



# BUILDING OUR ENVIRONMENT TOGETHER



2013 CORPORATE SOCIAL  
RESPONSIBILITY REPORT

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## THE 5 AREAS OF SAINT-GOBAIN'S CORPORATE SOCIAL RESPONSIBILITY STRATEGY



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### INDICATORS

2013 indicators that have been verified by the Statutory Auditors are followed by ✓ in the text and tables (see pages 80-81).



“BEING THE REFERENCE FOR SUSTAINABLE HABITAT MEANS WE HAVE CERTAIN DUTIES TOWARD OUR STAKEHOLDERS: THIS IS OUR CORPORATE SOCIAL RESPONSIBILITY.”

## MESSAGE FROM **PIERRE-ANDRÉ DE CHALENDAR**

With operations in 64 countries, Saint-Gobain creates and delivers innovative and high-performance solutions to enhance our habitat (homes, offices and other buildings) and our daily life. As a worldwide leader in all our businesses, we have the ambition to be the reference in sustainable habitat and construction markets. This ambition brings with it a certain number of duties towards our stakeholders. Known more formally as Corporate Social Responsibility, this approach is based on our Principles of Conduct and Action, which guide us in our daily work in all our sites and branches.

Satisfying our customers and end-users means developing solutions that reduce the environmental impact of buildings. For this reason, we deploy an eco-innovation policy in all our operations and provide our teams with the requisite training. In our manufacturing and distribution activities, we focus on reducing our energy use, protecting natural resources (including water), limiting landfilled waste and preserving biodiversity.

Our Environment, Health and Safety (EHS) objectives set demanding standards for us to follow. This year, the deployment of a worldwide Health policy for the Group was a major step forward. We also exceeded our targets in the area of safety.

To support Saint-Gobain’s development, we have identified four priorities for our employees: mobility, diversity, employee commitment and development of talent. These priorities shape our human resources policy and are intended to make Saint-Gobain an even more open Group.

As a United Nations Global Compact signatory, we have followed the initiative’s ten principles concerning human rights, labor, the environment and anti-corruption. Being a responsible Group also means being supportive of our local communities. We work to develop job catchment areas in all of Saint-Gobain’s host regions. This is one of the objectives of Saint-Gobain Développement in France. We also carry out solidarity actions around the world, notably through the Saint-Gobain Initiatives Foundation.

On the eve of Saint-Gobain’s 350th anniversary, this 2013 *Corporate Social Responsibility Report* reflects our achievements and our ambitions for working together as the company of reference in our industry.

**Pierre-André de Chalendar**  
Chairman and Chief Executive Officer



# OUR BUSINESSES

SAINT-GOBAIN IS ORGANIZED  
INTO FOUR SECTORS<sup>(1)</sup>.



**21%**  
of consolidated net sales

## INNOVATIVE MATERIALS

Comprising the Flat Glass and High-Performance Materials Activities, the Innovative Materials Sector offers a unique portfolio of materials and processes for the habitat and industrial markets.

### FLAT GLASS

**No. 1 in Europe**  
**No. 2 worldwide**

- Present in **42** countries
- More than **32,000** employees

### HIGH-PERFORMANCE MATERIALS

**No. 1 worldwide**

- Present in **42** countries
- More than **26,000** employees



**25%**  
of consolidated net sales

## CONSTRUCTION PRODUCTS

The Construction Products Sector offers interior and exterior solutions to enhance building and homes comfort, including plaster, acoustic and thermal insulation, wall facing, roofing and pipes systems.

### No. 1 worldwide

- > Ductile cast iron pipe
- > Plasterboard and plaster products
- > Insulation
- > Tile adhesives

### No. 1 in Europe

- > Wall facings

### No. 2 in the Unites States

- > Siding

- Present in **55** countries
- Nearly **47,000** employees

<sup>1</sup> Source: Saint-Gobain Registration Document 2013.



General Delegations represent the Group in each country where it operates and coordinates the operations of its various companies.



**45%**  
of consolidated net sales

## BUILDING DISTRIBUTION

The Building Distribution Sector brings to the Group a thorough understanding of customers' needs: building professionals, private project owners and large companies. It serves the new building, renovation and home improvement markets.

### No. 1 in Europe

> Building materials distribution

- Present in **27** countries
- More than **64,000** employees
- Nearly **4,400** sales outlets



**9%**  
of consolidated net sales

## VERALLIA PACKAGING

Under the Verallia brand, the Packaging Sector is a major manufacturer of bottles for wines and spirits and jars for food products. Verallia also markets glass containers for beer, fruit juices, soft drinks, mineral water and oil.

### No. 2 worldwide

> Glass bottles and jars

- Present in **14** countries
- **14,000** employees

# SAINT-GOBAIN

## RANKS AMONG THE WORLD'S TOP 100 INDUSTRIAL GROUPS<sup>(2)</sup>

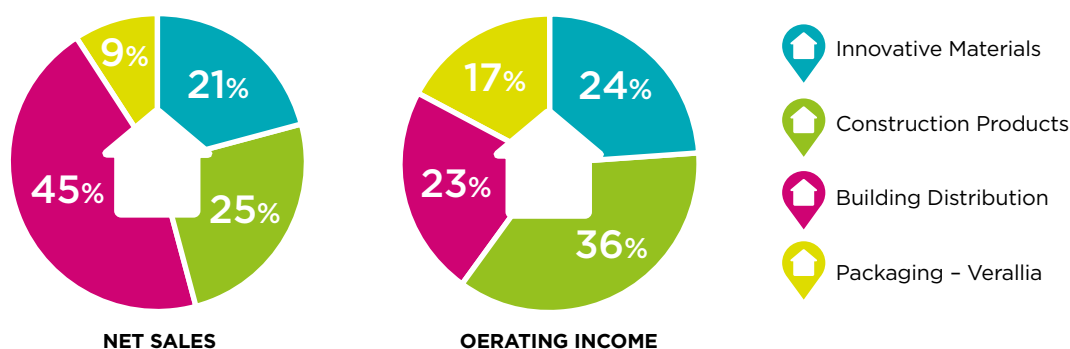
| Million EUR   | 2013          | 2012          |
|---|---------------|---------------|
| <b>NET SALES</b>  | <b>42,025</b> | <b>43,198</b> |
| Operating income  | 2,764         | 2,881         |
| Consolidated net income                                 | 631           | 796           |
| Recurring net income <sup>(1)</sup>                     | 1,027         | 1,126         |
| Recurring earnings per share (in €) <sup>(1) (2)</sup>  | 1.85          | 2.12          |
| Net income attributable to equity holders of the parent | 595           | 766           |
| Earning per share (in €) <sup>(2)</sup>                 | 1.07          | 1.44          |
| Total investments <sup>(3)</sup>                        | 1,454         | 2,127         |
| Consolidated equity (including minority interests)      | 17,870        | 17,851        |
| Net debt  | 7,521         | 8,490         |
| Non-current assets                                      | 27,927        | 29,629        |
| Working capital   | 5,024         | 4,238         |

(1) Excluding capital gains and losses on disposals, asset write-downs and material non-recurring provisions.

(2) Earnings per share are calculated based on the number of shares outstanding at December 31.

(3) Capital expenditure and financial investments, excluding share buybacks.

### BY SECTOR



PROCEEDS FROM DISPOSALS (+)

€356 million

OPERATING COSTS - PAYMENTS TO SUPPLIERS (-)

€29,256 million

<sup>2</sup> Source: FT Global 500 2013.

CONSOLIDATED NET SALES  
**€42,025 million**

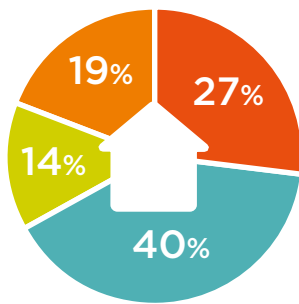
NEARLY  
**190,000**  
EMPLOYEES

OPERATIONS IN  
**64**  
COUNTRIES

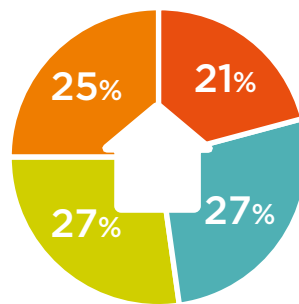


- |                |                      |
|----------------|----------------------|
| ALGERIA        | MOROCCO              |
| ARGENTINA      | MEXICO               |
| AUSTRALIA      | NORWAY               |
| AUSTRIA        | NEW ZEALAND          |
| BELGIUM        | NETHERLANDS          |
| BHUTAN         | PERU                 |
| BRAZIL         | POLAND               |
| BULGARIA       | PORTUGAL             |
| CANADA         | QATAR                |
| CHILE          | REPUBLIC OF IRELAND  |
| CHINA          | ROMANIA              |
| COLOMBIA       | RUSSIA               |
| CZECH REPUBLIC | SAUDI ARABIA         |
| DENMARK        | SERBIA               |
| EGYPT          | SINGAPORE            |
| ESTONIA        | SLOVAKIA             |
| FINLAND        | SLOVENIA             |
| FRANCE         | SOUTH AFRICA         |
| GERMANY        | SOUTH KOREA          |
| GREECE         | SPAIN                |
| HUNGARY        | SWEDEN               |
| INDIA          | SWITZERLAND          |
| INDONESIA      | SYRIA                |
| ITALY          | THAILAND             |
| JAPAN          | TURKEY               |
| JORDAN         | UKRAINE              |
| KUWAIT         | UNITED ARAB EMIRATES |
| LATVIA         | UNITED KINGDOM       |
| LEBANON        | UNITED STATES        |
| LITHUANIA      | VENEZUELA            |
| LUXEMBOURG     | VIETNAM              |
| MALAYSIA       | ZIMBABWE             |

**BY GEOGRAPHIC AREA**



**NET SALES**



**OPERATING INCOME**

-  FRANCE
-  OTHER WESTERN EUROPEAN COUNTRIES
-  NORTH AMERICA
-  FAST-GROWING COUNTRIES AND ASIA

**Breakdown of 2013 value added**

Value added totaled €13,125 million in 2013. Of this, €8,218 million was redistributed to employees and €2,479 million was retained to finance future growth.

|                                  | Million EUR   | in %  |
|----------------------------------|---------------|-------|
| <b>VALUE ADDED</b>               | <b>13,125</b> |       |
| Wages and other compensation     | <b>8,218</b>  | 62.61 |
| Pension contributions            | <b>287</b>    | 2.19  |
| Income and other taxes           | <b>864</b>    | 6.58  |
| Dividends                        | <b>714</b>    | 5.44  |
| Interest repayments              | <b>558</b>    | 4.25  |
| Investments in local communities | <b>4.9</b>    | 0.04  |
| Retained for future growth       | <b>2,479</b>  | 18.89 |

# OUR CORPORATE SOCIAL RESPONSIBILITY STRATEGY

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Saint-Gobain's commitment to Corporate Social Responsibility (CSR) is based on the Group's Principles of Conduct and Action. The Group's long-term future depends on all of the actions performed by team members each day to comply with these Principles.

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Picture from Saint-Gobain's internal photo and video contest (China)

For nearly 350 years, Saint-Gobain has worked to develop relationships of trust with all of its stakeholders. The Group has been built on values that continue to guide its actions today. These values have been formalized in the Principles of Conduct and Action, which all employees are expected to embrace to be part of Saint-Gobain. Indeed, this is part of the Group Compliance Program (see pages 12-13).

These values are the foundation on which the Group's strategy is built. Responsible development, respect for people and respect for the environment will ensure Saint-Gobain's sustainable growth and performance. The Group's CSR approach focuses on five main areas: invent sustainable buildings, limit our environmental impacts, encourage employees' professional growth, support local community development and take action across the value chain.

These focus areas are integral to Saint-Gobain's businesses and relationships with customers. The eco-innovation approach gradually being implemented in the manufacturing activities is designed to create inno-

vative products with a smaller environmental footprint, from production through to use and end-of-life recovery and recycling (see pages 28-31). The long-term objective is to have a minimum impact on the environment. This ambition is reflected in investments to limit energy use and carbon emissions, for example, POINT.P group, in particular, has taken a pioneering approach in the area of shipping (see page 36). Measurement tools and improvement actions are defined at the Group level to support the sites.

Saint-Gobain's human resources policy is guided by its drive to be an employer of reference. This policy is based on respect for people and their diversity, attentiveness to working conditions and the work environment and quality social dialogue. The Group is committed to offering employees flexibility, openness and career opportunities - all of which play a fundamental role in well-being and performance in the workplace.

Employee health and safety is a prime concern at Saint-Gobain, where all team members are working together to achieve the long-term objectives

of zero work-related accidents and zero occupational illnesses. A Group Health policy, defined in 2013, has been added to the set of references in this area (see pages 48-49).

Saint-Gobain is involved in its local communities. Employees who sponsor projects supported by the Saint-Gobain Initiatives corporate Foundation (see pages 60-61) bring the Group's support to those in the greatest need in all host countries. This active involvement is visible throughout the value chain, through dialogue with customers to make joint advances in building techniques, and support for suppliers to encourage practices aligned with the Group's Principles. This is the goal of Saint-Gobain's responsible purchasing policy (see pages 72-73).

In all of the businesses, teams commit to the quality and sustainability of Saint-Gobain products and solutions, so that the Group can look to the future with serenity and strength.



# REFERENCE GUIDELINES

WITH A RICH HISTORY STRETCHING BACK ALMOST 350 YEARS, SAINT-GOBAIN HAS BASED ITS DEVELOPMENT ON A SET OF VALUES THAT ARE EXPRESSED ON A DAILY BASIS. SINCE 2003, THESE VALUES HAVE BEEN SPELLED OUT IN THE GROUP'S SHARED PRINCIPLES OF CONDUCT AND ACTION.



## PRINCIPLES OF CONDUCT

- PROFESSIONAL COMMITMENT,
- RESPECT FOR OTHERS,
- INTEGRITY,
- LOYALTY
- AND SOLIDARITY

represent a unifying force and shape the conduct of each and every member of Saint-Gobain, from senior management down to junior staff.



## PRINCIPLES OF ACTION

- RESPECT FOR THE LAW,
- CARING FOR THE ENVIRONMENT,
- WORKER HEALTH AND SAFETY
- AND EMPLOYEE RIGHTS

guide the actions of all corporate leaders and employees in the performance of their duties.

The Principles explicitly refer to International Labor Organization (ILO) conventions, OECD guidelines and the OECD Convention on Combating Bribery.



## THE GROUP'S INTERNATIONAL COMMITMENTS

By joining the United Nations Global Compact in 2003, Saint-Gobain confirmed its commitment to Corporate Social Responsibility in line with its Principles of Conduct and Action. In January 2009, the Group took its commitment to the UN Global Compact one step further by endorsing the Caring for Climate statement and the CEO Water Mandate for Water Resource Protection as part of the UN's Millennium Development Goals. On December 10, 2008 – the 60th anniversary of the Universal Declaration of Human Rights – the Group signed the declaration of management support for human rights, an initiative organized by the United Nations.

## SOCIALLY RESPONSIBLE INVESTMENT RATINGS

Saint-Gobain is rated by socially responsible investment agencies on the basis of publicly available information and declarations.

In 2013, Saint-Gobain was included in the STOXX® Global ESG Leaders, Euronext Vigeo Europe 120, Euronext Vigeo Eurozone 120, Ethibel ESI Excellence Europe and FTSE4Good sustainable development indices. Saint-Gobain is the leading Construction and Materials company in the FTSE4Good index.

The Group's presence in ethical stock indexes reflects its long-term commitment and achievements in the area of Corporate Social Responsibility.

# SAINT-GOBAIN'S COMMITMENTS

SAINT-GOBAIN'S CORPORATE SOCIAL RESPONSIBILITY POLICY IS BUILT AROUND FIVE AREAS, EACH OF WHICH CONTAINS A NUMBER OF COMMITMENTS.

## AREA 1

### INVENT SUSTAINABLE BUILDINGS

Saint-Gobain designs, manufactures and distributes building materials and high-performance materials, providing innovative solutions to the challenges of growth, energy efficiency and environmental protection.

| Priority challenges         | Indicators   | Achieved in 2013   | Objectives  |
|-----------------------------|--|--|---|
| Life Cycle Assessment (LCA) | Product ranges for which an LCA has been carried out | LCAs carried out for the last concerned product lines            | Conduct LCAs for all building market product lines      |
| Eco-innovation              | Training initiatives                                 | Training provided for the first teams involved in eco-innovation | Deploy the training module among all concerned managers |

## AREA 2

### LIMIT OUR ENVIRONMENTAL IMPACTS

Saint-Gobain's teams are focused on achieving the only acceptable objective, which is zero environmental accidents and a minimum impact on the environment from the Group's activities.

| Priority challenges             | Indicators   | Achieved in 2013        | Objectives                             |
|---------------------------------|--|-------------------------|--|
| Environmental certification     | Percentage of sites with environmental certification | 81.9%                   | 2013: 90% of concerned sites certified |
| Climate change                  | Reduction in direct CO <sub>2</sub> emissions        | 2.2% less than in 2010  | 2013: 6% less than in 2010             |
| Management of natural resources | Reduction in water withdrawals                       | 6.2% less than in 2010  | 2013: 6% less than in 2010             |
| Waste recycling and management  | Reduction in non-recovered waste                     | 11.7% less than in 2010 | 2013: 6% less than in 2010             |

<sup>3</sup> The number of days was exceptionally high in 2013 compared with previous years.

## AREA 3

**ENCOURAGE**  
 EMPLOYEES'  
 PROFESSIONAL  
 GROWTH

The objective of Saint-Gobain's human resources policies is to support the Group's development in a working environment that fosters personal and professional growth for all employees.

| Priority challenges | Indicators  | Achieved in 2013   | Objectives  |
|---------------------|---|--|---|
| Safety              | Reduction in the accident frequency rate<br>Frequency rates:<br>• Lost time accidents (LTAR)<br>• Total recordable accidents (TRAR)<br>These indicators concern employees and temporary staff | <ul style="list-style-type: none"> <li>• Overall LTAR: 2.3✓</li> <li>• Building Distribution LTAR = 3.3✓</li> <li>• Industrial TRAR = 4.3✓</li> </ul>  | In 2016:<br>• Group TRAR of less than 4.8   |
| Health              | Health policy   | Launch of the Group Health policy  | Ensure that each Delegation has an action plan for deploying the Health policy in cooperation with the Sectors and Activities   |
| Diversity           | Actively promote women by increasing their presence in all functions  | <ul style="list-style-type: none"> <li>• Percentage of women in the overall workforce: 20.5%</li> <li>• Managers trained to recognize and dispel gender stereotypes</li> </ul>                 | <ul style="list-style-type: none"> <li>• Systematically present women candidates for job openings and succession plans</li> <li>• Include more women in operating site teams</li> </ul>                         |
| Career mobility     | Develop career mobility between the Group's different Activities and functions  | <ul style="list-style-type: none"> <li>• Deployment of the OpenJob mobility management tool in the United States</li> <li>• Mobility Committees deployed in all General Delegations</li> </ul> | <ul style="list-style-type: none"> <li>• Deploy the OpenJob mobility management tool in the other General Delegations</li> <li>• Encourage mobility agreements in the event of economic difficulties</li> </ul> |

## AREA 4

**SUPPORT**  
 LOCAL COMMUNITY  
 DEVELOPMENT

Saint-Gobain deploys initiatives to promote the social and economic development of its job catchment areas, as well as community outreach programs.

| Priority challenges                   | Indicators   | Achieved in 2013          | Objectives  |
|---------------------------------------|--|---------------------------|---|
| Supporting local economic development | Number of days of technical support in France  | 261 days                  | 260 days in 2014 <sup>(3)</sup>                     |
| Supporting general interest projects  | Number of sponsorship agreements signed by the Saint-Gobain Initiatives International Corporate Foundation | 25 sponsorship agreements | 15 to 20 sponsorship agreements per year on average |

## AREA 5

**TAKE**  
**ACTION**  
 ACROSS THE VALUE  
 CHAIN

Saint-Gobain's size and worldwide scope give it a special responsibility in raising stakeholders' awareness to the challenges of CSR and in promoting exemplary practices.

| Priority challenges                      | Indicators   | Achieved in 2013   | Objectives  |
|--|--|--|---|
| Raising awareness among stakeholders     | Promotion of sustainable construction  | Saint-Gobain became a Platinum member of the US Green Building Council | Develop the Group's active participation in professional associations involved in CSR |
| Responsible purchasing                   | Number of suppliers (excluding distribution) who have undergone a CSR assessment | 398  | 500 in 2014   |
|  | Number of audited suppliers (initial audits)                                     | 44   | 60 in 2014  |
| Promoting responsible business practices | Number of managers trained in the Principles of Conduct and Action               | 100% of managers reached through online training                       | Improve knowledge of the Principles and ensure they are embraced by everyone          |

The measures being taken in each of these areas are described in the body of this report. Summary tables at the end of the report provide details on the indicators tracked in compliance with France's Grenelle II (Act of July 12, 2010 outlining the national commitment to the environment) and the GRI (Global Reporting Initiative), as well as on the progress made by the Group with regard to the Global Compact's ten principles.

# CORPORATE GOVERNANCE



2013 Annual General Meeting

## A CROSS-FUNCTIONAL ORGANIZATION SUPPORTING THE GROUP'S CORPORATE SOCIAL RESPONSIBILITY

Saint-Gobain's Chairman and Chief Executive Officer presents strategic corporate social responsibility objectives to the Board of Directors for review and approval. In late 2013, acting on a proposal from the Chairman and Chief Executive Officer, the Board of Directors decided to give the Strategy Committee responsibility for Corporate Social Responsibility (CSR) issues effective February 19, 2014. Following this extension of its terms of reference, the Committee is now known as the Strategy and Corporate Social Responsibility Committee.

The Corporate Secretary is responsible for leading Corporate Social Responsibility policy with support from the Responsible Development, Human Resources and Environment, Health and Safety Departments. These three departments notably interact with Purchasing, Marketing and R&D to ensure that the Group's CSR objectives and policies are applied at the operating level. Lastly, the Corporate Communications Department helps familiarize all employees with the challenges of CSR and makes the Group's policy and initiatives known

to stakeholders and the general public. The Investor Relations Department handles communication with financial analysts, investors and shareholders. Certain subsidiaries have set up CSR steering committees to apply their specific objectives aligned with the Group's strategy, establish roadmaps and track progress on environmental and social issues.





*Saint-Gobain head office (France)*

## BOARD OF DIRECTORS

*(as of February 1, 2014)*

### **Pierre-André de Chalendar**

*Chairman and Chief Executive Officer of Compagnie de Saint-Gobain*

### **Isabelle Bouillot**

*Chairman of China Equity Links*

### **Jean-Martin Folz**

*Corporate Director*

### **Bernard Gautier**

*Member of the Management Board of Wendel*

### **Anne-Marie Idrac**

*Former Secretary of State for Foreign Trade, Consultant*

### **Sylvia Jay**

*Corporate Director*

### **Pamela Knapp**

*Member of the Management Board and Chief Financial Officer and Administrative Director of GfK SE*

### **Agnès Lemarchand**

*Executive Chairman of Steetley Dolomite Limited*

### **Frédéric Lemoine**

*Chairman of the Management Board of Wendel*

### **Gérard Mestrallet**

*Chairman and Chief Executive Officer of GDF Suez*

### **Jacques Pestre**

*Senior Vice-President of POINT.P group,  
Chairman of the Supervisory Board of the Saint-Gobain PEG France corporate mutual fund*

### **Olivia Qiu**

*Chief Strategy & Innovation Officer of Philips Lighting  
Executive Vice-President of Philips*

### **Denis Ranque**

*Chairman of the Board of Directors of Airbus Group*

### **Gilles Schnepf**

*Chairman and Chief Executive Officer of Legrand*

### **Jean-Dominique Senard**

*Chief Executive Officer of Michelin*

### **Philippe Varin**

*Chairman of the Managing Board of Peugeot S.A.*

*Board secretary:*

### **Antoine Vignial**

*Corporate Secretary of Compagnie de Saint-Gobain,  
in charge of Corporate Social Responsibility*

*Compagnie de Saint-Gobain complies with the principles outlined in the corporate governance code issued by Association Française des Entreprises Privées (AFEP) and Mouvement des Entreprises de France (MEDEF).*



For full details,  
see the 2013 Registration Document  
at [www.saint-gobain.com](http://www.saint-gobain.com)

# BUSINESS PRACTICES

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In 2009, the Board of Directors of Compagnie de Saint-Gobain approved the launch of a Group Compliance Program to ensure that the Principles of Conduct and Action and their related obligations are applied properly in all Activities worldwide.

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*Saint-Gobain deploys programs to ensure that it applies responsible business practices*

## THE GROUP COMPLIANCE PROGRAM

At one of its meetings in 2013, the Board of Directors reviewed the deployment and progress of this program, which includes four main components:

- responsible development;
- the competition law plan;
- internal audit and internal control;
- a compliance alerts system.

### Responsible development

One of the Responsible Development Department's missions is to ensure that the Principles of Conduct and Action are distributed to all employees and that everyone understands them. Training courses organized during Saint-Gobain Management School sessions, in particular, help raise awareness among Group managers, as does the "ADHERE" on-line training program.

Over the past two years, new programs were added to support the Group's compliance policy, which is a direct application of the Principles of Conduct and Action:

- the anti-corruption program that includes initiatives and good practices already implemented in certain subsidiaries to prevent international business transaction risks. This program covers:

- active and passive corruption,
- relations with national, foreign or international government agents,
- the private sector;

- the economic sanctions and embargos compliance program ensures that the Group's international trade complies with international regulations.

These two programs were rolled out across the Group and training initiatives were deployed throughout 2013. An online training module on preventing corruption was also developed for deployment in 2014. Versions in the different languages used by the Group will be gradually introduced.

### Competition Law Plan

All Saint-Gobain employees are expected to comply at all times with Competition Law guidelines, and

General Management regularly reminds them of the Group's zero tolerance policy.

The objective of the Competition Law Plan, launched in 2007, is to ensure compliance with Competition Law and comprises three parts:

- training, with the online Comply training program for all managers, available in 21 languages, backed by more in-depth seminars led by lawyers and Group legal specialists for the most directly concerned managers;
- unannounced competition audits performed by specialized lawyers;
- a Competition Law Compliance guide available in 18 languages and distributed to some 35,000 Saint-Gobain employees worldwide.

### Internal audit and internal control

The internal control system is designed to ensure that units effectively manage their principal risks, comply with applicable laws and regulations and apply the strategy and guidelines set by General



*Principles of Conduct and Action Day in Brazil*

## THE COMPLIANCE NETWORK

A detailed review of the Compliance Program's implementation is presented each year to the Board of Directors of Compagnie de Saint-Gobain. Implementation is carried out through a compliance network coordinated by the Corporate Secretary. Encompassing 80 corporate and line executives, the network includes:

- 25 compliance correspondents;
- a Compliance Committee in each General Delegation;
- a Group Compliance Committee, made up of top executives from the Sectors and from Compagnie de Saint-Gobain.

Management. Internal control also verifies that processes operate properly, that financial information is reliable, that property, plant and equipment and intangible assets are safeguarded and that fraud is detected and eradicated.

As part of the Group Compliance Program, the Internal Audit and Internal Control Department has designed and deployed a compliance statement that all general managers must sign each year. A detailed description of the compliance statement is provided in the *Registration Document* (page 109).

### Compliance alerts system

The Group's compliance alerts system has been deployed in virtually all of its host countries, in line with local administrative constraints and legislation.

In each host country, a mailbox enables employees to send an e-mail to the regional compliance correspondent, who is responsible for collecting and processing the messages and

for ensuring that the identities of the authors and the persons discussed remain confidential. This optional system provides a way to report serious violations of applicable laws, internal rules and procedures, or the Principles of Conduct and Action. All reports must be submitted in good faith. Anonymous reports are not accepted.

In addition to this system, employees in North America, the United Kingdom and India continue to have access to local hotlines. The alerts received via hotlines are also processed in a way that ensures that the identities of the callers and the persons discussed remain confidential.

### HUMAN AND CHILDREN'S RIGHTS

The first two principles of the UN Global Compact urge businesses to "support and respect the protection of internationally proclaimed human rights" (Principle 1) and "make sure

that they are not complicit in human rights abuses" (Principle 2).

Saint-Gobain's Principles of Conduct and Action are more specific. The Principle concerning employee rights states that "Group companies [...] must refrain from any form of recourse to forced labor, compulsory labor, or child labor - whether directly or indirectly or through sub-contractors when the latter are working on a Group site." Saint-Gobain refers to the applicable Conventions of the International Labor Organization for the definition of these concepts. The Principle also states that Group companies "must refrain from any form of discrimination with respect to their employees, whether in the recruitment process, at hiring, or during or at the end of the employment relationship."

A specific reporting process has been deployed to measure the results of actions taken and to signal the Group's determination to apply and enforce its fundamental values in the front lines.

# EHS

## POLICY

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Saint-Gobain's Environmental, Health and Safety (EHS) policy flows from its Principles of Conduct and Action (see page 7). It puts the environment (see pages 28-29 and 32-41), health and safety (see pages 46-49) on equal footing, setting as its objectives **zero work-related accidents, zero occupational illnesses, zero environmental accidents and a minimum impact on the environment from our activities.**

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The EHS network is responsible for supporting operations managers in developing and implementing EHS policies

The Group's EHS policy is based on setting three-year objectives, deploying action plans developed at the local level and regularly measuring the results obtained.

### EHS objectives

Senior Management develops and issues framework policies that apply to all Saint-Gobain sites worldwide. Examples include the Health policy (see pages 48-49) issued in 2013 and the Water policy issued in 2011. Similar framework policies are currently being prepared, notably for energy and climate change.

Saint-Gobain has drawn up EHS standards and recommendations to support the implementation of its EHS objectives (see opposite). These standards and recommendations were developed in response to specific EHS concerns. The standards are compulsory, and describe the minimum requirements with which sites must ultimately comply, regardless of country or local legislation (see pages 38-41, 46-49 and 82-87).

A training program comprising both distance and classroom learning is

available to help managers and the EHS network apply these policies and standards.

### A coordinated network of expertise

Saint-Gobain's EHS structure is built around a network of correspondents in the Group's Sectors, General Delegations and sites. This organizational structure enables the EHS function to remain close to business operations, respond to specific local circumstances and ensure overall consistency.

Within each Sector, one or more employees are appointed to propose an EHS policy tailored to the specific nature of the Sector's operations and to oversee its implementation. Similarly, within each General Delegation, a representative coordinates Group and Activity EHS initiatives at the local level and ensures compliance with local regulations and Group standards. These EHS representatives work in turn with correspondents at the various companies and facilities.

In liaison with the central EHS Department, these professionals form

a network responsible for supporting operations managers in developing and implementing EHS policies.

### Audits

Saint-Gobain's audit system is based on the EHS and self-diagnostic audits initiated by the EHS Department and a self-assessment questionnaire introduced by the Internal Audit and Internal Control Department. The EHS audits address environment, health and safety issues and are performed by experienced, specially-trained in-house auditors. They are crucial to obtaining a reliable assessment of the EHS management system and give rise to practical recommendations. The audits are designed to give site directors an objective view of their situation and EHS management system, and to provide suggested action plans for improvement.

On average, each industrial Activity site is audited once every three years. In 2013, 262 audits were performed. The Building Distribution Sector has its own tailored audit. Known as ESPR for Environment, Safety and Prevention of Risks, the audit also



**TOTAL ENVIRONMENTAL EXPENDITURE****€123.9 million****PERCENTAGE OF TRAINING HOURS DEVOTED TO EHS****28.9%**

includes a section on equipment safety and business interruption risk. The majority of ESPR auditors belong to the Building Distribution Sector. In 2013, 364 ESPR audits were carried out within the Group.

**Close cooperation with research and development centers**

The research and development teams cooperate with the EHS department

to integrate EHS concerns into product and process innovation and to address new EHS issues that they encounter. An EHS checklist is used to verify specifications on raw materials, manufacturing processes, product use and end-of-life treatment. The checklist was updated in 2013 to make it easier to use.

To ensure that R&D specifications take health and environmental concerns

into account, the R&D tracking process includes an EHS validation procedure.

In the field of nanomaterials, a code of conduct has been drawn up by both teams to identify mandatory handling procedures and to ensure that potentially hazardous ultra-fine particles are used solely at three authorized sites equipped with specific installations to protect employees.

**EHS OBJECTIVES**

In implementing EHS policy, senior management sets Group-wide objectives in the areas of health, safety and the environment. Applied in each Activity and General Delegation, these objectives are used by the units as a reference in drawing up their annual EHS policy. The objectives are set for three-year periods (currently 2011-2013).

Details on the results for 2011-2013 are provided on pages 34-41 and 46-49.

**Health and safety**

The Group exceeded its accident rate reduction objectives for the 2011-2013 period.

- Lost-time accident rate (LTAR) – Group: objective: less than 2.6; achieved = 2.3
- Total recordable accident rate (TRAR) – Industrial Sectors: objective: less than 4.8; achieved = 4.3
- LTAR – Building Distribution: objective: less than 4.1; achieved = 3.3

These indicators include permanent and temporary employees.

New health and safety objectives have been defined for the 2014-2016 period.

- Achieve a total recordable accident rate (TRAR) of less than 4.8 for the Group. This indicator includes permanent and temporary employees.
- Each General Delegation is drawing up action plans to implement the Health policy in cooperation with the Sectors and Activities.

**Environment**

Objectives were defined for the 2011-2013 period to reduce the Group's environmental impact.

- Climate change: reduce direct CO<sub>2</sub> emissions by 6% (achieved: 2.2%)
- Management of natural resources: reduce water withdrawals by 6% (achieved: 6.2%)
- Waste recycling and management: reduce non-recovered waste by 6% (achieved: 11.7%)

The Group is pursuing its efforts to reduce the environmental impact of its sites and deploying new cross-business policies for water, life-cycle analyses and other areas. New objectives are being finalized for the 2014-2016 period.

Since 2004, the Group has used a centralized EHS reporting system known as Gaïa.

**UPDATED EHS CHARTER**

The Group's Environment, Health and Industrial Hygiene and Safety Charter was updated in 2013. Posted at all Group sites and available in 35 languages, the Charter presents Saint-Gobain's objectives to all visitors and employees: zero work-related accidents, zero professional illnesses, zero environmental accidents and a minimum impact on the environment from Group activities. These objectives are included in the letter of commitment concerning Saint-Gobain's EHS policy signed by Chairman and CEO Pierre-André de Chalendar.

**AN ASSERTIVE CERTIFICATION POLICY**

Certification is an effective management tool in order to include environmental, health and safety issues in overall unit management. As of December 31, 2013, 81.9% of concerned sites<sup>(4)</sup> (421 in all) had received ISO 14001 environmental management system certification and/or were EMAS registered versus 75.3% in 2012 for a comparable scope of reporting. The number of Health & Safety-certified sites (OHSAS 18001 - ILO-OSH 2000) stood at 376 as of December 31, 2013 versus 340 a year earlier for a comparable scope of reporting.

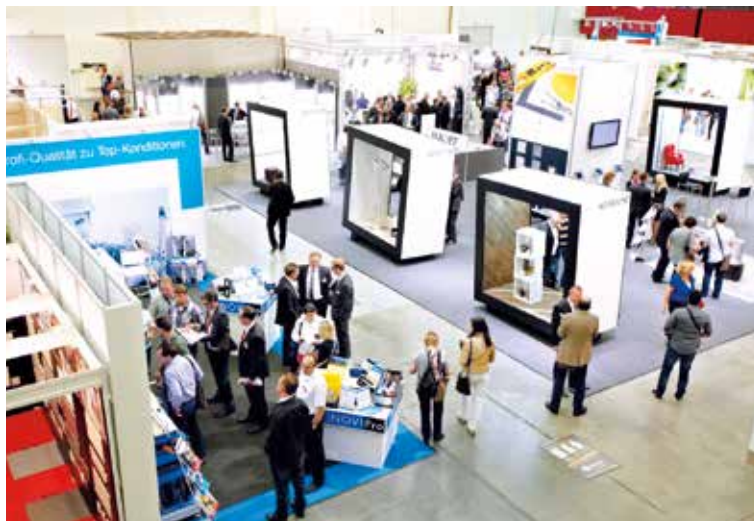
<sup>4</sup> The scope includes sites concerned by the three-year objectives. It represents, for example, around 90% of the Group's water withdrawals (excluding the Building Distribution Sector).

# DIALOGUE WITH STAKEHOLDERS

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Saint-Gobain interacts with a large number of stakeholders. In each of its Activities and host regions, and for all existing or potential impacts, teams at both the corporate and local levels listen closely to stakeholder concerns and organize effective dialogue.

