient and automated data model in this area.

In the raw materials and trading products, the Group's main suppliers (the biggest contributors to CO_2 emissions) are now asked to disclose, via a dedicated portal, their carbon footprints and goals, as presented at Supplier Days.

As part of the strategic plan, each Region and High Performance Solutions (HPS) identified the three most important actions for reducing scope 3 emissions.

Management of CO_2 emissions allowances

At the end of 2023, the Saint-Gobain Group had 3.6 million tonnes of greenhouse gas emissions allowances from the European Commission. Accordingly, it believes that its current level of allowances will continue to cover its emissions for at least four years.

Sustainable investments, research and development expenditure, and other expenditure aimed at combating climate change and protecting the environment

Investments to reduce CO_2 emissions are tracked monthly in the Group's financial reporting. To help accelerate progress towards carbon-neutral production, €1 billion has been set aside over the ten years from 2021 to 2030 for capital expenditure and research and development. In 2023, the Group set aside €144 million in capital expenditure (€128 million in 2022) and €79 million in research and development expenditure (€63 million in 2022) to support further its CO_2 emissions reduction strategy.

Financing activities

Following the launch of a bond issue in 2022 featuring a 10-year €500 million tranche indexed to two 2030 sustainability performance targets (a 33% reduction in scopes 1 and 2 CO_2 emissions and an 80% reduction in non-recovered production waste), the Group signed a €4 billion Sustainability-Linked Loan with a pool of banks in December 2023, which loan will mature in December 2028. Interest on the loan is indexed to three performance indicators set out in Saint-Gobain's 2030 sustainability roadmap compared to the 2017 baseline year: (i) a 33% reduction in scopes 1 and 2 CO_2 emissions in absolute terms, (ii) an 80% reduction in non-recovered production waste, and (iii) a frequency rate for workplace accidents at or below 1.5 per million hours worked.

3.3 Corporate governance

CSR committees

A CSR Committee has been in place within the Board of Directors for several years, as well as within the Group Executive Committee. One session of the Executive Committee's CSR Committee in December 2023 was focused on climate change adaptation.

Internal carbon price

The Group has raised its internal carbon prices from €75 to €100 per tonne of CO_2 for evaluating capital expenditure decisions, and from €150 to €200 per tonne for evaluating R&D projects. A similar approach has been adopted for major acquisitions, and includes the work that may be required to ensure that the carbon impact of these acquisitions is compatible with Saint-Gobain's roadmap.

Executive compensation policy

In stepping up its commitment to carbon neutrality, since 2020 the Group has increased the weighting of CSR objectives in the criteria determining short- and long-term executive compensation plans. CSR objectives now determine 20% of amounts paid out under long-term plans (versus 15% previously), and 15% of annual variable compensation (5% previously), while CO_2 objectives now account for 10% of long-term plans and 5% of annual variable compensation.

3.4 Tests of asset sensitivity to changes in CO_2 prices

As indicated in the section on asset impairment reviews (see note 7.5.4, p. 336), the Group includes sensitivity to changes in the price of CO_2 emissions allowances in its impairment tests.

Even applying conservative assumptions, the sensitivity analyses show that no impairment would have been recognized against the net assets in any group of CGUs, given the significant headroom observed for the main groups of CGUs.

3.5 Climate impact assessment on Group assets

In 2023, Saint-Gobain conducted a study with an external firm to identify its exposure to physical risks related to the impact of climate change (floods, forest fires, cyclones, storms, drought and heat stress), as well as earthquakes, on its activities. Exposure and vulnerability to climate issues was analyzed for assets at over 500 major industrial and logistics sites (covering more than 80% of the Group's sales and net carrying amount of its assets), using three IPCC scenarios: SSP1-2.6, SSP2-4.5 and SSP5-8.5, and three time horizons: 2030, 2040 and 2050. This study enabled the financial impact of risks linked to direct and indirect damage (business interruption) to be assessed for each site, and for the Group as a whole, after taking into account the adaptation measures in place. The study found that even in the most extreme scenario and adopting the 2050 time horizon, the overall risks identified would, at Group level, represent only insignificant amounts compared to the 2023 baseline. Heat stress, floods and storms would represent the bulk of the estimated risks, which would mainly arise not as a result of direct damage but from business interruption. The impact would be more significant in Asia and India, while Europe would not be materially affected.

Saint-Gobain's knowledge of the existence of these sensitivities enables it to build physical and transition risks into its long-term vision and strategy, thereby fully integrating climate change and its impacts into its decision-making.

In parallel with this physical risk assessment for its assets, the Group has begun analyzing the growth opportunities for its solutions resulting from the impact of climate change in several regions. This analysis will continue in 2024.

3.6 Consideration of future changes in regulations

The Group is continuing its impact assessments and its work on applying new regulations related to climate change and the energy transition.

NOTE 4 SCOPE OF CONSOLIDATION

4.1 Accounting principles related to consolidation

The Group's consolidated financial statements include the accounts of Compagnie de Saint-Gobain and of all companies controlled by the Group, as well as those of jointly controlled companies and companies over which the Group exercises significant influence.

4.1.1 Consolidation methods

Full consolidation

Companies over which the Group exercises exclusive control, either directly or indirectly, are fully consolidated.

Joint arrangements

Joint arrangements that meet the definition of joint ventures are accounted for by the equity method. Balance sheet and income statement items relating to joint arrangements that meet the definition of joint operations are consolidated line-by-line based on the amount actually contributed by the Group.

Equity accounting

Companies over which the Group directly or indirectly exercises significant influence are accounted for by the equity method.

The Group's share of the income of equity-accounted companies is shown on two separate lines of the income statement. The income of equity-accounted companies whose main business activity is in keeping with the Group's core operational business is presented in business income under "Share in net income of core business equity-accounted companies", while the income of other equity-accounted companies is shown under "Share in net income of non-core business equity-accounted companies" in pre-tax income.

4.1.2 Business combinations

Step acquisitions and partial disposals

When the Group acquires control of an entity in which it already holds an equity interest, the transaction is treated as a step acquisition (an acquisition in stages), as follows: (i) as a disposal of all the previously-held interest, with recognition of any resulting gain or loss in the consolidated financial statements, and (ii) as an acquisition of all of the shares, with recognition of the corresponding goodwill on the entire interest (previous and new acquisitions).

In the event of a partial disposal resulting in the loss of control (but with the Group retaining a non-controlling interest), the transaction is also treated as both a disposal and an acquisition, as follows: (i) as a disposal of the entire interest, with recognition of any resulting gain or loss in the consolidated financial statements, and (ii) as an acquisition of a non-controlling interest, measured at fair value.

Potential voting rights and share purchase commitments

Potential voting rights conferred by call options on minority interests are taken into account in determining whether the Group exclusively controls an entity only when the Group has control.

When calculating its percentage interest in controlled companies, the Group considers the impact of cross put and call options on minority interests in the companies concerned. This approach gives rise to the recognition in the financial statements of an investment-related liability, included within other provisions and non-current liabilities, corresponding to the present value of the estimated exercise price of the put option, with a corresponding reduction in non-controlling interests and shareholders' equity. Any subsequent changes in the fair value of the liability are recognized by adjusting equity.

Non-controlling interests

Under IFRS 10, non-controlling interests are considered as a shareholder category (single economic entity approach). As a result, changes in minority interests with no loss of control continue to be recorded in the statement of changes in equity and have no impact on the income statement or balance sheet, except for changes in cash and cash equivalents.

4.1.3 Non-current assets and liabilities held for sale – Discontinued operations

Assets and liabilities that are immediately available for sale, and for which a sale is highly probable within the next 12 months, are classified as non-current assets and liabilities held for sale. When several assets are held for sale in a single transaction, they are accounted for as a disposal group, which also includes any liabilities directly associated with those assets. Depreciation/amortization ceases when non-current assets are classified as held for sale. Non-current assets and liabilities held for sale are presented separately on two lines of the consolidated balance sheet, and income and expenses continue to be recognized in the consolidated income statement on a line-by-line basis. The reclassified assets are carried at the lower of their fair value less costs to sell and their carrying amount. At the end of each reporting period, the value of the assets and liabilities held for sale is reviewed to determine whether any provision adjustments should be recorded due to a change in their fair value less costs to sell.

An operation is classified as discontinued when it represents a separate major line of business for the Group, and when the criteria for classification as an asset held for sale have been met, or when the Group has sold the asset. Discontinued operations are reported on a single line in the Group's income statement. This line shows the after-tax net income from discontinued operations until the date of disposal and the gains or losses net of taxes realized on the disposals of these operations. In addition, cash flows generated by the discontinued operations are reported, by type of operation, on a separate line in the consolidated statement of cash flows for the relevant periods.

4.1.4 Intragroup transactions

All intragroup transactions in the balance sheet and income statement are eliminated in consolidation.

4.1.5 Translation of the financial statements of foreign companies

The consolidated financial statements are presented in euros, which is Compagnie de Saint-Gobain's functional and presentation currency.

Assets and liabilities of subsidiaries outside the Eurozone are translated into euros at the closing exchange rate, while income and expense items are translated using the average exchange rate for the period.

The Group's share of any translation gains or losses is included in equity under "Cumulative translation adjustments" until the assets or liabilities and all foreign operations to which they relate are sold, liquidated or deconsolidated. In this case, these translation differences are either taken to the income statement, if the transaction results in a loss of control, or recognized directly in the statement of changes in equity, if the change in minority interests does not result in a loss of control.

4.1.6 Foreign currency transactions

Expenses and income from operations in currencies other than the Company's functional currency are translated at the exchange rates prevailing at the transaction date. Assets and liabilities denominated in foreign currencies are translated at the closing rate and any exchange differences are recorded in the income statement. However, exchange differences relating to loans and borrowings between consolidated Group companies are recorded in equity, net of tax, under "Cumulative translation adjustments", as they are in substance an integral part of the net investment in a foreign subsidiary.

4.1.7 Hyperinflation

Under IAS 29, "Financial Reporting in Hyperinflationary Economies", financial statements prepared based on historical cost must be restated. This involves applying a general price index that enables the financial statements to be presented in the measuring unit in force at the reporting date. All non-monetary assets and liabilities must therefore be adjusted for inflation in order to reflect changes in purchasing power at the reporting date. Similarly, the income statement is adjusted for inflation during the period. Monetary items do not need to be restated as they already reflect purchasing power at the reporting date.

Argentina

Argentina has been classified as a hyperinflationary economy since July 1, 2018. IAS 29 therefore applies to entities using the Argentine peso as their functional currency (based on the table of indices issued by FACPCE).

Lebanon

Lebanon has been classified as a hyperinflationary economy since October 2020. As from December 31, 2020, IAS 29 is therefore applicable to entities using the Lebanese pound as their functional currency.

The Group's exposure to Lebanon is not material, as sales and total non-current assets in the country represent less than 0.5% of the Group's consolidated data.

Turkey

Since February 2022, Turkey has had a three-year cumulative inflation rate above 100% and was therefore included in the list of hyperinflationary economies in March 2022. The Group applied the rules for financial reporting in hyperinflationary economies to Turkey in its financial statements at December 31, 2023.

4.2 Changes in Group structure

Significant changes in the Group's structure during 2023 and 2022 are presented below and a list of the main consolidated companies at December 31, 2023 is provided in note 15, p. 358.

4.2.1 Transactions carried out in 2023

In 2023, Saint-Gobain acquired 25 consolidated companies for a total purchase price of €1,254 million. The Group also sold 7 consolidated companies for a net sale price of €38 million.

Main acquisitions in 2023

Acquisitions represented full-year sales of €528 million and EBITDA of €146 million.

- On January 30, 2023, Saint-Gobain completed the acquisition of Termica San Luis, a leader in stone wool in Argentina. Termica San Luis is a family-run business with over 70 years' experience in insulation. It is the leading producer of stone wool in Argentina, having pioneered its production in the country. The acquisition strengthens Saint-Gobain's presence in the insulation market, enhancing its range of solutions for customers thanks to the combination of its position in glass wool insulation with that of Termica San Luis in stone wool;
- On February 7, 2023, Saint-Gobain completed the acquisition of IDP Chemicals, a Chryso brand licensee since 2018. This entity is well positioned to serve the dynamic construction market in Egypt and the Group's aim is to create an admixture platform and eventually group together production facilities and storage space covering the needs of SG Weber, IDPC & GCP in Africa's largest cement market;
- On March 16, 2023, Saint-Gobain and Dalsan obtained the necessary approval from the competition authorities to merge their plaster and plasterboard activities in Turkey. Once the capital expenditure project at the new plant in Turgutlu (near Izmir) is completed, the merged entity will benefit from a leadership position, combined know-how, an enlarged production capacity and an optimized modern industrial footprint in plasterboard and plaster. Its customers, both those in Turkey and export customers with growing needs in the Eastern Mediterranean, will have access to the most innovative and complete portfolio of light and sustainable solutions for the construction and renovation of building envelopes as well as internal partitioning;

- On April 3, 2023, Saint-Gobain completed the acquisition of U.P. Twiga Fiberglass Ltd (UP Twiga), the leader in the glass wool insulation market in India, as announced on February 22, 2023. The acquisition consolidates Saint-Gobain's positioning in interior and façade solutions in India, set to benefit from higher building performance requirements and the strong need for acoustic and thermal comfort as well as energy-efficient solutions;
- On June 26, 2023, Saint-Gobain completed the acquisition of United Paints and Chemicals S.A.E. ("Drymix"), a ready-mix mortars manufacturer serving the construction industry in Egypt. This acquisition accelerates Saint-Gobain's growth in the country by enhancing the range of solutions offered across glass, gypsum and construction chemicals. It follows the recent inauguration of a Saint-Gobain plant producing technical mortars (adhesive and waterproofing) in Egypt and the acquisition of IDP Chemicals in admixtures at the beginning of 2023;
- On September 1, 2023, Saint-Gobain completed the acquisition of Building Products of Canada Corp. (Building Products of Canada) following authorization by the Canadian Competition Bureau on August 21, 2023. Building Products of Canada is a privately owned manufacturer of residential roofing shingles and wood fiber insulation panels in Canada. In acquiring Building Products of Canada, Saint-Gobain is taking another step to reinforce its leadership in light and sustainable construction in the Canadian market, by completing its range of exterior solutions in the country following the addition of siding with the acquisition of Kaycan in 2022;
- On November 30, 2023, Saint-Gobain completed the acquisition of Hume Cemboard Industries Sdn Bhd (HCBI). Hume Cemboard Industries is a leading manufacturer of cement boards for façades, partitions, and ceilings in Malaysia. Its lightweight board offering is a benchmark solution widely used for a broad range of applications, offering fast growth potential;
- On December 7, 2023, Saint-Gobain announced that it had acquired Menkol Industries Private Limited, a leading Indian manufacturer of high-performance waterproofing systems for foundations. This acquisition strengthens Saint-Gobain's position in added-value specialty building materials in India;
- On December 13, 2023, Saint-Gobain completed the acquisition of Adfil NV following the announcement made on September 26, 2023. The acquisition of this top international player specialized in fibers for concrete reinforcement enables Saint-Gobain to expand its portfolio in construction chemicals by offering its customers a broader range of solutions including concrete admixtures and fibers, accelerating the development of sustainable and high-performance concrete.

The process of identifying and measuring at fair value the assets acquired and liabilities assumed (purchase price allocation - PPA) within the scope of the acquisitions carried out in 2023 began during the year and will be finalized within 12 months of each acquisition date.

The Group completed the fair value measurement of each major category of GCP assets acquired and liabilities assumed at the end of 2023. Based on the amounts allocated to customer relationships (€773 million), brands (€63 million) and intellectual property (€125 million), goodwill amounted to €1,107 million following allocation of the purchase price (amounts at December 31, 2023).

The table below shows the fair value measurement of each major category of assets acquired and liabilities assumed:

(in EUR millions)	Building Products of Canada Corp	Other newly-consolidated companies *	Total at the acquisition date
Intangible assets	421	171	592
Property, plant and equipment, and right-of-use assets	56	171	227
Financial assets and other non-current assets	6	4	10
NON-CURRENT ASSETS	**483**	**346**	**829**
Inventories	43	17	60
Trade accounts receivable	12	23	35
Other receivables	1	7	8
Cash and cash equivalents	32	33	65
CURRENT ASSETS	**88**	**80**	**168**
Non-current portion of long-term debt and lease liabilities		18	18
Non-current portion of other provisions	17	16	33
Deferred tax liabilities	122	93	215
NON-CURRENT LIABILITIES	**139**	**127**	**266**
Current portion of long-term debt and lease liabilities		7	7
Current portion of provisions and other liabilities	2	14	16
Trade accounts payable	21	33	54
Other payables	14	9	23
Short-term debt and bank overdrafts		2	2
CURRENT LIABILITIES	**37**	**65**	**102**
TOTAL FAIR VALUE OF NET ASSETS ACQUIRED	**395**	**234**	**629**
Acquisition cost of shares	927	223	1,150
Minority interests		3	3
GOODWILL	**532**	**(8)**	**524**

* *This column also includes PPA adjustments for GCP and Kaycan.*

Main disposals in 2023

In 2023, disposals represented full-year sales of €2,940 million.

The main companies deconsolidated in 2023 are summarized below:

- On March 1, 2023, Saint-Gobain completed the sale of its merchanting brands in the United Kingdom – including the builders and timber merchant Jewson – to the Stark group, as announced on December 12, 2022. The impact of this sale on the income statement mainly reflects the reclassification of translation differences;
- On March 30, 2023, Saint-Gobain sold its glass processing business Glassolutions in Switzerland to the privately owned German group Aequita;
- On July 3, 2023, Saint-Gobain signed an agreement to sell COVIPOR, its glass processing business in Portugal, to PNI Portugal & Permanente SA;
- On September 1, 2023, Saint-Gobain finalized the sale of its Glassolutions glass processing business in Slovakia to Glasora a.s.

These disposals are part of Saint-Gobain's continued portfolio optimization strategy to enhance the Group's growth and profitability profile in line with the objectives of its "Grow & Impact" plan.

4.2.2 Transactions carried out in 2022

In 2022, Saint-Gobain acquired 36 consolidated companies for a total purchase price of €3,712 million. The Group also sold 19 consolidated companies for a net sale price of €539 million.

The main transactions are summarized below:

- On January 2, 2022, Saint-Gobain completed the acquisition of Igland Industrier AS, a manufacturer of prefabricated garages for villas, which also has an assembly services network in Norway;
- On January 7, 2022, Saint-Gobain completed the acquisition of Fischer Ag, a Swiss kitchen and household appliance installation and repair company;
- On January 10, 2022, Saint-Gobain completed the sale of Glassolutions, its regional glass processing business in Denmark, to German glassmaker Semcoglas Holding GmbH;
- On February 4, 2022, Saint-Gobain completed the acquisition of Rockwool India Pvt Ltd, a major player in the production of stone wool in India. This followed the announcement on December 21, 2021 of the agreement signed by Saint-Gobain with the Alghanim group;
- On the same date, Saint-Gobain announced the sale of its regional glass processing business Baltiklaas Oü in Estonia to Polar Glass Oü, a subsidiary of Barrus AS;
- On February 17, 2022, Saint-Gobain signed an agreement for the sale of CTD Tile Group, its specialist tiling distributor in the United Kingdom, to Aurelius Investments, and an agreement for the sale to Wolseley UK of Ideal Bathrooms, the Group's remaining United Kingdom distribution brand specialized in plumbing, heating and sanitaryware;
- On February 28, 2022, Saint-Gobain completed the sale of three of its remaining four United Kingdom distribution brands specializing in plumbing, heating and sanitaryware (Neville Lumb, DHS and Bassetts) to Wolseley UK;
- On April 1, 2022, Saint-Gobain finalized the acquisition of Impac, a leading player in the construction chemicals market in Mexico. This acquisition consolidates the Group's leadership in Latin America while accelerating its growth in the region by enriching its range of solutions for light and sustainable construction;
- On May 12, 2022, Saint-Gobain announced the acquisition of Global SFC, a major player in nano-ceramic window film coatings located in South Korea. The acquisition, which closed on April 22, 2022, will enhance the insulating properties of the Solar Gard® film line, a world leader in innovative solar control and surface protection film technologies for the sustainable construction and mobility markets;
- On the same date, Saint-Gobain announced the acquisition of Monofrax LLC, a leading regional player in fused cast refractories in the United States. This acquisition, which closed on April 20, 2022, will enhance Saint-Gobain's global footprint and enable further localization of refractory production close to the end-customer. It will enable the development of high-end glass melting applications and further decarbonization of light metal smelting processes;
- Also on May 12, 2022, Saint-Gobain announced the sale of International Decorative Surfaces (IDS), its specialist flooring, worktop and laminate distribution business in the United Kingdom, to Chiltern Capital, along with the signature of binding agreements for the divestment of two glass processing facilities specialized in the manufacture of double glazing in the United Kingdom;
- On May 27, 2022, Saint-Gobain announced the sale of its Austrian glass processing subsidiaries, Eckelt Glas and Glas Ziegler, to the privately-owned German group Aequita, as well as the sale of its holding in the joint venture Glaskontor Erfurt – a glass processing business in Germany – to the Caleoglas group;
- On August 1, 2022, Saint-Gobain announced that it had completed the acquisition of Kaycan on July 29, 2022. Kaycan is a family-owned manufacturer and distributor of exterior building materials in Canada and the United States. Thanks to its leading position on siding in Canada, this acquisition reinforced Saint-Gobain's worldwide leadership in light and sustainable construction by becoming the top siding player in Canada and enlarging its vinyl offer across the United States. The acquisition of Kaycan represented pro forma full-year sales of €409 million and €70 million in EBITDA for 2022;
- On September 2, 2022, Saint-Gobain announced that it had closed the sale of the Saint-Gobain Glassolutions Grand Ouest glass processing business to a group of private investors, led by former Saint-Gobain managers;

- On September 27, 2022, Saint-Gobain completed the acquisition of GCP Applied Technologies, a major global player in construction chemicals. Offering highly complementary geographic and commercial footprints with Chryso, the acquisition of which was completed in September 2021, GCP represented a unique opportunity for Saint-Gobain to establish a leading worldwide presence in the growing construction chemicals sector, and furthered the Group's strategy as a worldwide leader in light and sustainable construction. The acquisition of Kaycan represented pro forma full-year sales of €952 million and €162 million in EBITDA for 2022;
- On September 30, 2022, Saint-Gobain finalized the sale of Protrae, its wood processing and distribution business in Denmark, to its main customer Jem & Fix;
- On the same date, Tadmar, a distribution brand specialized in plumbing, heating and sanitaryware products in Poland, was sold to Polish company 3W;
- On December 1, 2022, Saint-Gobain completed the sale of its worldwide Crystals and Detectors business to a consortium led by SK Capital Partners associated with Edgewater Capital Partners, both US private equity funds with expertise in advanced materials;
- Saint-Gobain completed the acquisition of Matchem in Brazil on December 22, 2022. Together with Quartzolit, a leading mortars company, TekBond, a specialist in sealants and adhesives, and the recently acquired GCP Applied Technologies, Matchem rounded out Saint-Gobain's construction chemicals line-up with a Brazilian market leader boasting 24 production sites. This acquisition allowed Saint-Gobain to strengthen its position in construction chemicals, in particular concrete admixtures which play a key role in the decarbonization of the construction industry. Matchem was consolidated in 2023;
- On December 29, 2022, the Group finalized the sale of certain ceramic activities for the traditional steel market. These activities, comprising the Vinhedo site in Brazil and the Latrobe site in the United States, were sold to the Japanese group Shinagawa Refractories Corporation.

In 2022, acquisitions represented full-year sales of around €1,866 million and EBITDA of around €300 million, while disposals represented full-year sales of €1,043 million.

4.3 Assets and liabilities held for sale

Since the merchanting brands in the United Kingdom were sold in the first quarter of 2023, assets and liabilities held for sale at December 31, 2023 no longer include these entities.

Assets and liabilities held for sale at December 31, 2023 include:

- PDM in Ireland and Calders & Grandidge in the United Kingdom;
- Distribution companies in Brazil, following the Group's decision to put its building materials distribution activities in the country up for sale.

These disposals are part of Saint-Gobain's portfolio optimization strategy, which is designed to improve the Group's growth and profitability profile.

Since the assets and liabilities held for sale meet the qualifying criteria (see note 4.1.3, p. 310), the balance sheet items of these entities were combined and measured within assets and liabilities held for sale in the consolidated balance sheet at December 31, 2023, in accordance with IFRS 5.

These entities in the process of being sold were not considered as discontinued operations within the meaning of IFRS 5 as they do not represent a major line of business for the Group.

Assets and liabilities held for sale break down as follows:

(in EUR millions)	Dec. 31, 2023	Dec. 31, 2022
Intangible assets, property, plant and equipment, right-of-use assets and other non-current assets	68	529
Inventories, trade accounts receivable and other receivables	125	851
Cash and cash equivalents	53	14
ASSETS HELD FOR SALE	**246**	**1,394**
Provisions for pensions and other employee benefits	0	(1)
Other current and non-current liabilities and provisions	13	50
Trade accounts payable, other payables and other current liabilities	114	603
Debt and bank overdrafts	76	333
LIABILITIES HELD FOR SALE	**203**	**985**
NET ASSETS (LIABILITIES) HELD FOR SALE	**43**	**409**

4.4 Changes in the number of consolidated companies

At December 31, 2023, the number of consolidated companies was as follows:

	France	Outside France	Total
Fully consolidated companies			
At December 31, 2022	**118**	**706**	**824**
Newly consolidated companies	10	44	54
Merged companies	(10)	(31)	(41)
Deconsolidated companies		(16)	(16)
At December 31, 2023	**118**	**703**	**821**
Equity-accounted companies and joint arrangements			
At December 31, 2022	**3**	**85**	**88**
Newly consolidated companies	2	9	11
Merged companies		(1)	(1)
Deconsolidated companies		(4)	(4)
At December 31, 2023	**5**	**89**	**94**
TOTAL AT DECEMBER 31, 2022	**121**	**791**	**912**
TOTAL AT DECEMBER 31, 2023	**123**	**792**	**915**

4.5 Off-balance sheet commitments related to companies within the scope of consolidation

Non-cancelable purchase commitments relating to equity investments represented €136 million at December 31, 2023. These include the acquisitions of Izomaks Industries LLC in Saudi Arabia and IMPTEK Chova del Ecuador.

NOTE 5 INFORMATION CONCERNING THE GROUP'S OPERATING ACTIVITIES

5.1 Income statement items

5.1.1 Revenue recognition

Revenue generated by the sale of goods or services is recognized net of rebates, discounts and sales taxes when control of the goods or services has been transferred to the customer. Revenue generated by the sale of goods is primarily recognized at the time the goods are delivered. Revenue generated by the sale of services is recognized when the services have been rendered, or based on the stage of completion of the services, as calculated based on costs incurred. Similarly, within the Distribution entities, estimated returns are recognized as a deduction from revenue (sales) and reclassified within inventories for their net carrying amount, since there is a possibility that goods will be returned within the allotted timeframe. A liability relating to future refunds for goods returned is also recognized.

Revenue generated under construction contracts is accounted for by the Group's companies on a percentage-of-completion basis, as calculated based on costs incurred. The related costs are expensed as incurred. When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognized to the extent of contract costs incurred that it is probable will be recovered. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognized as an expense immediately.

Construction contract revenues are not material in relation to total consolidated sales.

5.1.2 Operating income

Operating income is a measure of the performance of the Group's different reporting segments and has been used by the Group as its key external and internal management indicator for many years. Foreign exchange gains and losses are included in operating income, as are changes in the fair value of financial instruments that do not qualify for hedge accounting when they relate to operating items. The share of income of core business equity-accounted companies is also posted under operating income.

Supplier discounts granted to entities in the Distribution business are included in operating income as a reduction of cost of sales. Contractual supplier discounts are customary practice in the industrial goods distribution sector. These discounts are mostly calculated by applying a contractually guaranteed rate by product type to volumes purchased. The calculation is made automatically, based on the supplier invoices. Consequently, little judgment is needed when determining the amounts to be recognized in the income statement for these discounts. Other discounts are calculated based on a step mechanism linked to specified targets, whereby the percentage discount increases as the entity achieves the various targets over a given period. In this case, judgment is required based on historical data, past performance and future trends in order to determine the discount to be recognized in the income statement. Such judgment is exercised in a prudent manner and consistently from one period to the next.

5.1.3 Business income

Business income includes all income and expenses other than financial income and expense, the Group's share in net income of non-core business equity-accounted companies, and income taxes.

Business income is detailed by type below:

(in EUR millions)	2023	2022
SALES	**47,944**	**51,197**
Personnel expenses:		
Salaries and payroll taxes	(8,902)	(8,995)
Share-based payments [(1)]	(62)	(43)
Pensions and employee benefit obligations [(1)]	(142)	(189)
Depreciation and amortization of property, plant and equipment, intangible assets and right-of-use assets [(2)]	(1,986)	(2,048)
Share in net income of core business equity-accounted companies	80	61
Other [(3)]	(31,681)	(34,646)
OPERATING INCOME	**5,251**	**5,337**
Other business income	68	245
Other business expense [(2)]	(1,088)	(1,000)
OTHER BUSINESS INCOME AND EXPENSE	**(1,020)**	**(755)**
BUSINESS INCOME (EXPENSE)	**4,231**	**4,582**

(1) *Share-based payments (IFRS 2 expense) and changes in employee benefit expenses are detailed in note 6, p. 322;*

(2) *Total depreciation and amortization of property, plant and equipment, intangible assets and right-of-use assets, along with amortization charged against intangible assets within the scope of purchase price accounting, represented €2,167 million in 2023 versus €2,164 million in 2022;*

(3) *The "Other" operating income line relates to cost of sales, supplier discounts and selling expenses for Distribution entities, and to transport costs, raw materials costs, and other production costs for the other entities. This item also includes research and development costs recorded under operating expenses, amounting to €560 million in 2023 (€520 million in 2022).*

5.1.4 Other business income and expense

Other business income and expense mainly include changes in provisions for claims and litigation (excluding those arising in the ordinary course of operations) and environmental matters, disposal gains and losses, asset impairment, amortization charged against intangible assets within the scope of purchase price accounting, restructuring costs incurred upon the disposal or discontinuation of operations and the costs of workforce reduction measures.

Other business income and expense can be analyzed as follows:

(in EUR millions)	2023	2022
Impairment of assets [1]	(238)	(299)
Amortization of intangible assets related to PPA [2]	(181)	(116)
Other business expense [3]	(433)	(323)
Impairment of assets and other business expenses	**(852)**	**(738)**
Gains on disposals of non-current assets	**68**	**245**
GAINS AND LOSSES ON DISPOSALS, ASSET IMPAIRMENT, IMPACT OF CHANGES IN GROUP STRUCTURE	**(784)**	**(493)**
NON-OPERATING INCOME AND EXPENSE [4]	**(236)**	**(262)**
OTHER BUSINESS INCOME AND EXPENSE	**(1,020)**	**(755)**

(1) *The "Impairment of assets" line includes the impairment of goodwill, other intangible assets, property, plant and equipment, right-of-use assets, assets held for sale and other assets.*

(2) *Amortization charged against brands and customer lists is included on a separate line within "Impairment of assets and other business expenses" together with other gains and losses arising on business combinations which are not taken into account when determining the performance of the Group's operating segments.*

(3) *In 2023, as in 2022, other business expense mainly includes capital losses on assets divested or scrapped, acquisition fees and contingent consideration incurred in connection with business combinations. In 2023, this item mainly reflects the reclassification of translation differences following the sale of the Distribution business in the United Kingdom.*

(4) *Non-operating income and expense mainly include claims-related expenses and restructuring costs.*

5.2 Segment information

In accordance with IFRS 8, segment information reflects the Group's internal organization as presented to management. The Group has chosen to present segment information in line with its internal reporting. Segment assets and liabilities include net property, plant and equipment, working capital, goodwill and net other intangible assets, after deducting deferred taxes on brands and land, and assets and liabilities held for sale. Capital expenditure corresponds to acquisitions of property, plant and equipment and does not include right-of-use assets.

The Group is organized into five reporting units: four regional businesses and a global High Performance Solutions unit. Segment information is presented for:

- High Performance Solutions (HPS), which is organized by market for global customers, i.e., Mobility, Life Sciences, Construction Industry and Industry.

And for four regions:

- Northern Europe, comprising the Nordic countries, United Kingdom, Ireland, Switzerland, Germany, Austria, Eastern Europe and Russia;
- Southern Europe – Middle East (ME) & Africa, comprising France, Benelux, Mediterranean, Middle East and Africa;
- Americas, comprising North America and Latin America;
- Asia-Pacific, comprising the Asia region and India;
- Other, comprising the Group's various holding companies.

Segment information for 2023 and 2022 is as follows:

2023

(in EUR millions)	High Performance Solutions [2]	Northern Europe	Southern Europe [2] - ME & Africa	Americas [2]	Asia-Pacific	Other [1]	Group Total
Sales	10,083	12,614	14,941	9,439	2,123	(1,256)	47,944
Operating income (loss)	1,207	1,039	1,208	1,586	267	(56)	5,251
Business income (loss)	871	714	1,104	1,356	245	(59)	4,231
Share in net income of equity-accounted companies	3	11	40	24	5	6	89
Operating depreciation and amortization	417	499	598	312	105	55	1,986
Impairment of assets	99	34	14	67	14	0	228
EBITDA	1,511	1,504	1,767	1,869	368	(18)	7,001
Acquisitions of property, plant and equipment and intangible assets [3]	424	416	432	514	162	81	2,029
Goodwill, net [4]	2,986	4,195	2,132	3,472	326	0	13,111
Brands, customer relationships and intellectual property [4]	910	1,054	500	1,510	1	0	3,975
Total segment assets and liabilities [4]	7,901	8,444	7,480	8,064	1,417	195	33,501

(1) *"Other" corresponds to the elimination of intragroup transactions for internal sales, and holding company transactions for the other captions;*

(2) *France and United States sales represent €12,182 million and €8,524 million, respectively. Segment assets for France and the United States represent €7,594 million and €7,251 million, respectively;*

(3) *Capital expenditure does not include right-of-use assets;*

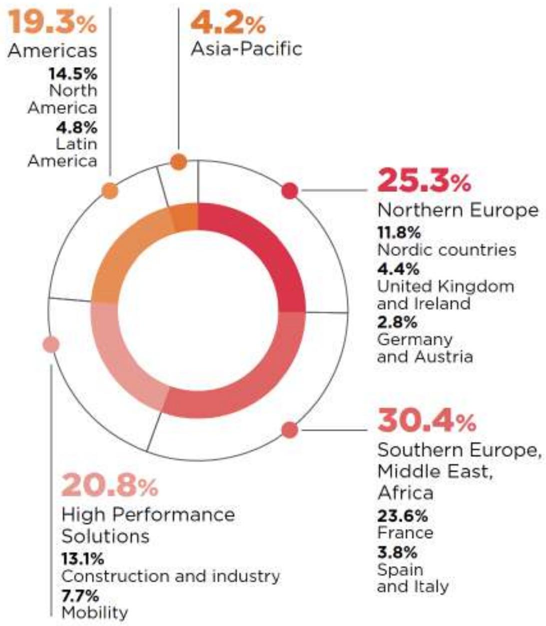
(4) *"Goodwill, net" and "Brands, customer relationships and intellectual property" do not include assets relating to companies held for sale (assets and liabilities relating to companies held for sale are however included in the line "Total segment assets and liabilities").*

2022

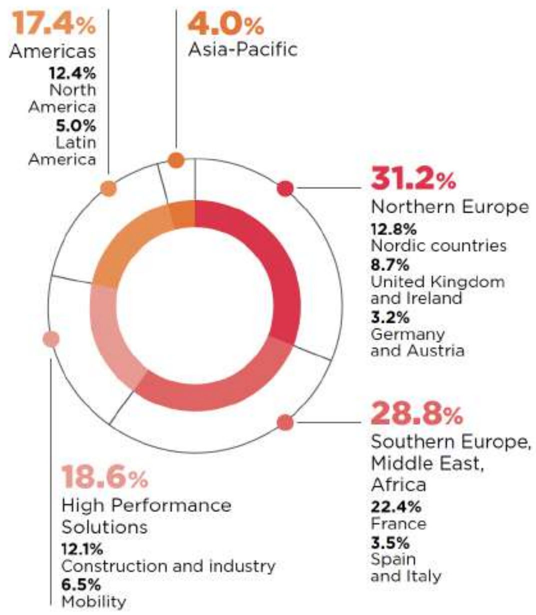
(in EUR millions)	High Performance Solutions (2)	Northern Europe	Southern Europe (2) – ME & Africa	Americas (2)	Asia-Pacific	Other (1)	Group Total
Sales	9,648	16,413	15,198	9,064	2,132	(1,258)	51,197
Operating income (loss)	1,155	1,279	1,219	1,462	257	(35)	5,337
Business income (loss)	1,047	951	1,145	1,281	249	(91)	4,582
Share in net income of equity-accounted companies	2	13	12	30	6	3	66
Operating depreciation and amortization	383	620	587	305	104	49	2,048
Impairment of assets	4	215	7	52	7	0	285
EBITDA	1,371	1,872	1,761	1,740	360	19	7,123
Acquisitions of property, plant and equipment and intangible assets (3)	406	445	434	430	198	27	1,940
Goodwill, net (4)	3,162	4,207	2,067	3,130	292	0	12,858
Brands, customer relationships and intellectual property (4)	1,014	1,048	503	1,058	0	0	3,623
Total segment assets and liabilities (4)	8,165	9,006	7,441	7,221	1,431	258	33,522

(1) *"Other" corresponds to the elimination of intragroup transactions for internal sales, and holding company transactions for the other captions;*
(2) *France and United States sales represent €12,341 million and €8,135 million, respectively. Segment assets for France and the United States represent €8,333 million and €7,535 million, respectively;*
(3) *Capital expenditure does not include right-of-use assets;*
(4) *"Goodwill, net" and "Brands, customer relationships and intellectual property" do not include assets relating to companies held for sale (assets and liabilities relating to companies held for sale are however included in the line "Total segment assets and liabilities").*

In 2023, the breakdown of sales by segment and for the Group's main countries is as follows:



In 2022, the breakdown of sales by segment was as follows:



5.3 Performance indicators

5.3.1 EBITDA

EBITDA represents operating income plus depreciation and amortization of property, plant and equipment, intangible assets and right-of-use assets, as well as non-operating income and expense.

EBITDA amounted to €7,001 million in 2023 (2022: €7,123 million), calculated as follows:

(in EUR millions)	2023	2022
Operating income	5,251	5,337
Depreciation/amortization of property, plant and equipment and intangible assets	1,294	1,332
Depreciation of right-of-use assets	692	716
Non-operating income and expense	(236)	(262)
EBITDA	**7,001**	**7,123**

5.3.2 Free cash flow

Free cash flow (FCF) represents the surplus cash generated from the entity's activities. Free cash flow represents EBITDA plus net financial income/(expense), income tax and changes in working capital, less depreciation of right-of-use assets and investments in property, plant and equipment and intangible assets excluding additional capacity investments.

5.3.3 Operating free cash flow

Operating free cash flow (OFCF) represents the surplus cash generated from the entity's operating activities and is calculated as operating income plus non-operating income and expense and changes in working capital, less operating depreciation and amortization, investments in property, plant and equipment and intangible assets, and right-of-use assets.

5.3.4 Return on capital employed

Return on capital employed (ROCE) corresponds to annualized operating income adjusted for changes in the scope of consolidation (based on 12 months' of operating income for acquired companies and with no operating income taken into account for divested companies), expressed as a percentage of total assets at the year end. Total assets include net property, plant and equipment, working capital, net goodwill, other intangible assets and assets and liabilities held for sale, but exclude deferred tax assets arising on non-amortizable brands, customer relationships and land.

5.3.5 Recurring net income

Recurring net income corresponds to income after tax and minority interests but before disposal gains or losses, asset impairment, material non-recurring provisions and the related tax and non-controlling interests.

Recurring net income totaled €3,242 million in 2023 (2022: €3,335 million). Based on the weighted average number of shares outstanding at December 31 (507,282,902 shares in 2023 and 514,372,413 shares in 2022), recurring earnings per share amounted to €6.39 in 2023 and €6.48 in 2022.

The difference between net income and recurring net income corresponds to the following items:

(in EUR millions)	2023	2022
GROUP SHARE OF NET INCOME	**2,669**	**3,003**
Less:		
Gains and losses on disposals of assets	(347)	(42)
Impairment of assets and other	(255)	(333)
Changes in provisions for non-recurring items	(4)	(16)
Impact of non-controlling interests	4	2
Tax on disposal gains and losses, asset impairment, non-recurring provisions and write-downs of deferred taxes on tax loss carry-forwards	29	57
GROUP SHARE OF RECURRING NET INCOME	**3,242**	**3,335**

5.4 Working capital

Working capital can be analyzed as follows:

(in EUR millions)	Dec. 31, 2023	Dec. 31, 2022
INVENTORIES, NET	**6,813**	**7,219**
TRADE ACCOUNTS RECEIVABLE, NET	**5,096**	**5,178**
Other operating receivables	1,314	1,337
Other non-operating receivables	72	113
OTHER RECEIVABLES, NET	**1,386**	**1,450**
CURRENT TAX RECEIVABLE	**93**	**76**
TRADE ACCOUNTS PAYABLE	**6,806**	**7,266**
Other operating payables	4,778	4,428
Other non-operating payables	726	650
OTHER PAYABLES	**5,504**	**5,078**
CURRENT TAX LIABILITIES	**249**	**263**
Operating working capital	1,639	2,040
Non-operating working capital (including current tax receivable and liabilities)	(810)	(724)
WORKING CAPITAL	**829**	**1,316**

5.4.1 Inventories

Inventories are stated at the lower of cost and net realizable value. The cost of inventories includes purchase costs (net of supplier discounts), processing costs and other costs incurred in bringing the inventories to their present location and condition. Cost is generally determined using the weighted-average cost method, and in some cases the First-In-First-Out (FIFO) method. Inventory costs may also include the transfer from equity of any gains/losses on qualifying cash flow hedges of foreign currency purchases of raw materials. Net realizable value is the selling price in the ordinary course of business, less estimated completion and selling costs. No account is taken in the inventory valuation process of the impact of below-normal capacity utilization rates.

At December 31, 2023 and 2022, inventories were as follows:

(in EUR millions)	Dec. 31, 2023	Dec. 31, 2022
Gross value		
Raw materials	2,015	2,152
Work in progress	475	446
Finished goods	5,054	5,246
GROSS INVENTORIES	**7,544**	**7,844**
Provisions for impairment		
Raw materials	(270)	(233)
Work in progress	(19)	(17)
Finished goods	(442)	(375)
TOTAL PROVISIONS FOR IMPAIRMENT	**(731)**	**(625)**
INVENTORIES, NET	**6,813**	**7,219**

The net value of inventories was €6,813 million at December 31, 2023 compared with €7,219 million at December 31, 2022. Impairment losses on inventories recorded in the 2023 income statement totaled €372 million (2022: €332 million). Reversals of impairment losses on inventories amounted to €260 million in 2023 (€222 million in 2022).

5.4.2 Operating and non-operating receivables and payables

Trade accounts receivable and payable and other receivables and payables are stated at their carrying amount, which approximates their fair value as they generally have maturities of less than three months. Provisions for impairment are booked to cover the risk of total or partial non-recovery, within the limit of expected credit losses.

The Group deems that its exposure to concentrations of credit risk is limited due to its diversified business line-up, broad customer base and global presence. Past-due trade receivables are regularly monitored and analyzed, and impairment losses recognized are adjusted where appropriate.

The Group has various securitization and factoring programs for its trade receivables. Receivables transferred under some of these programs continue to be shown on the balance sheet with a corresponding liability in short-term debt if, based on an analysis of the contracts, the risks associated with the receivables are not transferred in substance to the financing institutions (further information is provided in notes 10.3.8, p. 348 and 10.3.9, p. 348).

Trade and other accounts receivable

Trade and other accounts receivable can be analyzed as follows:

(in EUR millions)	Dec. 31, 2023	Dec. 31, 2022
Gross value	5,538	5,597
Provisions for impairment	(442)	(419)
TRADE ACCOUNTS RECEIVABLE, NET	**5,096**	**5,178**
Discounts obtained from and advances granted to suppliers	472	529
Prepaid payroll taxes	32	32
Other prepaid and recoverable taxes (other than income tax)	477	484
Miscellaneous operating receivables	340	299
Other non-operating receivables	72	113
Provision for impairment of other receivables	(7)	(7)
OTHER RECEIVABLES, NET	**1,386**	**1,450**

Receivables at December 31, 2023 were stable compared to end-2022.

The impact of movements in provisions and bad debt write-offs represented an expense of €90 million in 2023, versus an expense of €119 million 2022.

Bad debt write-offs were up slightly to €59 million from €56 million at end-2022.

