

# Welcome to your CDP Water Security Questionnaire 2020

## W0. Introduction

### W0.1

#### **(W0.1) Give a general description of and introduction to your organization.**

With 171,000 employees, Saint-Gobain is present in 68 countries and holds more than 100 brands. The Group is a worldwide leader in the habitat and construction markets, providing comfort, performance and safety while addressing the challenges of sustainable construction, resource efficiency and climate change all over the world.

As a growing number of countries pass new regulations in favor of more energy-efficient buildings, it encourages the introduction of innovative construction techniques for new buildings along with new insulation standards for renovation projects. At the same time, urbanization is a major trend that is affecting the construction market in both developed and emerging countries. The rapid exponential growth in infrastructure needs and increasing demand for energy-efficient solutions represent valuable opportunities for Saint-Gobain. With its unique positioning, Saint-Gobain is among the first to benefit from the environmentally led growth in the construction market.

Innovation is at the heart of Saint-Gobain's strategy. To support that vision and continuously improve its processes and products, Saint-Gobain invests heavily in R and D. For the past eight years, the Group has been ranked in the Top 100 Innovators by Clarivate.

Over 80% of the Group's sales occur in the construction markets, including new construction, renovation, civil engineering and infrastructure. Considerable change is on the way in interior and exterior insulation solutions. The major part of our products (flat glass, glass wool, plasterboard, exterior wall and floor coating mortars) already helps to make buildings more energy efficient for the end user and we intend to further improve their performance in the future.

The Group has announced in 2018 a new organization, effective from 2019.

The new structure is as follows:

- Activities in regional markets (activities from the former Building Distribution and Construction Products, as well as building glass) are now organized by country and consolidated into four regions (Northern Europe; Southern Europe, Middle-East, Africa; Americas; Asia-Pacific). In markets where products and services are supplied locally and mostly have short distances to cover, the structure per country and region will leverage Saint-Gobain's strengths to meet the specific needs of each local market.
- A High Performance Solutions entity is responsible for global market activities (corresponding to the former High-Performance Materials Sector as well as the automotive glazing activities). These are products and services with a high unit value that can be shipped over long distances and whose value is often created through co-innovation with customers and bespoke technologies. The High Performance Solutions BUs provide the best service to the various



markets with three market-oriented BUs (Mobility, Life sciences, Construction Industry) and two BUs serving industry more generally (one channel-oriented Abrasives and Composite Systems BU and one product-oriented Ceramics BU).

To showcase and monitor its strong engagement towards sustainability, Saint-Gobain has set for itself a number of ambitious targets in the areas of environment including water consumption. Those targets in intensity are set up for the plants being representative of 95 % of the impact of the Group called “Environmental Concerned perimeter”. In 2019 this scope includes 475 entities on the 839 manufacturing sites..

Every 3 years, environmental criteria are defined to select the site of the “environmental concerned perimeter”. Among other the water criteria is the following : water withdrawal [ $> 10\,000\text{ m}^3$ ] or [ $> 5\,000\text{ m}^3$  + water risk scoring from Medium to High or higher (following WRI classification rule )].

In addition, since 2019 the Group has launch a “Focus Site program” to accompanied the site that contribute to 80% of the Group environmental indicator. In this programme 44 sites of the Groupe represent 80% of the water discharge of the Group and have been requested to set short, medium and long term action plan to reduce their impact.

In addition, Saint-Gobain WCM program is based on eight pillars representing a center of excellence. The Quality, Industrial performance and Environment pillars contribute significantly towards reducing the Group’s environmental footprint by reducing water consumption and by optimizing water efficiency.

In the area of sustainable development and corporate social responsibility, Saint-Gobain is included on the MSCI World ESG Leaders, STOXX® Global ESG Leaders, Euronext-Vigeo Europe 120, Euronext Vigeo Eurozone 120, Ethibel ESI Excellence Global, Ethibel ESI Excellence Europe, FTSE4Good indices and Dow Jones Sustainability Index.

We strongly recommend the reader to check our 2019 universal registration document before reading this full CDP document:

[https://www.saint-gobain.com/sites/sgcom.master/files/saint-gobain2019\\_urd\\_en\\_pdf.pdf](https://www.saint-gobain.com/sites/sgcom.master/files/saint-gobain2019_urd_en_pdf.pdf)

## W0.2

**(W0.2) State the start and end date of the year for which you are reporting data.**

	Start date	End date
Reporting year	January 1, 2019	December 31, 2019

## W0.3

**(W0.3) Select the countries/areas for which you will be supplying data.**

- Albania
- Algeria
- Argentina
- Australia
- Austria
- Belgium

Bhutan  
Botswana  
Brazil  
Bulgaria  
Canada  
Chile  
China  
Colombia  
Czechia  
Denmark  
Egypt  
Estonia  
Finland  
France  
Germany  
Ghana  
Greece  
Hungary  
India  
Indonesia  
Ireland  
Italy  
Japan  
Jordan  
Kuwait  
Latvia  
Lebanon  
Lithuania  
Luxembourg  
Malaysia  
Mexico  
Morocco  
Netherlands  
New Zealand  
Norway  
Oman  
Peru  
Poland  
Portugal  
Qatar  
Republic of Korea  
Romania  
Russian Federation  
Saudi Arabia  
Serbia  
Singapore  
Slovakia

- Slovenia
- South Africa
- Spain
- Sweden
- Switzerland
- Thailand
- Turkey
- United Arab Emirates
- United Kingdom of Great Britain and Northern Ireland
- United Republic of Tanzania
- United States of America
- Venezuela (Bolivarian Republic of)
- Viet Nam
- Zimbabwe

## W0.4

**(W0.4) Select the currency used for all financial information disclosed throughout your response.**

EUR

## W0.5

**(W0.5) Select the option that best describes the reporting boundary for companies, entities, or groups for which water impacts on your business are being reported.**

Companies, entities or groups over which operational control is exercised

## W0.6

**(W0.6) Within this boundary, are there any geographies, facilities, water aspects, or other exclusions from your disclosure?**

No

## W1. Current state

### W1.1

**(W1.1) Rate the importance (current and future) of water quality and water quantity to the success of your business.**

	Direct use importance rating	Indirect use importance rating	Please explain
Sufficient amounts of good	Important	Important	Saint-Gobain CSR roadmap was published in 2019. This new roadmap demonstrates Saint-Gobain's willingness to assess its performance in

<p>quality freshwater available for use</p>			<p>terms of the environmental, social and societal impacts of its activities, taking the expectations of its stakeholders into account. In its materiality analysis 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) / non-priority SDGs where the Group has little or no impact.</p> <p>In this view SDG 14 (life below water) has to be considered as moderately aligned SDGs with Saint Gobain Strategy (limited scope of influence or associated with a specific activity) and SDG 7 (sustainable management resource) is considered as a non-priority SDGs.</p> <p>Despite this, the quality of freshwater is an important topics for Saint Gobain because operational risks related to the use of water by a supplier or in our production site may block our operation.</p> <p>For example, water is used as a raw material in some of our processes. For instance, in the gypsum activity, water is used in the production process of plasterboards in which the water purity is key to obtain a good quality product. In the future, the importance will not change but possible scarcity shall have an influence on greenfield projects location and increase of water recycling projects. For example, in our new float under construction in Mexico (area known for its high level of water risk - WRI data) 4 M€ will be invested for the treatment of water and the distribution of cooling water, industrial and sanitary water .</p>
<p>Sufficient amounts of recycled, brackish and/or produced water available for use</p>	<p>Important</p>	<p>Important</p>	<p>Saint-Gobain CSR roadmap was published in 2019. This new roadmap demonstrates Saint-Gobain’s willingness to assess its performance in terms of the environmental, social and societal impacts of its activities, taking the expectations of its stakeholders into account. In its materiality analysis The 17 SDGs were subdivided into different levels: SDGs aligned with the strategy / moderately aligned SDGs (limited scope of</p>

		<p>influence or associated with a specific activity) / non-priority SDGs where the Group has little or no impact.</p> <p>In this view SDG 14 (life below water) has to be considered as moderately aligned SDGs with Saint Gobain Strategy (limited scope of influence or associated with a specific activity) and SDG 7 (sustainable management resource) is considered as a non-priority SDGs.</p> <p>Despite this, as the water cycle is expected to undergo significant change due to climate change, availability of a sufficient amount of water is important for our businesses. For example, both the glass and the pipe activities use furnaces at very hot temperature, and need sufficient amounts of accessible water to cool them. If water is no longer available, the equipment could be damaged and the activity interrupted. For this reason, water recycling is strongly encouraged in all of our sites and more specially in the one located in high water risk area. In the future, the importance will not change but possible scarcity shall have an influence on greenfield projects location and increase of water recycling projects. For example, in our new float under construction in Mexico (area known for its high level of water risk - WRI data) 4 M€ will be invested for the treatment of water and the distribution of cooling water, industrial and sanitary</p>
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## W1.2

**(W1.2) Across all your operations, what proportion of the following water aspects are regularly measured and monitored?**

	% of sites/facilities/operations	Please explain
Water withdrawals – total volumes	100%	Each facility of the Group which is part of the environmental concerned perimeter (perimeter involving facilities representing more than 95% of our impact) monitors its water withdrawals. All withdrawal installations must be equipped with a meter, the readings being recorded in a log, possibly computerized. The volume withdrawal is reported annually. Withdrawals monitoring is

		essential as they have environmental and economic impacts. All our production facilities report their water withdrawals annually but the frequency of the monitoring on site depends on regulation requirement or site's water management process but is done at least every month..
Water withdrawals – volumes by source	100%	Each facility of the Group which is part of the environmental concerned perimeter (perimeter involving facilities representing more than 95% of our impact) monitors its water withdrawals. All withdrawal installations must be equipped with a meter, the readings being recorded in a log, possibly computerized. Withdrawals monitoring is essential as they have environmental and economic impacts. All our production facilities report their water withdrawals by source annually but the frequency of the monitoring on site depends on regulation requirement or site's water management process but is done at least every month..
Water withdrawals quality	51-75	Water withdrawals quality is relevant but not material because it depends on the type of activity and local regulation requirement. For instance, in the gypsum activity, water is used in the production process of plasterboards in which the water purity is key to obtain a good quality product. The control is done by our water suppliers and not reported at Group Level. The frequency of the monitoring on site depends on regulation requirement, site's water management process or of the contract signed with the water supplier.
Water discharges – total volumes	100%	Each facility of the Group which is part of the environmental concerned perimeter (perimeter involving facilities representing more than 95% of our impact) monitors its water discharge. All discharge installations must be equipped with a meter, the readings being recorded in a log, possibly computerized. Withdrawals monitoring is essential as they have environmental and economic impacts. All our production facilities report their water discharge annually but the frequency of the monitoring on site depends on regulation requirement or site's water