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Trade shows, such as Saint-Gobain Building Distribution Deutschland's Preview tiling show in Germany seen here, offer an opportunity to talk with customers

The Group organizes relations with each stakeholder, based on the situation, by identifying appropriate information channels and, when necessary, selecting a suitable framework and venue for dialogue at the appropriate level of its organization (headquarters, Activities, sites). This system reflects the Group's organization by Activity and by country, size, international dimension, diverse business portfolio and decentralized management, which gives the operating units a great deal of autonomy in conducting their activities. Each Activity, therefore, has a specific responsibility to listen to stakeholders, establish effective dialogue and take action on Corporate Social Responsibility issues.

## Dialogue with employees

Social dialogue (see page 51) is essential at Saint-Gobain, as the numerous agreements signed with employee representatives attest. Most of the social dialogue process takes place at the company or facility level, where it can deliver an appropriate response to local concerns and issues. Team managers lead social dialogue on a day-to-day basis, in a process that relies on employee involvement, discussions with employee representatives and active communication.

At the corporate level, Senior Management is deeply involved in the European Social Dialogue Convention, a body of 70 labor union representatives from 27 European countries who meet to discuss strategy and cross-border issues with the Group's executive management.

A number of regular events enable managers to talk directly with Senior Management. For example, the *Carrefours* and *mini-carrefours* forums, organized several times a year around the world, offer hundreds of managers an opportunity to gain greater insight into the Group's strategic vision and to submit their questions directly to the Chief Executive Officer and top executives.

## Dialogue with customers

The Activities and Sectors are in direct contact with customers on a daily basis. At the corporate level, Habitat Committees maintain a regular dialogue with specifiers.

## Dialogue with suppliers

As part of its responsible purchasing policy (see pages 72-73), Saint-Gobain has implemented tools and procedures to monitor suppliers more effectively and improve dialogue on the basis of mutual commitments and fact-based evaluations.

## Dialogue with shareholders, investors and the financial community

Saint-Gobain regularly provides information on its results, strategy and major achievements, notably during meetings with financial analysts and investors or at shareholder fairs and meetings. This information is also made available on the Group's website, in the *Registration Document* and in the *Letters to shareholders*.

In addition to these regular encounters, Saint-Gobain organized a meeting with investors in November 2013 during which Chairman and CEO Pierre-André de Chalendar and senior executives presented the Group and main Activities' strategy as well as key priorities for the next five years. The three main areas for progress include improving the Group's growth potential by focusing more on high value-added activities; creating a stronger presence in differentiated products and solutions; and continuing to work towards management's priorities (operational excellence, further progress in Corporate Social Responsibility, attractive returns to shareholders, and a persistently solid financial structure).



“

After 2 years of international business studies abroad and 5 years of expatriation in Japan and the USA, I joined Saint-Gobain Weber 23 years ago, at a stage when the company was starting its international expansion. To cut a long story short, more than 20 years of learning and achievement, through 6 job positions and 4 different countries. My first important criteria in choosing and feeling well in a company are the values and how they are made shared among their employees. This is what I recommend to students and to my own children, when looking for an internship or a first job. Personal growing opportunities and challenges are also quite important.”



**Frédéric Beaurain**  
Area Marketing Director for Asia-Pacific,  
Saint-Gobain Weber, Thailand  
Testimonial posted on  
[www.saint-gobain-experience.com](http://www.saint-gobain-experience.com)



“

People expect buildings to serve a lot more their needs than before. Natural daylight, larger and open spaces, better noise protection, automation and comfortable temperatures all year round in any kind of indoor environment are expected as basic requirements. Today, we find more high tech materials on the market as well as proven standards in energy efficiency all over the world. I believe companies like Saint-Gobain should now focus on educating people about the available solutions and providing affordable products and services.”



**Roland Matzig**  
Architect specializing in the Passive House standard, founder of r-m-p architectural practice, Germany



“

Forming a relationship with Saint-Gobain has been very important for small companies such as ours, which are more exposed to the fast changing market for renewable and sustainable solutions. Implementing the lessons learnt in practical terms with Saint-Gobain will allow us to take on the most cost effective and efficient measures which will help us reduce our reliance on fossil fuels.”



**Ryan Taylor**  
Contractor, United Kingdom  
Attending the Greenworks Training Academy



“

We expect Saint-Gobain, as the leader in sustainable habitat solutions, to address the entire life cycle of products put on the market. It is crucial to anticipate end-of-life treatment starting at the drawing board stage. This type of upstream thinking makes it possible to bring in all the players involved as early as possible and to develop the most appropriate recovery or recycling solutions while keeping costs down.”



**Sébastien Petithuguenin**  
Deputy CEO, Paprec  
*Recycling company Paprec is partnering with Saint-Gobain to organize a formal channel for recovering and recycling end-of-life windows (see page 31).*

# DIALOGUE WITH STAKEHOLDERS



*Pierre-André de Chalendar at the inauguration of a Saint-Gobain Initiatives Foundation project in France*

## Dialogue with local communities

Saint-Gobain listens carefully to the people who live near its sites. The Group contributes to its local communities through initiatives focused on local economic development, the promotion of human rights or community outreach programs. These initiatives offer an opportunity for community representatives to meet with employees at Group sites, as well as with Senior Management, notably during ceremonies to inaugurate projects financed through Saint-Gobain sponsoring.



*Building and renovation of social housing with the Saint-Gobain Initiatives Foundation in Romania*

“

I started working in fundraising for Habitat for Humanity Romania when concepts like CSR were hardly known in the country. Groups like Saint-Gobain have contributed to spread the notion due to their sustainable strategies. I remember my first local partnership with Saint-Gobain ISOVER in 2007 to insulate 27 homes in Radauti. In 2013, we joined efforts with the Group to accomplish two projects for local communities. CSR means more than corporate volunteer and partnerships with NGOs. CSR means a constant care for the staff and for the way a company does business.”



LOCAL COMMUNITIES



**Mario DeMezzo**

National Director of Habitat for Humanity Romania



| Group's stakeholders              | Information channels  | Opportunities for dialogue  | Page(s)          |
|-----------------------------------|---|---|------------------|
| Customers                         | <ul style="list-style-type: none"> <li>• Publications (such as <i>Carnets de Chantiers</i>)</li> <li>• Group company websites</li> <li>• Professional forums and trade shows</li> <li>• Training courses</li> <li>• The publication of guides on energy efficiency and the environment</li> </ul> | <ul style="list-style-type: none"> <li>• Conventions</li> <li>• Training sessions</li> <li>• Distribution networks</li> <li>• Professional trade shows</li> </ul>   | 16-18, 70-71     |
| Users                             | <ul style="list-style-type: none"> <li>• Group company websites</li> <li>• Recommendations charters designed to promote insulation in existing buildings</li> <li>• Presentations to schoolchildren</li> <li>• Participation in associations or user groups</li> </ul>                            | <ul style="list-style-type: none"> <li>• Professional trade shows</li> <li>• Showrooms</li> <li>• Partnerships with community representatives through associations or groups like <i>Effinergie</i>, <i>Isolons la Terre</i>, <i>Casa que Ahorra</i> and <i>Spaar het klimaat</i>, etc.</li> </ul>          | 68-71            |
| Suppliers                         | <ul style="list-style-type: none"> <li>• Suppliers' charter</li> <li>• Responsible purchasing clauses</li> <li>• Supplier self-assessments</li> </ul>   | <ul style="list-style-type: none"> <li>• Supplier/customer agreements (Saint-Gobain Building Distribution)</li> <li>• Audits and action plans</li> </ul>  | 72-73            |
| Employees                         | <ul style="list-style-type: none"> <li>• Internal communication media</li> <li>• Meetings with Group Senior Executives</li> </ul>   | <ul style="list-style-type: none"> <li>• <i>Carrefours</i> and <i>mini-carrefours</i></li> <li>• Meetings</li> <li>• Surveys</li> </ul>   | 16-18, 51        |
| Employee representatives          | <ul style="list-style-type: none"> <li>• Representative bodies</li> </ul>   | <ul style="list-style-type: none"> <li>• Labor union agenda</li> <li>• European social dialogue</li> <li>• French social dialogue</li> </ul>  | 16-18, 51        |
| Employee shareholders             | <ul style="list-style-type: none"> <li>• Group publications</li> <li>• Intranet</li> <li>• Group Savings Plan brochure</li> <li>• Dedicated website</li> </ul>  | <ul style="list-style-type: none"> <li>• <i>Club des Saint-Gobain</i></li> <li>• Representative on the Board of Directors</li> </ul>  | 54               |
| Individual shareholders           | <ul style="list-style-type: none"> <li>• Group publications</li> <li>• Website</li> <li>• <i>Letter to Shareholders</i></li> <li>• <i>Shareholder's handbook</i></li> <li>• Regional brochure</li> </ul>  | <ul style="list-style-type: none"> <li>• Regional meetings</li> <li>• Investors' fair</li> <li>• Site visits</li> <li>• Stock market training courses</li> <li>• Shareholders' Club</li> </ul>  | 16-18            |
| Institutional shareholders        | <ul style="list-style-type: none"> <li>• Group publications</li> <li>• Website</li> </ul>   | <ul style="list-style-type: none"> <li>• Presentations to analysts</li> <li>• Meetings with investors</li> </ul>  | 16-18            |
| SRI rating agencies               | <ul style="list-style-type: none"> <li>• Group publications</li> <li>• Website</li> <li>• Media</li> <li>• Public declarations</li> <li>• Position papers</li> </ul>  | <ul style="list-style-type: none"> <li>• Meetings</li> <li>• Evaluation processes</li> </ul>  | 16-18            |
| Research centers and universities | <ul style="list-style-type: none"> <li>• Gay-Lussac days</li> <li>• Participation in university training courses</li> <li>• School forums</li> </ul>  | <ul style="list-style-type: none"> <li>• Academic chairs</li> <li>• Partnerships</li> <li>• Scholarships</li> <li>• Thesis placements</li> <li>• Internships</li> <li>• Student contests</li> </ul>   | 26-27, 44-45     |
| Professional associations         | <ul style="list-style-type: none"> <li>• Participation in working groups</li> <li>• Development of technical standards</li> <li>• Green Building Councils</li> </ul>  | <ul style="list-style-type: none"> <li>• Commissions</li> <li>• Various committees</li> </ul>   | 68-69            |
| NGOs and non-profit associations  | <ul style="list-style-type: none"> <li>• Group publications</li> <li>• Meetings</li> </ul>  | <ul style="list-style-type: none"> <li>• Participation in surveys</li> <li>• Cooperation on development and training projects</li> <li>• Partnerships</li> <li>• Sponsoring in areas related to the environment or access to energy efficient solutions</li> <li>• Support for job opportunities</li> </ul> | 18, 60-63, 68-69 |
| Local communities                 | <ul style="list-style-type: none"> <li>• Meetings initiated by sites or Delegations</li> <li>• Inaugurations and ceremonies organized in connection with outreach projects</li> </ul>   | <ul style="list-style-type: none"> <li>• Community outreach (sponsoring)</li> <li>• Initiatives to support local economic development</li> </ul>  | 18, 60-63        |
| Regional bodies                   | <ul style="list-style-type: none"> <li>• Regular meetings with elected officials and civil servants</li> </ul>  | <ul style="list-style-type: none"> <li>• Participation in economic development programs</li> <li>• Relations with chambers of commerce</li> </ul>   | 58-59, 68-69     |
| Institutions                      | <ul style="list-style-type: none"> <li>• Experimental work in partnership with public organizations and elected officials</li> <li>• Sustainable development information sheets on topics like energy efficiency distributed through city halls</li> <li>• Lobbying</li> </ul>                    | <ul style="list-style-type: none"> <li>• Dialogue on the environmental and social impact of habitat solutions</li> </ul>  | 68-69            |
| Media                             | <ul style="list-style-type: none"> <li>• Group publications</li> <li>• Website</li> <li>• Public declarations</li> <li>• Position papers</li> <li>• Press releases</li> </ul>   | <ul style="list-style-type: none"> <li>• Meetings</li> <li>• Interviews</li> <li>• Press conferences</li> </ul>   |                  |

THE

AREAS

OF SAINT-GOBAIN'S  
**CORPORATE SOCIAL  
RESPONSIBILITY STRATEGY**

IN ADDITION TO THE GROUP COMPLIANCE PROGRAM, SAINT-GOBAIN'S CSR POLICY IS BUILT AROUND FIVE KEY AREAS: INVENT SUSTAINABLE BUILDINGS, LIMIT OUR ENVIRONMENTAL IMPACTS, ENCOURAGE EMPLOYEES' PROFESSIONAL GROWTH, SUPPORT LOCAL COMMUNITY DEVELOPMENT AND TAKE ACTION ACROSS THE VALUE CHAIN.



INVENT  
**SUSTAINABLE  
BUILDINGS**



LIMIT OUR  
**ENVIRONMENTAL  
IMPACTS**



ENCOURAGE  
EMPLOYEES'  
**PROFESSIONAL GROWTH**



SUPPORT  
**LOCAL COMMUNITY  
DEVELOPMENT**



TAKE ACTION  
ACROSS THE  
**VALUE CHAIN**









**24** Sustainable buildings



**26** Innovation



**28** Limiting the impact  
of our solutions

SAINT-GOBAIN DESIGNS,  
MANUFACTURES AND DISTRIBUTES  
BUILDING MATERIALS AND  
HIGH-PERFORMANCE MATERIALS,  
PROVIDING INNOVATIVE SOLUTIONS  
TO THE CHALLENGES OF GROWTH,  
ENERGY EFFICIENCY AND  
ENVIRONMENTAL PROTECTION.

AREA 1

# INVENT SUSTAINABLE BUILDINGS

# SUSTAINABLE BUILDINGS

Saint-Gobain's ambition is to be the reference in the sustainable habitat and construction markets, which are facing major environmental challenges. The need for healthy, comfortable and energy-efficient housing remains considerable.



Nieuwegein City Hall in the Netherlands, in competition for the Gypsum Activity's 2012 International Awards

Stepped-up efforts to build new buildings and renovate old ones are required to address the trends of accelerated urbanization in fast-growth economies and aging constructions in mature countries. At the same time, it has become urgent to limit energy consumption and raw materials use in the face of climate change and declining natural resources. The building industry alone accounts for nearly 40% of energy consumption and 38% of greenhouse gas emissions in industrialized nations<sup>5</sup>. No significant progress can be made without massive action in this area.

To meet the challenges of growth, energy efficiency and environmental protection, Saint-Gobain offers innovative solutions for residential buildings, offices, hospitals, daycare centers,

schools and other service-sector buildings. The building projects carried out under the Multi-Comfort program (see *opposite*) demonstrate that it is possible to build or renovate these types of buildings with currently available materials and technologies.

### Solutions for energy efficiency

With its range of insulation solutions, Saint-Gobain helps save energy and reduce greenhouse gas emissions. A properly insulated building consumes four or five times less energy for heating (or air-conditioning) than a non-insulated home. Windows also play a critical role in a building's energy performance. A 2009 study<sup>6</sup> suggests that replacing every window in the European Union with advanced, low-emissivity double

glazing would cut CO<sub>2</sub> emissions by up to 90 million metric tons annually — equivalent to nearly one third of the European Union's building greenhouse gas emissions target. The world's leading producer of coated glass, Saint-Gobain has increased its window glazing's energy performance by a factor of six in the past 20 years through a major research and development commitment.

The Group makes every effort to anticipate and understand user needs around the world, taking into account each region's markets, techniques, materials, cultural specificities and local practices.

<sup>5</sup> It also has a considerable impact on water use (accounting for 12% of drinking water consumption) and waste (producing 40% of solid waste).  
Source: "Building Design and Construction: Forging Resource Efficiency and Sustainable Development", United Nations Environment Program - Sustainable Buildings and Climate Initiatives (UNEP-SBCI).

<sup>6</sup> Study conducted by TNO, a Dutch scientific research organization, for the Glass for Europe association.

**MULTI-COMFORT PROGRAM**

Saint-Gobain's Multi-Comfort program aims to demonstrate the effectiveness of the Group's solutions while delivering superior comfort and environmental performance for all buildings. Several Group Activities have joined forces on residential and non-residential building and renovation projects. As a showcase of Saint-Gobain know-how, these projects comply with each country's specific features while anticipating new regulations. Designed to minimize environmental impacts, the program focuses on various types of comfort - thermal, acoustic, visual (attractive, with optimized use of natural light), air quality, security and modular (to adapt to changing needs). In France, the concept has been extended to residential buildings for the elderly under the Multi-Comfort Serenity name.



  
**FINLAND**

**COMFORT IN THE WINTER AND SUMMER ALIKE**

Seven companies and brands\* were involved in equipping the first Multi-Comfort house in Finland, which was designed by the winner of the ISOVER Multi-Comfort architecture contest launched in 2011. Other energy-efficient homes have been built in Belarus, Bulgaria and the United States. In France, a social housing building is being renovated in Villeneuve-Saint-Georges, near Paris.

\* Saint-Gobain ISOVER, Saint-Gobain Gyproc, Saint-Gobain Weber, Ecophon, Saint-Gobain PAM, Saint-Gobain Glass and Dahl.

**SUSTAINABLE HABITAT MISSION**

The sustainable habitat mission, created in 2010, supports the Group's Activities to make Saint-Gobain the reference in the sustainable habitat and construction markets. Its scope of action was reinforced and broadened in 2013 following Peter Hindle's appointment to the position of Senior Vice-President in charge of Sustainable habitat.

On one hand, the mission provides teams with tools and methods to develop innovative, long-lasting solutions for the habitat and construction markets. Its three focus areas are life-cycle assessments, eco-innovation and the circular economy (see pages 28-31). On the other hand, the mission also defines and coordinates the Group's strategy for influencing sustainable construction markets, notably within the framework of discussions with stakeholders (see pages 68-69).



  
**UNITED KINGDOM**

**PASSIVE HOUSE SUBDIVISION**

Jewson, the leading distributor of sustainable timber and building materials, is delivering numerous products for the Pennsylvania Heights project for 72 passive-energy houses being built on the Isle of Portland. The homes comply with very stringent insulation criteria, have very low heating needs and use wood from local sustainable sources.

# INNOVATION

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Research and innovation are at the center of Saint-Gobain's strategy and Corporate Social Responsibility policy. The Group's evolution, combined with the gradual transformation of the habitat and construction markets, has created a dynamic of openness.

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*Rantigny insulation research center (France)*

## **Dynamic R&D**

Ongoing initiatives to develop the Group's innovation culture are clearly producing results: for the third year in a row, Saint-Gobain ranked among Thomson Reuters' Top 100 Global Innovator Companies.

In 2013, R&D spending totaled more than €440 million and 3,700 team members worked on more than 900 research projects. Saint-Gobain has seven major cross-functional research centers that serve all the Activities. The Group also has a dozen research centers dedicated to specific Activities and around 100 development units worldwide. These investments and the research teams' efforts have resulted in a significant number of patents; the Group files about 400 patents every year.

## **Attentiveness to customer needs**

For many years now, R&D and Marketing teams have been working together at the corporate level, as well as in the Activities and country organizations. This system makes it easier to develop specific responses to market expectations, anticipate emerging needs and shorten time to market. Cross-business Habitat Committees, present in 38 countries, foster dialogue among teams involved in innovation processes. In the area of habitat solutions, Saint-Gobain is enhancing its research teams' skills with a focus on the Group's large cross-business programs concerning acoustics, energy efficiency, thermal comfort of buildings, indoor air quality and fire resistance. These programs tie in directly with the marketing teams' priority avenues and the Multi-Comfort program (see page 25).

## **Partnerships and co-development**

Saint-Gobain's outward-looking strategy has led it to develop and diversify its partnerships. To keep up with eco-system complexity and ever-faster technological change, the Group needs to work more with external partners to extend its expertise. For this reason, Saint-Gobain forges partnerships with universities, other manufacturers and innovative start-ups. Within the framework of Saint-Gobain University Network (SUN), the Group collaborates with universities and research institutes around the world. For instance, several research projects have been launched in Germany with Fraunhofer Institutes.





Shanghai research center (China)

**€441 million**  
OF SPENDING

NEARLY  
**400**  
PATENTS FILED IN 2013

**3,700**  
PEOPLE

**7**  
CROSS-FUNCTIONAL  
R&D CENTERS

**12**  
RESEARCH CENTERS AND  
AROUND 100 DEVELOPMENT  
UNITS WORLDWIDE

**EXTENSION OF THE  
SHANGHAI RESEARCH  
CENTER**

The addition to the Shanghai Research Center was inaugurated in September 2013, adding 8,300 square meters of new laboratories, offices and common areas to the existing 5,500-square-meter facility. A model of sustainable construction, this eco-designed building is certified to Saint-Gobain CARE:4® standard and is in the process of obtaining certification under the American LEED® and Chinese GBDL standards. Ultimately, the center will host 400 researchers and support Saint-Gobain's strategy in markets in the Asia-Pacific region.



**STRAIGHT FROM START-UPS**

Following on the heels of Saint-Gobain Research and Placoplatre, Saint-Gobain Adfors signed a partnership agreement in 2013 with Brochier® Technologies to co-develop lighting fabrics incorporating fiber fabrics. Founded in 2007 and detected by teams from NOVA External Venturing, Brochier® Technologies is specialized in the design of fiber fabrics. These fabrics, which are powered by LEDs, offer possibilities for applications in building, lighting, signage and decoration.

Within Saint-Gobain, NOVA is responsible for identifying start-ups with innovations that represent a strategic interest for the Group's businesses and for developing partnerships with the Group's Activities. NOVA has entered into nearly 60 partnerships worldwide since it was created in 2006, more than half of them referred by Saint-Gobain employees.

# LIMITING THE IMPACT OF OUR SOLUTIONS

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For years, Saint-Gobain's Activities have been working to reduce their solutions' environmental and use-related impacts. This has led to a number of innovative products.

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Marketing, production and R&D teams at the European research and studies center (France)

Saint-Gobain is committed to providing customers with real added value by developing and distributing innovative solutions that reduce the environmental impact of buildings and infrastructure across their full life cycle. This is the objective of the Group's eco-innovation policy. A product is considered to be eco-innovative if it contributes to reducing the operational use of resources (particularly energy and water) in buildings and infrastructure and/or if it has a reduced environmental impact across its life cycle, from raw materials extraction to the end-of-life phase. The Group has formalized an eco-innovation approach based on existing best practices that have been adapted to Saint-Gobain's culture and organization. This approach comprises three principles and four success factors. A number of these principles have already been applied in the development of certain products (see examples opposite).

### Three principles

When the Group wants to develop a product, it starts by considering

all stages in the life cycle in order to assess the product's overall environmental impact. This life-cycle thinking is the first principle applied to all new eco-innovation projects.

It is also important to consider all the impacts that may be related to a product, including greenhouse gas emissions, water use and waste production. Implementing a multi-criteria approach is the only way to ensure that reducing one impact does not increase another.

Lastly, a systemic approach is crucial, particularly for building materials. Because these products are installed and used together, not separately, it is important to consider the entire system in which they work.

### Four success factors

The Group has found that a cross-functional approach is needed for successful eco-innovation. A multi-disciplinary project team is required to consider all aspects of a project and to take all steps in the life cycle into account.

It is also important to work as far upstream as possible, since 80% of

a product's environmental impact is determined during the upstream phase of the development process.

Being customer-oriented, which means having a good understanding of market expectations, also makes it possible to prioritize environmental objects so as to create value.

Lastly, creativity is a key factor in eco-innovation. The priority is to meet a customer's expectations in an optimal and innovative way, while working to reduce the product's environmental impact.

### Eco-innovation training

The sustainable habitat mission introduced an awareness-raising training course in 2012 that was deployed in 2013 to instill a culture of eco-innovation throughout the Group. A more in-depth training program for teams involved in the development process was finalized and the first teams completed the course. Eco-innovation training will continue in 2014 in the Group's priority host countries.



**NEW GENERATION TILING ADHESIVES**

A new generation of Weber tiling adhesives was developed in 2013 to provide users with a product that makes it easier to work in a healthy environment, while limiting environmental impacts. Non-irritating weber.col flex éco deformable adhesive does not require a safety label on the packaging. This easy-to-use product benefits from a low dust formulation that is appreciated by professionals. It is ranked A+ according to the French labeling system and EC1 PLUS according to the EMICODE labeling system, corresponding to very low volatile organic compound (VOC) emissions. A comparison of life-cycle assessments also shows that this product has a lower environmental impact than a conventional adhesive in the same performance class, allowing for reductions of:

- 56% in CO<sub>2</sub> emissions;
- 35% in consumption of non-renewable energies;
- 35% in air pollution.

The exclusive, patented formulation includes raw materials recycled from industrial byproducts.



**LOW EMISSIVITY WINDOW FILM**

Launched in March 2013 by Solar Gard, Ecolux 70 Low-E is a low-emissivity film that improves thermal insulation when applied to single or double glazing. Ecolux 70 uses a low-emissivity coating whose unique sun-control properties reduce heat intensity in the summer. Room temperature is also maintained at a comfortable temperature in the winter, as heat is reflected inside. This innovation not only improves comfort, but also reduces energy costs from air conditioning and heating.



**PLANT-BASED BINDER**

Sustainable Insulation™ glass wool from CertainTeed comprises a high percentage of recycled glass and a new plant-based binder that contains no formaldehyde, harsh acrylics, dyes or unnecessary fire-retardant chemicals. This easy-to-use product is softer to the touch, but just as rigid and efficient as conventional glass wool. It is also much easier to cut. Sustainable Insulation™ offers sustainable comfort thanks to its thermal and acoustic performance and exceeds the strict indoor-air quality standards applied in California. The product is GREENGUARD Gold certified.

# LIMITING THE IMPACT OF OUR SOLUTIONS

2013

## OBJECTIVE ACHIEVED

In 2013, all construction product families were covered by a life cycle assessment (LCA).



Life Cycle Assessment of a construction product

## Promoting Life Cycle Assessments (LCAs)

Saint-Gobain has chosen to use Life Cycle Assessments (LCAs) as its main tool for measuring the environmental footprint of its products and solutions. Life Cycle Assessment is the reference method for measuring all of a product's impacts on the environment (energy consumption, greenhouse gas emissions, water use, waste generation, etc.) across its whole life cycle, from extraction of raw materials to the end-of-life phase. The Group achieved its objective for 2013 of ensuring that either a specific<sup>7</sup> or generic<sup>8</sup> LCA has been conducted for all major construction product families.

The LCA results allow the Group to understand where the main environmental impacts of a product are situated. They are also used to identify priority avenues for improvement (see Weber example, page 29).

## Environmental Product Declarations (EPDs)

In addition to their use internally, notably as part of the eco-innovation process, Life Cycle Assessments are also helpful to Group customers. The Group produces Environmental Product Declarations (EPDs) to share the results of its Life Cycle Assessments with external partners, architects, builders and craftsmen. These standardized documents, which are verified by an independent third party before they are made public, present a product's environmental profile along with other product information and the calculation methodology used. EPDs are used, in particular, by customers who want to assess their buildings' overall environmental performance or obtain LEED®, BREEAM, DGNB or HQE certification. As part of these assessments, points are attributed by the certifying organization for the use of construction products that have an EPD.



Symphony F products by CertainTeed Ceilings are covered by an EPD



## SUPPORTING CERTIFICATION

NORTH AMERICA

Saint-Gobain was the first building materials manufacturer in its category to provide customers with Environmental Product Declarations (EPDs) with its CertainTeed Ceilings brand. Since then, several CertainTeed businesses and Solar Gard have published 13 EPDs, providing environmental data for more than 40 Group construction products. Customers who choose these products win points towards obtaining LEED® certification. CertainTeed also publishes Health Product Declarations with information on product content.

<sup>7</sup> Developed solely for Saint-Gobain products.

<sup>8</sup> Conducted by different manufacturers for a similar product range.



### Promoting the circular economy

Saint-Gobain is aware of the challenges stemming from building industry waste and has already rolled out projects to recover construction or demolition waste.

Saint-Gobain believes that the efficient use of resources should be a priority and that waste (notably worksite waste) should be seen as a strategic resource to be used as secondary raw material in Group products.

This means moving from the traditional linear view of production towards a circular economy model that aims to recover all waste and eliminate landfilling.

Saint-Gobain believes that it will be possible to recover the vast majority of worksite waste by 2025.

The paths to achieving this goal include assessing existing waste flows, reducing waste at the source (notably through eco-innovation), sorting waste at worksites, developing appropriate supply chain processes and recycling the maximum amount of waste collected.

Saint-Gobain's manufacturing and distribution businesses are already working on certain paths, for example by recycling plaster in numerous countries and opening waste



Lapeyre windows

collection centers at POINT.P and Plateforme du Bâtiment outlets.

In February 2013, Saint-Gobain Glass and Lapeyre signed a partnership agreement with recycling specialist Paprec to create the first organized French channel for recovering end-of-life windows. Upstream, joinery is collected from Lapeyre customers directly in the brand's stores.

The components are then separated for recovery using an innovative industrial tool developed by Paprec. PVC and aluminum parts are transformed into secondary raw materials, while wood is re-used to manufacture pressed wood or produce energy. The glass is recycled by Saint-Gobain Glass France to produce flat glass.



GYP SUM TO GYP SUM

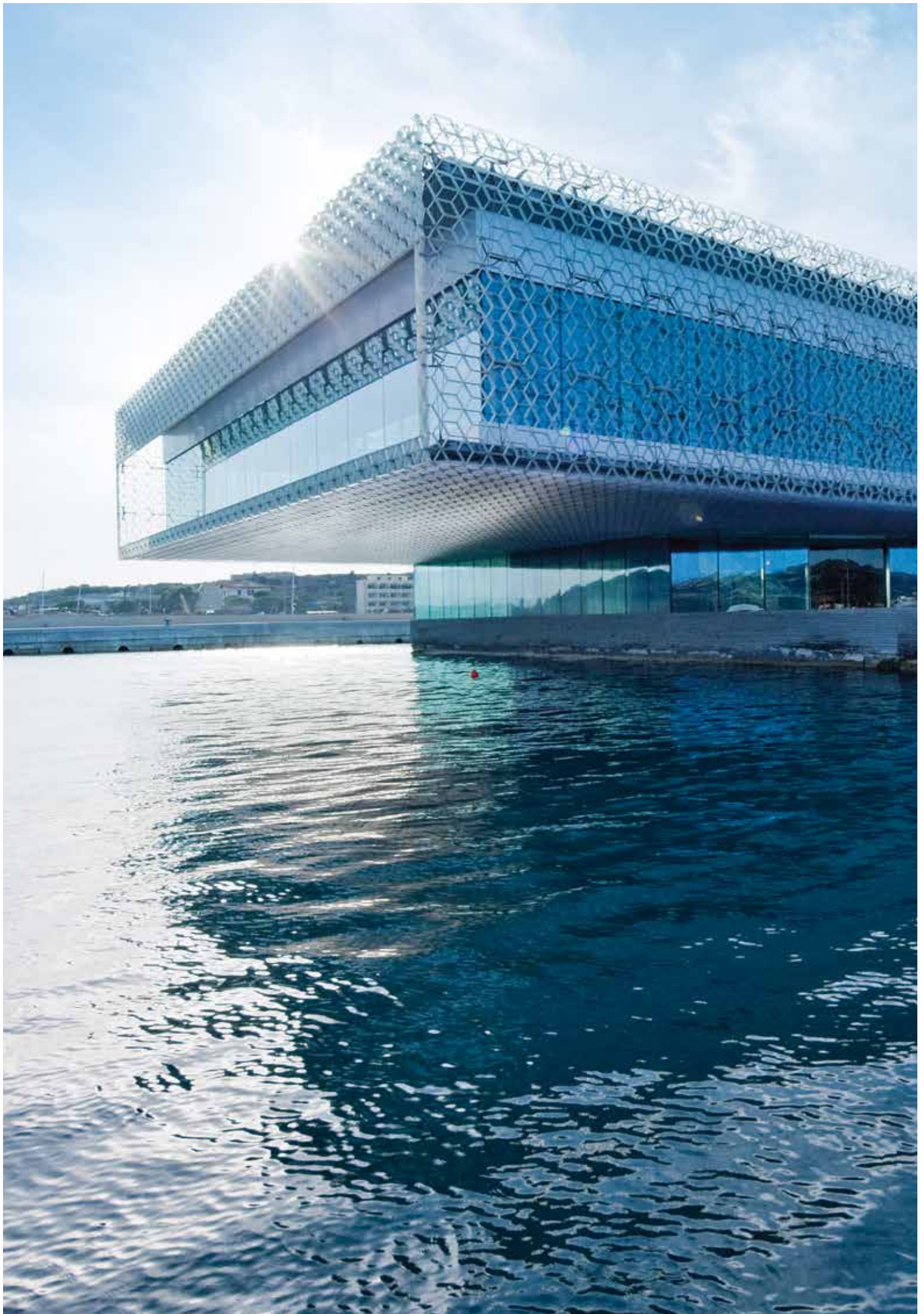


### GYP SUM TO GYP SUM

For many years, Saint-Gobain's Gypsum Activity has been a pioneer in worksite waste recycling. Services to recycle plasterboard waste from construction or demolition projects are offered in nearly 14 countries, including the United Kingdom, France, Switzerland, Austria, Denmark, the United States and Malaysia. In 2013, 40,500 metric tons of waste were recovered through the plaster waste collection and recycling channel set up by French company Placoplatre. In the United Kingdom, British Gypsum recycled 38,500 metric tons of used plasterboard to make new products.

In addition, Placoplatre and Gyproc Belgium are involved in the Gypsum to Gypsum project supported by the European Commission\*. The project brings together 17 partners from across the value chain, including manufacturers, recycling firms, demolition companies and universities. Its objective is to transform the European demolition waste market to achieve higher recycling rates of gypsum waste - up to 30% - in line with the logic of a circular economy.

\* The Gypsum to Gypsum project is supported by the European Commission through its LIFE+ program.







**34** Fighting against climate change



**38** Preserving natural resources



**40** Environmental protection

PROTECTING THE ENVIRONMENT IN THE GROUP'S OPERATIONS REQUIRES CONSTANT COMMITMENT AND CONTINUOUS ATTENTION. SAINT-GOBAIN'S TEAMS ARE FOCUSED ON ACHIEVING THE ONLY ACCEPTABLE OBJECTIVE, WHICH IS ZERO ENVIRONMENTAL ACCIDENTS AND A MINIMUM IMPACT ON THE ENVIRONMENT FROM ITS ACTIVITIES.

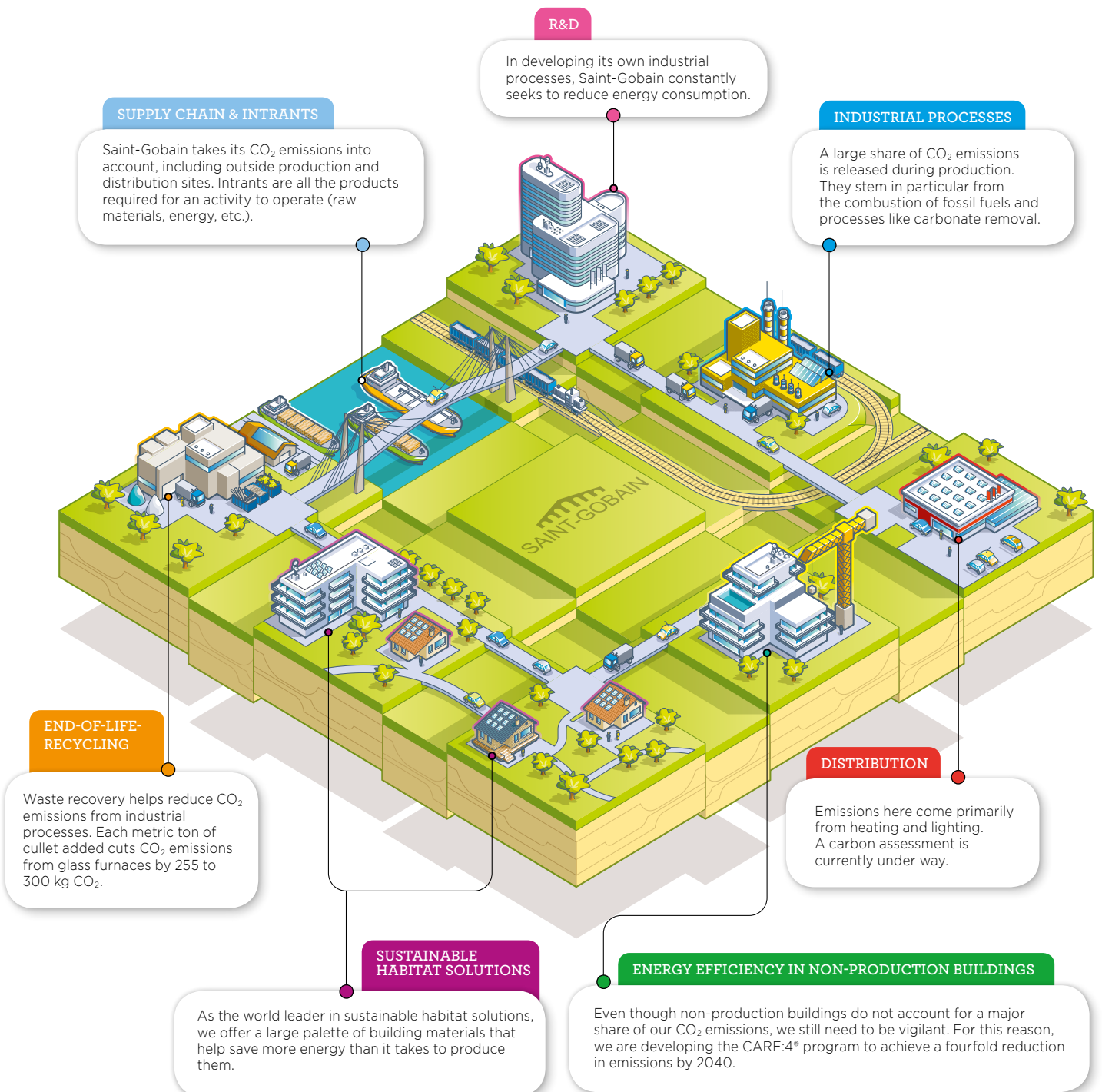


AREA 2

# LIMIT OUR ENVIRONMENTAL IMPACTS

# FIGHTING AGAINST CLIMATE CHANGE

Saint-Gobain takes the issues of climate change and energy use into account in the daily management of its sites and buildings to meet one of the biggest challenges the planet will face in the decades ahead.