Trade accounts receivable at December 31, 2023 and 2022 are analyzed below by maturity:

(in EUR millions)	Gross value		Impairment		Net value	
	Dec. 31, 2023	Dec. 31, 2022	Dec. 31, 2023	Dec. 31, 2022	Dec. 31, 2023	Dec. 31, 2022
TRADE ACCOUNTS RECEIVABLE NOT YET DUE	**4,587**	**4,612**	**(82)**	**(81)**	**4,505**	**4,531**
Less than 1 month	418	417	(46)	(38)	372	379
1-3 months	166	173	(49)	(42)	117	131
More than 3 months	367	395	(265)	(258)	102	137
TRADE ACCOUNTS RECEIVABLE PAST DUE	**951**	**985**	**(360)**	**(338)**	**591**	**647**
TRADE ACCOUNTS RECEIVABLE	**5,538**	**5,597**	**(442)**	**(419)**	**5,096**	**5,178**

Trade and other accounts payable

Trade and other accounts payable and accrued expenses can be analyzed as follows:

(in EUR millions)	Dec. 31, 2023	Dec. 31, 2022
TRADE ACCOUNTS PAYABLE	**6,806**	**7,266**
Downpayments received and rebates granted to customers	2,069	1,788
Payables to suppliers of non-current assets	518	472
Grants received	88	88
Accrued personnel expenses	1,547	1,497
Accrued taxes other than on income	436	442
Other operating payables	726	701
Other non-operating payables	120	90
OTHER PAYABLES	**5,504**	**5,078**

5.5 Off-balance sheet commitments related to operating activities

5.5.1 Non-cancelable purchase commitments

Non-cancelable purchase commitments include contractual commitments to purchase raw materials and services along with firm orders for property, plant and equipment and intangible assets.

(in EUR millions)	Total 2023	Payments due by period			Total 2022
		Due within 1 year	Due in 1 to 5 years	Due beyond 5 years	
Property, plant and equipment and intangible assets	24	20	3	1	115
Raw materials and energy	2,229	665	1,232	332	1,786
Services	261	117	132	12	324
TOTAL	**2,514**	**802**	**1,367**	**345**	**2,225**

5.5.2 Guarantee commitments

In some cases, the Group grants seller's warranties to the buyers of divested businesses. A provision is recognized whenever a risk is identified and the related cost can be estimated reliably. The Saint Gobain Group was also granted guarantee commitments in 2023, representing the same amount as at end-2022 (€75 million).

5.5.3 Commercial commitments

The Group's commercial commitments are shown below:

(in EUR millions)	Total 2023	Commitment amounts by period			Total 2022
		Due within 1 year	Due in 1 to 5 years	Due beyond 5 years	
Security for borrowings	55	25	20	10	69
Other commitments given	276	62	60	154	255
TOTAL	**331**	**87**	**80**	**164**	**324**

Guarantees given to the Group in respect of receivables amounted to €81 million at December 31, 2023, unchanged from end-2022. At December 31, 2023, pledged assets represented €1,076 million (December 31, 2022: €1,054 million) and chiefly concerned non-current assets pledged in the United Kingdom.

5.5.4 Other commitments

A provision for greenhouse gas emissions allowances is recorded in the consolidated financial statements to cover any difference between the Group's emissions and the allowances granted.

The Saint-Gobain Group had 3.6 million tonnes of greenhouse gas emissions allowances at December 31, 2023, which will cover its actual CO_2 emissions for 2023.

NOTE 6 EMPLOYEES, PERSONNEL EXPENSES AND EMPLOYEE BENEFIT OBLIGATIONS

6.1 Employees of fully consolidated companies

Average headcount

	2023	2022
Managerial-grade employees	30,318	30,372
Administrative employees	62,397	69,623
Other employees	68,953	69,437
TOTAL AVERAGE NUMBER OF EMPLOYEES	**161,668**	**169,432**

Closing headcount

The total number of Group employees for fully consolidated companies was 159,145 employees at December 31, 2023 and 170,714 employees at December 31, 2022.

6.2 Management compensation

Direct and indirect compensation and benefits paid to the members of the Board of Directors and to the Group's senior management were as follows in 2023 and 2022:

(in EUR millions)	2023	2022
Directors' compensation	1.3	1.1
Direct and indirect compensation (gross)		
Fixed portion	10.6	9.6
Variable portion	7.2	5.7
Share-based payment expense (IFRS 2)	11.8	9.2
TOTAL EXCLUDING ESTIMATED COST OF PENSIONS AND OTHER EMPLOYEE BENEFIT OBLIGATIONS (IAS 19)	**30.9**	**25.6**
Estimated cost of pensions and other employee benefit obligations (IAS 19)	6.2	7.2
TOTAL	**37.1**	**32.8**

Total gross compensation and benefits paid in 2023 to Saint-Gobain management by the French and foreign companies in the Group (excluding any long-term cash settled compensation) amounted to €17.8 million (2022: €15.3 million), including €7.2 million in gross variable compensation (2022: €5.7 million).

Provisions for pensions and other post-employment benefit obligations (defined benefit obligations [DBO] in respect of length-of-service awards and pensions) accruing to Group management totaled €40.5 million at December 31, 2023 (December 31, 2022: €29.2 million).

6.3 Provisions for pensions and other employee benefits

6.3.1 Description of defined benefit plans

After retirement, some of the Group's former employees are eligible for pension benefits in accordance with the applicable laws and regulations in the respective countries in which the Group operates. There are also additional pension obligations in certain Group companies, both in France and in other countries.

The Group's obligation for the payment of pensions and length-of-service awards is determined at the end of the reporting period by independent actuaries using the projected unit credit method (taking into account changes in salaries until retirement) and the economic conditions in each country. This obligation may be financed by pension funds, with a provision recognized in the balance sheet for the unfunded portion.

When plan assets exceed the defined benefit obligation, the excess is recognized in other non-current assets under "Net pension assets". The asset ceiling corresponds to the maximum future economic benefit. Changes in the asset ceiling are recognized in equity.

Actuarial gains and losses result from changes in actuarial assumptions, experience adjustments and the difference between the funds' actual and estimated (calculated) rates of return. They are recognized against equity as and when they arise.

The interest cost of these obligations and the return on the related plan assets are measured by the Group using the discount rate applied to estimate the obligation at the beginning of the period, and are recognized as financial income or expense.

The Group's main defined benefit plans are described below.

In France, employees receive length-of-service awards on retirement based on years of service and the calculation methods prescribed in the applicable collective bargaining agreements.

Following the publication of the June 3, 2023 implementing decree 2023-435, as of September 1, 2023 the retirement age in France is being gradually raised, up to 64 by 2030. As a result, the age used to calculate pension obligations was changed. This change is considered to be a plan amendment and represents a gain of €12 million which was recognized in income in 2023.

In addition to length-of-service awards, there are three defined benefit plans, all of which are final salary plans. These plans were closed to new entrants by the companies concerned between 1969 and 1997. Effective March 1, 2012, a defined benefit plan complying with Article L.137-11 of France's Social Security Code (*Code de la sécurité sociale*) was set up by Compagnie de Saint-Gobain. Pursuant to an order of July 4, 2019 issued in the wake of France's PACTE Law setting out an action plan for business growth and transformation, this plan was closed and any vested rights frozen at December 31, 2019. In 2021, two new plans were set up pursuant to Article L. 137-11-2 resulting from the PACTE Law, effective January 1, 2020. Under these plans, final payments are made to a third-party insurer who takes on responsibility for the liability.

In Germany, retirement plans provide pensions and death and disability benefits for employees. These plans have been closed to new entrants since 1996. Since January 1997, new employees have been offered pension plans based on contributions financed jointly by employer and employee.

In the United Kingdom, retirement plans provide pensions as well as death and permanent disability benefits. These defined benefit plans – which are based on employees' average salaries over their final years of employment – have been closed to new entrants since 2001. In 2021, the legal structure of the plans was altered, resulting in the closure of the Building Distribution section to future accrual as of January 1, 2022.

In the United States and Canada, the Group's defined benefit plans are final-salary plans. Since January 1, 2001, new employees have been offered a defined contribution plan.

In the United States and Spain, retired employees receive benefits other than pensions, mainly concerning healthcare. The Group's obligation under these plans is determined using the actuarial method and is covered by a provision recorded in the balance sheet.

Provisions for other long-term employee benefits cover all other employee benefits. These benefits primarily include long-service awards in France, jubilee awards in Germany, deferred compensation, provisions for social security benefits in the United States, and termination benefits in different countries. The related defined benefit obligation is generally calculated on an actuarial basis using the same rules as for pension obligations. Actuarial gains and losses relating to these benefits are recognized immediately in the income statement.

6.3.2 Actuarial assumptions used to measure defined benefit obligations and plan assets

Interest rate assumptions

Assumptions related to mortality, employee turnover and future salary increases take into account the economic conditions specific to each country and Group company. The discount rates are established by region or country based on observed bond yields at December 31, 2023.

For the Eurozone (including France), two discount rates were calculated for 2023 based on the term of the plans using a yield curve model developed by consulting firm Mercer: one rate for plans with a term of 13 years or less and one for plans with a term of over 13 years (2022: one rate for plans with a term of 15 years or less and one for plans with a term of over 15 years).

The rates used in 2023 for the Group's main plans are the following:

	France		Eurozone (excluding France)		United Kingdom	United States
(in %)	Short-term plans	Long-term plans	Short-term plans	Long-term plans		
Discount rate	3.16%	3.20%	3.16%	3.20%	4.60%	5.00%
Salary increases	1.90% to 5.50%		2.60% to 3.50%		2.00% *	3.00%
Inflation rate	2.10%		2.10%		CPI 2.5% RPI 2.95%	2.50%

* A cap applies to the reference salaries used to calculate benefit entitlements.

The rates used in 2022 for the Group's main plans were the following:

	France		Eurozone (excluding France)		United Kingdom	United States
(in %)	Short-term plans	Long-term plans	Short-term plans	Long-term plans		
Discount rate	4.16%	4.23%	4.16%	4.23%	4.85%	5.20%
Salary increases	1.90% to 5.50%		2.70% to 3.00%		2.00% *	3.00%
Inflation rate	2.20%		2.20%		CPI 2.5%	2.50%

* A cap applies to the reference salaries used to calculate benefit entitlements.

As the above three regions account for substantially all of the Group's pension obligation, the revised actuarial assumption (in particular discount and inflation rates), contributed to an increase in the obligation, and therefore in the provision, in an amount of €468 million.

The actual return on plan assets for almost all plans was €60 million lower than expected, leading to an increase in the provision of the same amount. In addition, a €9 million decrease in the asset ceiling, mainly affecting Switzerland, generated a decrease in the provision in the same amount.

Sensitivity to assumptions

A 0.5-point decrease (increase) in the discount rate would lead to an increase (decrease) in defined benefit obligations of around €160 million for the United States plans, €150 million for the Eurozone plans and €350 million for the United Kingdom plans. A 0.5% increase in the inflation rate would lead to an overall increase in defined benefit obligations of around €240 million.

The same assumptions concerning mortality, employee turnover and interest rates are used to determine the Group's defined benefit obligations for other long-term employee benefits. In the United States, retirees' healthcare costs are projected to rise between 4.00% and 5.49% per year (under 65 years of age), and between 3.19% and 5.97% per year (older than 65), depending on the age of the beneficiary. A 1-point increase in this rate would lead to an increase of around €12 million in the related projected benefit obligation.

6.3.3 Breakdown of and changes in pension and other post-employment benefit obligations

Carrying amount of provisions

Provisions for pension and other employee benefit obligations consist of the following:

(in EUR millions)	Dec. 31, 2023	Dec. 31, 2022
Pension obligations	1,286	1,110
Length-of-service awards	338	290
Post-employment healthcare benefits	204	183
TOTAL PROVISIONS FOR PENSIONS AND OTHER POST-EMPLOYMENT BENEFIT OBLIGATIONS	**1,828**	**1,583**
Healthcare benefits	30	27
Long-term disability benefits	6	8
Other long-term benefits	96	94
PROVISIONS FOR PENSIONS AND OTHER EMPLOYEE BENEFITS	**1,960**	**1,712**

Provisions for all other long-term benefits totaled €132 million at December 31, 2023 (€129 million at December 31, 2022).

The following table shows net obligations under pensions and other post-employment benefit plans, excluding other long-term benefits:

(in EUR millions)	Dec. 31, 2023	Dec. 31, 2022
Provisions for pensions and other post-employment benefit obligations – liabilities	1,828	1,583
Pension plan surpluses – assets	(322)	(569)
NET PENSION AND OTHER POST-EMPLOYMENT BENEFIT OBLIGATIONS	**1,506**	**1,014**

Analysis of obligations

At December 31, 2023, pension obligations and provisions for other post-employment benefit obligations break down by major geographic region as follows:

(in EUR millions)	France	Eurozone (excluding France)	United Kingdom	United States	Rest of the world	Net total
AVERAGE DURATION (in years)	**13**	**14**	**13**	**10**	**13**	**12**
Defined benefit obligations – funded plans	490	1,227	3,387	2,362	1,011	8,477
Defined benefit obligations – unfunded plans	258	42	0	150	237	687
Fair value of plan assets	(202)	(668)	(3,637)	(2,122)	(1,156)	(7,785)
DEFICIT (SURPLUS)	**546**	**601**	**(250)**	**390**	**92**	**1,379**
Asset ceiling	0	9	0	0	118	127
NET PENSION AND OTHER POST-EMPLOYMENT BENEFIT OBLIGATIONS	**546**	**610**	**(250)**	**390**	**210**	**1,506**

At December 31, 2022, pension obligations and provisions for other post-employment benefit obligations break down by major geographic region as follows:

(in EUR millions)	France	Eurozone (excluding France)	United Kingdom	United States	Rest of the world	Net total
AVERAGE DURATION (in years)	**12**	**13**	**14**	**11**	**14**	**13**
Defined benefit obligations – funded plans	432	1,086	3,256	2,423	945	8,142
Defined benefit obligations – unfunded plans	225	39	0	162	194	620
Fair value of plan assets	(203)	(684)	(3,764)	(2,123)	(1,104)	(7,878)
DEFICIT (SURPLUS)	**454**	**441**	**(508)**	**462**	**35**	**884**
Asset ceiling	0	9	0	0	121	130
NET PENSION AND OTHER POST-EMPLOYMENT BENEFIT OBLIGATIONS	**454**	**450**	**(508)**	**462**	**156**	**1,014**

Changes in provisions

Changes in pensions and other post-employment benefit obligations are as follows:

(in EUR millions)	Pension obligations	Fair value of plan assets	Asset ceiling	Net pension and other post-employment benefit obligations
AT JANUARY 1, 2022	**12,356**	**(11,402)**	**31**	**985**
Changes during the year				
Service cost	188			188
Interest cost/return on plan assets as per calculations	244	(232)		12
Employee contributions and plan administration costs		(6)		(6)
Past service cost	1			1
Plan curtailments/settlements	(1)			(1)
Pension contributions		(153)		(153)
Benefit payments	(710)	631		(79)
Actuarial gains and losses and asset ceiling	(3,589)	3,506	95	12
Translation adjustments	6	16	4	26
Changes in Group structure	270	(244)		26
Assets/liabilities held for sale	(3)	6		3
TOTAL CHANGES	**(3,594)**	**3,524**	**99**	**29**
AT DECEMBER 31, 2022	**8,762**	**(7,878)**	**130**	**1,014**
Changes during the year				
Service cost	134			134
Interest cost/return on plan assets as per calculations	397	(352)		45
Employee contributions and plan administration costs		(6)		(6)
Past service cost	(10)			(10)
Plan curtailments/settlements	(38)	38		0
Pension contributions		(118)		(118)
Benefit payments	(568)	498		(70)
Actuarial gains and losses and asset ceiling	468	60	(9)	519
Translation adjustments	6	(38)	6	(26)
Changes in Group structure	20	5		25
Assets/liabilities held for sale	(7)	6		(1)
TOTAL CHANGES	**402**	**93**	**(3)**	**492**
AT DECEMBER 31, 2023	**9,164**	**(7,785)**	**127**	**1,506**

Actuarial gains and losses

Actuarial gains and losses on provisions result from the following items:

(in EUR millions)	2023	2022
Pension obligations	468	(3,589)
Fair value of plan assets	60	3,506
Asset ceiling	(9)	95
TOTAL CHANGES	**519**	**12**

Plan assets

Plan assets have been progressively built up by contributions, primarily in the United Kingdom and the United States. Contributions paid by the Group in 2023 totaled €118 million (2022: €153 million).

A 0.5-point increase or decrease in the actual return on plan assets would have an impact of approximately €39 million on equity.

Plan assets mainly comprise:

	Dec. 31, 2023	Dec. 31, 2022
Equities	18%	18%
Bonds	63%	56%
Other	19%	26%
TOTAL	**100%**	**100%**

Contributions to pension plans for 2024 are estimated at around €54 million.

6.3.4 Defined contribution plans

Contributions to defined contribution plans are expensed as incurred.

Contributions to defined contribution plans for 2023 represented an estimated €680 million (2022: €703 million), including €456 million for government-sponsored basic pension schemes (2022: €444 million), €145 million for government-sponsored supplementary pension schemes, mainly in France (2022: €134 million), and €79 million for corporate-sponsored supplementary pension plans (2022: €125 million).

6.4 Share-based payments

6.4.1 Group Savings Plan (PEG)

The Group Savings Plan (*Plan d'Epargne Groupe* – PEG) is an employee stock purchase plan open to all Group employees in France and most other countries where the Group is present. Eligible employees must have completed a minimum of three months' service with the Group. Eligible employees are able to invest in Saint-Gobain shares at a preferential subscription price. These shares are held either directly or through the employee saving plan's mutual funds, depending on local legislation, and are subject to a mandatory five- or ten-year lock-up, except following the occurrence of certain events. The Board of Directors delegates authorization for setting the subscription price to the Chief Executive Officer of Compagnie de Saint-Gobain. The subscription price corresponds to the average of the opening prices for the Saint-Gobain share on Euronext Paris over the 20 trading days preceding the date of the decision, subject to a 20% discount, in accordance with applicable laws, the Shareholders' Meeting resolutions and the deliberations of the Board of Directors. The Group makes a matching contribution to amounts paid in by employees, which is expensed in the consolidated financial statements.

The Group recorded an IFRS 2 expense representing the benefit granted to employees, which amounted to €23.7 million in 2023 (€9.3 million in 2022).

The Saint-Gobain Group implemented a new PEG in the first half of 2023. As approved by the Chief Executive Officer on March 13, 2023, the reference price is €55.24 (€56.48 in 2022), representing a subscription price of €44.19 (€45.19 in 2022) after a 20% discount.

In 2023, 4,778,291 new shares with a par value of €4 were issued to employees under the PEG at an average subscription price of €44.19 (4,916,097 shares at an average price of €45.19 in 2022), representing a share capital increase of €210 million (€222 million in 2022), net of transaction fees.

6.4.2 Stock option plans

Until 2018, Compagnie de Saint-Gobain operated stock option plans for certain employees.

Under these plans, the Board of Directors granted options allowing beneficiaries to obtain Saint-Gobain shares at a price set, at no discount, by reference to the average of the opening prices for the Saint-Gobain share over the 20 stock market trading days preceding the date of the decision by the Board of Directors.

For all of the plans, beneficiaries must wait at least four years from the grant date to exercise any options. None of the options received may be exercised until this four-year period has lapsed. Options must be exercised within 10 years of the grant date. Except in specified circumstances, grantees forfeit these options if they leave the Group.

Among the plans outstanding at December 31, 2023, the 2015, 2016 and 2017 plans offer stock purchase options. The 2018 plan was classified as a stock subscription option plan further to a decision of the Board of Directors in 2022, prior to the start of the exercise period.

A performance condition applies for all beneficiaries under current plans.

No stock option plans have been launched since 2019.

The following table presents changes in the number of outstanding options:

	€4 par value shares	Average exercise price (*in EUR*)
OPTIONS OUTSTANDING AT DECEMBER 31, 2021	**551,489**	**38.03**
Options granted	0	
Options exercised	(28,977)	40.97
Options forfeited	(36,691)	31.71
OPTIONS OUTSTANDING AT DECEMBER 31, 2022	**485,821**	**38.32**
Options granted	0	
Options exercised	(143,670)	35.23
Options forfeited*	(4,536)	38.80
OPTIONS OUTSTANDING AT DECEMBER 31, 2023	**337,615**	**39.62**

* *Including 4,536 options that lapsed after the exercise period under the 2013 stock option plan expired (no options lapsed due to the non-fulfillment of performance conditions or the withdrawal of rights).*

The cost of stock option plans is calculated using the Black & Scholes option pricing model.

The following inputs were used:

- volatility assumptions that take into account the historical volatility of the share price over a rolling 10-year period, as well as implied volatility from traded share options. Periods of extreme share price volatility are disregarded;
- assumptions relating to the average holding period of options, based on observed behavior of option holders;
- expected dividends, as estimated on the basis of historical dividend information dating back to 1988;
- a risk-free interest rate corresponding to the yield on long-term government bonds;
- the effect of any stock market performance conditions, which is taken into account in the initial measurement of IFRS 2 share-based payment expense.

The cost calculated using this method is recognized in the income statement over the vesting period of the options, which is a maximum of four years.

Under IFRS 2, the expense attributable to the amortization of stock options granted under previous plans was zero in 2023 (€0.1 million in 2022).

The table below summarizes information about stock options outstanding at December 31, 2023, after taking into account partial fulfillment of the performance criteria attached to certain plans:

	Exercisable options outstanding			
Grant date	Exercise price *(in EUR)*	Number of options	Weighted average contractual life *(in months)*	Type of options
2015	39.47	34,465	23	Purchase
2016	40.43	39,885	35	Purchase
2017	49.38	111,851	47	Purchase
2018	32.24	151,414	59	Subscription
TOTAL		**337,615**		

At December 31, 2023, 337,615 options were exercisable at an average exercise price of €39.62. All options are now exercisable.

6.4.3 Performance share and performance unit grants

Performance share plans

Since 2009, performance share plans have also been set up for certain categories of employees. These plans are subject to eligibility criteria based on the grantee's period of service (service conditions) with the Group as well as performance criteria (performance conditions), which are described below. The IFRS 2 share-based payment expense takes into account these conditions. It is determined after deducting the present value of the dividends forfeited on the performance shares and is recognized over the vesting period, not exceeding four years.

At December 31, 2023, there were four outstanding performance share plans, approved by the Board of Directors in 2020, 2021, 2022 and on November 23, 2023.

The expense recorded for these plans in the 2023 income statement amounted to €38.3 million (2022: €33.2 million).

All plans are subject to service and performance conditions. The vesting period for the shares awarded under these plans is four years and the shares will be delivered under all plans the fourth day after the end of the vesting period for the 2020, 2021, 2022 and 2023 plans.

The table below shows changes in the number of performance share rights:

	Number of rights
NUMBER OF PERFORMANCE SHARE RIGHTS AT DECEMBER 31, 2021	**4,920,759**
Performance share rights granted in November 2022	1,232,792
Shares issued/delivered	(1,076,098)
Lapsed and canceled rights	(141,921)
NUMBER OF PERFORMANCE SHARE RIGHTS AT DECEMBER 31, 2022	**4,935,532**
Performance share rights granted in November 2023	1,268,633
Shares issued/delivered	(1,159,695)
Lapsed and canceled rights*	(92,075)
NUMBER OF PERFORMANCE SHARE RIGHTS AT DECEMBER 31, 2023	**4,952,395**

* *Including 92,075 rights that lapsed after they had been withdrawn (no rights lapsed because the performance conditions had only been partly met).*

The fair value of the performance shares corresponds to the Saint-Gobain share price on the grant date, less the value of dividends not payable on the shares during the vesting period. The expense is recognized over the vesting period, which covers a maximum of four years.

The following table shows the expected dates when shares under the four performance share plans outstanding at December 31, 2023 will be delivered (except in the case of early release following the grantee's death or disability, along with the service and performance conditions remaining to be fulfilled):

Grant date	Number of rights granted at inception of the plan	Deliveries	Number of rights at December 31, 2023*	Delivery date	Type of shares
November 26, 2020	1,268,295	1,100	1,267,195	November 29, 2024	existing
November 25, 2021	1,184,475	700	1,183,775	November 28, 2025	existing
November 24, 2022	1,232,792		1,232,792	November 27, 2026	existing
November 23, 2023	1,268,633		1,268,633	November 26, 2027	existing
TOTAL	**4,954,195**	**1,800**	**4,952,395**		

* *Subject to fulfillment of the service and performance conditions applicable to each plan.*

Performance unit plans

Performance unit plans subject to service and performance conditions were set up every year between 2012 and 2015 for certain management-grade employees and senior managers of the Group in France. These plans do not give rise to the delivery of shares but entitle grantees to receive cash compensation deferred over the long-term (exercise period between four and ten years after the grant date), the amount of which will be determined by reference to Saint-Gobain's share price. These plans are also subject to service and performance conditions. The IFRS 2 share-based payment expense therefore takes into account these factors, as well as the fact that the units are cash-settled. IFRS 2 stipulates that for cash-settled share-based payment transactions, the granted instruments are initially measured at fair value at the grant date, then remeasured at the end of each reporting period, with the expense adjusted accordingly pro rata to the rights that have vested at the reporting date. The expense is recognized over the vesting period of the rights.

No long-term compensation plan in the form of performance units has been set up since 2016.

Since the vesting period of the last plan ended in 2019, there are no longer any expenses in respect of such plans.

NOTE 7 INTANGIBLE ASSETS, PROPERTY, PLANT AND EQUIPMENT, AND RIGHT-OF-USE ASSETS

7.1 Goodwill

When an entity is acquired by the Group, its identifiable assets acquired, liabilities assumed and contingent liabilities are recognized at their fair value. IFRS allows a 12-month period after the acquisition date ("measurement period") to identify the assets and liabilities of the acquired entity that were not recognized in the initial accounting for the combination, and to retroactively modify the amounts initially allocated.

The final acquisition price ("consideration transferred" in IFRS 3R), including, as appropriate, the estimated fair value of any earn-out payments or other deferred consideration ("contingent consideration" in IFRS 3R), is determined in the 12 months following the acquisition. Under IFRS 3R, any adjustments to the acquisition price beyond this 12-month period are recorded in the income statement. Directly attributable acquisition costs are expensed as incurred.

In addition, goodwill is recognized only at the date that control is achieved. Any subsequent increase in ownership interest (without change of control) is recorded as a change in equity without adjusting goodwill.

Goodwill is recorded in the consolidated balance sheet as the difference between (i) the acquisition-date fair value plus the amount of any non-controlling interests in the acquiree - measured either at fair value (full goodwill method) or at the proportionate interest in the fair value of the net identifiable assets acquired (partial goodwill method) - and (ii) the net amount of assets and liabilities acquired at their fair value at the acquisition date. The Group generally applies the partial goodwill method and the amount of goodwill calculated under the full goodwill method is not therefore material.

Any excess of the cost of an acquisition over the fair value of the Group's share of the assets and liabilities of the acquired entity is recorded as goodwill. If the fair value of the net assets acquired and liabilities assumed exceeds their acquisition cost, this negative difference is recognized in the income statement in the year of acquisition.

Changes in goodwill in 2023 and 2022 are detailed below:

(in EUR millions)	Dec. 31, 2023	Dec. 31, 2022
At January 1		
Gross value	14,304	13,399
Accumulated impairment	(1,446)	(2,218)
NET VALUE	**12,858**	**11,181**
Changes during the period		
Impairment	(81)	(28)
Translation adjustments and restatement for hyperinflation	(162)	(37)
Changes in Group structure	496	1,742
TOTAL CHANGES	**253**	**1,677**
At December 31		
Gross value	14,534	14,304
Accumulated impairment	(1,423)	(1,446)
NET VALUE	**13,111**	**12,858**

In 2023, changes in Group structure relate mainly to the first-time consolidation of companies following the acquisition of Building Products of Canada Corp. (see note 4.2.1, p. 311) for €532 million; and to the finalization of the GCP purchase price accounting, which resulted in a €199 million reduction in goodwill.

Goodwill impairment losses were recognized for a total of €81 million against individual assets during the period. The amount recorded under "Translation adjustments and restatement for hyperinflation" primarily reflects the impacts of fluctuations in the US dollar, Turkish lira, pound sterling, Norwegian krone and Argentine peso.

In 2022, changes in Group structure mainly concerned first-time consolidations, in particular following the acquisition of GCP (see note 4.2.1, p. 311) for €1,490 million; the finalization of the Chryso purchase price accounting, which resulted in a €229 million reduction in goodwill; and the acquisitions of Kaycan and Impac for €355 million and €51 million, respectively.

Impairment losses were recognized for a total of €28 million, mainly against individual assets in the period. The translation adjustments and restatements for hyperinflation primarily reflected the impacts of fluctuations in the pound sterling, US dollar, Norwegian krone, Canadian dollar, Swedish krona, Brazilian real and Argentine peso.

7.2 Other intangible assets

Other intangible assets primarily include brands, customer relationships, intellectual property, software, patents and development costs. They are measured at historical cost less accumulated amortization and impairment.

Certain retail or manufacturing brands acquired are treated as intangible assets with indefinite useful lives as they have a strong national and/or international reputation. These brands are not amortized but are tested systematically for impairment on an annual basis. Other brands are amortized over their useful lives, not exceeding 40 years.

Customer relationships are amortized over the attrition period used to value these assets.

Costs incurred to develop software in-house – primarily configuration, programming and testing costs – are recognized as intangible assets. Patents and purchased computer software are amortized over their estimated useful lives, not exceeding 20 years for patents and three to five years for software.

Research costs are expensed as incurred. Development costs meeting the recognition criteria under IAS 38 are included in intangible assets and amortized over their estimated useful lives (not exceeding five years) from the date when the products to which they relate are first marketed.

Changes in other intangible assets during 2023 and 2022 are analyzed below:

(in EUR millions)	Brands	Intellectual property and customer relationships	Software	Other	Total intangible assets
At January 1, 2022					
Gross value	2,294	651	1,411	548	4,904
Accumulated amortization and impairment	(589)	(157)	(1,069)	(384)	(2,199)
NET VALUE	**1,705**	**494**	**342**	**164**	**2,705**
Changes during the period					
Acquisitions			42	63	105
Disposals			(6)	(2)	(8)
Translation adjustments and restatement for hyperinflation	(43)	(85)	(3)	1	(130)
Amortization*	(15)	(105)	(119)	(13)	(252)
Impairment	(6)			(71)	(77)
Transfers			72	(72)	0
Changes in Group structure and other	323	1,355	(3)	8	1,683
Assets held for sale			(49)	49	0
TOTAL CHANGES	**259**	**1,165**	**(66)**	**(37)**	**1,321**
At December 31, 2022					
Gross value	2,190	1,897	1,345	492	5,924
Accumulated amortization and impairment	(226)	(238)	(1,069)	(365)	(1,898)
NET VALUE	**1,964**	**1,659**	**276**	**127**	**4,026**
Changes during the period					
Acquisitions			35	80	115
Disposals			(5)		(5)
Translation adjustments and restatement for hyperinflation	12	(47)	(2)	(4)	(41)
Amortization*	(16)	(169)	(109)	(7)	(301)
Impairment	(4)		(4)	(6)	(14)
Transfers			52	(52)	0
Changes in Group structure and other	(122)	698	3	6	585
Assets held for sale			2	1	3
TOTAL CHANGES	**(130)**	**482**	**(28)**	**18**	**342**
At Dec. 31, 2023					
Gross value	1,982	2,540	1,389	509	6,420
Accumulated amortization and impairment	(148)	(399)	(1,141)	(364)	(2,052)
NET VALUE	**1,834**	**2,141**	**248**	**145**	**4,368**

* *"Amortization" includes amortization charged against intangible assets within the scope of purchase price accounting, representing €181 million in 2023 (2022: €116 million).*

The breakdown of brands, intellectual property and customer relationships by segment is provided in the segment information tables under note 5, p. 316.

In 2023, changes in Group structure mainly concern the first-time consolidation of companies following the acquisition of Building Products of Canada Corp. for €421 million; GCP purchase price accounting adjustments on customer relationships (€247 million), intellectual property (€128 million) and brands (negative €131 million); and Kaycan purchase price accounting adjustments representing a total negative amount of €116 million. The translation adjustments and restatements for hyperinflation primarily reflect the impacts of fluctuations in US dollar, in Swiss franc and in pound sterling.

In 2022, changes in Group structure corresponded mainly to adjustments to the purchase price accounting relating to brands and customer relationships in the Chryso acquisition, representing €16 million and €277 million, respectively. They also included GCP's brands and customer relationships for a total amount of €811 million, Kaycan's brands and customer relationships for a total amount of €504 million, and Impac's customer relationships for a total amount of €30 million. Impairment losses were recognized for a total of €77 million, mainly against assets held for sale. The translation adjustments and restatements for hyperinflation primarily reflected the impacts of fluctuations in the Canadian and US dollars, and in pound sterling.

7.3 Property, plant and equipment

Land, buildings and equipment are carried at historical cost less accumulated depreciation and impairment.

Cost may also include incidental expenses directly attributable to the acquisition, as well as the impact of transfers from equity of any gains/losses on qualifying cash flow hedges of property, plant and equipment purchases.

Expenses incurred in exploring and evaluating mineral resources are included in property, plant and equipment when it is probable that associated future economic benefits will flow to the Group. They include mainly the costs of topographical or geological studies, drilling costs, sampling costs and all costs incurred in assessing the technical feasibility and commercial viability of extracting the mineral resource.

Material borrowing costs incurred for the construction and acquisition of property, plant and equipment are included in the cost of the related asset if they are significant.

Property, plant and equipment are considered as having no residual value, as they chiefly consist of industrial assets that are intended to be used until the end of their useful lives.

Property, plant and equipment other than land are depreciated using the components approach on a straight-line basis over the following estimated useful lives, which are regularly reviewed:

• Major factories and offices	30-40 years
• Other buildings	15-25 years
• Production machinery and equipment	5-16 years
• Vehicles	3-5 years
• Furniture, fixtures, office and computer equipment	4-16 years

Gypsum quarries are depreciated over their estimated useful lives, based on the quantity of gypsum extracted during the year compared with extraction capacity.

Provisions for site restoration are recognized as a component of assets whenever the Group has a legal or constructive obligation to restore a site in accordance with contractually determined conditions or in the event of a sudden deterioration in site conditions. These provisions are reviewed periodically and may be discounted over the expected useful lives of the assets concerned. The component is depreciated over the same useful life as that used for mines and quarries.

Changes in property, plant and equipment in 2023 and 2022 are analyzed below:

(in EUR millions)	Land and quarries	Buildings	Machinery and equipment	Assets under construction	Total property, plant and equipment
At January 1, 2022					
Gross value	2,380	8,161	19,848	1,611	32,000
Accumulated depreciation and impairment	(677)	(4,998)	(14,646)	(16)	(20,337)
NET VALUE	**1,703**	**3,163**	**5,202**	**1,595**	**11,663**
Changes during the period					
Acquisitions	35	81	287	1,432	1,835
Disposals	(21)	(30)	(23)	(6)	(80)
Translation adjustments and restatement for hyperinflation	6	23	33	22	84
Depreciation	(37)	(256)	(902)	(1)	(1,196)
Impairment	(2)	(129)	(38)		(169)
Transfers		267	943	(1,210)	0
Changes in Group structure and other	35	76	126	17	254
Assets held for sale	(93)	(73)	(36)	(26)	(228)
TOTAL CHANGES	**(77)**	**(41)**	**390**	**228**	**500**
At December 31, 2022					
Gross value	2,329	8,085	20,896	1,841	33,151
Accumulated depreciation and impairment	(703)	(4,963)	(15,304)	(18)	(20,988)
NET VALUE	**1,626**	**3,122**	**5,592**	**1,823**	**12,163**
Changes during the period					
Acquisitions	53	57	256	1,548	1,914
Disposals	(11)	(23)	(24)	(7)	(65)
Translation adjustments and restatement for hyperinflation	(17)	(12)	(30)	(37)	(96)
Depreciation	(35)	(235)	(906)	2	(1,174)
Impairment	(1)	(23)	(91)	(10)	(125)
Transfers		232	849	(1,081)	0
Changes in Group structure and other	49	59	37	4	149
Assets held for sale		(18)	(4)		(22)
TOTAL CHANGES	**38**	**37**	**87**	**419**	**581**
At December 31, 2023					
Gross value	2,393	8,265	21,322	2,271	34,251
Accumulated depreciation and impairment	(729)	(5,106)	(15,643)	(29)	(21,507)
NET VALUE	**1,664**	**3,159**	**5,679**	**2,242**	**12,744**

In 2023, changes in Group structure mainly concern the first-time consolidation of companies, in particular following the acquisition of Building Products of Canada Corp. for €56 million; and GCP and Kaycan purchase price accounting adjustments representing €37 million and €73 million, respectively. Impairment losses are recognized for a total of €125 million. The translation adjustments and restatements for hyperinflation primarily reflect the impacts of fluctuations in the US dollar, Mexican peso, Argentine perso, Polish zloty, Chinese yuan renminbi, Indian rupee, Brazilian real, Russian ruble and Turkish lira.

In 2022, changes in Group structure related mainly to adjustments to the purchase price accounting for the Chryso acquisition and the first-time consolidation of GCP and Impac. Impairment losses were recognized for a total of €169 million, mainly against assets held for sale. The translation adjustments and restatements for hyperinflation primarily reflected the impacts of fluctuations in the US dollar, Mexican peso, Brazilian real, pound sterling, Indian rupee, Egyptian pound, Argentine peso and Swedish krona.

7.4 Right-of-use assets linked to leases

The Saint-Gobain Group applies IFRS 16 and restates all of its leases.

The following recognition exemptions proposed by IFRS 16 have been used by the Group:

- leases with a lease term of 12 months or less;
- leases where the underlying asset has a value of less than US$5,000 when new.

Property leases

The lease term corresponds to the non-cancelable period of the lease, plus any renewal (or termination) options that the Group is reasonably certain to exercise (or not to exercise). The Group determined whether or not lease renewal (or termination) options were reasonably certain to be exercised based on the location of, and any improvements inseparable from, the leased asset. The lease term at inception for "3/6/9-year" commercial leases in France is generally nine years. The Group did not identify any material leases with similar characteristics in other countries.

The discount rate used to calculate the lease liability is the incremental borrowing rate. This rate is applied at the commencement of the lease or at the date of the decision to renew the lease. The Group calculated the rate applicable to each lease contract on the basis of its duration, which reflects the payment profile of the lease liability.

The useful life of non-movable leasehold improvements cannot exceed the useful life of the right-of-use assets to which they relate.

Leases other than property leases

The main leases identified correspond to leases of vehicles, machinery and production equipment.

The lease capitalization period (lease term) represents the non-cancelable period of the lease. Where leases provide for a renewal (or termination) option, the Group determined whether or not that option was reasonably certain to be exercised based on the ease with which the leased asset could be replaced and its criticality.

The discount rate used to determine the lease liability is calculated using the same approach as for property leases.

The interest rate implicit in the lease is used as the discount rate only in the case of non-property leases and only if this is expressly stipulated in the lease contract.

Although leases can generally incorporate indexation clauses, lease liabilities are measured based solely on indexes known at the end of the reporting period.

In 2023, right-of-use assets linked to leases related mainly to land and buildings for €2,343 million (€2,336 million at December 31, 2022) and to machinery and equipment for €467 million (€416 million at December 31, 2022).

Lease payments made under low-value and/or short-term leases, along with variable lease payments or lease payments falling outside the scope of IFRS 16, totaled €206 million at December 31, 2023 (€195 million at December 31, 2022).

The table below presents right-of-use assets for lease contracts by category:

(in EUR millions)	Land and buildings	Machinery and equipment	Total
At January 1, 2022			
Gross value	5,761	1,133	6,894
Accumulated depreciation and impairment	(3,342)	(593)	(3,935)
NET VALUE	**2,419**	**540**	**2,959**
Changes during the period			
New leases	570	194	764
Disposals		(4)	(4)
Translation adjustments and restatement for hyperinflation	(38)	(4)	(42)
Depreciation	(491)	(225)	(716)
Impairment	(10)		(10)
Changes in Group structure and other	54	(8)	46
Assets held for sale	(168)	(77)	(245)
TOTAL CHANGES	**(83)**	**(124)**	**(207)**
At December 31, 2022			
Gross value	5,521	901	6,422
Accumulated depreciation and impairment	(3,185)	(485)	(3,670)
NET VALUE	**2,336**	**416**	**2,752**
Changes during the period			
New leases	565	263	828
Disposals	(8)	(2)	(10)
Translation adjustments	(26)	(2)	(28)
Depreciation	(480)	(212)	(692)
Impairment	(8)		(8)
Changes in Group structure and other	13	2	15
Assets held for sale	(49)	2	(47)
TOTAL CHANGES	**7**	**51**	**58**
At December 31, 2023			
Gross value	5,552	983	6,535
Accumulated depreciation and impairment	(3,209)	(516)	(3,725)
NET VALUE	**2,343**	**467**	**2,810**

7.5 Impairment review

7.5.1 Definition of groups of CGUs and goodwill values

Following the implementation of the "Transform & Grow" and "Grow & Impact" programs, the Group strategy is no longer based on a matrix organization by business/delegation, but on a new organization of its businesses by country. The aim is to provide Saint-Gobain customers with a multi-product offering on local markets or as part of the High Performance Solutions (HPS) business. These organizational changes led the Group to redefine the basis for managing its industrial assets: its regional businesses (Industry, Distribution) are now managed by geographic area (Region), while its global businesses within the High Performance Solutions segment are managed by Business Unit. Its CGU organization was therefore also adapted accordingly, and now corresponds to the level at which the Group's Chief Operating Decision Maker reviews operations and makes decisions about resources.

Since 2019, the Group has gradually adapted and streamlined its groups of CGUs in order to bring their structure into line with its new organization (the Flat Glass CGU and the Construction Products groups of CGUs are now organized by Region, with no impact on the recoverable amount of these groups of CGUs given the significant headroom for each). It has also taken account of the significant changes in Group structure (disposals of Lapeyre, Distribution Germany, Distribution Netherlands, Distribution UK and Pipe in China; acquisitions of Chryso and GCP, leading to the creation of a Construction Chemicals group of CGUs).

In order to test for impairment, goodwill is allocated to each of the groups of CGUs, which now perfectly reflect the organization of management and internal reporting, and remain at a smaller level than the operating segments as required by IAS 36.

In 2023, the Group monitored and tested 17 groups of CGUs following the disposal of its UK Distribution business.

The carrying amounts of goodwill at December 31, 2023 are as follows by operating segment:

(in EUR billions)	Goodwill, net Dec. 31, 2023	Dec. 31, 2022
High Performance Solutions	3.0	3.2
Northern Europe	4.2	4.2
Southern Europe – ME & Africa	2.1	2.1
Americas	3.5	3.1
Asia-Pacific	0.3	0.3
TOTAL	**13.1**	**12.9**

7.5.2 Impairment of property, plant and equipment, intangible assets, goodwill and right-of-use assets: testing approach

The Group carries out impairment tests on property, plant and equipment, right-of-use assets, goodwill and other intangible assets whenever there is any indication of impairment. These tests consist of comparing the asset's carrying amount to its recoverable amount. The recoverable amount is the higher of the asset's fair value less disposal costs and its value in use.

The Group's main indicator of impairment is a downward trend in EBITDA for a group of CGUs of more than 10% year-on-year.

Actual and projected business performance within each group of CGUs is therefore monitored on a very regular basis (four "rolling forecast" phases each year, plus the budget campaign), enabling any downward trends to be identified. Each year, Saint-Gobain also verifies that budgets for the businesses within its groups of CGUs are in line with the business plans used in the most recent DCF tests.

Furthermore, in accordance with IAS 36, goodwill and non-amortizable brands are tested for impairment each year at the level of the groups of CGUs to which they relate. Impairment is tested by comparing the net carrying amount of the assets with their recoverable value.

The tests use a two-tier approach:

1. **A first "simplified" approach estimates value based on EBITDA multiples.**

Most of the EBITDA multiples used are taken from external public sources and relate to the stock market valuation of a sample of comparable listed companies as drawn up by the Strategy department, each representing one of the Group's main business activities.

The average EBITDA for each business activity over the past three years is multiplied by the associated multiple taken from the sample. By weighting the proportion that EBITDA for each business activity represents of the total EBITDA for the group of CGUs in question, an EBITDA multiple is calculated for each group of CGUs. These market comparable multiples are updated each year.

Use of this first simplified approach can be justified by the significant headroom for all groups of CGUs, with the exception of the three groups of CGUs deemed sensitive and discussed specifically in note 7.5.3.

The multiples used for 2023 and 2022 are as follows:

	EBITDA multiples		
Operating segments	**2023**	**2022**	**Changes**
High Performance Solutions	9.4	9.0	0.4
Northern Europe	9.4	9.7	(0.3)
Southern Europe – ME & Africa	7.7	6.8	0.9
Americas (Industries)	8.9	8.0	0.9
Asia-Pacific	8.6	7.4	1.2

A sensitivity analysis was performed by applying a 10% discount to each of the EBITDA multiples adopted. Given the significant headroom at end-2023, this change applied to each group of non-sensitive CGUs would not have led to the recognition of any additional impairment.

2. **A second approach that determine value in use using the discounted cash flow (DCF) method. This approach is used:**

a. when groups of CGUs are classified as sensitive, i.e., when their recoverable amount based on the multiples approach is less than or approximates the net carrying amount of the assets, or when groups of CGUs were already classified as sensitive at the end of the previous reporting period (Distribution Brazil, Pipe Europe and Pipe Latin America at end-2022);

b. when there is an indication of impairment; or

c. when an event occurs that is likely to significantly alter the Group's organization, business model or one of its businesses/markets.