		management process but is done at least every month..
Water discharges – volumes by destination	100%	The water guideline, which is applicable for all the site who has identified critical risk regarding water on their environmental risk assessment, requires sites to limit the number of discharge points and ensure discharge quality before channeling effluent into the municipal sewage system, surrounding environment, or other outlet. All discharge installations must be equipped with a meter, the readings being recorded in a log, possibly computerized. All our production facilities report their water discharge by destination annually but the frequency of the monitoring on site depends on regulation requirement or site's water management process but is done at least every month..
Water discharges – volumes by treatment method	51-75	Water discharge by treatment method is relevant but not material because it depends on the type of activity and local regulation requirement. Moreover, all our sites do not need to treat their water discharge and if they do, in most of the case, they have only one treatment method which is done by an internal wastewater treatment plant that can be biological or chemical depending on the water content. Saint-Gobain does not report globally this volume but the frequency of the monitoring on site depends on regulation requirement or site's water management process.
Water discharge quality – by standard effluent parameters	76-99	Water discharge quality is relevant but not material because it depends on the type of activity and local regulation requirement. A discharge analysis (temperature, acidity, suspended solids, Biological Oxygen Demand, Chemical Oxygen Demand and Total Hydrocarbon), whether in the natural environment or in the municipal network, is requested at least once a year (more if requested by regulation) by a recognized body. Samplings shall be made, over at least 24 hours and be representative of the yearly average quality of discharged water. Monitoring discharge quality is essential to avoid polluting the external environment. Saint-Gobain does

		not report globally this volume but the frequency of the monitoring on site depends on regulation requirement or site's water management process.
Water discharge quality – temperature	100%	Water discharge quality is relevant but not material because it depends on the type of activity and local regulation requirement..A discharge analysis (temperature, acidity, suspended solids, Biological Oxygen Demand, Chemical Oxygen Demand and Total Hydrocarbon), whether in the natural environment or in the municipal network, is requested at least once a year (more if requested by regulation) by a recognized body. Samplings shall be made, over at least 24 hours and be representative of the yearly average quality of discharged water. Monitoring discharge quality is essential to avoid polluting the external environment. Saint-Gobain does not report globally this volume but the frequency of the monitoring on site depends on regulation requirement or site's water management process.
Water consumption – total volume	100%	Each facility of the Group which is part of the environmental concerned perimeter (perimeter involving facilities representing more than 95% of our impact) monitors its water withdrawals. All withdrawal installations must be equipped with a meter, the readings being recorded in a log, possibly computerized. Withdrawals monitoring is essential as they have environmental and economic impacts. All our production facilities report their water withdrawals.
Water recycled/reused	100%	Each facility of the Group which is part of the environmental concerned perimeter (perimeter involving facilities representing more than 95% of our impact) monitors its water reuse. Every year the water reuse rate in % is calculated for each site based on the water withdrawal and water discharged declared in our yearly questionnaire.
The provision of fully-functioning, safely	100%	To abide by our four principles of action - which include worker health and safety as well as

<p>managed WASH services to all workers</p>		<p>employee rights – we make sure than all of our sites offer fully-functioning WASH services to all workers. This aspect is relevant for Saint Gobain but not reported at Group level. The frequency of the inspection of monitoring on sanitary installation depends on local regulation requirement</p>
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## W1.2b

**(W1.2b) What are the total volumes of water withdrawn, discharged, and consumed across all your operations, and how do these volumes compare to the previous reporting year?**

	Volume (megaliters/year)	Comparison with previous reporting year	Please explain
<p>Total withdrawals</p>	<p>48,863,043</p>	<p>Lower</p>	<p>The decrease of 7,4 % is linked several investments that have been made in our different businesses to change or improve water cooling equipment like in Poland and Germany. We expect our withdrawals to continue to decrease in the future, in relationship with our water target discharge of -80% at iso-production between 2025 and 2010, for sites belonging to the environment concerned perimeter (sites representing more than 95% of our impact)</p>
<p>Total discharges</p>	<p>25,250,714</p>	<p>Lower</p>	<p>The decrease of 8,4 % is mainly due to improvement of the efficiency of water recirculating system like in Spain or Canada. We expect our discharges to decrease in the future, in relationship with our water target discharge of -80% at iso-production between 2025 and 2010, for sites belonging to the environment concerned perimeter (sites representing more than 95% of our impact)</p>
<p>Total consumption</p>	<p>23,612,329</p>	<p>Lower</p>	<p>The reasons are the ones given for withdrawals and discharges, as consumption is the balance between both parameters. We expect our consumption to decrease in the future, in relationship with our water target discharge of -80% at iso-production between 2025 and 2010, for sites belonging to the environment concerned perimeter (sites representing more than 95% of our impact)</p>

## W1.2d

**(W1.2d) Indicate whether water is withdrawn from areas with water stress and provide the proportion.**

	Withdrawals are from areas with water stress	% withdrawn from areas with water stress	Comparison with previous reporting year	Identification tool	Please explain
Row 1	Yes	Less than 1%	Lower	WRI Aqueduct	<p>The Overall Water Risk Indicator and the Baseline Water Stress Indicator from the WRI Aqueduct Water Tool have been used to measure if a site is located in a water-scarce region (threshold: “extremely high” in the overall water risk )</p> <p>Our % withdrawn from stressed area has decreased by 3% between 2018 and 2019. This decrease is due to better performance on sites from stressed areas (going from 0.007m3 per unit produced in 2018 to 0.003 m3 per unit produced in 2019) mainly due to a decrease of production in South-Africa</p>

## W1.2h

**(W1.2h) Provide total water withdrawal data by source.**

	Relevance	Volume (megaliters/year)	Comparison with previous reporting year	Please explain
Fresh surface water, including rainwater, water from wetlands, rivers, and lakes	Relevant	12,228,391	Lower	<p>Many of our sites rely on water extracted from river or lake for cooling purpose so this source is very relevant for our business. Compared to previous year, it has decreased by 19% . The</p>

			<p>most significant project to explain this decrease has been carried out in Brasil in our piping activity (which is the mostly contributing activity within the Group regarding water). They have repaired their closed loop circuit ( -268 000 m3) and several water management project ( - 112 000 m3). In addition, Saint-Gobain WCM program through Environment pillars contribute significantly towards reducing the Group's environmental footprint by by optimizing water efficiency. It means that several WCM projects are deployed that can be small but once consolidated can represent important saving. We expect our withdrawals to continue to decrease in the future, in relationship with our water target discharge of -80% at iso-production between 2025 and 2010.</p>
<p>Brackish surface water/Seawater</p>	<p>Relevant but volume unknown</p>		<p>The overall volume is relevant though as availability of a sufficient amount of water for cooling purposes is important for our businesses. For example, both the glass and the pipe activities use furnaces at very hot temperatures and need sufficient amounts of accessible water to cool them. Our monitoring system does not allow us to differentiate between withdrawals in fresh surface</p>

				water and in brackish surface water/seawater but if it is used this is only a small percentage of the total withdrawal and can be considered as non-significant.
Groundwater – renewable	Relevant	17,833,499	Lower	The availability of a sufficient amount of water is important for our businesses that need cooling water to cool down their furnaces for example. When not available in surface, groundwater is the second source of withdrawal. Most of the water is withdrawn from well water which is replenished naturally from the water table. Compared to previous year our groundwater withdrawal has decreased by 6% . Our piping activity is a important consumer of groundwater water to cool the furnaces. The decrease of business in this activity explain partially this decrease. In addition, in the other activities some site has improved the water efficiency of their process through project like in Brasil who has increased its consumption of rainwater to reduce its groundwater consumption (-64 000 m3) or in Japan who has adjusted their water need (- 50 000 m3). We expect our withdrawals to decrease in the future, in relationship with our water target discharge of -80% at iso-production between 2025 and 2010.

Groundwater – non-renewable	Relevant but volume unknown			<p>Most of the water is withdrawn from well water which is replenished naturally from the water table. Therefore non-renewable groundwater withdrawals are negligible. Our reporting system does not allow us to differentiate between renewable and non-renewable groundwater withdrawals. This aspect is managed at local level.</p> <p>Future trends: We expect our withdrawals to decrease in the future, in relationship with our water target discharge of -80% at iso-production between 2025 and 2010.</p>
Produced/Entrained water	Not relevant			<p>We do not use any produced water. So it's not relevant for our activity.</p>
Third party sources	Relevant	18,801,152	About the same	<p>Water from third parties is an important source of withdrawal, as explained in W1.1 (=municipal water). It include the city water and water recovered from another site (nearby plant), including another Saint-Gobain entity , Industrial water supplied by truck or any other means of transport.</p> <p>In average our city water withdrawal from is about the same. This is mainly due to some good projects mainly related to repair and leaks hunt like in France (-80 000 m3), Poland (-30 000 m3), USA (-30 000 m3) that are cancelled by accident that occurs in other plant (e.g</p>

				<p>major spill noticed and declare by one of our gypsum plant in UK ( + 46 000 m3).</p> <p>We expect our withdrawals to decrease in the future, in relationship with our water target discharge of -80% at iso-production between 2025 and 2010, for sites belonging to the environment concerned perimeter (sites representing more than 95% of our impact)</p>
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## W1.2i

**(W1.2i) Provide total water discharge data by destination.**

	Relevance	Volume (megaliters/year)	Comparison with previous reporting year	Please explain
Fresh surface water	Relevant	16,231,228	Lower	<p>Knowing the destination of our water discharge is important for us because we strive towards 'zero discharges' of liquid industrial water (through recycling), while avoiding the generation of new impacts on other environment (including freshwater)</p> <p>Compared to previous year, water discharge into natural surrounding has decrease by 14%. Compare to 2010, in 2019, our piping activity, which contribute the most to Saint-Gobain total water discharge, has decreased their discharge by 84%.</p> <p>Some significant projects like the improvement of the efficiency of</p>

				<p>water recirculating system has been carried out in Spain where one of our site has reduce its discharge into a protected river from -76 000 m3 or in Canada where with repairs and WCM projects discharge has been reduced by 111 000 m3.</p> <p>We expect our discharges to decrease in the future, in relationship with our water target discharge of -80% at iso-production between 2025 and 2010 and finally achieved our zero water discharge goals.</p>
Brackish surface water/seawater	Relevant but volume unknown			<p>It's not relevant for us to make the distinction because whatever the final destination our policy is the same : we strive towards 'zero discharges' of liquid industrial water , while avoiding the generation of new impacts on other environment (brackish or freshwater)</p>
Groundwater	Not relevant			<p>Discharges in groundwater and wells are prohibited – even after treatment –according to our water guideline, unless expressly authorized by the legal authorities (in order to replenish the aquifer). So it's not relevant to monitor this discharge.</p>
Third-party destinations	Relevant	9,019,487	Higher	<p>Our water discharge destination is important for us because we strive towards 'zero discharges' of liquid industrial water , while avoiding the generation of new impacts on other environment and or Stakeholders. Water discharged into a third destination correspond to the volume of industrial and/or domestic waste water discharged</p>

				<p>in the municipal sewage system or other third party and water removed by truck or sent to another site (incl Saint-Gobain entity).</p> <p>Compared to previous year, water discharge into city sewer has increased by 3 %. A significant incident occurs in one of our most contributing site in USA. onto a compressor equipment has forced the site to over consume and discharge more into the City sewer (+298 000 m3).</p> <p>We expect our discharges to decrease in the future, in relationship with our water target discharge of -80% at iso-production between 2025 and 2010, and finally achieved our zero water discharge goals.</p>
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## W1.4

### (W1.4) Do you engage with your value chain on water-related issues?

Yes, our suppliers

Yes, our customers or other value chain partners

## W1.4a

### (W1.4a) What proportion of suppliers do you request to report on their water use, risks and/or management information and what proportion of your procurement spend does this represent?