2013

**OBJECTIVE**

Reduce direct CO<sub>2</sub> emissions by 6% by end-2013 based on 2010 performance for concerned sites<sup>(9)</sup>.

2013

**RESULTS**

In 2013, concerned sites emitted 10.6 million metric tons of direct CO<sub>2</sub>✓ based on 2010 output, for a reduction of 2.2% in relation to 2010<sup>(10)</sup>.



The Saint-Gobain ISOVER plant in Chemillé, France, certified to ISO 14001 (environmental management system)

**Measuring the Group's CO<sub>2</sub> emissions**

To gain a better understanding of its greenhouse gas emissions (see *diagram*) and reduce them, the Group completed the Saint-Gobain Carbon Assessment in 2012 in France, as CO<sub>2</sub> is the main greenhouse gas emitted by its activities. Thirty-one Saint-Gobain companies in France, representing 75% of the Group's total workforce, completed the assessment, taking into account emissions from energy use, processes, shipping, commuting and business travel and raw material purchasing.

Measures were taken in 2013 to reduce the Group's greenhouse gas emissions. Saint-Gobain PAM conducted an energy audit of its site in Bayard (France) and will launch an eco-driving training program in 2014. France-based Verreries d'Albi and Saint-Gobain Emballage continued to implement the best practices or best available techniques identified by Verallia, notably by optimizing energy use related to furnaces, compressed air, ventilation, etc. Similar initiatives are being carried out in other host countries.

The Group has participated in the CDP since 2003. The benchmark

CDP questionnaire encourages businesses to provide information on their approach to climate change in a transparent manner. In 2013, Saint-Gobain was included in the Carbon Disclosure Leadership Index France, an index that lists the most transparent French companies responding to the questionnaire.

**Reducing the Group's energy consumption****Energy efficiency**

Energy efficiency is a key component in sites' environmental and financial performance. The Group is making advances in this area by optimizing existing equipment. This means improving combustion processes, making refractories more effective, recovering heat from furnaces and driers and replacing end of life equipment. In addition, the Group is developing energy management systems and energy audits at its sites. The deployment of World Class Manufacturing (WCM), a management system designed to improve company performance by eliminating losses, is also driving progress.

A substantial part of the Group's research and development is devoted to enhancing production processes

with the goal of reducing atmospheric emissions. Since 2000, the amount of energy used by flat glass furnaces has decreased by 10% for equivalent cullet<sup>(11)</sup> input.

**Recycling**

The use of secondary raw materials in Group processes considerably reduces its energy bill. For the moment, this practice is primarily held back by technical constraints and the availability of quality materials in a tight market. To give an example of the role recycling can play, for each 10% of cullet added to a glass batch, 2.5% to 3% of melting energy is saved.

**New energies**

To reduce its greenhouse gas emissions, the Group is developing projects that use new energies. In the Netherlands, distribution brand Raab Karcher uses wind power as a source for electricity.

Floods, heavy rains, storms and other risks related to climate change are managed through the Industrial and Distribution Risk Prevention policy (see pages 83-84).

<sup>9</sup> The scope includes sites concerned by the three-year objectives. It represents, for example, around 90% of the Group's water withdrawals (excluding the Building Distribution Sector). Sites at which production levels declined or increased by at least 30% from 2010 were excluded from the calculation based on 2010 performance (see page 78).

<sup>10</sup> This calculation method is designed to present site performance without the impact of changes in production.

<sup>11</sup> Broken glass from production waste, sorted waste or recycling containers.

# FIGHTING AGAINST CLIMATE CHANGE



POINT.P's EVOLUVERT approach federates all of its actions in favor of responsible shipping

## Re-thinking transportation options

The carbon assessment indicates that transportation accounts for a non-negligible portion of the Group's indirect emissions at the various stages of the product manufacturing and distribution process. Transferring raw materials to the plant, transporting certain products to a second site for additional processing and delivering finished products to the distribution outlet all generate emissions. This is one of the reasons why Saint-Gobain chooses to locate industrial and sales facilities as close to customers as possible.

Alternatives to road transport are used by Building Distribution trade brands, as well as by other Group Sectors.

POINT.P, which has been taking a comprehensive approach to reducing its environmental impact for many years, introduced a program called EVOLUVERT in 2013 that federates all of its initiatives to promote responsible shipping. It has made a powerful commitment to save 25,000 metric tons of CO<sub>2</sub> by 2017, corresponding to 45,000 fewer trucks on the road. This will be done, in particular, through the deployment of 100% clean transportation within the Paris (France) city limits by 2017. POINT.P is currently investing in a fleet fuelled by vehicle natural gas (VNG), which makes it possible to eliminate particulate emissions. EVOLUVERT covers all shipping flows, from the upstream supply of POINT.P's 2,000 branches to downstream deliveries to customers.

## RIVER SHIPPING FOR PIPE SYSTEMS

In 2013, Saint-Gobain PAM decided to ship pipes for the Novi Sad wastewater system by river. The cargo of 270 eight-meter-long pipes manufactured at the Pont-à-Mousson plant in France was shipped in a single convoy, with a lower environmental impact than a corresponding shipment by rail, which would have required 140 railcars.





**OBJECTIVE**

Achieve a fourfold reduction in overall energy consumption and greenhouse gas emissions at the Group's office buildings by 2040.



**RESULTS**

**20** CARE:4® CERTIFIED BUILDINGS AS OF END-2013  
**6** CERTIFIED BUILDINGS DURING THE YEAR

**Making our buildings more energy efficient through the CARE:4® program**

In line with its strategic vision, Saint-Gobain is committed to making its own buildings more energy efficient. Launched in 2008, the CARE:4® (Company Actions for the Reduction of Energy by 4) program calls for a fourfold reduction in overall energy consumption and greenhouse gas emissions in the Group's office buildings by 2040. CARE:4® covers all heated or air-conditioned administrative and services buildings owned by Saint-Gobain. This includes offices, sales outlets, training and product demonstration centers and research centers. The program was first applied to new buildings<sup>(12)</sup> and then extended to renovation projects. In 2013, Saint-Gobain completed the energy assessment of buildings cov-

ered by the CARE:4® program using the inventory compiled by the General Delegations. In all, 8,000 buildings were identified, of which 2,000 with an estimated average energy performance of around 320 kWh of primary energy per square meter per year. This assessment confirms that the CARE:4® objective is both realistic and demanding. Five pilot Activities (Industrial Mortars, Saint-Gobain Sekurit, Insulation, Pipe and POINT.P) have started working on priority action plans to meet CARE:4® requirements. In addition to energy performance, each Activity defines its own criteria (high-profile building, number of employees concerned, etc.) to select the renovation projects that will be included in its strategic plan. The approach will be gradually extended to Saint-Gobain's other Activities in 2014.



AUSTRIA

**INAUGURATION OF A CARE:4® BUILDING**

In July 2013, Saint-Gobain inaugurated the new administrative building at the Rigips plaster plant in Puchberg, southwest of Vienna. A number of Austrian officials were on hand for the ceremony. Built in accordance with the Group's CARE:4® standards, the site illustrates Saint-Gobain's strategy in terms of Corporate Social Responsibility and Multi-Comfort habitat solutions (see page 25). The building houses a "powder" R&D center and a training center.

**BUILDINGS OF INTEREST FOR THE GROUP**

Research, training and innovation centers are particularly high-profile buildings for Saint-Gobain, as they welcome people from outside the Group and embody its skills and innovation capabilities. For this reason, these buildings need to meet an even higher standard and comply with additional environmental criteria on top of the requirements of the CARE:4® program during renovation or construction projects.



DomoLab, Saint-Gobain's innovation center for habitat solutions (France)

<sup>12</sup> New building energy consumption is capped at 80 kWh of primary energy per square meter per year in temperate climates and 120 kWh of primary energy per square meter per year in extreme climates for all comfort-related energy use.



# PRESERVING NATURAL RESOURCES

Saint-Gobain takes measures to limit its impact on ecosystems and to optimize its use of natural resources, especially water.



Saint-Gobain PAM employees (China)



## OBJECTIVE

Reduce water withdrawals by 6% between 2011 and 2013 at concerned sites<sup>(13)</sup>, based on 2010 production output.



## RESULTS

In 2013, based on 2010 output, the Group's concerned sites withdrew 46.7 million cubic meters of water ✓, down 6.2% from 2010. All Group sites combined withdrew 73.4 million cubic meters of water ✓.

## Water

Saint-Gobain's water policy<sup>(14)</sup>, published in 2011, applies to all Group sites worldwide. It confirms the Group's commitment to reducing the quantitative and qualitative impact of its activities on water resources as much as possible, both in terms of withdrawals and discharges. Saint-Gobain's long-term goal is to withdraw the minimal amount of water required and aim for zero industrial liquid discharge<sup>(15)</sup>, while preventing new impacts on other ecosystems and/or stakeholders.

In 2012, the Group's commitment prompted it to participate in the CDP Water Disclosure program, which is designed to encourage companies to produce a detailed report of the risks and opportunities in their water management and to communicate the results in a transparent manner.

## Tools

To support the deployment of Saint-Gobain's water policy across the industrial base, the Group defined the EHS Water standard that sets out the minimum requirements to be ultimately fulfilled. An assessment grid for risk exposure and site vulnerability was also introduced. In 2012, the common assessment grid used throughout the Group was tested at more than 800 industrial sites. In 2013, the resulting feedback was used to improve the grid, which makes it possible to define, at the Group scale, four levels of exposure to water stress, pollution and flooding risks. Each of these three risks was analyzed in terms of operations, regulations and reputation. The EHS water standard helps to structure improved site performance in water management and the prevention of these three risks. Its continued

<sup>13</sup> The scope includes sites concerned by the three-year objectives. It represents, for example, around 90% of the Group's water withdrawals (excluding the Building Distribution Sector). Sites at which production levels declined or increased by at least 30% from 2010 were excluded from the calculation based on 2010 performance (see page 78).

<sup>14</sup> Saint-Gobain's water policy is available on request from the Group EHS Department.

<sup>15</sup> This target does not include steam discharges.



deployment aims to limit water-related risks, reduce water withdrawals and discharges, encourage sites to select the least sensitive areas for their withdrawals and releases, promote monitoring of water quality and prevent accidental pollution.

In the deployment process, priority is being given to sites identified in 2012 and 2013 as having the highest levels of risk. These sites' water withdrawals represent 69% of the Group total. Full deployment is planned by 2016 for sites with the highest level of risk.

**Biodiversity**

The Group operates 151 underground and open-cast quarries worldwide. The vast majority (119 or 79%) belong to the Gypsum Activity, which has

issued a biodiversity charter for its quarries.

The Group's quarries are operated in an environmentally friendly manner in compliance with local regulations. During extraction and restoration, the effects on local communities and the environment are reduced as much as possible. These include the visual impact of the operations, dust, noise and vibration, added road traffic and any repercussions on the natural surroundings.

A biodiversity action program has been launched at the Group scale to improve knowledge of Saint-Gobain's natural assets. In 2013, a method was rolled out for assessing the biodiversity sensitivity of Group sites. A mapping study taking eight criteria into

account was tested at 50 sites located in 25 countries. The method should be applicable worldwide. The site sample represents most of the Group's Activities (Flat Glass, Gypsum, Pipe, etc.) and its main host countries. It includes both industrial and non-industrial sites, as well as quarries. The results will be used to draw up an initial list of priority sites for biodiversity management and to define criteria and their weighting in order to facilitate the selection process. This method will then be gradually extended, starting with sites that have a significant environmental impact. This is a first step in developing a cross-functional policy in 2016.

 CANADA

**6.7 MILLION LITERS OF WATER SAVED**

The Saint-Gobain Adfors industrial textiles plant in Midland, Ontario is surrounded by residential neighborhoods and located near a huge fresh-water bay linked to Lake Huron, one of North America's five Great Lakes. Explains Joe Syed, plant manager at Saint-Gobain Adfors Canada: *"The site was faced with the major environmental challenge of reducing its activities' withdrawals and impacts over a large expanse of water. In line with Saint-Gobain's water policy, we developed a strategy comprising several innovative initiatives to reduce the amounts of water used and to eliminate releases of cooling water without contact in Georgian Bay, thanks to the implementation of closed-circuit installations. Our water use declined by more than 6.7 million liters a year."*



 BRAZIL

**EXEMPLARY QUARRY RESTORATION PROJECT**

Mineração Jundu in Descalvado restored a sand quarry at the end of operation, going beyond the requirements of local regulations. A recreational park was created around a lake to meet the expectations of the neighboring community. Exemplary measures were taken to recover waste, recreate the site's topography, reforest slopes and reintroduce plant species. This restoration project will be able to serve as model for other quarries, both in terms of the results obtained and of the method used.

**OPEN HOUSE**

 FRANCE

In June 2013, the Cormeilles-en-Parisis and Le Pin-Villeparisis quarries in the Paris region held an open house so that the public could get a better view of their gypsum operating sites and their less well-known activity of restoring sites and creating green spaces. Nearly 1,000 neighbors, geologists and other inquisitive visitors discovered the sites and learned about the main steps in gypsum extraction and the former operating areas that are now prairies and woodlands.



# ENVIRONMENTAL PROTECTION

Saint-Gobain's environmental policy is based on setting three-year objectives, deploying action plans developed at the local level and regularly measuring the results obtained.



Cullet storage at the Eurofloat site (France)



## OBJECTIVE

Reduce landfill waste by 6% by end-2013 on the basis of 2010 production at concerned sites<sup>(16)</sup>.



## RESULTS

In 2013, landfill waste at concerned sites (based on 2010 production) totaled 379 thousand metric tons ✓, a reduction of 11.7%.

### A standard for exemplary environmental management

In 2013, Saint-Gobain continued to roll out a standard called EvE to identify and manage environmental events, such as accidents or incidents, that could potentially occur at its sites. Thanks to this standard, which was launched in 2012 and included in the Group's training program, Saint-Gobain has a shared methodology to help all sites move towards its objective of zero environmental accidents. In this way, the Group develops the same type of feedback tools as used for safety.

### Reducing production waste and consumption of raw materials

Saint-Gobain has set a long-term objective of zero environmental accidents and a minimum impact on the environment from its activities. The Group's priorities for waste management are, in descending order,

to reduce the amount of by-products generated by our processes, use by-products internally, and promote external channels to recycle by-products that cannot be used internally (or burn for energy recovery if non-recyclable). Final waste is landfilled only as a last resort. Reducing production waste is clearly a priority for the Group.

In addition to recovering its own waste products, Saint-Gobain also uses recycled materials from outside sources, such as cullet and recovered scrap metal, to optimize its raw material consumption.

The primary method for reducing resource consumption in glass furnaces<sup>(17)</sup> is to include cullet (crushed recycled glass) among the raw materials.

The Pipe Activity uses two melting processes to produce cast iron: primary melting, which produces cast iron from iron ore in blast furnaces,

<sup>16</sup> The scope includes sites concerned by the three-year objectives. It represents, for example, around 90% of the Group's water withdrawals (excluding the Building Distribution Sector). Sites at which production levels declined or increased by at least 30% from 2010 were excluded from the calculation based on 2010 performance (see page 78).

<sup>17</sup> Furnaces used to produce flat glass, container glass and glass wool.



*Firing of Saint-Gobain SEFPRO refractories*

## RECYCLING REFRACTORIES

Saint-Gobain SEFPRO has unveiled an innovative solution for recycling refractories, as well as a new range of chrome refractories, which are found in particular in furnaces used to produce glass for glass wool insulation. Saint-Gobain SEFPRO, whose subsidiary VALOREF offers solutions for managing refractory waste, has developed a recycling system that processes 100% of chrome-containing waste while complying with all international EHS standards. Backed by this innovative process developed by Saint-Gobain's European research and studies center, Saint-Gobain SEFPRO has redesigned its refractory range using high performance materials that are even more environmentally friendly.

and secondary melting, in which cast iron is manufactured from scrap metal and recovered cast iron.

The conversion of gypsum into plaster is an age-old process. Plaster is a natural, recyclable and abundantly available material that requires very little energy to be produced. As with cullet, the only limitation on recycling plaster is the problem of waste sorting.

### Limiting atmospheric emissions Dust

Saint-Gobain takes an active approach to managing dust emissions. The Group is pursuing its investments in electrostatic precipitators and bag filters, depending on the type of furnace. The Flat Glass Activity, for example, is taking measures and continuing to invest in electrostatic precipitators.

### NO<sub>x</sub> and SO<sub>2</sub>

Certain Saint-Gobain facilities — mainly glass furnaces and Pipe Activity plants — emit sulfur dioxide (SO<sub>2</sub>) and nitrogen oxides (NO<sub>x</sub>), which contribute to environmental acidification.

Primary methods to reduce sulfur dioxide emissions include using higher quality fuel oil or coal slack and reducing energy consumption.

In addition to reducing NO<sub>x</sub> emissions at the source, the Group also installs treatment systems. Saint-Gobain Glass, for example, invested in catalytic reduction systems for NO<sub>x</sub> in France, Germany, Spain and South Korea in 2012 and 2013. These secondary flue-gas treatment systems are installed downstream of electrostatic precipitators to reduce dust emissions. Verallia

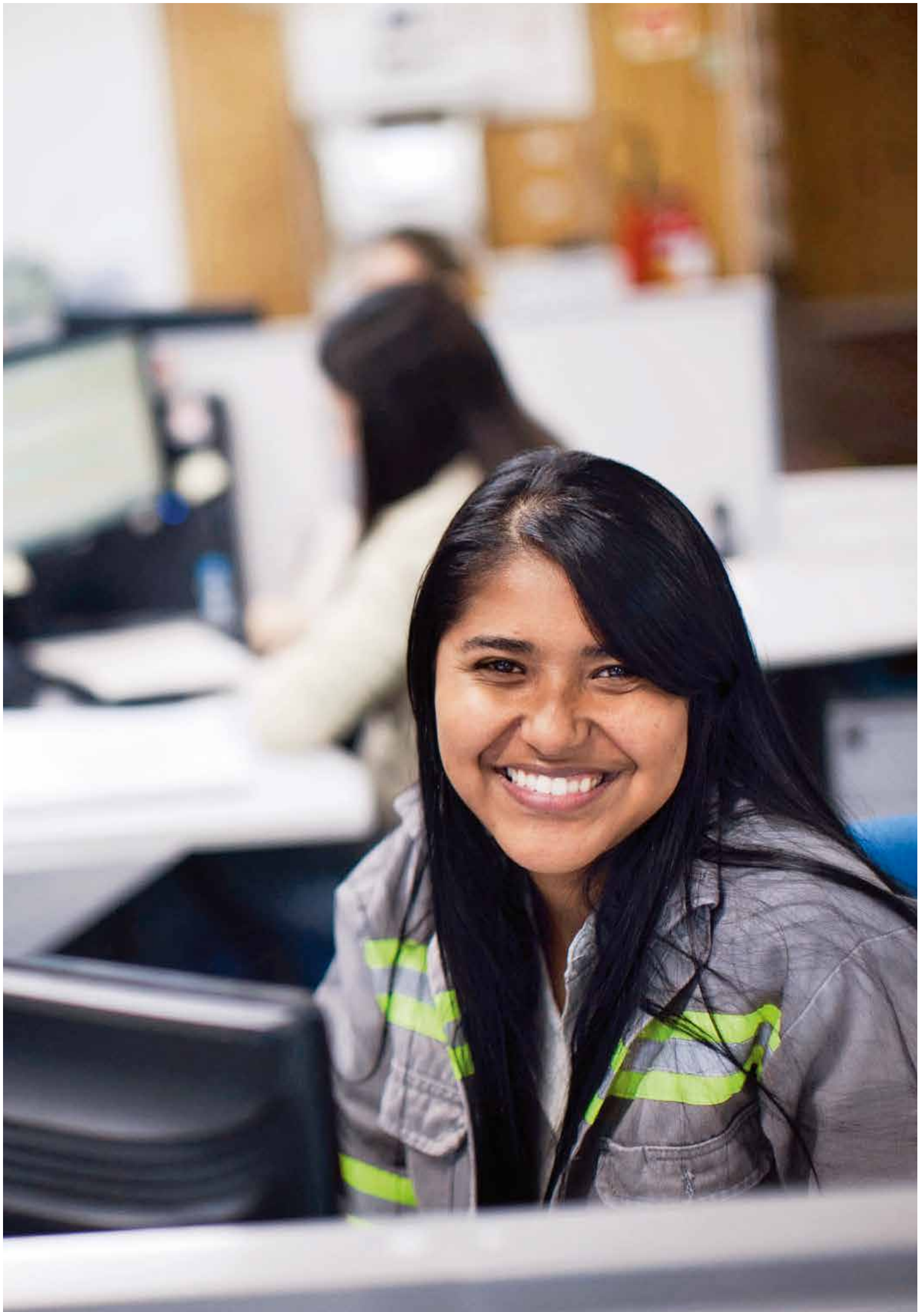
is also looking into these solutions and has launched R&D programs to achieve lower NO<sub>x</sub> emissions.

Between 2010 and 2013, emissions from concerned sites of the Pipe and Glass Activities (flat glass, container glass and glass wool) decreased by 11.3% for NO<sub>x</sub>, 38.1% for SO<sub>2</sub> and 44.9% for particulates.

### Other regulated substances

Heavy metals resulting from impurities in raw materials, cullet and other furnace input are closely monitored. Pollution control equipment, such as the electrostatic precipitators described above, also help manage these emissions.









**44** An open Group



**46** The foundation of the Group's action



**52** Four priorities to help Saint-Gobain grow

SAINT-GOBAIN'S HUMAN RESOURCES POLICY IS DESIGNED TO OFFER ALL EMPLOYEES A WORKING ENVIRONMENT IN WHICH THEY CAN THRIVE BOTH PERSONALLY AND PROFESSIONALLY, AS THIS IS A FUNDAMENTAL FACTOR IN WELL-BEING AND PERFORMANCE IN THE WORKPLACE. SAFETY IS A KEY CONCERN AND REQUIRES EVERYONE'S FULL INVOLVEMENT, AT ALL LEVELS OF THE ORGANIZATION.



AREA **3**

# ENCOURAGE EMPLOYEES' **PROFESSIONAL GROWTH**

# AN OPEN GROUP

The changes experienced by Saint-Gobain over the past few years have had a significant impact on human resources. The Group has increasingly diverse teams and is exchanging more and more, both in-house and with the outside world.



Saint-Gobain Euroveder Mexico employees

**187,071**  
EMPLOYEES ✓  
IN **64** COUNTRIES

## BREAKDOWN BY CATEGORY:

- **27,184** managers ✓
  - **77,793** administrative employees, technicians and supervisors ✓
  - **82,094** operators ✓
  - **75%** of employees are located outside France
  - **90** nationalities are represented in the workforce
  - **20.5%** of Group employees are women ✓
  - LTAR\* of **2.3** ✓ in 2013
- Workforce trends and breakdowns by Activity, country and job category can be found at the end of the report (see pages 90-97).

\* Lost-time accident rate (LTAR) (more than 24 hours' lost time) - Group, including temporary employees.

## Openness at all levels

Saint-Gobain's human resources policy stems directly from the Group's strategy to be the leader in sustainable habitat and construction markets. This ambition makes the customer the central focus of all initiatives and requires a cross-business mindset. To offer customers innovative solutions and anticipate their needs, Saint-Gobain teams need to work together and draw strength from the variety of their individual backgrounds. Tools have been deployed to develop this culture of cooperation. The My Saint-Gobain social network, for example, allows employees to create communities for sharing information, exchanging viewpoints and collaborating, all on their own initiative. As of end-2013, more than 28,000 employees had access to the network worldwide.

These new ways of working are leaving their mark on the Group's organizations. They highlight the importance of management as an essential component in employee motivation and efficiency and in ensuring the safety of all team members.

## Strategic priorities of Saint-Gobain's human resources policy

The watchword in supporting employees is openness. Opening the doors of Saint-Gobain means facilitating professional mobility, fostering team diversity, ensuring that employees are committed and developing competencies. These four strategic priorities structure Group human resources. Openness also means communicating human resources policies transparently to all stakeholders to attract the profiles that best correspond to Saint-Gobain's requirements. This involves presenting all of the Group's businesses to students and recent graduates and accompanying interns and work-study students throughout their assignments, because being a reference employer is part of being the reference in sustainable habitat and construction markets.



## TOP EMPLOYER

Saint-Gobain received the Top Employer 2013 label in France, the United Kingdom and for four companies in Germany following an audit of human resources policy by the Top Employers Institute (formerly CRF Institute), an independent organization specialized in international studies of human resources management and working conditions.



## DYNAMIC RELATIONS WITH SCHOOLS

Saint-Gobain has launched numerous initiatives to develop its employer brand. Its jobs and careers website, [www.saint-gobain-experience.com](http://www.saint-gobain-experience.com), presents a number of current job openings around the world. In many countries, relations with schools provide an opportunity to share the Group's values. In Poland, for example, Saint-Gobain cooperates with the top scientific and technical universities. In 2013, all Group companies in the country participated in the "pillars of success" student training project to build on knowledge gained in university. In France, partnerships have been forged with the ESSEC business school and *Croisée des Talents*, a reference student management competition in Europe, as well as with the *C.Génial* foundation, which works to promote science teaching in schools. A thousand students participated in Saint-Gobain ISOVER's ninth international Multi-Comfort House competition (see picture), which aims to promote the Multi-Comfort brand and concept among architecture students.



  
SWEDEN

## “ ENHANCING SALES REPRESENTATIVES' PROFESSIONAL SKILLS ”

The *Klimatcenter* is a showroom which aims to advise customers about sustainable building solutions. Sales representatives have been trained in sustainable solutions and ventilation to be able to offer customers the best guidance. This training has enhanced their skills, making us a business partner of choice. All of this fits in with Dahl's strategy of standing out from the competition and, more broadly, taking action to preserve the environment.”

**Ulf Magnusson**  
*Klimatcenter Manager, Dahl*

## TRANSFORMING THE HUMAN RESOURCES FUNCTION

In 2013, Saint-Gobain launched the first HR Academy training courses with three key objectives: strengthening HR teams' technical competencies and professional skills, ensuring consistent HR practices across the Group and preparing teams to implement the OPEN strategy. E-learning modules, courses and thematic workshops are offered to all HR professionals, with specific training for new arrivals and future HR executives. More than a simple training, the HR Academy is designed to provide a forum for discussion, experimentation and development that is open to practices inside and outside the Group. More than 80 employees contributed to developing the training modules' content.

# HR Academy

# THE FOUNDATION OF THE GROUP'S ACTION

## Employee health and safety, exemplary managerial practices and social dialogue

are the foundation on which Saint-Gobain's action and growth model are based.



Promoting respect for health, safety and the environment at Saint-Gobain Canalização



### OBJECTIVE

Lost-time accident frequency rate (LTAR) of less than 2.6 for the Group, less than 4.1 for the Building Distribution Sector, and total reportable accident rate (TRAR) in the industrial Sectors of under 4.8.



### RESULTS

In 2013, the LTAR was 2.3✓ for the Group and 3.3✓ for the Building Distribution Sector, while the TRAR in the industrial Sectors stood at 4.3✓. These indicators concern employees and temporary staff.  
> The Group exceeded its targets for 2013.

## Safety: pursuing progress

Safety is a core value in the management of Saint-Gobain's manufacturing, distribution and research activities. It reflects a deep corporate commitment that is put into practice through the involvement of every Saint-Gobain employee.

### Groupwide involvement

Workplace safety, like occupational health (see pages 48-49) is a full-time priority for the Group, which has set zero work-related accidents as its long-term objective<sup>(18)</sup>. Everyone at Saint-Gobain sites, from employees to temporary staff to subcontractors, is ensured of working under safe conditions and in an environment that exceeds the requirements of local legislation.

This approach, which covers all of the Group's professions, is designed to put safety firmly at the center of Saint-Gobain's corporate culture. Safety is a value promoted by all employees and at all levels of management. At the highest level, management has demonstrated its commitment to developing a culture of safety within the Group. Front-line

managers everywhere are responsible for ensuring all aspects of safety, from setting objectives and deploying action plans to tracking performance. To highlight this commitment, a percentage of Group managers' bonuses are based on safety results and on the resources allocated to ensuring the safety of all, notably by applying safety standards.

Saint-Gobain's EHS teams carry out numerous awareness and training initiatives at Group sites. The Group and the General Delegations also offer training modules to suit each individual's needs in his or her function. Every effort is made to share best practices and recognize positive results and progress in the front lines (see pages 66-67). The goal is to make all employees responsible for their own safety, as well as that of their colleagues.

The Millionaires Club comprises sites with the best safety records, notably one million incident-free hours of work or five years without any lost-time accidents. In 2013, the Club had 209 member sites compared with 188 at end-2012. The Club recognizes units that have achieved the best results and that demonstrate to everyone that

<sup>18</sup> The EHS charter, which is posted at all sites, sets the long-term objectives of zero work-related accidents and zero occupational illnesses in the areas of health and safety (see page 15).



the objective of zero work-related accidents is achievable. Among the 2013 Club members, 68 were Millionaire sites with no lost-time accidents over the past 10 years (“Silver Millionaire”) and 5 were Millionaire sites with no lost-time accidents over the past 15 years (“Gold Millionaire”). This compares with 60 and 5 respectively at December 31, 2012.

With the goal of promoting a responsible EHS culture, the South Africa General Delegation launched *Your Life* in 2013, an in-house publication designed to improve understanding about issues related to employee health and safety in all aspects of their lives, at work, at home and within the community. *Your Life* also aims to raise awareness about these topics and promote positive behaviors.

**Sharp decrease in work accidents**

Thanks to everyone’s efforts, the Group has seen a steady decline in accidents for several years. Safety performance continued to improve in 2013, exceeding set targets. That said, four fatal accidents were recorded during the year, which is unacceptable.

**Safety standards**

The causes of the serious accidents seen across the Group have been identified and analyzed to define safety standards for priority deployment. Traffic hazards are a significant cause of accidents reported within the Group. In 2013, Saint-Gobain launched an EHS standard on managing road risks (see example below). It joins the list of safety standards

already implemented throughout the Group, which cover confined spaces, vehicle and pedestrian safety, storage and logistical operations, working at heights, management of outside contractors working on site, work permits, lockout-tagout procedures, forklift safety and machine safety.

In 2013, the Group EHS Department also created online training courses to support the sites more effectively in applying safety standards. Cross-audits (external to the site, but internal to the Activity) were also organized to assess the progress made in applying safety standards.

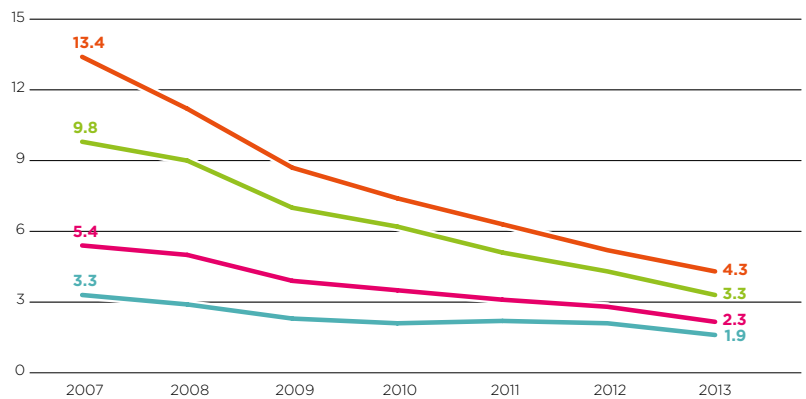


**A SAFETY LABEL FOR WAREHOUSES**

Saint-Gobain Glass in Europe has rolled out the Warehouse Safety Label program in its 18 warehouses.

This program responds to the need to manage the high risks related to handling, storing and loading glass products. A total of 40 mandatory good safety practices were defined by warehouse and EHS managers. On the basis of certification audits, an approach for obtaining the label was also developed, allowing for a managerial dynamic at the sites and a real recognition of the professions present in a warehouse. The program is currently being extended outside Europe. All Saint-Gobain Glass sites should have obtained the label by end-2014.

**LTAR – GROUP DECLINED BY 57% BETWEEN 2007 AND 2013**



- LTAR Building Distribution
- LTAR Industrial Sectors
- LTAR Group
- TRAR Industrial Sectors

Lost-time accident rate (LTAR) (more than 24 hours' lost time) and total reportable accident rate (TRAR) - Group, including temporary employees.



**SAFE ON THE ROAD**

The CertainTeed Ceilings Sales Department has developed a continuous improvement program to keep its sales agents safe on the road. The program includes training and communication, the use of new equipment to reduce driver distraction, the application of the Safety Management Audit Tool to drivers and regular meetings on road safety. This project falls within the framework of the new EHS standard on managing road risks.



# THE FOUNDATION OF THE GROUP'S ACTION

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In 2013, Saint-Gobain adopted a Health policy that sets guidelines for Group initiatives to protect the health of its employees, customers, product users and site neighbors.

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*Handling assistance system at Saint-Gobain Sekurit in Avilès (Spain)*

## **A Health policy for the Group**

Saint-Gobain's Health policy follows naturally on health initiatives already in place, notably standards on noise and exposure to toxic agents. All Group sites around the world are required to implement the policy in compliance with local regulations and in addition to existing health and industrial hygiene resources and tools.

Saint-Gobain's ambition is to protect the collective health of permanent and temporary employees and sub-contractors who work at Group sites worldwide by anticipating and preventing risks of illnesses or disability from work-related causes. The Health policy is also designed to promote each employee's individual health through measures to prevent illnesses linked to specific risk factors such as a sedentary lifestyle or smoking.

Taking the physical constraints of workstations into account, promoting work-life balance and preventing psychosocial risks and work-related stress are just some of the challenges involved in ensuring that employees remain healthy and enjoy good working conditions.

The second part of the Group's Health policy covers respect for the health of customers and users of Saint-Gobain products and services. This is a major consideration to be taken into account when new products are designed and launched. R&D and Marketing teams have access to EHS tools for identifying risks throughout the product life cycle. Each Activity integrates health risk management in overall responsible product management, notably by conducting life cycle assessments (LCAs). In this way, the Group's Health policy builds on Saint-Gobain's eco-innovation policy.