In the tests performed using the DCF approach, value in use is calculated using the net present value of future cash flows excluding interest but including tax. It is determined using assumptions made by management based on estimates and judgments including future changes in sales, profitability, investments and other cash flows arising from the use of the corresponding assets, as well as the discount rate applied to future cash flows. This approach projects the cash flows forecast in the last year of the three-year business plan a further two years, and then projects them to perpetuity using an annual growth rate.

During the impairment tests performed using the DCF approach, different assumptions measuring the method's sensitivity are systematically tested using the following inputs:

- 0.5% increase in the discount rate applied to cash flows;
- 0.5% decrease in the annual average rate of growth in cash flows projected to perpetuity;
- 1-point decrease in the operating income rate for Industry activities and a 0.5-point decrease for Distribution activities.

When the annual impairment test reveals that the recoverable amount of an asset is less than its carrying amount, an impairment loss is recorded.

Impairment losses on goodwill can never be reversed through income. For property, plant and equipment and other intangible assets, an impairment loss recognized in prior periods may be reversed, taking into account depreciation/amortization adjustments, if there is an indication that the impairment no longer exists and that the recoverable amount of the asset concerned exceeds its carrying amount.

Assets and liabilities held for sale are carried at the lower of their fair value less costs to sell and their net carrying amount.

7.5.3 Sensitive groups of CGUs

Three CGUs or groups of CGUs were identified as sensitive at the end of December 2023: Distribution Brazil, Pipe Europe and Pipe Latin America.

In 2023, the discount rates used for sensitive groups of CGUs were 8.0% for Pipe Europe, 12.1% for Pipe Latin America and 14.1% (local currency) for Distribution Brazil. Annual perpetual growth rates in 2023 were 1.5% for Pipe Europe, 1.8% for Pipe Latin America and 3.0% for Distribution Brazil.

Sales for the Pipe Europe group of CGUs in 2023 were stable compared with 2022, with sales up in Italy, virtually unchanged in France and Spain, but down in Northern and Central Europe as many local authorities postponed investment projects. This led to the use of furlough schemes and a decline in production from the second quarter onwards. The business is expected to be stable in 2024. The operating income rate is expected to improve, spurred by a plan to adapt the organization of production and to optimize overheads.

At constant exchange rates, 2023 sales for the Pipe Latin America group of CGUs were slightly up on 2022 despite the political transition in Brazil which slowed the development of new projects, driven by major export projects in Uruguay, Panama and Peru, for example. Operating income excluding non-recurring items and the devaluation of the Argentine peso at the end the year was stable compared with 2022. The operating income rate should improve in 2024 due to planned fixed cost savings.

It should be noted that a 1.0% increase in the discount rate, combined with a 1.0% decrease in the average annual growth rate, would not have resulted in the recognition of any impairment against assets at the level of the Pipe Europe and Pipe Latin America groups of CGUs. Similarly, a 1-point decrease in the operating income rate would not have resulted in the recognition of any impairment against assets in the two groups of Pipe CGUs.

Against the backdrop of a sharp slowdown in the Brazilian real estate market, sales for the Distribution Brazil CGU declined in 2023 at constant exchange rates. This downturn in business resulted in an operating loss in 2023, leading the Group to recognize impairment against property, plant and equipment and intangible assets for €35 million at the end of 2023.

7.5.4 Asset valuation and sensitivity to CO_2 prices

The Group now has highly structured roadmaps on which its net-zero-emissions target is based. These roadmaps consist of many different action plans and industrial projects (energy efficiency, alternative energies, electrification, etc.), detailed for each site and aimed at reducing scope 1 direct emissions, combined with a growing number of new Purchase Power Agreements (PPAs) and Virtual Purchase Power Agreements (VPPAs) on a country-by-country basis, designed to reduce scope 2 indirect emissions.
Following a major effort to improve the integrity and automated process for CO_2 data reporting, along with the implementation of an internal tool for calculating, using and communicating such data, the Group is now able to consolidate and analyze quantitative changes in its CO_2 emissions on a monthly basis, as well as the nature of these changes.

CO_2 data is now an integral part of the KPIs tracked by each local Saint-Gobain manager in the same way as financial data, and is therefore included in all of the Group's forecasting phases (budget and strategic plan).

These CO_2 roadmaps are used within the scope of the annual tests of sensitivity to changes in CO_2 prices, conducted in parallel with the annual impairment tests for groups of CGUs. Based on information on current CO_2 emissions from production sites, and factoring in projections and assumptions as regards business trends and CO_2 emissions reductions (scopes 1 and 2), validated by each of the Regions and by High Performance Solutions, a projection of future CO_2 emissions was determined for each site up to 2030.

These projections take into account planned investments to:

- Maximize energy efficiency by exploring all energy switching options (biofuel, hydrogen or synthetic fuel, green electricity);
- Make products lighter, replace them with low-carbon alternatives, increase recycled content and significantly rethink formulations and processes.

For the European Union scope, the Group has determined projected changes in CO_2 emissions up to 2030 as per the roadmaps drawn up for each Region up to 2030, taking into account historical business levels, a factor reflecting exposure to the risk of carbon leakage in a carbon emissions trading system, and the stock of CO_2 emissions allowances held at the end of December 2023. As expected, the Group takes into account the gradual reduction in free CO_2 emissions allowances granted to industrial sites under the EU Emissions Trading Scheme.

These CO_2 emissions were valued on the basis of a euro price per tonne resulting from a panel of analysts as of the end of 2023 (source: Carbon Market Pulse Limited, an independent private company based in London).

(in euros/tonne)	2024	2025	2026	2027	2030
Analysts average	90	93	112	127	159

For the non-European scope, forecast reductions in CO_2 emissions as per the roadmaps for each Region were also taken into account, and tonnes of CO_2 emitted were priced in the tests assuming a fixed price of €100 per tonne as from 2024 and no government support schemes such as CO_2 emissions allowances. This assumption of €100 per tonne is consistent with the application of an internal carbon price set by Saint-Gobain, and is conservative in that few countries outside Europe have so far defined a price per tonne of carbon.

The recoverable amounts of assets determined based on the EBITDA multiples or DCF approaches were impacted by the forecast costs of CO_2 emissions – net of the free emissions allowances received – projected to perpetuity, and compared to the net carrying amount of assets at December 31, 2023 (property, plant and equipment, intangible assets and working capital). These sensitivity analyses, carried out based on the assumptions set out above, would not have led to the recognition of any impairment against the net assets in any group of CGUs, given the significant headroom observed for the main groups of CGUs.

NOTE 8 INVESTMENTS IN EQUITY-ACCOUNTED COMPANIES AND OTHER NON-CURRENT ASSETS

A joint venture is a joint arrangement whereby the parties have joint control of the arrangement, and decisions about the relevant activities require the unanimous consent of the parties sharing control. The parties that have joint control of the arrangement have rights to the net assets of the arrangement. By contrast, an associate is an entity over which a partner has significant influence over the power to participate in decisions, but not control.

Under IAS 28, investments in both associates and joint ventures must be recognized using the same equity-accounting consolidation method.

8.1 Changes in investments in equity-accounted companies

Changes in investments in equity-accounted companies in 2023 and 2022 can be analyzed as follows:

(in EUR millions)	2023	2022
At January 1		
Group share in:		
Associates	249	221
Joint ventures	350	283
TOTAL	**599**	**504**
Goodwill	40	32
INVESTMENTS IN EQUITY-ACCOUNTED COMPANIES	**639**	**536**
Changes during the period		
Group share in net income of associates	44	27
Group share in net income of joint ventures	45	39
Dividends paid	(20)	(8)
Translation adjustments and restatement for hyperinflation	(110)	40
Acquisitions and capital increases	103	1
Changes in Group structure, transfers and other variations	4	4
TOTAL CHANGES	**66**	**103**
At December 31		
Group share in:		
Associates	281	249
Joint ventures	333	350
TOTAL	**614**	**599**
Goodwill	91	40
INVESTMENTS IN EQUITY-ACCOUNTED COMPANIES	**705**	**639**

Acquisitions of equity-accounted companies in 2023, representing €103 million, mainly relate to the acquisition of Dalsan (cf. note 4.2.1 p. 311).

Investments in non-core business equity-accounted companies represented €67 million at December 31, 2023 (unchanged from end-2022).

The principal financial aggregates of equity-accounted companies are as follows:

	2023			2022		
(in EUR millions)	Associates	Joint ventures	Total	Associates	Joint ventures	Total
Sales	1,603	962	2,565	1,613	886	2,499
Net income	125	91	216	98	79	177
Non-current assets	680	482	1,162	663	610	1,273
Current assets	969	413	1,382	919	352	1,271
Non-current liabilities	1,180	745	1,925	1,120	800	1,920
Current liabilities	469	150	619	462	162	624
Shareholders' equity	942	693	1,635	885	729	1,614

8.2 Transactions with equity-accounted companies – related parties

The consolidated financial statements include transactions conducted by the Group in the normal course of its businesses with associates and joint ventures. These transactions are carried out on an arm's length basis.

The assets and liabilities of equity-accounted companies at December 31 are as follows:

(in EUR millions)	Dec. 31, 2023	Dec. 31, 2022
Financial receivables	35	33
Inventories	0	2
Short-term receivables	12	18
Cash and cash equivalents	1	0
Short-term debt	5	10
Cash advances	0	0

Purchases and sales transactions with equity-accounted companies are as follows:

(in EUR millions)	2023	2022
Purchases	41	111
Sales	35	53

8.3 Other non-current assets

Changes in other non-current assets in 2023 and 2022 are analyzed below:

(in EUR millions)	Equity investments and other	Loans, deposits and surety	Total other non-current assets
At January 1, 2022			
Gross value	152	403	555
Provisions for impairment	(22)	(5)	(27)
NET VALUE	**130**	**398**	**528**
Changes during the period			
Increases (decreases)	93	(48)	45
Provisions for impairment		(1)	(1)
Translation adjustments and restatement for hyperinflation	1	11	12
Transfers and other movements	(3)	23	20
Changes in Group structure	(42)	5	(37)
Changes in fair value	(10)	(10)	(20)
Assets held for sale		(10)	(10)
TOTAL CHANGES	**39**	**(30)**	**9**
At December 31, 2022			
Gross value	175	374	549
Provisions for impairment	(6)	(6)	(12)
NET VALUE	**169**	**368**	**537**
Changes during the period			
Increases (decreases)	127	(27)	100
Provisions for impairment	(4)	1	(3)
Translation adjustments and restatement for hyperinflation	(3)	1	(2)
Transfers and other movements		3	3
Changes in Group structure	(39)	1	(38)
Changes in fair value	(2)	2	0
Assets held for sale		(1)	(1)
TOTAL CHANGES	**79**	**(20)**	**59**
At December 31, 2023			
Gross value	258	356	614
Provisions for impairment	(10)	(8)	(18)
NET VALUE	**248**	**348**	**596**

NOTE 9 OTHER CURRENT AND NON-CURRENT LIABILITIES AND PROVISIONS, CONTINGENT LIABILITIES AND LITIGATION

A provision is booked when (i) the Group has a present legal or constructive obligation towards a third party as a result of a past event, (ii) it is probable that an outflow of resources will be required to settle the obligation, and (iii) the amount of the obligation can be estimated reliably.

If the amount or due date of the obligation cannot be estimated reliably, it is classified as a contingent liability and reported as an off-balance sheet commitment.

Provisions for other material liabilities and charges whose timing can be estimated reliably over the long term are discounted to present value.

9.1 Provisions for other liabilities and charges

The table below provides a breakdown by type along with details of changes in other provisions and current and non-current liabilities:

(in EUR millions)	Provisions for claims, litigation and environmental risks	Provisions for restructuring costs and personnel expenses	Provisions for customer warranties	Provisions for other contingencies	Total provisions for other liabilities	Investment-related liabilities	Total provisions for other liabilities and investment-related liabilities
At January 1, 2022							
Current portion	165	61	135	92	453	26	479
Non-current portion	184	102	122	488	896	170	1,066
TOTAL PROVISIONS FOR OTHER LIABILITIES AND INVESTMENT-RELATED LIABILITIES	**349**	**163**	**257**	**580**	**1,349**	**196**	**1,545**
Changes during the period							
Additions	203	80	92	144	519		519
Reversals	(6)	(17)	(16)	(35)	(74)		(74)
Utilizations	(69)	(84)	(52)	(59)	(264)		(264)
Changes in Group structure		(1)	(1)	15	13		13
Translation adjustments and reclassifications	10	17	(8)	31	50	28	78
Liabilities held for sale	(27)	(3)		(2)	(32)		(32)
TOTAL CHANGES	**111**	**(8)**	**15**	**94**	**212**	**28**	**240**
At December 31, 2022							
Current portion	253	65	145	179	642	51	693
Non-current portion	207	90	127	495	919	173	1,092
TOTAL PROVISIONS FOR OTHER LIABILITIES AND INVESTMENT-RELATED LIABILITIES	**460**	**155**	**272**	**674**	**1,561**	**224**	**1,785**
Changes during the period							
Additions	105	189	137	250	681		681
Reversals	(10)	(18)	(27)	(98)	(153)		(153)
Utilizations	(54)	(85)	(62)	(60)	(261)		(261)
Changes in Group structure	7	1	27	5	40		40
Translation adjustments and reclassifications	(13)	(6)	(5)	(45)	(69)	(12)	(81)
Liabilities held for sale	1	(1)		(11)	(11)		(11)
TOTAL CHANGES	**36**	**80**	**70**	**41**	**227**	**(12)**	**215**
At December 31, 2023							
Current portion	291	102	182	205	780	38	818
Non-current portion	205	133	160	510	1,008	174	1,182
TOTAL PROVISIONS FOR OTHER LIABILITIES AND INVESTMENT-RELATED LIABILITIES	**496**	**235**	**342**	**715**	**1,788**	**212**	**2,000**

9.1.1 Provisions for claims, litigation and environmental risks

These provisions cover costs relating to litigation, environmental protection measures, as well as site rehabilitation and clean-up costs.

They cover in particular PFOA-related proceedings and the antitrust lawsuit in the Distribution sector in Switzerland.

Litigation provisions amounted to €275 million at December 31, 2023. These provisions are described in further detail in note 9.2 "Contingent liabilities and litigation".

9.1.2 Provisions for restructuring costs and personnel expenses

Provisions for restructuring costs and personnel expenses amounted to €235 million at December 31, 2023 (December 31, 2022: €155 million).

These provisions cover restructuring transactions (personnel costs and other charges linked to reorganization plans), as well as provisions for personnel expenses unrelated to restructuring plans, in particular provisions for severance payments.

9.1.3 Provisions for customer warranties

These provisions cover the Group's commitments under warranties granted to customers mainly in the United States. They are determined on a statistical basis using a range of criteria and take into account contractual warranty payments made in prior years in the business and region concerned. In addition, specific provisions may be set aside for identified contingencies in the context of a specific claim.

9.1.4 Provisions for other contingencies

At December 31, 2023, provisions for other contingencies amounted to €715 million (December 31, 2022: €674 million) and mainly concern the United States (€469 million), France (€69 million) and Brazil (€96 million).

9.1.5 Investment-related liabilities

Investment-related liabilities correspond to commitments to purchase minority interests, liabilities relating to the acquisition of shares in Group companies, and minority shareholder puts.

In 2023, changes in investment-related liabilities relate to a €22 million increase in minority shareholder puts, offset by a €34 million decrease in liabilities relating to the acquisition of equity interests.

9.2 Contingent liabilities and litigation

9.2.1 Antitrust law and related proceedings

Investigation by the Swiss Competition Commission in the sanitary products wholesale industry

In November 2011, the Swiss Competition Commission (*Commission suisse de la concurrence*) opened an investigation into anti-competitive practices in the sanitary products wholesale industry. In May 2014, the Commission Secretariat issued a notice of complaints against Sanitas Troesch and other wholesalers in the industry alleging that Sanitas Troesch and some of its competitors had, among other things, agreed in 2005 and 2012 to lower gross prices.

The total fine imposed on all companies involved is CHF 80 million. For Sanitas Troesch, the fine is CHF 28.8 million. Sanitas Troesch appealed this decision on May 2, 2016 and continues to firmly refute the claims made. The hearing took place before the Federal Administrative Court on January 21, 2020 and the date on which the Federal Administrative Court will issue its decision is not yet known. However, a provision for claims and litigation was recognized at December 31, 2015 in an amount equivalent to the fine (unchanged as at December 31, 2023).

Investigations by Competition Authorities in the additives and admixtures sector

The European Commission, the Competition and Markets Authority in the UK and the Turkish competition authority have launched investigations into anti-competitive practices in relation to the supply of chemical additives for cement and chemical admixtures for concrete and mortar. As of 31 December 2023, no statement of objections has been issued.

Incidentally, class actions have been instituted against the Group in the United States and Canada in connection with these investigations which remain at a preliminary stage

9.2.2 Asbestos-related litigation

Current legal actions related to asbestos are described below.

Asbestos-related litigation in France

Inexcusable fault lawsuits

In France, Everite and Saint-Gobain PAM, which in the past manufactured fiber-cement products containing asbestos fibres, are the subject of actions by former employees of these companies (or persons claiming through them) for recognition of inexcusable fault following diseases recognized as being of occupational origin.

As of December 31, 2023, a total of 854 lawsuits had been issued against the two companies since the outset with the aim of obtaining supplementary compensation over and above the amounts paid by the French Social Security authorities in this respects.

As of the same date, 839 of these 854 lawsuits had been completed and 15 actions are still pending.

The total amount of compensation paid by Everite and Saint-Gobain PAM since the outset of these litigations in settlement of these lawsuits totaled approximately €11.5 million as of December 31, 2023 (compared to approximately € 9.7 million as of December 31, 2022).

In addition, similar suits had been filed against 15 French companies of the Group (excluding suits against companies that are no longer part of the Group) which in the past used equipment containing asbestos to protect their employees and installations against heat from furnaces.

As of December 31, 2023, a total of 292 lawsuits had been filed since the outset against these 15 companies. 254 of these 292 lawsuits had been completed and 38 actions were still pending at the same date.

The total amount of compensation paid since the outset of the litigations by these companies was approximately €15,2 million as of December 31, 2023 (compared to approximately €11,8 million as of December 31, 2022).

Anxiety claims

Eight of the Group's subsidiaries that operate or have operated facilities in France classified as containing asbestos, were the subject of anxiety claims brought by current or former employees not suffering from an occupational disease due to asbestos – claiming compensation for prejudice of anxiety suffered as a result of their alleged exposure to asbestos.

As of December 31, 2023, a total of 861 lawsuits had been brought against these companies.

At the same date, the lawsuits have been all definitely completed.

The total amount of compensation paid since the outset of the litigations was €8.8 million as of December 31, 2023 (against approximately €8.5 million as of December 31, 2022).

It should be clarified that the above figures do not take into account suits filed against companies that are no longer part of the Group.

Last, the total amount registered as provision for asbestos-related litigations in France – inexcusable faults lawsuits and anxiety claims – amounted to around €7 million as of December 31, 2023 (compared to around €8 million as of December 31, 2022).

Situation in the United States

Measures taken to achieve an equitable and permanent resolution of the former CertainTeed Corporation's legacy asbestos liabilities in the United States

DBMP LLC, an affiliate of CertainTeed LLC based in North Carolina, that holds the legacy asbestos liabilities of the former CertainTeed Corporation, filed, on January 23, 2020, a voluntary petition for relief under Chapter 11 of the US Bankruptcy Code in the US Bankruptcy Court for the Western District of North Carolina in Charlotte. The matter remains pending. The purpose of the filing is to achieve a certain, final and equitable resolution of all current and future claims arising from asbestos-containing products manufactured and sold by the former CertainTeed Corporation.

DBMP LLC intends to seek court authority to establish a trust under section 524(g) of the US Bankruptcy Code – a specific provision that is applicable to companies that face substantial numbers of asbestos-related claims – to achieve a fair and equitable resolution of its asbestos-related liabilities. Upon establishment of the trust, current and future plaintiffs with qualifying claims will be able to receive faster payment of their claims without the delay, stress and uncertainty of litigation in the tort system; at the same time, the creation and funding of such a trust will permanently and finally resolve DBMP LLC's asbestos liability.

During the course of this bankruptcy process, which is expected to take up to approximately five to eight years, all asbestos litigations have been stayed and all related costs suspended, providing DBMP LLC with the time and protection to negotiate an agreement to be approved on behalf of all claimants and by the court.

This action was taken as a result of the increasing risks presented in the US tort system. Despite the passage of time, the aging of the population and lessening opportunity for claimants to assert legitimate claims of exposure to the asbestos-containing products of the former CertainTeed Corporation, naming practices in the tort system continued to result in a steady volume of claims against DBMP LLC, with no foreseeable end in sight. In addition, there has been, in general, an escalation of settlement demands and verdicts in the tort system.

Certain adversary proceedings have been filed by representatives of current and future asbestos plaintiffs against DBMP LLC, CertainTeed LLC, Saint-Gobain Corporation, Compagnie de Saint-Gobain and various other parties. No decisions on the merits of the claims have been made and such claims do not affect the Company's financial assessment of the Chapter 11 case.

Impact on the financial statements

Following the commencement of the proceeding under Chapter 11 of the US Bankruptcy Code on January 23, 2020, the assets and liabilities of DBMP LLC and its wholly-owned subsidiary Millwork & Panel LLC, and in particular the provision for asbestos-related litigation in the United States, are no longer consolidated in the Group's financial statements.

Nonetheless, because of a funding agreement between CertainTeed LLC and DBMP LLC by which CertainTeed LLC has agreed to fund the costs of the Chapter 11 case and, ultimately, the 524(g) trust, in both cases solely to the extent DBMP LLC is unable to do so in full, the Group recorded in its consolidated financial statements a provision corresponding to the amount of the estimated debt against DBMP LLC amounting to $407 million as of December 31, 2023 ($410 million as of December 31, 2022).The Group's consolidated income for 2023 is not impacted by the ongoing Chapter 11 proceeding described above.

As a result of this bankruptcy proceeding, all legal costs and indemnity payments related to DBMP LLC's asbestos tort claims have been suspended, and no further charges in relation to such claims have been taken in 2023 (as in 2022).

Situation in Brazil

In Brazil, former employees of Brasilit, that once manufactured fiber cement containing asbestos, suffering from asbestos-related occupational illnesses are offered, depending on the case, either financial compensation alone or lifetime medical assistance combined with financial compensation. Around 1,200 contractual instruments have accordingly been signed to date.

Two class actions were initiated against Brasilit in 2017 by two associations defending former employees exposed to asbestos at the São Caetano (São Paulo state) and Recife (Pernambuco state) plants, asking for their medical assistance and compensation to be revised. First and second instance decisions were rendered in connection with the suit related to the São Caetano plant respectively in July 2020 and July 2021, rejecting the claims of the plaintiffs. The latter have nevertheless appealed the second instance decision. First and second instance decisions were rendered in relation to Recife case, respectively in February and October 2022 rejecting the claiming party arguments. The plaintiff has appealed such second instance decision.

A third class action was initiated against Brasilit in 2019 in Capivari (State of São Paulo) by the Labor prosecutor asking for health insurance, as well as collective moral damages, in favor of employees, former employees and their respective families, as well as subcontractors who were exposed to asbestos. First and second instance decisions were rendered respectively in September 2020 and May 2023 partly in favor of the plaintiffs. In particular, collective moral damages were granted to the plaintiffs, for an amount reduced to BRL 5 million (€0.8 million). Brasilit has appealed the second instance decision.

Brasilit is subject to controls by the Ministry of Labor and continues to comply with all of its legal obligations with regard to medical assistance for its current and former employees.

In November 2017, the Supreme Court of Brazil decided to ban asbestos definitively across the country. Brasilit stopped using asbestos voluntarily as early as 2002.

9.2.3 Environmental disputes

PFOA proceedings in the United States

Levels of PFOA (perfluorooctanoic acid) in excess of US Environmental Protection Agency (EPA) health advisories or state maximum contaminant levels for drinking water have been found in municipal water systems and private wells near current Saint-Gobain Performance Plastics (SG PPL) facilities in Hoosick Falls (New York) and Merrimack (New Hampshire), and two former facilities in North Bennington (Vermont) in the United States. PFOA and PTFE (polytetrafluorethylene) have never been manufactured by these plants. SG PPL is a processor of PTFE which it purchases from third party suppliers and which in the past contained some PFOA.

SG PPL has voluntarily provided bottled water in all three communities, installed point-of-entry treatment systems to residents and businesses in all three communities, installed carbon filtration systems on the municipal water supply in Hoosick Falls and funded the installation of a carbon filtration system on the Merrimack Valley District's municipal water supply. In addition, it has voluntarily funded construction of water line extensions in certain communities in the Merrimack and Bennington areas. The investigations are on-going and the scope of responsibility for SG PPL arising from environmental remediation in New Hampshire and New York and clean-up obligations at these sites has not yet been established. The scope of the remediation in Vermont is defined and largely completed; future operation and maintenance obligations remain. Without admitting liability, SG PPL has signed consent orders with the environmental regulators in New York in 2016 and 2023 in Vermont in 2017 and 2019 with respect to two different areas, and in New Hampshire in 2018, pursuant to which SG PPL has agreed to complete investigations, implement interim or final remediation measures at its current and former facilities and in the case of Vermont and New Hampshire, fund construction of water lines. Responsibility, if any, is expected to be shared with other parties as regards in particular the Hoosick Falls site.

PFOA-related lawsuits alleging both health-related and economic damages claims have been filed in civil courts in New York, New Hampshire and Vermont, some of which are in the form of class actions. It is difficult to predict the timing or outcome of any such litigation, or whether any additional litigation will be brought against SG PPL, however, both the New York and Vermont class actions are settled.

On December 31, 2023, the provision recorded by the Company in respect of this matter amounts to €226 million (compared to €201 million as of December 31, 2012). This provision covers both remediation and litigation related to PFOA matters.

9.2.4 Other contingent liabilities

Grenfell Tower fire in the United Kingdom

Celotex - whose control was transferred by Saint-Gobain Construction Products UK on January 5, 2024, provides insulation materials for specific applications for the building and construction industry. Insulation materials from two Celotex ranges were purchased via distributors and used in refurbishing Grenfell Tower, London in 2015/2016, including as one component of the rainscreen cladding system designed and installed (by third parties) on the tower's external facade.

Following the Grenfell Tower fire on June 14, 2017, a Public Inquiry was constituted to consider, among other things, the modifications made to the building as part of the refurbishment, the role played by the various construction professionals, and the information provided by the manufacturers of the products used. The Inquiry's work was divided into two phases. Its phase 1 report was published on October 30, 2019. Phase 2 commenced in January 2020 and public hearings are complete. A final report is expected to follow later this year. A criminal investigation into the circumstances of the fire is also in progress.

There are a large number of issues and circumstances that need to be explored and the full implications for Celotex Limited and Saint-Gobain Construction Products UK Limited are unlikely to be known for some time.

Civil proceedings in connection with Grenfell Tower brought against Celotex Limited and/or Saint-Gobain Construction Products UK Limited and a number of other defendants were issued by bereaved, survivors and residents and emergency responders.

Following confidential alternative dispute resolution processes involving a number of parties, confidential settlements have been concluded in relation to the majority of these claims and resulted in payments to relevant claimants without admission of liability. Celotex Limited is continuing to engage with a number of other defendants in an alternative dispute resolution process to seek to resolve the remaining claims brought by the emergency responders. The principal financial implications from the concluded settlements have been paid in full and are reflected in the financial statements as of 31 December 2023.

The extent to which Celotex Limited and Saint-Gobain Construction Products UK Limited may incur further financial expenditure or civil or criminal liability in connection with the production, marketing, supply or use of their products is currently unclear and these companies are currently unable to make a reliable estimate of their potential liability in this respect.

9.2.5 Other proceedings and disputes

Some of the Group's companies may also be the subject of other claims made by their employees or by the tax authorities, or in the context of the enforcement of seller's warranties granted by the Group to the buyers of divested businesses (see . p 321, note 5.5.2). Apart from the proceedings and litigation described above, to the best of the Company's knowledge, no other government, court or arbitration proceedings exist (including pending proceedings or proceedings where the Company and/or the Group might be threatened) which could have or have had, in the last 12 months, a significant impact on the financial position or profitability of the Company and/or Group.

NOTE 10 FINANCING AND FINANCIAL INSTRUMENTS

10.1 Financial risks

10.1.1 Liquidity risk

Liquidity risk on financing

In a crisis environment, the Group might be unable to raise the financing or refinancing needed to cover its investment plans on the credit or capital markets, or to obtain such financing or refinancing on acceptable terms.

The Group's overall exposure to liquidity risk on its net debt is managed by the Treasury and Financing Department of Compagnie de Saint-Gobain, the Group's parent company. The subsidiaries generally enter into short- or long-term financing arrangements with Compagnie de Saint-Gobain or with the regional cash pools.

The Group's policy is to ensure that the Group's financing will be rolled over at maturity and to optimize borrowing costs. Long-term debt therefore systematically represents a high percentage of overall debt. At the same time, the maturity schedules of long-term debt are set in such a way that replacement capital market issues are spread over time.

The Group's main source of long-term financing is constituted by bonds, which are generally issued under the Medium Term Notes program. The Group also uses lease financing, perpetual bonds, participating securities, a long-term securitization program and bank borrowings.

Short-term debt is composed of borrowings under Negotiable European Commercial Paper (NEU CP) programs, and occasionally Euro Commercial Paper and US Commercial Paper programs, but also includes receivables securitization programs and bank financing.

The Group also has factoring programs.

Financial assets comprise marketable securities and cash and cash equivalents.

Compagnie de Saint Gobain's liquidity position is secured by confirmed syndicated lines of credit.

A breakdown of long- and short-term debt by type and maturity is provided in note 10.3, which also details the main characteristics of the Group's financing programs and confirmed credit lines.

Saint-Gobain's long-term debt issues have been rated BBB+ with a stable outlook by Standard & Poor's since April 24, 2023, and Baa1 with a stable outlook by Moody's since June 15, 2022.

There is no guarantee that the Company will be in a position to maintain its credit risk ratings at current levels. Any deterioration in the Group's credit risk rating could limit its capacity to raise funds and could lead to higher rates of interest on future borrowings.

Liquidity risk on investments

Short-term investments consist of bank deposits and mutual fund units. To reduce liquidity and high volatility risks, the Group invests in money market funds and/or bonds whenever possible.

10.1.2 Financial counterparty credit risk

The Group is exposed to the risk of default by the financial institutions that manage its cash or other financial instruments, since such default could lead to losses for the Group.

The Group limits its exposure to risk of default by its counterparties by dealing solely with reputable financial institutions and regularly monitoring their credit ratings. However, the credit quality of a financial counterparty can change rapidly, and a high credit rating cannot eliminate the risk of a rapid deterioration of its financial position. As a result, the Group's policy in relation to the selection and monitoring of its counterparties is unable to entirely eliminate exposure to a risk of default.

To limit Compagnie de Saint-Gobain's exposure to counterparty credit risk, the Treasury and Financing Department deals primarily with counterparties with a long-term rating of A- or above from Standard & Poor's or A3 or above from Moody's. Concentrations of credit risk are also closely monitored to ensure that they remain at reasonable levels, taking into account the relative CDS ("Credit Default Swap") level of each counterparty.

10.1.3 Market risks

Energy and commodity risk

The Group is exposed to changes in the price of the energy it consumes and the raw materials used in its activities. Its energy and commodity hedging programs may be insufficient to protect the Group against significant or unforeseen price swings that could result from the prevailing financial and economic environment.

The Group may limit its exposure to energy price fluctuations by using swaps and options to hedge part of its fuel oil, natural gas and electricity purchases. The swaps and options are mainly contracted in the functional currency of the entities concerned. Hedges of fuel oil, gas and electricity purchases are contracted in accordance with the Group's purchasing policy.

These hedges (excluding fixed-price purchases negotiated directly with suppliers by the Purchasing Department) are generally arranged by the Group Treasury and Financing Department (or with regional treasury departments) in accordance with instructions received from the Purchasing Department.

From time to time, the Group may enter into contracts to hedge purchases of certain commodities or engage in the CO_2 emissions market, in accordance with the same principles as those outlined above for energy purchases.

Note 10.4 provides a breakdown of instruments used to hedge energy and commodity risks.

Interest rate risk

The Group's overall exposure to interest rate risk on consolidated debt is managed by the Treasury and Financing Department of Compagnie de Saint-Gobain.

The Group's policy is aimed at fixing and optimizing its medium-term borrowing costs by hedging interest rate risk. According to Group policy, the derivative financial instruments used to hedge interest rate risk can include interest rate swaps, cross-currency swaps, options – including caps, floors and swaptions – and forward rate agreements.

The table below shows the sensitivity at December 31, 2023 of pre-tax income and pre-tax equity to fluctuations in the interest rate on the Group's net debt after hedging:

(in EUR millions)	Impact on pre-tax income	Impact on pre-tax equity
Interest rate increase of 50 basis points	33	4
Interest rate decrease of 50 basis points	(33)	(4)

Note 10.4 provides a breakdown of instruments used to hedge interest rate risk and of gross debt by type of interest (fixed or variable) after hedging.

Foreign exchange risk

The currency hedging policies described below could be insufficient to protect the Group against unexpected or sharper than expected fluctuations in exchange rates resulting from economic and financial market conditions.

Foreign exchange risks are managed by hedging virtually all transactions entered into by Group entities in currencies other than the functional currency of the particular entity. Compagnie de Saint-Gobain and its subsidiaries may use forward contracts and options to hedge exposures arising from current and forecast transactions.

The subsidiaries generally set up contracts through the Group's parent company, Compagnie de Saint-Gobain, which then carries out the corresponding forex hedging transactions on their behalf, or through the regional cash pools. Failing this, contracts are taken out with one of the subsidiary's banks.

Most forward contracts have short maturities of less than one year. However, forward contracts taken out to hedge firm orders may have longer terms.

The Group monitors its exposure to foreign exchange risk using a monthly reporting system that captures the foreign exchange positions taken by its subsidiaries. At December 31, 2023, 96% of the Group's foreign exchange exposure was hedged.

The residual net foreign exchange exposure of subsidiaries for the currencies presented below was as follows at December 31, 2023:

(in millions of euro equivalent)	Long	Short
EUR	9	12
USD	23	21
Other currencies	0	6
TOTAL	**32**	**39**

The table below gives an analysis, as of December 31, 2023, of the sensitivity of the Group's pre-tax income to a 10% increase in the exchange rates of the following currencies given the subsidiaries' residual net foreign exchange exposure:

Currency of exposure *(in millions of euro equivalent)*	Impact on pre-tax income
EUR	(0.3)
USD	0.3
Other currencies	(0.6)
TOTAL	**(0.6)**

Assuming that all other variables remained unchanged, a 10% fall in the exchange rates for these currencies at December 31, 2023 would have the opposite impact.

Note 10.4 provides a breakdown of instruments used to hedge foreign exchange risk.

Saint-Gobain share price risk

The Group is exposed to changes in the Saint-Gobain share price as a result of its performance unit incentive plans. To reduce its exposure to fluctuations in the share price, the Group uses hedging instruments such as equity swaps.

As a result, if the price of the Saint-Gobain share changes, any changes in the expense recorded in the income statement will be fully offset by the hedges in place.

Note 10.4 provides a breakdown of instruments used to hedge share price risk.

10.2 Net financial income (expense)

Net financial income (expense) includes borrowing and other financing costs, income from cash and cash equivalents, interest on lease liabilities, interest cost for pension and other post-employment benefit plans net of the return on plan assets, and other financial income and expense.

Net financial income (expense) in 2023 and 2022 comprises:

(in EUR millions)	2023	2022
Borrowing costs, gross	(358)	(250)
Income from cash and cash equivalents	229	54
BORROWING COSTS, NET, EXCLUDING LEASE LIABILITIES	**(129)**	**(196)**
Interest on lease liabilities	(85)	(66)
TOTAL BORROWING COSTS, NET	**(214)**	**(262)**
Interest cost – pension and other post-employment benefit obligations	(400)	(247)
Return on plan assets	352	232
INTEREST COST – PENSION AND OTHER POST-EMPLOYMENT BENEFIT OBLIGATIONS, NET	**(48)**	**(15)**
Other financial expense	(178)	(139)
Other financial income	16	12
OTHER FINANCIAL INCOME AND EXPENSE	**(162)**	**(127)**
NET FINANCIAL INCOME (EXPENSE)	**(424)**	**(404)**

10.3 Net debt

10.3.1 Long- and short-term debt

Long-term debt

Long-term debt includes bonds, perpetual bonds, participating securities, long-term securitization and all other types of long-term financial liabilities, including the fair value of interest rate hedging derivatives.

Under IAS 32, the distinction between financial liabilities and equity is based on the substance of the contracts concerned rather than their legal form. As a result, participating securities are classified as debt.

At the end of the reporting period, long-term debt (excluding interest rate derivatives) is measured at amortized cost. Premiums and issuance costs are amortized using the effective interest method.

Short-term debt

Besides the current portion of long-term debt described above, short-term debt includes financing programs such as commercial paper, short-term securitization, bank overdrafts and other short-term financial liabilities including the fair value of derivatives related to debt and accrued interest on borrowings.

Short-term debt, excluding derivatives related to debt, is measured at amortized cost at the end of the reporting period. Premiums and issuance costs are amortized using the effective interest rate method.

Lease liabilities

Lease liabilities represent obligations to make lease payments in accordance with IFRS 16.

Cash and cash equivalents

Cash and cash equivalents mainly consist of bank accounts and marketable securities that are short-term (i.e., generally with maturities of less than three months), highly liquid investments readily convertible into known amounts of cash and subject to an insignificant risk of changes in value.

Marketable securities are measured at fair value through profit or loss.

Long- and short-term debt consists of the following:

(in EUR millions)	Dec. 31, 2023	Dec. 31, 2022
Bond issues	9,841	8,165
Perpetual bonds and participating securities	197	203
Long-term securitization	390	390
Other long-term financial liabilities	210	206
NON-CURRENT PORTION OF LONG-TERM DEBT	**10,638**	**8,964**
Bond issues	1,479	1,611
Long-term securitization	110	110
Other long-term financial liabilities	231	120
CURRENT PORTION OF LONG-TERM DEBT	**1,820**	**1,841**
Short-term financing programs (NEU CP, US CP, Euro CP)	0	0
Short-term securitization	229	148
Bank overdrafts and other short-term financial liabilities	339	492
SHORT-TERM DEBT	**568**	**640**
TOTAL GROSS DEBT EXCLUDING LEASE LIABILITIES	**13,026**	**11,445**
Lease liabilities	2,969	2,921
TOTAL GROSS DEBT	**15,995**	**14,366**
Cash at banks	(3,001)	(2,891)
Mutual funds and other marketable securities	(5,601)	(3,243)
CASH AND CASH EQUIVALENTS	**(8,602)**	**(6,134)**
TOTAL NET DEBT	**7,393**	**8,232**

Changes in the Group's long-term debt (excluding lease liabilities) can be analyzed as follows:

	Dec. 31, 2022	Cash impact		No cash impact			Dec. 31, 2023
(in EUR millions)		Increases	Decreases	Changes in Group structure	Translation adjustments	Other	
Non-current portion of long-term debt	8,964	3,236	(21)	3	(37)	(1,506)	10,638
Current portion of long-term debt	1,841	86	(1,615)	1	1	1,506	1,820
TOTAL LONG-TERM DEBT	**10,805**	**3,322**	**(1,636)**	**4**	**(36)**	**0**	**12,458**

The main changes with an impact on cash are described in note 10.3.3. The main change with no cash impact in the "Other" column relates to the reclassification of debt maturing within 12 months in the current portion of long-term debt.

The fair value of gross long-term debt (including the current portion), excluding lease liabilities, managed by Compagnie de Saint-Gobain amounts to €11.3 billion at December 31, 2023 (carrying amount: €11.6 billion). The fair value of bonds corresponds to the market price at the last market quotation of the year. For other borrowings, fair value is considered equal to the amount repayable.

10.3.2 Gross debt repayment schedule

The schedule of the Group's total gross debt, at amortized cost, at December 31, 2023 is as follows:

(in EUR millions)	Currency	Within 1 year	1 to 5 years	Beyond 5 years	Total
Bond issues	EUR	1,345	5,681	3,874	10,900
	GBP	134	0	286	420
Perpetual bonds and participating securities	EUR	0	0	197	197
Long-term securitization	EUR	110	390	0	500
Other long-term financial liabilities	All currencies	111	88	122	321
Accrued interest on long-term debt	All currencies	120	0	0	120
TOTAL LONG-TERM DEBT		**1,820**	**6,159**	**4,479**	**12,458**
SHORT-TERM DEBT	**All currencies**	**568**	**0**	**0**	**568**
TOTAL GROSS DEBT EXCLUDING LEASE LIABILITIES		**2,388**	**6,159**	**4,479**	**13,026**
Lease liabilities	All currencies	615	1,519	835	2,969
TOTAL GROSS DEBT		**3,003**	**7,678**	**5,314**	**15,995**

At December 31, 2023, future interest payments on gross long-term debt (including the current portion), excluding lease liabilities, managed by Compagnie de Saint-Gobain can be broken down as follows:

(in EUR millions)	Within 1 year	1 to 5 years	Beyond 5 years	Total
Future interest payments on gross long-term debt	273	805	472	1,550

Interest on perpetual bonds and on participating securities is calculated up to 2049.

10.3.3 Bonds

Compagnie de Saint-Gobain also redeemed the following instruments at maturity:

- €750 million worth of 1.75% bonds on April 3, 2023;
- €500 million worth of 0.875% bonds on September 21, 2023;
- €362 million worth of 2.875% private placements on December 5, 2023.

On January 18, 2023, Compagnie de Saint-Gobain issued a €1.15 billion bond divided into two tranches:

- a €500 million tranche maturing July 18, 2024 and paying a floating-rate coupon of 3-month Euribor +0.20%;
- a €650 million tranche maturing January 18, 2029 and paying a coupon of 3.50%.

On November 29, 2023, Compagnie de Saint-Gobain issued a €2 billion bond divided into two tranches:

- a €1 billion tranche maturing November 29, 2026 and paying a coupon of 3.75%;
- a €1 billion tranche maturing November 29, 2030 and paying a coupon of 3.875%.

10.3.4 Perpetual bonds

In 1985, Compagnie de Saint-Gobain issued 25,000 perpetual bonds with a face value of ECU 5,000 (€5,000 today).

A total of 19,541 perpetual bonds have since been bought back and canceled, of which 1,045 bonds were bought back on December 15, 2023. A total of 5,459 perpetual bonds therefore remained outstanding at December 31, 2023, representing a face value of approximately €27 million.

The bonds bear interest at a variable rate (average of interbank rates offered by a panel of reference banks for six-month euro deposits). The amount paid per bond in 2023 was €161.91, settled in two installments (€61.28 and €100.63).

The bonds are not redeemable and interest on the bonds is classified as a component of finance costs.

10.3.5 Non-voting participating securities

In June 1983, Compagnie de Saint-Gobain issued 1,288,299 non-voting participating securities with a face value of FRF 1,000. Their face value is now €152.45, following their translation into euros in 1999.

A certain number of these participating securities have been bought back over the years. At December 31, 2023, 606,883 securities are still outstanding with an aggregate face value of €92.5 million.

Interest on the securities ranges from 75% to 125% of the average corporate bond yield (TMO), based on the Group's consolidated income. The amount paid per security in 2023 was €3.66.

In April 1984, 194,633 non-voting participating securities were issued by Compagnie de Saint-Gobain with a face value of ECU 1,000 (€1,000 today).

A certain number of these participating securities has been bought back over the years. At December 31, 2023, 77,516 securities are still outstanding, with an aggregate face value of €77.5 million.

Interest comprises (i) a fixed portion of 7.5% paid per year applicable to 60% of the nominal amount of the security, and (ii) a variable portion applicable to the remaining 40% of the nominal amount of the security, which is linked to consolidated net income of the previous year and to the reference six-month Euribor rate +7/8%. The amount paid per security in 2023 was €67.50, paid in two equal installments.

These participating securities are not redeemable and the interest paid on them is classified as a component of finance costs.

10.3.6 Financing programs

The Group has a number of medium- and long-term financing programs (Medium-Term Notes) and short-term financing programs (Commercial Paper).

The state of these programs is as follows:

(in EUR millions)	Authorized drawings	Authorized limits at Dec. 31, 2023	Balance outstanding at Dec. 31, 2023	Balance outstanding at Dec. 31, 2022
Medium Term Notes	any duration	15,000	11,417	9,879
NEU CP	up to 12 months	4,000	0	0
US Commercial Paper	up to 12 months	905 *	0	0
Euro Commercial Paper	up to 12 months	905 *	0	0

* *Equivalent of USD 1,000 million based on the exchange rate at December 31, 2023.*

In accordance with market practices, Negotiable European Commercial Paper (NEU CP), US Commercial Paper and Euro Commercial Paper are generally issued with maturities of one to six months. They are treated as variable-rate debt since they are rolled over at frequent intervals.

10.3.7 Syndicated line of credit

Compagnie de Saint-Gobain has a €4 billion syndicated line of credit that is intended to provide a secure source of financing for the Group (including as additional backing for its short-term NEU CP, US Commercial Paper and Euro Commercial Paper programs). This syndicated facility falls due in December 2028, with two further one-year rollover options.