#### Row 1

#### % of suppliers by number

1-25

#### % of total procurement spend

76-100

#### Rationale for this coverage

Saint-Gobain's performance is linked to our suppliers' performance, whether they operate upstream or downstream. The Responsible Purchasing Department of our industrial operations is currently working on a Water Action Plan which aims to ensure that our existing suppliers identified as presenting high CSR risk acknowledge the

Group's Suppliers Charter and go through a CSR assessment to state their corporate policies, actions and results. New suppliers must also acknowledge the Group's Suppliers Charter and go through a CSR assessment. We evaluate that the 48 776 that signed our responsible Purchasing Charter represent 77,2% of our spent.

**Impact of the engagement and measures of success**

At the end of 2019, 53 619 suppliers' subsidiaries are covered by a fulfilled questionnaire. Our Responsible Purchasing E-tool, the R-net platform, requests suppliers to answer to the question "Has your company adopted a policy in order to reduce its water consumption? About 63% of suppliers which have answered "yes" 26% of them considered that it's not applicable their activity. The assessment of suppliers' CSR actions is included in the supplier qualification process during the call for tenders entirely managed by the buyers via an internal tool. For suppliers considered as potentially risky following our risk analysis, assessments (document reviews and on-site audits) are implemented. If the overall score is not satisfied, the supplier must take corrective action and may be dereferenced if the score does not improve quickly. The benefit of doing this is to improve our suppliers' awareness, decrease the water related risk and our reputational risk and create opportunity.

**Comment**

Success is measured through the increased number of supplier who now provide data on the water aspect.

**W1.4b**

**(W1.4b) Provide details of any other water-related supplier engagement activity.**

**Type of engagement**

Onboarding & compliance

**Details of engagement**

Requirement to adhere to our code of conduct regarding water stewardship and management

**% of suppliers by number**

1-25

**% of total procurement spend**

76-100

**Rationale for the coverage of your engagement**

For the period 2018-2021, the Group has set the objective to assess the CSR performance of almost all suppliers deemed to comprise a CSR risk and achieving annual consolidated net sales of more than €100,000 with the Group. With regard to social audits, the objective is to conduct around 100 audits per year, for low initial CSR performance.

We evaluate that the Saint-Gobain suppliers' subsidiaries selling over € 100 000 and with whom we are engaging represents about 83 % of our total spend.

For the 4 978 Supplier achieving annual consolidated net sales of more than €100,000 with the Group and considered as potentially risky we can state that 1 970 of them have been concerned by and audit and documentation review by third party which represent 59% of our spent.

### **Impact of the engagement and measures of success**

About 63% of suppliers which have answered “yes” to the question “Has your company adopted a policy in order to reduce its water consumption?” and 26% of them considered that it’s not applicable their activity.

The assessment of suppliers' CSR actions is also included in the supplier qualification process during the call for tenders which is entirely managed by the buyers via an internal tool. For suppliers considered potentially risky following our risk analysis, assessments (document reviews and on-site audits) are implemented. If the overall score is not satisfied, the supplier must take corrective action and in place and may be dereferenced if the score does not improve quickly. The benefit of doing this to improve our suppliers' awareness, decrease the water related risk and our reputational risk and create opportunity. The success is measured through the increased number of supplier who now provide data on the water aspect.

### **Comment**

## **W1.4c**

### **(W1.4c) What is your organization’s rationale and strategy for prioritizing engagements with customers or other partners in its value chain?**

Engaged partner : Saint Gobain partners with different players in its value chain reaching from strategic customers, investors to key suppliers on water-related issues.

Method: Co Creation activities on water scarcity are discussed with key suppliers and R&D level to find innovative solutions and minimise water consumption . Regular meeting with the CSR team and the financial communication department are organised with customer and investors to answer their question and understand their expectation.

Priorisation : Saint-Gobain choose customers playing a strategic role in its value chain as partners. We establish business relation and have a common will to further deepen the collaboration on water-related topics .

For critical suppliers considered as potentially risky following our risk analysis a comprehensive performance evaluations covering the following subjects: environment, social, fair business practices and suppliers’ own sustainable procurement policy is carried out. As a measure of success, in 2019, no specific question has been raised regarding water and the feed back we received from them is that the information contained in our annual report provide them all the information they need. In addition, Some customer for whom water is very important regularly renew their confidence and contract with us .

## W2. Business impacts

### W2.1

**(W2.1) Has your organization experienced any detrimental water-related impacts?**

Yes

### W2.1a

**(W2.1a) Describe the water-related detrimental impacts experienced by your organization, your response, and the total financial impact.**

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**Country/Area & River basin**

United States of America

Merrimack River

**Type of impact driver & Primary impact driver**

Regulatory

Regulation of discharge quality/volumes

**Primary impact**

Brand damage

**Description of impact**

In 2016 the levels of PFOA (perfluorooctanoic acid) in excess of U.S. 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 (polytetrafluoroethylene) 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 traces of PFOA.

The investigations are on-going and the scope of responsibility for SG PPL arising from environmental remediation and clean-up obligations at these sites has not yet been established. No fine or penalties has been asked to Saint-Gobain and on December 31, 2019, the provision recorded by the Company in respect of this matter amounts to €21 million.

**Primary response**

Comply with local regulatory requirements

**Total financial impact**

21,000,000

### Description of response

Without admitting liability, SGPPL has signed consent orders with the environmental regulators in New York in 2016, in Vermont in 2017, and in New Hampshire in 2018, pursuant to which SGPPL 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.

SG PPL has voluntarily provided bottled water in all three communities, installed point-of-entry treatment systems to residents and businesses in the Hoosick Falls and North Bennington areas, installed carbon filtration systems on the municipal water supply in Hoosick Falls and agreed to fund the installation of a carbon filtration system on the Merrimack Valley District's municipal water supply. In addition, it has voluntarily funded both completed and on-going construction of water line extensions in certain communities in the Merrimack and Bennington areas.

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 proposed 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.

On December 31, 2019, the provision recorded by the Company in respect of this matter amounts to €21 million

See reference document page 197

## W2.2

**(W2.2) In the reporting year, was your organization subject to any fines, enforcement orders, and/or other penalties for water-related regulatory violations?**

No

## W3. Procedures

### W3.3

**(W3.3) Does your organization undertake a water-related risk assessment?**

Yes, water-related risks are assessed

### W3.3a

**(W3.3a) Select the options that best describe your procedures for identifying and assessing water-related risks.**

#### Direct operations

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##### Coverage

Full

##### Risk assessment procedure

Water risks are assessed in an environmental risk assessment

**Frequency of assessment**

Annually

**How far into the future are risks considered?**

More than 6 years

**Type of tools and methods used**

Tools on the market  
International methodologies  
Databases  
Other

**Tools and methods used**

WRI Aqueduct  
Environmental Impact Assessment  
Life Cycle Assessment  
Internal company methods  
External consultants

**Comment**

In 2019 Saint Gobain as launch and deploy the internal standard that describe the minimum requirement for an Environmental Risk Assessment. The standard specify that the water-related risks has to be assessed among all the other hazards (incl. leakage, air emission, water consumption, etc.)” and by quantifying the risk using as a minimum the severity and the probability of the hazard and the sensitivity of the site”.

In this scope, to assess the water sensitivity of its sites Saint-Gobain uses the WRI “Aqueduct” atlas of the world, to assess the sensitivity of the water body around the site (including basin, river) and allows each of the sites to classify its water risk from “low” to “extremely high”. WRI aqueduct can simulate effect on the long-term up to 2040. Environment impact assessment is a common tool used at our sites, in relationship with exploitation permits update. The degree of exposure and vulnerability of the sites to natural events is updated regularly through adapted audits and self-assessments through an internal risk grading tool.

Based on the assessment, each sites takes measures suitable for regional characteristic, such as operated separately the most water consuming production lines during the drought season.

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**Supply chain**

**Coverage**

Partial

**Risk assessment procedure**

Water risks are assessed as part of an enterprise risk management framework

**Frequency of assessment**

Annually

**How far into the future are risks considered?**

More than 6 years

**Type of tools and methods used**

Tools on the market  
International methodologies

**Tools and methods used**

Other, please specify  
Internal company methods and tool

**Comment**

The sites' individual Business Continuity Planning (BCP) that aim to minimize human, business and financial consequences of risks –including water risks- take into account risks linked to suppliers. Risks are analyzed from 3 main criteria :

- Risk of strategic supply interruption of a single supplier due to flooding of that supplier
- Risk of supply (and shipment) interruption due to the flooding of the site or its access
- Risk of utility cuts (electricity, gas, water) due to site flooding

The BCP of our site in Egypt, who faced a major flooding event in 2018, has been reviewed in accordance with our insurer. Several civil works has been carried out like improvement of the drainage system, review of the longitudinal profile of each access ramp to the furnace and installation of flood protection wall on each of them.

**Other stages of the value chain**

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**Coverage**

Full

**Risk assessment procedure**

Water risks are assessed in an environmental risk assessment

**Frequency of assessment**

Annually

**How far into the future are risks considered?**

More than 6 years

**Type of tools and methods used**

Tools on the market  
International methodologies  
Other

**Tools and methods used**

WRI Aqueduct  
Life Cycle Assessment

Internal company methods

**Comment**

In 2019 Saint Gobain as launch and deploy the internal standard that describe the minimum requirement for an Environmental Risk Assessment.

The standard specify that the water-related risks has to be assessed among all the other hazards (incl. leakage, air emission, water consumption, etc.)” and by quantifying the risk using as a minimum the severity and the probability of the hazard and the sensitivity of the site”.

In this scope, to assess the water sensitivity of its sites Saint-Gobain uses the WRI “Aqueduct” atlas of the world, to assess the sensitivity of the water body around the site (including basin, river) and allows each of the sites to classify its water risk from “low” to “extremely high”. WRI aqueduct can simulate effect on the long-term up to 2040.

The Saint-Gobain standard is also compliant with the requirement of the new ISO14001 standard regarding integration of the risk related to our value chain. It include environmental risk assessment related to raw material (based on their life cycle assessment that include water usage), transportation (with the risk of water pollution) and end of life of the product.