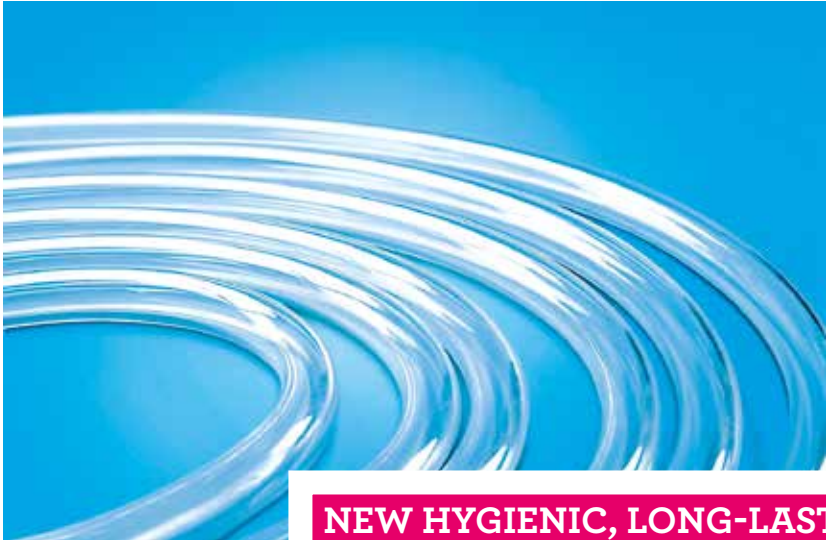
The policy's third area of focus is the health of site neighbors. Group sites take measures to reduce environmental impacts that could have consequences on nearby residential areas, such as noise, atmospheric emissions, and discharges into water, soil and subsoil.

## **Standards and recommendations**

To ensure the same high level of protection for all Saint-Gobain employees, the Group has prepared obligatory industrial hygiene and

safety standards and recommendations that are applicable worldwide.

- A Noise Standard (NOS) makes it possible to detect, measure and control potential sources of noise exposure in the workplace. The standard is designed to protect all employees and sub-contractors.
- A specific Posture/Lifting/Movement (PLM) method for identifying the risks inherent in handling operations and work postures has been developed and distributed to EHS managers in the Sectors and Delegations for use in industrial and distribution facilities. An EHS recommendation has been issued concerning the use of this method.
- The Toxic Agent Standard (TAS) provides a framework for identifying, assessing and eliminating or controlling potential sources of exposure to toxic agents in the workplace. The Group is also deploying a tool for managing toxic risks called SAFHEAR (for SAFety and HEAlth Risk assessment tool). Lastly, Saint-Gobain is actively involved in implementing the European REACH directive (see pages 86-87).



Tygon® tubing

## NEW HYGIENIC, LONG-LASTING TUBING

In early 2013, Saint-Gobain Performance Plastics launched a new range of partially bio-sourced tubing called Tygon® S3™. This phthalate- and bisphenol A-free tubing is gentler on both the environment and on human health.

  
CHINA

### ACTION PLAN ON HEALTH

Saint-Gobain General Delegation and its EHS Department have made healthcare a top-of-mind issue and started to draw up an action plan. The General Delegation recruited a physician in 2013 to assist in developing programs focused on both protecting employees' health in the workplace and preventing illnesses. A system to track and analyze healthcare data is currently being designed and a more comprehensive program is being deployed to monitor health in the workplace through medical visits for employees before they are hired, at regular intervals during their employment and at the end of the work contract.

  
BRAZIL

### HEALTH MONITORING

Saint-Gobain General Delegation in Brazil has deployed a health management system for all employees in the country. The system provides a framework for tracking health indicators, including occupational illnesses, and contributes to prevention, the promotion of health campaigns and effective management of health insurance expenses.

  
UNITED KINGDOM AND IRELAND

### ONLINE ADVICE

In September 2013, Saint-Gobain United Kingdom and Ireland launched a website called Fit4WorkLife to promote employee health and well-being in partnership with insurance company AXA PPP Healthcare. As a support tool, the site contains advice and customizable tracking tools for nutrition, physical activity or work-life.





# THE FOUNDATION OF THE GROUP'S ACTION



Team update at Saint-Gobain Sekurit

## Leadership by example, a requirement in the working relationship

All employees in a management position must be exemplary in their practices. No matter what the level or geographic region, managers are expected to display four managerial attitudes: always be consistent with the Group's values, no leadership without a close focus on people, walk the talk and no complacency allowed. Available in several languages, these attitudes are systematically presented at the beginning of seminars at the Saint-Gobain School of Management and are also included in many in-house training modules. These fundamental attitudes are supplemented by a managerial competencies guide, which is used to prepare job descriptions and to conduct annual performance reviews.

In France, a program called "Managers en region" (regional managers) was launched in 2013 to bring teams of managers from around the country together to share good managerial practices and communicate on the main points of human resources policy.



CHINA



A manager's role is to unite and motivate a team to deliver good results over the long term. When I started at Saint-Gobain, I had the opportunity to work with an outstanding manager who still inspires me today. It's important to put a simple, efficient organization into place and to bring together a team of people whose talents complement each other. This means having an in-depth understanding of each members' strengths and weaknesses, as well as your own. It's also important to give the team enough space and freedom. Respect and mutual support are crucial for maintaining a good balance. These points are deeply embedded in the Group's culture, which is perfectly summarized in the Principles of Conduct and Action. This is a cultural heritage that we need to transmit to our teams."

**Franck Guo**  
General Manager, Coated Abrasives, Asia



CZECH REPUBLIC

A good manager is someone who is able to create the necessary environment and conditions to achieve a vision. For me, teamwork is a practical agreement among people who share the same goal and respect each other for what they can each bring to the table. It isn't a club of best friends. I have to make sure that we all have the same understanding of our objective."



**Jiri Sulak**  
Castolovice plant Director,  
Saint-Gobain ISOVER



**Social dialogue**

With its industrial tradition and diverse business base, Saint-Gobain puts considerable importance on social dialogue. Led by local managers in Group sites, social dialogue contributes to Saint-Gobain's overall performance. It is based on relations with all social actors, from employees and their representative bodies internally, to customers, suppliers, communities and local public officials externally.

**Dialogue at different levels**

To provide tangible responses to employee relations issues, priority is given to conducting social dialogue locally, as reflected in the 1,513 agreements signed within the Group in 2013. The Group's General Delegates outside France periodically meet with

employee representatives to discuss strategy and local challenges. In France, Saint-Gobain's Chairman and CEO chairs the Group Works Council and meets with central union coordinators once a year.

At the European level, the Chairman and CEO chairs the European Social Dialogue Convention, which brings together 70 labor union representatives from 27 European countries each year. With assistance from an independent expert, the Convention builds on national dialogue by addressing topics of common interest such as safety or changes in employment at industrial sites in Europe. These topics are championed by members of the Select Committee, who serve as the Convention's spokespeople and benefit from specific training to carry out their mission.

**Adjusting the workforce in a way that respects people**

In an uncertain economic environment, Saint-Gobain is committed to implementing solutions to preserve jobs whenever possible and to carrying out workforce reductions only as a last resort. Instead, the Group prefers to make use of internal mobility agreements and short-time working. When restructuring is unavoidable, the employees concerned by workforce adjustments benefit from personalized support measures that can involve training, re-location assistance or support in carrying out a personal project. In France, Saint-Gobain Développement is responsible for accompanying employees in these situations.



The European Select Committee and the Human Resources Directors from the European Delegations met in France in November 2013 for a four-day training session. The session demonstrated the importance of the legal framework at the European Convention level and revealed the critical need to understand how legal rules concerning cooperation between the employer and the works councils in the 27 member countries are represented. Notable differences sometimes exist, as can be seen in a comparison of French and German labor laws. Cultural differences need to be accepted and taken into consideration when dealing with international topics.”



GERMANY

**Dieter Müller**

Member of the Select Committee of the Saint-Gobain European Social Dialogue Convention



FRANCE

**TRAINING FOR LABOR UNION REPRESENTATIVES AT INSTITUT D'ETUDES POLITIQUES IN PARIS**

Following the signature of a company agreement on labor union recognition at Verallia France, ten labor union representatives attended a six-month training course on economic and social culture at Institut d'Etudes Politiques (France's prestigious political science institute) in Paris, in partnership with the Dialogue association.



# FOUR PRIORITIES TO HELP SAINT-GOBAIN GROW

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To support Saint-Gobain's growth, the human resources policy focuses on four key priorities: **professional mobility, team diversity, employee commitment and development of talent.** All Group sites deploy these priorities based on their local cultural and regulatory environment and job characteristics.

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*Team diversity is a major challenge for Saint-Gobain*

## **Professional mobility**

Enhancing mobility between regions, functions or Activities is a priority path for helping employees grow and broaden their horizons. It is the best way to stimulate inter-team collaboration, establish new solutions for customers and open the Group up to new cultures. Mobility promotes more diversified career paths, strengthens the Group's culture and provides a way to support changes in job catchment areas and develop team members' employability.

A number of tools have been put into place to encourage mobility within the Group. Annual performance reviews, individual reviews and succession plans provide key opportunities for employees and their managers to identify interest in mobility.

In the Group's different units, mobility committees made up of human resources managers meet to share information on job offers and discuss

employees' career development prospects. In France, regional committees were launched in 2013 to develop mobility for non-managers.

Available to all employees, the Group's Professional Mobility Charter helps team members prepare for mobility assignments. Employees also have access to the OpenJob platform, which presents a number of positions offered in the Group's different units internally, and, if needed, externally, and allows users to apply online. The platform was introduced in France in 2012 and deployed in North America in 2013.

During the year, 545 managers took assignments in another Activity, 936 moved between functions and 246 went to work in another region.

## **Team diversity**

Team diversity is a major challenge for Saint-Gobain. Diversity allows the Group to look at its organizations

in a new way and fosters the emergence of new ideas, which help drive performance.

Saint-Gobain is committed to promoting all types of diversity (gender, nationalities, generations, disabilities, training and career backgrounds). To fulfill this commitment, the General Delegations join and participate in initiatives such as the Employers Forum for Disability in the United Kingdom and *Association Française des Managers de la Diversité* (French association of diversity managers) in France.

## **Priorities**

Enhancing gender diversity within teams involves an assertive hiring policy and action plans for professional promotion, equal pay for equal work, training and work-life balance. In 2013, mentoring programs were set up in several General Delegations and an e-learning module entitled Gender



Balance Awareness was produced and distributed in several languages. To promote a multidisciplinary talent base, steps have been taken to diversify the Group's target schools and universities and to reward varied backgrounds in such skills as marketing and research and development. The ever growing development of the Group's businesses in international markets requires the creation of local teams. Today, 46% of the Group's executives are from a country other than France.

**Local initiatives**  
Saint-Gobain gives both young people and seniors the opportunity to express their talents fully, because each generation has something to add to the organization. In 2013, 8,154 young people under 26 joined Saint-Gobain and numerous internships, work-study contracts and international co-op placements were provided. Local initiatives are carried out to recruit people over 55, promote access to training and prevent physically challenging situations. The "50+ A Mature

Response" project deployed in Poland is just one of these initiatives. Integrating and retaining disabled individuals are important goals for Saint-Gobain. Local human resources teams provide specific support for disabled employees, who accounted for 1.6% of the Group workforce in 2013.



**DIVERSITY CHARTER**

In Poland, Saint-Gobain and other companies signed a Diversity Charter at the Chancellery of the Prime Minister. The charter is part of a European initiative to promote diversity, non-discrimination among employees and the value generated by difference.



After working for several years in the Building Distribution Sector's Marketing and Purchasing Department, I was enthusiastic about the idea of discovering a flat glass manufacturing company. I adapted to a new sales environment in which challenges are managed in a different way. Inter-profession mobility assignments force you to go outside your comfort zone, but getting a new perspective is a fantastic experience."



**Martin Stadler**

Marketing Director at Saint-Gobain Glass Deutschland GmbH



**INTEGRATING DISABLED WORKERS FOR 40 YEARS**

In 2013, the Saint-Gobain PAM plant in Blénod celebrated the 40th anniversary of the sheltered employment program\* hosted by the site, which handles product packaging, among other things. Employed by a specialized association, the program's 36 workers are fully integrated into the plant's operations.

\* Établissements et Services d'Aide par le Travail

**WEBERASMUS, LEARN BY TRAVELING**

Weberasmus was conceived of as an international exchange program to give researchers an opportunity to spend several months in a Weber R&D laboratory in another country. In this way, a researcher working on a new area of application can gain insight from R&D teams in a country where Weber is already market leader. This temporary assignment also gives researchers a chance to broaden their cultural horizons and extend their networks.



**WOMEN AT SAINT-GOBAIN**

**24.4%**  
OF TOTAL HIRES

**20.5%**  
OF TOTAL HEADCOUNT

# FOUR PRIORITIES TO HELP SAINT-GOBAIN GROW

## 141,064

EMPLOYEES RECEIVED TRAINING IN 2013, REPRESENTING 77.0% OF THE WORKFORCE

## 22.7

HOURS OF TRAINING WERE OFFERED PER PERSON

## 826

EMPLOYEES ATTENDED THE SCHOOL OF MANAGEMENT - 31 TRAINING MODULES



Employees of Saint-Gobain Canalização (Brazil)

### Employee commitment

Professional commitment is influenced first and foremost by managerial involvement in developing team members' employability and recognizing each individual's daily work.

As concerns remuneration, basic pay package standards are defined by the General Delegations in each country and in each business sector based on market conditions. The companies then establish their salary policies. In France, to foster team spirit and ensure that all employees have a stake in the Group's success, Saint-Gobain encourages the signature of discretionary profit-sharing agreements.

Saint-Gobain also focuses on offering employees health coverage that provides effective protection from unforeseen events. Until now, the Group's initiatives have been particularly visible in France, where the policy governing healthcare costs and insurance has been harmonized with common guarantees. The Group would like to extend its efforts to social protection systems in all host countries.

Saint-Gobain's hosting and integration

programs, teamwork and cross-functionality, new information technologies and flexible work arrangements (such as telecommuting agreements in certain companies in France and Scandinavia) all play a role in creating a motivating and attractive professional environment.

### Development of talent

Saint-Gobain invests in developing its employee's skills and know-how. The goal is to offer appropriate, adaptable programs through collective and cross-functional training initiatives or individualized courses. The Saint-Gobain School of Management, in particular, is responsible for carrying out this mission among managerial staff. More than 1,000 team members participated in the School's training modules in 2013 and deployment continued in the General Delegations.

To accompany the Group's strategy and integrate changes in the market, Saint-Gobain is developing business-specific programs that are deployed locally around the

world. The formats are shifting to approaches that mix e-learning and on-site classes that analyze real-world cases at Saint-Gobain.

In the area of talent management, the Saint-Gobain Talents program identifies managers with strong development potential or key competencies. Applied locally, at all levels and in all Group businesses, the program allows Saint-Gobain to develop these talents and map out career plans with an emphasis on diversified paths.

### Four challenges for training

- Facilitate the deployment of the Group's strategy and get employees involved in making this strategy a reality.
- Drive change within the Group to place greater emphasis on innovation and to meet customer needs and expectations more effectively.
- Consolidate the operational and technical know-how that gives Saint-Gobain a competitive advantage in its markets.
- Support Saint-Gobain's development in fast-growing markets.



**EMPLOYEE SHARE OWNERSHIP**

For the past 26 years, employee share ownership has given team members the ability to become shareholders on preferential terms. Under the Group Savings Plan, employees can purchase Saint-Gobain shares at a discount and, in certain countries, benefit from a matching contribution. The employee shareholder base is composed of more than 90,000 individual accounts. In France, Saint-Gobain received a special 20th anniversary award from the French Federation of Employee Shareholder Associations (FAS) for the Group Savings Plan's steady deployment, Saint-Gobain's contribution and the resulting size of the employee shareholder base.



**TELECOMMUTING**

"I telecommute two days a week. This helps me organize my time better because I save two hours of commuting on those days."

**Morgane Sibéril**  
Labor Law Specialist  
Compagnie de Saint-Gobain

  
**FRANCE**

"Telecommuting is another way of operating, and perhaps another way of managing a team."

**Michel Girault**  
Head of the Labor Law Department  
Compagnie de Saint-Gobain

**LISTENING TO EMPLOYEES**

Opinion surveys are conducted internally in ten General Delegations to get a better view of employee expectations and provide more effective support. In France, the first survey of managers was carried out in 2013 to obtain feedback in five areas: vision of the future; relations with superiors and management style; organizations, resources and procedures; team management and diversity; and gender equality. Fully 90.7% of survey respondents said they felt personally concerned by the company's successful operations and results.



2013 Brazilian young talents meeting

  
**BRAZIL**

**YOUNG TALENTS**

An 18-month technical and managerial training program is offered to young graduates with a variety of profiles from Brazil's top universities. This powerful tool allows us attract and develop young talents and then integrate these individuals into our management teams. So far, 79 employees have joined the Group through this program."

**Adriana Rillo**  
Human Resources Director  
General Delegation for Brazil, Argentina and Chile

**NEW GENERATION TRAINING**



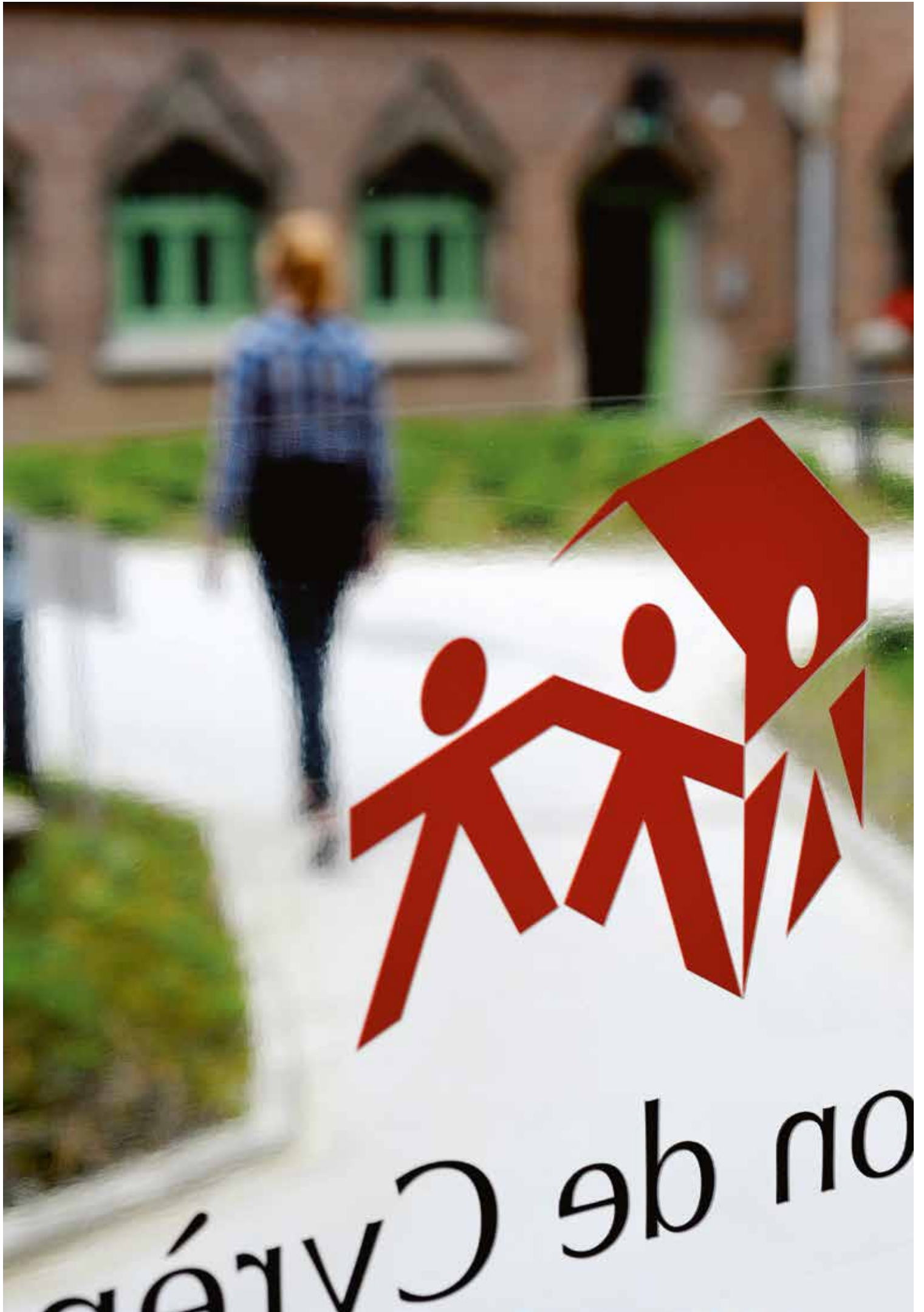
Boost!, the Group's new online training platform, has been available to all Saint-Gobain employees since June 2013. This tool offers self-service access to an à la carte menu of courses, of which more than 18,000 had been completed by employees in January 2014, as well as external content. A personalized section allows for easy tracking of courses taken.



  
**CHINA**

**SHARING KNOW-HOW**

Saint-Gobain HanGlas Sekurit has opened a university for employees at its Shanghai and Qingdao plants. The establishment's 38 professors are directors, experts and managers from all of the company's professions. Together, they offer a variety of courses in areas related to Saint-Gobain HanGlas Sekurit's activities to develop employees' operating skills and knowledge of the market.





**58** Developing job catchment areas



**60** The Saint-Gobain Initiatives International Corporate Foundation



**62** Local outreach initiatives

SAINT-GOBAIN IS A MULTIREGIONAL ORGANIZATION SERVING LOCAL MARKETS. THE GROUP'S INVESTMENTS CONTRIBUTE TO LOCAL EMPLOYMENT AND TO THE ECONOMIC DEVELOPMENT OF ITS HOST COMMUNITIES.



AREA 4

# SUPPORT LOCAL COMMUNITY DEVELOPMENT

# DEVELOPING JOB CATCHMENT AREAS

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By investing locally and carrying out initiatives in its job catchment areas, Saint-Gobain contributes to the development of the areas in which its sites are located.

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The Saint-Gobain PAM plant in Bayard-sur-Marne (France) celebrated its 500th anniversary in 2013

Saint-Gobain is a multiregional organization serving local markets. Today, solutions and services created and distributed locally account for more than 90% of its sales.

By investing locally and carrying out initiatives to develop its job catchment areas, the Group contributes to its host regions' social and economic vibrancy, which benefits all local players. Saint-Gobain's mindset is one of sustainable and shared profitability. When restructuring cannot be avoided, the Group does everything in its power to limit the impact and to help revitalize the affected areas.

## Investing locally

By proposing solutions for markets at all stages of development, Saint-Gobain captures opportunities in expanding segments of both mature and fast-growing markets. The Group's capital expenditure choices and acquisitions strategy reflect these trends. In 2013, Saint-Gobain pursued its investments in its businesses with the opening of new manufacturing sites, supply

chain platforms and sales outlets, which create jobs locally. In this way, the Group contributes to the growth and development of its host regions.

## Saint-Gobain Développement

Relations with local communities are the most highly structured in France, where the Group's presence is the most concentrated. This is primarily due to Saint-Gobain Développement, which supports local development and the revitalization of job catchment areas.

Saint-Gobain Développement contributes to local economies in a variety of ways, from forging direct partnerships with small- and medium-sized enterprises (SMEs) and helping employees create their own businesses to providing assistance to local development networks and organizations and participating in regional events.

To support growing SMEs, Saint-Gobain Développement offers a comprehensive range of solutions, such as unsecured, low-interest participating

loans, expertise sharing and skills transfers, as part of a long-term "manufacturer-entrepreneur" partnership. In response to rising demand from SMEs and its host regions, Saint-Gobain is continuing to deploy a program through which seasoned employees can share their expertise with small- and medium-sized businesses and industries supported by the Group. Individuals interested in participating receive a day of preparation and a letter of engagement explaining the terms of their assignment. This initiative gives Saint-Gobain a way to promote local economic development even more effectively. The Group also expects a positive impact on its own teams' motivation and interaction with the outside community.

Among the highlights of 2013 was the signature of an "Entreprise et Territoire" (businesses and local development) charter and of a partnership agreement between Saint-Gobain and the French Ministry of Urban Affairs (see *example*).





 **RE-OPENING OF THE MERIDIAN SITE**

**UNITED STATES**  
 The CertainTeed plant in Meridian, Mississippi, idled since 2009, will come back on line in 2014. The plant will produce ceiling tiles and acoustic wall panels used in commercial applications. This development is expected to create about 110 jobs by 2016.

**DEVELOPMENT FOR GYPSUM**

The Gypsum Activity has started production at its first plasterboard plant in Russia. The new site, located near the village of Gomzovo in the Nizhny Novgorod region, was built near a quarry. Representing an overall investment of €71 million, the plant will employ 128 people at full capacity. All of the industrial processes comply with environmental requirements, notably as concerns wastewater management and atmospheric emissions.

**RUSSIA**  




 **TELHANORTE EXPANSION**

**BRAZIL**  
 A new Telhanorte sales outlet was inaugurated in Jundiá, São Paulo state. The more than 4,500-square-meter outlet offers 40,000 products. *"This major investment reflects the importance and dynamism of this area for the brand's operations. We will create jobs and actively contribute to the region's economy,"* declared Manuel Correa, General Director of Telhanorte.

 **PARTNERSHIP AGREEMENT WITH THE MINISTRY OF URBAN AFFAIRS**

**FRANCE**  
 For many years, Saint-Gobain has actively promoted sustainable jobs for young people. Through this new agreement, the Group has joined forces with the Ministry of Urban Affairs to enhance its action in four areas: employment, job opportunities and training; economic development; support for local initiatives and community outreach (sponsoring); and inter-company sharing of best practices. Representatives from the Ministry of Urban Affairs and from Saint-Gobain will meet annually to review the initiatives carried out during the year.

 **ALVER UPGRADE**

**ALGERIA**  
 Verallia inaugurated a second furnace with fully modernized equipment at its Alver plant in Oran. The project was carried out with support from Verallia Italia technicians, as well as from site partners and suppliers. In all, the staff received 40,000 hours of training.

# THE SAINT-GOBAIN INITIATIVES INTERNATIONAL CORPORATE FOUNDATION

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Saint-Gobain is involved in solidarity actions to support the least advantaged in areas aligned with its strategy. This is the purpose of the Saint-Gobain Initiatives International Corporate Foundation.

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The Saint-Gobain Initiatives International Corporate Foundation is based on the concept of employee involvement. The Foundation supports projects sponsored by current or retired employees in three areas related to Saint-Gobain's strategy:

- job opportunities for young people;
- construction, refurbishment or renovation of social housing, for general interest purposes;
- energy efficiency and environmental protection in social housing.

Projects must be carried out by a non-profit organization and be located near a Group site.

The Foundation provides financial support for selected projects. In addition, Saint-Gobain subsidiaries can offer technical expertise or donate materials. Certain projects give local employees an opportunity to demonstrate their commitment by volunteering with the organizing association.

The Foundation was created in 2008. It is financed by Compagnie de Saint-Gobain and the Innovative Materials, Construction Products and Building Distribution Sectors, with an annual endowment of €1 million.

#### Operating method

Each project is submitted and championed by a current or retired Saint-Gobain employee. The project is reviewed first by the Selection Committee. If accepted, it is then forwarded to the Executive Board. Both committees are made up of current and retired Group employees.

The Foundation's Board of Directors sets general policy and makes major decisions. Chaired by Pierre-André de Chalendar, the Board of Directors has 15 members, including two employee representatives and five qualified individuals with recognized credentials in construction, architecture and

job opportunities. The Responsible Development Department handles project coordination and monitoring.

#### Foundation facts and figures

Over the 2008-2013 period:

- 186 projects located in 47 countries were submitted to the Foundation, corresponding to more than €19 million in requests for support;
- of these, 71 were supported, for a commitment of €5.2 million;
- 99 were not selected, notably because they did not correspond to one of the Foundation's three focus areas or because they were located too far away from a Group site;
- as of end-2013, 16 projects were still under review by the Foundation's Selection Committee and Executive Board.

**A REFURBISHED ORPHANAGE**



**BRAZIL**

The Foundation financed renovation work at *Fazenda do Natal*, a center managed by NGO *Pontos Coração* that takes in children and teenagers abandoned by their families. The project included repairing the roofs, maintaining the water tank, installing gutters and putting in a septic tank. The living quarters, built some fifteen years ago, were in poor condition.



**SPAIN**

**TRAINING IN BUILDING INDUSTRY PROFESSIONS**

The Saint-Gobain Initiatives Foundation financed the purchase of materials for plumbing and plaster production workshops as part of a training course on different building professions offered by the *Yrichen* foundation, which helps individuals with drug dependence issues return to the workforce thanks to a program of treatment and skills qualification. Saint-Gobain Weber teams also welcomed young people into their plant for six days of training on how to apply mortar.



**FRANCE**

**MAKING COMFORT AVAILABLE TO ALL**

The Saint-Gobain Initiatives Foundation participated in the renovation of *Mont-Louis*, a social housing complex managed by the *Bail pour Tous* association, which aims to ensure that housing is available to all. The project's goal was to reduce the building's energy consumption while enhancing residents' comfort by empowering them to manage the energy bill more effectively. A Saint-Gobain expert provided support, particularly during the diagnostics phase. Saint-Gobain ISOVER and Lapeyre also took part, notably by donating materials.



**CZECH REPUBLIC**

**A SELF-SUFFICIENT FARM**

The Foundation financed the rehabilitation of a center belonging to *Kvetna Zahrada*, an association that provides shelter to children and young adults who have turned away from society. All of the Group subsidiaries in the Czech Republic participated in the project. A cheese making unit and a bakery were installed thanks to the rehabilitation work, part of which was performed by the residents themselves.



**2013**

**42**  
NEW PROJECTS SUBMITTED

**25**  
SPONSORSHIP AGREEMENTS SIGNED

**€1.1 million**  
ALLOCATED



We try above all to understand the project as a whole - its purpose and viability, the commitment of the sponsor and sponsored, or the motivations of the association. We avoid spreading the Foundation's budget around on too many initiatives, but we also steer clear of overly ambitious projects. We want to take a multicultural look at the projects submitted to our committee, with the goal that the ones we select will be approved by the Executive Board. We need to be as fair as possible."

**Agnès Deltenre**  
Member of the Selection Committee



# LOCAL OUTREACH INITIATIVES

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Saint-Gobain sites around the world interact with their immediate environment through a variety of community development initiatives.

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*The Saint-Gobain Corporation Foundation partners with YouthBuild in North America*

Including the contribution of the Saint-Gobain Initiatives International Corporate Foundation (see pages 60-61), a total of €4.9 million was devoted to these programs in 2013. Aside from financial support, the Group actively encourages its team members to get involved as volunteers. Saint-Gobain Activities, companies and sites launch these initiatives to participate in local community development in the Group's reference markets. In certain cases, programs address more general topics such as education, research, culture and healthcare.

### **Active local foundations**

Foundations have been created in certain General Delegations or Activities to take action locally.

### **The Saint-Gobain Corporation Foundation**

In North America, the Saint-Gobain Corporation Foundation is committed to putting the power of its people and its products into the communities in which its employees live and work. The Foundation believes Saint-Gobain can do well by doing good – and supporting non-profits that share a commitment to community development, energy conservation and environmental stewardship is central to that belief.

One example is the Foundation's partnership with YouthBuild, a non-profit organization that helps young people from disadvantaged neighborhoods through sustainable construction and renovation projects. Saint-Gobain employees volunteer their time to provide assistance and advice. At the same time, the young people continue their schooling. The construction or rehabilitation work carried out with YouthBuild complies with very strict energy efficiency criteria, giving tomorrow's adults useful insights into sustainable construction and environmental protection.

### **The Saint-Gobain India Foundation**

In India, the Saint-Gobain India Foundation focuses on improving the living conditions of the least well-off by supporting educational projects, particularly for young girls. It is also involved in learning, healthcare and the environmental initiatives.

### **The Activities' foundations**

In France, *Fondation PAM*, the Pipe Activity's foundation, lends a helping hand to young people who are socially marginalized or in financial difficulty by linking them up with an employee mentor. *Fondation Placoplatre*® promotes mainstreaming through job opportunities in the building professions. It also supports programs to preserve the environment and the development of cultural activities near Gypsum Activity sites.





 MALAYSIA

**OPPORTUNITIES FOR EMPLOYEES AND THEIR FAMILIES TO VOLUNTEER**

In a project initiated by Saint-Gobain Gyproc, several Group companies with operations in Malaysia have created an internal committee tasked with offering employees opportunities to volunteer in three areas: sports, the environment and community outreach. The committee's ten members, all non-managers, are appointed for two years. Each activity is organized on the weekend and must obtain an employee participation rate of at least 70%. Community outreach initiatives conducted with associations give employees a chance to spend two days with their families helping out on light construction or renovation work. The challenge for the committee is to identify motivating projects that give meaning to the employees' contribution.

**SUPPORTING APPRENTICESHIP**

Saint-Gobain Abrasives supports *Formare Iochpe*, a foundation that offers professional training for young people from low-income families. Saint-Gobain volunteers teach the courses during their working hours, in accordance with programs approved by the Brazilian Ministry of Education. So far, 35 young people have participated in the program, nine of whom are doing an internship with Saint-Gobain.

Two participants have been hired in sales or human resources positions. A total of 1,600 hours of training have been provided and more than BRL127,000 (around €38,500) have been invested in the program.

BRAZIL



**BUILDING A LIBRARY FOR CHILDREN**

CHINA

Several Saint-Gobain Activities joined forces to donate materials for a project to build a children's library in the suburbs of Shanghai. The 70 square-meter facility is designed to expose children to the joys of reading. Saint-Gobain Gypsum, Saint-Gobain Weber, Saint-Gobain ISOVER and Saint-Gobain Glass provided ceiling and wall solutions for a comfortable, healthy and esthetically pleasing reading environment. Managers of Saint-Gobain's local units volunteered to provide training on how to install the Group's products.



**TOGETHER**

The Together program brings together Saint-Gobain employees, customers and suppliers and members of the local community for outreach initiatives. A major milestone was reached in 2013 with the program's extension to all Group sites in the United Kingdom and Ireland. Employees throughout the General Delegation were asked to choose the organization they would like to partner. After the more than 2,500 votes were counted, Macmillan Cancer Support and the Irish Cancer Society were selected to be Together partners for the 2014-2016 period. Both are involved in assisting cancer patients and their families.



UNITED KINGDOM AND IRELAND









**66** Engaging teams



**68** Raising awareness among stakeholders



**70** Supporting customers



**72** Responsible purchasing

SAINT-GOBAIN'S SIZE, WORLDWIDE SCOPE AND SUSTAINABLE HABITAT STRATEGY GIVE IT A SPECIAL RESPONSIBILITY IN RAISING STAKEHOLDERS' AWARENESS TO THE CHALLENGES OF CORPORATE SOCIAL RESPONSIBILITY AND IN PROMOTING EXEMPLARY PRACTICES.

AREA **5**

# TAKE ACTION ACROSS THE **VALUE CHAIN**

# ENGAGING TEAMS

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Saint-Gobain member companies apply the Group's corporate social responsibility policy by setting objectives and launching front-line initiatives to get their teams engaged.

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Photo from Saint-Gobain's internal photo and video contest (Russia)

Saint-Gobain encourages its sites to make an assertive commitment to developing corporate social responsibility (CSR) initiatives. For over twenty years, the Diamond Awards have recognized outstanding progress and performance in health and safety at the Group's sites. In 2011, the Environmental Emerald Awards were created to spotlight environmental performance (see example opposite "Waste management"). The event promotes healthy competition and provides an opportunity for useful exchanges among all participants. A number of Saint-Gobain subsidiaries and Delegations have rolled out CSR programs and set up specialized steering committees to track their progress in this area.

## CSR in the front lines

In the United Kingdom and in Ireland, Saint-Gobain continued to evolve its approach to corporate social responsibility in 2013. Having first developed a roadmap for CSR with objectives and priorities outlined for economic, social and environmental performance in 2011, the Activities have continued this development and highlighted 29 "Critical Success Factors" that form the basis for future focus and progress. Among the critical success factors are: providing waste solutions for its customers (economic pillar), changes to energy supply in order to reduce the business' CO<sub>2</sub> footprint (environmental pillar) and improving employees' health and well-being (social pillar). Priorities have been identified by their pertinence to the

market, are reinforced by front-line action and are in support of Saint-Gobain's strategic commitment to being the reference in sustainable habitat and construction markets. The corporate organization regularly communicates with management teams to discuss progress and ensure constant focus is placed on the most important priorities which also include areas such as reducing water consumption, eco-innovation, and employee and customer skills development. This approach has given Saint-Gobain team members a broader understanding of sustainable development issues. In 2014, feedback from the stakeholder advisory panel (see example) will give the General Delegation's initiatives added impetus.





 FRANCE

**PRIORITERRRE**

In 2012, Lapeyre launched PrioriTierre, a CSR program designed to engage all employees in ten projects, all of which are related to environmental issues. The objective is to instill and transmit a responsible approach in each of the brand's professions. From optimizing waste and promoting products made in France to creating an organized channel for recycling end-of-life joinery (see pages 17 and 31), Lapeyre teams are actively involved.