The facility is a "Sustainability-Linked Loan" (SLL) on which the margin is indexed to three KPIs set out in Saint-Gobain's sustainable roadmap (reduction of scope 1 and 2 CO_2 emissions, reduction in non-recovered production waste and limited work accident frequency rate).

At December 31, 2023, no drawdowns had been made on this credit facility.

10.3.8 Receivables securitization programs

The Group has set up two receivables securitization programs, one through its French subsidiary Point.P Finances GIE, and the other through its US subsidiary, Saint-Gobain Receivables Corporation. The receivables sold under the two programs are not deconsolidated.

The French program, covering an amount of up to €500 million, represented €500 million at both December 31, 2023 and December 31, 2022.

Based on observed seasonal fluctuations in receivables included in the program and on the contract's features, €390 million of this amount is classified as non-current and the remaining balance as current.

Under the US program, covering an amount of up to USD 500 million since July 2023, a total of USD 253 million had been used at December 31, 2023, representing the equivalent of €229 million compared with €148 million at December 31, 2022.

10.3.9 Factoring

The Group has set up several trade receivables factoring programs. Based on an analysis of the risks and rewards as defined by IFRS 9, the Group has deconsolidated all of the receivables sold under these programs. A total of €646 million in factored receivables was deconsolidated at December 31, 2023, compared to €644 million at December 31, 2022.

10.4 Financial instruments

The Group uses interest rate, foreign exchange, energy, commodity and equity derivatives to hedge its exposure to changes in interest rates, exchange rates, and energy, commodity and equity prices that may arise in the normal course of business.

In accordance with IAS 32 and IFRS 9, all such instruments are recognized in the balance sheet and measured at fair value, irrespective of whether or not they are part of a hedging relationship that qualifies for hedge accounting under IFRS 9.

Changes in the fair value of both derivatives that are designated and qualified as fair value hedges and derivatives that do not qualify for hedge accounting during the period are taken to the income statement (in business income and expense for operational foreign exchange derivatives and commodity derivatives not qualifying for hedge accounting, and in financial income and expense for all other derivatives). However, in the case of derivatives that qualify as cash flow hedges, the effective portion of the gain or loss arising from changes in fair value is recognized directly in equity, and only the ineffective portion is recognized in the income statement.

Fair value hedges

Fair value hedge accounting is applied by the Group mainly for derivative instruments which swap fixed rates against variable rates (fixed-for-floating interest rate swaps). These derivatives hedge fixed-rate debt exposed to a fair value risk. In accordance with hedge accounting principles, debt included in a designated fair value hedging relationship is remeasured at fair value to the extent of the risk hedged. As the loss or gain on the underlying hedged item offsets the effective portion of the gain or loss on the fair value hedge, the income statement is only impacted by the ineffective portion of the hedge.

Cash flow hedges

Cash flow hedge accounting is applied by the Group mainly for derivative instruments which fix the cost of future investments (financial assets or property, plant and equipment) and the price of future purchases, mostly gas and fuel oil (commodity swaps) or foreign currencies (foreign exchange forwards). Transactions hedged by these instruments are qualified as highly probable. The application of cash flow hedge accounting allows the Group to defer the impact on the income statement of the effective portion of changes in the fair value of these derivatives by recording them in a hedging reserve in equity. This reserve is reclassified to the income statement when the hedged transaction occurs and the hedged item itself affects income. In the same way as for fair value hedges, cash flow hedging limits the Group's exposure to changes in the fair value of these derivatives to the ineffective portion of the hedge.

Derivatives that do not qualify for hedge accounting

Changes in the fair value of derivatives that do not qualify for hedge accounting are recognized in the income statement. The instruments concerned are primarily foreign exchange swaps and foreign exchange forwards.

Fair value of financial instruments

The fair value of financial assets and financial liabilities corresponds to their quoted price on an active market (if any): this represents level 1 in the fair value hierarchy defined in IFRS 7 and IFRS 13. The fair value of instruments not quoted in an active market, such as derivatives or financial assets and liabilities, is determined by reference to commonly used valuation techniques such as the fair value of another recent and similar transaction, or discounted cash flow analysis based on observable market inputs. This represents level 2 in the fair value hierarchy defined in IFRS 7 and IFRS 13.

The fair value of short-term financial assets and liabilities is considered as being the same as their carrying amount due to their short maturities.

The following table presents a breakdown of the main derivatives used by the Group:

	Fair value				Nominal amount by maturity			
(in EUR millions)	Derivatives recorded in assets	Derivatives recorded in liabilities	Dec. 31, 2023	Dec. 31, 2022	Within 1 year	1 to 5 years	Beyond 5 years	Dec. 31, 2023
FAIR VALUE HEDGES	**0**	**0**	**0**	**0**				**0**
Cash flow hedges								
Currency	2	(2)	0	(4)	214	17	0	231
Interest rate	3	(42)	(39)	(41)	95	0	368	463
Energy and commodities	0	(12)	(12)	4	40	4	0	44
Other risks: equities	5	0	5	1	5	6	0	11
CASH FLOW HEDGES – TOTAL	**10**	**(56)**	**(46)**	**(40)**	**354**	**27**	**368**	**749**
Derivatives not qualifying for hedge accounting mainly contracted by Compagnie de Saint-Gobain								
Currency	8	(7)	1	3	3,685	0	0	3,685
Interest rate	0	(15)	(15)	(1)	97	29	0	126
Energy and commodities	0	0	0	0	29	1	0	30
DERIVATIVES NOT QUALIFYING FOR HEDGE ACCOUNTING – TOTAL	**8**	**(22)**	**(14)**	**2**	**3,811**	**30**	**0**	**3,841**
TOTAL	**18**	**(78)**	**(60)**	**(38)**	**4,165**	**57**	**368**	**4,590**

10.4.1 Currency instruments

Currency swaps

The Group uses currency swaps mainly to convert euro-denominated funds into foreign currencies for cash management purposes.

Forward foreign exchange contracts and currency options

Forward foreign exchange contracts and currency options are used to hedge foreign currency transactions, particularly commercial transactions (purchases and sales) and investments.

10.4.2 Interest rate instruments

Interest rate swaps

The Group uses interest rate swaps to convert part of its fixed/variable-rate bank debt and bond debt to variable/fixed rates.

Cross-currency swaps

The Group uses cross-currency swaps to convert foreign currency (euro) debt into euro (foreign currency) debt.

10.4.3 Energy and commodities

Energy and commodity swaps

Energy and commodity swaps are used to hedge the risk of changes in the price of certain purchases used in Group subsidiaries' operating activities, particularly energy (fuel oil, natural gas and electricity) purchases.

Renewable Power Purchase Agreements

As indicated in the note on climate issues (see note 3.2, p. 292), at December 31, 2023, the Group had entered into four Virtual Power Purchase Agreements, which were accounted for as derivatives under IFRS 9, of which only one qualified as a hedge.

10.4.4 Other risks

Equity derivatives

Equity derivatives are used to hedge the risk of changes in the Saint-Gobain share price in connection with the performance units long-term incentive plan.

10.4.5 Credit value adjustments to derivative instruments

Credit value adjustments to derivative instruments are calculated in accordance with IFRS 13 based on historical probabilities of default derived from calculations performed by a leading rating agency and on the estimated loss given default. At December 31, 2023, credit value adjustments were not material.

10.4.6 Impact on equity of financial instruments qualifying for cash flow hedge accounting

At December 31, 2023, the IFRS cash flow hedge reserve carried in equity had a debit balance of €24 million, consisting mainly of:

- a debit balance of €15 million in relation to cross-currency swaps classified as cash flow hedges that are used to convert a GBP bond issue into euros;
- a credit balance of €3 million corresponding to changes in fair value of interest rate hedges classified as cash flow hedges;
- a debit balance of €12 million corresponding to changes in fair value of energy hedges classified as cash flow hedges;

The ineffective portion of cash flow hedge derivatives is not material.

10.4.7 Impact on income of financial instruments not qualifying for hedge accounting

For derivatives classified as financial assets and liabilities at fair value through profit or loss, fair value remeasurements recognized in the income statement represented a loss of €14 million at December 31, 2023 compared to a gain of €2 million at December 31, 2022.

10.4.8 Embedded derivatives

The Saint-Gobain Group regularly analyzes its contracts in order to separately identify financial instruments classified as embedded derivatives under IFRS.

At December 31, 2023, no embedded derivatives deemed to be material at Group level were identified.

10.4.9 Group debt structure (excluding lease liabilities)

The weighted average interest rate on total gross debt under IFRS and after hedging (interest rate swaps and cross-currency swaps) was 3.0% at December 31, 2023, compared with 2.3% at December 31, 2022.

The average internal rate of return for the main component of the Group's long-term debt before hedging (bonds) was 2.5% at December 31, 2023, compared with 2.0% at December 31, 2022.

The table below presents the breakdown by interest rate (fixed or variable) of the Group's gross debt at December 31, 2023, taking into account interest rate and cross-currency swaps.

	Gross debt, excluding lease liabilities		
(in EUR millions)	Variable rate	Fixed rate	Total
EUR	1,294	9,362	10,656
Other currencies	711	1,483	2,194
TOTAL	**2,005**	**10,845**	**12,850**
(in %)	16%	84%	100%
Accrued interest and other			176
TOTAL GROSS DEBT EXCLUDING LEASE LIABILITIES			**13,026**

10.5 Financial assets and liabilities

Financial assets and liabilities are classified as follows in accordance with IFRS 9:

At December 31, 2023

		Financial instruments				Financial instruments at fair value			
(in EUR millions)	Notes	Fair value through profit or loss	Fair value through other comprehensive income	Amortized cost	Total financial instruments	Level 1 inputs	Level 2 inputs	Level 3 inputs	Total financial instruments measured at fair value
Trade and other accounts receivable				6,474	6,474				0
Loans, deposits and surety	(8)			348	348				0
Equity investments and other	(8)		248		248			248	248
Derivatives recorded in assets		8	10		18		18		18
Cash and cash equivalents		5,600		3,001	8,601	5,600			5,600
TOTAL FINANCIAL ASSETS		**5,608**	**258**	**9,823**	**15,689**	**5,600**	**18**	**248**	**5,866**
Trade and other accounts payable				(12,296)	(12,296)				0
Long- and short-term debt				(12,971)	(12,971)				0
Long- and short-term lease liabilities				(2,969)	(2,969)				0
Derivatives recorded in liabilities		(22)	(56)		(78)		(78)		(78)
TOTAL FINANCIAL LIABILITIES		**(22)**	**(56)**	**(28,236)**	**(28,314)**	**0**	**(78)**	**0**	**(78)**
FINANCIAL ASSETS AND LIABILITIES – NET		**5,586**	**202**	**(18,413)**	**(12,625)**	**5,600**	**(60)**	**248**	**5,788**

At December 31, 2022

(in EUR millions)	Notes	Financial instruments: Fair value through profit or loss	Financial instruments: Fair value through other comprehensive income	Financial instruments: Amortized cost	Total financial instruments	Financial instruments at fair value: Level 1 inputs	Financial instruments at fair value: Level 2 inputs	Financial instruments at fair value: Level 3 inputs	Total financial instruments measured at fair value
Trade and other accounts receivable				6,618	6,618				0
Loans, deposits and surety	(8)			368	368				0
Equity investments and other	(8)		169		169			169	169
Derivatives recorded in assets		15	15		30		30		30
Cash and cash equivalents		3,246		2,891	6,137	3,246			3,246
TOTAL FINANCIAL ASSETS		**3,261**	**184**	**9,877**	**13,322**	**3,246**	**30**	**169**	**3,445**
Trade and other accounts payable				(12,335)	(12,335)				0
Long- and short-term debt				(11,409)	(11,409)				0
Long- and short-term lease liabilities				(2,921)	(2,921)				0
Derivatives recorded in liabilities		(13)	(55)		(68)		(68)		(68)
TOTAL FINANCIAL LIABILITIES		**(13)**	**(55)**	**(26,665)**	**(26,733)**	**0**	**(68)**	**0**	**(68)**
FINANCIAL ASSETS AND LIABILITIES – NET		**3,248**	**129**	**(16,788)**	**(13,411)**	**3,246**	**(38)**	**169**	**3,377**

IFRS 13 ranks the inputs used to determine fair value:

- Level 1: inputs resulting from quoted prices on an active market for identical instruments;
- Level 2: inputs other than level 1 inputs that can be observed directly or indirectly;
- Level 3: all other non-observable inputs.

NOTE 11 SHAREHOLDERS' EQUITY AND EARNINGS PER SHARE

11.1 Equity

11.1.1 Equity

At December 31, 2023, Saint-Gobain's capital stock was composed of 506,438,012 shares with a par value of €4 each (515,769,082 shares at December 31, 2022).

11.1.2 Additional paid-in capital and legal reserve

This item includes capital contributions in excess of the par value of capital stock as well as the legal reserve, which corresponds to a cumulative portion of the yearly net income of Compagnie de Saint-Gobain.

11.1.3 Retained earnings and consolidated net income

Retained earnings and consolidated net income correspond to the Group's share in the undistributed earnings of all consolidated companies.

11.1.4 Treasury stock

Treasury stock is measured at cost and recorded as a deduction from equity. Gains and losses on disposals of treasury stock are recognized directly in equity and have no impact on net income for the period.

Forward purchases of treasury stock are treated in the same way. When a fixed number of shares is purchased forward at a fixed price, this amount is recorded in "Other liabilities" against a deduction from equity under "Retained earnings and net income for the year".

Saint-Gobain shares held or controlled by Compagnie de Saint-Gobain and Saint-Gobain Corporation are shown as a deduction from equity under "Treasury stock" at acquisition cost.

The liquidity agreement signed with Exane BNP Paribas on November 16, 2007 and implemented on December 3, 2007 for a period up to December 31, 2007 has been automatically renewed since that date.

At December 31, 2023, 4,376,475 shares were held in treasury (December 31, 2022: 4,406,990 shares). In 2023, the Group acquired 17,111,277 shares (2022: 18,011,705 shares) directly on the market The number of shares sold in 2023 was 2,935,434 versus 3,174,316 in 2022. 14,206,358 shares were canceled in 2023, compared with 13,177,086 shares in 2022.

For the purposes of a compensation plan set up in January 2008 for certain employees in the United States, Compagnie de Saint-Gobain shares are held by the trustee, Wachovia Bank, National Association. In the consolidated financial statements, these shares are treated as being controlled by Saint-Gobain Corporation.

11.1.5 Number of shares

	Number of shares	
	Issued	Outstanding
NUMBER OF SHARES AT DECEMBER 31, 2021	**524,017,595**	**521,270,908**
Group Savings Plan	4,916,097	4,916,097
Stock subscription option plans	12,476	12,476
Shares purchased		(18,011,705)
Shares sold		3,174,316
Shares canceled	(13,177,086)	
NUMBER OF SHARES AT DECEMBER 31, 2022	**515,769,082**	**511,362,092**
Group Savings Plan	4,778,291	4,778,291
Stock subscription option plans	96,997	96,997
Shares purchased		(17,111,277)
Shares sold		2,935,434
Shares canceled	(14,206,358)	
NUMBER OF SHARES AT DECEMBER 31, 2023	**506,438,012**	**502,061,537**

11.1.6 Dividends

The Annual Shareholders' Meeting of June 8, 2023 approved the recommended dividend payout for 2022 representing €2 per share (€1.63 per share for 2021). The ex-dividend date was June 12 and the dividend was paid on June 14, 2023.

11.2 Earnings per share

11.2.1 Basic earnings per share

Basic earnings per share are calculated by dividing net income by the weighted average number of shares of the Group outstanding during the period.

Basic earnings per share are as follows:

	2023	2022
Group share of net income (in EUR millions)	2,669	3,003
Weighted average number of shares in issue	507,282,902	514,372,413
BASIC EARNINGS PER SHARE, GROUP SHARE (in EUR)	**5.26**	**5.84**

11.2.2 Diluted earnings per share

Diluted earnings per share are calculated by adjusting earnings per share and the average number of shares outstanding for the effects of all potential dilutive common shares, such as stock options and performance shares.

Diluted earnings per share are as follows:

	2023	2022
Group share of net income (in EUR millions)	2,669	3,003
Weighted average number of shares assuming full dilution	510,458,619	517,595,809
DILUTED EARNINGS PER SHARE, GROUP SHARE (in EUR)	**5.23**	**5.80**

The weighted average number of shares assuming full dilution is calculated based on the weighted average number of shares outstanding, assuming conversion of all dilutive instruments. The Group's dilutive instruments include stock options and performance share grants, corresponding to a weighted average of 116,207 and 3,059,510 instruments, respectively, at December 31, 2023.

NOTE 12 TAX

12.1 Income taxes

Current income tax is the estimated amount of tax payable in respect of income for a given period, calculated by reference to the tax rates that have been enacted or substantively enacted at the end of the reporting period, plus any adjustments to current taxes recorded in previous financial periods.

Income tax expense breaks down as follows:

(in EUR millions)	2023	2022
CURRENT TAXES	**(1,096)**	**(1,052)**
France	(135)	(164)
Outside France	(961)	(888)
DEFERRED TAXES	**36**	**(30)**
France	(44)	4
Outside France	80	(34)
TOTAL INCOME TAX EXPENSE	**(1,060)**	**(1,082)**

Theoretical tax expense was reconciled with current tax expense using a tax rate of 25.82% in 2023 and 25.82% in 2022, and can be analyzed as follows:

(in EUR millions)	2023	2022
Net income	2,756	3,101
Less:		
Share in net income of equity-accounted companies	89	66
Income taxes	(1,060)	(1,082)
PRE-TAX INCOME OF CONSOLIDATED COMPANIES	**3,727**	**4,117**
French tax rate	25.82%	25.82%
Theoretical tax expense at French tax rate	(962)	(1,063)
Impact of different tax rates	46	48
Asset impairment, capital gains and losses on asset disposals	(124)	(100)
Deferred tax assets not recognized and provisions for deferred tax assets	(31)	56
Liability method	6	
Research tax credit and value-added contribution for businesses (CVAE)	2	(10)
Costs related to dividends	(41)	(28)
Other taxes and changes in provisions	44	15
TOTAL INCOME TAX EXPENSE	**(1,060)**	**(1,082)**

The contribution of countries with low tax rates explains the impact of the different tax rates applicable outside France. The main contributors are Poland, Ireland, Switzerland, Sweden, Czechia, Romania and Norway.

12.2 Deferred tax

Deferred tax assets and liabilities are recorded using the balance sheet method for temporary differences between the carrying amount of assets and liabilities and their tax basis. Deferred tax assets and liabilities are measured at the tax rates expected to apply to the period when the asset is realized or the liability settled, based on the tax laws that have been enacted or substantively enacted at the end of the reporting period.

No deferred tax liability is recognized in respect of undistributed earnings of subsidiaries that are not intended to be distributed.

For investments in subsidiaries, deferred tax is recognized on the difference between the consolidated carrying amount of the investments and their tax basis when it is probable that the temporary difference will reverse in the foreseeable future.

Deferred taxes are recognized as income or expense in the income statement, unless they relate to items that are recognized directly in equity, in which case they are also recognized in equity. Income tax resulting from changes in tax rates is recognized in income, except where it relates to items initially recognized in equity.

In the balance sheet, changes in net deferred tax assets and liabilities break down as follows:

(in EUR millions)	Net deferred tax asset/ (liability)
NET VALUE AT JANUARY 1, 2022	**21**
Deferred tax (expense)/benefit	(30)
Changes in deferred taxes relating to actuarial gains and losses (IAS 19)	(10)
Translation adjustments and restatement for hyperinflation	57
Assets and liabilities held for sale	2
Changes in Group structure and other	(426)
NET VALUE AT DECEMBER 31, 2022	**(386)**
Deferred tax (expense)/benefit	36
Changes in deferred taxes relating to actuarial gains and losses (IAS 19)	136
Translation adjustments and restatement for hyperinflation	8
Assets and liabilities held for sale	(2)
Changes in Group structure and other	(209)
NET VALUE AT DECEMBER 31, 2023	**(417)**

Changes in Group structure in 2023 mainly concerned the first-time consolidation of Building Products of Canada Corp., as well as the finalization of the GCP and Kaycan purchase price accounting. Changes in Group structure in 2022 mainly concerned the first-time consolidation of GCP and Kaycan, as well as the finalization of the Chryso purchase price accounting.

The table below shows the main deferred tax components:

(in EUR millions)	Dec. 31, 2023	Dec. 31, 2022
Pensions	340	232
Brands, customer relationships and intellectual property	(965)	(863)
Depreciation and amortization, accelerated capital allowances and tax-driven provisions	(755)	(717)
Tax loss carry-forwards	215	294
Other	748	668
NET DEFERRED TAX	**(417)**	**(386)**
Of which:		
Deferred tax assets	407	382
Deferred tax liabilities	(824)	(768)

Deferred taxes are offset at the level of each tax entity, i.e., by tax group where applicable (mainly in France, the United Kingdom, Spain, Germany and the United States).

Deferred tax assets of €407 million were recognized at December 31, 2023 (€382 million at December 31, 2022), primarily in Germany (€120 million), Brazil (€81 million), Mexico (€42 million), China (€36 million) and Poland (€29 million). Deferred tax liabilities of €824 million were recognized at December 31, 2023 (€768 million at December 31, 2022) across different countries, including €206 million in Canada, €187 million in the United Kingdom, €107 million in the United States, €58 million in Switzerland, €44 million in India and €32 million in Denmark. Deferred tax liabilities recognized in other countries represented considerably smaller amounts.

12.3 Tax loss carry-forwards

Deferred tax assets are recognized only if it is considered probable that there will be sufficient future taxable income against which the temporary difference can be utilized. They are reviewed at the end of each reporting period and written down to the extent that it is no longer probable that there will be sufficient taxable income against which the temporary difference can be utilized. In determining whether to recognize deferred tax assets for tax loss carry-forwards, the Group applies a range of criteria that take into account the probable recovery period based on business plans and the strategy for the long-term recovery of tax losses applied in each country.

The Group recognized deferred tax assets for tax loss carry-forwards for a net amount of €215 million at December 31, 2023 and €294 million at December 31, 2022. This principally relates to the United States, for which the recovery period is shorter than the maximum utilization period of 20 years, and to France, Germany and Spain, where tax consolidation generally ensures that deferred tax can be recovered. In these countries, tax losses may be carried forward indefinitely. Nevertheless, after analyzing each situation, the Group may decide not to recognize them.

At December 31, 2023, deferred tax assets whose recovery is not considered probable totaled €226 million (December 31, 2022: €274 million) and a provision had been accrued for the full amount. Provisions for deferred tax assets chiefly relate to Germany, the United States, Spain and Belgium.

Note that the improved deferred tax position in France in 2022 had led to a reversal of provisions for losses in an amount of €59 million.

NOTE 13 SUBSEQUENT EVENTS

On February 26, 2024 Saint-Gobain announced that it has entered into a definitive agreement with CSR Limited ("CSR") to acquire all of the outstanding shares of CSR by way of an Australian scheme of arrangement for A$9.00 per share, in cash, corresponding to an enterprise value of A$4.5 billion (c. €2.7 billion) and a net enterprise value of A$3.2 billion (c. €1.9 billion) post short to mid-term monetizable property value of at least A$1.3 billion. This acquisition will be fully financed in cash.

CSR is a leading building products company in Australia for residential and non-residential construction with A$2.7 billion in total revenue, 30 manufacturing plants and around 2,500 employees.

Closing of the transaction is subject to, among other things, CSR's shareholders' approval, necessary regulatory approvals and satisfaction of other customary closing conditions, with closing expected in the second half of 2024.

NOTE 14 FEES PAID TO THE STATUTORY AUDITORS

Total fees paid to the Statutory Auditors and recognized in the income statement in 2023 and 2022 break down as follows:

	Deloitte				KPMG			
	2023		2022		2023		2022	
(in EUR millions)	Amount before tax	%	Amount before tax	%	Amount before tax	%	Amount before tax	%
Statutory audit services								
Issuer	0.9	9%	0.8	10%	1.0	9%	0.9	9%
Fully consolidated subsidiaries	8.5	83%	6.4	80%	9.5	81%	8.5	81%
SUBTOTAL	**9.4**	**92%**	**7.2**	**90%**	**10.5**	**90%**	**9.4**	**90%**
Non-audit services *								
Issuer	0.4	4%	0.2	3%	0.1	1%	0.1	1%
Fully consolidated subsidiaries	0.4	4%	0.6	7%	1.0	9%	0.9	9%
SUBTOTAL	**0.8**	**8%**	**0.8**	**10%**	**1.1**	**10%**	**1.0**	**10%**
TOTAL	**10.2**	**100%**	**8.0**	**100%**	**11.6**	**100%**	**10.4**	**100%**

* *Non-audit services provided by the Statutory Auditors to the parent company and its subsidiaries mainly comprise (i) independent third party verification procedures performed on the consolidated social, environmental and corporate information, (ii) accounting, tax and regulatory advisory services, and (iii) training.*

NOTE 15 PRINCIPAL CONSOLIDATED COMPANIES

The table below shows the Group's principal consolidated companies, typically those with annual sales of over €100 million.

High Performance Solutions	Country	Consolidation method	Percentage held directly and indirectly
Saint-Gobain Diamantwerkzeuge GmbH, Norderstedt*	Germany	Full consolidation	100.00%
Saint-Gobain Abrasives GmbH, Wesseling*	Germany	Full consolidation	100.00%
Supercut Europe GmbH, Baesweiler*	Germany	Full consolidation	100.00%
Saint-Gobain Performance Plastics Isofluor GmbH, Neuss*	Germany	Full consolidation	100.00%
Saint-Gobain Performance Plastics Pampus GmbH, Willich*	Germany	Full consolidation	100.00%
Saint-Gobain Performance Plastics L+S GmbH, Wertheim*	Germany	Full consolidation	100.00%
Saint-Gobain Performance Plastics Biolink GmbH, Waakirchen*	Germany	Full consolidation	100.00%
Saint-Gobain Adfors Deutschland GmbH, Neustadt an der Donau*	Germany	Full consolidation	100.00%
H.K.O. Isolier- und Textiltechnik GmbH, Oberhausen*	Germany	Full consolidation	100.00%
BEUHKO Fasertechnik GmbH, Leinefelde-Worbis*	Germany	Full consolidation	100.00%
Freudenberger Autoglas GmbH, München*	Germany	Full consolidation	99.99%
Freeglass GmbH & Co. KG, Schwaikheim*	Germany	Full consolidation	99.99%
Freeglass Verwaltungsgesellschaft mbH*	Germany	Full consolidation	99.99%
Saint-Gobain Sekurit Deutschland GmbH, Herzogenrath*	Germany	Full consolidation	99.99%
Saint-Gobain Sekurit Deutschland Beteiligungen GmbH, Herzogenrath*	Germany	Full consolidation	99.99%
FABA Autoglas Technik GmbH & Co. Betriebs-KG, Berlin*	Germany	Full consolidation	99.99%
Saint-Gobain Autover Deutschland GmbH, Kerpen*	Germany	Full consolidation	99.99%
SEPR Keramik GmbH & Co. KG, Aachen*	Germany	Full consolidation	100.00%
Saint-Gobain Innovative Materials Belgium	Belgium	Full consolidation	99.98%
Saint-Gobain Do Brasil Produtos Industriais e Para Construçao Ltda	Brazil	Full consolidation	100.00%
Saint-Gobain Canada Inc.	Canada	Full consolidation	100.00%
Saint-Gobain Performance Plastics (Shanghaï) Co., LTD	China	Full consolidation	100.00%
Saint-Gobain Abrasives (Shanghaï) Co., LTD	China	Full consolidation	100.00%
SG Hanglas Sekurit (Shanghaï) Co., LTD	China	Full consolidation	99.81%
SG Join Leader (Hangzhou) New Materials Co.,LTD.	China	Full consolidation	100.00%
Hankuk Sekurit Limited	South Korea	Full consolidation	99.63%
Saint-Gobain Cristaleria S.L	Spain	Full consolidation	99.83%
Saint-Gobain Adfors America, Inc.	United States	Full consolidation	100.00%
Saint-Gobain Performance Plastics Corporation	United States	Full consolidation	100.00%
Saint-Gobain Abrasives, Inc.	United States	Full consolidation	100.00%
Saint-Gobain Ceramics & Plastics, Inc.	United States	Full consolidation	100.00%
Saint-Gobain Corporation	United States	Full consolidation	100.00%
GCP Applied Technologies, Inc.	United States	Full consolidation	100.00%
Chryso	France	Full consolidation	100.00%
Saint-Gobain Abrasifs	France	Full consolidation	100.00%
Société Européenne des Produits Réfractaires - SEPR	France	Full consolidation	100.00%
Saint-Gobain Sekurit France	France	Full consolidation	100.00%
Grindwell Norton Ltd	India	Full consolidation	51.59%
Saint-Gobain Sekurit Italia S.R.L.	Italy	Full consolidation	100.00%
Saint-Gobain K.K.	Japan	Full consolidation	100.00%
Saint-Gobain America S.A De C.V	Mexico	Full consolidation	99.83%
Saint-Gobain Mexico	Mexico	Full consolidation	99.83%
Saint-Gobain Abrasives BV	Netherlands	Full consolidation	100.00%
Saint-Gobain HPM Polska Sp Zoo	Poland	Full consolidation	100.00%
Saint-Gobain Innovative Materials Polska Sp Zoo	Poland	Full consolidation	99.97%
Saint-Gobain Adfors CZ, S.R.O.	Czechia	Full consolidation	100.00%
Saint-Gobain Sekurit CZ, Spol S.R.O	Czechia	Full consolidation	99.99%

Northern Europe	Country	Consolidation method	Percentage held directly and indirectly
Saint-Gobain Glass Deutschland GmbH, Stolberg*	Germany	Full consolidation	99.99%
Flachglas Torgau GmbH, Torgau*	Germany	Full consolidation	99.99%
Saint-Gobain Weisswasser GmbH, Aachen*	Germany	Full consolidation	99.99%
Saint-Gobain Deutsche Glas GmbH, Stolberg*	Germany	Full consolidation	99.99%
Vetrotech Saint-Gobain Würselen GmbH, Würselen*	Germany	Full consolidation	99.99%
Saint-Gobain Glassolutions Isolierglas-Center GmbH, Bamberg*	Germany	Full consolidation	99.99%
Kaimann GmbH	Germany	Full consolidation	100.00%
Saint-Gobain Isover G+H Aktiengesellschaft*	Germany	Full consolidation	99.91%
Saint-Gobain Rigips GmbH*	Germany	Full consolidation	100.00%
Saint-Gobain Weber GmbH	Germany	Full consolidation	100.00%
Saint-Gobain PAM Deutschland GmbH	Germany	Full consolidation	100.00%
Saint-Gobain Glassolutions Augustdorf*	Germany	Full consolidation	99.99%
Saint-Gobain Brüggemann Holzbau GmbH, Neuenkirchen*	Germany	Full consolidation	100.00%
Brüggemann Effizienzhaus GmbH, Neuenkirchen*	Germany	Full consolidation	100.00%
SG Formula GmbH*	Germany	Full consolidation	100.00%
SG Beteiligungen Gmbh*	Germany	Full consolidation	100.00%
Saint-Gobain Austria GmbH	Austria	Full consolidation	100.00%
Saint-Gobain Denmark A/S	Denmark	Full consolidation	100.00%
Saint-Gobain Distribution Denmark	Denmark	Full consolidation	100.00%
Optimera Estonia A/S (currently AS Famar-Desi)	Estonia	Full consolidation	100.00%
Saint-Gobain Finland OY	Finland	Full consolidation	100.00%
Dahl Suomi OY	Finland	Full consolidation	100.00%
Saint-Gobain Construction Products (Ireland) Limited	Ireland	Full consolidation	100.00%
Glava As	Norway	Full consolidation	100.00%
Saint-Gobain Byggevarer AS	Norway	Full consolidation	100.00%
Brødrene Dahl As (Norway)	Norway	Full consolidation	100.00%
Optimera As	Norway	Full consolidation	100.00%
Saint-Gobain Polska Sp Zoo	Poland	Full consolidation	99.98%
Saint-Gobain Construction Products Polska Sp Zoo	Poland	Full consolidation	100.00%
Saint-Gobain Construction Products CZ AS	Czechia	Full consolidation	100.00%
Saint-Gobain Construction Products Romania Srl	Romania	Full consolidation	100.00%
Saint-Gobain Glass Romania Srl	Romania	Full consolidation	100.00%
Saint-Gobain Glass (United Kingdom) Limited	United Kingdom	Full consolidation	100.00%
Saint-Gobain Construction Products United Kingdom Ltd	United Kingdom	Full consolidation	100.00%
Saint-Gobain Construction Products Russia ooo	Russia	Full consolidation	100.00%
SG Construction Products S.R.O.	Slovakia	Full consolidation	100.00%
Saint-Gobain Ecophon AB	Sweden	Full consolidation	100.00%
Saint-Gobain Sweden AB	Sweden	Full consolidation	100.00%
Dahl Sverige AB	Sweden	Full consolidation	100.00%
Vetrotech Saint-Gobain International	Switzerland	Full consolidation	100.00%
Saint-Gobain Weber AG	Switzerland	Full consolidation	100.00%
Sanitas Troesch Ag	Switzerland	Full consolidation	100.00%

Southern Europe – ME & Africa	Country	Consolidation method	Percentage held directly and indirectly
Saint-Gobain Construction Products South Africa (Pty) Ltd	South Africa	Full consolidation	100.00%
Saint-Gobain Construction Products Belgium	Belgium	Full consolidation	100.00%
SG Glass Egypte S.A.E.	Egypt	Full consolidation	70.00%
Saint-Gobain Cristaleria S.L	Spain	Full consolidation	99.83%
Saint-Gobain Placo Iberica	Spain	Full consolidation	99.83%
Saint-Gobain Idaplac, S.L.	Spain	Full consolidation	99.83%
Saint-Gobain Distribucion Construccion, S.L	Spain	Full consolidation	99.83%
SG PAM Espana S.A.	Spain	Full consolidation	99.83%
SG Isover Iberica S.L	Spain	Full consolidation	99.83%
SG Weber Cemarksa S.A.	Spain	Full consolidation	99.83%
Saint-Gobain Glass Solutions Menuisiers Industriels	France	Full consolidation	100.00%
Saint-Gobain Glass France	France	Full consolidation	100.00%
Eurofloat	France	Full consolidation	100.00%
Placoplatre SA	France	Full consolidation	99.80%
Saint-Gobain Isover	France	Full consolidation	100.00%
Saint-Gobain Weber	France	Full consolidation	100.00%
Saint-Gobain PAM Canalisation	France	Full consolidation	100.00%
Distribution Sanitaire Chauffage	France	Full consolidation	100.00%
Saint-Gobain Distribution Bâtiment France	France	Full consolidation	100.00%
SG Eurocoustic	France	Full consolidation	100.00%
SG Vitrage Bâtiment	France	Full consolidation	100.00%
Saint-Gobain Glass Italia S.p.a	Italy	Full consolidation	100.00%
Saint-Gobain Italia S.p.a	Italy	Full consolidation	100.00%
Saint-Gobain Construction Products Nederland BV	Netherlands	Full consolidation	100.00%
Izocam Ticaret VE Sanayi A.S.	Turkey	Full consolidation	50.00%

Asia-Pacific	Country	Consolidation method	Percentage held directly and indirectly
SG Innovation Materials (Changxing) Co., Ltd	China	Full consolidation	100.00%
Saint-Gobain India Private Limited	India	Full consolidation	99.03%
Mag-Isover K.K.	Japan	Full consolidation	99.98%
Saint-Gobain Vietnam Ltd	Vietnam	Full consolidation	100.00%

Americas	Country	Consolidation method	Percentage held directly and indirectly
Saint-Gobain Argentina S.A	Argentina	Full consolidation	100.00%
Cebrace Cristal Plano Ltda	Brazil	Full consolidation	50.00%
Saint-Gobain Do Brasil Produtos Industriais e Para Construçao Ltda	Brazil	Full consolidation	100.00%
Saint-Gobain Canalizaçao Ltda	Brazil	Full consolidation	100.00%
Saint-Gobain Distribuiçao Brasil Ltda	Brazil	Full consolidation	100.00%
Placo Do Brasil Ltda	Brazil	Full consolidation	68.62%
Saint-Gobain Mexico	Mexico	Full consolidation	99.83%
CertainTeed Canada, Inc.	Canada	Full consolidation	100.00%
Certain Teed LLC	United States	Full consolidation	100.00%
Kaycan Ltd	Canada	Full consolidation	100.00%
KP Building Products Ltd	Canada	Full consolidation	100.00%
GCP Applied Technologies, Inc.	United States	Full consolidation	100.00%
Saint-Gobain Gypsum USA, Inc.	United States	Full consolidation	100.00%
CertainTeed Ceilings Corporation	United States	Full consolidation	100.00%

* *German consolidated subsidiary or sub-group with corporate or limited liability status and meeting the criteria under Articles 264 paragraph 3, 264b and 291 of the German Commercial Code (HGB) exempting the relevant entities and sub-groups from publishing their statutory and consolidated financial statements or notes to the financial statements and management reports (entities or sub-groups above or below the €100 million threshold).*

8.2 STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

This is a translation into English of the statutory auditors' report on the financial statements of the Compagnie de Saint-Gobain issued in French and it is provided solely for the convenience of English speaking users.

This statutory auditors' report includes information required by French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to shareholders.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

(Year ended December 31, 2023)

Opinion

In compliance with the engagement entrusted to us by your annual general meeting, we have audited the accompanying consolidated financial statements of the Compagnie de Saint-Gobain ("the Group") for the year ended on December 31, 2023.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at December 31, 2023, and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

The audit opinion expressed above is consistent with our report to the Audit and Risk Committee.

Basis for Opinion

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

Independence

We conducted our audit engagement in compliance with independence requirements of the French Commercial Code (Code de commerce) and the French Code of Ethics (Code de déontologie) for statutory auditors, for the period from January 1, 2023, to the date of our report, and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014.

Justification of Assessments – Key Audit Matters

In accordance with the requirements of Articles L.821-53 and R.821-180 of the French Commercial Code (Code de commerce) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole, approved in the conditions mentioned above, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the consolidated financial statements.

Valuation of goodwill, intangible assets and property, plant & equipment

Description of risk

The net carrying amounts of goodwill, others intangible assets and property, plant & equipment were material at December 31, 2023, representing €13,111 million, €4,368 million, and €12,744 million, respectively that is to say 53% of total assets.

These assets may present a risk of impairment due to internal or external factors, including decisions to change the Group's strategy in certain markets, a decline in Group performance, the Group's commitments to carbon neutrality, changes in competition, unfavorable market conditions and changes in legislation or regulations. These changes are likely to have an impact on the Group's forecast cash flow and, consequently, the recoverable amount of assets.

The impairment tests performed by Management using the method described in Note 7.5 to the consolidated financial statements led to book an impairment loss of €238 million in the year ended December 31, 2023 as indicated in Note 5.1.4 to the consolidated financial statements.

The valuation of these assets is a key audit matter, particularly for the cash generating units presenting a risk of impairment, given the materiality of their amount in the consolidated balance sheet and the high level of judgment required by Management in assessing impairment losses. Judgements include multiples of a normative basis of performance and assumptions regarding future changes in revenue in volume and value, profitability, investments and other cash flows related to the operation of these assets, as well as the determination of an appropriate discount rate applied to future cash flows.

How our audit addressed this risk

We familiarized ourselves with the procedures implemented within the Group for impairment testing purposes, particularly with regard to the impacts of the Group's commitments to carbon neutrality and exercised our professional judgment to assess the position adopted by Management. We tested the effectiveness of the controls implemented by the Group to ensure the quality and reliability of these procedures and their consistency with data from the budget and the medium-term business plan prepared by Management.

We also assessed the consistency and relevance of Management's approach to determining the cash-generating units for asset impairment testing. We adapted our audit approach to the risk of impairment, which varies depending on the cash-generating unit.

Our valuation specialists performed an independent analysis of certain key assumptions used by Management for impairment testing purposes, in particular the discount rate, the average perpetual growth rate or multiples of a normative performance basis deemed appropriate to the valuation of cash-generating units, by referring to both external market data and comparable company analyses.

For the most sensitive cash-generating units presenting a risk of impairment, we analyzed the consistency of future cash flow projections with regard to past performance and our knowledge of the business, confirmed by interviews with the Heads of the relevant Businesses. We paid particularly close attention to the calculation of the normalized amount of terminal cash flows projected to perpetuity. We performed our own sensitivity analyses of certain key variables of the measurement model, particularly with regard to the inclusion of $CO2$ emissions when assessing the materiality of potential impacts on the recoverable amounts of the most high-risk assets.

We verified that the disclosures provided in the notes 5.1.4, 7.1, 7.2, 7.3 et 7.5 to the consolidated financial statements on the valuation of goodwill, intangible assets and property, plant & equipment, the underlying assumptions and sensitivity analyses were appropriate.

Measurement of provisions related to asbestos litigations in the United-State of America

Description of risk

As indicated in Note 9.2.2 to the consolidated financial statements, the risk of being called upon to finance the costs of the bankruptcy proceedings of DBMP, an affiliate of CertainTeed LLC which holds the historical liabilities of the former entity CertainTeed Corporation, is subject to a provision amounting to $407 million (€369 million) at December 31, 2023.

With regard to this funding risk, determining and measuring the provision recognized and assessing the appropriateness of the related disclosures in the notes to the consolidated financial statements are a key audit matter given the amounts involved and the high degree of estimation and judgment required by Management in determining this provision. Judgment is required, in particular, to assess the status and resolution of the ongoing legal proceedings (in particular the voluntary petition for relief under Chapter 11 of the US Bankruptcy Code): duration, cost, estimation of the number of current and future cases covered, definition of the damages by the judicial authority.

How our audit addressed this risk

To obtain an understanding of contingent liabilities and litigation regarding asbestos in the United States and the related judgments made, we held discussions with Management at the Group and country level as well as at the main subsidiaries concerned. We also contacted certain law firms and external experts chosen by Management to assist them with the monitoring of these risks.

We:

- examined the minutes of the Board of Directors' meetings and the Group's risk mapping prepared by Management and presented to the Audit and Risk Committee;
- familiarized ourselves with the procedures implemented by Management when measuring the provisions for asbestos-related risks in the United States and determining the disclosures thereon in the notes to the consolidated financial statements;
- assessed the permanence of methods and performed a critical review of internal analyses relating to the probability and possible impact of these risks and new items of litigation by examining the available information relating to the proceedings (correspondence, judgments, notifications, etc.). We also reviewed the responses to the confirmation letters of the law firms chosen by Management, particularly in terms of their experience at resolving comparable situations in the past. We also used our professional judgment to assess the positions adopted by Management, to see where they fell within risk assessment ranges and the consistency of those positions over time;
- verified the arithmetical accuracy of the calculations of changes in provisions and the consistency of the main items of change in relation to the underlying data, in particular the payments made during the year in respect of these risks.

We assessed the appropriateness of the disclosures provided in note 9.2.2 to the consolidated financial statements regarding these items of litigation and contingent liabilities identified.

Specific Verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations of the information pertaining to the Group presented in the management report of Board of Directors.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

We attest that the consolidated non-financial statement required by Article L.225-102-1 of the French Commercial Code (Code de commerce) is included in the information pertaining to the Group presented in the management report, it being specified that, in accordance with the provisions of Article L.823-10 of the code, we have verified neither the fair presentation nor the consistency with the consolidated financial statements of the information contained therein. This information should be reported on by an independent third party.

Other Legal and Regulatory Verifications or Information

Format of presentation of the consolidated financial statements intended to be included in the annual financial report

We have also verified, in accordance with the professional standard applicable in France relating to the procedures performed by the statutory auditor relating to the annual and consolidated financial statements presented in the European single electronic format, that the presentation of the consolidated financial statements intended to be included in the annual financial report mentioned in Article L. 451-1-2, I of the French Monetary and Financial Code (Code monétaire et financier), prepared under the responsibility of the General Manager, complies with the single electronic format defined in the European Delegated Regulation No 2019/815 of 17 December 2018. As it relates to consolidated financial statements, our work includes verifying that the tagging of these consolidated financial statements complies with the format defined in the above delegated regulation.

Based on the work we have performed, we conclude that the presentation of the consolidated financial statements intended to be included in the annual financial report complies, in all material respects, with the European single electronic format.

Due to the technical limitations inherent to the block-tagging of the consolidated financial statements according to the European single electronic format, the content of certain tags of the notes may not be rendered identically to the accompanying consolidated financial statements.

Moreover, we have no responsibility to verify that the consolidated financial statements that will ultimately be included by your company in the annual financial report filed with the AMF are in agreement with those on which we have performed our work.

Appointment of the Statutory Auditors

We were appointed as statutory auditors of Compagnie de Saint-Gobain by the annual general meeting held on June 10, 2004, for KPMG and on June 2, 2022, for Deloitte & Associés.

As at December 31, 2023, KPMG and Deloitte & Associés were in the 20th year and 2nd year of total uninterrupted engagement.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit and Risk Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The consolidated financial statements were approved by the Board of Directors.

Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Objectives and audit approach

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As specified in Article L. 821-55 of the French Commercial Code (Code de commerce), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the consolidated financial statements.
- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.
- Evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The statutory auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

Report to the Audit and Risk Committee

We submit a report to the Audit and Risk Committee which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit and Risk Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period and which are therefore the key audit matters, that we are required to describe in this report.

We also provide the Audit and Risk Committee with the declaration provided for in Article 6 of Regulation (EU) N°537-2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L.821-7 to L.821-34 of the French Commercial Code and in the French Code of Ethics (code de déontologie) for statutory auditors. Where appropriate, we discuss with the Audit and Risk Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Paris-La Défense, February 29, 2024

The Statutory Auditors

French original signed by

KPMG S.A.		Deloitte & Associés
Pierre-Antoine DUFFAUD	Laurent CHILLET	Frédéric GOURD

8.3 COMPAGNIE DE SAINT-GOBAIN 2023 ANNUAL FINANCIAL STATEMENTS (PARENT COMPANY)

INCOME STATEMENT

(in EUR millions)	2023	2022
OPERATING REVENUE		
SALES	**370**	**383**
Other operating income	32	86
TOTAL	**402**	**469**
OPERATING EXPENSES		
Other purchases and external charges	(355)	(364)
Taxes other than on income	(9)	(8)
Payroll costs	(85)	(82)
Depreciation, amortization, impairment and provisions	(47)	(23)
Other operating expenses	(1)	(2)
TOTAL	**(497)**	**(479)**
OPERATING INCOME/(LOSS) (NOTE 2)	**(95)**	**(10)**
FINANCIAL INCOME		
Income from investments in subsidiaries and affiliates	1,057	1,201
Income from loans and other investments	491	315
Other financial income	116	35
TOTAL	**1,664**	**1,551**
FINANCIAL EXPENSE		
Interest expense	(432)	(263)
Other financial expense	(6)	(16)
TOTAL	**(438)**	**(279)**
NET FINANCIAL INCOME (NOTE 3)	**1,226**	**1,272**
INCOME BEFORE TAX AND EXCEPTIONAL ITEMS	**1,131**	**1,262**
NET EXCEPTIONAL INCOME/(EXPENSE) (NOTE 4)	**(61)**	**(19)**
INCOME TAXES (NOTE 5)	**159**	**253**
NET INCOME	**1,229**	**1,496**

BALANCE SHEET

Assets

(in EUR millions)	Dec. 31, 2023 Gross	Dec. 31, 2023 Depreciation, amortization, and impairment	Dec. 31, 2023 Net	Dec. 31, 2022
INTANGIBLE ASSETS (Note 6)	**56**	**(53)**	**3**	**4**
PROPERTY, PLANT AND EQUIPMENT (Note 7)	**95**	**(35)**	**60**	**66**
Investments in subsidiaries and affiliates	14,136	(43)	14,093	14,093
Loans and advances to subsidiaries and affiliates	14,400	0	14,400	14,882
Other financial investments	161	0	161	1,298
FINANCIAL INVESTMENTS (Note 8)	**28,697**	**(43)**	**28,654**	**30,273**
NON-CURRENT ASSETS	**28,848**	**(131)**	**28,717**	**30,343**
Other receivables	1,130	0	1,130	884
Marketable securities	5,144	0	5,144	2,815
Cash and cash equivalents	1,723	0	1,723	1,651
CURRENT ASSETS (Note 11)	**7,997**	**0**	**7,997**	**5,350**
Accruals	**73**	**0**	**73**	**67**
TOTAL ASSETS	**36,918**	**(131)**	**36,787**	**35,760**

Shareholders' equity and liabilities

(in EUR millions)	Dec. 31, 2023	Dec. 31, 2022
Capital stock	2,026	2,063
Additional paid-in capital	3,419	3,925
Revaluation reserve	45	45
Other reserves	3,123	3,125
Unappropriated retained earnings	7,652	7,169
Net income for the year	1,229	1,496
Untaxed provisions (Note 14)	3	3
SHAREHOLDERS' EQUITY (NOTE 12)	**17,497**	**17,826**
Other equity (Note 13)	170	170
Provisions (Note 14)	345	271
Bonds	11,497	9,932
Other debt	6,981	7,289
Other payables	288	262
Accruals	9	10
TOTAL LIABILITIES	**36,787**	**35,760**

NOTES TO THE 2023 ANNUAL FINANCIAL STATEMENTS

The financial statements cover the 12-month period from January 1 to December 31, 2023.

The following notes are an integral part of the annual financial statements.

These financial statements were adopted on February 29, 2024 by the Board of Directors.

NOTE 1 ACCOUNTING PRINCIPLES AND METHODS

The financial statements of Compagnie de Saint-Gobain have been drawn up in accordance with the French Chart of Accounts, French law, and accounting principles generally accepted in France.

The financial statements include the accounts of Compagnie de Saint-Gobain's German branch.

Intangible assets

Intangible assets are carried at acquisition cost (including incidental expenses) and are amortized over their estimated useful lives, ranging from three to ten years.

Property, plant and equipment

Property, plant and equipment are carried at acquisition cost (purchase price plus incidental expenses). They are depreciated over their estimated useful lives using the straight-line method. The most commonly used useful lives are as follows:

• Buildings	40 to 50 years	Straight-line
• Improvements and additions	12 years	Straight-line
• Fixtures and fittings	5 to 12 years	Straight-line
• Office furniture	10 years	Straight-line
• Office equipment	5 years	Straight-line
• Vehicles	4 years	Straight-line
• IT equipment	3 years	Straight-line

Financial investments

On initial recognition, investments in subsidiaries and affiliates are stated at cost including incidental expenses. Periodically, and particularly when an inventory is performed, the net carrying amount of the investments is compared with their fair value (value in use). Fair value is estimated based on various criteria: the Company's equity in the underlying net assets, proportion of consolidated net assets, net present value of future cash flows, excluding interest expense but after tax, based on business plans (or long-term budget projections), or a multiple of a normative performance basis.

When the fair value of the investments falls below their carrying amount, a provision is set aside for impairment. No unrealized capital gain is recorded if their fair value exceeds their carrying amount, and unrealized capital gains and losses are not offset.

Treasury shares

Treasury shares held by the Company for cancelation are recorded in the balance sheet under "Other investment securities". They are carried at acquisition cost and are not revalued or provisioned.

Treasury shares held by the Company for allocation upon exercise of stock options are recorded in the balance sheet under "Marketable securities".

Treasury shares held by the Company for allocation under performance share plans are also recorded in the balance sheet under "Marketable securities". These shares are valued in accordance with the first in/first out (FIFO) method, and are not revalued or provisioned.

Where appropriate, a provision for contingencies and charges is recognized in respect of these plans, corresponding to the outflow of resources expected by the Company. This is calculated based on the number of shares likely to be delivered to the beneficiaries and the acquisition cost of the shares at the date they are allocated to the plan or the likely cost of repurchasing the shares as measured at the reporting date. The provision is recognized on a pro rata basis over the vesting period.

Receivables

Receivables are stated at nominal value. A provision is set aside for impairment when their realizable value is less than their book value.

Marketable securities

Marketable securities mainly include units in money market funds (OPCVM and FCP) and are stated at the lower of acquisition cost and market value at year-end.

Foreign currency transactions

Income and expenses in foreign currencies are recorded at the euro exchange rate prevailing on the transaction date. Receivables, payables and bank balances in foreign currencies are translated at the year-end exchange rate, along with the related hedging instruments, and differences arising on translation are recorded under translation gains or losses. Provisions are booked for any exceptional unrealized translation losses that are not hedged.

Risk management/financial instruments

Liquidity risk is managed with the main objective of ensuring the timely rollover of the Group’s financing at an optimal cost. Long-term debt therefore systematically represents a high proportion of overall debt. At the same time, the maturity schedules of long-term debt are set in such a way that replacement capital market issues are spread over time.

Currency, interest rate and commodity (energy and raw material price) risks arising from the Group's international operations are hedged by Compagnie de Saint-Gobain, mainly on behalf of subsidiaries. Currency risk is primarily hedged through forward purchase and sale contracts and currency options, while interest rate risk is hedged mainly through swaps and cross-currency swaps.

Compagnie de Saint-Gobain applies regulation no. 2015-05 of July 2, 2015 issued by the French accounting standards-setter (*Autorité des normes comptables* – ANC) on forward financial instruments and hedging operations.

Pension obligations

The Company's obligations under supplementary pension plans and retirement bonuses are measured by independent actuaries using the projected unit credit method (based on final salary and benefit obligations as determined at the measurement date). Pension obligations are included within provisions for contingencies and charges.

Actuarial gains and losses arising in the year under defined-benefit retirement plans are recognized immediately and in full in the income statement.

The provision for retirement bonuses has been calculated in accordance with the November 17, 2021 revision to Recommendation No. 2013-02 issued by the French accounting standards-setter (ANC) regarding the rules for measuring and recognizing pension and other benefit obligations.

Tax consolidation agreements

Compagnie de Saint-Gobain is the parent company of a tax consolidation group under the group relief regime provided for in Articles 223 A et seq. of the French Tax Code (*Code général des impôts*).

The tax consolidation agreements between Compagnie de Saint-Gobain and its subsidiaries provide for tax neutrality for consolidated subsidiaries. In their relationship with Compagnie de Saint-Gobain, the consolidating parent company, the subsidiaries discharge their taxes as if they had been taxed on a stand-alone basis. When loss-making companies leave the Group, they are not, in principle, entitled to any payments for losses transferred to the consolidating parent company during the consolidation period.

NOTE 2 OPERATING INCOME/(LOSS)

The operating loss came out €85 million higher than in 2022, due mainly to a decrease in discount rates in 2023, which generated actuarial gains on pension obligations (increase in obligations with a corresponding increase in operating expense), compared with actuarial losses in the previous year.

NOTE 3 NET FINANCIAL INCOME

Net financial income contracted by €46 million to €1,226 million in 2023 from €1,272 million in 2022.

The year-on-year change is primarily attributable to the €144 million fall in investment income. Dividends received from subsidiaries declined by €136 million to €888 million in 2023, while 2023 profit transferred from subsidiaries of the German branch decreased by €8 million.

In addition, the rise in interest rates led to a €61 million improvement in net interest income and expense, as well as a €55 million increase in income from sales of marketable securities.

NOTE 4 EXCEPTIONAL ITEMS

The Company recorded a net exceptional expense of €61 million in 2023 compared to a net exceptional expense of €19 million in 2022. The expense in 2023 mainly reflects the increase in provisions related to the Group's long-term compensation plans, while in 2022 it was due to provisions recorded at the level of the German branch.

NOTE 5 INCOME TAXES

The Company recorded an income tax benefit of €159 million in 2023, comprising a €174 million income tax benefit under the tax consolidation regime in France and a €15 million income tax expense for the German entity.

The French tax group generated a tax profit in 2023. 50% of the 2023 tax profit is therefore charged against tax losses carried forward from prior years. At December 31, 2023, total cumulative tax loss carry-forwards represented €205 million.

Compagnie de Saint-Gobain's permanent German establishment is the head of the Group's Organschaft local tax consolidation regime.

At December 31, 2023, future tax savings corresponding to the branch's unused tax loss carry-forwards amounted to €30 million.

NOTE 6 INTANGIBLE ASSETS

	Intangible assets					Amortization				Net value
(in EUR millions)	Gross at Jan. 1, 2023	Additions	Disposals (retire-ments)	Transfer of intangible assets under construc-tion	Gross at Dec. 31, 2023	Accumu-lated at Jan. 1, 2023	Increases	Decreases	Accumu-lated at Dec. 31, 2023	At Dec. 31, 2023
Purchased goodwill	1				1	1			1	0
Other intangible assets	55	0		0	55	51	1		52	3
Intangible assets in progress	0			0		0			0	
TOTAL	**56**	**0**		**0**	**56**	**52**	**1**		**53**	**3**

NOTE 7 PROPERTY, PLANT AND EQUIPMENT

	Property, plant and equipment					Depreciation				
(in EUR millions)	Gross at Jan. 1, 2023	Additions	Disposals (retire-ments)	Transfer of intan-gible assets under cons-truction	Gross at Dec. 31, 2023	Accumu-lated at Jan. 1, 2023	Increases	Decreases	Accumu-lated at Dec. 31, 2023	Net value at Dec. 31,2023
Land	0	0			0	0			0	0
Buildings	1				1	1	0		1	0
Other	91	2		1	94	25	9		34	60
Assets under construction	0	1		-1	0	0			0	0
Prepayments	0				0	0			0	0
TOTAL	**92**	**3**		**0**	**95**	**26**	**9**		**35**	**60**

NOTE 8 FINANCIAL INVESTMENTS

	Financial investments			
(in EUR millions)	Gross at Jan. 1, 2023	Increases	Decreases	Gross at Dec. 31, 2023
Investments in subsidiaries and affiliates	14,136	0	0	14,136
Loans and advances to subsidiaries and affiliates	14,882	5,706	(6,188)	14,400
Other investment securities	80	787	(758)	109
Loans	1,217	44	(1,210)	51
Other financial investments	1	1	(1)	1
TOTAL	**30,316**	**6,538**	**(8,157)**	**28,697**

	Impairment			
(in EUR millions)	Gross at Jan. 1, 2023	Increases	Decreases	Gross at Dec. 31, 2023
Investments in subsidiaries and affiliates	43	0	0	43
Loans and advances to subsidiaries and affiliates	0	0	0	0
Other investment securities	0	0	0	0
Loans	0	0	0	0
Other financial investments	0	0	0	0
TOTAL	**43**	**0**	**0**	**43**

In 2023, there were no changes in investments in subsidiaries and affiliates.

Most loans and advances to subsidiaries and affiliates are due in more than one year.

Movements in other investment securities correspond mainly to treasury shares (see the section below).

Movements in treasury shares (outside the scope of the liquidity agreement)

(numbers)	Treasury shares allocated for cancelation	Total other financial assets (a)	Treasury shares allocated to performance share plans (b)	Treasury shares allocated to stock option plans (c)	Total marketable securities d = (b) +(c)	Total treasury shares (a) + (d)
AT DECEMBER 31, 2021	**0**	**0**	**1,745,702**	**315,269**	**2,060,971**	**2,060,971**
Shares purchased in 2022	14,941,781	14,941,781	981,956	0	981,956	15,923,737
Shares canceled in 2022	(13,177,086)	(13,177,086)	0	0	0	(13,177,086)
Transfer of marketable securities in 2022	0	0	978	0	978	978
Deliveries	0	0	(1,076,098)	(16,501)	(1,092,599)	(1,092,599)
AT DECEMBER 31, 2022	**1,764,695**	**1,764,695**	**1,652,538**	**298,768**	**1,951,306**	**3,716,001**
Shares purchased in 2023	14,524,412	14,524,412	880,949	0	880,949	15,405,361
Shares canceled in 2023	(14,206,358)	(14,206,358)	0	0	0	(14,206,358)
Other movements	0	0	64,248	(64,248)	0	0
Deliveries	0	0	(1,159,695)	(45,373)	(1,205,068)	(1,205,068)
AT DECEMBER 31, 2023	**2,082,749**	**2,082,749**	**1,438,040**	**189,147**	**1,627,187**	**3,709,936**

Gross value *(in EUR millions)*	Treasury shares allocated for cancelation	Total other financial assets (a)	Treasury shares allocated to performance share plans (b)	Treasury shares allocated to stock option plans (c)	Total marketable securities d = (b) +(c)	Total treasury shares (a) + (d)
AT DECEMBER 31, 2021	**0**	**0**	**84**	**15**	**99**	**99**
Shares purchased in 2022	750	750	50	0	50	800
Shares canceled in 2022	(670)	(670)	0	0	0	(670)
Transfer of marketable securities in 2022	0	0	0	0	0	0
Deliveries	0	0	(49)	(1)	(50)	(50)
AT DECEMBER 31, 2022	**80**	**80**	**85**	**14**	**99**	**179**
Shares purchased in 2023	787	787	57	0	57	844
Shares canceled in 2023	(758)	(758)	0	0	0	(758)
Other movements	0	0	2	(2)	0	0
Deliveries	0	0	(60)	(2)	(62)	(62)
AT DECEMBER 31, 2023	**109**	**109**	**84**	**10**	**94**	**203**

In all, 6,629,309 shares were canceled on June 13, 2023 and 7,577,049 shares were canceled on October 10, 2023, representing a total of 14,206,358 shares canceled.

In 2023, 1,159,695 treasury shares were remitted under existing performance share plans (of which 1,158,645 in November under the 2019 performance share plan), versus 1,076,098 shares in 2022, and 45,373 treasury shares were remitted under existing stock option plans versus 16,501 shares in 2022.

At December 31, 2023, 3,709,936 treasury shares were held, of which:

- 189,147 treasury shares to cover stock option plans;
- 1,438,040 treasury shares to cover employee share plans;
- 2,082,749 treasury shares to be canceled.

NOTE 9 INVESTMENT PORTFOLIO

	Country	Net book value (in EUR millions)	% interest	Number of shares
Société de Participations Financières et Industrielles - SPAFI	France	6,660	100.00 %	251,014,618
Partidis	France	2,266	100.00 %	58,597,751
Saint-Gobain Europe du Nord	France	3,462	100.00 %	208,429,614
Saint-Gobain Benelux	Belgium	400	100.00 %	3,296,475
Saint-Gobain Do Brasil	Brazil	259	55.31 %	93,891,494
Saint-Gobain Cristaleria	Spain	211	16.36 %	3,660,677
Saint-Gobain Isover G+H AG	Germany	155	100.00 %	3,200,000
Saint-Gobain PPL Isofluor GmbH	Germany	154	100.00 %	23,008,200
Saint-Gobain Innovative Materials	Belgium	150	15.00 %	1,667,698
Saint-Gobain Glass Deutschland GmbH	Germany	86	60.00 %	119,999,970
Saint-Gobain Beteiligungen GmbH	Germany	76	100.00 %	15,358,100
Saint-Gobain Autoglas GmbH	Germany	73	60.00 %	120,000,000
Saint-Gobain Diamant Werkzeuge GmbH	Germany	61	100.00 %	20,000,000
Société Europeenne des Produits Refractaires - SEPR	France	53	25.73 %	407,600
Saint-Gobain PAM	France	21	8.10 %	927,255
Unterstützungskasse GmbH	Germany	0	95.00 %	28,500
Saint-Gobain Immobilien GmbH	Germany	0	100.00 %	25,000
SCI Île-de-France	France	3	94.00 %	22,560
INVESTMENTS IN SUBSIDIARIES AND AFFILIATES		**14,093**		
Compagnie de Saint-Gobain (treasury stock held for cancellation)	France	109		2,082,749
OTHER INVESTMENT SECURITIES		**109**		
TOTAL		**14,202**		

NOTE 10 INFORMATION ABOUT SUBSIDIARIES AND AFFILIATES

Information on direct holdings of Compagnie de Saint-Gobain whose book value exceeds 1% of capital:

COMPANY *(in EUR millions)*	Capital stock	Reserves	% interest	Book value of shares held Gross	Book value of shares held Net	Loans and advances granted by the Company	Guarantees given by the Company	2023 sales	2023 net income/ (loss)	Dividends received by the Company in 2023
1 – SUBSIDIARIES										
At least 50%-owned by the Company										
SPAFI										
12, place de l'Iris										
92400 Courbevoie	3,012	5,322	100.00	6,660	6,660	2,945	0	0	592	437
Partidis										
12, place de l'Iris										
92400 Courbevoie	259	95	100.00	2,266	2,266	605	0	4	564	236
S-G Europe du Nord										
12, place de l'Iris										
92400 Courbevoie	886	1,659	100.00	3,462	3,462	3,314	0	17	207	165
S. G. Benelux										
6, Avenue Einstein,										
1300 Wavre, Belgium	400	12	100.00	400	400	0	0	0	16	4
S. G. Isover G+H AG										
1 Burgermeister-Grünzweig Strasse										
D-67059 Ludwigshafen	82	11	100.00	155	155	0	0	429	39	39
S. G. PPL Isofluor GmbH										
Ziegeleistrasse 2 / Kreitzweg										
D-41472, Neuss	23	133	100.00	154	154	0	0	13	72	72
S. G. Glass Deutschland GmbH										
Nikolausstrasse 1										
D-52222, Stolberg	102	32	60.00	87	86	0	0	402	41	41
S G Do Brasil										
482, avenida Santa Marina – Agua Branca										
05036-903 São Paulo-SP, Brésil	317	377	55.31	259	259	0	0	1,064	86	11
Saint-Gobain Autoglas GmbH										
Glasstrasse 1										
D-52134, Herzogenrath	102	20	60.00	73	73	0	0	89	24	24
Saint-Gobain Diamant Werkzeuge GmbH										
Schuetzenwall 13-17										
D-22844, Norderstedt	10	51	100.00	61	61	0	0	39	(6)	(6)
Saint-Gobain Beteiligungen GmbH										
Krefelder Straße 195										
D-52070, Aachen	15	151	100.00	76	76	0	0	0	11	0

COMPANY *(in EUR millions)*	Capital stock	Reserves	% interest	Book value of shares held Gross	Book value of shares held Net	Loans and advances granted by the Company	Guarantees given by the Company	2023 sales	2023 net income/ (loss)	Dividends received by the Company in 2023
2 – AFFILIATES										
10%- to 50%-owned										
by the Company										
S. G. Cristaleria										
132, Principe de Vergara										
28002 Madrid, Spain	135	712	16.36	211	211	540	0	388	26	7
S. G. Innovative Materials										
6, Avenue Einstein,										
1300 Wavre, Belgium	391	(262)	15.00	161	150	0	0	183	-3	0
SEPR										
12, place de l'Iris										
92400 Courbevoie	63	18	25.73	53	53	0	0	207	25	22
OTHER										
Subsidiaries over 50%-owned										
Total French companies				3	3					6
Total foreign companies										
Affiliates (10%- to 50%-owned)										
Total French companies										
Total foreign companies										
Other investments				55	24					
Treasury stock held for cancellation				109	109					
TOTAL				**14,245**	**14,202**	**7,404**	**0**	**2,835**	**1,694**	**1,058**

The amounts shown for subsidiaries of the German branch corresponds to the 2023 profit or loss transferred under the tax consolidation system.

NOTE 11 CURRENT ASSETS

Other receivables

This item includes receivables and loans granted by the Company with a maturity of less than one year. Other receivables totaled €1,130 million at December 31, 2023 and €884 million at December 31, 2022. At December 31, 2023, other receivables mainly comprise €971 million in current account advances to subsidiaries (€710 million at end-2022), €59 million in accounts receivable – Group (€97 million at end-2022), €1 million in mark-to-market adjustments on swap and option contracts (€3 million at end-2022) and €38 million in tax receivables (€23 million at end-2022).

Maturities of receivables reported under "Current assets"

(in EUR millions)	Gross	Due: Within 1 year	Due: Beyond 1 year
Other receivables	1,130	1,130	0
Prepayments	26	8	18
Deferred charges	47	12	35
TOTAL PREPAYMENTS AND DEFERRED CHARGES	**73**	**20**	**53**
Provision for doubtful receivables	0	0	0

Marketable securities

Marketable securities represent €5,144 million at December 31, 2023 (€2,815 million at December 31, 2022).

They consist mainly of €5,043 million worth of units in money market funds (OPCVM and FCP), representing the investment of funds held by the cash pool managed by the Company on behalf of the Group to yield a return on temporary cash surpluses.

Marketable securities also include 1,627,187 treasury shares held to cover employee stock option and performance share plans (see Note 8).

Lastly, marketable securities include securities held within the scope of a liquidity agreement that complies with the Code of Ethics adopted by the French financial markets association (AMAFI) and with AMF decision no. 2018-01 of July 2, 2018.

Under this liquidity agreement, at December 31, 2023 the Company held:

- €5.8 million worth of units in a euro-denominated money-market fund (FCP);
- 5,300 treasury shares.

In 2023, 1,705,916 shares were purchased under this agreement (2022: 2,086,990 shares) and 1,730,366 shares were sold (2022: 2,081,717 shares).

Deferred charges

Deferred charges mainly correspond to bond issuance costs for €37 million (€34 million at December 31, 2022).

In 2023, new debt issuance costs recorded under "Deferred charges" totaled €23 million (2022: €12 million) and amortization for the year amounted to €12 million (2022: €10 million). The corresponding refinancing transactions are presented in Note 15.

NOTE 12 SHAREHOLDERS' EQUITY

12.1 Changes in shareholders' equity

	Date	Number of shares *(number)*	Capital stock *(in EUR millions)*	Additional paid-in capital, reserves and other *(in EUR millions)*	Unappropriated retained earnings *(in EUR millions)*	Net income *(in EUR millions)*	Total equity *(in EUR millions)*
SHAREHOLDERS' EQUITY AT DECEMBER 31, 2022		**515,769,082**	**2,063**	**7,098**	**7,169**	**1,496**	**17,825**
Appropriation of 2022 net income		0	0	0	1,496	(1,496)	0
Dividend		0	0	0	(1,013)	0	(1,013)
Shares issued under the Group Savings Plan	05/16/2023	4,778,291	20	190	0	0	210
Shares canceled	06/13/2023	(6,629,309)	(27)	(300)	0	0	(327)
Shares canceled	10/10/2023	(7,577,049)	(30)	(401)	0	0	(431)
Shares issued upon exercise of stock options	12/31/2023	96,997	0	3	0	0	3
Net income for 2023		0	0	0	0	1,229	1,229
SHAREHOLDERS' EQUITY AT DECEMBER 31, 2023		**506,438,012**	**2,026**	**6,590**	**7,652**	**1,229**	**17,497**

At December 31, 2023, capital stock amounted to €2,026 million, comprising 506,438,012 shares of common stock with a par value of €4 each.

The principal events that contributed to changes in capital stock and shareholders' equity were as follows:

- the May 16, 2023 increase in capital stock through the subscription of 4,778,291 shares under the Group Savings Plan at a price of €44.19 for a gross and net amount of €210 million;
- the capital reductions of June 13, 2023 and October 10, 2023 through the cancellation of 6,629,309 and 7,577,049 shares, respectively, for a total gross and net amount of €758 million;

12.2 Stock option plans

Until 2018, Compagnie de Saint-Gobain operated stock option plans for certain employees.

Under these plans, the Board of Directors granted options allowing beneficiaries to obtain Saint-Gobain shares at a price set, at no discount, by reference to the average of the opening prices for the Saint-Gobain share over the 20 stock market trading days preceding the date of the decision by the Board of Directors.

For all of the plans, beneficiaries must wait at least four years from the grant date to exercise any options. None of the options received may be exercised until this four-year period has lapsed. Options must be exercised within 10 years of the grant date. Except in specified circumstances, grantees forfeit these options if they leave the Group.

Among the plans outstanding at December 31, 2023, the 2015, 2016 and 2017 plans offer purchase options, while the 2018 plan offers subscription options.

Since 2009, a performance condition has applied for all grantees in plans.

No stock option plans have been launched since 2019.

The following table presents changes in the number of outstanding options:

Stock purchase and subscription option plans

	€4 par value shares	Average exercise price *(in EUR)*
OPTIONS OUTSTANDING AT DECEMBER 31, 2021	**551,489**	**38.03**
Options granted	0	
Options exercised	(28,977)	40.97
Options forfeited	(36,691)	31.71
OPTIONS OUTSTANDING AT DECEMBER 31, 2022	**485,821**	**38.32**
Options granted	0	
Options exercised	(143,670)	35.23
Options forfeited*	(4,536)	38.80
OPTIONS OUTSTANDING AT DECEMBER 31, 2023	**337,615**	**39.62**

* *Including 4,536 options that lapsed after the exercise period under the 2013 stock option plan expired (no options lapsed due to the non-fulfillment of performance conditions or the withdrawal of rights).*

The table below summarizes information about stock options outstanding at December 31, 2023, after taking into account partial fulfillment of the performance criteria attached to certain plans:

	Exercisable options outstanding			
Grant date	Exercise price *(in EUR)*	Number of options	Weighted average contractual life *(in months)*	Type of options
2015	39.47	34,465	23	Purchase
2016	40.43	39,885	35	Purchase
2017	49.38	111,851	47	Purchase
2018	32.24	151,414	59	Subscription
TOTAL		**337,615**		

At December 31, 2023, 337,615 options were exercisable at an average exercise price of €39.62.

12.3 Performance share plans

Various performance share plans have been set up by Saint-Gobain since 2009. These plans concern both managerial-grade employees and senior managers of the Group both within and outside France.

At December 31, 2023, there were four outstanding performance share plans, approved by the Board of Directors in 2020, 2021 and 2022 and on November 23, 2023.

All plans are subject to service and performance conditions. The vesting period for the plans is four years and the shares will be delivered on the fourth day after the end of the vesting period.

The table below shows changes in the number of performance share rights:

Performance share plans (movements)

	Number of rights
NUMBER OF PERFORMANCE SHARE RIGHTS AT DECEMBER 31, 2021	**4,920,759**
Performance share rights granted in November 2022	1,232,792
Shares issued/delivered	(1,076,098)
Lapsed and canceled rights	(141,921)
NUMBER OF PERFORMANCE SHARE RIGHTS AT DECEMBER 31, 2022	**4,935,532**
Performance share rights granted in November 2023	1,268,633
Shares issued/delivered	(1,159,695)
Lapsed and canceled rights*	(92,075)
NUMBER OF PERFORMANCE SHARE RIGHTS AT DECEMBER 31, 2023	**4,952,395**

* *Including 92,075 rights that lapsed after they had been withdrawn (no rights lapsed because the performance conditions had only been partly met).*

The following table shows the expected dates when shares under the four performance share plans outstanding at December 31, 2023 will be delivered (except in the case of early release following the grantee's death or disability, along with the service and performance conditions remaining to be fulfilled):

Performance share plans

Information on the number of performance share rights (not yet vested) at December 31, 2023

Grant date	Number of rights granted at inception of the plan	Deliveries	Number of rights at December 31, 2023*	Delivery date	Type of shares
November 26, 2020	1,268,295	1,100	1,267,195	November 29, 2024	existing
November 25, 2021	1,184,475	700	1,183,775	November 28, 2025	existing
November 24, 2022	1,232,792		1,232,792	November 27, 2026	existing
November 23, 2023	1,268,633		1,268,633	November 26, 2027	existing
TOTAL	**4,954,195**	**1,800**	**4,952,395**		

* *Subject to fulfillment of the service and performance conditions applicable to each plan.*

12.4 Performance unit plans

Performance unit plans subject to service and performance conditions were set up every year between 2012 and 2015 for certain management-grade employees and senior managers of the Group in France. These plans do not give rise to the delivery of shares, but entitle grantees to receive cash compensation deferred over the long term (exercise period between four and ten years after the grant date), the amount of which will be determined by reference to Saint-Gobain's share price.

No long-term compensation plan in the form of performance units has been set up since 2016, as all beneficiaries received rights to performance shares (see above).

As of 2019, there are no more unvested performance unit plans.

12.5 Compagnie de Saint-Gobain Group Savings Plan (PEG)

The Group Savings Plan (Plan d'Épargne Groupe – PEG) is an employee stock purchase plan open to all Group employees in France and most other countries where the Group is present. Eligible employees must have completed a minimum of three months' service with the Group. Eligible employees are able to invest in Saint-Gobain shares at a preferential subscription price. These shares are held either directly or through the employee saving plan's mutual funds, depending on local legislation, and are subject to a mandatory five- or ten-year lock-up, except following the occurrence of certain events. The Board of Directors delegates authorization for setting the subscription price to the Chief Executive Officer of Compagnie de Saint-Gobain. It corresponds to the average of the opening prices for the Saint-Gobain share on Euronext Paris over the 20 trading days preceding the date of the decision, subject to a 20% discount, in accordance with applicable laws, the Shareholders' Meeting resolutions and the deliberations of the Board of Directors.

In 2023, 4,778,291 new shares with a par value of €4 were issued to employees under the PEG at an average subscription price of €44.19 (4,916,097 shares at an average price of €45.19 in 2022), representing a share capital increase of €210 million (€222 million in 2022), net of transaction fees.

12.6 Potential number of shares

At the Shareholders' Meeting of June 2, 2022, shareholders authorized the Board of Directors of Compagnie de Saint-Gobain to:

- grant stock purchase or subscription options exercisable for new or existing shares, subject in particular to performance conditions, representing up to 1.5% of capital stock on the date of the Shareholders' Meeting, with a sub-limit of 10% of this limit for corporate officers of Compagnie de Saint-Gobain, i.e., 7,934,005 options, including a maximum of 793,401 options for corporate officers (17th Resolution/38-month authorization commencing June 2, 2022). It should be noted that this limit of 1.5% of the capital stock will be set off against the threshold set in the 18th Resolution for the performance share grants mentioned below, and that this 1.5% limit represents the aggregate limit for shares resulting from the exercise of options granted under and within the limit of the 17th Resolution and shares granted under and within the limit of the 18th Resolution;
- grant free existing shares, subject in particular to performance conditions, representing up to 1.2% of the capital stock on the date of the Shareholders' Meeting, with a sub-limit of 10% of this limit for corporate officers of Compagnie de Saint-Gobain, i.e., 6,347,204 free shares, including a maximum of 634,720 free shares for corporate officers (18th Resolution/38-month authorization commencing June 2, 2022). The limit of 1.2% and sub-limit of 10% are being set off against the limits specified under the 17th Resolution of the Shareholders' Meeting referred to above regarding stock options. The Board of Directors made partial use of this authorization by granting 1,268,633 performance shares (including 75,000 for corporate officers) on November 23, 2023 (see section 12.3).

At the Shareholders' Meeting of June 8, 2023, shareholders authorized the Board of Directors of Compagnie de Saint-Gobain to:

- issue, on one or several occasions, up to 103,000,000 new shares or securities giving access to the share capital of the Company or its subsidiaries, with preferential subscription rights, or without preferential subscription rights but with a priority period for existing shareholders, by public offering, or without preferential subscription rights by private placement, or to issue new shares through the capitalization of share premiums, reserves, profits or other amounts, or without preferential subscription rights in consideration of contributions in kind (14th to 19th Resolutions/26 month authorization commencing June 8, 2023);
- issue, on one or several occasions, up to 13,000,000 new shares to members of the Group Savings Plan (21st Resolution/26-month authorization commencing June 8, 2023).

If all the stock options outstanding under the most recent plan were to be exercised, and the shares issued, this would potentially have the effect of increasing the number of shares outstanding to 506,589,426 shares. In addition, if the authorizations described above were to be used in full by the Board of Directors, this would potentially have the effect of increasing the number of shares outstanding to 628,022,006 shares.

NOTE 13 OTHER EQUITY

Non-voting participating securities

In June 1983, Compagnie de Saint-Gobain issued 1,288,299 non-voting participating securities with a face value of FRF 1,000. Their face value is now €152.45, following their translation into euros in 1999.

A certain number of these participating securities have been bought back over the years. At December 31, 2023, 606,883 securities are still outstanding with an aggregate face value of €92.5 million.

Interest on the securities ranges from 75% to 125% of the average corporate bond yield (TMO), based on the Group's consolidated income. The amount paid per security in 2023 was €3.66.

In April 1984, 194,633 non-voting participating securities were issued by Compagnie de Saint-Gobain with a face value of ECU 1,000 (€1,000 today).

A certain number of these participating securities has been bought back over the years. At December 31, 2023, 77,516 securities are still outstanding, with an aggregate face value of €77.5 million.

Interest comprises (i) a fixed portion of 7.5% paid per year applicable to 60% of the nominal amount of the security, and (ii) a variable portion applicable to the remaining 40% of the nominal amount of the security, which is linked to consolidated net income of the previous year and to the reference six-month Euribor rate +7/8%. The amount paid per security in 2023 was €67.50, paid in two equal installments.

These participating securities are not redeemable and the interest paid on them is classified as a component of finance costs.

NOTE 14 PROVISIONS

(in EUR millions)	At Jan. 1, 2023	Charge for the year	Write-backs of utilized provisions	Write-backs of surplus provisions	Other (transfer, method change)	At Dec. 31, 2023
Untaxed provisions						
Reinvested capital gains	3	0	0	0	0	3
Other	0	0	0	0	0	0
	3	**0**	**0**	**0**	**0**	**3**
Provisions for contingencies						
Provisions for taxes	17	0	2	0	0	15
Other risks	1	1	2	0	0	0
	18	**1**	**4**	**0**	**0**	**15**
Provisions for charges						
Pensions (1)	67	36	7	0	0	96
Retirement bonuses	9	1	1	0	0	9
Provisions for performance share and performance unit plan costs	166	208	155	0	0	219
Provisions for other charges	11	0	5	0	0	6
	253	**245**	**168**	**0**	**0**	**330**
Provisions for impairment						
Investments in subsidiaries and affiliates	43	0	0	0	0	43
Other investment securities	0	0	0	0	0	0
Doubtful receivables	0	0	0	0	0	0
Marketable securities	0	0	0	0	0	0
	43	**0**	**0**	**0**	**0**	**43**

(1) *The discount rate used in 2023 to calculate benefit obligations was 3.16% for terms of 13 years or less (4.16% in 2022), and 3.20% for terms over 13 years (4.23% in 2022).*

NOTE 15 DEBT AND PAYABLES

The net €1,282 million increase in total debt and payables (€18,775 million) was mainly attributable to the increase in bonds.

Analysis of debt and payables

Maturities of debt and payables

(in EUR millions)	Gross	Due: Within 1 year	Due: Beyond 1 year
Bonds (1)	11,497	1,592	9,905
Bank borrowings (1) (2)	12	12	0
Other borrowings (3)	6,969	6,238	731
DEBT	**18,478**	**7,842**	**10,636**
Tax and social charges payable	102	102	0
Other payables (3)	186	149	37
Deferred income	9	1	8
TOTAL DEBT AND PAYABLES (4)	**18,775**	**8,094**	**10,681**
(1) New borrowings and debt for the year – non-Group	3,150		
Borrowings and debt repaid during the year – non-Group	1,617		
(2) Of which:			
■ debt with original maturity of up to two years	12		
■ debt with original maturity of more than two years	0		
(3) Of which:			
■ shareholder loans	NEANT		
■ new loans from subsidiaries*	2,008		
■ loans from subsidiaries repaid during the year	2,826		
(4) Debt due beyond five years	5,420		

* *Including the net change in current accounts with Group entities.*

Long- and short-term debt

(in EUR millions)	2023	2022
2023	-	1,612
2024	1,479	976
2025	1,250	1,250
2026	1,750	750
2027	1,500	1,500
2028 and beyond	5,378	3,722
No fixed maturity	27	33
Accrued interest	113	89
BONDS	**11,497**	**9,932**
Short-term borrowings from Group entities	6,204	6,552
Long-term borrowings from Group entities	731	716
Bank overdrafts and other short-term borrowings	40	15
Other	6	6
TOTAL LONG- AND SHORT-TERM DEBT	**18,478**	**17,221**

Long-term debt can be analyzed as follows by currency:

(in EUR millions)	2023	2022
Euros	11,072	9,515
Pound sterling	426	417
TOTAL	**11,497**	**9,932**

The amortization of expenses incurred to set up borrowings is recognized on a pro rata basis over the term of the borrowings in question. These expenses are shown on the "Deferred charges" line of the balance sheet (see Note 11 "Deferred charges").

15.1 Perpetual bonds

In 1985, Compagnie de Saint-Gobain issued 25,000 perpetual bonds with a face value of ECU 5,000 (€5,000 today).

A total of 19,541 perpetual bonds have since been bought back and canceled, of which 1,045 bonds were bought back on December 15, 2023. A total of 5,459 perpetual bonds therefore remained outstanding at December 31, 2023, representing a face value of approximately €27 million.

The bonds bear interest at a variable rate (average of interbank rates offered by a panel of reference banks for six-month euro deposits). The amount paid per bond in 2023 was €161.91, settled in two installments (€61.28 and €100.63).

The bonds are not redeemable and interest on the bonds is classified as a component of finance costs.

15.2 Main changes in bond debt

Compagnie de Saint-Gobain also redeemed the following instruments at maturity:

- €750 million worth of 1.75% bonds on April 3, 2023;
- €500 million worth of 0.875% bonds on September 21, 2023;
- €362 million worth of 2.875% private placements on December 5, 2023.

On January 18, 2023, Compagnie de Saint-Gobain issued a €1.15 billion bond divided into two tranches:

- a €500 million tranche maturing July 18, 2024 and paying a floating-rate coupon of 3-month Euribor +0.20%;
- a €650 million tranche maturing January 18, 2029 and paying a coupon of 3.50%.

On November 29, 2023, Compagnie de Saint-Gobain issued a €2 billion bond divided into two tranches:

- a €1 billion tranche maturing November 29, 2026 and paying a coupon of 3.75%;
- a €1 billion tranche maturing November 29, 2030 and paying a coupon of 3.875%.

15.3 Financing programs

The Group has a number of medium- and long-term financing programs (Medium-Term Notes) and short-term financing programs (Commercial Paper). The state of these programs is as follows:

(in EUR millions)	Authorized drawings	Authorized limits at Dec. 31, 2023	Balance outstanding at Dec. 31, 2023	Balance outstanding at Dec. 31, 2022
Medium Term Notes	any duration	15,000	11,417	9,879
NEU CP	up to 12 months	4,000	0	0
US Commercial Paper	up to 12 months	905 *	0	0
Euro Commercial Paper	up to 12 months	905 *	0	0

* *Equivalent of USD 1,000 million based on the exchange rate at December 31, 2023.*

In accordance with market practices, Negotiable European Commercial Paper (NEU CP), US Commercial Paper and Euro Commercial Paper are generally issued with maturities of one to six months. They are treated as variable-rate debt since they are rolled over at frequent intervals.

Syndicated line of credit

Compagnie de Saint-Gobain has a €4 billion syndicated line of credit that is intended to provide a secure source of financing for the Group (including as additional backing for its short-term NEU CP, US Commercial Paper and Euro Commercial Paper programs). This syndicated facility falls due in December 2028, with two further one-year rollover options.The facility is a "Sustainability-Linked Loan" (SLL) on which the margin is indexed to three KPIs set out in Saint-Gobain's sustainable roadmap (reduction of scope 1 and 2 CO_2 emissions, reduction in non-recovered production waste and limited work accident frequency rate).

At December 31, 2023, no drawdowns had been made on this credit facility.

NOTE 16 RELATED-PARTY TRANSACTIONS

16.1 Transactions with related companies

(in EUR millions)	Net amount concerning related companies: Subsidiaries [(1)]	Net amount concerning related companies: Other related companies [(2)]	Other companies	Net balance sheet amount at Dec. 31, 2023
BALANCE SHEET ITEMS				
Investments in subsidiaries and affiliates	14,093	0	0	14,093
Loans and advances to subsidiaries and affiliates	14,400	0	0	14,400
Other investment securities	0	0	109	109
Loans and other financial investments	37	0	15	52
Other receivables	1,031	0	99	1,130
Marketable securities	0	0	5,144	5,144
Cash and cash equivalents	0	0	1,723	1,723
Bonds	0	0	(11,497)	(11,497)
Bank borrowings	0	0	(12)	(12)
Other borrowings	(6,973)	4	0	(6,969)
Tax and social charges payable	0	0	(102)	(102)
Other payables	(29)	0	(157)	(186)
INCOME STATEMENT ITEMS				
Income from investments in subsidiaries and affiliates	(1,057)	0	0	(1,057)
Income from loans and other investments	(491)	0	0	(491)
Other interest income	(1)	0	(60)	(61)
Interest expense	196	0	236	432

(1) *Fully consolidated companies.*
(2) *Companies that are not fully consolidated.*

16.2 Transactions with other related parties

There are no material transactions with other related parties that were not entered into under arm's-length conditions.

NOTE 17 OFF-BALANCE SHEET COMMITMENTS

Off-balance sheet commitments given on behalf of consolidated companies

Off-balance sheet commitments given on behalf of consolidated companies	Date	Counterparty	2023 amount (in EUR millions)	2022 amount (in EUR millions)
Guarantee for Saint-Gobain tower lease	01/09/2032	SCI Iris La Défense	7	6
Guarantee given on behalf of Saint-Gobain Isover (electricity purchases)	12/31/2025	Exeltium	7	9
Commitment given to the Saint-Gobain Initiatives foundation	multiple	SG Initiatives counterparts	2	6
Commitment given to employees of the German companies in the Group (early retirement plan)	12/31/2025	Sparkasse Aachen	4	2

Financing-related off-balance sheet commitments

Financing-related off-balance sheet commitments given	Date	Counterparty	2023 amount *(in EUR millions)*	2022 amount *(in EUR millions)*
Liquidity agreement guarantee	January 2024	Exane	0	1
Euro equivalent of forward currency sale contracts	multiple	multiple	1,414	1,543
Euro equivalent of foreign currencies payable under currency swaps	multiple	multiple	3,567	2,724

Financing-related off-balance sheet commitments received	Date	Counterparty	2023 amount *(in EUR millions)*	2022 amount *(in EUR millions)*
Liquidity agreement guarantee	January 2024	Exane	0	1
Euro equivalent of forward currency sale contracts	multiple	multiple	1,414	1,543
Euro equivalent of foreign currencies receivable under currency swaps	multiple	multiple	3,593	2,759
2013/2023 undrawn line of credit	12/20/2023	multiple	0	2,480
2017/2023 undrawn line of credit	12/20/2023	multiple	0	1,520
2023/2028 undrawn line of credit	12/20/2028	multiple	4,000	0
Equity swaps acquired as hedges of performance units	multiple	multiple	5	0

Financing-related off-balance sheet commitments given and received	Date	Counterparty	2023 amount *(in EUR millions)*	2022 amount *(in EUR millions)*
Interest-rate swaps: fixed-rate borrower/fixed-rate lender	multiple	multiple	288	282
Interest-rate swaps: variable-rate borrower/fixed-rate lender	multiple	multiple	175	175
Commodity swaps: fixed-price buyer/variable-price seller	multiple	multiple	(11)	6
Commodity swaps: variable-price buyer/fixed-price seller	multiple	multiple	(11)	6

Operations-related off-balance sheet commitments

None..