**W3.3b**

**(W3.3b) Which of the following contextual issues are considered in your organization’s water-related risk assessments?**

	Relevance & inclusion	Please explain
Water availability at a basin/catchment level	Relevant, always included	Water availability is critical for Saint Gobain because water is need in most of our process. A lack of water may slow down or interrupt production. All our furnaces in PIPE or CERAMICS activities cannot run without cooling water. To identify those critical area, Saint-Gobain uses the World Resources Institute’s “Aqueduct” atlas of the world, which allows each of the sites to classify its water risk from “low” to “extremely high”. 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). All our sites with withdrawal > 10,000m3/year or with a withdrawal >5,000m3/year with a risk>medium are part of the environment concerned perimeter which targets a -80% discharge between 2025 and 2010 at iso-production. The environment concerned perimeter is updated every 3 years and each time an entity

		<p>leaves the Group. As illustration, in India, a highly water-stressed region, 2 of our plants have invested in rainwater retention ponds in order to reduce their withdrawal consumption.</p>
<p>Water quality at a basin/catchment level</p>	<p>Relevant, always included</p>	<p>The quality of the process water that we use is important first for the health of our workers and second for our process. As the water quality depends on local water conditions with a great discrepancies between the Groups' different businesses, Saint-Gobain uses the World Resources Institute's "Aqueduct" atlas of the world, which allows each of the sites to classify its water risk from "low" to "extremely high". 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). Regarding water quality, Aqueduct identifies areas of concern regarding water quality that may impact short or long term water availability.</p> <p>Each facility of the Group which is part of the environmental concerned perimeter (perimeter involving facilities representing more than 95% of our impact) monitors its water discharges. A discharge analysis (temperature, acidity, suspended solids, Biological Oxygen Demand, Chemical Oxygen Demand and Total Hydrocarbon), whether in the natural environment or in the municipal network, must be made at least once a year (more if requested by regulation) by a recognized body. Samplings shall be made, over at least 24 hours and be representative of the yearly average quality of discharged water.</p> <p>Monitoring discharge quality is essential to avoid polluting the external environment.</p>
<p>Stakeholder conflicts concerning water resources at a basin/catchment level</p>	<p>Relevant, always included</p>	<p>As a responsible company, Saint-Gobain ensures that value creation is shared locally. The Group's actions integrate long-term local development, and its presence is combined with respect for local communities, and a continuous dialogue with all stakeholders.</p> <p>Particular attention is paid to limiting the Group's withdrawals in water stressed areas and in not competing for access to drinking water with the local populations. To this end, the list of priority sites within the framework of the Water policy is based on both the water withdrawals and the water stressed areas. In this regard, Saint-Gobain uses the World Resources Institute's "Aqueduct" atlas of the world, which allows each of the sites to classify its water risk from "low" to "extremely high". This atlas is based not</p>

		<p>only on qualitative and quantitative physical risks (such as water stress or flood risk), but also on stakeholder risk (like access to water).</p> <p>Production facilities engage at local level discussion with concerned stakeholders in order to ensure appropriate sharing of the water resources. Like one of our site in India, who has installed rain water harvesting from factory roof to reduce the withdrawal of water in an area submitted to several drought and avoid competing water resources with the local need of the population.</p>
Implications of water on your key commodities/raw materials	Relevant, sometimes included	<p>Water has a key role to play in some of our process like for cooling or washing glass. The Group uses Life Cycle Assessments to assess water impacts upstream of the production process, notably on the extraction of raw materials.</p> <p>About 70% of suppliers which have answered to the CSR questionnaire have notified that they have adopted a policy in order to reduce its water consumption</p>
Water-related regulatory frameworks	Relevant, always included	<p>The introduction of stricter regulations or more diligent enforcement of existing regulations may affect the conditions under which the Group operates its businesses, The Legal Department anticipates and monitors new environmental regulations. As we are present in 67 countries, current regulation related risks are assessed and manage locally by EHS team at country or business level. Regulatory risks are included in the Aqueduct analysis of water-related risks.</p>
Status of ecosystems and habitats	Relevant, always included	<p>Saint-Gobain has published in 2018 its biodiversity policy aiming to preserve, restore, increase and enhance biodiversity, managing to involve all parties concerned. A mapping study of all the sites was conducted in 2016 using geographical tools to evaluate their sensitivity to the ecosystems based on their proximity to areas of high biodiversity value. The protected areas considered are areas recognized by the UICN or more locally defined as Natura 2000, RAMSAR areas or other national areas. As such, of more than 6,000 sites (quarries, factories or selling points), 79 have been identified as being within a protected area and will be priority sites for the management of biodiversity.</p> <p>Another input is coming from the use of Aqueduct through</p>

		the percentage of freshwater amphibian species that are classified by IUCN as threatened in an area.
Access to fully-functioning, safely managed WASH services for all employees	Relevant, always included	To abide by our four principles of action - which include worker health and safety as well as employee rights – we make sure than all of our sites offer fully-functioning WASH services to all workers. For every site it's part of EHS management to monitor at least once a year and check that WASH service works normally in respect of the local regulation requirement.
Other contextual issues, please specify	Not considered	Excepted the one listed above no other contextual issues are considered .

### W3.3c

**(W3.3c) Which of the following stakeholders are considered in your organization’s water-related risk assessments?**

	Relevance & inclusion	Please explain
Customers	Relevant, always included	<p>A CSR roadmap was published in 2019. This new roadmap demonstrates Saint-Gobain’s willingness to assess its performance in terms of the environmental, social and societal impacts of its activities, taking the expectations of its key stakeholders (including our customers who are our first most important stakeholders) into account. Close relationships with our customers are key for Saint-Gobain’s success and this is the reason why they are included in water-related risks assessments at operation level</p> <p>In its materiality analysis The 17 SDGs were subdivided into different levels:</p> <ul style="list-style-type: none"> <li>• SDGs aligned with the strategy,</li> <li>• moderately aligned SDGs (limited scope of influence or associated with a specific activity) and</li> <li>• non-priority SDGs where the Group has little or no impact.</li> </ul> <p>In this view SDG 14 (life below water) has to be considered as moderately aligned SDGs with Saint Gobain Strategy (limited scope of influence or associated with a specific activity) and SDG 7 (sustainable management resource) is considered as a non-priority SDGs. Despite this our solutions are tailored to respond to today needs and at the same time be sustainable to manage tomorrow’s challenges. To ensure the sustainability of our products we developed two initiatives :</p> <p>-The EHS (Environment, Industrial Hygiene, Safety) checklist introduced in 2008 has been incorporated into our R and D processes. It allows for the qualitative assessment of</p>

		<p>substances integrated into product formulations and the identification and reduction of EHS impacts associated with product life cycles.</p> <p>-Develop the eco-innovation culture and solutions that anticipate market trends. Priority lines of action for eco-innovation have been defined, in line with the Group's policies and market expectations, in terms of new sustainable solutions or improvements in existing solutions: health and well-being, energy and climate, water, resources and the circular economy.</p> <p>Our pipe activity develops specific actions for its customers: as illustration, customers of our pipe activities systematically get from us a TCO (Total Cost of Ownership) analysis showing their future water consumption improvement (including future water leakage rate) by using our pipe products.</p>
Employees	Relevant, always included	<p>It is necessary to ensure that employees have satisfactory access to water in compliance with international standards in force. Saint-Gobain management takes into account employee's expectations and needs, at site level. Saint-Gobain also seeks to engage with its employees, especially on sites exposed to substantial risks, to ensure awareness of said risks and encourage best practices. Saint-Gobain regularly conducts trainings on water topics for its employees who are dealing with water topics in their job to raise awareness . Concerning the water related risks assessments, If the risk management is not compliant with the Group standards, corrective actions are set.</p>
Investors	Relevant, always included	<p>A CSR roadmap was published in 2019. This new roadmap demonstrates Saint-Gobain's willingness to assess its performance in terms of the environmental, social and societal impacts of its activities. Regular meeting with the CSR team and the financial communication department are organised with investors to answer their question and understand their expectation. Investors expect Saint-Gobain to manage water responsibly and to proactively deal with all water challenges in the countries where the Group operate. This is the reason why investors are included in water-related risks assessments . Regular meeting with the CSR team and the financial communication department are organised with investors to answer their question and understand their expectation. In relation with our piping business several investors ask some question related to water. Saint-Gobain takes into account their suggestions and expectations regarding water risk assessment and management. We ensure a maximum transparency on our water risks and disclose them to investors. It's under their</p>

		request that 2 years ago we have decided to change our communication to provide more information regarding our activity and risks in water stressed areas.
Local communities	Relevant, always included	It is necessary to ensure that communities close to the site and to withdrawal sites have satisfactory access to water in compliance with international standards in force. Saint-Gobain engages and includes local community expectation in its water risk assessment, at site level. While performing its environmental risk assessment, to assess the sensitivity of the site regarding local community a highest score must be applied if the site is located less than 1 km from a residential area and if water around the site is used for drinking, agricultural usage or recreational activities. In addition, our Water policy pays particular attention to limiting the Group's withdrawals in water stressed areas to not compete for access to drinking water with the local populations. To this end, the list of priority sites within the framework of the Water policy is based on both the water withdrawals and the water stressed areas. In this regard, Saint-Gobain uses the World Resources Institute's "Aqueduct" atlas of the world, which allows each of the sites to classify its water risk from "low" to "extremely high". Like in India, where one of our plant has installed rain water harvesting from factory roof to reduce the withdrawal of water in an area submitted to several drought and avoid competing them with local need of the population.
NGOs	Relevant, always included	A CSR roadmap was published in 2019. This new roadmap demonstrates Saint-Gobain's willingness to assess its performance in terms of the environmental, social and societal impacts of its activities, taking the expectations of its key stakeholders (including NGOs) into account. Saint-Gobain appreciates working together and being in regular exchanges with NGOs on water related topics, as they provide insight and knowledge, allow the spread of best practices and push industries towards safer water policies. Saint-Gobain takes into account NGOs suggestions and expectations regarding water risk assessment and they are included in water-related risks assessments at operation level
Other water users at a basin/catchment level	Relevant, always included	As for local communities, Saint-Gobain includes other water users at a basin or catchment level in its water risk assessment, at site level. Water sensitivity and availability must be taken into account in the sensitivity criteria of the site when it perform it's environmental risk assessment (in compliance with the Group Standard). The highest scoring must be applied for the sensitivity of the water body if the water around the site is use for drinking, agricultural usage or recreational activities

Regulators	Relevant, always included	Regulatory frameworks influence our way of using and treating water with for example withdrawal limits or to specific discharge. Compliance to regulation is part of the principle of conduct and Action of Saint Gobain. All our sites have to comply with any requests coming from the regulator and they are included in water-related risks assessments at operation level
River basin management authorities	Relevant, always included	As water is a common resource, it is always important to include river basin authorities. Regulations can for example refer to withdrawal limits or to specific discharge qualities and must therefore be closely considered for all Saint-Gobain sites. In accordance with our Management of Water guideline, sites must have an updated regulatory watch and identify local authorities in charge of water. River basin management authorities are included in water-related risks assessments at operation level
Statutory special interest groups at a local level	Relevant, always included	As water is a common resource, it is always important to include Statutory special interest groups at a local level. Saint-Gobain cares about Statutory special interest groups at local level and includes them in the risk assessment to take into account their needs and expectations when it comes to our company to present a new project. For example for our greenfield project in Mexico, authorities and local community has been informed and in order to take into account their insight.
Suppliers	Relevant, always included	<p>Saint Gobain has a sustainable procurement policy which covers its relation with all suppliers to ensure sustainability standards along its value chain and this is why they are included in water-related risks assessments.</p> <p>To comply with the ISO 14001 standard our internal standard states that our environmental risk assessment must be performed with "Life cycle assessment thinking ", which leads to include environmental risk related to raw material, transportation and end of life of the product. In this context, suppliers of raw material or services are assessed and included at site level in their risk assessment.</p> <p>In addition, Saint-Gobain Water Purchasing Action Plan identifies critical SIC (Standard Industrial Classification) categories and high water risk countries to evaluate the CSR risks linked to our suppliers.</p> <p>The sites' individual Business Continuity Planning (BCP) that aim to minimize human, business and financial consequences of risks –including water risks- take into account risks linked to</p>