“

Experts have been identified to promote and disseminate the approach. Lorenzo Ferrero, Project Manager for responsible purchasing and wood environment policy, is one of these experts: “I handle purchases of products destined for distribution and verify their origin, notably wood for joinery. A company like Lapeyre has to offer certified materials. PrioriTierre raises the visibility of my missions in-house. So far, I've promoted two projects, responsible purchasing and wood environment policy, and organized conferences and meetings.”

**WASTE MANAGEMENT**

Thanks to efforts by all stakeholders, the Glassolutions Glassver plant in Saint-Pierre-des-Echaubrognes (France) has achieved the target of zero non-recovered waste. Employees and their representatives undertook to limit waste at the source. Environmental relays were identified in each team to inform employees and ensure that selective waste sorting procedures were properly applied. Local partners proposed more effective channels for recovering materials and energy that were very profitable for the site. These efforts also helped reduce atmospheric CO<sub>2</sub> emissions from waste transportation and supported community outreach, as the plant turned to a mainstreaming center specialized in sorting, dismantling and processing non-hazardous industrial waste. The site was recognized with an Environmental Emerald Award in 2013.

FRANCE



**FIRST STAKEHOLDER COMMITTEE**

In 2013, Saint-Gobain set up a stakeholder advisory panel committee as part of its corporate social responsibility strategy in the United Kingdom and in Ireland. The committee panel comprises representatives from various companies and organizations who will provide their insight on the General Delegation's CSR initiatives and achievements. This first advisory panel committee of external stakeholders within the Group reflects Saint-Gobain's commitment to organizing constructive dialogue (see pages 16-19).

# RAISING AWARENESS AMONG STAKEHOLDERS

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Saint-Gobain actively promotes sustainable construction and takes part in forward-looking thinking about the buildings of tomorrow all around the world.

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The Group shares its vision of sustainable habitat solutions with the entire value chain and anticipates market trends to enhance its leadership position

For many years, Saint-Gobain has been involved in local efforts to promote sustainable buildings by joining Green Building Councils (GBCs). These national associations of building market professionals and actors offer an effective forum for promoting sustainable construction.

Through its subsidiaries, the Group belongs to 25 GBCs worldwide. To consolidate this position, Saint-Gobain became a partner to the European network of the World Green Building Council in 2012. It also became a platinum member of the US Green Building Council in 2013. Lastly, the Group joined the World Green Building Council Advisory Board in October, represented by Peter Hindle, Senior Vice-President in charge of Sustainable Habitat.

This expanded participation should allow Saint-Gobain to share its vision of sustainable habitat solutions with the entire value chain, anticipate market trends and maintain its leadership position in this area.

## **A European commitment to sustainable building**

Saint-Gobain contributes to discussions on sustainable building at the European level. In 2013, the Group formalized its recommendations in a public document in response to a call for proposals from the European Commission. In this document, Saint-Gobain presented its vision of buildings that are not only energy- and resource-efficient and environmentally friendly, but also comfortable and healthy. The Group shared its knowledge of sustainable construction markets and suggested ways to promote the integration of environmental aspects in new building projects and in the renovation of existing buildings. For example, it defended the complementary nature of the various labels (LEED®, BREEAM, HQE, etc.) that recognize the most sustainable buildings and regulations that define minimum mandatory criteria. The Group also shared its experience in assessing the environmental

impact of building materials and promoted life cycle analyses (*see page 30*), a now widely recognized method used by Saint-Gobain since the early 1990s. Lastly, the Group highlighted the need for innovation in developing solutions for making buildings more sustainable.

Saint-Gobain also contributes to discussions on the circular economy and worksite waste, as part of the building industry's strong ambition for 2025 of reducing landfilled worksite waste to next to zero (*see pages 31 and 40-41*).

## **Promoting energy efficiency in buildings**

In response to the challenge of global warming, the Group has adopted a proactive communications policy to raise public awareness about the impact of buildings on the environment and on energy consumption and to encourage action to significantly reduce this impact.

The Group has also helped to create and develop a number of local

associations to generate support for energy efficient buildings, among them *Isolons la Terre contre le CO<sub>2</sub>* in France; *Spaar het klimaat* in the Netherlands; *La Casa que Ahora* in Spain; Alliance to Save Energy and Council of NAIMA in the United States; EURIMA, EUROACE and the Renovate Europe campaign in Europe and the Active House Alliance.

In addition, Saint-Gobain is involved in “*Coalition France pour l’efficacité énergétique*” (French coalition for energy efficiency) through *Isolons la Terre contre le CO<sub>2</sub>*. Created in the wake of the national debate on the energy transition, the coalition intends to propose tangible solutions by laying the groundwork for a consistent energy efficiency policy. This

is the first time that so many different organizations and associations involved in promoting energy efficiency in France on a daily basis find themselves sitting around the same table.



**ENVIRONMENT AND INDUSTRY**

In October 2013, the “*Entreprises pour l’Environnement (EpE)*” (businesses for the environment) association chaired by Pierre-André de Chalendar organized a colloquium on Environment and Industry in partnership with INERIS and *Fabrique de l’Industrie*. Some 300 business, labor union and association representatives attended the one-day session. Participants discussed the environment, the role of industry in society, the acceptability of projects and new technologies and the management of industrial risks. EpE is an association of some forty French and international companies involved in industry and services who have made a commitment to work together to ensure that environmental issues are integrated more effectively in their daily management strategies.

**THE ENERGY TRANSITION AS SEEN BY SAINT-GOBAIN**

During the national debate on the energy transition in France, Pierre-André de Chalendar, Chairman and CEO of Saint-Gobain, officially presented the Group’s vision on this topic. For Saint-Gobain, energy efficiency in buildings, which are the largest reservoir of energy savings, can make the energy transition a job-creating growth driver. Efforts need to focus on the thermal renovation of existing buildings and implementation should be pragmatic and differentiated by segment (single-family or multi-occupant).

# SUPPORTING CUSTOMERS

Saint-Gobain develops products and services for habitat and construction industry professionals, who use, process or integrate them to serve their own customers.



New habitat Innovation Centre opened in London (United Kingdom) in 2013

## Innovative solutions and partnerships

Saint-Gobain's relationships with building industry professionals and knowledge of their profession helps the Group improve sustainable construction techniques. For Saint-Gobain, it is clear that very close cooperation with all public and private industry stakeholders - including architects, builders and professional installers - will be required to meet sustainable habitat challenges.

The Group forges tight bonds with customers to get a better understanding of their markets and develop innovative, tailored, high value-added products. Saint-Gobain has created several specific venues to foster exchanges with market players and provide them with solutions aligned even more closely to their needs. In March 2013, the Group opened its new 312 square-meter Innovation Centre in the heart of London to showcase the sustainable habitat solutions offered by Saint-Gobain companies in the United Kingdom and Ireland. The Centre is a source of inspiration for building industry

professionals, architects and designers. It stimulates research and collaboration by offering a comprehensive view of Saint-Gobain's market and promotes the development of relationships and partnerships to create the habitat solutions of tomorrow.

## Training

Investing in training a new generation of contractors and professionals who are aware of the challenges of energy efficiency and sustainable construction will help provide a solid future for the industry's skill sets and promote its development. In Saint-Gobain's view, training is most effective at the local level, led by each Activity and each country organization, to ensure that Group solutions are used and installed properly in the front lines. This is the case for Saint-Gobain Gyproc Middle East, for example (see example opposite "Helping customers develop new skills").

Training contractors in construction and energy renovation techniques is a strategic challenge for the Group, which devotes substantial resources


to informing and educating building industry professionals. Numerous initiatives have been launched, including roving exhibits, specialized counters in Building Distribution brands, on-site support, conferences and cross-functional or topic-specific training centers. The latest center, the Saint-Gobain Academy, opened its doors in Moscow in November 2013 with the goal of training contractors and developing the Multi-Comfort concept in Russia. In France, effective July 1, 2014, in order to obtain a government-subsidized zero-interest eco loan (Eco-PTZ<sup>(19)</sup>) or sustainable development tax credit (CIDD<sup>(20)</sup>) for their energy renovation projects, consumers must work with professionals whose environmental credentials have been recognized with the "Reconnu Garant de l'Environnement (RGE)" (recognized environmental guarantor) label. Saint-Gobain offers training programs to help building industry professionals earn RGE certification, as well as end-to-end, personalized support in taking this new step forward.

<sup>19</sup> Eco-PTZ: Eco-Prêt à Taux Zéro as from July 1, 2014.

<sup>20</sup> CIDD: Crédit d'Impôt Développement Durable as from January 1, 2015.



**PRODUCTS THAT CREATE VALUE**

 VERALLIA

Together with its customers, Verallia develops value-creating products corresponding to their needs and general market trends while taking into account the challenges of corporate social responsibility. All around the world, the company introduces eco-designed glass packaging bottles and jars that respond to demands to reduce environmental impacts, offer attractive packaging solutions and highlight the product inside. Since launching the ECOVA ranges in 2009, Verallia has sold around seven billion eco-designed bottles.



 UNITED KINGDOM

**E-BUSINESS STRATEGY FOR JEWSON**

Jewson has adopted an online sales help strategy for each of its websites based on customer feedback. Each site has been designed for the professional trade customer, supporting the needs of small and medium builders, as well as specialists such as kitchen fitters. A wide range of devices are supported, including smartphones and tablets.

**ENERGY EFFICIENCY EXPERTS**

 FRANCE

POINT.P Matériaux de Construction has installed energy efficiency counters in almost 80 branches (120 at the end of 2014) to help customers with building and energy renovation projects. In these branches, customers have access to specially trained sales representatives as well as to numerous tools and services. For example, they can test their project's energy efficiency using a simulator, request a structural study from a regional POINT.P technical center or be put into contact with a thermal performance consultant.



 UNITED ARAB EMIRATES

**HELPING CUSTOMERS DEVELOP NEW SKILLS**

Since establishing the region's first plasterboard plant in Abu Dhabi in April 2010, Saint-Gobain Gyproc Middle East has worked closely with local contractors to develop a training program on the basics of on-site installation. More than 2,000 installers have been trained since 2011. For the Al Mafrq hospital complex project in Abu Dhabi, more than 2,000 man-hours of training were dispensed over 11 months to ensure that Gyproc systems were installed correctly and efficiently.



# RESPONSIBLE PURCHASING

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Saint-Gobain's responsible purchasing approach is designed to extend the Group's good business practices to partners all the way up and down the value chain.

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*Worldwide policies established at the Group level apply to all Saint-Gobain sites and Activities*

In addition to addressing the critical need to comply with regulations, responsible purchasing helps create value for the Group by providing a clearer picture of purchasing-related impacts and potential risks. In this way, it delivers a meaningful competitive advantage.

The first challenge is compliance. This means ensuring that all players in the supply chain comply with local and international regulations, notably with respect for human rights, labor law, workplace health and safety and environmental protection.

The Group's responsible purchasing approach is based on:

- its purchasing officers' commitment;
- its suppliers' approach;
- the implementation of worldwide policies;
- a focus on communication and training.

#### **Purchasing officers' commitment**

The Purchasing Charter provides all purchasing officers with guidelines

for carrying out their mission on a daily basis.

Since 2012, an online responsible purchasing training module has been available on the Group intranet, translated into six languages. A total of 1,433 people have taken this course for purchasing officers in just two years. It will be expanded in 2014.

#### **Suppliers' approach**

The revamped Suppliers Charter introduced in 2012 explains Saint-Gobain's requirements and suppliers' obligations in the area of corporate social responsibility. These requirements and obligations are included in responsible purchasing clauses, which appear systematically in all new framework agreements signed by the Group.

To ensure that suppliers comply with this charter, the Group has implemented a three-step approach comprising:

- 1) the provision of an e-signature tool that makes it easier for suppliers to validate the charter;

- 2) an assessment of suppliers' CSR performance based on 21 environmental, social and ethical criteria. The assessment also covers suppliers' own supply chains. This approach allows the Group to identify critical suppliers more easily and target supplier audits more effectively;

- 3) on-site audits, designed to ensure that suppliers meet their commitments concerning labor law, human rights, workplace health and safety, environmental protection and the implementation of an appropriate management system. In the event of non-compliance, the supplier is asked to take corrective action and a new audit may be carried out. If the issue persists, the Group may sever relations with the supplier.

#### **Worldwide policies**

Worldwide policies are established at the Group level. They apply to all Saint-Gobain sites and Activities in all host countries.

A wood policy was launched in 2013 (see below) for deployment in 2014. A pilot program to reduce the risk of exposure to hazardous substances within the framework of local technical purchases is being prepared in 2014. Similarly, the need to work more often with the supported employment sector (see below) will be emphasized more strongly in purchasing policies.

**Communication and training**

A platform dedicated to responsible purchasing is currently being developed to aggregate all useful information in a single portal for Group purchasing officers and suppliers. Suppliers will have limited access, with the ability to search for information (such as their assessments) or save data (attestations of compliance

with certain standards, quality certificates, etc.). Purchasing officers will find all the information they need for responsible purchasing, including supplier assessments, useful links and current procedures, scorecards and performance indicators.

**WOOD SOURCING POLICY**

Launched in the Building Distribution Sector in 2007 and gradually extended across the Group, Saint-Gobain's policy concerning the purchase and sale of wood-based products gives preference to recycled wood, or, if not feasible, to FSC/PEFC-certified wood or products from responsibly managed forests. The Group ensures that it complies with the European Union Timber Regulation (EUTR) within the framework of the Forest Law Enforcement, Governance and Trade (FLEGT) action plan in Europe and with the Lacey Act in the United States. Progress is being made in product traceability and in controlling the risks involved in buying and selling wood. Aware of the need to preserve biodiversity, the Group undertakes to adapt its purchasing and sales policy to the vulnerability of each species. Lastly, Saint-Gobain is careful to respect the fundamental rights of local populations.



Responsible purchasing workshop in Sweden

**DISTRIBUTION PURCHASES**

Purchases by the Building Distribution brands represent 45% of the Group's total purchasing volume. The Sector sources from more than 30,000 suppliers in some 50 countries. Half of the Sector's purchasing volume is sourced from suppliers who have signed the Suppliers Charter, while 20% is purchased from suppliers who have filled out a self-assessment questionnaire within the framework of the Responsible Together program. In 2012, the Sector launched the Purchasing Excellence Program to train managers in charge of selecting preferred suppliers and improve their professional skills, notably in the area of responsible purchasing. Nearly 1,000 purchasing officers have been trained over 18 months.

**FRANCE**

**PURCHASES FROM THE SUPPORTED EMPLOYMENT SECTOR**

For many years, Saint-Gobain has developed local partnerships in various areas with the sheltered and supported employment sector, from which its sub-contracts or purchases goods and services. In 2013, a module was added to the Group's training catalogue in France to familiarize employees (especially subsidiary purchasing agents) with the sheltered and supported employment sector. In 2014, purchasing policies will be reviewed to encourage purchasing officers more strongly to consult players in this sector.







# PERFORMANCE INDICATORS AND ADDITIONAL INFORMATION



# METHODOLOGY

**The contents of this report reflect broad consultation with internal and external stakeholders.**

In-house, the Sectors, General Delegations and a number of corporate functions (Human Resources, Responsible Purchasing, Investor Relations, Responsible Development, EHS, Risks and Insurance, etc.) were asked to contribute examples and real-world case studies to make this year's report even more informative. In particular, the Sectors were involved in the sections on solutions and the General Delegations provided examples and testimonials.

Outside the Group, a diverse panel of stakeholders was consulted on Saint-Gobain's general strategy and on specific aspects of Saint-Gobain's corporate social responsibility approach. Their comments are included in the report.

A steering committee comprising the Corporate Secretary and representatives from the Responsible Development, Human Resources, EHS, Planning, Corporate Communication and Investor Relations Departments defined the report's priorities and set the editorial line. The committee met four times between September 2013 and March 2014.

**The data published in this section on corporate social responsibility at Saint-Gobain following Global Reporting Initiative (GRI) methodology comes from three different Group-wide reporting systems:**

- the social reporting system, supported by Enablon software for headcount reporting and annual social reporting;
- the PeopleGroup management and reporting system for managerial staff;
- the Gaia environment, health and safety (EHS) reporting system.







## SOCIAL REPORTING

### 1. Basic principles

#### An enhanced frame of reference

The baseline initially used for Saint-Gobain social reporting was developed in line with the requirements of the UN Global Compact and France's "NRE" (New Economic Regulations) Act of 2001, supplemented by France's Grenelle II Act of 2012. To obtain a worldwide frame of reference, the baseline was expanded in 2011 to reflect the social indicators of the Global Reporting Initiative (GRI).

#### A continuous improvement approach

The Group is involved in an assertive, step-by-step approach to enhance the reliability of its social reporting data. This approach includes:

- continuous exchanges with the 800 data reporting contributors to make sure that they fully understand and apply the social indicator calculation guidelines defined in the Group's doctrine, which is available in French and English;
- a focus on stability in selecting indicators to guarantee, inasmuch as possible, reliable comparisons over several years;
- the annual submission of selected social reporting data for external assessment;
- enhanced monitoring at each level of data collection and consolidation;
- an increase in the number of interfaces with payroll systems for companies managed by shared service centers to ensure the reliability of transferred data.

#### Scope

In 2013, there were 1,224 social reporting units for 565 fully consolidated companies at year-end.

- The employee numbers report (SIS), prepared monthly, contains data from all companies controlled by the Group, including joint ventures in which Saint-Gobain holds at least a 50% interest. It is the basis for calculating the total consolidated workforce.
- The annual social reporting system, created in 2002 to provide information on the Group's social

performance, has a somewhat smaller scope, covering 98.2% of the consolidated workforce in 2013. Companies that are not controlled directly or indirectly by the Group are not included. This system is the basis for calculating all other social indicators.

New companies joining the Group are included from the date on which they are consolidated, while divested companies are excluded from the figures for the year of divestment.

### 2. Consolidated data

Two software tools - Enablon and PeopleGroup - were used to collect the quantitative social data used in this report. Data is consolidated at the Saint-Gobain Group level.

#### Enablon reporting software

The reporting process comprises five stages:

- updating of the Group's scope. Each month, the collection software is reconfigured to reflect acquisitions, disposals, mergers and changes in consolidation method;
- data input by contributors at the individual company level. Certain indicators are pre-filled thanks to interfacing between Enablon and local payroll systems;
- data validation by the head of Human Resources at the company or General Delegation level, depending on the country;
- data verification and consolidation by the Group Social Affairs Department;
- data reporting, which makes it possible to generate scorecards used in human resources management by the Group Human Resources Department.

#### PeopleGroup data management software

PeopleGroup is the software tool used to manage data on Saint-Gobain's managerial staff. It is organized on the basis of each manager's individual file and includes the processes for career management, annual appraisal interviews and senior executive remuneration.

Group organization data is updated in PeopleGroup at the beginning of each month using the information on changes in scope entered into the social reporting system.

Managers' individual files are updated in one of two ways:

- manually, by the companies' Human Resources teams;
- automatically, from the local Human Resources information systems (used for more than 84.4% of the Group's managers in 2013).

Human Resources managers and their deputies can access the fields in PeopleGroup concerning their scope of reporting to update individual data. Changes in managers' situations are archived.

Cognos, a reporting tool linked to PeopleGroup, is used to extract the data needed for analyses and to produce the specific management scorecards for managerial staff.

All indicators derived from the PeopleGroup database are identified in the section on social performance.

### 3. Difficulties and limitations

The main difficulty in social reporting stems from the Group's wide geographic presence. Although the Group Doctrine Department issues instructions on calculating social reporting indicators to contributors to each year, indicators are sometimes interpreted differently due to differences in local legislation or practices. For example, certain employee categories commonly used in France, such as "cadre" (roughly translatable as "manager") and "CDI" (employee with a permanent employment contract) may not have any direct equivalent in other countries.

In addition, data collection is sometimes impossible due to local situations. For this reason, certain indicators are calculated on the basis of a smaller scope than the one used for the annual social reporting campaign. The scope is defined in each case.

# METHODOLOGY

## EHS REPORTING

### 1. Basic principles

#### Frame of reference

The baseline used for Saint-Gobain EHS reporting, as for social reporting, was developed in line with the requirements of the UN Global Compact and France's "NRE" (New Economic Regulations) Act of 2001, supplemented by France's Grenelle II Act of 2012. To keep pace with developments in international standards such as the Global Reporting Initiative (GRI) and leverage feedback from sites, working groups meet on a regular basis to propose improvements for new EHS indicators. These proposals are discussed and approved at steering committee meetings held twice a year.

#### Scope

There are 1,654 EHS reporting units, corresponding to all of the Group's facilities. The scope of reporting covers the facilities operated by all companies that were at least 50%-owned by Saint-Gobain at the balance sheet date, including, where possible, facilities that came on-stream or were acquired during the year and excluding facilities that were closed or sold. The data are entered directly into the Gaia EHS reporting system by the

EHS units. The frequency, scope and content of the various questionnaires are described in the table below:

**The Safety, Industrial Health & Hygiene, General and Safety-On-Line (SOL) questionnaires** are designed to cover all facilities and all Group employees. Questions about temporary staff and sub-contractors are also included, depending on the questionnaire (Safety and Safety-On-Line).

Safety data are reported on a monthly basis and comprise information about all accidents that occurred during the month and their severity. The system covers approximately 98% of employees across the Group. Full coverage is not achieved because of the maximum two-year grace period for newly acquired facilities to be consolidated in Gaia.

Lost-time accidents (including fatal accidents) are reported systematically via the Safety-On-Line system, with a description of the circumstances.

The Industrial Health & Hygiene questionnaire and the General questionnaire are completed annually.

**The Environment questionnaire** is completed annually by 1,086 sites. Consolidated data for these facilities correspond to the "Group scope". A list of "concerned sites" has also been established to focus efforts on the facilities with the greatest environmental impact, as well as to make

the data and progress in meeting objectives easier to understand. The Activities have validated certain criteria, such as energy consumption, water consumption, and quantity of non-recycled waste, enabling clear identification and monitoring. In all, 518 facilities are included in the scope of concerned sites. Facilities at which production levels declined or increased by 30% or more from 2010 (140 sites) were excluded from this scope for the calculation of three-year objectives based on 2010 production levels. This calculation method is designed to present site performance without the impact of changes in production. If production levels decline significantly, the site's efforts cannot offset the minimum consumption needed to maintain the technical installations in working order.

Data for concerned sites are presented using environmental subgroups. Because of the Group's wide-ranging operations, the environmental indicators managed in the Gaia EHS reporting system are not all relevant for all Activities. The indicators are therefore combined into "batches" and allocated to groups of units with similar environmental impacts and ratios (i.e., indicators expressed by unit of production, generally per metric ton of finished product<sup>(21)</sup>). The main groups of units - referred to as environmental sub-scopes - are as follows:

| Questionnaire                    | Frequency   | Scope   | Content  |
|----------------------------------|-------------|---|--|
| Safety-On-Line                   | When needed | World, all categories of victims  | Instant alert in the event of accidents involving fatalities or lost time                              |
| Safety                           | Monthly     | World, all categories of victims  | Accidents, number of days lost, hours worked, etc.   |
| General & Health                 | Annually    | World (all facilities except certain offices or related sites)  | Certification, audit results, monitoring of health standards, etc.                                     |
| Environment & Mines and quarries | Annually    | "Concerned" sites<br>Mines and quarries (excluding sites connected to plants)<br>Other sites at the Sectors' discretion | Output, raw materials, energy consumption, atmospheric emissions, water, waste, restoration plan, etc. |



- the "Glass" sub-scope, comprising Verallia (Packaging Sector), the Flat Glass and Saint-Gobain Adfords Activities (Innovative Materials Sector), and the Insulation Activity (Construction Products Sector) excluding stone wool, which use glass furnaces (109 concerned sites out of a total of 122 units);
- the "Pipe Activity" sub-scope (20 concerned sites out of a total of 22 units);
- the "Others" sub-scope, covering all other entities (Industrial Mortars, Lapeyre plants, glass processing subsidiaries, Gypsum, etc.) (389 concerned sites out of 944 units). This sub-scope also includes the 151 quarries.

One of the principles applied by the Group for the calculation of ratios is to use tons of finished product complying with quality standards ("tons of finished products"), rather than tons floated (for glass) or cast (for cast iron<sup>(22)</sup>).

The EvE standard for managing environmental events identifies and manages events that could potentially occur at Group sites. Level EvE1 corresponds to all formal requests from public authorities or regulatory processes that require the facility or BU to take action. It also concerns all environmental impacts outside of the facility's areas of operation that require

the deployment of a pre-defined emergency plan or that cause major pollution or contamination.

EHS financial data (expenses and capital expenditure) are tracked in "SIF" (financial information system), the financial reporting tool used by the Group since 2013.

### Objectives for 2011-2013

Environmentally sensitive, or "concerned" sites were identified based on 2010 reporting data, and their performance was tracked in relation to 2013 environmental targets. Results for concerned sites were therefore reported on a comparable scope basis until 2013. Any divested facilities were removed (from current year indicators and the 2010 baseline) but no acquisitions were taken into account. In addition, environmental indicators were calculated each year by reference to the 2010 baseline. As a result, data on 2013 emissions and consumption have been restated on the basis of 2010 production and do not include any sites at which production increased or declined by more than 30%.

### 2. Consolidated data

The EHS reporting protocol is available in French and English. The EHS reporting process (monthly and yearly) involves three stages:

- data input by the EHS correspondent(s) at the reporting unit concerned;
- data verification by EHS managers in each Sector;
- data consolidation by the Group EHS Department.

### 3. Difficulties and limitations

Since Groupwide reporting systems were launched, reporting quality has steadily improved thanks to effective feedback and the specialized teams' increased familiarity with the systems. A new version of Gaia deployed this year has made it possible to implement specific consistency controls for certain indicators and certain sites. In addition, a guide describing the different categories of waste and their definitions was distributed throughout the EHS network to improve waste management.

These moves help the Group prevent potential errors stemming from different units of measurement in businesses and countries and difficulties in interpreting technical terms.

The water standard launched in 2012 following the introduction of the water policy is currently being deployed. It will allow the Group to enhance the reliability of discharge data.

<sup>21</sup> Metric ton of finished product: corresponds to finished products that leave the plant to be sold.

<sup>22</sup> Metric tons floated or cast: corresponds to all products that come off the production line, including finished and substandard products.



# STATUTORY AUDITORS' REVIEW REPORT

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## STATUTORY AUDITORS' REVIEW REPORT ON A SELECTION OF ENVIRONMENTAL, HEALTH, SAFETY AND SOCIAL INDICATORS PUBLISHED IN THE *2013 CORPORATE SOCIAL RESPONSIBILITY REPORT* OF SAINT-GOBAIN GROUP

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Further to your request and in our capacity as Statutory Auditors of Compagnie de Saint-Gobain, we have carried out a review to enable us to provide limited assurance on certain environmental, health and safety (hereinafter referred to as EHS) and social indicators, identified by the symbol ✓ and published on pages 82-97 and 102-107 of the *2013 Corporate social responsibility report* of Saint-Gobain Group.

The selected EHS and social indicators are as follows:

### Environmental indicators:

- Direct and indirect CO<sub>2</sub> emissions.
- NO<sub>x</sub> emissions.
- SO<sub>2</sub> emissions.
- Energy use per type of energy.
- Water input (withdrawn) per type of source.
- Total quantity of non-recovered waste.

### Health and safety indicators:

- LTAR: ratio of lost-time accidents involving Group employees to the number of hours worked by Group employees,
- TRAR: ratio of declared accidents with or without absence from work involving Group employees to the number of hours worked by Group employees,
- LTAR: ratio of lost-time accidents involving temporary staff to the number of hours worked by temporary staff.

### Social indicators:

- Total number of employees per socio-professional category,
- Male/female workforce breakdown,
- Managers' recruitment per gender,
- Managers' promotion per gender,
- Managers on inter-Activity mobility assignment,
- Managers on inter-profession mobility assignment,
- Managers on geographic mobility assignment.

These indicators were prepared under the responsibility of the Environment, Health and Safety (EHS) Department and the Department of Labor Relations, in accordance with the EHS reporting rules and the Group's procedures for the monthly reporting of employee data, both of which can be consulted at the Group's head office and appear in a summary on pages 76-79 of the *2013 Corporate social responsibility report*. It is our responsibility to express an opinion on the selected indicators based on our review.

## NATURE AND SCOPE OF OUR WORK

We performed our review in accordance with the International Standard on Assurance Engagements (ISAE) 3000 and the professional standards applicable in France.

We carried out the limited review procedures to provide limited assurance that the EHS and social indicators are free of material misstatement. A higher level of assurance would have required a more extensive review. For the selected indicators, we performed the following work:

- We reviewed the reporting procedures prepared by the Group with regard to their relevance, reliability, objectivity, comprehensibility and completeness.

- We selected the following sites on the basis of quantitative and qualitative criteria applied to the indicators, enabling us to cover a representative sample of the Group’s activities in the geographic areas where it operates:
  - Building Distribution Sector: 7 POINT.P group regions (France) and 5 other companies of the Sector (Germany, Denmark, United States, Norway and United Kingdom);
  - Innovative Materials Sector: 9 sites (Germany, China, United States, France, Norway, Mexico, Poland), of which 7 were verified at company level for social indicators;
  - Construction Products Sector: 14 sites (Germany, Belgium, Brazil, China, United Arab Emirates, United States, France, Russia), of which 9 were verified at company level for social indicators;
  - Packaging Sector: 5 sites (Brazil, France, Italy), of which 2 were verified at company level for social indicators.
  
- At the level of the selected sites:
  - on the basis of interviews with the people in charge of preparing the indicators, we verified the proper understanding and application of the procedures;
  - on a sample basis, we performed detailed tests which consisted in verifying the calculations and in reconciling the indicators with substantiating documents.
  
- At Group level, we carried out analytical procedures and verified, on a sample basis, the calculations and the consolidation of data used to generate the indicators. This work mainly relied on interviews with the members of the EHS Department and the Department of Labor Relations responsible for the preparation and application of the procedures, as well as the consolidation of the indicators.

The contribution of the sites included in our review represents between 13% and 29% of the consolidated EHS and social indicators selected.

We were assisted in our work by our specialized sustainable development teams.

## CONCLUSION

Based on our work, no material misstatement has come to our attention that causes us to believe that the EHS and social indicators reviewed, identified by the symbol ✓ and published on pages 82-97 and 102-107 of the 2013 Corporate social responsibility report, were not prepared, in all material respects, in accordance with the EHS reporting rules and Group procedures for the monthly reporting of employee data.

**Neuilly-sur-Seine and Paris La Défense, March 6, 2014**

### The Statutory Auditors

#### PricewaterhouseCoopers Audit



**Jean-Christophe Georghiou**



**Thierry Raes**

Partner in PricewaterhouseCoopers  
Advisory in charge of the Sustainable  
Business Solution Department



**Philippe Grandclerc**

#### KPMG Audit

Department of KPMG S.A.



**Philippe Arnaud**

Partner in charge of the Sustainability &  
Climate Change Services

# ENVIRONMENT HEALTH - SAFETY (EHS)

## ENVIRONMENTAL INDICATORS

In the following pages, results for CO<sub>2</sub> emissions, water withdrawals and non-recovered waste are presented in absolute value on the basis of actual production compared with 2010 for the 518 facilities listed as concerned sites. These results provide information on the Group's environmental impact. Indicators related to the three-year objectives for CO<sub>2</sub> emissions, water withdrawals and non-recovered waste on the basis of 2010 output for concerned sites are also presented. These indicators reflect the sites' environmental performance. This information is not meaningful when production at a significant number of sites has declined because the efforts made by the sites do not show up in the indicators.

The reason for this is that a significant amount of the water, energy and raw materials used in a plant remains constant, no matter what the level of production. Glass furnaces, for example, are not shut down during slower periods, so they still need energy to operate, water for cooling and glass to heat.

In presenting indicators based on 2010 output for CO<sub>2</sub> emissions, water withdrawals and non-recovered waste, we have therefore chosen to exclude the 140 concerned sites at which production declined or increased by more than 30% in relation to 2010. This represents 27% of the facilities listed as concerned sites.

## Materials used (EN1, EN2)

### Glass

The proportion of cullet used for production within the Group was stable between 2012 and 2013 based on a comparable scope of consolidation. In 2013, glass furnaces at concerned sites used 10.9 million metric tons of primary raw material, compared with 10.4 million metric tons in 2012 and 10.8 million metric tons in 2011; 4.34 million metric tons of externally-sourced cullet, versus 4.51 million in 2012 and 4.45 million in 2011; and 2.98 million metric tons of internally-generated cullet, compared with 3.05 million in 2012 and 2.96 million in 2011.

### Cast iron

In 2013, the use of primary melting represented 79.3% of production at concerned sites (compared with 80.6% in 2012 and 80.1% in 2011 based on a comparable scope). This change reflects the spread of produced volume at the Group's different sites around the world. During the year, 53.2% of finished cast iron was produced from recycled materials at concerned sites (versus 48.1% in 2012 and 39.3% in 2011 based on a comparable scope). The increase reflects the availability of externally-sourced recycled materials.

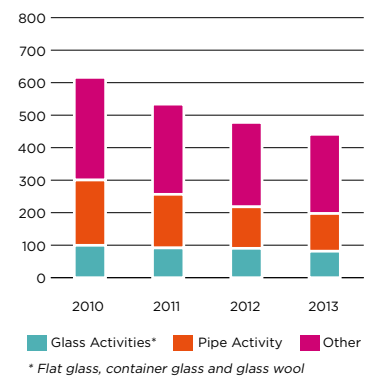
### Gypsum

In 2013, at the concerned sites within the Gypsum Activity, 29.2% of finished gypsum was produced from recycled materials compared with 29.0% in 2012 and 29.6% in 2011.

## Non-recovered waste (EN22)

- In 2013, based on actual production<sup>(23)</sup>, non-recovered waste declined by 28.4% in absolute value in relation to 2010. In all, 441.0 thousand metric tons of waste were not recovered during the year✓.

NON-RECOVERED WASTE - CONCERNED SITES  
in thousands of metric tons



- In 2013, based on 2010 output, concerned sites<sup>(24)</sup> reduced their non-recovered waste by 11.7%.
- In the area of reporting, a new waste management module will be deployed in 2015. This module, combined with more precisely targeted waste indicators, will allow the Group to produce more reliable data, notably for recovery and recycling channels.

<sup>23</sup> Actual output in 2013.

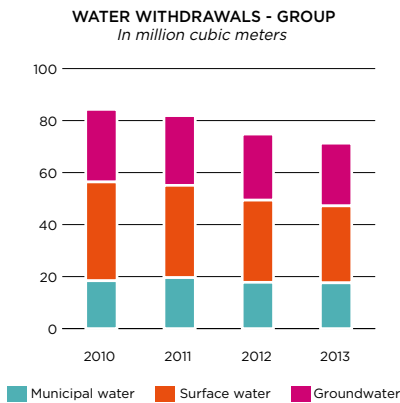
<sup>24</sup> Does not include concerned sites at which production levels declined or increased by more than 30% in relation to 2010.



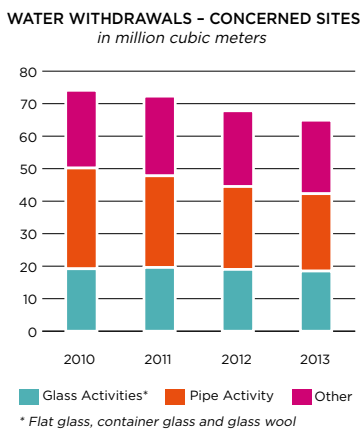
## Water management (EN8, EN10, EN21)

### Group water withdrawals

In all, the Group's sites withdrew 73.4 million cubic meters of water in 2013, for a reduction of 13.6% since 2010. Municipal water, groundwater and surface water withdrawals all declined between 2010 and 2013.



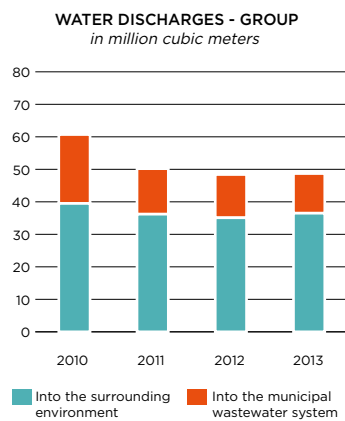
Based on actual output<sup>(25)</sup>, the concerned sites withdrew 65.0 million cubic meters of water in 2013, for a 12.3% reduction in absolute value.



Based on 2010 output, the Group's concerned sites<sup>(26)</sup> reduced their water withdrawals by 6.2% in 2013.