Other off-balance sheet commitments

In some cases Compagnie de Saint-Gobain, or other Group companies, may grant seller's warranties to the buyers of divested businesses. A provision is recognized whenever a risk is identified and the related cost can be estimated reliably.

NOTE 18 INFORMATION ON FEES PAID TO THE STATUTORY AUDITORS

Total fees (excluding VAT) paid and payable to the Statutory Auditors in 2023, as reflected in the income statement for the year, may be broken down as follows:

- statutory audit fees: €1.9 million in 2023 (2022: €1.7 million);
- fees for non-audit services: €0.5 million in 2023 (2022: €0.3 million).

Non-audit services provided by the Statutory Auditors to Compagnie de Saint-Gobain relate mainly to audit procedures carried out as an independent third party on the management report on CSR information, due diligence in the context of planned acquisitions or divestments, and procedures related to the issuance of comfort letters in the case of new bond issues.

NOTE 19 EMPLOYEES

Monthly average number of employees

Paris HQ (Tour Saint-Gobain, La Défense)	2023	2022
Managerial-grade employees	174	174
Supervisors	15	13
Administrative staff	3	4
TOTAL	**192**	**191**
of which employees on fixed-term contracts	6	7

German branch (Aix la Chapelle)	2023	2022
Managerial-grade employees	91	88
Supervisors	102	105
Administrative staff	0	0
TOTAL	**193**	**193**
of which employees on fixed-term contracts	6	13

Management compensation

Total gross compensation and benefits paid in 2023 by the French and foreign companies in the Group to members of the Executive Committee as it stood at December 31, 2023 (excluding any long-term compensation) amounted to €17.8 million (2022: €15.3 million), including €7.2 million in gross variable compensation (2022: €5.7 million).

Provisions for pensions and other post-employment benefit obligations (defined-benefit obligations [DBO] in respect of length-of-service awards and pensions) accruing to members of the Group's management bodies totaled €40.5 million (2022: €29.2 million).

Compensation paid to members of the Board of Directors for 2023 totaled €1.3 million (2022: €1.1 million).

NOTE 20 LITIGATION

The lawsuits described below involves Group subsidiaries and the related costs and provisions are recorded in the accounts of the subsidiaries concerned.

20.1 Competition law and related proceedings

Investigation by the Swiss Competition Commission in the sanitary products wholesale industry

In November 2011, the Swiss Competition Commission (*Commission suisse de la concurrence*) opened an investigation into anti-competitive practices in the sanitary products wholesale industry. In May 2014, the Commission Secretariat issued a notice of complaints against Sanitas Troesch and other wholesalers in the industry alleging that Sanitas Troesch and some of its competitors had, among other things, agreed in 2005 and 2012 to lower gross prices.

The total fine imposed on all companies involved is CHF 80 million. For Sanitas Troesch, the fine is CHF 28.8 million. Sanitas Troesch appealed this decision on May 2, 2016 and continues to firmly refute the claims made. The hearing took place before the Federal Administrative Court on January 21, 2020 and the date on which the Federal Administrative Court will issue its decision is not yet known. However, a provision for claims and litigation was recognized at December 31, 2015 in an amount equivalent to the fine (unchanged as at December 31, 2023).

Investigations by Competition Authorities in the additives and admixtures sector

The European Commission, the Competition and Markets Authority in the UK and the Turkish competition authority have launched investigations into anti-competitive practices in relation to the supply of chemical additives for cement and chemical admixtures for concrete and mortar. As of 31 December 2023, no statement of objections has been issued.

Incidentally, class actions have been instituted against the Group in the United States and Canada in connection with these investigations which remain at a preliminary stage

20.2 Asbestos-related litigation

Current legal actions related to asbestos are described below.

Asbestos-related litigation in France

Inexcusable fault lawsuits

In France, Everite and Saint-Gobain PAM, which in the past manufactured fiber-cement products containing asbestos fibres, are the subject of actions by former employees of these companies (or persons claiming through them) for recognition of inexcusable fault following diseases recognized as being of occupational origin.

As of December 31, 2023, a total of 854 lawsuits had been issued against the two companies since the outset with the aim of obtaining supplementary compensation over and above the amounts paid by the French Social Security authorities in this respects.

As of the same date, 839 of these 854 lawsuits had been completed and 15 actions are still pending.

The total amount of compensation paid by Everite and Saint-Gobain PAM since the outset of these litigations in settlement of these lawsuits totaled approximately €11.5 million as of December 31, 2023 (compared to approximately € 9.7 million as of December 31, 2022).

In addition, similar suits had been filed against 15 French companies of the Group (excluding suits against companies that are no longer part of the Group) which in the past used equipment containing asbestos to protect their employees and installations against heat from furnaces.

As of December 31, 2023, a total of 292 lawsuits had been filed since the outset against these 15 companies. 254 of these 292 lawsuits had been completed and 38 actions were still pending at the same date.

The total amount of compensation paid since the outset of the litigations by these companies was approximately €15,2 million as of December 31, 2023 (compared to approximately €11,8 million as of December 31, 2022).

Anxiety claims

Eight of the Group's subsidiaries that operate or have operated facilities in France classified as containing asbestos, were the subject of anxiety claims brought by current or former employees not suffering from an occupational disease due to asbestos – claiming compensation for prejudice of anxiety suffered as a result of their alleged exposure to asbestos.

As of December 31, 2023, a total of 861 lawsuits had been brought against these companies.

At the same date, the lawsuits have been all definitely completed.

The total amount of compensation paid since the outset of the litigations was €8.8 million as of December 31, 2023 (against approximately €8.5 million as of December 31, 2022).

It should be clarified that the above figures do not take into account suits filed against companies that are no longer part of the Group.

Last, the total amount registered as provision for asbestos-related litigations in France – inexcusable faults lawsuits and anxiety claims – amounted to around €7 million as of December 31, 2023 (compared to around €8 million as of December 31, 2022).

Situation in the United States

Measures taken to achieve an equitable and permanent resolution of the former CertainTeed Corporation's legacy asbestos liabilities in the United States

DBMP LLC, an affiliate of CertainTeed LLC based in North Carolina, that holds the legacy asbestos liabilities of the former CertainTeed Corporation, filed, on January 23, 2020, a voluntary petition for relief under Chapter 11 of the US Bankruptcy Code in the US Bankruptcy Court for the Western District of North Carolina in Charlotte. The matter remains pending. The purpose of the filing is to achieve a certain, final and equitable resolution of all current and future claims arising from asbestos-containing products manufactured and sold by the former CertainTeed Corporation.

DBMP LLC intends to seek court authority to establish a trust under section 524(g) of the US Bankruptcy Code – a specific provision that is applicable to companies that face substantial numbers of asbestos-related claims – to achieve a fair and equitable resolution of its asbestos-related liabilities. Upon establishment of the trust, current and future plaintiffs with qualifying claims will be able to receive faster payment of their claims without the delay, stress and uncertainty of litigation in the tort system; at the same time, the creation and funding of such a trust will permanently and finally resolve DBMP LLC's asbestos liability.

During the course of this bankruptcy process, which is expected to take up to approximately five to eight years, all asbestos litigations have been stayed and all related costs suspended, providing DBMP LLC with the time and protection to negotiate an agreement to be approved on behalf of all claimants and by the court.

This action was taken as a result of the increasing risks presented in the US tort system. Despite the passage of time, the aging of the population and lessening opportunity for claimants to assert legitimate claims of exposure to the asbestos-containing products of the former CertainTeed Corporation, naming practices in the tort system continued to result in a steady volume of claims against DBMP LLC, with no foreseeable end in sight. In addition, there has been, in general, an escalation of settlement demands and verdicts in the tort system.

Certain adversary proceedings have been filed by representatives of current and future asbestos plaintiffs against DBMP LLC, CertainTeed LLC, Saint-Gobain Corporation, Compagnie de Saint-Gobain and various other parties. No decisions on the merits of the claims have been made and such claims do not affect the Company's financial assessment of the Chapter 11 case.

Impact on the financial statements

Following the commencement of the proceeding under Chapter 11 of the US Bankruptcy Code on January 23, 2020, the assets and liabilities of DBMP LLC and its wholly-owned subsidiary Millwork & Panel LLC, and in particular the provision for asbestos-related litigation in the United States, are no longer consolidated in the Group's financial statements.

Nonetheless, because of a funding agreement between CertainTeed LLC and DBMP LLC by which CertainTeed LLC has agreed to fund the costs of the Chapter 11 case and, ultimately, the 524(g) trust, in both cases solely to the extent DBMP LLC is unable to do so in full, the Group recorded in its consolidated financial statements a provision corresponding to the amount of the estimated debt against DBMP LLC amounting to $407 million as of December 31, 2023 ($410 million as of December 31, 2022). The Group's consolidated income for 2023 is not impacted by the ongoing Chapter 11 proceeding described above.

As a result of this bankruptcy proceeding, all legal costs and indemnity payments related to DBMP LLC's asbestos tort claims have been suspended, and no further charges in relation to such claims have been taken in 2023 (as in 2022).

Situation in Brazil

In Brazil, former employees of Brasilit, that once manufactured fiber cement containing asbestos, suffering from asbestos-related occupational illnesses are offered, depending on the case, either financial compensation alone or lifetime medical assistance combined with financial compensation. Around 1,200 contractual instruments have accordingly been signed to date.

Two class actions were initiated against Brasilit in 2017 by two associations defending former employees exposed to asbestos at the São Caetano (São Paulo state) and Recife (Pernambuco state) plants, asking for their medical assistance and compensation to be revised. First and second instance decisions were rendered in connection with the suit related to the São Caetano plant respectively in July 2020 and July 2021, rejecting the claims of the plaintiffs. The latter have nevertheless appealed the second instance decision. First and second instance decisions were rendered in relation to Recife case, respectively in February and October 2022 rejecting the claiming party arguments. The plaintiff has appealed such second instance decision.

A third class action was initiated against Brasilit in 2019 in Capivari (State of São Paulo) by the Labor prosecutor asking for health insurance, as well as collective moral damages, in favor of employees, former employees and their respective families, as well as subcontractors who were exposed to asbestos. First and second instance decisions were rendered respectively in September 2020 and May 2023 partly in favor of the plaintiffs. In particular, collective moral damages were granted to the plaintiffs, for an amount reduced to BRL 5 million (€0.8 million). Brasilit has appealed the second instance decision.

Brasilit is subject to controls by the Ministry of Labor and continues to comply with all of its legal obligations with regard to medical assistance for its current and former employees.

In November 2017, the Supreme Court of Brazil decided to ban asbestos definitively across the country. Brasilit stopped using asbestos voluntarily as early as 2002.

20.3 Environmental disputes

PFOA proceedings in the United States

Levels of PFOA (perfluorooctanoic acid) in excess of US Environmental Protection Agency (EPA) health advisories or state maximum contaminant levels for drinking water have been found in municipal water systems and private wells near current Saint-Gobain Performance Plastics (SG PPL) facilities in Hoosick Falls (New York) and Merrimack (New Hampshire), and two former facilities in North Bennington (Vermont) in the United States. PFOA and PTFE (polytetrafluorethylene) have never been manufactured by these plants. SG PPL is a processor of PTFE which it purchases from third party suppliers and which in the past contained some PFOA.

SG PPL has voluntarily provided bottled water in all three communities, installed point-of-entry treatment systems to residents and businesses in all three communities, installed carbon filtration systems on the municipal water supply in Hoosick Falls and funded the installation of a carbon filtration system on the Merrimack Valley District's municipal water supply. In addition, it has voluntarily funded construction of water line extensions in certain communities in the Merrimack and Bennington areas. The investigations are on-going and the scope of responsibility for SG PPL arising from environmental remediation in New Hampshire and New York and clean-up obligations at these sites has not yet been established. The scope of the remediation in Vermont is defined and largely completed; future operation and maintenance obligations remain. Without admitting liability, SG PPL has signed consent orders with the environmental regulators in New York in 2016 and 2023 in Vermont in 2017 and 2019 with respect to two different areas, and in New Hampshire in 2018, pursuant to which SG PPL has agreed to complete investigations, implement interim or final remediation measures at its current and former facilities and in the case of Vermont and New Hampshire, fund construction of water lines. Responsibility, if any, is expected to be shared with other parties as regards in particular the Hoosick Falls site.

PFOA-related lawsuits alleging both health-related and economic damages claims have been filed in civil courts in New York, New Hampshire and Vermont, some of which are in the form of class actions. It is difficult to predict the timing or outcome of any such litigation, or whether any additional litigation will be brought against SG PPL, however, both the New York and Vermont class actions are settled.

On December 31, 2023, the provision recorded by the Company in respect of this matter amounts to €226 million (compared to €201 million as of December 31, 2012). This provision covers both remediation and litigation related to PFOA matters.

20.4 Other contingent liabilities

Grenfell Tower fire in the United Kingdom

Celotex - whose control was transferred by Saint-Gobain Construction Products UK on January 5, 2024, provides insulation materials for specific applications for the building and construction industry. Insulation materials from two Celotex ranges were purchased via distributors and used in refurbishing Grenfell Tower, London in 2015/2016, including as one component of the rainscreen cladding system designed and installed (by third parties) on the tower's external facade.

Following the Grenfell Tower fire on June 14, 2017, a Public Inquiry was constituted to consider, among other things, the modifications made to the building as part of the refurbishment, the role played by the various construction professionals, and the information provided by the manufacturers of the products used. The Inquiry's work was divided into two phases. Its phase 1 report was published on October 30, 2019. Phase 2 commenced in January 2020 and public hearings are complete. A final report is expected to follow later this year. A criminal investigation into the circumstances of the fire is also in progress.
There are a large number of issues and circumstances that need to be explored and the full implications for Celotex Limited and Saint-Gobain Construction Products UK Limited are unlikely to be known for some time.

Civil proceedings in connection with Grenfell Tower brought against Celotex Limited and/or Saint-Gobain Construction Products UK Limited and a number of other defendants were issued by bereaved, survivors and residents and emergency responders.

Following confidential alternative dispute resolution processes involving a number of parties, confidential settlements have been concluded in relation to the majority of these claims and resulted in payments to relevant claimants without admission of liability. Celotex Limited is continuing to engage with a number of other defendants in an alternative dispute resolution process to seek to resolve the remaining claims brought by the emergency responders. The principal financial implications from the concluded settlements have been paid in full and are reflected in the financial statements as of 31 December 2023.

The extent to which Celotex Limited and Saint-Gobain Construction Products UK Limited may incur further financial expenditure or civil or criminal liability in connection with the production, marketing, supply or use of their products is currently unclear and these companies are currently unable to make a reliable estimate of their potential liability in this respect.

20.5 Other proceedings and disputes

Some of the Group's companies may also be the subject of other claims made by their employees or by the tax authorities, or in the context of the enforcement of seller's warranties granted by the Group to the buyers of divested businesses (see . p. 321, note 5.5.2). Apart from the proceedings and litigation described above, to the best of the Company's knowledge, no other government, court or arbitration proceedings exist (including pending proceedings or proceedings where the Company and/or the Group might be threatened) which could have or have had, in the last 12 months, a significant impact on the financial position or profitability of the Company and/or Group.

NOTE 21 SUBSEQUENT EVENTS

On February 26, 2024 Saint-Gobain announced that it has entered into a definitive agreement with CSR Limited ("CSR") to acquire all of the outstanding shares of CSR by way of an Australian scheme of arrangement for A$9.00 per share, in cash, corresponding to an enterprise value of A$4.5 billion (c. €2.7 billion) and a net enterprise value of A$3.2 billion (c. €1.9 billion) post short to mid-term monetizable property value of at least A$1.3 billion. This acquisition will be fully financed in cash.

CSR is a leading building products company in Australia for residential and non-residential construction with A$2.7 billion in total revenue, 30 manufacturing plants and around 2,500 employees.

Closing of the transaction is subject to, among other things, CSR's shareholders' approval, necessary regulatory approvals and satisfaction of other customary closing conditions, with closing expected in the second half of 2024.

8.4 STATUTORY AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

This is a translation into English of the statutory auditors' report on the financial statements of the Company issued in French and it is provided solely for the convenience of English speaking users. This statutory auditors' report includes information required by French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to shareholders.This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

For the year ended December 31, 2023

To the annual general meeting of **COMPAGNIE DE SAINT-GOBAIN**

Opinion

In compliance with the engagement entrusted to us by your annual general meeting, we have audited the accompanying financial statements of Compagnie de Saint-Gobain ("the Company") for the year ended December 31, 2023.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company, as at December 31, 2023 and of the results of its operations for the year then ended in accordance with French accounting principles.

The audit opinion expressed above is consistent with our report to the Audit and Risk Committee.

Basis for Opinion

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the "Statutory Auditors' Responsibilities for the Audit of the Financial Statements" section of our report.

Independence

We conducted our audit engagement in compliance with independence requirements of the French Commercial Code (code de commerce) and the French Code of Ethics (code de déontologie) for statutory auditors, for the period from January 1, 2023 to the date of our report, and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014.

Justification of Assessments – Key Audit Matters

In accordance with the requirements of Articles L.821-53 and R. 821-180 of the French Commercial Code relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the financial statements as a whole, approved in the conditions mentioned above, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the financial statements.

Measurement of investments in subsidiaries and affiliates and related loans and advances

Description of risk

At December 31, 2023, the carrying amount of the Company's investments in subsidiaries and affiliates and related loans and advances stood respectively at €14,093 million and €14,400 million, representing 77% of the total assets of the company. Investments in subsidiaries and affiliates are initially stated at historical cost including incidental expenses and are impaired, when applicable, based on their value in use.

As stated in Note 1 to the financial statements, the value in use is estimated periodically, and in particular at the closing date, using a multi-criteria approach: the company's equity in the underlying net assets, proportion of consolidated net assets, net value based on a multiple of a normative performance basis or net present value of future cash flows based on business plans (or long-term budget projections) excluding interest expenses but after tax.

When the value in use is lower than the book value, a provision for impairment is recorded, the impairment losses could result in particular from a decline in the performance of certain subsidiaries or risks relating to the international locations of those companies.

The impairment tests performed by Management have not led to book a provision for impairment or a reversal of impairment for the year ended December 31, 2023.

We deemed the measurement of the investments in subsidiaries and affiliates and related loans and advances to be a key audit matter due to the materiality of these assets in the balance sheet and the high degree of estimation and judgment required from Management to assess the values in use. Management's judgment is based in part on assumptions relating, on the one hand, to the multiples applicable to the valuation of the investments and, on the other, to future changes in the cash flows relating to the investments, as well as to the calculation of the appropriate discount rate applied to future cash flows.

How our audit addressed this risk

We examined the impairment test procedure applied by the Company's financial management team, verified the consistency of the method used and tested the effectiveness of the controls implemented by Management to ensure the quality and reliability of the procedure.

With the support of our valuation experts, we carried out an independent analysis of certain key assumptions used by Management to perform the tests, pertaining, as appropriate, to the multiple deemed applicable to the valuation of the investments or to the discount rate and average perpetual growth rate used to project future cash flows, referring both to external market data and analyses of comparable companies.

For each investment selected for our tests of detail, we corroborated the calculation parameters applied in Management's multi-criteria approach with the accounting and budget data available for those investments. Where projected future cash flows were used, we analyzed the consistency of the projections with past performance and our knowledge of the Company's business, supported by interviews with managers from the various businesses, and in so far as they were available, by external data relating to markets or competitors. We paid particularly close attention to the calculation of the normalized amount of the terminal cash flows projected to perpetuity.

Specific Verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations.

Information given in the management report and in the other documents with respect to the financial positions and the financial statements provided to the Shareholders

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Board of Directors and in the other documents with respect to the financial position and the financial statements provided to the shareholders.

We attest the fair presentation and the consistency with the financial statements of the information relating to payment deadlines mentioned in Article D.441-6 of the French Commercial Code (code de commerce).

Report on corporate governance

We attest that the Board of Directors' report on corporate governance sets out the information required by Article L. 225-37-4, L.22-10-10 and L. 22-10-9 the French Commercial Code (code de commerce).

Concerning the information given in accordance with the requirements of Article L. 22-10-9 of the French Commercial Code (code de commerce) relating to remunerations and benefits received by or awarded to the directors and any other commitments made in their favour, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your company from controlled enterprises included in the scope of consolidation. Based on these procedures, we attest the accuracy and fair presentation of this information.

With respect to the information relating to items that your company considered likely to have an impact in the event of a takeover bid or exchange offer, provided pursuant to Article L. 22-10-11 of the French Commercial Code (code de commerce), we have agreed this information to the source documents communicated to us. Based on these procedures, we have no observations to make on this information.

Other Information

In accordance with French law, we have verified that the required information concerning the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

Other Legal and Regulatory Verifications or Information

Format of presentation of the financial statements intended to be included in the annual financial report

We have also verified, in accordance with the professional standard applicable in France relating to the procedures performed by the statutory auditor relating to the annual and consolidated financial statements presented in the European single electronic format, that the presentation of the financial statements intended to be included in the annual financial report mentioned in Article L. 451-1-2, I of the French Monetary and Financial Code (code monétaire et financier), prepared under the responsibility of the Chief Executive Officer, complies with the single electronic format defined in the European Delegated Regulation No 2019/815 of 17 December 2018.

Based on the work we have performed, we conclude that the presentation of the financial statements intended to be included in the annual financial report complies, in all material respects, with the European single electronic format.

We have no responsibility to verify that the financial statements that will ultimately be included by your company in the annual financial report filed with the AMF are in agreement with those on which we have performed our work.

Appointment of the Statutory Auditors

We were appointed as statutory auditors of Compagnie de Saint-Gobain by the annual general meeting held on June 10, 2004, for KPMG and on June 2, 2022, for Deloitte & Associés.

As at December 31, 2023, KPMG and Deloitte & Associés were in the 20th year and 2nd year of total uninterrupted engagement, respectively.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with French accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit and Risk Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The financial statements were approved by the Board of Directors.

Statutory Auditors' Responsibilities for the Audit of the Financial Statements

Objectives and audit approach

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in Article L.821-55 of the French Commercial Code, our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the financial statements.
- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.
- Evaluates the overall presentation of the financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

Report to the Audit and Risk Committee

We submit a report to the Audit and Risk Committee which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit and Risk Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit and Risk Committee with the declaration provided for in Article 6 of Regulation (EU) N °537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L.821-27 to L.821-34 of the French Commercial Code and in the French Code of Ethics (code de déontologie) for statutory auditors. Where appropriate, we discuss with the Audit and Risk Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Paris-La Défense, February 29, 2024

The Statutory Auditors

KPMG S.A.		Deloitte & Associés	
Pierre-Antoine DUFFAUD	Laurent CHILLET	Frédéric GOURD	Bénédicte MARGERIN

8.5 MANAGEMENT REPORT – COMPAGNIE DE SAINT-GOBAIN ANNUAL FINANCIAL STATEMENTS

Compagnie de Saint-Gobain's net income totaled €1,229 million in 2023 (2022: €1,496 million). It consisted primarily of financial income from subsidiaries and affiliates (dividends and income transfers from subsidiaries of the German branch) totaling €1,057 million in 2023 (2022: €1,201 million), an income tax benefit of €159 million (2022: €253 million) from the French and German tax consolidation groups, less a net exceptional expense of €61 million (2022: €19 million) due mainly to provisions for performance share plans awarded to employees.

Shareholders' equity before the appropriation of income for the year totaled €17,497 million at December 31, 2023 (December 31, 2022: €17,826 million).

8.5.1 SIGNIFICANT EVENTS DURING THE YEAR

Transactions involving shareholders' equity

The principal events that contributed to changes in capital stock and shareholders' equity were:

- the May 16, 2023 increase in capital stock through the subscription of 4,778,291 shares under the Group Savings Plan at a price of €44.19 for a gross and net amount of €210 million;
- the capital reductions of June 13, 2023 and October 10, 2023 through the cancellation of 6,629,309 and 7,577,049 shares, respectively, for a total gross and net amount of €758 million
- on June 14, 2023, the Company paid dividends representing a total payout of €1,013 million.

Sale of the Distribution business in the United Kingdom

On March 1, 2023, Saint-Gobain completed the sale of all its merchanting brands in the United Kingdom – including the builders and timber merchant Jewson – to the Stark group, as announced on December 12, 2022. As a result, Saint-Gobain no longer has any distribution businesses in the UK.

The divested assets generated revenues of around €2.7 billion in 2022 with an operating margin of around 2%. They comprise 600 outlets and employ 8,900 people. The divestment was made based on an enterprise value of GBP 740 million, i.e. around €850 million.

It follows the divestment of specialist distribution brands in the United Kingdom over the last months representing around €650 million of revenues at around breakeven in terms of operating margin, based on an enterprise value of around €200 million.

These divestments are part of Saint-Gobain's continued business profile optimization strategy to enhance the Group's growth and profitability in line with its "Grow & Impact" plan.

Acquisition of Building Products of Canada Corp.

On June 12, 2023, Saint-Gobain announced that it had entered into a definitive purchase agreement to acquire Building Products of Canada Corp. ("Building Products of Canada"), a privately owned manufacturer of residential roofing shingles and wood fiber insulation panels in Canada, for CAD 1,325 million (approximately €925 million) in cash. The sale was completed on September 1, 2023 following authorization by the Canadian Competition Bureau.

With this acquisition, Saint-Gobain has taken another step to reinforce its leadership in sustainable construction in the Canadian market. Thanks to Building Products of Canada, the Group will be well positioned to better serve Canadian customers, with a broader, innovative and sustainable range of solutions:

- Building Products of Canada's roofing products extend Saint-Gobain's Exterior Solutions offering in Canada, following the addition of the siding segment with the acquisition of Kaycan in 2022;
- The acquisition rounds out the existing activities of CertainTeed Canada, which is already a leader in Interior Solutions (gypsum, insulation, ceilings).

Changes in governance

On November 23, 2023, as a natural conclusion of the transition period begun in 2021, and in order to have the governance structure best suited to its ambitions and the challenges and opportunities ahead, Saint-Gobain's Board of Directors unanimously took the following decisions:

- To combine the positions of Chairman and Chief Executive Officer and appoint Benoit Bazin, Chief Executive Officer since 2021, Chairman and Chief Executive Officer with effect from the close of the June 6, 2024 Shareholders' Meeting;
- To appoint Jean-Francois Cirelli, independent director since 2020, as Lead Independent Director and Vice-Chairman of the Board at the close of said Shareholders' Meeting;
- To enhance the powers of the Lead Independent Director, and to stipulate in the bylaws that the Board must appoint a Lead Independent Director and Vice-Chairman of the Board if the positions of Chairman and Chief Executive Officer are combined, or if the Chairman is not independent;
- To increase the proportion of independent directors to 82%, with three new independent directors to be proposed at the Shareholders' Meeting: Sophie Brochu, former Chief Executive Officer of Hydro-Québec, Hélène de Tissot, EVP Finance & IT at Pernod Ricard, and Geoffroy Roux de Bézieux, entrepreneur.

As he announced at the time of his reappointment in 2022, Pierre-André de Chalendar will step down as Chairman at the close of the June 6, 2024 Shareholders' Meeting. He has also informed the Board of his decision to resign as a director on this occasion.

In this context, in 2021, the Board of Directors began an in-depth study to strengthen both the effectiveness of the Group's governance and the Board's independence, by restructuring the balance of power within it.

It concluded that following the transition period, the best course of action for the Group was to combine the positions of Chairman and Chief Executive Officer. In order to enhance the balance and solidity of the Board, the Board decided to recommend that the Shareholders' Meeting enshrine the obligation to appoint a Lead Independent Director with enhanced powers in the Company's bylaws. Provided that the Shareholders' Meeting approves the Board's recommendations, the proportion of independent directors on the Board will increase from 73% to 82%.

Financing activities

Compagnie de Saint-Gobain also redeemed the following instruments at maturity:

- €750 million worth of 1.75% bonds on April 3, 2023;
- €500 million worth of 0.875% bonds on September 21, 2023;
- €362 million worth of 2.875% private placements on December 5, 2023.

On January 18, 2023, Compagnie de Saint-Gobain issued a €1.15 billion bond divided into two tranches:

- a €500 million tranche maturing July 18, 2024 and paying a floating-rate coupon of 3-month Euribor +0.20%;
- a €650 million tranche maturing January 18, 2029 and paying a coupon of 3.5%.

On November 29, 2023, Compagnie de Saint-Gobain issued a €2 billion bond divided into two tranches:

- a €1 billion tranche maturing November 29, 2026 and paying a coupon of 3.75%;
- a €1 billion tranche maturing November 29, 2030 and paying a coupon of 3.875%.

8.5.2 OTHER MANDATORY DISCLOSURES

Maturity of amounts owed to suppliers and from customers

Pursuant to Article D.441-6, amounts owed to suppliers and from customers can be analyzed as follows by maturity:

	Article D.441 I.-1: Overdue invoices from suppliers unpaid at Dec. 31, 2023						Article D.441 I.-2: Overdue invoices to customers unpaid at Dec. 31, 2023					
(in EUR thousands)	0 days (for information)	1 to 30 days	31 to 60 days	61 to 90 days	91 days and more	Total (1 day and more)	0 days (for information)	1 to 30 days	31 to 60 days	61 to 90 days	91 days and more	Total (1 day and more)
(A) OVERDUE BY DELAY												
Number of invoices	15					288	0					1,515
Total value of invoices incl. VAT	85	4,271	51	254	-54	4,522	0	28,862	2,538	-83	4,406	35,722
Percentage of At December 31, 2023 total purchases incl. VAT	0.0 %	1.1 %	0.0 %	0.1 %	0.0 %	1.1 %						
Percentage of At December 31, 2023 sales incl. VAT							— %	7.2 %	0.6 %	— %	1.1 %	8.9 %
(B) INVOICES EXCLUDED FROM (A) RELATING TO DISPUTED OR UNRECOGNIZED PAYABLES/RECEIVABLES												
Number of invoices						0						0
(C) METHOD USED TO CALCULATE OVERDUE INVOICES (CONTRACTUAL OR STATUTORY PERIOD – ARTICLE L.441-6 OR L.443-1 OF THE FRENCH COMMERCIAL CODE)												
Method used to calculate overdue invoices	Due date of the invoice						Due date of the invoice					

Compagnie de Saint-Gobain settles its debts by their given due dates. The only invoices not settled by their due dates are those subject to disputes and classified as pending decisions, as well as invoices that were received late.

Company branch

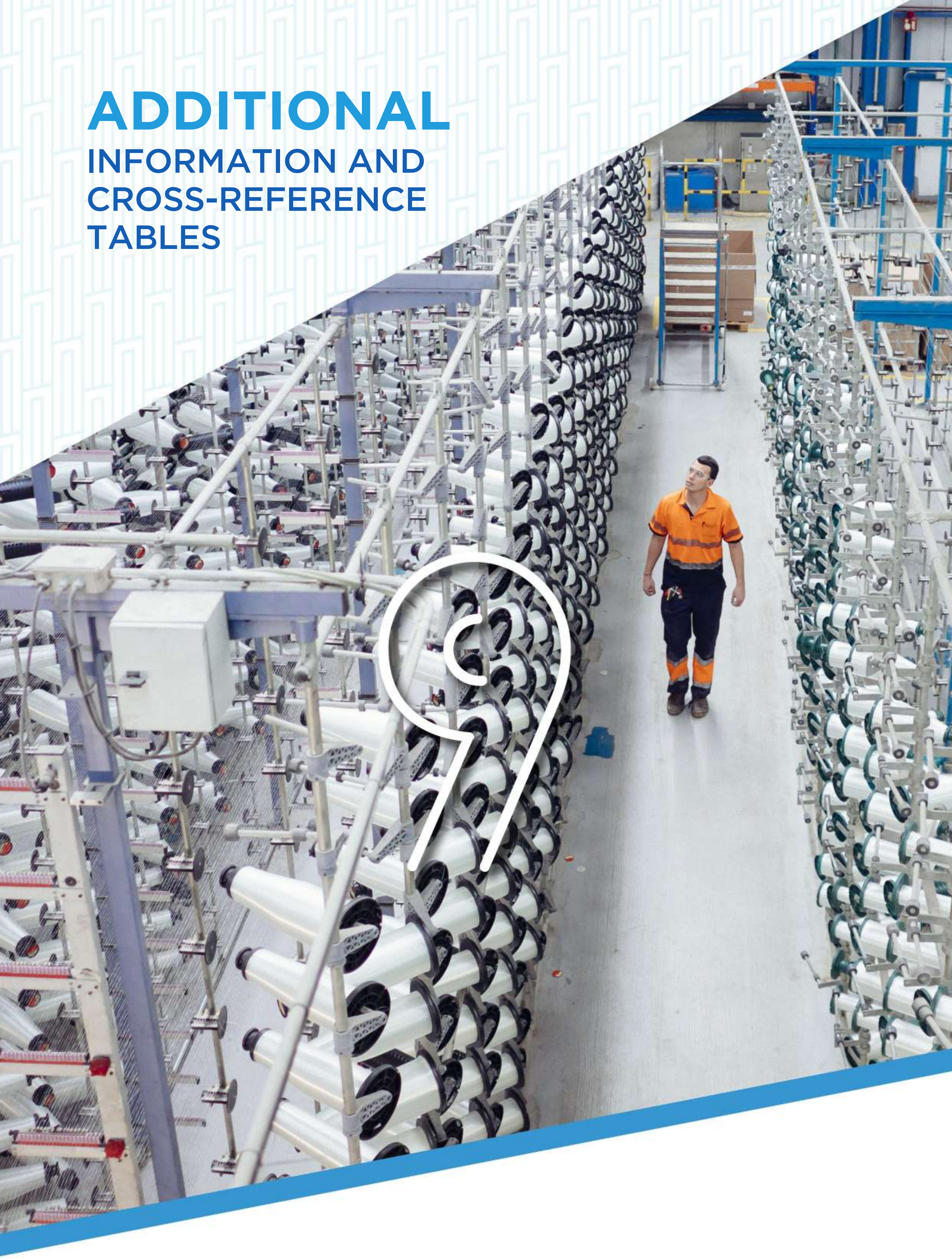
Compagnie de Saint-Gobain has a German branch.

8.6 FIVE-YEAR FINANCIAL SUMMARY

(in EUR millions)	2023	2022	2021	2020	2019
1 – CAPITAL STOCK AT YEAR-END					
Share capital	2,026	2,063	2,096	2,131	2,179
Number of common shares outstanding	506,438,012	515,769,082	524,017,595	532,683,713	544,683,451
2 – RESULTS OF OPERATIONS					
Sales	370	383	301	281	297
Income before tax, depreciation, amortization and provisions	1,159	1,187	879	695	677
Income tax	159	253	261	185	226
Income after tax, depreciation, amortization and provisions (net income)	1,229	1,496	1,458	862	849
Dividends	1,056 [1]	1,013 [2]	835 [3]	698 [4]	0 [5]
3 – EARNINGS PER SHARE *(in EUR)*					
Income before tax, depreciation, amortization and provisions	2.29	2.30	1.68	1.30	1.24
Income after tax, depreciation, amortization and provisions (net income)	2.43	2.90	2.78	1.62	1.56
Net dividend per share	2.10	2.00	1.63	1.33	0.00
4 – EMPLOYEE INFORMATION [6]					
Average number of employees during the year	192	192	185	188	201
Total payroll for the year	34	35	40	32	34
Total benefits paid for the year	22	20	24	18	15

(1) *Estimated amount based on 506,453,012 shares carrying, at January 31, 2023, rights to dividends in respect of 2023, less 3,718,391 treasury shares held at January 31, 2024.*
(2) *Based on 515,805,368 shares carrying rights to dividends in respect of 2022, less 8,710,488 treasury shares held on the ex-dividend date.*
(3) *Based on 524,017,595 shares carrying rights to dividends in respect of 2021, less 12,011,295 treasury shares held on the ex-dividend date.*
(4) *Based on 532,695,363 shares carrying rights to dividends in respect of 2020, less 7,637,902 treasury shares held on the ex-dividend date.*
(5) *No dividend was paid in respect of 2019.*
(6) *Employee numbers only include staff at the Company's head office and exclude the German branch.*

ADDITIONAL
INFORMATION AND CROSS-REFERENCE TABLES



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9.1 ADDITIONAL INFORMATION

9.1.1 PRINCIPAL STATUTORY PROVISIONS AND INTERNAL RULES OF THE BOARD OF DIRECTORS

A – Principal statutory provisions

The main provisions of Compagnie de Saint-Gobain's bylaws are summarized below.

A complete version of the bylaws may be consulted on the Company's website (www.saint-gobain.com). A copy may also be obtained upon request from the clerk of the Commercial Court of Nanterre and at the Company's headquarters.

Corporate name, form, head office and duration (Articles 1, 2, 4 and 5)

A French société anonyme governed by the provisions of Articles L. 210-1 et seq. of the French Commercial Code, Compagnie de Saint-Gobain's head office is Tour Saint-Gobain, 12, place de l'Iris, 92400 Courbevoie, France (Tel.: +33 (0)1 88 54 00 00). It is registered with the Trade and Companies Register of Nanterre under No. 542 039 532.

The Company was founded in 1665 and registered with the Trade and Companies Register on July 21, 1954, for a period that will expire on December 31, 2040, unless it is subject to early dissolution or extension.

Corporate purpose (Article 3)

The Company's summarized corporate purpose is to conduct and manage, in France and internationally, any industrial, commercial, financial, securities and real estate transactions related to its manufacturing and contracting activities through French or foreign subsidiaries or equity interests or otherwise.

Fiscal year (Article 19)

Its fiscal year runs from January 1 to December 31.

Share capital and disclosure thresholds (Articles 6 and 7)

As of December 31, 2023, the share capital was set at €2,025,752,048 divided into 506,438,012 shares with a par value of €4.00 each, entirely paid up and all of the same class.

The bylaws (Article 7.4) require shareholders to disclose to the Company within five trading days any direct, indirect or joint interest representing at least 0.50% of the share capital or voting rights, or any multiple of this percentage.

The same disclosure requirement applies when a direct, indirect or joint equity interest falls below any of these thresholds.

Failure to comply with these disclosure rules may result in the undisclosed shares exceeding this percentage being deprived of voting rights for a period of two years from the date when the non-disclosure is remedied, at the request of one or more shareholders representing at least 3% of the share capital or voting rights, as recorded in the minutes of the General Meeting.

Furthermore, the Company may request information regarding the composition of its shareholding structure and the ownership of its shares in accordance with current laws and regulations.

Share rights (Article 8)

Each share entitles the owner to ownership of corporate assets and liquidation proceeds equal to the proportion of the share capital it represents.

Whenever it is necessary to own a certain number of shares to exercise a right, the owners who do not hold that number must arrange for the pooling of the required number of shares where appropriate.

Each share entitles the holder to vote at the General Meetings under the conditions stipulated in the bylaws (see Article 18 below).

Ownership of a share automatically entails acceptance of the Company's bylaws and the decisions of the General Meeting.

Company Management (Articles 9 to 12, 14 and 15)

The Company is administered by a Board of Directors of at least three members and no more than eighteen members, subject to the exceptions provided for by law in the event of a merger.

Directors are elected for a four-year term. They may be reappointed subject to the age limit of 70. The age limit for the Chairman of the Board of Directors is 68. The Chairman of the Board of Directors may also hold the position of Chief Executive Officer of the Company at the discretion of the members of the Board. In this case, the Chairman of the Board of Directors has the title of Chairman and Chief Executive Officer, and the age limit is 65 (like that of the Chief Executive Officer and the Chief Operating Officers).

One Director representing employee shareholders is appointed by the General Shareholders' Meeting under the conditions of quorum and majority applicable to any appointment of a Director from among the employee shareholders or, where appropriate, from among the members of the Supervisory Boards of the corporate mutual fund(s) of the Company's Group Savings Plan. It is governed by all the laws and provisions of the bylaws applicable to the Directors appointed by the General Shareholders' Meeting as well as those specific to it.

Procedure for appointing candidates for the office of Director representing employee shareholders

Candidates for the office of Director representing employee shareholders are presented to the General Shareholders' Meeting as follows:

- one candidate is appointed from among its members by the Supervisory Board of the corporate mutual fund of the Company's Group Savings Plan. If there is more than one corporate mutual fund, each Supervisory Board of such corporate mutual funds appoints one candidate from among its members;

- one candidate is elected by the employees holding registered shares as part of a consultation process defined by General Management. Voting may take place by any technical means that ensures the reliability of the vote, whether by electronic means or by mail, with each employee holding a number of votes equal to the number of registered shares they hold. The candidate with the highest number of votes is presented to the General Shareholders' Meeting.

Election of the Director representing employee shareholders

If there is more than one candidate for the office of Director representing employee shareholders, the Board of Directors may approve the appointment of one of them. The candidate with the highest number of votes at the General Shareholders' Meeting is appointed Director representing employee shareholders.

The Company's Works Council (*Comité de Groupe*) appoints two Employee Directors. Employee Directors are appointed within six months of the General Shareholders' Meeting.

The term of office of a Director ends at the conclusion of the Ordinary General Meeting called to approve the financial statements for the previous fiscal year held in the calendar year during which this Director's term expires. The duties of an Employee Director (including a Director representing employee shareholders) also end if the employment contract is terminated, as of the date of the termination, subject to intragroup transfer. If the conditions for application of the law are not met, the term of office of the Employee Directors (including a Director representing employee shareholders) ends upon completion of the Board meeting that confirms the Company's exit from the scope of application of the law.

The Board of Directors determines the Company's overall business strategy and examines any issues relating to its proper functioning.

The activities of the Board of Directors are organized and led by its Chairman.

Board meetings may be held using videoconferencing or other interactive telecommunication technology under the conditions stated by law.

Each Director appointed by the General Shareholders' Meeting must own at least eight hundred shares, except Employee Directors and the Director representing employee shareholders.

General Management (Articles 13 and 15)

At the discretion of the Board of Directors, the Company's General Management is assumed either by the Chairman of the Board of Directors, in this case in the capacity of Chairman and Chief Executive Officer, or by the Chief Executive Officer.

The Chief Executive Officer, chosen by the Board of Directors, whether or not from among its members, is vested with the broadest authority to act under any circumstances in the name of the Company within the limits of the corporate purpose and subject to such powers as the law expressly attributes to General Meetings and the Board of Directors. The Chief Executive Officer represents the Company in its relations with third parties.

General Meetings and voting rights (Article 18)

Any shareholder may participate in General Meetings in person or by proxy, provided that his/her/its shares have been formally recorded in the accounts, subject to the applicable legal provisions.

Where decided by the Board of Directors, shareholders may be convened to and vote at a General Meeting by any form of electronic communication. Any shareholder may be represented under the conditions provided for by law. Shareholding legal entities are represented at a General Meeting by their legal representative or by any person designated by that legal representative for this purpose.

At all General Meetings, voting rights are exercisable by the beneficial owner of the shares. Each shareholder has a number of voting rights corresponding to the number of shares held, without limitation.

However, double voting rights are allocated to fully paid-up shares registered in the name of the same shareholder for at least two years.

In addition, in the case of a capital increase through capitalization of reserves, profits or share premiums, registered shares allocated free of charge to a shareholder carry double voting rights from the date on which they are issued on the basis of shares already held by the shareholder carrying such entitlement.

Double voting rights are forfeited when the shares are converted to bearer form or sold. However, double voting rights are not forfeited when title is transferred by way of an inheritance or as a result of the liquidation of the marital estate or an inter vivos donation to a spouse or a relative in the direct line of succession. The transfer is not considered in calculating the qualifying period indicated in the preceding paragraph.

Shareholders may vote by mail in accordance with applicable laws and regulations.

Allocation and appropriation of net income (Article 20)

An appropriation of at least five percent is deducted from net income, less any losses carried forward from the previous year, and allocated to the reserve fund prescribed by law. This appropriation is no longer mandatory once the reserve fund reaches a sum equal to one tenth of the share capital. It is reactivated if the reserve falls below one tenth.

Distributable income corresponds to net income for the fiscal year less any losses carried forward from prior years and less any amounts to be credited to reserves in application of the law or the Company's bylaws, plus retained earnings.

The General Meeting may appropriate this distributable net income for the period as follows:

1. all or part of this amount to any contingency or special reserves or to retained earnings, based on a recommendation of the Board of Directors;
2. if these appropriations do not absorb the total amount of distributable income, shareholders are paid a non-cumulative first dividend equal to five percent of the paid-up par value of shares without being entitled to claim such payment from appropriations from the distributable income of subsequent years;
3. if any funds remain after paying these appropriations, they are divided among the shareholders.

The General Meeting approving the financial statements for the fiscal year may decide to offer shareholders the option of receiving all or part of the dividend (or any interim dividend) in cash or in shares.