		<p>suppliers. Risks are analyzed from 3 main criteria :</p> <ul style="list-style-type: none"> <li>- Risk of strategic supply interruption of a single supplier due to flooding of that supplier</li> <li>- Risk of supply (and shipment) interruption due to the flooding of the site or its access</li> <li>- Risk of utility cuts (electricity, gas, water) due to site flooding</li> </ul> <p>The BCP is audited and reviewed yearly by our insurance engineering team during the Industrial risk prevention audit carried out in all our sites.</p>
Water utilities at a local level	Relevant, sometimes included	<p>As water is a common resource, it is always important to include Water utilities at a local level. Water utilities at a local level are included in water-related risks assessments to help Saint-Gobain moderate and manage the resources in accordance with the water availability. Saint-Gobain takes into account water utilities/suppliers regarding water risk assessment, at operation level.</p> <p>A worldwide master agreement has been signed with an international supplier of water utilities to develop cost-saving projects through water consumption reduction and/or the improvement of water discharges quality.</p>
Other stakeholder, please specify	Relevant, always included	<p>We are part of several multi-stakeholder initiatives: in 2009, Saint-Gobain endorsed the CEO Water Mandate for the protection of water resources as part of the United Nation's Millennium Development Goals. Furthermore, as part of the Lima-Paris Action Agenda, Saint-Gobain joined, in December 2015, the business alliance for water and climate change. The goal is to bring together stakeholders from civil society to get concrete climate commitments and launch immediate, concrete actions. In accordance with our Management of Water and Associated Risks standard, sites must have an updated regulatory watch and identify local authorities in charge of water</p>

### W3.3d

**(W3.3d) Describe your organization’s process for identifying, assessing, and responding to water-related risks within your direct operations and other stages of your value chain.**

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 parties involved.

Particular attention is paid to limiting the Group’s withdrawals in water stressed areas and in not competing for access to drinking water with the local populations. To this end, the list of priority sites within the framework of the Water policy is based on both the water withdrawals and the

water stressed areas. In this regard, Saint-Gobain started in 2017 to use the World Resources Institute's "Aqueduct" atlas of the world

We take into account any local stakeholder suggestions and expectations regarding water risk assessment at site level and we engage with local authorities to comply with local regulations.

The Risk and Insurance department manages risks of property damage and related business interruption. The degree of exposure and vulnerability of the sites to natural events is updated regularly through adapted audits and self-assessments and leads to update of actions plan with a view to improving the level of prevention and protection.

Then, the assessment of water-related risks is also included in the responsible purchasing policy through a Suppliers Charter explaining Saint-Gobain's requirements and suppliers' obligations in the area of corporate social responsibility. The whole process is part of a dialogue with the supplier and gives rise to the establishment of action plans and CSR performance improvement, focusing on suppliers at risk.

We also engage with customers on water-related issues to ensure the sustainability of our products; we developed two initiatives:

-The R&D EHS checklist : it allows for the reduction of EHS impacts associated with product life cycles.

-Development of the eco-innovation culture and solutions that anticipate market trends, using since 2017 an internal methodology.

## W4. Risks and opportunities

### W4.1

**(W4.1) Have you identified any inherent water-related risks with the potential to have a substantive financial or strategic impact on your business?**

Yes, only within our direct operations

### W4.1a

**(W4.1a) How does your organization define substantive financial or strategic impact on your business?**

*Saint-Gobain's internal control and risk management system is in charge of considering whether a risk has or not an impact on our business, including possible impacts on our business coming from the value chain (the impact being assessed from a financial, human, environmental and reputational perspectives). We use the internal control and risk management framework defined by the French securities regulator (Autorité des marchés financiers - AMF), as updated in July 2010, and on the 2013 update to the framework from the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The system complies with the legal requirements applicable to companies listed on the Euronext Paris regulated market.*

*Each year, a mapping analysis of the Groups’ potential risks is made by the Internal Audit and Business Control Department. All the material risks that the Board of directors must be aware of are included into the mapping analysis. The map is being reviewed by the Audit and Risks Committee and then validated by the board of directors. In that context, the threshold of 50 million euros is considered as a substantial financial impact threshold.*

One substantive impact considered has been the physical water risks associated with flooding, rainfall or storm at our production sites. These are becoming more and more frequent due to climate change and are managed at a local level with the support of the Risk and Insurance Department.

*Because of the nature and the extent of our activities, we consider that it is unlikely that the water risks to which some of our sites are exposed could generate a substantive change in our business, operations, revenue or expenditure at company level. From an operational standpoint, water being a local issue, water risks are managed at facility level. At facility level, we take water risks management very seriously as consequences may be vital for some processes, and want to be proactive when it comes to the mitigation of these risks. We notably invest in closed water circuit systems, which have an impact on our expenditure, but not on our business or revenue.*

Moreover our investors and customer asking more and more question related to our action regarding climat change and due to our piping business some question are related to water risks. Saint-Gobain takes into account their suggestions and expectations regarding water risk assessment and management. We ensure a maximum transparency on our water risks and disclose them to all our stakeholders.

## W4.1b

**(W4.1b) What is the total number of facilities exposed to water risks with the potential to have a substantive financial or strategic impact on your business, and what proportion of your company-wide facilities does this represent?**

	Total number of facilities exposed to water risk	% company-wide facilities this represents	Comment
Row 1	2	Less than 1%	Among more than 800 factories within Saint Gobain, 2 sites withdrawal in extremely high risk area. Despite not leading to a substantive financial impact at Group level they may impact the Group reputation. They were defined according to their level of risk from Aqueduct Water Risk Atlas.

## W4.1c

**(W4.1c) By river basin, what is the number and proportion of facilities exposed to water risks that could have a substantive financial or strategic impact on your business, and what is the potential business impact associated with those facilities?**

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**Country/Area & River basin**

India  
Krishna

**Number of facilities exposed to water risk**

1

**% company-wide facilities this represents**

Less than 1%

**% company's total global revenue that could be affected**

Less than 1%

**Comment**

Activity on site : Sand quarry

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**Country/Area & River basin**

South Africa  
Berg-Olifants

**Number of facilities exposed to water risk**

1

**% company-wide facilities this represents**

Less than 1%

**% company's total global revenue that could be affected**

Less than 1%

**Comment**

Activity on site: plasterboard

## W4.2

**(W4.2) Provide details of identified risks in your direct operations with the potential to have a substantive financial or strategic impact on your business, and your response to those risks.**

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**Country/Area & River basin**

France

Other, please specify

8 % of our manufacturing/quarries sites are considered as “Major riverine zone” regarding flood in several river basin ( mainly in France but also in China, India, Egypte, Germany, Morocco, ...)

**Type of risk & Primary risk driver**

Physical

Flooding

**Primary potential impact**

Reduction or disruption in production capacity

**Company-specific description**

Floods may cause important damages to installations and cost a lot to renovate and repair the damages. Floods can also lead to production disruption, significant financial and market losses, threats to employment, and human and environmental safety.

8 % of our manufacturing/quarries sites are considered in our insurer database (AXA) as “Major riverine zone” regarding flood zone and extreme precipitation levels in several river basin ( mainly in France but also in China, India, Egypte, Germany, Morocco, ...)

In 2019, 2 major flooding event has impacted the Group with cost above 1 M€ :

One in UK, where a storage of 5 000 palette of finish product has been damaged following an important rainfall event,

Another one in France, where outlets , were severely impacted by river flooding caused by torrential rains in the hills upstream of the area. Goods, point-of-sales installations show-rooms, electrical installations, rackings,... were destroyed to various degrees.

**Timeframe**

Current up to one year

**Magnitude of potential impact**

Medium-high

**Likelihood**

Likely

**Are you able to provide a potential financial impact figure?**

Yes, a single figure estimate

**Potential financial impact figure (currency)**

1,000,000

**Potential financial impact figure - minimum (currency)**

**Potential financial impact figure - maximum (currency)**

**Explanation of financial impact**

This is the cost in average of the 2 event listed above

**Primary response to risk**

Develop flood emergency plans

**Description of response**

The Risk and Insurance department manages the physical risks that may occur at facility level.

The Group manages the risks of losses aggravated by climate change (floods, rainfall or storms) as part of its industrial and distribution risk prevention policy (see Chapter 4, Section 2.2.2). This takes into account the increase in extreme climate events, which occasionally leads, in addition to damage to installations or stocks, to interruptions in production or supply. The degree of exposure and vulnerability of sites to natural events is regularly updated together with the action plan with a view to improving their level of prevention and protection.

Changes to water systems and, in particular, the development of water stress areas, which give rise to production risks and penalize local populations, are included in the Water Management policy (see Chapter 3, Section 2.2.3c).

As illustration, in 2019, it registered and managed claims amounting to 7 million € of losses due to rain, flood, wind and hail, of which 4,5 million of losses attributable to two weather events in the South of France in November 2019, which affected several distribution outlets.

**Cost of response**

50,000

**Explanation of cost of response**

The indicated cost is linked to the contract that we have with Axa for improving our risk mapping

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**Country/Area & River basin**

France

Other, please specify

10% of the Group's water withdrawals were located in high-risk or very high-risk areas in several water basin (Mexico, India, South Africa,...)

**Type of risk & Primary risk driver**

Physical

Increased water stress

**Primary potential impact**

Reduction or disruption in production capacity

**Company-specific description**

As some of our activities are water-intensive –notably for the cooling of industrial processes -increased water stress may cause production disruption.

**Timeframe**

More than 6 years

**Magnitude of potential impact**

Medium-high

**Likelihood**

More likely than not

**Are you able to provide a potential financial impact figure?**

Yes, a single figure estimate

**Potential financial impact figure (currency)**

1,000,000

**Potential financial impact figure - minimum (currency)**

**Potential financial impact figure - maximum (currency)**

**Explanation of financial impact**

The Group has faced very few impact regarding water stressed area so no financial cost has been reported in 2019.

The cost is the cost supported by one of plant in Mexico. The site is located in a water stress area and the cost correspond to the investment they have made in order to update their waste water treatment plant to be able to reuse its industrial water and reduce its withdrawal.

**Primary response to risk**

Adopt water efficiency, water reuse, recycling and conservation practices

**Description of response**

Particular attention is paid to limiting the Group's withdrawals in water stressed areas. Saint-Gobain uses the World Resources Institute's "Aqueduct" atlas of the world, which allows each of the sites to classify its water risk from "low" to "extremely high". 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).

Moreover, the Group aims at reducing water discharges by 80% between 2010 and 2025 at iso-production. In-house water recycling is encouraged, particularly through the use of closed-loops, as it considerably limits withdrawals from natural resources. Our Water standard also requires that all sites identify the sources of water affected by withdrawals and discharges. Where natural sources are significantly affected, a detailed environmental impact study must be available.