### Water discharges

In 2013, the Group's liquid water discharges totaled 48.9 million cubic meters. This represents a reduction of 19.4% in absolute value in relation to 2010.



Based on actual output<sup>(27)</sup>, the concerned sites discharged 43.8 million cubic meters of water in 2013, for a 20.2% reduction in absolute value compared with 2010. This decline reflects the continued deployment of the Group's water policy, which is based on the water standard, and a site assessment grid measuring exposure and sensitivity risk.



The Water standard, which was applied for the first time in 2012, 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. A risk assessment for accidental chemical pollution will also be included in the Water standard.

### Water recycling

Saint-Gobain encourages in-house water recycling, particularly through the use of closed circuits, as this considerably limits withdrawals from natural resources. Due to the complex nature of many of the Group's processes, it is difficult to calculate the rate of water recycling and reuse. In applying the Water standard, the Group intends to make improvements in this area and ultimately produce a reliable metric for the entire scope of reporting.

## Energy and climate

### Risk management

It is very likely that climate change will lead to an increase in the frequency and intensity of natural risks such as floods, heavy rains or storms. The Group manages these risks through its Industrial and Distribution Risk Prevention policy, which is supervised by the Risk and Insurance Department (DRA). The Department coordinates implementation of this policy by the Sectors and Activities with support from the General Delegations. In the Sectors and Activities, Prevention coordinators manage application of the Group's policy in their scope of responsibility.

At the site level, Prevention managers conduct an annual self-assessment of their sites' risks using risk-rating software. This tool provides an assessment of risks, including those related to natural phenomena, as well as an appraisal of the corresponding level of protection and prevention. The industrial sites, research and

<sup>25</sup> Actual output in 2013.

<sup>26</sup> Does not include concerned sites at which production levels declined or increased by more than 30% in relation to 2010.

<sup>27</sup> Actual output in 2013.



# ENVIRONMENT

## HEALTH - SAFETY (EHS)

development centers and supply chain facilities update the self-assessment annually. A specific assessment is conducted for outlets.

In addition, risk prevention engineers from outside Saint-Gobain visit the Group's largest sites on a regular basis (around 500 visits a year), providing a precise view of the sites' exposure and vulnerability to natural hazards. The information collected is used to update the risk database, which allows the Group to determine if sites are exposed and vulnerable to floods and storms. The sites use the self-assessment to update their action plans, with a view to improving their level of prevention and protection.

The main risks identified in connection with climate change are:

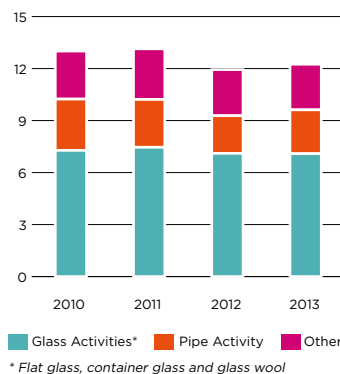
- an increase in extreme weather events, which can temporarily halt production or supplies;
- a change in rainfall patterns and the expansion of regions experiencing water stress, which can lead to production risks and impact local populations. The Group's water policy addresses these issues;
- the emergence of heavy regulatory constraints. This is leading the Group to take part in shared initiatives to anticipate and reduce risks.

### CO<sub>2</sub> emissions (EN16, EN17)

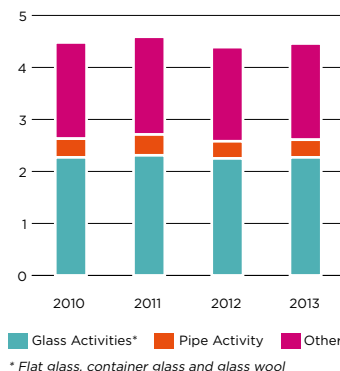
Industrial processes account for the vast majority of the Group's direct emissions. These CO<sub>2</sub> emissions stem from the burning of fossil fuels and from chemical reactions in production processes (such as carbonate removal in glass production).

More than 90% of the direct CO<sub>2</sub> emissions from concerned sites are related to the production of glass, cast iron and gypsum.

DIRECT CO<sub>2</sub> EMISSIONS - CONCERNED SITES  
in million metric tons



INDIRECT CO<sub>2</sub> EMISSIONS - CONCERNED SITES  
in million metric tons



In 2013, manufacturing operations were shaped by a sharp decline in production, which had an impact on energy performance, in particular.

As a result, based on actual output, concerned sites' CO<sub>2</sub> emissions in 2013 were as follows:

- direct emissions (scope 1) of 12.24 million metric tons of CO<sub>2</sub>✓, representing a reduction of 5.9% in absolute value from 2010;
- direct and indirect energy-related emissions (scope 1 and 2) of 16.7 million metric tons of CO<sub>2</sub>✓, for a reduction of 4.5% in absolute value from 2010.

For concerned sites<sup>(28)</sup>, based on 2010 output, CO<sub>2</sub> emission declined as follows:

- for scope 1, by 2.2% between 2010 and 2013;
- for scope 1 and 2, by 1.5% between 2010 and 2013.

The Glass Activities, which account for nearly 60% of CO<sub>2</sub> emissions from concerned sites, reduced their direct emissions by 5.2% based on 2010 output between 2010 and 2013.

<sup>28</sup> Does not include concerned sites at which production levels declined or increased by more than 30% in relation to 2010.

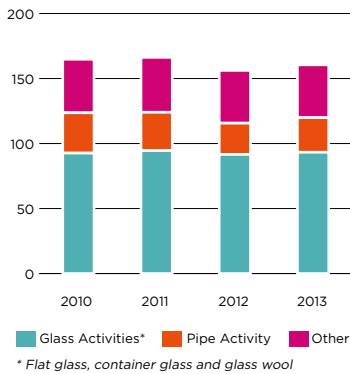
<sup>29</sup> Purchased heat and electricity.



### Energy consumption (EN3, EN4)

In 2013, energy consumption at Group sites totaled 212,846 TJ<sup>✓</sup> versus 207,904 TJ in 2012 and 221,132 TJ in 2011. The proportion of indirect energy<sup>(29)</sup> was stable at 21% of total energy consumption.

**DIRECT ENERGY CONSUMPTION - CONCERNED SITES**  
in TJ

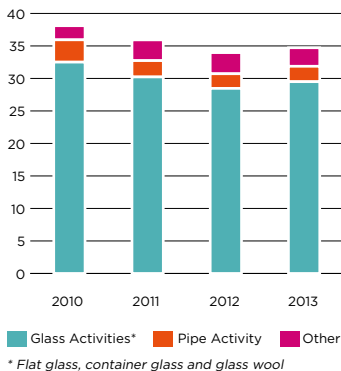


The increase in energy consumption in absolute value between 2012 and 2013 reflected the increase in activity

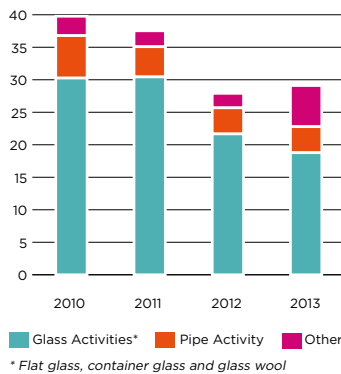
### NO<sub>x</sub>, SO<sub>2</sub> and other significant air emissions (EN20)

Emissions of NO<sub>x</sub>, SO<sub>2</sub> and particulates at concerned sites, based on 2010 output, declined between 2010 and 2013.

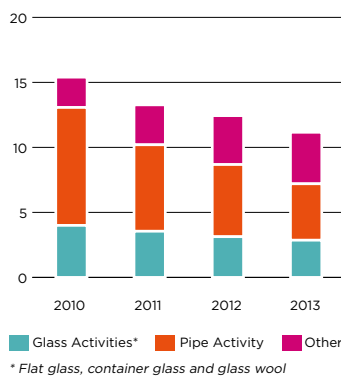
**NO<sub>x</sub> EMISSIONS - CONCERNED SITES**  
thousands of metric tons



**SO<sub>2</sub> EMISSIONS - CONCERNED SITES**  
thousands of metric tons



**PARTICULATE EMISSIONS - CONCERNED SITES**  
thousands of metric tons



### Total number and volume of significant accidental spills (EN23)

Systems for detecting and remediating instances of non-conformity (accidents, incidents, etc.) are included in the ISO 14001 approach. Sites that have obtained environmental certification are responsible for managing all environmental incidents, such as accidental spills.

In 2013, Saint-Gobain continued to roll out a standard called EvE to identify and manage environmental events, such as accidents or incidents, that could potentially occur at its sites (see page 40).

In 2013, the Group recorded six level 1 accidents, notably concerning emissions into the air and discharges into water and soil). Corrective and preventive measures were taken following an analysis of these accidents.

# ENVIRONMENT

## HEALTH - SAFETY (EHS)

### HEALTH AND SAFETY INDICATORS

#### Work-related accidents (LA7)

##### Decrease in work accidents

For Saint-Gobain employees and temporary staff, the lost-time accident rate (LTAR), defined as more than 24 hours' lost time, stood at 2.3✓ in 2013, representing a 0.6-point improvement from 2012. This compares with a target for 2013 of less than 2.6. The severity rate (SR), defined as the number of lost-time days per thousand hours worked, stood at 0.14.

The Group also monitors the frequency of reportable accidents (TRAR), corresponding to accidents that lead to medically diagnosed injuries regardless of whether they result in lost time. In the industrial Sectors, the TRAR stood at 4.3 in 2013✓ compared with 5.3 in 2012, representing a 1-point improvement.

#### Preventing serious accidents

A total of four work-related fatalities occurred in 2013, compared with ten in 2012.

They concerned:

- two Saint-Gobain employees (versus six in 2012);
- two outside contractors (two in 2012);
- zero temporary workers (zero in 2012);
- zero third parties (two in 2012).

The Group also recorded seven non-work-related deaths among employees in 2013 (versus nine in 2012) and six fatal accidents during commutes (nine in 2012).

#### Health

##### Managing toxic and other risks

A new SAFHEAR (SAFety and HEALth Risk assessment) tool for managing toxic risks, based on internal and external best practices, is being deployed at all of Saint-Gobain's manufacturing facilities. A Health and Safety risk assessment module developed in 2013 helps manufacturing facilities manage risks other than toxic risks while also ensuring that sites comply with local regulations. The overall policy and related tools are designed to ensure uniform prevention of health risks for all employees and product users.

##### European REACH regulation

In connection with its Toxic Agent Standard (TAS), the Group is actively involved in implementing the European REACH Directive to ensure regulatory compliance. Saint-Gobain is concerned by REACH in all of its professions, as a manufacturer, importer, user or distributor.

The Group successfully met the 2013 registration deadline and is preparing dossiers for the substances covered by the 2018 registration deadline, anticipating in some cases certain registrations in partnership with other companies in Europe concerned by the same substances. As a user and manufacturer of substances, the Group is also working to ensure that extended safety data sheets with exposure scenarios are taken into account.

LTAR - SAINT-GOBAIN EMPLOYEES AND TEMPORARY STAFF

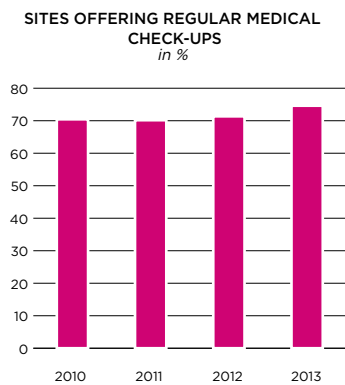




For submitted dossiers, the Group monitors assessments by the European Chemicals Agency (ECHA) and the Member States, collaborates on discussions and responds to any requests via consortia of registrants. Saint-Gobain informs its suppliers about how it uses substances so that they can cover these uses in their registration documents. In addition, the Group systematically includes a specific clause (updated in 2012) in all purchasing contracts to ensure that suppliers comply with REACH. Lastly, the Group monitors updates to the list of authorized or restricted substances, as well as to the list of substances awaiting authorization. The Group anticipates initial authorization deadlines for substances in Europe so that it can fulfill its obligation to inform customers and suggest substitutes, when applicable.

### Medical check-ups

The number of sites offering regular check-ups for employees increased between 2010 and 2013.



### Life cycle stages in which health and safety impacts of products and services are assessed (PR1)

For new products, R&D specifications take health and safety concerns into account. The tracking process for research projects and new product launches includes an EHS validation procedure covering all topics to be verified for raw materials, production processes, product use and end-of-life treatment. The tool and associated guide were updated in late 2013 to integrate possible EHS impacts across the lifecycle more effectively. Training sessions on the procedure and how to use the tool are organized in the Group's research centers. In 2013, eight training sessions were organized in Europe, with a total of 87 participants. Deployment of the training program is beginning in centers in North America and China.

The Group also assesses the impact of existing products on health and safety. Specific programs to measure exposure are carried out for certain products. Emissions of volatile organic compounds are an example.

Products undergo a safety assessment before they are brought to market, in compliance with regulations such as the European directive on product safety.



# EHS

## SUMMARY TABLES

| Area   | Objectives  | 2013 results  | Comments  |
|--|---|---|---|
| <b>ENVIRONMENT</b>   |   |   |   |
| Direct CO <sub>2</sub> emissions at concerned sites*                                       | Reduce direct CO <sub>2</sub> emissions at concerned sites** by 6%* in 2013 based on 2010 output***   | Down 2.2% based on 2010 output***<br>Down 5.9% in absolute value  |   |
| CARE:4® program for energy efficiency in the Group's administrative and services buildings | Deploy priority action plans in the Activities  | Five pilot Activities began work on priority action plans to meet CARE:4® standards<br>Six new buildings were certified to CARE:4® standards  | In all, 20 buildings are certified to CARE:4® standards   |
| Water management   | <ul style="list-style-type: none"> <li>Reduce water withdrawals at concerned sites** by 6%* in 2013 based on 2010 output***</li> <li>Deploy the water-related risks assessment grid and the Water standard at industrial sites</li> </ul> | Group water standard further deployed<br>Water withdrawals at concerned sites** <ul style="list-style-type: none"> <li>Down 6.2% based on 2010 output***</li> <li>Down 12.3% in absolute value</li> </ul> |   |
| Non-recovered waste at concerned sites*  | Reduce non-recovered waste at concerned sites** by 6%* in 2013 based on 2010 output***  | Non-recovered waste down 11.7% based on 2010 output***<br>Non-recovered waste down 28.4% in absolute value  | A waste classification guide was distributed in 2013, allowing the Group to ensure more reliable tracking |
| Environmental certification for concerned sites*   | Obtain ISO 14001 certification for more than 90% of concerned sites** by 2013   | 81.9% of sites were certified in 2013   |   |
| Environmental timber policy  | Deploy the environmental timber policy at all sites, including those in the industrial Sectors  | Environmental timber policy introduced at all sites<br>In the Building Distribution Sector, more than 85% of purchased timber and panels are sourced from certified forests                               |   |
| Systematic LCAs for all product lines  | Conduct LCAs for all construction product lines   | LCAs carried out for the last concerned products lines  | A methodology for evaluating and communicating LCAs for all construction products has been deployed       |
| Introduction of an eco-design (eco-innovation) policy for all construction products        | Deploy the training module among all concerned managers   | Training provided for the first teams involved in eco-innovation  |   |

\* Based on 2010 output, in relation to 2010 scope.

\*\* Concerned sites; see methodology (pages 76-79).

\*\*\* Does not include concerned sites at which production levels declined or increased by more than 30% in relation to 2010.

\*\*\*\* Safety Management Tool.

LCA: Life Cycle Assessment

| Area   | Objectives   | 2013 results   | Comments   |
|--|--|--|--|
| <b>SAFETY</b>  |  |  |  |
| Reduction in the accident frequency rate   | 2013:<br>• Group LTAR of less than 2.6<br>• Building Distribution LTAR of 4.1<br>• TRAR of less than 4.8 for the industrial Sectors<br>These indicators concern employees and temporary staff. | <ul style="list-style-type: none"> <li>• Group LTAR = 2.3 ✓</li> <li>• Building Distribution LTAR = 3.3 ✓</li> <li>• TRAR for the industrial Sectors = 4.3 ✓</li> </ul>      | The Group exceeded its targets for 2013  |
| Deployment of safety standards   | Deploy standards at all new sites within three years of joining the Group<br>Have the Delegations implement the EHS training matrix in liaison with the Sectors                                | Introduction of a safety standard on road risks<br>Continued deployment of other standards<br>Creation of online training courses to support sites in applying the standards | The Group has safety standards for confined spaces, vehicle and pedestrian safety, storage and logistical operations, working at heights, management of outside contractors working on site, work permits, lockout-tagout procedures, forklift safety, machine safety and road risks |
| <b>HEALTH</b>  |  |  |  |
| Health policy  | Ensure that each General Delegation draws up action plans to implement the Group Health policy in cooperation with the Sectors and Activities  | Introduction of a framework Health policy for Saint-Gobain   |  |
| Risk assessment using SAFHEAR  | Deploy SAFHEAR across the Group<br>Ensure exposure traceability with SAFHEAR in accordance with French regulations   | A Health and Safety risk assessment module was developed in 2013   |  |
| Analysis of EHS hazards and impacts in R&D projects using the Stage Gate procedure | Deploy a training module on the procedure among R&D project managers   | In all, 87 people were trained in 2013   | Training on the Stage Gate procedure deployed at the R&D centers   |

# SOCIAL PERFORMANCE

## EMPLOYMENT DATA (LA1, LA2)

### Changes in employee numbers and breakdown

#### Total headcount and proportion of women in the Group

2013 was shaped by weak economic growth that seemed to be stabilizing in Europe, a confirmed recovery in the United States and mixed trends in fast-growing markets.

At December 31, 2013, Saint-Gobain had 187,071 employees ✓, down 3.0% from 192,781 in 2012.

On a like-for-like basis, the decrease came to 2.9%.

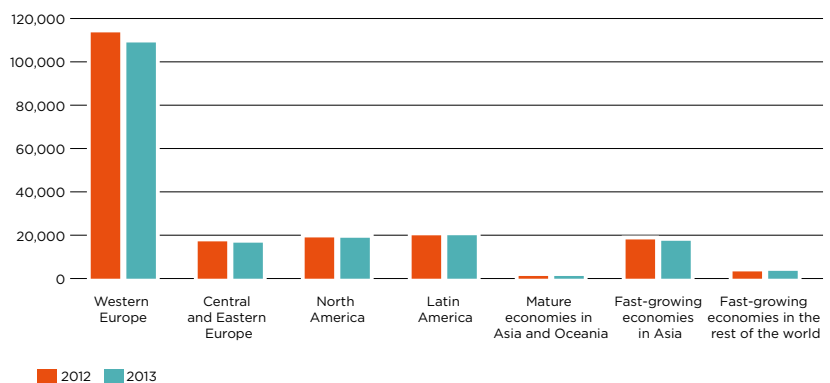
Women accounted for 20.5% ✓ of the total workforce in 2013 versus 20.4% in 2012.

#### Headcount and proportion of women by region

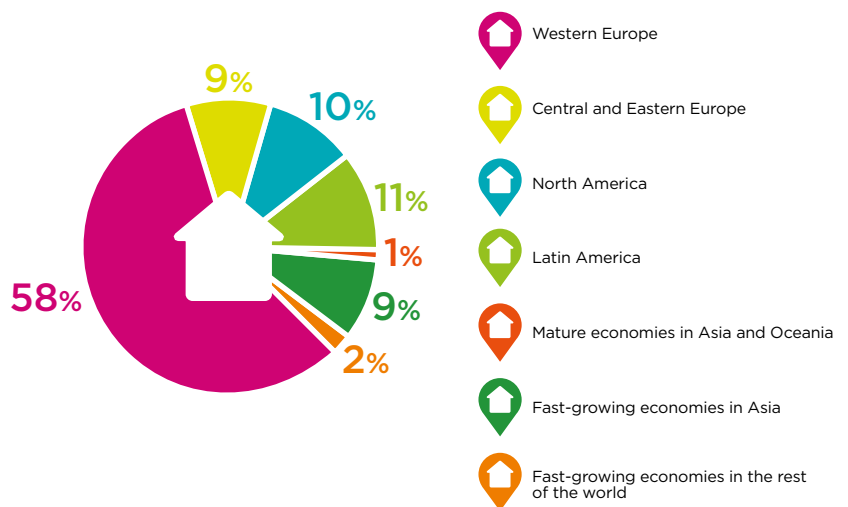
Headcount declined slightly or held steady in all regions. The breakdown of total headcount by region was virtually unchanged from 2012, with the exception of Western Europe, where the workforce declined by one point to 58% in 2013 from 59% in 2012, and Latin America, which saw a one-point gain to 11% in 2013 from 10% in 2012.

The percentage of women in the workforce varied by region. Central Europe showed the highest rate, with women accounting for 26.7% of the workforce in 2013.

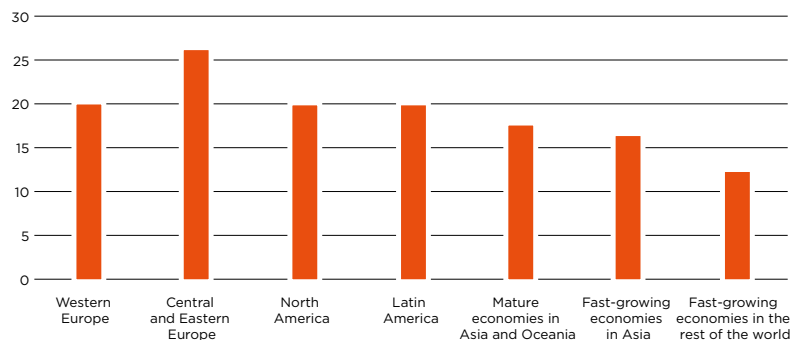
CHANGE IN HEADCOUNT BY REGION



BREAKDOWN IN HEADCOUNT BY REGION



PERCENTAGE OF WOMEN IN THE WORKFORCE BY REGION  
in %





### Headcount by Sector<sup>(30)</sup>

The Building Distribution Sector accounted for 34.9% of total headcount, followed by the Innovative Materials Sector (32.0%), Construction Products Sector (25.5%) and Packaging Sector (7.6%).

The number of employees in the Innovative Materials Sector decreased by 2.9% during the year, due primarily to changes in headcount in Flat Glass. The Construction Products Sector's workforce decreased by 1.5%, with most of the change coming from the Pipe and Industrial Mortars Activities. Headcount in the Building Distribution Sector declined by 4.4%, reflecting mixed trends in the different regions.

Headcount at the Packaging Sector decreased by 2.1% during the year.

### Headcount and proportion of women by job category

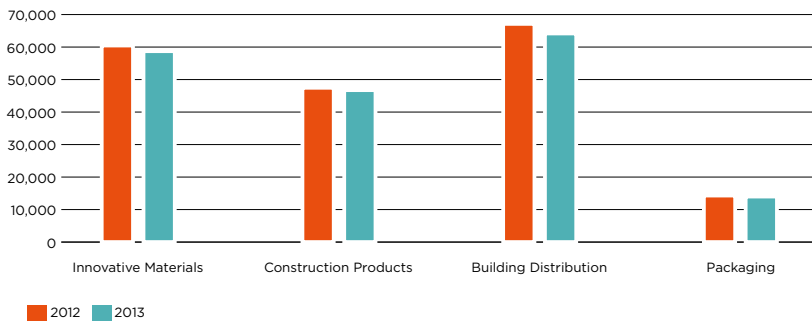
The proportion of managers in the workforce increased slightly in 2013 to 14.7%✓. The percentage is generally higher in mature countries, where the Group's longer history is reflected in a greater number of head offices and research and development centers. This is especially true in France (18.0%✓). The proportion of women increased more noticeably in this category, rising to 20.0%✓ in 2013 from 19.0% in 2012<sup>(31)</sup>.

Administrative employees, technicians and supervisors remained stable at 41.8%✓ of the workforce. Women again made up a significant portion of this category, representing 31.8%✓ of the total.

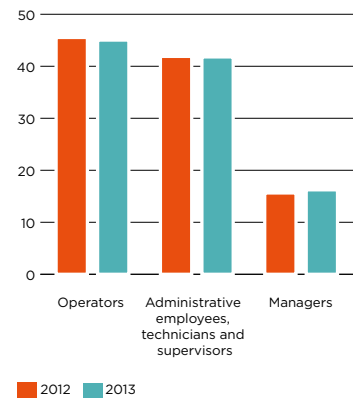
Overall, operators edged back to 43.5%✓ of the total workforce in 2013.

The percentage was higher in the industrial Sectors, at 57.7%, than in distribution (17.3%). Women accounted for 9.9%✓ of the category in 2013.

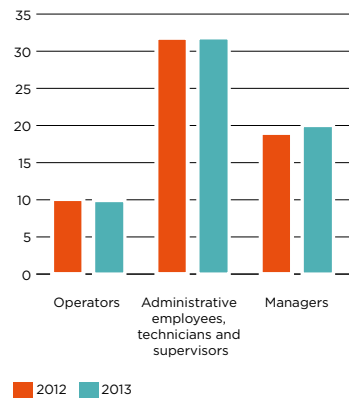
CHANGE IN HEADCOUNT BY SECTOR



CHANGE IN HEADCOUNT BY JOB CATEGORY in %



CHANGE IN PERCENTAGE OF WOMEN BY JOB CATEGORY in %



### Headcount by type of contract

In 2013, employees under permanent contract accounted for 95.8% of the total workforce, while employees under fixed-term contracts represented 4.2% (versus 4.4% in 2012).

During the year, 30.0% of fixed-term employment contracts were converted to permanent contracts, compared with 27.9% in 2012.

<sup>30</sup> Excluding the holding company and support functions.

<sup>31</sup> Source: PeopleGroup.



# SOCIAL PERFORMANCE

## Hiring and employee turnover

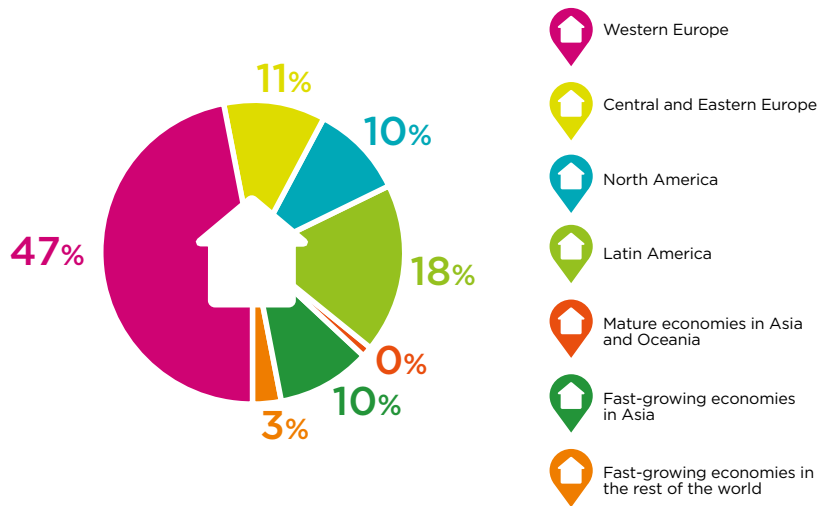
22,285 people were hired at Saint-Gobain in 2013 versus 24,988 in 2012, for a hiring rate of 12.2% (13.3% in 2012). Among them, 78 managerial-level researchers were hired in 2013 to strengthen the Group's innovation capabilities<sup>(32)</sup>. Hiring is handled locally by the General Delegations and companies, who define the most appropriate strategy for their situation. Headcount declined slightly or held steady in all regions in 2013.

Reflecting the state of the job market, the employee turnover rate declined by 0.6 point in relation to 2012. This was primarily attributable to lower hiring rate (see above), as the departure rate remained stable at 14.4% versus 14.5% in 2012.

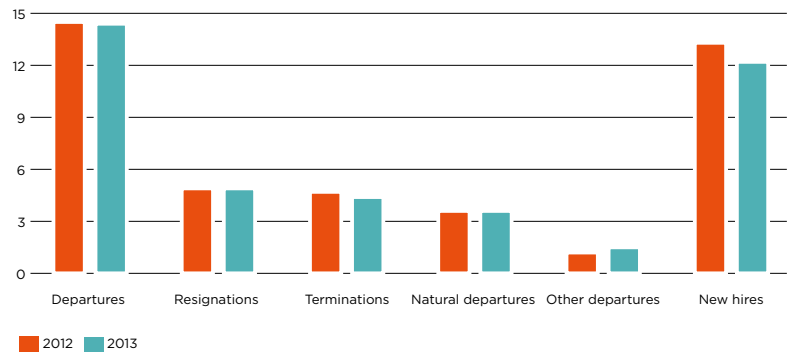
The resignation rate held steady at 4.9% while the termination rate edged downwards to 4.4% from 4.7% in 2012.

Employee turnover varied noticeably from one region to another, reflecting the local economic situation. The rate was higher in fast-growing economies than in Western Europe, North America and the mature economies of Asia.

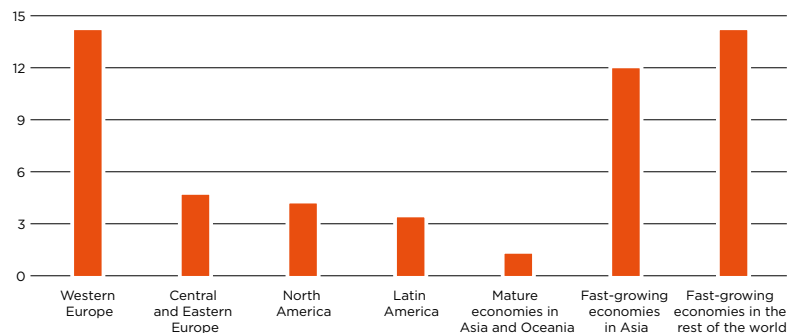
HIRING BY REGION



TURNOVER in %



TURNOVER BY REGION in %

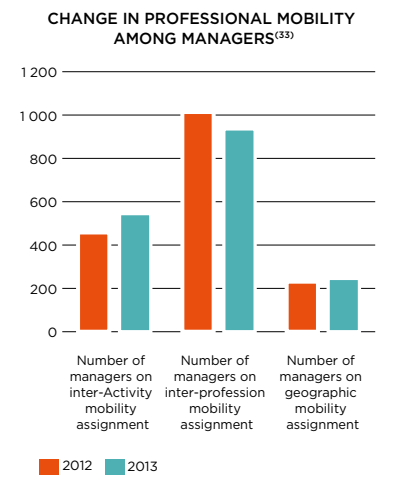


<sup>32</sup> Source: PeopleGroup.



## PROFESSIONAL MOBILITY

Saint-Gobain has made professional mobility a major part of its “OPEN” Human Resources policy. To track and encourage mobility among Group managers, three indicators were introduced in 2012 concerning inter-Activity, inter-profession and geographic mobility. Because professional mobility targets are set for the medium or long term, these indicators must be considered over time. In 2013, inter-Activity mobility increased by 19%, while geographic mobility held steady and inter-profession mobility declined.



Mobility assignments for non-managers are handled locally and measured at the Activity and host country level.

## ORGANIZATION OF THE WORKWEEK (LA1)

Due to the Group’s manufacturing operations, 32.8% of employees work in shifts. Days may be organized into two or three shifts (2x8 or 3x8) or more (5x8), in the case of round-the-clock production, 365 days a year. Groupwide, round-the-clock production is performed in cycles, with alternating active and idle periods. In the Building Distribution Sector, customer needs may sometimes require that employees work in shifts.

To respond to a temporary increase in workload, some Group companies are occasionally required to ask their employees to work overtime or to hire temporary staff. On average, overtime represented 4.5% if all hours worked in 2013 versus 4.1% in 2012. Temporary workers accounted for 5.6% of hours worked during the year compared with 6.7% in 2012<sup>(34)</sup>.

Group companies in every host country use subcontractors to perform certain activities that fall outside their core competencies.

Part-time work concerned 3.2% of the workforce in 2013, up 0.3 point from 2.9% in 2012.

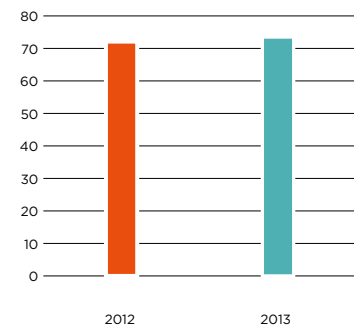
Absenteeism increased slightly to 4.3% in 2013 from 3.7% in 2012<sup>(35)</sup>. The most frequent causes were illness (64.1%), maternity (15.9%) and work accidents (3.1%).

## EMPLOYEE RELATIONS AND EMPLOYEE COMMITMENT (LA4, LA5)

### Organization of social dialogue

For Saint-Gobain, collective bargaining agreements are an indispensable negotiating tool within a company or industry. In 2013, 73.5% of employees were covered by a collective bargaining agreement<sup>(36)</sup>. This indicator varies widely from one region to another due to differences in national legislation. In France, where collective bargaining agreements are mandatory, the indicator stands at 100%.

EMPLOYEES COVERED BY A COLLECTIVE BARGAINING AGREEMENT



Social dialogue is a major part of the Group’s operations and a lever for long-term development. In 2013, 68.3% of the overall workforce was covered by a body of elected representatives, versus 68.0% in 2012.

<sup>33</sup> Source: PeopleGroup.

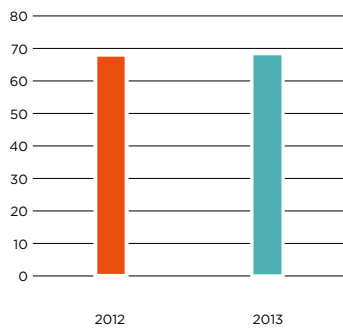
<sup>34</sup> Based on hours actually worked.

<sup>35</sup> Based on hours actually worked.

<sup>36</sup> Excluding North America, or 89.7% of the reporting scope.

# SOCIAL PERFORMANCE

PERCENTAGE OF WORKFORCE COVERED BY A BODY OF ELECTED REPRESENTATIVES



In all, 1,513 agreements were signed in 2013. Of these, 35% concerned wages, 23% the workweek, 9% employment, 6% workplace health and safety and 5% training.

In France, 62 inter-generational contract agreements were signed in 2013.

## Restructuring

The Group does not carry out collective terminations, restructuring or site closures unless they are absolutely necessary. Saint-Gobain's size and the diversity of its businesses and sites are important strengths in fostering mobility and return to employment. Notice processes prior to changes in organization vary widely from one country to another. In most of the General Delegations, the process is either a legal obligation or specified in a company agreement. Depending on the region, notice periods can range from 2 to 15 weeks, although special cases do exist (in Germany, for example, notice periods can range from 2 weeks to 7 months).

## Employee commitment

### Employee share ownership

In 2013, employees subscribed 4,499,145 shares within the framework of the Group Savings Plan (GSP, see pages 54-55), for a total amount of €111.4 million. In France, 42.8% of employees invested in the Group Savings Plan through corporate mutual funds (*Fonds Communs de Placement d'Entreprise* - "FCPE"). The GSP was also offered in 25 other European countries and 16 countries outside Europe. In all, more than 30,000 Group employees participated in the GSP in 2013, lifting the number of employees (and former employees) with holdings in GSP corporate mutual funds to more than 90,000.

At December 31, 2013, the corporate mutual funds together held 7.5% of the capital and 11.3% of the voting rights of Compagnie de Saint-Gobain.

### Discretionary and statutory profit sharing

In France, virtually all employees (99.0% versus 95.2% in 2012) are covered by a collective bargaining agreement on discretionary and statutory profit sharing. In 2013, French subsidiaries paid a total of €58.1 million under discretionary profit-sharing agreements and €34.9 million in relation to statutory profit-sharing, representing 5.8% of their total payroll.

## OCCUPATIONAL HEALTH AND SAFETY (LA7, LA8, LA9)

### Occupational health and safety

See EHS performance indicators (see pages 82-89).

### Education, training, advice and prevention in the event of serious illness

Programs vary from one country to another as concerns education, training, advice, prevention and risk management to help employees, their families or members of the local community in the event of a serious illness. Employees have access to programs in the areas of education (training on workplace health, driving risks, first aid, chemical products, noise, etc.), prevention (campaigns against obesity, vaccination drives, annual check-ups, monitoring for psychosocial risks, etc.), assistance and advice (occupational physician, on-site social workers, assistance and support in the event of a serious illness, etc.) and treatment (health coverage, accident insurance, etc.).

In numerous cases, these services are also open to family members (brochure on household health and safety, extension of health coverage to the entire family - sometimes with a small employee contribution, etc.) Many education and prevention campaigns are carried out in local communities.