B – Internal rules of the Board of Directors

Compagnie de Saint-Gobain's internal rules of the Board of Directors describe the Board of Directors' organization and functioning. In order to strengthen the balance of power measures within the Board of Directors in the context of the merging of the functions of Chairman of the Board of Directors and Chief Executive Officer, the Board of Directors decided, at its meeting of November 23, 2023, to amend its internal regulations, these amendments being applicable at the end of the General Meeting of June 6, 2024. As a result:

- the version of the internal rules updated by the Board of Directors on July 29, 2021 will remain applicable until the end of the General Shareholders' Meeting of June 6, 2024 (see the first column of the table below) and,
- with effect from the end of the General Shareholders' Meeting of June 6, 2024, the amendments to the rules resulting from the decision of the Board of Directors of November 23, 2023 will enter into force (see the second column of the table below).

The internal rules of the Board of Directors in force as of February 1, 2024 are reproduced in full below in the first column of the table, subject to the provisions concerning the Board Committees which are set out in section 5.1.2, p. 191.

The elements shown in italics and highlighted in the table below show the changes made to the internal rules of the Board of Directors which will enter into force from the end of the General Meeting of June 6, 2024.

1. Internal Rules of the Board of Directors in force as of February 1, 2024 and to the end of the General Shareholder's Meeting of June 6, 2024	**2. Internal rules of the Board of Directors as amended and in force as of the end of the General Shareholder's Meeting of June 6, 2024 (the amended elements are underlined) (the "Revised Internal Rules")**
These internal rules aim to set out the organization and functioning of Compagnie de Saint-Gobain's Board of Directors.	These internal rules aim to set out the organization and functioning of Compagnie de Saint-Gobain's Board of Directors.
They are to be applied in conjunction with the rules and duties laid out in applicable legal and regulatory provisions and the Company's bylaws, which have not been reproduced below.	They are to be applied in conjunction with the rules and duties laid out in applicable legal and regulatory provisions and the Company's bylaws, which have not been reproduced below.
They implement the recommendations of the AFEP-MEDEF Corporate Governance Code for French listed companies.	They implement the recommendations of the AFEP-MEDEF Corporate Governance Code for French listed companies.
I – Meetings of the Board of Directors	**I – Meetings of the Board of Directors**
The Board of Directors holds at least seven scheduled meetings each	The Board of Directors holds at least seven scheduled meetings each year.
At each year-end, an annual work program is drawn up by the Chairman of the Board of Directors and given to the Directors for the following year.	At each year-end, an annual work program is drawn up by the Chairman of the Board of Directors and given to the Directors for the following year.
The draft minutes of each meeting are sent to the Directors at the same time as the agenda for the next meeting. They are approved at that meeting, and the final minutes are then sent with the agenda for the next meeting.	The draft minutes of each meeting are sent to the Directors at the same time as the agenda for the next meeting. They are approved at that meeting, and the final minutes are then sent with the agenda for the next meeting.
Except for meetings held to approve the annual financial statements of the Company, the annual consolidated financial statements and the annual management report, Directors who take part in a Board meeting using videoconferencing or other telecommunication technology enabling them to be identified and participate actively in the discussion are deemed to be present for calculation of the quorum and voting majority.	Except for meetings held to approve the annual financial statements of the Company, the annual consolidated financial statements and the annual management report, Directors who take part in a Board meeting using videoconferencing or other telecommunication technology enabling them to be identified and participate actively in the discussion are deemed to be present for calculation of the quorum and voting majority.
II – Prior and on-going information of the Directors	**II – Prior and on-going information of the Directors**
Each time a meeting is called, Directors are provided with a selection of financial analyses and a range of press articles concerning the Saint-Gobain Group published since the last Board meeting.	Each time a meeting is called, Directors are provided with a selection of financial analyses. [*Note : the passage related to the press articles in this paragraph has been moved to the 6th paragraph of this section*]
The text of explanations and presentations scheduled on the agenda for a meeting is sent to the Directors before the meeting.	The text of explanations and presentations scheduled on the agenda for a meeting is sent to the Directors before the meeting.
The draft Universal Registration Document for the Saint-Gobain Group, the draft consolidated financial statements and the draft annual and half-year financial statements are sent to the Directors before the meeting at which they are to be considered.	The draft Universal Registration Document for the Saint-Gobain Group, the draft consolidated financial statements and the draft annual and half-year financial statements are sent to the Directors before the meeting at which they are to be considered.
The information file provided to the Directors at each meeting includes, among other things, an analysis of the Saint-Gobain Group's operating income and its net debt at the end of the previous month, as well as details of the Saint-Gobain share performance compared with the CAC 40 and an industry index.	The information file provided to the Directors at each meeting includes, among other things, an analysis of the Saint-Gobain Group's operating income and its net debt at the end of the previous month, as well as details of the Saint-Gobain share performance compared with the CAC 40 and an industry index.

One Board meeting is held at a different Group site each year to give the Directors an opportunity to visit that site.	One Board meeting is held at a different Group site each year to give the Directors an opportunity to visit that site.
Between meetings, the Directors receive copies of all press releases issued by the Company along with any relevant information about events or transactions that are material for the Saint-Gobain Group.	Between meetings, the Directors receive copies of all press releases issued by the Company along with any relevant information about events or transactions that are material for the Saint-Gobain Group. *Directors receive a daily press review regarding Saint-Gobain as well as general news*.
Directors have the right to ask for any other documents that they consider necessary to make an informed contribution to the Board's discussions; the request is made to the Chairman of the Board of Directors, who may submit the request to the Board for a decision.	Directors have the right to ask for any other documents that they consider necessary to make an informed contribution to the Board's discussions; the request is made to the Chairman of the Board of Directors, who may submit the request to the Board for a decision.
Directors may also ask to meet with the senior management of the Saint-Gobain Group and to request that no executive corporate officers are present; in the latter case, notice is first given to the Chairman of the Board of Directors and the Chief Executive Officer, and the Chairman may submit the request to the Board for a decision.	Each Director may also ask to meet with any senior manager of the Saint-Gobain Group and to request that no executive corporate officers are present; in the latter case, notice is first given to the Chairman of the Board of Directors and the Chief Executive Officer, and the Chairman may submit the request to the Board for a decision.
III – Decisions of the Board of Directors	**III – Decisions of the Board of Directors**
The Board of Directors examines all issues that fall within its remit, as specified in the applicable laws and regulations and the Company's bylaws, particularly on the following subjects:	The Board of Directors examines all issues that fall within its remit, as specified in the applicable laws and regulations and the Company's bylaws, particularly on the following subjects:
The Board of Directors meets annually to review and approve the budget for the Saint-Gobain Group.	The Board of Directors meets annually to review and approve the budget for the Saint-Gobain Group.
It reviews and approves the strategic orientations of the Saint-Gobain Group at least once a year and monitors their implementation, taking into account the social and environmental challenges of its business.	It reviews and approves the strategic orientations of the Saint-Gobain Group at least once a year and monitors their implementation, taking into account the social and environmental challenges of its business
	Upon proposal of the chief executive officer, the Board of Directors determines the strategic orientations for social and environmental responsibility over the next years.
All capital expenditures, restructuring, disposals, acquisitions and financial investment and divestment projects in individual amounts greater than €150 million must be submitted to the Board for prior approval, along with any material transactions that fall outside the Saint-Gobain Group's stated strategy.	All capital expenditures, restructuring, disposals, acquisitions and financial investment and divestment projects in individual amounts greater than €150 million must be submitted to the Board for prior approval, along with any material transactions that fall outside the Saint-Gobain Group's stated strategy.
For urgent matters where timing constraints do not allow to call a Board meeting, the Chairman of the Board of Directors provides the Directors with all relevant information by the most efficient method to obtain their opinion.	For urgent matters where timing constraints do not allow to call a Board meeting, the Chairman of the Board of Directors provides the Directors with all relevant information by the most efficient method to obtain their opinion.
Once a year, the Board of Directors dedicates an item on its agenda to a discussion about its operation. In addition, an assessment of its organization and operation is carried out periodically at the initiative of the lead independent Director; this assessment is added to the agenda of a subsequent Board meeting.	Once a year, the Board of Directors dedicates an item on its agenda to a discussion about its operation. In addition, an assessment of its organization and operation is carried out periodically at the initiative of the lead independent Director; this assessment is added to the agenda of a subsequent Board meeting.
Every year, the Board of Directors also reviews each Director's situation in relation to the independence criteria set out in the AFEP-MEDEF Code, based on a report prepared by the Nomination and Remuneration Committee. The results of the review are reported to shareholders in the annual report.	Every year, the Board of Directors also reviews each Director's situation in relation to the independence criteria set out in the AFEP-MEDEF Code, based on a report prepared by the Nomination and Remuneration Committee. The results of the review are reported to shareholders in the annual report.
Non-executive Directors may meet during or after a Board meeting, without the executive corporate officers being present, to assess their performance and consider the future of the Saint-Gobain Group General Management. [*Note : this paragraph has been deleted in the Internal Rules applicable until the end of the General Shareholders'meeting of June 6, 2024 since the possibility of holding "executives sessions" have been inserted in a specific Article (Please refer to Article IV Role of the Chairman of the Board of Directors)*].	

IV – Role of the Chairman of the Board of Directors

The Chairman organizes and directs the work of the Board of Directors and sets the agenda. The Chairman sets the schedule and agenda for Board meetings, convenes them and chairs them.

In consultation with the relevant Committee's Chairmen, the Chairman sets the schedule and agenda of meetings of Committees of the Board of Directors and convenes them.

The Chairman ensures that the Company's governing bodies function properly, that the Directors are able to fulfill their duties, and, in particular, that they have all the necessary information.

The Chairman convenes, chairs, *coordinates* and reports to the Chief Executive Officer on meetings of the Directors without the presence of the executive corporate officers, which may be held during or at the end of a Board meeting, where appropriate, co-chaired by the lead independent Director (or the Chairman of the Nomination and Remuneration Committee when matters falling within the remit of this Committee, in particular compensation components for the Chief Executive Officer, are discussed).

The Chairman reports on the work of the Board of Directors to the General Shareholders' Meeting and chairs such meeting.

V – Board of Directors Committees

The work and decisions of the Board of Directors are prepared in their respective areas by Committees (the Audit and Risk Committee, the Nomination and Remuneration Committee and the Corporate Social Responsibility Committee), composed of Directors appointed by the Board. The Chairman and the Chief Executive Officer may attend their meetings, except when the matter concerns them. In this case, they do not participate in the discussions and deliberations on such matters.

Committee members may participate in meetings by videoconference or other telecommunication technology enabling them to be identified and ensuring their effective participation. They are then considered present at these Committee meetings.

To fulfill their duties, these Board Committees may commission technical studies by outside experts at Compagnie de Saint-Gobain's expense and consult Saint-Gobain Group executives after notifying the Chief Executive Officer and the Chairman of the Board of Directors, who may submit the request to the Board for a decision. They report to the Board on the opinions and information obtained.

The Chairman of each Board Committee designates the person responsible for acting as secretary of the Committee.

The Board's internal rules also cover, among other things, the respective duties and areas of the three Board Committees. A description of these duties and areas is provided in section 5.1.2, p. 191 in the passage dedicated to each Committee.

IV – Role of the Chairman of the Board of Directors

The Chairman organizes and directs the work of the Board of Directors and sets the agenda. The Chairman sets the schedule and agenda for Board meetings, convenes them and chairs them.

In consultation with the relevant Committee's Chairmen, the Chairman sets the schedule and agenda of meetings of Committees of the Board of Directors and convenes them.

The Chairman ensures that the Company's governing bodies function properly, that the Directors are able to fulfill their duties, and, in particular, that they have all the necessary information.

The Chairman convenes, chairs and reports to the Chief Executive Officer on meetings of the Directors held without the presence of the executive corporate officers, *regarding governance matters and, once a year, to discuss and assess the operations of the Board ("Executive Sessions"). Such "Executive Sessions" are convened and chaired by the lead independent Director when the Board has to appoint such lead independent Director (see VI - Lead Independent Director).*

The Chairman reports on the work of the Board of Directors to the such meeting.

V – Board of Directors Committees

The work and decisions of the Board of Directors are prepared in their respective areas by Committees (the Audit and Risk Committee, the Nomination and Remuneration Committee and the Corporate Social Responsibility Committee), composed of Directors appointed by the Board. The Chairman and the Chief Executive Officer may attend their meetings, except when the matter concerns them. In this case, they do not participate in the discussions and deliberations on such matters. When the Chairman of the Board of Directors is responsible for the Company's General Management, the Chairman attends meetings of the Board Committees at which the General Management's position must be presented.

Committee members may participate in meetings by videoconference or other telecommunication technology enabling them to be identified and ensuring their effective participation. They are then considered present at these Committee meetings.

To fulfill their duties, these Board Committees may commission technical studies by outside experts at Compagnie de Saint-Gobain's expense and consult Saint-Gobain Group executives after notifying the Chief Executive Officer and the Chairman of the Board of Directors, who may submit the request to the Board for a decision. They report to the Board on the opinions and information obtained.

The Chairman of each Board committee designates the person responsible for acting as secretary of the Committee.

The Board's internal rules also cover, among other things, the respective duties and areas of the three Board Committees. A description of these duties and areas is provided in section 5.1.2, p. 191 in the passage dedicated to each Committee.

VI – Lead Independent Director	**VI – Lead Independent Director**
The Board of Directors may appoint a lead independent Director from among the Board's independent Directors.	The Board of Directors may appoint a lead independent Director from among the Board's independent Directors.
	When the Chairman of the Board of Directors is responsible for the Company's general management, or when the Chairman is not responsible for general management but is not independent, a lead independent Director must be appointed. The lead independent director also acts as Vice-Chairman of the Board.
The lead independent Director remains in office for the duration of the term as Director. The lead independent Director may be reappointed and may be removed at any time by the Board of Directors.	The lead independent Director remains in office for the duration of the term as Director. The lead independent Director may be reappointed and may be removed at any time by the Board of Directors.
Duties of the Lead independent Director	**Duties of the Lead independent Director**
The lead independent Director's main responsibility is to oversee the efficient running of the Company's governance bodies. As such, the lead independent Director is in charge of :	The lead independent Director's main responsibility is to oversee the efficient running of the Company's governance bodies. As such, the lead independent Director is in charge of :
• preventing and managing conflicts of interest: the lead independent Director is responsible for preventing the occurrence of situations of conflicts of interest. The lead independent Director informs the Board of Directors of any known conflicts of interest concerning the Directors ;	• preventing and managing conflicts of interest: the lead independent Director is responsible for preventing the occurrence of situations of conflicts of interest. The lead independent Director informs the Board of Directors of any known conflicts of interest concerning the Directors ;
• conducting the periodic assessment of the organization and operation of the Board of Directors ;	• conducting the periodic assessment of the organization and operation of the Board of Directors, *making a distinction between the assessment of the Chairman and that of the Chief Executive Officer* ;
• *at the Chairman's request*, serving as a point of contact for Compagnie de Saint-Gobain's shareholders on governance issues and, where appropriate, meet with them *;*	• serving as a point of contact for Compagnie de Saint-Gobain's shareholders and *participating on shareholder's engagement* on governance issues ; *conducting governance roadshows [Note : this is not conditioned to the Chairman's request anymore] ;*
• in conjunction with the Chairman of the Board of Directors, ensuring that the Directors receive the information they need to perform their duties under the best possible conditions, in accordance with these internal rules ; and	• in conjunction with the Chairman of the Board of Directors, ensuring that the Directors receive the information they need to perform their duties under the best possible conditions, in accordance with these internal rules; and *if necessary, act as their spokesperson to the Chairman of the Board of Directors* ;
• more generally, ensuring compliance with the internal rules of the Board of Directors.	• more generally, ensuring compliance with the internal rules of the Board of Directors.
Means available to the Lead independent Director	**Means available to the Lead independent Director**
In the course of the assigned duties, the lead independent Director has the right to:	In the course of the assigned duties, the lead independent Director has the right to:
• *propose* to the Chairman the addition of points to the agenda of any Board meeting ;	• *request* *[Note: could only "propose" previously]* to the Chairman the addition of points to the agenda of any Board meeting, *be consulted on the agenda and timetable for Board meetings* ;
• *ask the Chairman to convene the Board of Directors on a specific agenda, including for a meeting without the presence of executive corporate officers* ;	
	• *convene and chair "Executive Sessions" related to its mission (including at the end of a Board meeting) and aimed, once a year, at discussing and assessing the operations of the Board; reporting to the Chief Executive Officer on such "Executive Sessions" ;*
	• *chair the discussions of the directors at the end of the Board meetings on the governance of the meeting, in the presence of the Chief Executive Officer ;*
• convene and chair the Board meetings in the event of the temporary inability or death of the Chairman ; and	• convene and chair the Board meetings in the event of the temporary inability or death of the Chairman ;
	• *request the Chairman to convene a meeting of the Board of Directors with any specific agenda; the Chairman is bound by the lead independent Director's request ;*
	• *leading discussions at meetings of the Board of Directors on its assessment ;*

- attend, where applicable, meetings of the Committees of which the lead independent Director is not a member to the extent strictly necessary to accomplish the assigned duties and upon the approval by the Chairman of the Board of Directors.

Once a year, the lead independent Director reports the actions taken to the Board of Directors. The Chairman of the Board of Directors may invite the lead independent Director to General Meetings to report on actions taken.

VII – Duties of the Directors

Directors have regular access to inside information within the meaning of financial market laws and regulations and comply with insider trading prevention provisions.

Closed periods are also set each year, during which Directors are prohibited from trading directly or indirectly and from derivative transactions in Compagnie de Saint-Gobain's securities.

These closed periods cover the thirty days preceding the Board meetings at which the annual and half-year consolidated financial statements are reviewed, the fifteen days preceding the publication of quarterly revenue figures, and the day following the publication of the annual and half-year results.

The Board Secretary sends the precise calendar of the closed periods to the Directors each year.

Directors must declare to the French Financial Markets Authority (Autorité des marchés financiers) any trades they have executed involving Compagnie de Saint-Gobain's securities, in compliance with applicable regulations.

Directors hold their Compagnie de Saint-Gobain shares in registered form.

Beyond the obligation of discretion provided by law, Directors are bound by a general duty of confidentiality with regard to the documents and information communicated to them before or during the meetings, as well as on the deliberations of the Board of Directors, until they have been made public.

They must seek to avoid any actual or potential conflict of interest, whether direct or indirect. If any such conflict of interest should arise, they must inform the Chairman of the Board of Directors and the lead independent Director and refrain from participating in discussions and votes on the topics in question.

The Chief Executive Officer must consult the Board before accepting any new appointment in a publicly traded company.

- attend meetings of Committees of which he is not a member [*Note: as was the case before, without having to obtain approval from the Chairman*] with the agreement of the Chairman of the *relevant Committee concerned, who informs the Chairman ;*
- *in the performance of its duties, request external studies to be carried out at the Company's expense or request the assistance of the Group Corporate Secretary in the performance of its duties* ; and
- *meeting with the executive committee members (Comex) after informing the Chairman.*

Once a year, the lead independent Director reports the actions taken to the Board of Directors. The Chairman of the Board of Directors may invite the lead independent Director to General Meetings to report on actions taken.

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The Chief Executive Officer must consult the Board before accepting any new appointment in a publicly traded company.

VIII – Compensation of the Directors and reimbursement of expenses

The Board of Directors distributes among the Directors, except the Chairman and the Chief Executive Officer, who do not receive any compensation in this respect, the annual amount allocated by the General Meeting as compensation for the activities of the Directors.

The amounts granted in respect of the fixed-base amount are paid pro rata temporis when terms of office begin or end during the course of a fiscal year.

The compensation is paid in two half-yearly installments in arrears, with any balance available from the annual amount distributed at the beginning of the next fiscal year based on variable parts allocated to each Director depending both on his/her participation to Board and Committees meetings held during the prior fiscal year.

Upon submission of the necessary supporting documents, Directors may be reimbursed for travel expenses and any expenses incurred in performing their duties as Directors of the Company.

IX – Other provisions

All Directors may receive additional training on the Saint-Gobain Group specific characteristics, business lines, operating segments and social and environmental responsibilities if they consider it necessary.

Those appointed to the Audit and Risk Committee may receive training in the accounting, financial and operational aspects specific to the Group's activities if they consider it useful.

Unless impeded, the Directors must attend the General Shareholders' meeting.

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Unless impeded, the Directors must attend the General Shareholders' meeting.

9.1.2 DOCUMENTS AVAILABLE TO THE PUBLIC

For the period of validity of this Universal Registration Document, the following documents (or a copy of them) relating to the Company may be consulted through the Investor Relations Department at the Company's head office at Tour Saint-Gobain, 12, place de l'Iris, 92400 Courbevoie (France) and may be viewed online at www.saint-gobain.com:

- this Universal Registration Document, which may also be consulted on the website of the Autorité des marchés financiers (AMF) (www.amf-france.org/en);
- the Company bylaws; and
- any reports, letters and other documents, historical financial information, assessments and statements prepared by an outside expert at the Company's request, a part of which is included in or referred to in this Universal Registration Document.

9.1.3 PERSONS RESPONSIBLE FOR THE UNIVERSAL REGISTRATION DOCUMENT

Person responsible for the Universal Registration Document

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

Statement by the person responsible for the Universal Registration Document including the Annual Financial Report

I hereby declare that the information contained in this Universal Registration Document is, to the best of my knowledge, consistent with the facts and contains no omission likely to affect its import.

I further declare that, to the best of my knowledge, the financial statements have been prepared in accordance with applicable accounting standards and give a true and fair view of the assets, liabilities, financial position and results of the Company and all the companies included in the consolidation scope and that the information provided in the management report contained in this Universal Registration Document and listed in the cross-reference table in section 9.3.2, p. 419, provides a true and fair view of the evolution of the business, results and financial position of the Company and of all the companies included in the consolidation scope, as well as a description of the main risks and uncertainties to which they are exposed.

Courbevoie, March 12, 2024

Benoit Bazin

Chief Executive Officer

9.1.4 INFORMATION ABOUT THE STATUTORY AUDITORS

Statutory auditors

As of December 31, 2023, the Statutory Auditors of the Company are:

- Deloitte & Associés, Tour Majunga, 6 Pl. de la Pyramide, 92800 Puteaux, represented by Frédéric Gourd, appointed for a term of six years expiring at the 2028 General Meeting;
- KPMG SA, Tour Eqho, 2 avenue Gambetta, CS 60055 – 92066 Paris La Défense (France), represented by Pierre-Antoine Dufaud and Laurent Chillet. It was reappointed on June 7, 2018, for a period of six years, ending at the 2024 General Meeting.

Statutory auditors' fees

FEES PAID BY THE GROUP TO THE STATUTORY AUDITORS AND MEMBERS OF THEIR NETWORKS FOR THE 2023 FISCAL YEAR

Statutory Auditors' fees and members of their networks for the 2023 fiscal year are presented in Note 14, p. 357, "fees paid to the Statutory Auditors" of the Consolidated Financial Statements, section 8.1 of this universal registration document.

9.1.5 ADDRESS

COMPAGNIE DE SAINT-GOBAIN

Head office

Tour Saint-Gobain
12, place de l'Iris
92400 Courbevoie

France

Tel.: + 33 (1) 88 54 00 00

www.saint-gobain.com

9.2 CSR INFORMATION

9.2.1 NOTE ON METHODOLOGY

The content of the CSR chapters of this document reflects broad consultation with internal and external stakeholders.

Internally, entities of countries or clusters of countries, Business Units of HPS and corporate support functions (human resources, responsible purchasing, financial communications, responsible development, EHS, etc.) have been asked to contribute, in order to enhance the report with examples.

Externally, stakeholders are regularly consulted on general policy or various specific aspects of Saint-Gobain's social responsibility. These consultations assist in developing the Group's CSR reporting and communications.

A – Reference bases

Saint-Gobain's main reports include social, environmental, health and safety, and responsible purchasing indicators. Each of these reports and the associated indicators have been drawn up in accordance with the United Nations Global Compact and applicable French legislation.

In order to have a global reference framework, these standards are also based on indicators from the GRI (Global Reporting Initiative), SASB or other relevant standards depending on materiality issues.

The choice of indicators is defined in a logic of time stability and information availability. The description and calculation rules of indicators defined in the Group's governance documents are available for the teams of the different countries in French and in English.

B – Scope

a. The social reporting includes both qualitative and quantitative data on personnel and social issues

Compared to the scope of financial consolidation, the scope of consolidation of CSR data in this report is composed of fully consolidated companies. Newly consolidated companies are accounted for at the rate of their financial integration, with a maximum grace period of two years, and companies sold during the year are not taken into account. An entity integrated in the reporting before the maximum period remains integrated until it is disposed of.

Social data from the Smart'R tool is collected either manually or automatically as follows:

Type of collection	Frequency	Structure	Content
Social data (IT interface)	Monthly	93.5%	Basic data on employees, hours and salary costs. Detail by employee
Social Data (questionnaire) Entities with over 500 employees (no IT interface)	Monthly	1.5%	Basic data on employees, hours and salary costs at the entity level
Social Data (questionnaire) Entities with under 500 employees (no IT interface)	Quarterly	5.0%	Workforce and hours worked by gender and socio-professional category at entity level
Social reporting questionnaire	Annual	95.9%	Social dialog (e.g. number of signed agreements in effect)
Human Rights* questionnaire	Annual	100%	Group's Values - Human Rights and fight against discrimination
Temporary work (questionnaire)	Monthly	100%	Temporary work data

* *The Human Rights questionnaire is completed every year by the human resources managers of the countries except for France where it is completed at the activities level. This makes it possible to collect qualitative indicators and to consult internal stakeholders when writing the report.*

Absenteeism and temporary employment indicators

Absenteeism data of some entities is sometimes difficult to collect in view of local contexts. Absenteeism rate is therefore calculated over a more limited scope than that of the annual social reporting campaign.

Some countries were excluded from the calculation of these indicators because of the lack of data for diverse reasons (no interface, priority application of local regulations over global definition, etc.). The following countries are concerned by this exclusion: the United Sates, Canada, Ireland and Switzerland, as well as non-interfaced entities with a workforce of less than 500 employees.

Absenteeism rate is expressed as a percentage and corresponds to the total number of hours of absence over the total number of theoretical working hours. The reasons for absences taken into account in this indicator are absences for illness, absences relating to occupational accidents (including traveling to and from work), absences due to strikes and unjustified absences. Authorized or anticipated absences (e.g. annual leave, family events) are not included in this indicator.

The temporary employment rate is expressed as a percentage and corresponds to the total number of hours worked by temporary employees out of the total number of hours worked by Saint-Gobain's employees and temporary workers. Temporary employment does not include subcontractors and service providers.

Despite the entities excluded from the scope, the Group retains sufficient coverage in terms of the workforce to enable the reporting of relevant indicators.

Headcount movements

Some newly integrated entities have been interfaced during the year and the headcount movements related data is therefore incomplete. In this case, the KPIs using the concerned data are calculated based on a more restricted perimeter than the one of the annual social campaign. As an example, data of Kaycan or Building products of Canada have not been included in the calculation of hiring, departures or turnover until July 2023 (IT automation).

Training indicators

The scope is that of the Smart'R entities interfaced with payroll excluding Russian entities, i.e., 92.3% of the total workforce.

The indicator includes all employees trained during the year (including those who left during the year) reported on the number of employees at December 31, 2023.

b. Environmental, health, and safety reporting is organized around three questionnaires with different scopes and frequencies

The scope of consolidation for environmental, health, and safety data includes all fully consolidated companies. Newly consolidated companies are accounted for at the rate of their financial integration, with a maximum grace period of two years, and companies sold during the year are not taken into account. An entity integrated in the reporting before the maximum period remains integrated until it is disposed of. In 2023, data from entities acquired in 2022 or 2023, such as Kaycan, Building product of canada or Clipso, are excluded from reporting.

Some questionnaires being specific to one or several categories of establishments, the scope can be more or less wide.

- Safety: makes it possible to summarize all accidents with and without lost time of employees, temporary workers and permanent subcontractors. Among these events, those that result in an injury with serious consequences (HCI High Consequence Injury) are tagged in the reporting system. The definition of these HCI is based on that of the GRI (2018), GRI 403: health and safety at work: harm resulting from an event which results in death or injury from which the person cannot recover, or does not recover , or who is not expected to fully recover and return to their pre-accident state of health even after 6 months. The calculation of the frequency rate is specified by an internal benchmark which excludes certain accidents taking place in the workplace but not directly linked to the workstation. The questionnaire includes all Group companies, which are reported to sites, agencies or offices grouping nodes. For example, an entity that produces both boards and plaster will report data under a single group.
- Industrial Hygiene & Health: allows for the results of internal audits, the follow-up of health programs, certifications, etc. to be included. The questionnaire concerns all group companies by site grouping node.
- Environment: enables the collection of all data relating to production, raw materials, energy, atmospheric emissions, water, etc. It concerns sites with significant impacts on the environment, such as industrial sites, mines and quarries, and also includes in 2023 distribution activities in France, the Nordic and Baltic countries and Switzerland, Concerning specific data on Scope 1 & 2 emissions, data from all production sites of fully integrated JVs have been included, even when the Group does not have operational management, and since they are material.
- Financial data related to the environment, health, and safety (expenditure and investments) concern all the group's entities. They have been tracked in the SIF, the Group's financial reporting tool since the 2013 fiscal year.

The safety and environment reporting data is entered directly in the EHS reporting system, called Gaïa, for all EHS entities. The various questionnaires sent, as well as their frequency, scope of reporting and content, are shown in the following table:

Questionnaire	Frequency	Structure	Content
Safety-on-Line	When needed	World, all categories of victims	Instant alert in case of work-related accident with or without work stoppage, fatal
Environment-on-Line	When needed	World, environmental events	Instant alert in case of major or significant environmental accidents
Safety	Monthly	World, all categories of employees	Accidents, numbers of days lost, worked hours, etc.
General & Health	Annual	World (all entities except certain offices or attached sites)	Certification, audit results, monitoring of health programs, etc.
Environment	Annual	"Environmental concerned scope" sites + mines and quarries (excluding sites connected to plants) + other sites at the region's initiative + Distribution agencies, transportation fleet and warehouses	Output, raw materials, energy, atmospheric emissions, water, waste, mitigation plan, etc.

c. Responsible purchasing reporting

Responsible purchasing reporting is broken down into a “trade” and a “non-trade” scope. All suppliers in these categories which carry out transactions with Group companies are covered by the reporting.

The scope of “trade” suppliers is composed as follows:

- European partners: strategic suppliers with a European framework contract. These suppliers represent 50% of total purchases;
- main suppliers: annual transactions of over €3 million. These suppliers – mainly in France, Norway, Denmark, Sweden and the United Kingdom – account for more than 82% of the total purchases of trading companies;
- own brands: suppliers with whom Saint-Gobain Sourcing (India and China) develops products marketed under a Group brand. Limited share of the Group's total purchases.

The scope of “non-trade” suppliers considered in the indicators is made up of suppliers with annual purchases of more than €100,000 which have not been subject to an exemption (supplier owned by a State government or in a sole sourcing position) and which do not concern expenses related to sectors of activity not managed by the Purchasing function (banks, insurance, legal services).

This scope represents 80% of the total expenses of the Group’s non-trade scope.

C – Data consolidation

a. Social reporting

Social reporting is mainly composed of Smart'R data. Depending on the type of data, the data is reported monthly or annually. The process of data consolidation for the social reporting involves three steps:

- The data is entered into the tool monthly by interface (93.5% of the workforce) or manually via questionnaires for other entities (6.5% of the workforce);
- The reporting is enriched by annual social data gathered by questionnaires such as the number of signed agreements in effect, etc.;
- Information is made more reliable by the Social Affairs Direction.

The environmental, health, and safety reporting is powered by the Gaïa tool. Each of the questionnaires is manually typed into the tool. Information may be reported monthly (e.g., safety) or annually (e.g., industrial hygiene, and health and environment). The process for consolidating EHS reporting data is similar to that for social reporting, where the data is entered and then verified and consolidated by the Group’s EHS Department.

b. CO_2 emissions evaluation

Environmental, health and safety reporting is powered by the Gaïa tool. Each of the questionnaires is entered manually into the tool except for data related to CO2 emissions (“scopes” 1 and 2) for certain sites. Information feedback can be monthly (e.g. safety) or annual (e.g. industrial hygiene & health and environment). The process of consolidating EHS reporting data is similar to that of social reporting where the data is entered then verified and consolidated by the Group's EHS Department.

- Automation of scope 1 & 2 data collection :

Since 2022, the Group has developed automated reporting of its scope 1 and 2 carbon emissions. At the end of 2023, nearly 90% of the group's emissions are reported on a monthly basis directly from the local information systems and ERPs to a central datalake.

Energy and raw materials emitting CO2: The annual cumulative consumption feeds the Gaia reporting tool. For sites whose information system is not connected, consumption is entered annually like the other indicators of the environment campaign

Carbon-free energy: All carbon-free electricity purchase contracts are centralized in an internal tool allowing allocation by site.

Emission factors: all emission factors are centralized in a single database for the Group. They are standard for the entire Group, except for certain entities subject to supporting documents.

- Evaluation of CO2 Emissions

To evaluate its CO2 emissions, the Group applies the GHG protocol standard.

“Scope” 2: The “scope” 2 emission calculations were carried out using a market-based methodology

Following the Greenhouse Gas protocol, the emission factors for electricity come from certified sources from the suppliers' own certificates or from recognized bases (for example, the IEA).

For countries where data is not available, the emission factors used are defined by the environment team. In particular, for the majority of European countries, the IAE country emission factors have been used. In order to quantify the differences between the methodology used by Saint-Gobain and the one using only the AIB “residual mix” emission factors, a sensitivity analysis was carried out on the 2022 data and the difference observed represents less than 15% for Scope 2 and less than 2% for Scope 1+2.

c. Responsible purchasing reporting

Responsible purchasing reporting is powered by the Nazare tool by compiling document reviews and audits of trade and non-trade suppliers. The data is aggregated and reviewed by the Group's Purchasing teams.

D – The Group's objectives

The Group has set targets for 2025, based on 2010 results, and targets for 2030, based on 2017 results.

a. 2010-2025 iso-production objectives

The Group has set medium-term objectives, up to 2025, based on the 2010 results. They are established using comparable production for three-year periods. This means, for instance, that 2023-2025 emissions and consumption are recalculated based on 2022 production.

Based on the results from the baseline year for the three-year period, the Group updates every three years the scope for which environmental results are tracked for the following three years (2011-2013/2014-2016/2017-2019/2020-2022/2023-2025).

The published results for each scope therefore have a comparable scope for the three years within the period: sites closed or sold are removed from current year and baseline year, but no acquisition is taken into account. They are included in the subsequent period. The achievement of the iso-production objectives will therefore take into account the contribution of sites that opened or closed between 2010 and 2025 in one (or more) of the five periods considered.

Progress achieved over these five three-year periods (between 2010 and 2025) will be cumulated to assess whether the 2025 objectives have been achieved based on the 2010 results.

b. Targets 2017-2030, in absolute terms

The Group has also set objectives for 2030 based on the results of 2017, including Continental for targets related to CO_2 emissions, water withdrawals, avoided virgin raw materials and non-recovered waste. They are defined in absolute value, for the entire Group.

E – Limitations encountered

As the Group operates in a variety of countries, a doctrine detailing the calculation method for each indicator is distributed to the contributors every year for the various reporting systems. However, despite the doctrine, it is sometimes possible that the indicators are interpreted differently depending on the local context (national legislation or practices).

The Group remains vigilant with regard to distortions between countries that may arise in the understanding of indicators and may be led to exclude from the scope of reporting entities with excessive differences in understanding.

In addition, the reporting process means that some entities are not interfaced or have difficulty presenting the necessary data. The Group remains attentive to the reliability of the information and ensures that the coverage for each reporting is sufficient to present reliable indicators.

As payroll closing dates may differ from one country to the other, some social reporting indicators are only calculated on a 12-month rolling basis in order to smooth out any timing differences due to these different closing dates.

9.2.2 AUDITORS' OPINION

This is a free English translation of the report by one of the Statutory Auditors issued in French and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

Report of one of the Statutory Auditors, appointed as independent third party, on the verification of the consolidated non-financial information statement

Year ended December 31, 2023

COMPAGNIE DE SAINT-GOBAIN
Tour Saint-Gobain
92400 Courbevoie cedex

In our capacity as Statutory Auditor of Compagnie de Saint-Gobain SA (hereinafter the "Entity"), appointed as independent third party ("third party") and accredited by the French Accreditation Committee (Cofrac), under number 3-1886 (Cofrac Inspection Accreditation, scope available at www.cofrac.fr), we have conducted procedures to express a limited assurance conclusion on the historical information (observed or extrapolated) in the consolidated non-financial statement, prepared in accordance with the Entity's procedures (hereinafter the "Guidelines"), for the year ended December 31, 2023 (hereinafter the "Information" and the "Statement", respectively), presented in the Group management report pursuant to the legal and regulatory provisions of Articles L. 225-102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code (*Code de commerce*).

Conclusion

Based on the procedures we have performed as described in the section "Nature and scope of procedures" and the evidence we have obtained, nothing has come to our attention that cause us to believe that the non-financial statement is not prepared in accordance with the applicable regulatory provisions and that the Information, taken as a whole, is not fairly presented in accordance with the Guidelines, in all material respects.

Comments

Without modifying our conclusion expressed above and in accordance with Article A. 225-3 of the French Commercial Code, we make the following comments:

- The "Absenteeism rate" indicator, as mentioned in the paragraph "9.2.1 Methodological note" is based on local laws with regard to the hours to be included in the absences taken into account, leading to differences in approach.

Preparation of the non-financial performance statement

The absence of a commonly used generally accepted reporting framework or a significant body of established practice on which to draw to evaluate and measure the Information allows for different, but acceptable, measurement techniques that can affect comparability between entities and over time.

Consequently, the Information needs to be read and understood together with the Guidelines, summarised in the Statement and available on the Entity's website.

Limits inherent in the preparation the Information

As stated in the Statement, the Information may be subject to uncertainty inherent to the state of scientific and economic knowledge and the quality of external data used.

Some information is sensitive to the choice of methodology and the assumptions or estimates used for its preparation and presented in the Statement.

Responsibility of the Company

Management of Compagnie de Saint-Gobain is responsible for:

- selecting or establishing suitable criteria for the preparation of the Information;
- preparing a Statement pursuant to legal and regulatory provisions, including a presentation of the business model, a description of the main non-financial risks, a presentation of the policies implemented considering those risks and the outcomes of said policies, including key performance indicators and the information set-out in Article 8 of Regulation (EU) 2020/852 (Green taxonomy);
- preparing the Statement by applying the Entity's "Guidelines" as referred above; and
- designing, implementing and maintaining internal control over information relevant to the preparation of Information that is free from material misstatement, whether due to fraud or error.

The Statement has been endorsed by the *Management Board*.

Responsibility of the Statutory Auditor appointed as independent third party

Based on our work, our responsibility is to express a limited assurance conclusion on:

- the compliance of the Statement with the requirements of Article R. 225-105 of the French Commercial Code;
- the fairness of the information provided pursuant to part 3 of sections I and II of Article R. 225-105 of the French Commercial Code, i.e. the outcomes of policies, including key performance indicators, and measures relating to the main risks, hereinafter the "Information."

As we are engaged to form an independent conclusion on the Information as prepared by management, we are not permitted to be involved in the preparation of the Information as doing so may compromise our independence.

It is not our responsibility to provide a conclusion on:

- the Entity's compliance with other applicable legal and regulatory provisions (particularly with regard to the information set-out in Article 8 of Regulation (EU) 2020/852 (Green taxonomy), the French duty of care law and against corruption and tax evasion);
- the compliance of products and services with the applicable regulations.

Applicable regulatory provisions and professional guidance

We performed the work described below in accordance with Articles A. 225-1 *et seq., our verification program consisting of our own procedures* (Programme de vérification de la déclaration de performance extra-financière, du 7 juillet 2023) and of the French Commercial Code, the professional guidance issued by the French Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*) applicable to such engagement, in particular the professional guidance issued by the *Compagnie Nationale des Commissaires aux Comptes, Intervention du Commissaire aux comptes – Intervention de l'OTI – déclaration de performance extra-financière*, and acting as the verification programme and with the international standard ISAE 3000 (revised).

Independence and quality control

Our independence is defined by Article L. 821-28 of the French Commercial Code and French Code of Ethics for Statutory Auditors (*Code de déontologie*). In addition, we have implemented a system of quality control including documented policies and procedures aimed at ensuring compliance with applicable legal and regulatory requirements, ethical requirements and the professional guidance issued by the French Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*) relating to this engagement.

Means and resources

Our work engaged the skills of ten people between July 2023 and February 2024 and took a total of thirty four weeks.

To assist us in conducting our work, we referred to our corporate social responsibility and sustainable development experts. We conducted around ten interviews with people responsible for preparing the Statement, representing in particular executive management, administration and finance, risk management, compliance, human resources, health and safety, environmental and purchasing departments.

Nature and scope of procedures

We are required to plan and perform our work to address the areas where we have identified that a material misstatement of the Information is likely to arise.

The procedures we performed were based on our professional judgment. In carrying out our limited assurance engagement on the Information:

- We obtained an understanding of all the consolidated entities' activities and the description of the main risks associated.
- We assessed the suitability of the criteria of the Guidelines with respect to their relevance, completeness, reliability, neutrality and understandability, taking into account, where appropriate, best practices within the sector.
- We verified that the Statement includes each category of social and environmental information set out in section III of Article L. 225-102-1.
- We verified that the Statement provides the information required under Article R.225-105 II of the French Commercial Code where relevant with respect to the main risks, and includes, where applicable, an explanation for the absence of the information required under Article L.225-102-1 III, paragraph 2 of the French Commercial Code.
- We verified that the Statement presents the business model and a description of the main risks associated with all the consolidated entities, including where relevant and proportionate, the risks associated with their business relationships, their products or services, as well as their policies, measures and the outcomes thereof, including key performance indicators associated to the main risks.

- We referred to documentary sources and conducted interviews to:
  - assess the process used to identify and confirm the main risks as well as the consistency of the outcomes, including the key performance indicators used, with respect to the main risks and the policies presented; and
  - corroborate the qualitative information (measures and outcomes) that we considered to be the most important [1]. Concerning certain risks or information, (for instance: *supply chains, skills and talent management, etc.*), our work was carried out on the consolidating entity, while for other risks, our work was carried out on the consolidating entity and on a selection of entities.
- We verified that the Statement covers the consolidated scope, i.e. all companies within the consolidation scope in accordance with Article L. 233-16 of the French Commercial Code, with the limits specified in the Statement.
- We obtained an understanding of internal control and risk management procedures implemented by the Entity and assessed the data collection process aimed at ensuring the completeness and fairness of the Information.
- For the key performance indicators and other quantitative outcomes that we considered to be the most important [2], we implemented:
  - analytical procedures that consisted in verifying the proper consolidation of collected data as well as the consistency of changes there to;
  - tests of details, using sampling techniques, in order to verify the proper application of definitions and procedures and reconcile the data with supporting documents. This work was carried out on a selection of contributing entities [3] and covers between 19% and 28% of the consolidated data relating to the key performance indicators and outcomes selected for these tests;
- We assessed the overall consistency of the Statement in relation to our knowledge of all the consolidated entities.

The procedures performed in a limited assurance review are less in extent than for a reasonable assurance opinion in accordance with the professional guidelines of the French National Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*); a higher level of assurance would have required us to carry out more extensive procedures.