In 2019, around 10% of the Group's water withdrawals were located in high-risk or very

high-risk areas. One of our biggest water consumer in Mexico located in a High water risk area has developed a water management plan with important repairs, water inspection 3 times per day, flow meter installation and has achieved a saving of water by 19%. In addition there are in progress of upgrading their water treatment plant to increase its efficiency ( Investment > 1M€)

**Cost of response**

100,000

**Explanation of cost of response**

The cost is linked to the management of the project illustrating the potential financial impact. It is estimated at around 10%.

**Country/Area & River basin**

France

Other, please specify

All our activities may faced pollution incident - They are located in several river basin that cannot be listed here

**Type of risk & Primary risk driver**

Physical

Pollution incident

**Primary potential impact**

Fines, penalties or enforcement orders

**Company-specific description**

Almost all our activities may faced pollution incident for several reasons, for example mal-functioning of a wastewater treatment plant. Such as our site in UK, where the site has found fuel in their wastewater treatment. Drains were traced back to our site. An inspection of the fuel storage has shown evidence of kerosene leaks. Immediate action has been taken: Pump isolated, boreholes installed to assess extent of any pollution and potential pathways to drains. Liaising with the city twice a week to ensure release of fuel is contained. No financial penalties or fine.

**Timeframe**

Current up to one year

**Magnitude of potential impact**

Medium-low

**Likelihood**

About as likely as not

**Are you able to provide a potential financial impact figure?**

Yes, a single figure estimate

**Potential financial impact figure (currency)**

400,000

**Potential financial impact figure - minimum (currency)**

**Potential financial impact figure - maximum (currency)**

**Explanation of financial impact**

This amount represents what we have paid as fines for environment in 2019, despite not being related to water

**Primary response to risk**

Improve pollution abatement and control measures

**Description of response**

The Water Guideline, which is applicable for all the site who has identified critical risk regarding water on their environmental risk assessment, requires sites to limit the number of discharge points and ensure discharge quality before channeling effluent into the municipal sewage system, surrounding environment, or other outlet. Each facility of the Group which is part of the environmental concerned perimeter (perimeter involving facilities representing more than 95% of our impact) monitors its water discharges by destination. All discharge points must be equipped with a meter, the readings being recorded in a log, possibly computerized.

All environmental event with potential pollution outside the site perimeter are reported through the Group reporting tool. Looking at the event occurs in 2019, 22 water related event has been reported without significant impact for the Group

**Cost of response**

4,550

**Explanation of cost of response**

Considered as 10% of the time/cost of one full-time equivalent for managing the Water guideline in each production site who have identified a very critical or critical risk in its Environmental Risk Assessment ( as specify in the Group environmental risk assessment).

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**Country/Area & River basin**

France

Other, please specify

All our activities may face negative media coverage - They are located in several river basin that cannot be listed here

**Type of risk & Primary risk driver**

Reputation & markets

Negative media coverage

**Primary potential impact**

Brand damage

**Company-specific description**

Environmental events such as accidental discharge into the water and into the soil and non-compliance with the regulations in relation to the Group's environmental management system can lead to negative media coverage and brand damage

**Timeframe**

Current up to one year

**Magnitude of potential impact**

Medium-low

**Likelihood**

Unlikely

**Are you able to provide a potential financial impact figure?**

Yes, a single figure estimate

**Potential financial impact figure (currency)**

400,000

**Potential financial impact figure - minimum (currency)**

**Potential financial impact figure - maximum (currency)**

**Explanation of financial impact**

This amount represents what we have paid as fines for environment in 2019, despite not being related to water.

**Primary response to risk**

Engage with local communities

**Description of response**

The Group developed a corporate Environmental Events guideline launched in 2013, that sets up a common framework and enables the sites to identify, characterize, analyze and record environmental events in accordance with ISO 14001. Saint-Gobain is thus developing for the environment the same type of feedback tools as those used for safety.

The aim is to ensure that all our sites progress towards the zero environmental accidents objective.

All environmental event with potential pollution outside the site perimeter are reported through the Group reporting tool. Looking at the event occurs in 2019, 22 water related event has been reported without significant impact for the Group

**Cost of response**

4,500

**Explanation of cost of response**

Considered as 10% of the time/cost of one full-time equivalent for managing the Environment Incident analysis and reporting in each production site.

**W4.2c**

**(W4.2c) Why does your organization not consider itself exposed to water risks in its value chain (beyond direct operations) with the potential to have a substantive financial or strategic impact?**

	Primary reason	Please explain
Row 1	Risks exist, but no substantive impact anticipated	<p>The Responsible Purchasing Department works on a Water Action Plan which aims to ensure that our existing suppliers identified as presenting high CSR risk acknowledge the Group’s Suppliers Charter and go through a CSR assessment to state their corporate policies, actions and results. Suppliers have access to R-Net for acknowledge the receipt of the Saint-Gobain Suppliers Charter, electronically transmit essential proof (wood certificates, quality certificates, ISO standards), respond to self-assessment questionnaires, get all the information on the responsible purchasing directives of Saint-Gobain and access to the details of their CSR evaluations, or, where appropriate, social audits.</p> <p>Although risks might exist at facility level, we do not consider that they could generate substantive negative impacts at company level as we have more than 250,000 active suppliers. We therefore consider that there is no substantive impact related to water risks in our value chain.</p>

**W4.3**

**(W4.3) Have you identified any water-related opportunities with the potential to have a substantive financial or strategic impact on your business?**

Yes, we have identified opportunities, and some/all are being realized

**W4.3a**

**(W4.3a) Provide details of opportunities currently being realized that could have a substantive financial or strategic impact on your business.**

**Type of opportunity**

Products and services

**Primary water-related opportunity**

Increased sales of existing products/services

**Company-specific description & strategy to realize opportunity**

Saint-Gobain offers complete solutions drawing on more than 160 years of experience in the water supply market. Saint-Gobain developed SCORE, a robust and innovative tool to assess the sustainability performance of its construction products. This is strategic for the business as it can be integrated into the Group's eco-innovation approach. The scoring is based on 21 indicators that reflect the key sustainability challenges of the construction market. Three of these indicators are related to water management. The first two indicators are based on the Life Cycle Assessment of the product: Freshwater Consumption and Eutrophication Potential. And the third one is a tailor-made indicator called "Water savings and purification": rewarding products that either purify water, that reduce water consumption during the installation/use phase, or that help to collect rainwater for example.

After a test on two pilots SCORE is being progressively rolled out through the different businesses and countries. The SCORE tool has already been used to analyse the sustainability performance of products in Denmark, Sweden and Norway, France, Spain and Finland; and local R&D teams have used the scorecards to identify potential areas for eco-innovation.

Case Study: Flat glass products used in building façades. For this category of products, water-management is often considered as a "non-irrelevant" feature. However, thanks to SCORE, innovative solutions such as BIOCLEAN can stand out from other more conventional solutions. BIOCLEAN uses an external coating that allows for the façade to be easily cleaned, thus reducing the amount of water consumption and liquid detergents during maintenance. In this case, BIOCLEAN has a higher score than other more conventional façade products because it has a higher score in the "Water savings and purification" indicator since it helps reduce water consumption during the use phase while keeping a similar score on the first two water indicators (Freshwater Consumption and Eutrophication Potential)"

**Estimated timeframe for realization**

1 to 3 years

**Magnitude of potential financial impact**

Medium

**Are you able to provide a potential financial impact figure?**

Yes, a single figure estimate

**Potential financial impact figure (currency)**

340,600,000

**Potential financial impact figure – minimum (currency)****Potential financial impact figure – maximum (currency)****Explanation of financial impact**

The need for clean water and sewage are increasing in emerging and developing countries. The market drivers are mainly urbanization and water scarcity for emerging

countries: due to climate change and urbanization, more than 3 billion people will face water scarcity in 48 countries according to an OECD prospective. Consequently, the need for new water infrastructure in many parts of the world represents a potential increase in the sales of our Pipe Division.

The estimated financial impact assumes an increase in demand of 1%, which could therefore increase Group sales by 340.6M€. Indeed, we are expecting increased demand for our wide range of sustainable products, notably for our products related to sustainable habitat solutions and energy efficiency. The habitat market currently represents around 80% of our total market, corresponding to sales of approximately 34 060 M€.

## W5. Facility-level water accounting

### W5.1

**(W5.1) For each facility referenced in W4.1c, provide coordinates, water accounting data, and a comparison with the previous reporting year.**

---

**Facility reference number**

Facility 1

**Facility name (optional)**

ALWAR SAND

**Country/Area & River basin**

India  
Krishna

**Latitude**

27.553

**Longitude**

76.6346

**Located in area with water stress**

Yes

**Total water withdrawals at this facility (megaliters/year)**

32,210

**Comparison of total withdrawals with previous reporting year**

Lower

**Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes**

1,200

**Withdrawals from brackish surface water/seawater**

0

**Withdrawals from groundwater - renewable**

31,010

**Withdrawals from groundwater - non-renewable**

0

**Withdrawals from produced/entrained water**

0

**Withdrawals from third party sources**

0

**Total water discharges at this facility (megaliters/year)**

100

**Comparison of total discharges with previous reporting year**

About the same

**Discharges to fresh surface water**

0

**Discharges to brackish surface water/seawater**

0

**Discharges to groundwater**

0

**Discharges to third party destinations**

100

**Total water consumption at this facility (megaliters/year)**

32,310

**Comparison of total consumption with previous reporting year**

About the same

**Please explain**

There is no discharge from the plant. All water gets recycled and reused.. The water with clay content is routed through Thickener & barring for the evaporation losses, the rest of filtered water is reused.

In the last 2 years, the plant has also put in efforts to collect and use surface rain water& use it instead of fresh ground water & hence the reductions..

---

**Facility reference number**

Facility 2

**Facility name (optional)**

CAPETOWN

**Country/Area & River basin**

South Africa  
Berg-Olifants

**Latitude**

22.97104

**Longitude**

-98.95241

**Located in area with water stress**

Yes

**Total water withdrawals at this facility (megaliters/year)**

25,552

**Comparison of total withdrawals with previous reporting year**

Lower

**Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes**

0

**Withdrawals from brackish surface water/seawater**

0

**Withdrawals from groundwater - renewable**

0.285

**Withdrawals from groundwater - non-renewable**

0

**Withdrawals from produced/entrained water**

0

**Withdrawals from third party sources**

25,268

**Total water discharges at this facility (megaliters/year)**

2,810

**Comparison of total discharges with previous reporting year**

Lower

**Discharges to fresh surface water**

0

**Discharges to brackish surface water/seawater**

0

**Discharges to groundwater**

0

**Discharges to third party destinations**

2,810

**Total water consumption at this facility (megaliters/year)**

22,742

**Comparison of total consumption with previous reporting year**

Lower

**Please explain**

Decrease of water can be explained by a decrease of production of plasterboard

## W5.1a

**(W5.1a) For the facilities referenced in W5.1, what proportion of water accounting data has been externally verified?**

### Water withdrawals – total volumes

---

**% verified**

76-100

**What standard and methodology was used?**

Review performed in compliance with the ISAE 3000 standard, including: - Risk analysis - Assessment of the suitability of the reporting Guidelines in terms of their relevance, completeness, reliability, impartiality and comprehensibility - Test of details at the level of a representative sample of sites selected by us - Review of the consolidated data - Expression of a limited assurance on the data published.