### Health coverage

Nearly 95% of the employees concerned by the project to harmonize death, disability and health insurance in France benefit from a system that covers at least 94% of their actual medical expenses.

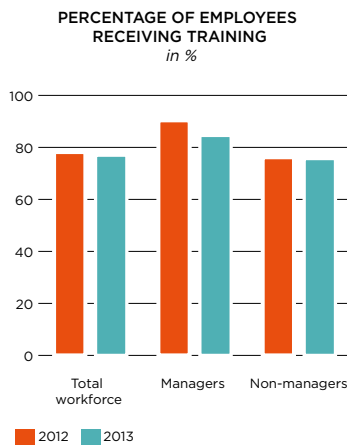
### Progress report on health and safety agreements

Workplace health and safety are two key components of social dialogue at Saint-Gobain. All employees are informed of the Group's results, notably as concerns occupational accidents or risk exposure. In all, 6% of the agreements signed within the Group concern health and safety. Work-life balance, workplace quality of life and stress prevention are also covered in agreements or action plans signed with employee representatives.

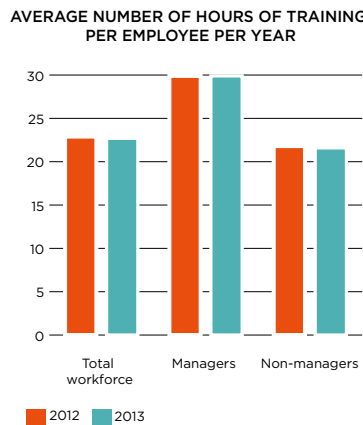
## TRAINING AND CAREER MANAGEMENT (LA10, LA12)

### Training policy

More than 4.2 million hours of training were provided in 2013, an investment that represented 2.1% of total payroll. In all, 141,064 employees (or 77.0% of the workforce) received training during the year. The percentage stood at 84.6% for managers and 75.7% for non-managers.



During the year, each employee received an average of 22.7 hours of training. Managers received an average 29.2 hours and non-managers an average 21.6 hours.



Classroom training (3.9 million hours) accounted for the major part of this effort (94.2%). The remaining hours of training were provided notably through e-learning programs offered via the Group's new Boost! Platform (see page 55).

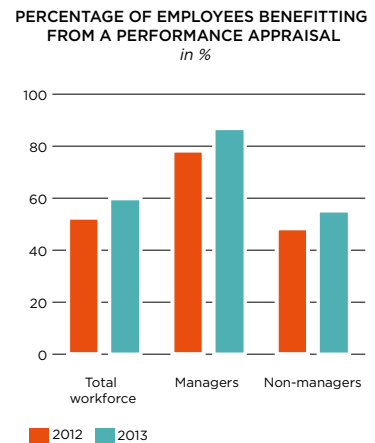
Technical courses accounted for 48.5% of training, while EHS courses represented 28.9%.

In France, 735,597 hours of training were provided, an investment that represented 2.8% of payroll. In all, 70.1% of employees benefited from training in 2013 and the average number of hours of training stood at 15.7.

### Performance appraisals and career management

In 2013, 59.8% of Group employees benefited from a performance appraisal. The percentage stood at 86.8% for managers and 55.1% for non-managers.

During the year, more than 1,000 People Reviews were carried out to stimulate careers and create mobility opportunities for managers.





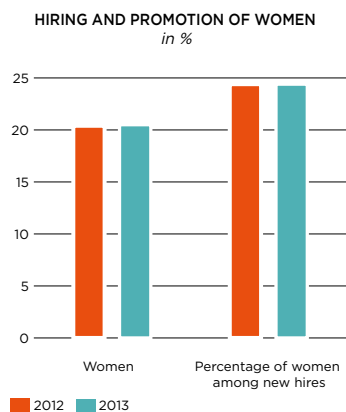
# SOCIAL PERFORMANCE

## DIVERSITY AND EQUAL OPPORTUNITY (EC7, LA13, LA14, LA15)

### Gender diversity

#### Promotion of women

As of end-2013, 20.5% of the Group's employees were women, an increase of 0.1 point from 2012. The hiring rate for women remained stable at 24.4%.



Operators accounted for 20.9% of the women in the Group (7,853); administrative employees, technicians, sales staff and supervisors accounted for 64.8% (24,358) and managers accounted for 14.3% (5,363). More women were promoted to positions of responsibility during the year. First, the percentage of women in the manager category increased to 20.0% from 19.0%. Second, the hiring rate for women managers rose to 25.2% from 24.9% and the promotion rate for women managers increased to 24.5% from 18.5%. Lastly, the proportion of women among senior executives grew by 1.5 point to 8.9% from 7.4% in 2012. Among managers working outside their home countries, 25.0% were women<sup>(37)</sup>.

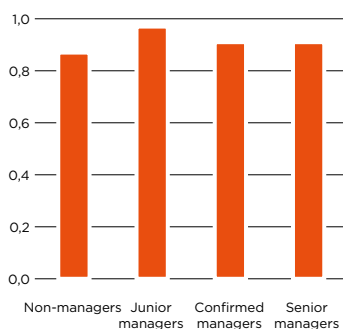
#### HIRING AND PROMOTION OF WOMEN MANAGERS <sup>(38)</sup> in %



### Equal opportunity

The ratio of basic salary of women to men for different job levels is one metric for assessing equal opportunity in France. In 2013, the ratios were virtually identical to 2012 and varied depending on age and seniority.

#### RATION OF BASIC SALARY OF WOMEN TO MEN IN FRANCE <sup>(39)</sup>



### Work-life balance

The Group pays close attention to its employees' work-life balance. As concerns parental leave, the Group makes every effort to ensure that employees return to work under the best possible conditions.

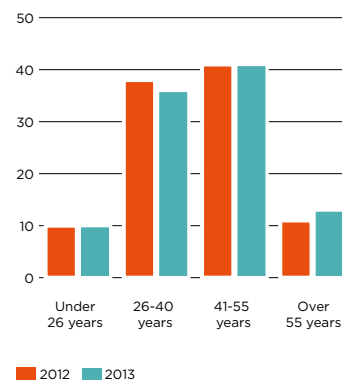
#### PARENTAL LEAVE IN FRANCE IN 2013

|  |       |
|--|-------|
| Number of women who took maternity leave | 634   |
| Number of women who took parental leave  | 353   |
| Number of men who took paternity leave   | 1,542 |
| Number of men who took parental leave    | 27    |

### Age

Saint-Gobain endeavors to maintain a balanced age pyramid by ensuring that the proportion of younger and older employees is maintained depending on each country's specific situation.

#### WORKFORCE BY AGE GROUP in %



In 2013, 8,154 young people under 26 joined Saint-Gobain. Applicants under 26 accounted for 36.6% of new hires versus 34.7% in 2012, all employee categories combined. As of December 31, 2013, 1,494 young people were present under work-study arrangements as part of skills-acqui-

<sup>37</sup> All indicators in this paragraph were provided by PeopleGroup.

<sup>38</sup> Source: PeopleGroup.

<sup>39</sup> Source: PeopleGroup for managers.



sition or apprenticeship contracts, for a 0.4-point increase in the work-study rate to 3.2%.

In cooperation with the French Agency for International Business Development (UBIFRANCE), Saint-Gobain also offers assignments as part of the country's Volunteer for International Experience (V.I.E.) program. During the year, 36 such assignments were under way in the United States, Germany, Canada and Spain.

Applicants age 50 and better represented 6.0% of new hires in 2013, up from 5.7% in 2012.

### Disabilities

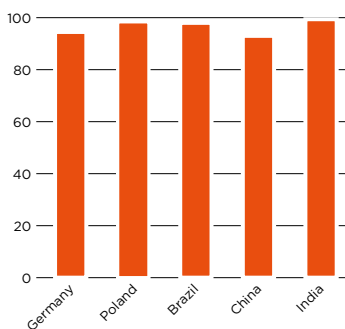
Disabled employees represent 1.6% of the Saint-Gobain workforce. However, this figure is not necessarily representative in that legislation in certain countries does not always allow for precise data.

In France, Saint-Gobain has 1,331 disabled employees, representing an employment rate of 3.7%. During the year, 180 workstations were fitted out in cooperation with the Group's occupational physicians.

### Local management

Business development outside France involves building local teams that allow Saint-Gobain to continuously adapt to the specific features of each country.

PERCENTAGE OF LOCAL EMPLOYEES IN THE MANAGEMENT TEAM IN FIVE HOST COUNTRIES<sup>40)</sup> in %



## PROMOTION OF AND RESPECT FOR HUMAN RIGHTS AND ILO CONVENTIONS (HR4, HR5)

### Reported cases of discrimination

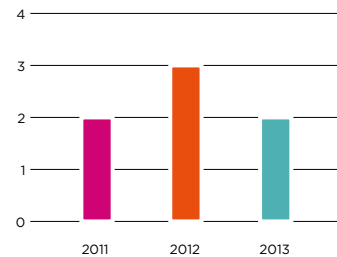


In 2013, 30 cases of discrimination were reported, of which 21 in North America, 4 in the United Kingdom and 5 in the rest of the world. The main reasons were discrimination on the basis of racial and ethnic origin (9 cases), gender (7), disability (4), bullying and harassment (3) and other (3).

Each case was analyzed and addressed in an appropriate manner using a range of actions that culminate in termination.

More generally, in addition to training in the Group's Principles of Conduct and Action (see pages 98-99), the General Delegations carry out specific awareness campaigns to promote diversity and fight against discrimination. These include the publication of charters and internal codes of conduct, the distribution of awareness brochures and the signature of agreements with employee representatives.

### INCIDENTS CONCERNING FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING



Two incidents were reported during the year concerning freedom of association and collective bargaining. The two subsidiaries concerned took action to provide the most appropriate response. One incident led to a complaint that is currently being investigated. The other did not lead to the filing of a complaint.

Freedom of association and collective bargaining are ensured through active social dialogue with employee representatives at different levels of the organization (facility, company, Activity and Group). Numerous Delegations offer training in labor law and social dialogue for employees in management positions. Union activities are also protected by the guarantee of freedom to hold meetings and post notices at Saint-Gobain sites in accordance with local legislation.

<sup>40</sup> Source: PeopleGroup.

# BUSINESS PRACTICES AND RESPECT FOR HUMAN RIGHTS

## IMPLEMENTATION OF THE PRINCIPLES OF CONDUCT AND ACTION (HR1, HR3, HR10)

All Saint-Gobain managers are introduced to the Principles of Conduct and Action through an online training program that is mandatory for all new managerial hires.

In addition, nearly 1,200 people took part in advanced training in the Principles of Conduct and Action in 2013 through:

- the School of Management (832 people), where a presentation of the Principles of Conduct and Action is systematically included on the agenda of each seminar;
- more targeted programs (363 people), such as “train the trainers” (see box) or other seminars led by the Responsible Development Department.

### INTERNATIONAL “TRAIN THE TRAINERS” PROGRAM

Providing information on the Principles of Conduct and Action is necessary, but it is also important to ensure that they are applied on a daily basis in all Saint-Gobain units and are reflected in individual and collective behavior. To multiply the impact of the awareness-raising effort, the Responsible Development Department has developed a “train the trainer” program intended primarily for human resources managers, but also open to all team members interested in learning about how to promote the Principles of Conduct and Action in an effective and convincing way.

In all, 271 participants from 11 countries (Argentina, Brazil, Colombia, Denmark, France, India, Italy, Mexico, Poland, Russia and the United Kingdom) attended the 17 sessions organized in 2013.

The Principles of Conduct and Action are used to assess all investment agreements. They are also systematically distributed to employees of newly acquired companies and implemented by their management teams. The Principles of Conduct and Action include specific clauses on human rights. The Principle concerning employee rights states that “Group companies [...] must refrain from any form of recourse to forced labor, compulsory labor, or child labor – whether directly or indirectly or through sub-contractors when the latter are working on a Group site.” Saint-Gobain refers to the applicable Conventions of the International Labor Organization for the definition of these concepts. The Principle also states that Group companies “must refrain from any form of discrimination with respect to their employees, whether in the recruitment process, at hiring, or during or at the end of the employment relationship.”

100% of the Group’s Activities are covered by the internal control system. Compliance with the values and rules of conduct formalized in the Saint-Gobain Principles of Conduct and Action is a basic component of the Group’s internal control system. More detailed information is provided in the *2013 Registration Document (pages 101-108)*.

## COMPETITION LAW PLAN

Some 14,000 employees have participated in the Comply online training program on compliance with Competition Law at least once.

Since the Competition Law Plan was launched, nearly 7,000 managers and employees have attended 255 advanced training seminars in 35 countries.

In all, unannounced audits by lawyers specialized in Competition Law have been conducted at 115 Group sites in 35 countries since the Competition Law Plan was launched.

## COMPLIANCE ALERTS SYSTEM

The Group’s compliance alerts system recorded 16 alerts in 2013. Each was reviewed and investigated when appropriate. The necessary measures were taken to address all confirmed cases of non-compliance.

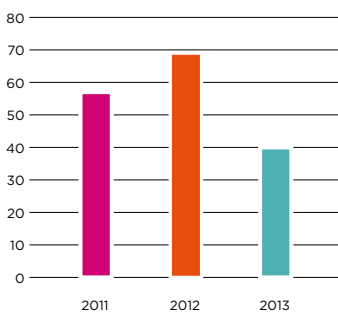
## PREVENTION OF CORRUPTION (SO2, SO3, SO4)

None of the alerts recorded through the compliance alerts system in 2013 concerned corruption.



## RESPONSIBLE PURCHASING (HR2, EC6)

SUPPLIER TRACKING AND ASSESSMENT:  
NUMBER OF INITIAL AUDITS  
(EXCLUDING DISTRIBUTION)

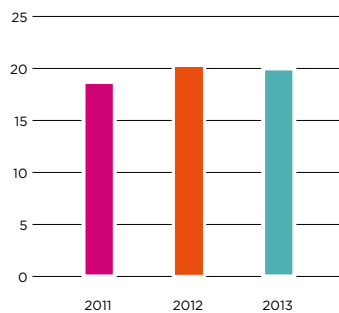


Within the framework of the Group's responsible purchasing policy (see pages 72-73), 5,363 suppliers have signed the Suppliers Charter and 398 have undergone a CSR assessment. This approach, which uses the Ecovadis scorecard among other tools, allows the Group to identify critical suppliers more easily and target supplier audits more effectively. This explains the decrease in the number of on-site audits.

In all, 40 initial supplier audits were conducted by a specialized firm in 2013. In addition, 21 follow-up audits triggered by an initial audit were conducted to ensure that the requested corrective measures were properly applied. A breakdown by region shows that 16 initial audits were conducted in China, 12 in India, 6 in Brazil and 1 in Russia. Among the areas under review were specific items relating to working conditions, working hours and wages.

Half of distribution purchasing volume is sourced from suppliers who have signed the Suppliers Charter, while 20% is purchased from suppliers who have filled out a self-assessment questionnaire within the framework of the Responsible Together program. Concerning the Environmental Timber Policy applied in the Building Distribution Sector, more than 85% of purchased timber products are sourced from certified forests.

PERCENTAGE OF PURCHASES (EXCLUDING  
DISTRIBUTION) MADE FROM LOCAL SUPPLIERS  
in %



From a general standpoint, subsidiaries are encouraged to participate in the economic development of their host regions.

In France, Saint-Gobain has signed a charter on behalf of its suppliers governing the quality of relations between major customers and small- and medium-sized enterprises (SMEs). This charter comprises ten good practice commitments for dealing with suppliers. In particular, it promotes the concept of regional responsibility, which encourages companies to develop economic activity in their host regions and to forge strong relationships with local customers and suppliers.

## FIGHT AGAINST CHILD LABOR, FORCED LABOR AND COMPULSORY LABOR (HR6, HR7)

No cases of child labor, forced labor or compulsory labor were reported in 2013.

Group companies verify their employees' ages and carry out additional checks, if needed, in liaison with local authorities.

Similarly, Group companies verify that they are not participating in any way in forced or compulsory labor, notably through dialogue with employee representatives. This system helps detect any possible failures. Concerning purchasing, the Group's responsible purchasing policy (described on pages 72-73) prohibits working with suppliers who use child labor, forced labor or compulsory labor.

## OTHER GRIEVANCES RELATED TO HUMAN RIGHTS (HR11)

No grievances related to human rights were filed in 2013.



# BUSINESS PRACTICES AND RESPECT FOR HUMAN RIGHTS

## SIGNIFICANT FINANCIAL ASSISTANCE RECEIVED FROM GOVERNMENT (EC4)

Saint-Gobain's activities do not depend directly on government grants or assistance. Any government grants or assistance received are not consolidated at the Group level. Assistance may be international, national or local in nature.

Examples include:

- case-by-case assistance for certain industrial facilities;
- support for locating R&D operations in certain areas, notably in France;
- insurance programs for foreign investments.

## COMPLIANCE WITH LAWS AND REGULATIONS (PR3, PR6, PR9)

### Type of product and service information required by procedures (PR3)

Saint-Gobain products comply with current regulations, such as the CE marking or Safety Data Sheets (SDS) and labels for chemicals.

The Group also provides non-mandatory information specific to certain products, including:

- voluntary declarations with safety data for non-classified articles or substances;
- the declaration of materials and substances for the International Material Data System (IMDS) used by the automobile industry;
- specific labels such as the environmental and health data sheet in France for construction products.

### Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion and sponsorship (PR6)

Saint-Gobain bases its development on the values formalized in the Principles of Conduct and Action. In particular, the Principles call for compliance with regulations (Respect for the Law), professional standards (Professional Commitment) and internal rules (Principle of Loyalty). The Group Compliance Program is designed to ensure the Principles are applied properly (see pages 12-13).

The Sustainable Habitat Mission (see page 25) conducts continuous monitoring and issues recommendations to give marketing teams in the Activities a better understanding of existing labels for buildings and construction products with the goal of promoting labels that make life-cycle assessment a deciding criterion.

In 2011, Saint-Gobain Glass and Glassolutions deployed a training program on the environmental benefits of their products for sales staff so that these team members can inform customers more effectively. In 2012, Saint-Gobain PAM implemented a similar approach for its sales staff.

### Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services (PR9)

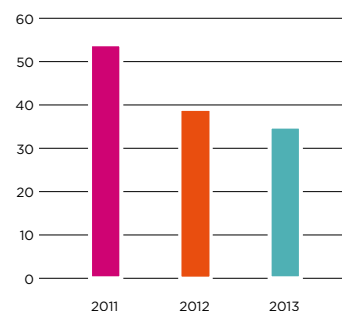
The Group did not pay any fines of this type in 2013.

## LOCAL DEVELOPMENT (SO1)

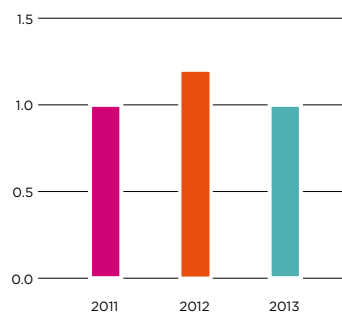
### Local economic development

In 2013, Saint-Gobain Développement signed 35 agreements with businesses involving €1 million in loans, thereby helping to finance the creation of 194 jobs. Priority was given to companies involved in a sustainable development approach.

NUMBER OF AGREEMENTS SIGNED WITH COMPANIES TO CREATE EXTERNAL JOBS



FINANCIAL COMMITMENT UNDER AGREEMENTS TO SUPPORT SMEs IN FRANCE in millions of euros

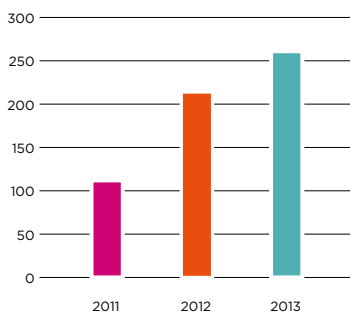


The equivalent of 261 days of support were provided under the program to make employee expertise available to small- and medium-sized enterprises and industries.

<sup>41</sup> Corresponds to the number of days of technical support multiplied by 0.23 (coefficient obtained by dividing a per-day value of €1,000 by 3 times the gross monthly minimum wage).

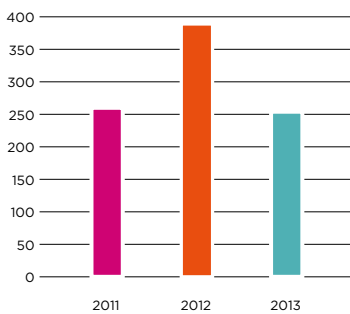
Applying the calculation method generally used for revitalization agreements in France, this represented the equivalent of 60<sup>(41)</sup> jobs indirectly supported by Saint-Gobain.

**NUMBER OF DAYS OF TECHNICAL SUPPORT FOR SMEs IN FRANCE**



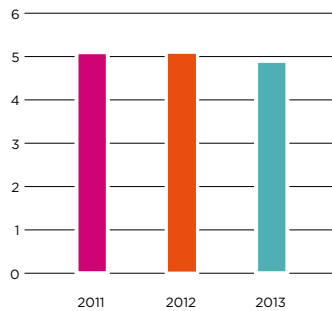
In all, 254 jobs were created or supported in 2013 through Saint-Gobain Développement taking into account the direct jobs created through agreements and the impact of days of technical support.

**NUMBER OF EXTERNAL JOBS CREATED THANKS TO SUPPORT FROM SAINT-GOBAIN DÉVELOPPEMENT**



**Local outreach initiatives**

**INVESTMENTS IN PROJECTS TO SUPPORT LOCAL COMMUNITIES**  
*in millions of euros*

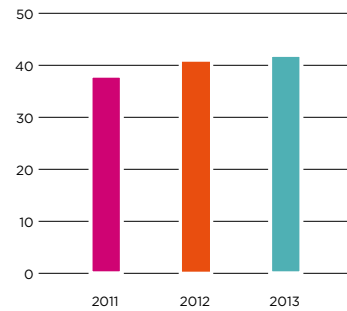


These figures include the annual endowment of the Saint-Gobain Initiatives International Corporate Foundation (€1 million).

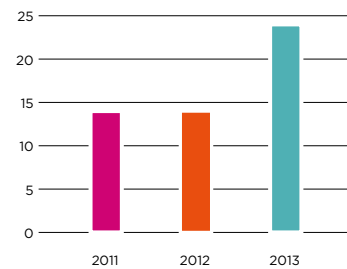
**The Saint-Gobain Initiatives International Corporate Foundation**

The Saint-Gobain Initiatives International Corporate Foundation pursued its development, with continued growth in the number of projects submitted and, especially, a significant improvement in the quality of projects, which seem better targeted to the Foundation's acceptance criteria. As a result, the number of accepted projects increased sharply and the number of sponsorship agreements rose even more strongly (due in part to a catch-up effect). Funds dispersed amounted to around €1 million, corresponding to the Foundation's annual endowment. Changes from one year to another reflect possible delays in project advancement and in the ability of associations to bring together the necessary financing.

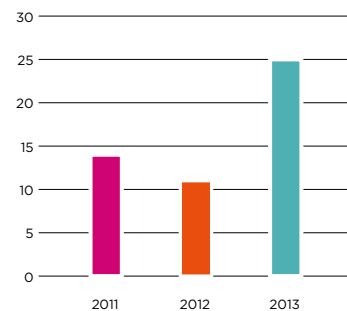
**NEW PROJECTS SUBMITTED**



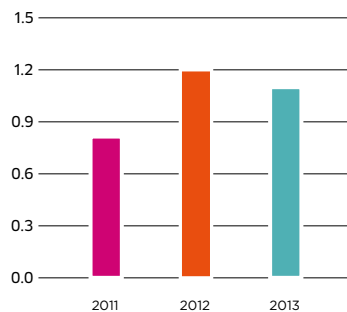
**PROJECTS ACCEPTED BY THE MANAGEMENT COMMITTEE**



**SPONSORSHIP AGREEMENTS SIGNED**



**FUNDS DISBURSED**  
*in millions of euros*



# KEY INDICATORS

## ENVIRONMENT

| Indicator   | 2011  | 2012  | 2013  | GRI 3.1 | Page(s)   |
|---|---|---|---|---------|-----------|
| <b>Site certifications</b>  |   |   |   |         |           |
| Number of quality-certified sites - comparable scope*   | 745   | 698   | 718   |         | -         |
| Percentage of concerned sites that are environmentally certified*   | 72.6%   | 75.3%   | 81.9%   |         | 15        |
| <b>Environmental expenditure</b>  |   |   |   |         |           |
| Total environmental expenditure:*   | €117.9m   | €144.0m   | €123.9m   | EN30    | 15        |
| Salaries and other payroll expenses for environmental officers*   | €21.6m  | €26.6m  | €24.4m  | EN30    | -         |
| ISO 14001 and EMAS environmental certification and renewal costs  | €2.4m   | €2.4m   | €2.5m   | EN30    | -         |
| Environmental taxes   | €4.8m   | €5.2m   | €7.6m   | EN30    | -         |
| Insurance and warranties  | €2.7m   | €5.3m   | €3.1m   | EN30    | -         |
| Environmental fines   | €0.5m   | €0.1m   | €0.2m   | EN28    | -         |
| Cost of environmental incidents   | €0.8m   | €1.1m   | €0.6m   | EN30    | -         |
| Cost of technical measures  | €8.3m   | €5.9m   | €7.8m   | EN30    | -         |
| Environmental R&D budget  | €67.2m  | €90.2m  | €69.8m  | EN30    | -         |
| Soil decontamination, site remediation and other clean-up costs   | €9.6m   | €7.2m   | €8.0m   | EN30    | -         |
| Capital expenditure on environmental protection measures  | €72.1m  | €60.8m  | €51.7m  | EN30    | -         |
| Provisions for environmental risks  | €169m   | €151m   | €159.8m   | EN30    | -         |
| <b>Raw materials and production waste</b>   |   |   |   |         |           |
| Quantity of non-recovered production waste - concerned sites (based on 2010 production output) *          | 0.391 Mt  | 0.423 Mt  | 0.379 Mt ✓  | EN22    | 40-41, 82 |
| Consumption of primary raw materials in glass furnaces - concerned sites*                                 | 10.8 Mt   | 10.4 Mt   | 10.9 Mt   | EN1     | 82        |
| Consumption of cullet in glass furnaces - concerned sites*  | 2.96 Mt internally sourced,<br>4.45 Mt externally sourced | 3.05 Mt internally sourced,<br>4.51 Mt externally sourced | 2.98 Mt internally sourced,<br>4.34 Mt externally sourced | EN2     | 82        |
| Percentage of cullet in each ton of finished product of glass wool produced - concerned sites*            | 16.3% internally sourced,<br>51.3% externally sourced     | 18.8% internally sourced,<br>49.8% externally sourced     | 20.9% internally sourced,<br>50.4% externally sourced     | EN2     | -         |
| Percentage of cullet in each ton of finished product of container glass produced - concerned sites*       | 19.2% internally sourced,<br>44.9% externally sourced     | 19.8% internally sourced,<br>46.8% externally sourced     | 18.6% de internally sourced,<br>44.6% externally sourced  | EN2     | -         |
| Percentage of cullet in each ton of finished product of flat glass produced - concerned sites*            | 29.8% internally sourced,<br>6.2% externally sourced      | 33.0% internally sourced,<br>6.5% externally sourced      | 29.5% internally sourced,<br>6.7% externally sourced      | EN2     | -         |
| Percentage of tons of finished products from primary melt of cast iron- concerned sites                   | 80.1%   | 80.6%   | 79.3%   |         | 82        |
| Percentage of recycled materials in each ton of finished product of cast-iron produced - concerned sites* | 39.3%   | 48.1%   | 53.2%   | EN2     | 82        |
| Percentage of recycled materials in each ton of finished product of gypsum - concerned sites*             | 29.6%   | 29.0%   | 29.2%   | EN2     | 82        |

(✓) 2013 indicators verified by the Statutory Auditors. The Statutory Auditors' review report for 2013 is presented on pages 80 and 81.

\* Adjusted to reflect 2013 scope of reporting. 2012 data has been updated to take site closings and openings into account.

\*\* Saint-Gobain's businesses do not generate any greenhouse gases other than CO<sub>2</sub>.

| Indicator   | 2011   | 2012   | 2013  | GRI 3.1 | Page(s)   |
|---|--|--|---|---------|-----------|
| <b>Greenhouse gases</b>   |  |  |   |         |           |
| Direct CO <sub>2</sub> emissions, based on 2010 production output - concerned sites*                  | 10.8 Mt  | 10.9 Mt  | 10.6 Mt✓  | EN16    | 34-37, 84 |
| Direct CO <sub>2</sub> emissions - Group, based on a comparable scope*                                | 14.0 Mt CO <sub>2</sub>  | 12.7 Mt CO <sub>2</sub>  | 12.8 Mt CO <sub>2</sub> ✓   | EN16    | 84        |
| Direct CO <sub>2</sub> emissions per ton of finished product of glass produced - concerned sites*     | 556 kg CO <sub>2</sub> / ton of finished product of glass produced       | 548 kg CO <sub>2</sub> / ton of finished product of glass produced       | 528 kg CO <sub>2</sub> / ton of finished product of glass produced✓       | EN16    | -         |
| Direct CO <sub>2</sub> emissions per ton of finished product of cast-iron produced - concerned sites* | 1,365 kg CO <sub>2</sub> / ton of finished product of cast iron produced | 1,333 kg CO <sub>2</sub> / ton of finished product of cast iron produced | 1,391 kg CO <sub>2</sub> / ton of finished product of cast iron produced✓ | EN16    | -         |
| Direct CO <sub>2</sub> emissions per ton of finished product of plaster produced - concerned sites*   | 127 kg CO <sub>2</sub> / ton of finished product of plaster produced     | 125 kg CO <sub>2</sub> / ton of finished product of plaster produced     | 120 kg CO <sub>2</sub> / ton of finished product of plaster produced✓     | EN16    | -         |
| Other relevant indirect emissions of greenhouse gases, in tons CO <sub>2</sub> equivalent**           | N/A  | N/A  | N/A   | EN17    | -         |
| Indirect greenhouse gas emissions from electricity, steam and hot water purchases                     | 5.0 Mt CO <sub>2</sub> equivalent  | 4.6 Mt CO <sub>2</sub> equivalent  | 4.8 Mt CO <sub>2</sub> equivalent ✓                                       | EN16    | -         |
| <b>Energy</b>   |  |  |   |         |           |
| Energy use – Group, based on a comparable scope*  | 221,132 TJ   | 207,904 TJ   | 212,846 TJ✓   | EN3     | 85        |
| Indirect energy consumption – Group, based on a comparable scope*                                     | 45,542 TJ  | 42,375 TJ  | 43,488 TJ✓  | EN4     | -         |
| Electricity consumption – Group, based on a comparable scope*   | 44,346 TJ  | 41,423 TJ  | 42,463 TJ✓  | EN4     | -         |
| Steam and hot water consumption – Group, based on a comparable scope*                                 | 1,196 TJ   | 953 TJ   | 1,025 TJ✓   | EN4     | -         |
| Direct energy consumption – Group, based on a comparable scope*                                       | 175,589 TJ   | 165,529 TJ   | 169,358 TJ✓   | EN3     | -         |
| Coal and coke consumption – Group, based on a comparable scope  | 27,507 TJ  | 24,250 TJ  | 26,424 TJ✓  | EN3     | -         |
| Natural gas consumption – Group, based on a comparable scope*   | 109,893 TJ   | 116,346 TJ   | 122,913 TJ✓   | EN3     | -         |
| Petroleum product consumption – Group, based on a comparable scope*                                   | 36,074 TJ  | 24,810 TJ  | 19,851 TJ✓  | EN3     | -         |
| <b>Air emissions</b>  |  |  |   |         |           |
| SO <sub>2</sub> emissions per ton of finished product of glass produced - concerned sites*            | 2.27 kg  | 1.67 kg  | 1.40 kg✓  | EN20    | 85        |
| SO <sub>2</sub> emissions per ton of finished product of cast-iron produced - concerned sites*        | 2.29 kg  | 2.46 kg  | 2.20 kg✓  | EN20    | 85        |
| SO <sub>2</sub> emissions by the Pipe Activity and the glass businesses - concerned sites*            | 35,073 t   | 25,675 t   | 22,775 t✓   | EN20    | 85        |
| NO <sub>x</sub> emissions per ton of finished product of glass produced - concerned sites*            | 2.25 kg  | 2.20 kg  | 2.20 kg✓  | EN20    | 85        |
| NO <sub>x</sub> emissions per ton of finished product of cast iron produced - concerned sites*        | 1.24 kg  | 1.38 kg  | 1.30 kg✓  | EN20    | 85        |
| NO <sub>x</sub> emissions by the Pipe Activity and glass businesses - concerned sites*                | 32,741 t   | 30,726 t   | 31,867 t✓   | EN20    | 85        |
| Particulate emissions per ton of finished product of glass produced - concerned sites*                | 0.26 kg  | 0.24 kg  | 0.21 kg   | EN20    | 85        |
| Particulate emissions per ton of finished product of cast-iron produced - concerned sites*            | 3.29 kg  | 3.41 kg  | 2.39 kg   | EN20    | 85        |

(✓) 2013 indicators verified by the Statutory Auditors. The Statutory Auditors' review report for 2013 is presented on pages 80 and 81.

\* Adjusted to reflect 2013 scope of reporting. 2012 data has been updated to take site closings and openings into account.

\*\* Saint-Gobain's businesses do not generate any greenhouse gases other than CO<sub>2</sub>.



# KEY INDICATORS

| Indicator  | 2011              | 2012              | 2013               | GRI 3.1 | Page(s)                   |
|--|-------------------|-------------------|--------------------|---------|---------------------------|
| <b>Water</b>   |                   |                   |                    |         |                           |
| Water withdrawals, based on 2010 production output - concerned sites*                              | 48.8 million cu.m | 53.8 million cu.m | 46.7 million cu.m✓ | EN8     | 38-39, 83                 |
| Water withdrawals - Group, based on a comparable scope*  | 83.0 million cu.m | 76.1 million cu.m | 73.4 million cu.m✓ | EN8     | 38-39, 83                 |
| Rainwater withdrawals - Group, based on a comparable scope*  | 0.3 million cu.m  | 0.3 million cu.m  | 0.4 million cu.m✓  | EN8     | 83                        |
| Municipal water withdrawals - Group, based on a comparable scope                                   | 19.6 million cu.m | 17.8 million cu.m | 17.6 million cu.m✓ | EN8     | 83                        |
| Surface water withdrawals (from rivers, lakes, etc.) - Group, based on a comparable scope*         | 35.5 million cu.m | 31.6 million cu.m | 29.6 million cu.m✓ | EN8     | 83                        |
| Groundwater withdrawals - Group, based on a comparable scope*                                      | 26.8 million cu.m | 25.4 million cu.m | 24.1 million cu.m✓ | EN8     | 83                        |
| Water discharges - Group, based on a comparable scope*   | 50.3 million cu.m | 48.4 million cu.m | 48.9 million cu.m  | EN21    | 83                        |
| Water discharges into surrounding environment - Group, based on a comparable scope*                | 36.2 million cu.m | 35.1 million cu.m | 36.5 million cu.m  | EN21    | 83                        |
| Water discharges into municipal wastewater collection system - Group, based on a comparable scope* | 14.0 million cu.m | 13.3 million cu.m | 12.2 million cu.m  | EN21    | 83                        |
| <b>Environmental risks</b>   |                   |                   |                    |         |                           |
| Number of Seveso-classified sites  | 5                 | 5                 | 5                  |         | AR <sup>(42)</sup><br>120 |
| Number of level 1 accidental spills - Group  | Not measured      | Not measured      | 6                  | EN23    | 85                        |

(✓) 2013 indicators verified by the Statutory Auditors. The Statutory Auditors' review report for 2013 is presented on pages 80 and 81.

\* Adjusted to reflect 2013 scope of reporting. 2012 data has been updated to take site closings and openings into account.

\*\* Saint-Gobain's businesses do not generate any greenhouse gases other than CO<sub>2</sub>.

<sup>42</sup> AR: 2013 Annual Report.