Paris-La Défense, February 29th, 2024

One of the Statutory Auditors,

Deloitte & Associés

Frédéric Gourd	Olivier Jan
Partner, Audit	Partner, Sustainability Services

(1) ***Qualitative review of the following social information on skills and talent management****: Review of the survey conducted among all employees to measure the quality of social dialogue; review of the calculation of the percentage of new executives trained in the Adhere, Comply and ACT programs.*

Qualitative review of the following information on resource management*: Review, within the circular economy strategy and resource management, of the integration of recycled materials into products.*

Qualitative review of the following information on responsible supply chain management*: amount of purchases covered by the signing of the charter; distribution of suppliers by level of CSR performance; results of on-site audits of own-brand suppliers assessed in terms of CSR; share of so-called "risky" purchases having been evaluated in terms of CSR.*

(2) ***Quantitative Environment and Safety reviews****: Net Salable production; CO_2 emissions (scope 1 & 2); energy consumption by type; percentage of non-recovered waste; Consumption of virgin raw materials and recycled raw materials (internal and external); total quantity of non-recovered waste and breakdown by type (hazardous waste, non-hazardous waste); frequency rates relating to accidents with and without lost time (employees, temporary workers and permanent subcontractors).*

Quantitative Human Resources reviews*: absenteeism rate; total workforce and breakdown of employees by gender; hires/departures and breakdown by gender; total compensation of employees by gender, percentage of employees who received training during the year.*

(3) ***Entities Tested (Environment)****: Cebrace Cristal Plano Brazil (Jacarei -SP), Certainteed Corporation USA (Avery (OH), Jonesburg (MO), Shakopee (MN)), Placoplatre France (Vaujours), SG Canalizacao Brazil (Barra Mansa), SG Cristaleria Vitrage Spain (Aviles), SG Do Brasil (Jandira – SP), SG Eurocoustic (Genouillac), SG Glass Egypte (Ain Soukhna), SG Glass France (Aniche usine), SG Glass Polska Poland (Dabrowa Gornicza), SG Gypsum USA (Palatka (FL), Silver Grove (KY)), SG India (Sriperumbudur Float), SG Mexico (Cuautla), SG PAM Canalisation France (Pont-à-Mousson), SGCP UK LTD (East Leake Works Plasterboard), SGCP UK GYPSUM (Barrow)*

Tested Entities (Safety)*: Cebrace Cristal Plano Brazil (Jacarei -SP), Distribution sanitaire chauffage (Paris / Sacha), La Plateforme France (Paris Plateforme), Optimera AS Norway (Oslo), Optimera Svenska AB (Malmö), SG Adfors Czech Republic (Hodonice Vetrotex, Litomysl CP, Litomysl Vetrotex), SG America- Adfors Mexico (Xicohtencatl Vetrotex), SG Do Brasil (Jandira – SP, ADM Corporativo), SG Glass Egypte (Ain Soukhna), SG Glass Polska Poland (Dabrowa Gornicza), SG IM Polska Poland (Sosnowiec), SG IM Polska– transport Poland (Zary), SG India (Jhagadia, Sriperumbudur Float), SG Mexico (Cuautla), SG PAM Canalisation France (Pont A Mousson), SG Sekurit Mexico (Cuautla, Saltillo, Valle de Santiago Planta 2), SG Sekurit Polska Poland (Dabrowa Gornicza), SGCP UK LTD (East Leake Works Plasterboard), SGCP UK LTD UK LTD (Leicestershire Centr Funct).*

Tested SRUs (Human Resources)*: CIMA - Point P SA, Comasud France, Distribution sanitaire chauffage (Sacha), La Plateforme France (Paris), Optimera AS Norway (Oslo), Optimera Svenska AB (Malmö), SG Adfors Czech Republic (Litomysl CP), SG America- Vetrotex Mexico (Xicohtencatl), SG IM Polska Poland (Sosnowiec), SG Sekurit Mexico (Saltillo), SGCP UK LTD (East Leake Works Plasterboard), SG Glass India (Bhiwadi)*, SG Do Brasil Weber (Jandira SP)*, SG Canalizacao Brazil (Barra Mansa)*.*

* *SRU tested on Human Resource indicators except for absenteeism rate and total compensation of employees by gender.*

9.3 CROSS-REFERENCE TABLES

9.3.1 CROSS-REFERENCE TABLE FOR THE UNIVERSAL REGISTRATION DOCUMENT

For the convenience of readers of this Universal Registration Document, the following cross-reference table provides an index to the main disclosures required by Annexes 1 and 2 of the EU Regulation No. 2019/980, dated March 14, 2019, supplementing provisions of EU Regulation 2017/1129, dated June 14, 2017.

Contents of Annexes 1 and 2 of the EU Regulation No. 2019/980, dated March 14, 2019, supplementing provisions of EU Regulation 2017/1129, dated June 14, 2017	Sections
1 Persons responsible, third party information, experts' reports and competent authority approval	**9.1.3**
2 Statutory Auditors	**9.1.4**
3 Risk factors	
3.1 Risks specific to the Group and its business sector	6.1.1
3.2 Risks related to the Group's structures	6.1.2
3.3 Financial risks	6.1.3
3.4 Legal risks	6.1.4
4 Information about the issuer	**7.2.1 and 9.1**
5 Business overview	
5.1 Principal activities	1.4
5.2 Principal markets	1.1.1, 1.4.6
5.3 Important events in the development of business	1.2.4
5.4 Strategy and objectives	2. , 3.1, 3.2 and 4.1.7
5.5 Dependence on patents or licenses, industrial, commercial or financial contracts or new manufacturing processes	6.1.1 see Intellectual property risks
5.6 Competitive position	2.2.2
5.7 Investments	
5.7.1 Material investments made	1.3.1, 1.4.1, 2.3.4, 4.1.5, 4.2.2, 8.1 (NOTE 3, NOTE 4 and NOTE 5) and 8.5.1
5.7.2 Material investments in progress	2.3.4, 4.1.5, 4.1.7 and 4.2.2
5.7.3 Information related to the joint ventures and undertakings in which the issuer holds a proportion of the capital likely to have a significant effect on the assessment of its own assets and liabilities, financial position or profits and losses	8.1 (NOTE 4), 8.3 (NOTE 9, NOTE 10 and NOTE 16)
5.7.4 Environmental issues that may affect Compagnie de Saint-Gobain's use of its property, plant and equipment	3.2 , 4.2.2 and 6.1.1
6 Organizational structure	
6.1 Brief description of the Group	1.1.1, 1.1.2, 1.1.3, 7.1.4, 7.1.5 and 7.1.6
6.2 List of significant subsidiaries	8.1 (NOTE 15) and 8.3 (NOTE 9 and NOTE 10)
7 Operating and financial review	
7.1 Financial position	1.1 , 4.1 and 4.2
7.2 Operating income	4.1
8 Liquidity and capital resources	
8.1 Information on capital resources	8.1 and 8.3, 8.1 (NOTE 11), 8.3(NOTE 12) and 8.5
8.2 Source, amounts and description of cash flows	8.1 (Consolidated statement of cash flows)
8.3 Information on borrowing requirements and funding structure	7.2.4, 8.1 (NOTE 10 and NOTE 13) and 8.3 (NOTE 13 and NOTE 15) and 8.5
8.4 Restriction on the use of capital	N/A
8.5 Anticipated sources of funds needed to fulfill commitments referred to in 5.7.2	8.1 (NOTE 10)
9 Regulatory environment	**2.3.1 and 6.1**
10 Trend information	**4.1.7**
11 Profit forecasts or estimates	**N/A**
12 Administrative, management and supervisory bodies and General Management	**1.1.2, 5.1**

Contents of Annexes 1 and 2 of the EU Regulation No. 2019/980, dated March 14, 2019, supplementing provisions of EU Regulation 2017/1129, dated June 14, 2017	Sections
13 Remuneration and benefits	**5.2 and 8.1 (NOTE 6)**
14 Board and management practices	**5.1**
15 Employees	
15.1 Number of employees and breakdown by main category	1.1.11.2.3, 8.1 (NOTE 6) and 8.3 (NOTE 19)
15.2 Shareholding in the issuer's capital and stock options	5.2.2, 5.2.4, 7.1.6, 8.1 (NOTE 6) and 8.3 (NOTE 12)
15.3 Arrangements for involving the employees in the capital of the issuer	5.2.4, 7.1.6, 8.1 (NOTE 6) and 8.3 (NOTE 12)
16 Major shareholders	**7.1.4**
17 Related party transactions	**8.1 (NOTE 8) and 8.3 (NOTE 16)**
18 Financial information concerning the issuer's assets and liabilities, financial position and profit and losses	
18.1 Historical financial information	8.
18.2 Interim and other financial information	N/A
18.3 Auditing of the historical annual financial information	8.2 and 8.4
18.4 Pro forma financial information	N/A
18.5 Dividend policy	7.4
18.6 Legal and arbitration proceedings	6.1.4, 8.1 (NOTE 9) and 8.3 (NOTE 20)
18.7 Significant change in the financial position	N/A
19 Additional information	
19.1 Share capital	
19.1.1 Amount of issued capital	
(a) Number of shares authorized	7.1.1, 7.1.2 and 8.3 (NOTE 12)
(b) Number of shares issued and fully paid and issued, but not fully paid	7.1.1, 9.1.1 and 8.3 (NOTE 12)
(c) Par value per share	8.3 (NOTE 12)
(d) Number of shares outstanding at the beginning and end of the year	7.1.1, 9.1.1 and 8.3 (NOTE 12)
19.1.2 Shares not representing share capital	7.1.1
19.1.3 Treasury shares	7.1.3
19.1.4 Convertible securities, exchangeable securities or securities with warrants	N/A
19.1.5 Information on the conditions attached to any acquisition rights and/or obligations relating to the subscribed but unissued capital, or on any undertaking to increase the capital	5.2.4 and 7.1.2
19.1.6 Capital of any member of the Group which is under option or has agreed conditionally or unconditionally to be put under option	N/A
19.1.7 History of the share capital	7.1.1
19.2 Bylaws	
19.2.1 Corporate purpose	9.1.1
19.2.2 Rights, preference and restrictions attached to each class of existing shares	9.1.1
19.2.3 Provisions of the bylaws that would have an effect of delaying, deferring or preventing a change of control	9.1.1
20 Material contracts	**N/A**
21 Documents available	**9.1.2**

Incorporation by reference

In accordance with Article 19 of Regulation (EU) No. 2017/1129 of the European Parliament and of the Council of June 17, 2017, this Universal Registration Document incorporates the following information by reference which the reader is invited to refer to:

- for the fiscal year ended December 31, 2022: the management report, the consolidated financial statements, the annual financial statements and the related reports of the Statutory Auditors, included in the Universal Registration Document filed with the French Financial Markets Authority (*Autorité des marchés financiers – AMF*) on March 22, 2023 under number D. 23-0135
- for the fiscal year ended December 31, 2021: the management report, the consolidated financial statements, the annual financial statements and the related reports of the Statutory Auditors, included in the Universal Registration Document filed with the French Financial Markets Authority (*Autorité des marchés financiers – AMF*) on March 22, 2022 under number D. 22-0132.

The information included in these two Universal Registration Documents, other than that referred to above, is replaced or updated by the information included in this Universal Registration Document. These two Universal Registration Documents are available at the Company's head office and on its website www.saint-gobain.com.

9.3.2 CROSS-REFERENCE TABLE FOR THE ANNUAL FINANCIAL REPORT

For the convenience of readers of the Annual Financial Report, the following cross-reference table provides an index to the main disclosures required by Article L. 451-1-2 of the French Monetary and Financial Code.

Information required in the Annual Financial Report	Sections
Statement by the person responsible for the Annual Financial Report	**9.1.3**
Management report	
Article L.225-100-1 of the French Commercial Code	
Analysis of the Company's operations, results and financial position	1.1.1, 1.1.2, 1.2.3, 2. , 4.1 , and 4.2
Key financial and non-financial performance indicators	1.1.1,, 1.2.3, 4.1 and 4.2
Main risks and uncertainties	6.1
Indications of the financial risks associated with the effects of climate change and the measures taken to reduce them	1.3.1 3.3 and 3.4
Main characteristics of the internal control and risk management procedures relating to the preparation and handling of accounting and financial information	6.2
Article L.225-102 of the French Commercial Code:	
Employee shareholding	5.2.4 and 7.1.6
Article L.225-102-1 of the French Commercial Code:	
Declaration of non-financial performance	9.3.3
Article L.225-211 of the French Commercial Code:	
Company buyback of treasury shares	7.1.3 and 8.1 (NOTE 11)
Article L.225-37 et seq. of the French Commercial Code *Report of the Board of Directors on corporate governance*	
Composition and functioning of the Board of Directors	5.1.1 and 5.1.2
Compensation of the management and governing bodies	5.2
General Management procedures and restrictions set by the Board of Directors on the powers of corporate officers	5.1.2
Adherence to a code of corporate governance	5.1
Aspects that may have an effect in the event of a public offering	7.1.9
Special procedure for shareholders' participation in the Shareholders' Meeting	9.1.1
Summary table of the Delegations currently valid granted by the General Shareholders' Meeting to the Board of Directors with regard to an increase in capital and description of the use made of these delegations during the fiscal year	7.1.2
Agreements and regulated commitments	5.1.1
Description of the procedure under which it is regularly assesses whether agreements relating to current operations and entered into under normal conditions meet these conditions and description of its implementation during the fiscal year	5.1.1
Statutory Auditors' special report on related party agreements	5.5
Statutory Auditors' report on the Board of Directors' report on corporate governance	5.4
Financial statements	
Annual financial statements	8.3
Statutory auditors' report on the Annual Financial Statements	8.4
Consolidated financial statements	8.1
Statutory auditors' Report on the Consolidated Financial Statements	8.2
Statutory auditors' fees	9.1.4

9.3.3 CROSS-REFERENCE TABLE FOR SOCIAL AND ENVIRONMENTAL INFORMATION: DECLARATION OF NON-FINANCIAL PERFORMANCE

Declaration of non-financial performance (DPEF), in compliance with the Order of July 19, 2017 (Order No. 2017-1180) which transposes the Directive 2014/95/EU of the European Parliament and of the Council of October 22, 2014.

The Declaration includes the presentation of the Group's business model and the analysis of its CSR risks and opportunities (risks, associated policies, action plans and key indicators).

The business model

Saint-Gobain Group's business model can be found in section 1.2.3, p. ##. It is the result of a consultation with the Group's internal stakeholders and it takes into account Saint-Gobain's new organization, effective as of January 1, 2019. It presents the Group's sustainable growth generation process through its key resources and its main pillars of value creation.

CSR risk and opportunity analysis

Saint-Gobain has conducted its study of the risks and opportunities related to Corporate Social Responsibility (CSR) within the framework of the priority challenges presented in the materiality analysis (see section 1.2.3, p. 13).

As a result, a universe of the 15 most important CSR risks and opportunities for Saint-Gobain was built by factoring in the Group's strategy, its objectives and operations as well as its main environmental, social and societal challenges. In an effort to harmonize the vocabulary and the vision on these challenges, a table presenting a risk or an opportunity's definition, as well as the potential impacts for stakeholders on the one hand and for Saint-Gobain on the other hand, has been provided.

These risks and opportunities were then rated according to stakeholders' expectations in order to combine internal and external visions of the organization, according to the methodology shared with internal audit and control. While the risk assessment methodology follows the process developed by the internal control, the value scales have been adjusted according to non-financial impacts and to a long-term time frame. The interviews were conducted from May to September 2018 with two assessment criteria: impact and criticality. Members of the Executive Committee participated in these evaluations.

Nine CSR risks and opportunities were identified as the most important:

- Diversity within the organization and inclusion;
- Energy efficiency and carbon intensity of operations;
- Business ethics;
- Management of skills and talents;
- Responsible supply chain management;
- Integration of recycled materials;
- Energy and carbon performance of products and services;
- Health and safety at work;
- Product safety.

The identification of these risks is a key step in the construction of the Group's CSR roadmap (see section 3.3.3.B, p. 120).

Risk or opportunity identified	Management of the risk or opportunity	Section
The Principles of Conduct and Action constitute the Group's code of ethics. All of Saint-Gobain's policies and commitments refer to them.		
Diversity within the organization and inclusion	**Commitment:** Human Resources Policy Human Rights Policy	 2.3.2. A 3.5.2. A
	Actions: OPEN program Human rights program (non-discrimination)	 3.5.3. C 3.5.2. A
	Quantitative objectives: Diversity index 30% of women managers in 2025 25% of women senior managers in 2025 30% of women in the Executive Committee of the Group in 2025 30% of women on average in the Executive Committees of the Business Units in 2025	 91% 28,0% 24.8% 31,3% 26,7%
	Indicators: 26,6% of women in the 18,992 highest positions or 11,9% of the Group's positions Other diversity indicators Other non-discrimination indicators	4.2.2
Energy efficiency and carbon intensity of operations	**Commitment:** EHS charter and policy Energy policy - climate Net zero carbon commitment before 2050	 2.3.3. B 2.3.3. B b) 3.3.1.
	Actions: WCM program Energy – climate network Transversal programs including internal carbon pricing, R&D programs and scope 3 control	 2.3.3. A 2.3.3.B. b) 3.3.1.B b)
	Quantitative objectives: Reduce carbon emissions by 20% by 2025 (2010 basis) Reduce energy consumption by 15% by 2025 (2010 basis) Reduce carbon emissions by 33% (scope 1 and 2) in absolute terms between 2017 and 2030 Reduce carbon emissions by 16% (scope 3) in absolute terms between 2017 and 2030	 -30,8% -6,7% -34,3% +15,1%
	Indicators: GHG emissions indicators Energy indicators	 4.2.2. 4.2.2
Business Ethics *This risk includes human rights and the fight against corruption*	**Commitment:** Code of ethics: the Principles of Conduct and Action	 2.3.1. A
	Actions: Ethics and compliance program	 2.3.1. B
	Quantitative objectives: Train 100% of new managers on the Adhere, Comply and Act program during their first year of integration	 97,0% 97,0% 97,8%
	Indicators: Group values Indicators Non-discrimination indicators	 4.2.2. 4.2.2.
Tax evasion The Group acts in compliance with the tax laws of the countries in which it operates and fulfills its tax reporting and payment obligations in time (section **2.3.1**, p. 78) Saint-Gobain has therefore not established structures whose purpose is tax evasion and applies tax laws and regulations with honesty and integrity.		
Skills and talent management	**Commitment:** Human Resources Policy	 2.3.2. A
	Actions: WCM program SG Talents program Training program	 2.3.3. A 2.3.2.C a) c) 2.3.2. C b)
	Indicators: Percentage of employees trained Training indicators in talent development	 92,6% 4.2.2

Risk or opportunity identified	Management of the risk or opportunity	Section
Responsible supply chain management	**Commitment:**	
	Code of ethics: the Principles of Conduct and Action	2.3.1. A
	Timber policy	3.2.2.A c)
	High-risk Raw Material minerals policy	3.2.2.A.c)
	Actions:	
	Responsible purchasing program	3.2.2.A
	Quantitative objectives:	
	Responsible purchasing program	3.2.2. A a)
	Indicators:	
	Responsible Purchasing Indicators	4.2.2
Integration of recycled materials into products	**Commitment:**	
	EHS charter and policy	2.3.3. B
	Sustainable Resource Management policy	2.3.3..B b)
	Actions:	
	Obtain a maximum recycled content	3.4.2.
	Circular economy	3.4.
	Quantitative objectives:	
	Increase avoided withdrawals of natural raw materials by 30% (between 2017 and 2030)	-4,6%
	Indicators:	
	Waste and raw materials	4.2.2
Energy and carbon efficiency of products and services	**Commitment:**	
	EHS charter and policy	2.3.3.B
	Energy and Climate policy	2.3.3.B b)
	Actions:	
	Solutions for Growth program: designing sustainable, easy-to-implement and efficient solutions, including product transparency and evaluation and improvement of the sustainable performance of products	3.2.4. C
	Seize the opportunities linked to the transition to a low-carbon economy	
	Actions that support a strong and low-carbon economic growth	3.3.2. B b)
	Train clients locally, inform the end user	3.3.1. B c)
	Indicators:	
	Provision of EPDs	3.3.2.C. b)
	Carbon avoidance linked to solutions	3.3.2.C b)
Health and safety at work	**Commitment:**	
	EHS charter and policy	2.3.3. B
	Health policy	2.3.3. B a)
	Actions:	
	WCM program	2.3.3. A
	Safety at work program	2.3.3. B a)
	Health at work program	2.3.3. B a)
	CARE program	3.5.3. AI
	Mental WellBeing program	2.3.3. B a)
	Quantitative objectives:	
	TRAR value at 1,5	1,3
	Indicators:	
	HICE (Health Indicator for Occupational Exposure)	2.3.3.B a)
	Health and Safety indicators	4.2.2

Risk or opportunity identified	Management of the risk or opportunity	Section
Product safety	**Commitment:** EHS charter and policy Health policy **Actions:** Innovation program, including the EHS check-list WCM program Product transparency Program to assess the sustainable performance of products Management of chemical risks **Indicators:** Deployment of chemical risk management tools Additional work on the possibility of defining a performance indicator for product safety is under consideration	 2.3.3.B 2.3.3. B a) 3.2.4.C 2.3.3.A 3.2.4. A 3.2.4.C 3.2.3.B a) 87%
The themes “food waste”, “fight against food insecurity”, “respect for animal welfare”, “responsible, fair and sustainable food” and "actions to promote physical exercise and sports"do not represent main non-financial risks for Saint-Gobain and are not included in the Declaration of Non-Financial Performance.		

9.3.4 CROSS-REFERENCE TABLE FOR SOCIAL AND ENVIRONMENTAL INFORMATION: VIGILANCE PLAN

As part of compliance with law No. 2017-399 of March 27, 2017 on the duty of care of parent companies and ordering companies.

Saint-Gobain’s vigilance plan consists of two separate but complementary plans:

- the vigilance plan for the Group’s operations (holding company, subsidiaries, joint ventures and on-site subcontractors);
- the vigilance plan for purchasing, including tier 1 suppliers and subcontractors outside the Group’s sites.

Vigilance plan for the Group’s operations	Section
Mapping of risks related to operations and procedures for assessing the situation in relation to the risk mapping	
Identification, analysis and prioritization of risks, prevention of serious violations of human rights and fundamental freedoms	3.5.2. A b)
Identification, analysis and prioritization of risks, prevention of serious violations of the health and safety of people, and the environment	3.2.3. A b)
Appropriate actions to mitigate risks or prevent serious harm	
For the respect of human rights	3.5.2.A c)
For the health and safety of people	2.3.3.B a)
For the environment	2.3.3. B b)
A system for monitoring the measures implemented and evaluating their effectiveness	
Annual reporting	4.2.2
A mechanism for alerting and collecting reports	3.5.2.C

Vigilance plan for the Group’s purchasing	Section
Mapping of risks related to operations and procedures for assessing the situation in relation to the risk mapping	
Identification, analysis and prioritization of risks, prevention of serious violations of human rights and fundamental freedoms, health and safety of people, and the environment	3.2.2. A a)
Appropriate actions to mitigate risks or prevent serious harm	
Trade Responsible Purchasing program	3.2.2.A a)
Non-trade Responsible Purchasing program	3.2.2. A a)
A system for monitoring the measures implemented and evaluating their effectiveness	
Annual reporting	4.2.2
A mechanism for alerting and collecting reports	3.5.2. C

9.3.5 CLASSIFICATION OF ACTIVITIES ACCORDING TO THE EUROPEAN REGULATORY FRAMEWORK ALLOWING THE DEFINITION OF ENVIRONMENTAL SUSTAINABLE ECONOMIC ACTIVITIES

Classification of activities

In application of the European Regulation 2020/852 Taxonomy Regulation in effect since July 2020, with delegated acts for the first two objectives concerning mitigation and adaptation to climate change (Taxonomy Climate Delegated Act (EU) 2021/2139), as well as with the delegated act in Article 8 of Regulation (EU) 2020/852 and its annexes on the reporting conditions (Disclosures Delegated Act), Saint-Gobain has carried out an analysis of the eligibility criteria used to classify its sustainable economic activities with regard to the new reporting and disclosure requirements on the relevant contribution to the turnover, investments and operating expenses (CapEx and OpEx).

As part of the regulatory amendment in June 2023 by European Regulation (EU) 2023/2486, Saint-Gobain has updated its analysis on eligible activities, without any modifications.

Eligibility of activities

For the 2023 financial year, Saint-Gobain's activities considered eligible correspond to the definitions of the following activities listed in the delegated acts dedicated to the objectives of climate change mitigation and adaptation to climate change:

- **3.5. Manufacture of energy-efficient equipment for the buildings.** Activity 3.5 directly covers several Saint-Gobain product categories, including insulation, glazing for external façades (windows), plasterboard and mortars that are part of an insulation system;
- **3.6. Other manufacturing technologies with low carbon intensity.** Activity 3.6 concerns Saint-Gobain products and solutions contributing to substantial reduction (compared to the most efficient alternative on the market) of GHG emissions generated by the product or by the manufacturing process to which they contribute. This especially includes activities in ceramics, mobility, construction chemicals, or the construction industry. Some building material systems that promote lightweight construction are also included.
- Saint-Gobain has no eligible activity under the new Aquatic Resources, Circular Economy, Pollution Prevention and Reduction, Biodiversity and Ecosystems criteria.

Alignment of activities

For all so-called eligible activities, Saint-Gobain has identified the applicable technical criteria as well as the corresponding performance thresholds:

- for the activities referenced in category 3.5, technical criteria and corresponding performance thresholds have been defined by the regulation;
- for the activities referenced in category 3.6, in the absence of technical criteria and performance thresholds defined by the regulation, these have been identified and assessed by comparing the benefits and performance with standard products or solutions on the market as required by regulations. Saint-Gobain relied in particular on life cycle analyzes in accordance with reference standards (ISO, PEF) and assessed the thresholds to define a substantial reduction according to sectors and product families.

Saint-Gobain’s ambition is to offer solutions that combine performance and sustainability in order to meet the expectations of its stakeholders, especially its clients, and to enable the acceleration towards a more sustainable and low-carbon economy (see section 2.1.1.B, p. 66). A standard method for evaluating the benefits of these solutions was defined in 2020 and deployed in the organization. The benefits in terms of contributing to the fight against climate change are integrated into the approach. This standard profit measurement method has been audited by an independent third party and published on the Group's website. Saint-Gobain relied on this method to measure the alignment of product lines for the activities referenced in category 3.6.

This exercise requires carrying out complex studies on the comparative performance of products and solutions, some of which, given their complexity, will have to be continued during 2024.

The work carried out also included verification of compliance with the minimum guarantees (see section 2.3.1, p. 78 and table 9.3.4, p. 423), as well as the analysis of compliance with the criteria of “Do no significant harm” (DNSH) based on its existing policies and its risk management system. More specifically for DNSHs:

- adaptation to climate change, see section 3.3.2.B.a, p. 99 and section 3.3, p. 106;
- water policies, see section 3.4.2.C, p. 127;
- pollution, see section 3.2.2.C, p. 101;
- circular economy, see section 3.2.2.C.c, p. 101 and section 3.4, p. 124;
- Biodiversity, see section 3.2.2.C.c, p. 101.

Non-eligible activities

Saint-Gobain’s sustainable solutions revenue (see section 2.1.1.B.a, p. 66) includes activities not assessed in the context of compliance with European Regulation 2020/852 Taxonomy, such as distribution activities, impacts and benefits not yet integrated into the regulations, such as resources and the circular economy or finally the benefits related to health, safety and comforts, which will potentially be eligible for the social taxonomy.

Making progress

Pipe activities were considered ineligible in 2023, as in previous years. Saint-Gobain is however studying the possible integration within activity 3.9 Manufacturing of cast iron and steel. As the interpretation is not sufficiently advanced, they have not been integrated into the tables in 2023. They will be considered for the following years. The associated turnover is of the order of 1.1 billion euros, which represents 2% of the group's consolidated turnover.

Calculation of taxonomic indicators

The reporting scope concerns all Saint-Gobain consolidated entities at the end of 2022.

In the denominator, turnover corresponds to the turnover presented in the consolidated financial statement (chapter 8).

Turnover (TO)

		Year 2023		Substantial contribution criteria					
		Turnover	Proportion of Turnover, year N (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water	Circular Economy	Pollution	Biodiversity
Economic Activities	**Codes**	**Euro**	**%**	**Y; N; N/EL**	**Y; N; N/EL**	**Y; N; N/EL**	**Y; N; N/EL**	**Y; N; N/EL**	**Y; N; N/EL**
A. Taxonomy-eligible activities									
A.1. Environmentally sustainable activities (Taxonomy-aligned)									
Manufacture of energy efficiency equipment for buildings	CCM 3.5	5,215,243	11%	Y	N/EL	N/EL	N/EL	N/EL	N/EL
Manufacture of other low carbon technologies	CCM 3.6	2,508,383	5%	Y	N/EL	N/EL	N/EL	N/EL	N/EL
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		7,723,625	16%	16%					
Of which enabling		7,723,625	16%	16%					
Of which transitional		0	0%	0%					
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)									
Manufacture of energy efficiency equipment for buildings	CCM 3.5	46,313	0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL
Manufacture of other low carbon technologies	CCM 3.6	551,936	1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL
Turnover of Taxonomy eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		598,249	1%	1%					
Turnover of Taxonomy-eligible activities (A.1+A.2)		**8,321,874**	**17%**	**17%**					
B. Taxonomy-non-eligible activities									
Turnover of Taxonomy non-eligible activities		39,621,854	83%						
Total A + B		**47,943,728**	**100%**						

		Proportion of turnover/Total TURNOVER	
		Turnover	**Proportion of Turnover, year N (4)**
CCM	Climate Change Mitigation (5)	16%	17%
CCA	Climate Change Adaptation (6)	%	%
WTR	Water	%	%
CE	Circular Economy	%	%
PPC	Pollution	%	%
BIO	Bidiversity	%	%

	DNSH criteria ("Does Not Significantly Harm")									
	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Circular Economy (14)	Pollution	Biodiversity	Minimum Safeguards (17)	Proportion of Taxonomy aligned (A.1.) or -eligible (A.2.) turnover, year N-1 (18)	Category enabling activity (19)	Category transitional activity (20)
	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
	Y	Y	Y	Y	Y	Y	Y	12%	E	
	Y	Y	Y	Y	Y	Y	Y	4%	E	
	Y	Y	Y	Y	Y	Y	Y	17%		
	Y	Y	Y	Y	Y	Y	Y	17%	E	
	Y	Y	Y	Y	Y	Y	Y	0%		T
								0%		
								1%		
								2%		
								18%		

CAPEX

In the denominator, the CapEx corresponds to the gross increase in tangible and intangible assets declared in the financial statements, including when resulting from entry into the scope of a subsidiary within the consolidated financial statements (see note 7 to the consolidated financial statements). The portion relating to entries in the scope is presented in note 4.2.

The CapEx categories considered in the numerator as eligible (or aligned) are as follows:

- CapEx linked to activities whose turnover is eligible, and detailing the CAPEX linked to activities whose turnover is aligned;
- CapEx linked to individual measures enabling the reduction of CO_2 emissions.

Since 2021, a financial reporting category has been dedicated for monitoring investments linked to CO_2 emissions reduction, in line with the Group's CO_2 roadmap to contribute to carbon neutrality by 2050 (see chapter 3).

		Year 2023		Substantial contribution criteria					
		CAPEX	Proportion of CAPEX, year N (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water	Circular Economy	Pollution	Biodiversity
Economic Activities	**Codes**	**Euro**	**%**	**Y; N; N/EL**	**Y; N; N/EL**	**Y; N; N/EL**	**Y; N; N/EL**	**Y; N; N/EL**	**Y; N; N/EL**
A. Taxonomy-eligible activities									
A.1. Environmentally sustainable activities (Taxonomy-aligned)									
Manufacture of energy efficiency equipment for buildings	CCM 3.5	623,331	19%	Y	N/EL	N/EL	N/EL	N/EL	N/EL
Manufacture of other low carbon technologies	CCM 3.6	74,076	2%	Y	N/EL	N/EL	N/EL	N/EL	N/EL
CAPEX of environmentally sustainable activities (Taxonomy-aligned) (A.1)		697,407	21%	21%					
Of which enabling		697,407	21%	21%					
Of which transitional		0	0%	0%					
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)									
Manufacture of energy efficiency equipment for buildings	CCM 3.5	41,191	1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL
Manufacture of other low carbon technologies	CCM 3.6	19,969	1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL
CAPEX of Taxonomyeligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		61,160	2%	2%					
CAPEX of Taxonomy-eligible activities (A.1+A.2)		**758,567**	**23%**	**23%**					
B. Taxonomy-non-eligible activities									
CAPEX of Taxonomy non-eligible activities		2,588,009	77%						
Total A + B		**3,346,576**	**100%**						

		Proportion of Capex/total CAPEX	
		Turnover	**Proportion of Turnover, year N (4)**
CCM	Climate Change Mitigation (5)	21%	23%
CCA	Climate Change Adaptation (6)	%	%
WTR	Water	%	%
CE	Circular Economy	%	%
PPC	Pollution	%	%
BIO	Bidiversity	%	%

DNSH criteria ("Does Not Significantly Harm")									
Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Circular Economy (14)	Pollution	Biodiversity	Minimum Safeguards (17)	Proportion of Taxonomy aligned (A.1.) or -eligible (A.2.) CAPEX, year N-1 (18)	Category enabling activity (19)	Category transitional activity (20)
Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
Y	Y	Y	Y	Y	Y	Y	9%	E	
Y	Y	Y	Y	Y	Y	Y	26%	E	
Y	Y	Y	Y	Y	Y	Y	35%		
Y	Y	Y	Y	Y	Y	Y	35%	E	
Y	Y	Y	Y	Y	Y	Y	0%		T
							0%		
							9%		
							9%		
							44%		

OPEX

In the denominator, the expenses considered correspond exclusively to R&D costs. Indeed, the other types of operating expenses defined by the delegated regulation (renovation of buildings, short-term rental contracts, maintenance and repairs) were not considered material for Saint-Gobain. In the numerator, were considered:

- OpEx linked to activities whose turnover is eligible and detailing the OPEX linked to activities whose turnover is aligned;
- OpEx corresponding to individual measures related to CO_2 emissions reduction projects.

Section 3.3.3 lists all the actions taken to ensure the transition towards the use of renewable and decarbonized energies, including innovation and R&D programs.

		Year 2023		Substantial contribution criteria					
		Turnover	Proportion of Turnover, year N (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water	Circular Economy	Pollution	Biodiversity
Economic Activities	**Codes**	**Euro**	**%**	**Y; N; N/EL**	**Y; N; N/EL**	**Y; N; N/EL**	**Y; N; N/EL**	**Y; N; N/EL**	**Y; N; N/EL**
A. Taxonomy-eligible activities									
A.1. Environmentally sustainable activities (Taxonomy-aligned)									
Manufacture of energy efficiency equipment for buildings	CCM 3.5	65,086	12%	Y	N/EL	N/EL	N/EL	N/EL	N/EL
Manufacture of other low carbon technologies	CCM 3.6	45,066	8%	Y	N/EL	N/EL	N/EL	N/EL	N/EL
OPEX of environmentally sustainable activities (Taxonomy-aligned) (A.1)		110,152	20%	20%					
Of which enabling		110,152	20%	20%					
Of which transitional		0	0%	0%					
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)									
Manufacture of energy efficiency equipment for buildings	CCM 3.5	3,182	1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL
Manufacture of other low carbon technologies	CCM 3.6	12,461	2%	EL	N/EL	N/EL	N/EL	N/EL	N/EL
OPEX of Taxonomy eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		15,643	3%	3%					
OPEX of Taxonomy-eligible activities (A.1+A.2)		**125,795**	**23%**	**23%**					
B. Taxonomy-non-eligible activities									
Turnover of Taxonomy non-eligible activities		432,650	77%						
Total A + B		**558,445**	**100%**						

		Proportion of R&D OPEX/total R&D OPEX	
		Turnover	**Proportion of Turnover, year N (4)**
CCM	Climate Change Mitigation (5)	20%	23%
CCA	Climate Change Adaptation (6)	%	%
WTR	Water	%	%
CE	Circular Economy	%	%
PPC	Pollution	%	%
BIO	Bidiversity	%	%

	DNSH criteria ("Does Not Significantly Harm")									
	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Circular Economy (14)	Pollution	Biodiversity	Minimum Safeguards (17)	Proportion of Taxonomy aligned (A.1.) or -eligible (A.2.) OPEX, year N-1 (18)	Category enabling activity (19)	Category transitional activity (20)
	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
	Y	Y	Y	Y	Y	Y	Y	12%	E	
	Y	Y	Y	Y	Y	Y	Y	5%	E	
	Y	Y	Y	Y	Y	Y	Y	17%		
	Y	Y	Y	Y	Y	Y	Y	17%	E	
	Y	Y	Y	Y	Y	Y	Y	0%		T
								0%		
								3%		
								4%		
								20%		

Other mandatory information

Line	Nuclear energy related activities	
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO
	Fossil gas related activities	
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

9.4 INFORMATION ON THE ISSUER

Name or other identification of the reporting entity	Compagnie de Saint-Gobain
Company address	Registered office Tour Saint-Gobain 12, place de l'Iris 92400 Courbevoie
Legal form of the entity	French société anonyme (joint-stock company)
Country of incorporation	France
Address of the company's registered office	Tour Saint-Gobain 12, place de l'Iris 92400 Courbevoie
Main place of establishment	France
Nature of the company's operations and its main activities	Saint-Gobain aspires to be the worldwide leader in sustainable construction, which improves everyone's daily life with its High Performance Solutions
Company LEI code	NFONVGN05Z0FMN5PEC35

9.5 GLOSSARY

A

ACT
Training program dedicated to the prevention of corruption.

Act4nature International
Voluntary initiative, launched in France, in which companies commit to protecting biodiversity. Saint-Gobain signed up in 2018.

Adhere
Remote training program dedicated to the Principles of Conduct and Action, the Saint-Gobain Group's code of ethical conduct.

Afep or *Association française des entreprises privées*, a French organization founded in 1982, representing large global private companies operating in France.

Attitudes
Concept related to Saint-Gobain's managerial practices. These five practices represent both a management approach and a state of mind that binds all Group employees.

B

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".

BIPV or Building Integrated Photovoltaics.

Boost
Online training platform created by Saint-Gobain.

BREEAM or Building Research Establishment Environmental Assessment Method
Originating in the United Kingdom, this method for assessing the environmental performance of buildings is the most widely used building certification standard worldwide.

C

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.

CARE by Saint-Gobain
Social protection program for all Group employees and their families.

CDP or Carbon Disclosure Project
International non-profit organization created in 2000 that publishes data on the environmental impact of the largest companies. It is based in the United Kingdom.

Climatetech or Climate Technologies
Refers to companies that work specifically to reduce or eliminate greenhouse gas emissions and, more generally, offer solutions to combat the impacts of climate change by relying on technologies relating to, in particular, decarbonization, negative emissions, or adaptation to change.

COMPLY
Training program dedicated to competition law.

CSR or Corporate Social Responsibility
This is the voluntary integration by companies of societal, social and environmental concerns into their commercial activities and relations with their stakeholders. It is therefore the contribution of companies to the challenges of sustainable development.

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

D

DNFP or Declaration of Non-Financial Performance
The Declaration of Non-Financial Performance results from the transposition into French law of a European directive on non-financial reporting in the form of an order replacing the former CSR reporting system. Its purpose is to provide a concise and accessible strategic management tool for the Company, focused on essential information.

E

EBITDA or Earnings Before Interest, Taxes, Depreciation and Amortization.

EFRAG or European Financial Reporting Advisory Group
An international non-profit association created in 2001 with the encouragement of the European Commission and whose role is to develop and promote the European voice in the development of international financial reporting standards (IFRS) and ensure that it is taken into consideration by the IASB (International Accounting Standard Board).

EHS or Environment, Health, and Safety

EPBD or Energy Performance of Buildings Directive
The European Directive on energy efficiency of buildings, adopted in 2002 and implemented since 2006, is the Union's main piece of legislation dealing with the promotion of energy efficiency of buildings. It was inspired by the Kyoto Protocol, which includes legally binding obligations to limit and reduce greenhouse gas emissions.

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.

EpE or *Entreprises Pour l'Environnement*
Founded in 1992, this French association is a partner of the WBCSD and brings together some 50 large French and international companies from all sectors of the economy wanting to take the environment more fully into account in their strategic decisions and day-to-day management. Saint-Gobain is a member.

ESG or Environment, 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).

ETC or Energy Transition Commission
International think tank focused on economic growth and climate change mitigation. It was created in September 2015 and is based in London.

ETICS or External Thermal Insulation Composite System.

F

FCPE or Corporate Mutual Fund Undertaking for Collective Investment in Transferable Securities (UCITS) reserved for employees of companies.

Fit for 55
A set of proposals to review and update European Union legislation and new initiatives to ensure that EU policies align with the climate targets agreed by the Council and the European Parliament. The name refers to the EU's target of reducing net greenhouse gas emissions by at least 55% by 2030. The proposed package aims to align EU legislation with the target set for 2030.

Float
Industrial process known as float glass in which a mixture of raw materials is continuously loaded into the melting furnace. When it comes out of the furnace, the glass forms a floating strip on the surface of the molten tin.

G

GBC or Green Building Council
NGO promoting sustainable construction founded in 2002, bringing together sustainable construction professionals from more than 100 countries.

GDPR or General Data Protection Regulation
European regulation governing the processing of personal data throughout the European Union.

GHG or Greenhouse Gases
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 ABC or Global Alliance For Buildings and Construction
Launched at COP21, the global alliance for buildings and construction aims to mobilize international institutions on the construction sector's contribution to GHG emissions. Hosted by UNEP, bringing together international organizations, countries, companies and associations, Global ABC has developed a roadmap for zero-carbon construction.

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.

Global Deal
Initiative launched in 2016 by the Swedish Prime Minister to promote social dialog. Co-led by the OECD (Organisation for Economic Co-operation and Development) and the ILO (International Labour Organization), this initiative brings together a community of players who trust social dialog as a regulatory tool for globalization benefiting everyone.

Green Buildings Saint-Gobain
Website that allows the Group's customers to assess the contribution of its products and solutions to obtaining certifications.

Green Deal or European Green Deal
Set of measures aimed at making Europe a "climate neutral" continent by 2050. Presented on December 11, 2019, by the European Commission, the Green Deal is aimed at companies as well as citizens who are invited to participate in the ecological transition and sustainable development.

Grow & Impact
Strategic plan adopted by Saint-Gobain and announced in November 2021.

H

HPS or High-Performance Solutions
A division of Saint-Gobain, organized by market, for the Group's global customers and aiming to provide value-added solutions for a variety of cutting-edge applications in mobility, construction and industry.

HQE or *Haute Qualité Environnementale*
Certification, created in 2005 in France, pursuing sustainable performance objectives by leaving a large place for life cycle analysis (LCA) of buildings. Its multicriterion approach incorporates user well-being concerns by considering the impacts on the health and comfort of individuals and the indoor environment.

HR or Human Resources

I

IFRS or International Financial Reporting Standards
The IFRS are a set of international accounting standards established by the International Accounting Standards Board (IASB) and adopted by the European Union.

L

LEED or Leadership in Energy and Environmental Design.
US certification program created in 1998.

Lightweight construction
Unlike traditional construction with solid, load-bearing walls (bricks, cement, etc.), light construction consists of producing a frame made of wood, metal, concrete, or a combination of these materials to which light façade systems and non-load-bearing interior partitions are attached. This type of construction, partially or fully carried out on site or prefabricated, reduces the environmental impact of construction and optimizes resource consumption while ensuring superior performance. Saint-Gobain offers a complete range of lightweight construction solutions, which accounts for 40% of the Group's sales: from prefabrication to kitting services to complete façade or partition solutions.

M

Materiality
The extent to which measures significantly impact an organization and its ability to create financial and nonfinancial value for itself and its stakeholders.

Medef or *Mouvement des entreprises de France*
An employers' organization founded in 1998, replacing the French National Employers' Council (CNPF). Its purpose is to represent French entrepreneurs in its dealings with the State and trade unions.

Mental WellBeing
Program that was rolled out to all Group managers and concerns all Saint-Gobain employees. It takes the form of an interactive app and was designed to clarify the approach to preventing mental health issues and help managers optimize the psychological well-being of their teams.

MEPS or Minimum Energy Performance Standards
Energy efficiency sstandards for buildings, introduced by the 2002/91/CE European Directive, as revised at the end of 2022.

Multichannel
Customer-supplier relationship using at least two channels, such as physical points of contact (stores, advice centers, exhibition venues, etc.), the internet, email, or mobile platforms.

N

Net Zero Carbon
Balancing between CO_2 emissions and absorption.

O

OPEN or Our People in an Empowering Network
Saint-Gobain's human resources program

P

PEE or Company Savings Plan

PEG or Group Savings Plan

PPA or Power Purchase Agreement
Electricity purchase contracts for the medium or long term (five to 20 years) between an electricity producer, often from renewable sources, and an organization that consumes it directly without going through an electricity supplier.

Principles of Conduct and Action
These nine principles constitute Saint-Gobain's Code of Ethics. They refer explicitly to the applicable conventions of the International Labour Organization (ILO), the International Charter on Human Rights and the Guidelines on Multinational Enterprises regarding the fight against corruption of the Organisation for Economic Co-operation and Development (OECD).

R

R&D or Research and Development

REACH or Registration, Evaluation and Authorisation of CHemicals European regulation that provides for public access to information on substances to which they may be exposed. The corresponding database is managed by the European Chemicals Agency (ECHA).

S

SA or Statutory Auditor
Statutory auditor whose role is to audit the financial statements of a company. The Statutory Auditor engages in a regulated profession and is responsible for independently conducting the accounting, financial and legal audits of a company.

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 corresponds to direct emissions; scope 2 corresponds to emissions related to the production of the energy used; scope 3 corresponds to the direct and indirect emissions of the organization's various stakeholders – suppliers, service providers, customers – in its value chain upstream and downstream of its activity.

SDGs or Sustainable Development Goals
SDGs are the 17 interconnected priorities set by the United Nations to promote economic and social development with respect for people and the planet. They were adopted in September 2015 by the UN as part of the 2030 Agenda. They address the challenges of poverty, inequality, climate, environmental degradation, prosperity, peace and justice.

SMAT or Safety Management Tool
Methodology used for safety inspections.

Solutions for Growth
Program that consists of analyzing all the products and services offered by Saint-Gobain and quantifying their ability to provide its customers with performance benefits and contribute to sustainable development.

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.

T

TCFD or Task Force on Financial Disclosure
Working Group on climate-related financial disclosures with the aim of improving corporate climate-related financial transparency. The TCFD encourages economic players to publish information on how climate-related opportunities and risks are considered in governance, strategy, risk management, and the indicators and metrics used.

Transform & Grow
Saint-Gobain Group transformation plan launched in January 2019 and completed at the end of 2020.

U

UNEP or United Nations Environment Program
A United Nations organization created in 1972 to coordinate environmental activities of the United Nations ,and assist countries in implementing environmental policies.

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