### Water withdrawals – volume by source

---

**% verified**

76-100

**What standard and methodology was used?**

Review performed in compliance with the ISAE 3000 standard, including: - Risk analysis - Assessment of the suitability of the reporting Guidelines in terms of their relevance, completeness, reliability, impartiality and comprehensibility - Test of details at the level of a representative sample of sites selected by us - Review of the consolidated data - Expression of a limited assurance on the data published.

### Water withdrawals – quality

---

**% verified**

Not verified

### **Water discharges – total volumes**

---

**% verified**

76-100

**What standard and methodology was used?**

Review performed in compliance with the ISAE 3000 standard, including: - Risk analysis - Assessment of the suitability of the reporting Guidelines in terms of their relevance, completeness, reliability, impartiality and comprehensibility - Test of details at the level of a representative sample of sites selected by us - Review of the consolidated data - Expression of a limited assurance on the data published

### **Water discharges – volume by destination**

---

**% verified**

76-100

**What standard and methodology was used?**

Review performed in compliance with the ISAE 3000 standard, including: - Risk analysis - Assessment of the suitability of the reporting Guidelines in terms of their relevance, completeness, reliability, impartiality and comprehensibility - Test of details at the level of a representative sample of sites selected by us - Review of the consolidated data - Expression of a limited assurance on the data published.

### **Water discharges – volume by treatment method**

---

**% verified**

Not verified

### **Water discharge quality – quality by standard effluent parameters**

---

**% verified**

Not verified

### **Water discharge quality – temperature**

---

**% verified**

Not verified

### **Water consumption – total volume**

---

**% verified**

76-100

**What standard and methodology was used?**

Review performed in compliance with the ISAE 3000 standard, including: - Risk analysis - Assessment of the suitability of the reporting Guidelines in terms of their relevance, completeness, reliability, impartiality and comprehensibility - Test of details at the level of a representative sample of sites selected by us - Review of the consolidated data - Expression of a limited assurance on the data published.

**Water recycled/reused**

**% verified**  
76-100

**What standard and methodology was used?**

Review performed in compliance with the ISAE 3000 standard, including: - Risk analysis - Assessment of the suitability of the reporting Guidelines in terms of their relevance, completeness, reliability, impartiality and comprehensibility - Test of details at the level of a representative sample of sites selected by us - Review of the consolidated data - Expression of a limited assurance on the data published.

## W6. Governance

### W6.1

**(W6.1) Does your organization have a water policy?**

Yes, we have a documented water policy that is publicly available

### W6.1a

**(W6.1a) Select the options that best describe the scope and content of your water policy.**

	Scope	Content	Please explain
Row 1	Company-wide	Description of business dependency on water Description of business impact on water Description of water-related performance standards for direct operations Description of water-related standards for procurement Reference to international standards and widely-recognized water initiatives	Saint-Gobain’s Water policy adopted in 2011 and updated in 2019 confirms the desire to reduce the quantitative and qualitative impact of Saint-Gobain’s activities on water resources as much as possible. This policy applies to all Saint Gobain activities (industrial site, quarries, offices, distribution center) because as water impact is not material we think it’s good to encourage all our sites to manage properly water resources.  The long-term objective is aim for “zero discharge” of industrial water in liquid form, while avoiding generating new impacts for other natural environments and/or for other parties involved. Saint-Gobain has also the target to decrease by 80% the

		<p>Company water targets and goals</p> <p>Commitment to align with public policy initiatives, such as the SDGs</p> <p>Commitments beyond regulatory compliance</p> <p>Commitment to water-related innovation</p> <p>Commitment to stakeholder awareness and education</p> <p>Commitment to water stewardship and/or collective action</p> <p>Commitment to safely managed Water, Sanitation and Hygiene (WASH) in the workplace</p> <p>Commitment to safely managed Water, Sanitation and Hygiene (WASH) in local communities</p> <p>Acknowledgement of the human right to water and sanitation</p> <p>Recognition of environmental linkages, for example, due to climate change</p>	<p>discharges volumes between 2025 and 2010, at iso-production.</p> <p>The list of priority sites within the framework of the Water policy is based on both the water withdrawals and the water stressed areas.</p> <p>Saint-Gobain has also defined a Water guideline that describes the minimum requirements that the industrial sites must observe for water management and the prevention of risks of water constraints, pollution and flooding. It structures the improvement of the sites' water management performance. Its application aims to reduce the risks connected with water and the quantities of water withdrawn and of liquid water discharged, to favour the least sensitive sources of withdrawal and discharges, to control the quality of the water and to prevent accidental pollution.</p> <p>SDG goal do not appears in your water policy but are assess in the CSR materiality grid ( See reference document page 109)</p> <p>The policy also requires that all the stakeholders concerned through the value chain, including suppliers, have to be taken into consideration.</p> <p> 1</p>
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 1SGEHS\_WaterPolicy\_20200722.pdf

## W6.2

**(W6.2) Is there board level oversight of water-related issues within your organization?**

Yes

### W6.2a

**(W6.2a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for water-related issues.**

Position of individual	Please explain
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<p>Board-level committee</p>	<p>The General Management of Compagnie de Saint-Gobain consists of the Chairman and Chief Executive Officer and, since January 1, 2019, of a Chief Operating Officer. The operational organization of the Saint-Gobain Group’s Management is provided by an Executive Committee chaired by the Chairman and Chief Executive Officer .</p> <p>The Chairman and Chief Executive Officer and Member of the Board of directors is also member of the Strategy and CSR Committee which is responsible for reviewing the strategic plan, its potential for improvement and the proposed strategic topics by its members and reports quarterly to the Executive Board.</p> <p>The Board has established three Committees aimed at improving its operations and effectively contributing to the preparation of its deliberations: one of them is the Strategy and Corporate Social Responsibility Committee. The Chairman and Chief Executive Officer is a member of this committee. The activities of this committee during fiscal year 2019 were regularly presented to the Board in the form of activity reports and proposals. Over four sessions, one point on the agenda was dedicated to corporate social responsibility. The Strategy and CSR Committee of the Board of Directors regularly tracks the implementation of short-, medium- and long-term programs</p> <p>Water is a topic sometimes discussed at the board of director committee and particularly the following issues :</p> <ul style="list-style-type: none"> <li>• The status of our results vs our targets</li> <li>• The strategy regarding our pipe activity</li> </ul> <p>The mission of the Executive Committee is to review operational management, coordinate project management and implement Saint-Gobain Group strategy. It meets every month.</p>
<p>Chief Executive Officer (CEO)</p>	<p>The Chairman and Chief Executive Officer and Member of the Board of directors is also member of the Strategy and CSR Committee which is responsible for reviewing the strategic plan, its potential for improvement and the proposed strategic topics by its members and reports quarterly to the Executive Board.</p> <p>The mission of the Executive Committee is to review operational management, coordinate project management and implement Saint-Gobain Group strategy. It meets every month.</p> <p>An example of water -related decision made at executive committee in 2019, is that the executive committee has decided to launch a “Focus Site program” to accompanied the site that contribute to 80% of the Groupe environmental indicator. In this programme 44 sites of the Groupe who represent 80% of the water discharge of the Group have been requested to set short, medium and long term action plan to reduce their water impact.</p>

<p>Chief Operating Officer (COO)</p>	<p>The Chief Operating Officer is a member of the executive committee.</p> <p>The mission of the Executive Committee is to review operational management, coordinate project management and implement Saint-Gobain Group strategy. It meets every month</p> <p>An example of water -related decision made at executive committee in 2019, is that the executive committee has decided to launch a “Focus Site program” to accompanied the site that contribute to 80% of the Group environmental indicator. In this programme 44 sites of the Groupe who represent 80% of the water discharge of the Group have been requested to set short, medium and long term action plan to reduce their water impact.</p>
<p>Chief Sustainability Officer (CSO)</p>	<p>Senior Vice President in charge of Human Resources who is a member of the executive committee has the overall responsibility of the Sustainable Development department General Secretary of the Group in charge of Corporate Social Responsibility</p> <p>An example of water -related decision made at executive committee in 2019, is that the executive committee has decided to launch a “Focus Site program” to accompanied the site that contribute to 80% of the Group environmental indicator. In this programme 44 sites of the Groupe who represent 80% of the water discharge of the Group have been requested to set short, medium and long term action plan to reduce their water impact.</p>

## W6.2b

**(W6.2b) Provide further details on the board’s oversight of water-related issues.**

	<p>Frequency that water-related issues are a scheduled agenda item</p>	<p>Governance mechanisms into which water-related issues are integrated</p>	<p>Please explain</p>
<p>Row 1</p>	<p>Scheduled - some meetings</p>	<p>Monitoring implementation and performance</p> <p>Overseeing acquisitions and divestiture</p> <p>Overseeing major capital expenditures</p> <p>Reviewing and guiding annual budgets</p>	<p>Saint Gobain has set the objective to reduce by 2025 its water discharge 80%. This objective is included in the CSR roadmap that is reviewed regularly by the Board members.</p> <p>The Strategy and CSR Committee met five times in 2019, in February, March, May, July, September and November, with an attendance rate of 100%. Over four</p>

	Reviewing and guiding business plans Reviewing and guiding major plans of action Reviewing and guiding risk management policies Reviewing and guiding strategy Reviewing and guiding corporate responsibility strategy Reviewing innovation/R&D priorities Setting performance objectives	sessions, one point on the agenda was dedicated to corporate social responsibility matters, specifically the following topics: : non-financial results and environmental policy that include the water policy and its objectives.  The regular review of our CSR roadmap, including water-related issues, at Board-level committee meetings provides the Board with an overview of implementation strategy, and the status of our results vs targets.
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### W6.3

**(W6.3) Provide the highest management-level position(s) or committee(s) with responsibility for water-related issues (do not include the names of individuals).**

**Name of the position(s) and/or committee(s)**

Chief Sustainability Officer (CSO)

**Responsibility**

Both assessing and managing water-related risks and opportunities

**Frequency of reporting to the board on water-related issues**

Quarterly

**Please explain**

It is the responsibility of the CSO to propose specific water-related issues at board level . The Strategy and CSR Committee met five times in 2019, in February, March, May, July, September and November with an attendance rate of 100%. Over four sessions, one point on the agenda was dedicated to corporate social responsibility matters, specifically the following topics: : non-financial results and environmental policy that include the water policy and its objectives.

The Strategy and CSR Committee, of which the Chairman and Chief Executive Officer, is also a member, is responsible for reviewing the strategic plan, its potential for improvement and the proposed strategic topics by its members and reports quarterly to the Executive Board.

## W6.4

**(W6.4) Do you provide incentives to C-suite employees or board members for the management of water-related issues?**

	Provide incentives for management of water-related issues	Comment
Row 1	No, and we do not plan to introduce them in the next two years	CSR criteria has been introduced into the long term remuneration of Saint Gobain top managers. The topics concerned are the one considered as critical regarding our CSR materiality matrix : Safety, climat change (mainly CO2) and diversity. Saint Gobain do not want to multiply the indicators. Then it's under all managers responsibility to decide below them which incentive is relevant at which level.

## W6.5

**(W6.5) Do you engage in activities that could either directly or indirectly influence public policy on water through any of the following?**

- Yes, direct engagement with policy makers
- Yes, trade associations

### W6.5a

**(W6.5a) What processes do you have in place to ensure that all of your direct and indirect activities seeking to influence policy are consistent with your water policy/water commitments?**

All actions and activities seeking to influence policy are managed at top management level. They are in charge of ensuring that they are consistent with our water policy. Saint-Gobain also acts through several associations. E.g, Saint-Gobain is part of EpE (Enterprises for the Environment). EpE addresses medium and long term policy. EpE gives its members a forum for discussion with NGOs, ministers, politicians, scientists and academics. Shared experience and practices lead to the publication of guides, books, methodologies and proposals for action. In 2019, via our membership of the European Alliance to save Energy (EU-ASE), the importance of energy efficiency in the water sector has been reflected in relation to the implementation of energy efficiency directive and the revision of the water framework directive. In 2019, Saint-Gobain has also contributed to the early phase of the Smart Water Alliance, which aims for a broader recognition of water policies under the EU Green Deal, and elaborates recommendations for an efficient and smart water use. If any inconsistency would be discovered between our activities seeking to influence policy and our own water policy, Saint-Gobain will enter immediately in direct dialog with the association to get a better understanding of the issue. Then corrective actions would be led to realign our policy or we will quit if the topics is considered to be in total opposition with our position.

## W6.6

**(W6.6) Did your organization include information about its response to water-related risks in its most recent mainstream financial report?**

Yes (you may attach the report - this is optional)

## W7. Business strategy

### W7.1

**(W7.1) Are water-related issues integrated into any aspects of your long-term strategic business plan, and if so how?**

	Are water-related issues integrated?	Long-term time horizon (years)	Please explain
Long-term business objectives	Yes, water-related issues are integrated	> 30	<p>Saint-Gobain takes measures to limit its impact on ecosystems and to optimize its use of natural resources, especially water. We have set medium and long term objectives for water-related issues. Our medium term objective is to decrease water discharges by 80% between 2010 and 2025. 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 parties involved.</p> <p>Since 2019 the Group has launch a “Focus Site program” to accompanied the site that contribute to 80% of the Group environmental indicator. For water discharge it represent 44 sites that have been requested to set short, medium and long term action plan to reduce their impact.</p> <p>For example, one of our quarry located in France has a project to collect by 2022 the cleaning water from the factory through a decantation basin to be able to reuse it in a close loop, with a potential saving of 100 000 m3 (compare to their 2019 water discharge) which represent for the site a saving of 77%</p>

			and for Saint-Gobain 0,3 %.
Strategy for achieving long-term objectives	Yes, water-related issues are integrated	21-30	<p>Once our 2025 target reached, we will need to focus on the 20% remaining discharges, using further recycling loops. The long term shall be zero discharge under liquid form with full recycling of discharge, withdrawals being limited to the process evaporation and water needs for the product.</p> <p>To reach these objectives, we adopted a Water policy to reduce the quantitative and qualitative impact of our activities on water resources as much as possible, both on withdrawals and on discharges. We also use the World Resources Institute's "Aqueduct" atlas of the world, which allows each of the sites to classify its water risk from "low" to "extremely high". This atlas is based on qualitative and quantitative physical risks (such as water stress or flood risk), but also on stakeholder risk (like access to water). It helps managing the priorities according to the stressed.</p> <p>For example, one of our site in Mexico which is part of the main contributor and located in an area with an extremely high water risk (WRI Classification) has a project for rainwater capitation, with a potential saving of 30 000 m3 in order to reach zero water withdrawal after 2025 areas</p>
Financial planning	No, water-related issues were reviewed but not considered as strategically relevant/significant	21-30	We consider that even if capital expenditures will be needed on a long-term horizon, the total amount is not strategically significant at Group level.

## W7.2

**(W7.2) What is the trend in your organization's water-related capital expenditure (CAPEX) and operating expenditure (OPEX) for the reporting year, and the anticipated trend for the next reporting year?**

Row 1

**Water-related CAPEX (+/- % change)**

14

**Anticipated forward trend for CAPEX (+/- % change)**

31

**Water-related OPEX (+/- % change)**

3.5

**Anticipated forward trend for OPEX (+/- % change)**

-16.3

**Please explain**

EHS financial data (expenses and capital expenditure) are tracked in the Group’s financial reporting tool. Those data correspond to the CAPEX listed in 2019 and budgeted for 2020 for HPS and Insulation activities. Those CAPEX are related upgrade of cooling water (UK, POLAND, GERMANY), improve waste water treatment plant ( USA, CZECH REP), Water part of a green field project (MEXICO). OPEX is an example of what we purchased in the category "WASTEWATER & SLURRY TREATMENT / DISTRIBUTION / CHEMICALS TREATMENT" that correspond mainly to a contract that we have with an international supplier specialised in water treatment and process improvement. The trend 2020/2021 is an estimation taking into account the exceptional situation linked to COVID which led to the cessation of activity on many of our sites.

**W7.3**

**(W7.3) Does your organization use climate-related scenario analysis to inform its business strategy?**

	<b>Use of climate-related scenario analysis</b>	<b>Comment</b>
Row 1	No, but we anticipate doing so within the next two years	<p>Saint Gobain’s water related risks are mainly linked to climate change consequences. By setting climate-related scenarios, we can anticipate water risks for our production facilities and opportunities, for our Pipe activity.</p> <p>We committed to Science Based Target in March 2018 and had our targets approved in April 2019. Nevertheless as current methodologies developed by the SBTi are not directly applicable to the Building and Construction value chain, the GABC (Global Alliance for Building and Construction) has decided to develop a specific methodology whilst continuing to work on the application of existing methodologies to the Business and Construction value chain. We are actively involved in this work, jointly with the WBCSD, the World Green Building Council, the International Energy Agency and other player of the value chain. This work has received a financial support by We Mean Business (CDP being a partner of this coalition).</p>

## W7.4

### (W7.4) Does your company use an internal price on water?

#### Row 1

#### Does your company use an internal price on water?

No, but we are currently exploring water valuation practices

#### Please explain

In most countries there is no charge for abstracting water directly from rivers, lakes and aquifers. And the price for piped water supply provided by utilities, be they publicly or privately managed, are determined administratively and vary from one country to another. Our water results compared to our objectives, together with the awareness of our employees on water-related issues, do not justify the use at the present time of an internal price of water. Moreover, the Saint Gobain CSR materiality matrix regarding the SDG has shown that the water goal are not the one directly link to the expectation of our customer.(reference document page 109)

However, we are studying possibility to valuing water. For example, with some webinar for industrial director regarding the real cost of water or looking for financial driver in the country where water is very expensive like in India.

## W8. Targets

### W8.1

#### (W8.1) Describe your approach to setting and monitoring water-related targets and/or goals.

	Levels for targets and/or goals	Monitoring at corporate level	Approach to setting and monitoring targets and/or goals
Row 1	Company-wide targets and goals Business level specific targets and/or goals Activity level specific targets and/or goals Site/facility specific targets and/or goals	Targets are monitored at the corporate level Goals are monitored at the corporate level	We have set targets and goals to be coherent with our public engagements and our internal Water policy: - our long-term target 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 parties involved. To do that we also have a medium-term target of 80% water discharge decrease between 2010 and 2025 at iso-production. We also work to manage priorities by identifying the development of water stressed areas, which give rise to production risks and penalize local populations. Our target is at corporate level and to be applied by activity and at country and facility level. We have now a special follow up and dedicated action plan with our main water contributing sites

	Country level targets and/or goals		through the focus site programme that identified the site that contribute to 80% of the Group Water discharge. We also have goals for our suppliers, managed at corporate level.
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## W8.1a

**(W8.1a) Provide details of your water targets that are monitored at the corporate level, and the progress made.**

**Target reference number**

Target 1

**Category of target**

Water discharge

**Level**

Company-wide

**Primary motivation**

Reduced environmental impact

**Description of target**

Medium term target (2010-2025): -80% water discharge at iso-production for the environment concerned perimeter sites (sites with >95% of the environmental impact).

**Quantitative metric**

% reduction per unit of production

**Baseline year**

2010

**Start year**

2011

**Target year**

2025

**% of target achieved**

43

**Please explain**

Saint-Gobain's operations depend on freshwater supplies, and our pipe activity has develop a great experience in water supply, transportation and water discharge market. Now other activity like Ceramic start to develop new product related to water treatment. Moreover, the long term target is to reach Zero discharge and not zero withdrawal. expecting that 100 % of the water used can be recycled and a that our water withdrawal will correspond to our real water need.

We have achieved a 34,5% reduction by comparing 2019 at iso-production 2010 .  
Particularly, our pipe activity has carried out projects to increase closed circuits and recycle water.

## W8.1b

**(W8.1b) Provide details of your water goal(s) that are monitored at the corporate level and the progress made.**

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### Goal

Engagement with suppliers to reduce the water-related impact of supplied products

### Level

Company-wide

### Motivation

Reduced environmental impact

### Description of goal

In its policy Saint Gobain state that operational risks related to the use of water by a supplier in its production process and likely to block the operation of a Saint-Gobain site by a water supply failure must be addressed as a priority. Furthermore, it should be noted that risks related to the reputation of suppliers, should they be held liable for the irresponsible use of water resources, are also likely to have negative consequences on Saint-Gobain's reputation.

The Group has set a target 2017-2021 of having evaluated the CSR performance of almost all reputable suppliers with CSR risk and annual sales of more than 100,000€ with the Group. Regarding CSR audits, the goal is to achieve about 100 audits per year for low initial CSR performance. These audits may lead to de-references if the necessary corrective plans are not implemented within the agreed deadlines. As measure of success, we can state that 903 suppliers have been concerned by documentation reviews by a third party. 31.9% of our suppliers by number, considered as potentially risky regarding CSR, have been concerned by documentation reviews. The suppliers with unsatisfactory grades to those CSR evaluations have to work to improve their overall performance according to the detailed scorecard evaluation recommendation.

### Baseline year

2017

### Start year

2018

### End year

2021

**Progress**

31,9%

## W9. Verification

### W9.1

**(W9.1) Do you verify any other water information reported in your CDP disclosure (not already covered by W5.1a)?**

Yes

### W9.1a

**(W9.1a) Which data points within your CDP disclosure have been verified, and which standards were used?**

Disclosure module	Data verified	Verification standard	Please explain
W8 Targets	Targets	ISAE 3000	The external auditors also use the verification standard Compagnie Nationale des Commissaires aux Comptes (CNCC). We ask from our auditors, in their mission statement, to verify as well our progress against our set of targets as well as the year on year variation of our emissions. See registration document 2018 page 330.

## W10. Sign off

### W-FI

**(W-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.**

### W10.1

**(W10.1) Provide details for the person that has signed off (approved) your CDP water response.**

	Job title	Corresponding job category
Row 1	The Senior Vice President in charge of Human Resources and Member of the Executive Board , having the overall responsibility of the Sustainable Development department	Board/Executive board

## W10.2

**(W10.2) Please indicate whether your organization agrees for CDP to transfer your publicly disclosed data on your impact and risk response strategies to the CEO Water Mandate's Water Action Hub [applies only to W2.1a (response to impacts), W4.2 and W4.2a (response to risks)].**

Yes