## SOCIAL

| Indicator   | 2011   | 2012   | 2013   | GRI 3.1 | Page(s)            |
|---|--|--|--|---------|--------------------|
| <b>Employment</b>   |  |  |  |         |                    |
| Total headcount   | 194,658 employees  | 192,781 employees  | 187,071 employees✓                                       | LA1     | 44, 90-91          |
| Breakdown by gender M/F   | 80.0% / 20.0%  | 79.6% / 20.4%  | 79.5% / 20.5%✓   | LA1     | 53, 90-91          |
| Percentage of operators   | 45.0%  | 44.0%  | 43.5%✓   | LA1     | 91                 |
| Percentage of administrative employees, technicians and supervisors   | 41.2%  | 41.9%  | 41.8%✓   | LA1     | 91                 |
| Percentage of managers  | 13.8%  | 14.1%  | 14.7%✓   | LA1     | 91                 |
| Percentage of fixed-term employment contracts****   | 3.9%   | 4.4%   | 4.2%   | LA1     | 91                 |
| Percentage of fixed-term employment contracts transformed into permanent contracts  | 35.0%  | 27.9%  | 30.0%  | LA1     | 91                 |
| Percentage of temporary workers   | 6.0%   | 6.7%   | 5.6%   | LA1     | 93                 |
| Percentage of part-time workers   | 3.1%   | 2.9%   | 3.2%   | LA1     | 93                 |
| Departure rate  | 14.7%  | 14.5%  | 14.4%  | LA2     | 92                 |
| Resignation rate  | 5.6%   | 4.9%   | 4.9%   | LA2     | 92                 |
| Termination rate  | 4.2%   | 4.7%   | 4.4%   | LA2     | 92                 |
| Recruitment rate  | 15.9%  | 13.3%  | 12.2%  | LA2     | 92                 |
| Recruitment rate M/F  | 76.9% / 23.1%  | 75.6% / 24.4%  | 75.6% / 24.4%  | LA2     | 96                 |
| <b>Mobility</b>   |  |  |  |         |                    |
| Number of managers on inter-Activity mobility assignment***   | Not measured   | 458  | 545✓   |         | 52-53<br>93        |
| Number of managers on inter-profession mobility assignment***   | Not measured   | 1,014  | 936✓   |         | 52-53<br>93        |
| Number of managers on geographic mobility assignment***   | Not measured   | 231  | 246✓   |         | 52-53<br>93        |
| <b>Work organization</b>  |  |  |  |         |                    |
| Percentage of employees in manufacturing operations performing shift work   | 32.5%  | 32.7%  | 32.8%  |         | 93                 |
| Overtime rate   | 4.8%   | 4.1%   | 4.5%   |         | 93                 |
| Absenteeism rate  | 3.7%   | 3.7%   | 4.3%   | LA7     | 93                 |
| <b>Employee relations</b>   |  |  |  |         |                    |
| Percentage of employees with employee representation  | 67.0%  | 68.0%  | 68.3%  | LA4     | 94                 |
| Number of agreements signed with employee representatives   | 1,383  | 1,371  | 1,513  | LA4     | 51, 94             |
| Percentage of employees covered by a collective bargaining agreement (and percentage for France)  | 70.2%<br>(France: 100 %)                                 | 72.1%<br>(France: 100 %)                                 | 73.5%<br>(France: 100 %)                                 | LA4     | 51, 93             |
| Minimum notice period(s) regarding significant operational changes  | From 2 weeks to several months, depending on the country | From 2 weeks to several months, depending on the country | From 2 weeks to several months, depending on the country | LA5     | 94                 |
| <b>Occupational health and safety</b>   |  |  |  |         |                    |
| Lost-time accident rate (LTAR) (more than 24 hours' lost time) - Group*   | 3.1  | 2.9  | 2.3✓   | LA7     | 8-9, 44, 46-47, 86 |
| Severity rate - Group   | 0.20   | 0.18   | 0.14   | LA7     | 86                 |
| Lost-time accident rate (LTAR) (more than 24 hours' lost time) - Building Distribution Sector*  | 5.1  | 4.3  | 3.3✓   | LA7     | 86                 |
| Total recordable accident rate (TRAR) - industrial Sectors*   | 6.3  | 5.3  | 4.3✓   | LA7     | 86                 |
| Number of workplace fatalities - Saint-Gobain employees   | 3  | 6  | 2  | LA7     | 86                 |
| Number of millionaire sites (sites that have clocked up over one million accident-free hours of work and/or more than five years' work without any lost-time accidents) | 179  | 188  | 209  |         | 46-47              |
| Number of Health & Safety-certified sites - comparable scope*   | 356  | 341  | 376  |         | 15                 |

\*\*\* Indicators from the PeopleGroup database.

\*\*\*\* Calculation base: outside North America, or 89.7% of the reporting scope.

# KEY INDICATORS

| Indicator   | 2011   | 2012   | 2013   | GRI 3.1  | Page(s)       |
|---|--|--|--|----------|---------------|
| <b>Training</b>   |  |  |  |          |               |
| Training expenditure as a percentage of total payroll   | 2.0%   | 2.1%   | 2.1%   | LA10     | 95            |
| Percentage of employees who took at least one training course during the year   | 74.7%  | 78.2%  | 77.0%  | LA10     | 54-55, 95     |
| Average number of hours of training per employee per year   | 23.5 hours   | 22.9 hours   | 22.7 hours   | LA10     | 54-55, 95     |
| Percentage of training hours dedicated to technical training and EHS  | Technical training 50.0%<br>EHS training 24.8%           | Technical training 49.1%<br>EHS training 25.4%           | Technical training 48.5%<br>EHS training 28.9%           | LA10     | 95            |
| Total number of hours of training in France   | 752,359  | 732,668  | 735,597  | LA10     | 95            |
| Percentage of non-managers who had a performance review   | 50.1%  | 45.4%  | 55.1%  | LA12     | 95            |
| Percentage of managers who had a performance review   | 79.4%  | 73.5%  | 86.8%  | LA12     | 95            |
| Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members in the event of serious disease | Yes  | Yes  | Yes  | LA8      | 95            |
| Extension of such programs to families  | Advice and assistance in the event of a serious accident | Advice and assistance in the event of a serious accident | Advice and assistance in the event of a serious accident | LA8      | 94            |
| Extension of such programs to local communities   | Sometimes, in partnership with associations              | Sometimes, in partnership with associations              | Sometimes, in partnership with associations              | LA8      | 94            |
| <b>Non-discrimination</b>   |  |  |  |          |               |
| Recruitment rate for employees under 26   | 35.4%  | 34.7%  | 36.6%  | LA1-LA13 | 96            |
| Percentage of employees in France taken on under a youth employment scheme  | 3.0%   | 2.8%   | 3.2%   | LA1-LA13 | 96-97         |
| Recruitment rate for employees age 50 or better   | 5.3%   | 5.7%   | 6.0%   | LA1-LA13 | 52-53, 97     |
| Percentage of female employees  | 20.0%  | 20.4%  | 20.5%  | LA1-LA13 | 52-53, 90, 96 |
| Percentage of administrative employees, technicians and supervisors among female employees  | 65.4%  | 65.2%  | 64.8%✓   | LA1-LA13 | -             |
| Percentage of blue-collar workers among female employees  | 22.2%  | 21.9%  | 20.9%✓   | LA1-LA13 | 96            |
| Percentage of managers among female employees   | 12.3%  | 12.9%  | 14.3%✓   | LA1-LA13 | 96            |
| Female managers as a % of total managers***   | 18.0%  | 19.0%  | 20.0%✓   | LA1-LA13 | 96            |
| Hiring rate for managers by gender M/F***   | 75.4% / 24.6%  | 75.1% / 24.9%  | 74.8% / 25.2%✓   | LA1-LA13 | 96            |
| Promotions of female managers/total promotions of managers***   | Not measured   | 18.5%  | 24.5%✓   | LA1-LA13 | 96            |
| Percentage of female managers among senior executives***  | 6.1%   | 7.4%   | 8.9%   | LA1-LA13 | 96            |
| Percentage of disabled employees in France in concerned workforce   | 3.7%   | 3.8%   | 3.7%   | LA13     | 97            |
| Percentage of disabled employees in France  | 52   | 69   | 180  | LA13     | 97            |
| Number of workstations fitted out for disabled employees  | 29   | 27   | 30   | HR4      | 97            |
| Total number of incidents of discrimination   | 2  | 3  | 2  | HR5      | 97            |
| <b>Equal opportunity</b>  |  |  |  |          |               |
| Ratio of basic salary and remuneration of women to men in France  | 9%   | 9%   | 9%   | LA14     | 96            |
| Percentage of employees in France covered by the discretionary profit-sharing scheme  | 98.7%  | 95.2%  | 99.0%  |          | 94            |
| Number of employees who have joined the Group Savings Plan  | More than 80,000   | More than 90,000   | More than 90,000   |          | 55, 94        |
| Percentage of shares held by Group employees  | 8%   | 8.4%   | 7.5%   |          | 94            |
| Percentage of voting rights held by Group Savings Plan funds  | 11.8%  | 12.1%  | 11.3%  |          | 94            |
| Number of countries benefiting from Group savings plan  | 42   | 42   | 41   |          | 94            |
| Percentage of employees with social coverage in France and rate of coverage   | Not measured   | 95% benefit from a coverage rate of 94%                  | 95% benefit from a coverage rate of 94%                  |          | -             |

(✓) 2013 indicators verified by the Statutory Auditors. The Statutory Auditors' review report for 2013 is presented on pages 80 and 81.

\* Adjusted to reflect 2013 scope of reporting. 2012 data has been updated to take site closings and openings into account.

\*\* Saint-Gobain's businesses do not generate any greenhouse gases other than CO<sub>2</sub>.

\*\*\* Indicators from the PeopleGroup database.

\*\*\*\* Calculation base: outside North America, or 89.7% of the reporting scope.

**SOCIETAL**

| Indicator   | 2011         | 2012   | 2013    | GRI 3.1 | Page(s) |
|---|--------------|--------|---------|---------|---------|
| <b>Business conduct and human rights</b>  |              |        |         |         |         |
| Number of managers trained in the Principles of Conduct and Action through the School of Management | 800          | 828    | 832     |         | 98      |
| Number of alerts received on average through the compliance alerts system                           | Not measured | 9      | 16      |         | 98      |
| Number of cases of corruption reported  | 0 cases      | 1 case | 0 cases |         | 98      |
| Number of suppliers (excluding distribution) who have signed the Suppliers' Charter                 | -            | -      | 5,363   | HR2     | 9, 99   |
| Number of suppliers (excluding distribution) who have undergone a CSR assessment                    | -            | -      | 398     | HR2     | 9, 99   |
| Number of suppliers audited (initial audits)  | 57           | 69     | 40      | HR2     | 9, 99   |
| Percentage of purchases (excluding distribution) made from local suppliers                          | 18.7%        | 20.3%  | 20%     | EC6     | 99      |
| Operations identified as having significant risk for incidents of child labor                       | 0            | 0      | 0       | HR6     | 99      |
| Operations identified as having significant risk for incidents of forced or compulsory labor        | 0            | 0      | 0       | HR7     | 99      |
| Other human rights-related incidents  | 0            | 1      | 0       | HR11    | 99      |
| Monetary value of significant fines for non-compliance with laws and regulations                    | 0            | 0      | 0       | SO8     | -       |
| Total number of non-monetary sanctions for non-compliance with laws and regulations                 | 0            | 0      | 0       | SO8     | -       |

**Local economic development**

|  |               |               |               |  |            |
|--|---------------|---------------|---------------|--|------------|
| Number of days of technical support to SMEs in France (from Dec. 1 to Nov. 30 of the following year) | 112 days      | 214 days      | 261 days      |  | 9, 58, 101 |
| Number of jobs created outside the Group in France with the support of Saint-Gobain Développement    | 234 jobs      | 386 jobs      | 254 jobs      |  | 58, 101    |
| Number of agreements signed with companies to create external jobs                                   | 54 agreements | 39 agreements | 35 agreements |  | 58, 100    |
| Financial commitment as part of agreements to support SMEs in France                                 | €1m           | €1.2m         | €1m           |  | 58, 100    |

**Local community development**

|  |          |       |        |  |            |
|--|----------|-------|--------|--|------------|
| Group investments in projects to support local communities   | €5.1m    | €5.1m | €4.9 m |  | 62, 101    |
| Number of new projects submitted to the Saint-Gobain Initiatives International Corporate Foundation        | 38       | 41    | 42     |  | 61, 101    |
| Number of new projects accepted by the Saint-Gobain Initiatives International Corporate Foundation         | 15       | 14    | 24     |  | 101        |
| Number of sponsorship agreements signed by the Saint-Gobain Initiatives International Corporate Foundation | 14       | 11    | 25     |  | 9, 61, 101 |
| Funds dispersed for projects by the Saint-Gobain Initiatives International Corporate Foundation            | €815,000 | €1.2m | €1.1m  |  | 61, 101    |



# GRI TABLE

## PROFILE




















| Category              | Subsection                | GRI ref. | Description  | Page(s)  |
|-----------------------|---------------------------|----------|--|--|
| Strategy and Analysis |                           | 1.1      | Statement from the most senior decision maker of the organization (e.g., CEO, chair, or equivalent senior position) about the relevance of sustainability to the organization and its strategy.  | 1  |
|                       |                           | 1.2      | Description of key impacts, risks and opportunities.   | 6<br>AR <sup>(43)</sup> 57, 117-123, 160-162, 172-174  |
| Organization Profile  |                           | 2.1      | Name of the organization.  | Cover  |
|                       |                           | 2.2      | Primary brands, products and/or services.  | 2-3, 24-25, 28-29<br>AR 13-38                          |
|                       |                           | 2.3      | Operational structure of the organization including main divisions, operating companies, subsidiaries and ventures.  | 2-5<br>AR 9, 102-103                                   |
|                       |                           | 2.4      | Location of organization headquarters.   | 120 AR 227-228   |
|                       |                           | 2.5      | Number of countries where the organization operates and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.  | 5, 120<br>AR 10  |
|                       |                           | 2.6      | Nature of ownership and legal form.  | AR 71  |
|                       |                           | 2.7      | Markets served (including geographic breakdown, sectors served and types of customers/beneficiaries).  | 2-5<br>AR 13-38  |
|                       |                           | 2.8      | Scale of the reporting organization, including: <ul style="list-style-type: none"> <li>• Number of employees.</li> <li>• Net sales (for private sector organizations) or net revenues (for public sector organizations).</li> <li>• Number of operations.</li> <li>• Total capitalization broken down in terms of debt and equity (for private sector organizations).</li> <li>• Quantity of products or services provided.</li> </ul> | 4-5, 44, 90<br>AR 6, 8, 9, 12, 18, 23, 28, 31, 214-223 |
|                       |                           | 2.9      | Significant changes during the reporting period regarding size, structure or ownership, including: <ul style="list-style-type: none"> <li>• The location of, or changes in operations, including facility openings, closings and expansions.</li> <li>• Changes in the share capital structure and other capital formation, maintenance and alteration operations (for private sector organizations).</li> </ul>                       | AR 141   |
|                       |                           | 2.10     | Awards received in the reporting period.   | 45, 55   |
| Report Parameters     | Report Profile            | 3.1      | Reporting period (e.g., fiscal/calendar year) for information provided.  | AR 189   |
|                       |                           | 3.2      | Date of most recent previous report (if any).  | Cover  |
|                       |                           | 3.3      | Reporting cycle (annual, biennial, etc.).  | AR 189   |
|                       |                           | 3.4      | Contact point for questions regarding the report or its contents.  | Back cover   |
|                       | Report Scope and Boundary | 3.5      | Process for defining report content, including: <ul style="list-style-type: none"> <li>• Determining materiality.</li> <li>• Prioritizing topics within the report.</li> <li>• Identifying which stakeholders the organization expects to use the report.</li> </ul>   | 16-19, 76-79   |
|                       |                           | 3.6      | Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers). See GRI Boundary Protocol for further guidance.   | 76-79  |
|                       |                           | 3.7      | Any specific limitations on the scope or boundary of the report.   | 76-79  |
|                       |                           | 3.8      | Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.  | 76-79  |
|                       |                           | 3.9      | Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the indicators and other information in the report.   | 76-79  |
|                       |                           | 3.10     | Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/acquisitions, change of base years/periods, nature of the business, measurement methods).  | 76-79  |
|                       |                           | 3.11     | Significant changes from previous reporting periods in the scope, boundary or measurement methods applied in the report.   | 76-79  |

<sup>43</sup> AR: 2013 Annual Report.

Fully reported

Partially reported

N/A

| Category                               | Subsection                          | GRI ref. | Description  | Page(s)  |
|--|-------------------------------------|----------|--|--|
| Report Parameters                      | GRI Content Index                   | 3.12     | Table identifying the location of the Standard Disclosures in the report. Identification of the page numbers or web links where the following can be found: <ul style="list-style-type: none"> <li>• Strategy and Analysis 1.1-1.2.</li> <li>• Organizational Profile 2.1-2.10.</li> <li>• Report Parameters 3.1-3.13.</li> <li>• Governance, Commitments and Engagement 4.1-4.17.</li> <li>• Disclosure of Management Approach, per category.</li> <li>• Core Performance Indicators.</li> <li>• Any GRI Additional Indicators included.</li> <li>• Any GRI Sector Supplement Indicators included in the report.</li> </ul> | 108-113                       |
|  | Assurance                           | 3.13     | Policy and current practice with regard to seeking external assurance for the report. If not included in the assurance report accompanying the sustainability report, explain the scope and basis of any external assurance provided. Also explain the relationship between the reporting organization and the assurance provider(s).  | 80-81                         |
| Governance, Commitments and Engagement | Governance                          | 4.1      | Governance structure of the organization, including committees under the highest governance body (Board of Directors or other) responsible for specific tasks, such as setting strategy or organizational oversight.   | 10-11<br>AR 77-89  (5)        |
|  |                                     | 4.2      | Indicate whether the Chair of the highest governance body is also an executive officer (and, if so, their function within the organization's management and the reasons for this arrangement).   | 10-11<br>AR 77                |
|  |                                     | 4.3      | For organizations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members.   | AR 79                         |
|  |                                     | 4.4      | Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.  | 16-19<br>AR 76-77           |
|  |                                     | 4.5      | Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization's performance (including social and environmental performance).  | AR 89-101                   |
|  |                                     | 4.6      | Processes in place for the highest governance body to ensure conflicts of interest are avoided.  | 12-13, 98<br>AR 83          |
|  |                                     | 4.7      | Process for determining the qualifications and expertise required of the members of the highest governance body for making decisions on economic, environmental and social strategy.   | AR 79, 85                   |
|  |                                     | 4.8      | Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.   | 1, 6-7, 12-13, 98<br>AR 41  |
|  |                                     | 4.9      | Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.   | 12-13, 98<br>AR 85          |
|  |                                     | 4.10     | Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.  | AR 41, 85                   |
|  | Commitments to External Initiatives | 4.11     | Explanation of whether and how the precautionary approach or principle is addressed by the organization.   | AR 117-124                  |
|  |                                     | 4.12     | Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.  | 1, 7, 116-117               |
|  |                                     | 4.13     | Memberships in associations (such as industry associations) and/or national/international advocacy organizations in which the organization: <ul style="list-style-type: none"> <li>• Has positions in governance bodies.</li> <li>• Participates in projects or committees.</li> <li>• Provides substantive funding beyond routine membership dues.</li> <li>• Views membership as strategic.</li> </ul>   | 1, 7, 68-69                 |
|  | Stakeholder Engagement              | 4.14     | List of stakeholder groups engaged by the organization.  | 16-19<br>AR 76-77           |
|  |                                     | 4.15     | Basis for identification and selection of stakeholders with whom to engage.  | 16-19, 68-69                |
|  |                                     | 4.16     | Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.  | 16-19, 76-79                |
|  |                                     | 4.17     | Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.  | 16-19, 76                   |

**MANAGERIAL APPROACH AND PERFORMANCE INDICATORS**

| Category  | Subsection                           | GRI ref.                    | Description                                      | Page(s)                |
|---|--------------------------------------|-----------------------------|--|------------------------|
| <b>Disclosure on Management Approach and Performance Indicators</b> | Environment                          | DMA EN                      | <b>Environment</b>                               |                        |
|   |                                      |                             | Materials  | 14-15, 28-29, 40-41    |
|   |                                      |                             | Energy   | 14-15, 28-29, 34-37    |
|   |                                      |                             | Water  | 14-15, 28-29, 38-39    |
|   |                                      |                             | Biodiversity                                     | 14-15, 28-29, 39       |
|   |                                      |                             | Emissions, effluents and waste                   | 14-15, 28-29, 41       |
|   |                                      |                             | Products and services                            | 24-29                  |
|   |                                      |                             | Compliance                                       | 12-15 AR 108-115       |
|   |                                      |                             | Transport  | 36                     |
|   | Overall                              | 8-9, 14-15                  |  |                        |
|   | Human Rights                         | DMA HR                      | <b>Human rights</b>                              |                        |
|   |                                      |                             | Investment and procurement practices             | 59, 72-73              |
|   |                                      |                             | Non-discrimination                               | 12-13, 52-53           |
|   |                                      |                             | Freedom of association and collective bargaining | 12-13, 51              |
|   |                                      |                             | Prevention of child labor                        | 12-13, 72-73           |
|   |                                      |                             | Prevention of forced and compulsory labor        | 12-13, 72-73           |
|   |                                      |                             | Security practices                               | 12-13                  |
|   |                                      |                             | Indigenous rights                                | 12-13, 72-73           |
|   |                                      |                             | Assessment                                       | 12-13, 72-73           |
|   | Remediation                          | 12-13, 72-73                |  |                        |
|   | Labor Practices and Decent Work      | DMA LA                      | <b>Labor practices and decent work</b>           |                        |
|   |                                      |                             | Employment                                       | 52-55                  |
|   |                                      |                             | Labor/management relations                       | 6, 16, 51              |
|   |                                      |                             | Occupational health and safety                   | 6-7, 8-9, 14-15, 46-49 |
|   |                                      |                             | Training and education                           | 54-55                  |
|   |                                      |                             | Diversity and equal opportunity                  | 6-7, 9, 52-53          |
|   | Equal remuneration for women and men | 6-7, 9, 52-53               |  |                        |
|   | Society                              | DMA SO                      | <b>Society</b>                                   |                        |
|   |                                      |                             | Community  | 57-63                  |
|   |                                      |                             | Corruption                                       | 12-13                  |
|   |                                      |                             | Public policy                                    | 68-69                  |
|   |                                      |                             | Anti-competitive behavior                        | 12-13                  |
|   | Product Responsibility               | DMA PR                      | <b>Product responsibility</b>                    |                        |
| Customer health and safety  |                                      |                             | 14-15, 48  |                        |
| Product and service labeling  |                                      |                             | 30   |                        |
| Communication marketing   |                                      |                             | 25   |                        |
| Economic Performance  | DMA EC                               | <b>Economic performance</b> |  |                        |
|   |                                      | Economic performance        | 4-5 - AR 5-6                                     |                        |
|   |                                      | Market presence             | 24-27 - AR 9-11                                  |                        |
|   |                                      | Indirect economic impacts   | 58-59  |                        |





























<sup>43</sup> AR: 2013 Annual Report.

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





















 N/A


## GRI INDICATORS

| Category     | Subsection                                       | GRI ref.   | Description  | Page(s)   |
|--------------|--|--|--|---|
| Environment  | Materials  | EN1  | Materials used by weight or volume.  | 40-41, 82, 102           |
|              |  | EN2  | Percentage of materials used that are recycled input materials.  | 40-41, 82, 102           |
|              | Energy   | EN3  | Direct energy consumption by primary energy source.  | 85, 103                  |
|              |  | EN4  | Indirect energy consumption by primary source.   | 85, 103                  |
|              | Water  | EN8  | Total water withdrawal by source.  | 38-39, 83, 104           |
|              |  | EN 10  | Percentage and total volume of water recycled and reused.  | 83  (2)                  |
|              | Biodiversity                                     | EN11   | Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.                                     | 39  (1)                  |
|              |  | EN12   | Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.              | 39  (4)                  |
|              | Emissions, Effluents and Waste                   | EN16   | Total direct and indirect greenhouse gas emissions by weight (tons CO <sub>2</sub> equivalent).  | 84, 103                  |
|              |  | EN17   | Other relevant indirect greenhouse gas emissions by weight (tons CO <sub>2</sub> equivalent).  | 103                      |
|              |  | EN 18  | Initiatives to reduce greenhouse gas emissions and reductions achieved.  | 28-29, 34-37, 83-84      |
|              |  | EN19   | Emissions of ozone-depleting substances by weight.   | No emissions of ozone-depleting substances  |
|              |  | EN20   | NO <sub>x</sub> , SO <sub>2</sub> , and other significant air emissions by type and weight.  | 41, 85, 103  (4)         |
|              |  | EN21   | Total water discharge by quality and destination.  | 83, 104  (3)             |
|              |  | EN22   | Total weight of waste by type and disposal method.   | 28-29, 82, 102  (4)      |
|              |  |  | Total number and volume of significant spills.   | 85, 104  (1)            |
|              | Products and Services                            | EN26   | Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.   | 25, 28-29              |
|              |  | EN27   | Percentage of products sold and their packaging materials that are reclaimed by category.  | 25, 28-29  (3)         |
|              | Compliance                                       | EN28   | Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with environmental laws and regulations.  | 102  (4)               |
| Overall      | EN30   | Total environmental protection expenditures and investments by type. | 102  (6)  |   |
| Human Rights | Investment and Procurement Practices             | HR1  | Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening.                                      | 98                     |
|              |  | HR2  | Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken.   | 99                     |
|              |  | HR3  | Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.         | 98                     |
|              | Non-discrimination                               | HR4  | Total number of incidents of discrimination and corrective actions taken.  | 97, 106                |
|              | Freedom of Association and Collective Bargaining | HR5  | Operations identified in which the rights to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights.          | 97, 106                |
|              | Child Labor                                      | HR6  | Operations identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor.                             | 99, 107                |
|              | Forced and Compulsory Labor                      | HR7  | Operations identified as having significant risk for incidents of forced or compulsory labor and measures to contribute to the elimination of all forms of forced or compulsory labor. | 99, 107                |
|              | Assessment                                       | HR10   | Percentage and total number of operations that have been subject to human rights reviews and/or impact assessments.  | 98, 107<br>AR 108-109  |
|              | Remediation                                      | HR11   | Number of grievances related to human rights filed, addressed, and resolved through formal grievance mechanisms.   | 99, 107                |

 Fully reported  Partially reported  N/A



| Category                        | Subsection                           | GRI ref. | Description  | Page(s)  |
|---------------------------------|--------------------------------------|----------|--|--|
| Labor Practices and Decent Work | Employment                           | LA1      | Total workforce by employment type, employment contract, and region.   | 44, 90-93, 105  (6)         |
|                                 |                                      | LA2      | Total number and rate of new employee hires and employee turnover by age group, gender, and region.  | 44, 92, 105  (6)            |
|                                 |                                      | LA15     | Return to work and retention rates after parental leave, by gender.  | 96  (6)                     |
|                                 | Labor/Management Relations           | LA4      | Percentage of employees covered by collective bargaining agreements.   | 51, 93-94, 105              |
|                                 |                                      | LA5      | Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements.  | 93-94, 105                  |
|                                 | Occupational Health and safety       | LA7      | Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region and by gender.   | 46-49, 86-87, 105  (5)      |
|                                 |                                      | LA8      | Education, training, counseling, prevention and risk-control programs in place to assist workforce members, their families or community members regarding serious diseases.                            | 94, 106                     |
|                                 | Training and Education               | LA10     | Average hours of training per year per employee by gender and by employee category.  | 54, 95, 106  (6)            |
|                                 |                                      | LA 12    | Percentage of employees receiving regular performance and career development reviews, by gender.   | 95, 106                     |
|                                 | Diversity and Equal Opportunity      | LA13     | Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity.                        | 96-97, 106<br>AR 77-83  (5) |
|                                 | Equal remuneration for women and men | LA14     | Ratio of basic salary and remuneration of women to men by employee category.   | 96, 106                   |
| Society                         | Community                            | SO1      | Nature, scope, and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating, and exiting.                            | 58-63, 100-101  (3)       |
|                                 |                                      | SO9      | Operations with significant potential or actual negative impacts on local communities.   | AR 120, 123               |
|                                 |                                      | SO10     | Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities.   | AR 120                    |
|                                 | Corruption                           | SO2      | Percentage and total number of business units analyzed for risks related to corruption.  | 98                        |
|                                 |                                      | SO3      | Percentage of employees trained in organization's anti-corruption policies and procedures.   | 98                        |
|                                 |                                      | SO4      | Actions taken in response to incidents of corruption.  | 98                        |
|                                 | Public Policy                        | SO5      | Public policy positions and participation in public policy development and lobbying.   | 68-69                     |
|                                 | Compliance                           | SO8      | Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.   | 107  (4)                  |
| Product Responsibility          | Customer Health and Safety           | PR1      | Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures. | 28-31, 48, 87  (6)        |
|                                 | Product and service labeling         | PR3      | Type of product and service information required by procedures and percentage of significant products and services subject to such information requirements.   | 100  (4)                  |
|                                 | Communications marketing             | PR6      | Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotions and sponsorship.   | 100                       |
|                                 | Compliance                           | PR9      | Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.  | 100                       |

 Fully reported

 Partially reported

 N/A

| Category | Subsection                | GRI ref. | Description  | Page(s)   |
|----------|---------------------------|----------|--|---|
| Economic | Economic Performance      | EC1      | Direct economic value generated and distributed, including revenue, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments. | 4-5                        |
|          |                           | EC2      | Financial implications and other risks and opportunities for the organization's activities due to climate change.  | 14-15, 83-84               |
|          |                           | EC3      | Coverage of the organization's defined benefit plan obligations.   | AR 120                     |
|          |                           | EC4      | Significant financial assistance received from government.   | 100<br>AR 135, 160<br> (6) |
|          | Market Presence           | EC6      | Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.  | 99  (6)                    |
|          |                           | EC7      | Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation.  | 97                         |
|          | Indirect Economic Impacts | EC8      | Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.   | 58-63, 100-101<br> (4)     |

(1) Certain required information is not available - to be reported in 2017.


(2) Certain required information is not available - to be reported in 2016.

(3) Certain required information is not available - to be reported in 2015.

(4) Certain required information is not applicable to Saint-Gobain, notably due to the diversity of the Group's sites and businesses.

(5) Certain required information is confidential or not allowed to be collected under certain laws.

(6) Certain required information does not concern Saint-Gobain or has very low relevance to the Group.

 Fully reported

 Partially reported

 N/A

# GRENELLE II<sup>(44)</sup>

## TABLE

| Information required  | GRI ref.    | Page(s)                   |
|---|-------------|---------------------------|
| <b>1) Social information</b>  |             |                           |
| <b>a) Employment</b>  |             |                           |
| Total workforce by gender, age group and region   | LA1         | 44, 90-91, 105            |
| Recruitments and terminations   | LA2<br>EC7  | 44, 92, 105               |
| Compensation and changes in compensation  | EC1         | 5, 54, 106                |
| <b>b) Organization of work</b>  |             |                           |
| Organization of work time   |             | 54-55, 93, 105            |
| Absenteeism   | LA7         | 93, 105                   |
| <b>c) Labor relations</b>   |             |                           |
| Organization of social dialogue   | LA4         | 6, 16, 51, 93-95, 105     |
| Outcome of collective agreements  | LA5         | 51, 94, 105               |
| <b>d) Occupational health and safety</b>  |             |                           |
| Health and safety conditions at work  | LA7         | 46-49, 86-87, 105         |
| Outcome of collective agreements signed with labor unions concerning occupational health and safety                     | LA8         | 94, 105                   |
| Frequency and severity of work-related accidents and occupational diseases  | LA7         | 46-49, 86-87, 94, 105     |
| <b>e) Training</b>  |             |                           |
| Policies implemented concerning training  | DMAs        | 54-55                     |
| Total number of hours of training   | LA10        | 95, 106                   |
| <b>f) Equal opportunity</b>   |             |                           |
| Measures taken to promote gender equality   | LA14        | 52-53, 96-97, 106         |
| Measures taken to promote the employment and integration of people with disabilities                                    | LA13        | 53, 97, 106               |
| Policy against discrimination   | LA13        | 7, 13, 52-53, 96-97, 106  |
| <b>g) Promotion of and compliance with ILO conventions</b>  |             |                           |
| Respect for freedom of association and collective bargaining  | HR5         | 7, 13, 97, 106            |
| Abolition of discrimination in employment and occupation  | HR4<br>LA13 | 7, 13, 97, 106            |
| Abolition of forced or compulsory labor   | HR7         | 7, 13, 98-99, 107         |
| Effective abolition of child labor  | HR6         | 7, 13, 98-99, 107         |
| <b>2) Environmental information</b>   |             |                           |
| <b>a) Environmental policy</b>  |             |                           |
| Organization of the company to take environmental concerns into account.  |             |                           |
| Environmental assessment and certification approaches.  |             | 10, 14-15, 82, 102        |
| Employee training and information on environmental protection.  |             | 15, 28, 95                |
| Total investments and expenditures to prevent environmental risks and pollution.  | EN30        | 38-41, 102<br>AR 120-121  |
| Total provisions and guarantees for environmental risks   | EN28        | 102                       |
| <b>b) Pollution and waste management</b>  |             |                           |
| Measures to prevent, reduce and clean up environmentally harmful emissions and discharges into the air, water and soil. | EN23        | 28, 38-41, 83-85, 103-104 |
| Measures to prevent, recycle and eliminate waste.   | EN22        | 28-31, 40-41, 82, 102     |
| Measures to mitigate noise pollution and all other types of pollution specific to an activity.                          |             | 48                        |

<sup>44</sup> Act of July 12, 2010 outlining France's commitment to the environment.

| Information required   | GRI ref.             | Page(s)                             |
|--|----------------------|-------------------------------------|
| <b>c) Sustainable use of resources</b>   |                      |                                     |
| Water use and water withdrawals in relation to local resources.  | EN8<br>EN10<br>EN21  | 38-39, 83, 104                      |
| Consumption of raw materials and measures to improve efficient use.  | EN2                  | 28-31, 40-41, 82, 102               |
| Energy consumption and measures to improve energy efficiency and use renewable energy sources.   | EN3<br>EN4           | 34-37, 83-84, 103                   |
| Land use.  | EN11<br>EN12         | 39                                  |
| <b>d) Climate change</b>   |                      |                                     |
| Greenhouse gas emissions.  | EN16<br>EN17<br>EN19 | 34-37, 84,<br>103                   |
| Measures to adapt to climate change.   | EN18<br>EC2          | 14-15, 28-29, 34-37,<br>84          |
| <b>e) Protection of biodiversity</b>   |                      |                                     |
| Measures taken to preserve or develop biodiversity.  | EN12                 | 39, 72-73                           |
| <b>3) Information on societal commitments to promote sustainable development</b>   |                      |                                     |
| <b>a) Regional, economic and social impact of the company's activities</b>   |                      |                                     |
| Impact on employment and regional development.   | EC6                  | 58-59, 100-101, 107                 |
| Impact on local and neighboring communities.   | SO1<br>SO9<br>SO10   | 58-63,<br>100-101,<br>107<br>AR 120 |
| <b>b) Relations with stakeholders, notably mainstreaming associations, educational institutions, environmental associations, consumer associations and neighboring communities</b> |                      |                                     |
| Stakeholder dialogue.  |                      | 16-19, 68-71                        |
| Partnership and sponsorship programs.  | EC8                  | 60-63, 101, 107                     |
| <b>c) Sub-contracting and suppliers</b>  |                      |                                     |
| Inclusion of social and environmental concerns in purchasing policy.   | HR2                  | 72-73, 99, 107                      |
| Importance of sub-contracting and integration of corporate social responsibility in relationships with suppliers and sub-contractors   |                      | 72-73, 99                           |
| <b>d) Business conduct</b>   |                      |                                     |
| Measures to prevent corruption.  | SO2<br>SO3<br>SO4    | 7, 12-13, 98, 107                   |
| Measures to preserve consumer health and safety.   | PR1                  | 25, 48-49, 86-87                    |
| Other measures to promote human rights.  | HR3<br>HR10<br>HR11  | 12-13, 98-99, 107                   |

The Grenelle II summary table is available at the following address: <http://www.saint-gobain.com/files/Tableau-synthese-Grenelle2.pdf>



# PROGRESS REPORT

# UN GLOBAL COMPACT

| Global Compact Principles   | Main actions in 2013  | GRI Indicators                                       |
|---|---|--|
| <b>Human rights</b>   |   |  |
| <p>1. <i>Businesses should support and respect the protection of internationally proclaimed human rights.</i></p>                         | <ul style="list-style-type: none"> <li>• <b>Principles of Conduct and Action</b> <ul style="list-style-type: none"> <li>- Respect for the law: "All Group companies are to apply in all areas all laws and regulations in force in those countries where they carry on business."</li> <li>Respect for others: "Respect for others is an absolute prerequisite for the professional and personal development of each person. It must be applied throughout the Group worldwide and implies an acceptance of pluralism and other cultures and of people of all origins."</li> <li>- All managers have completed the ADHERE online training program on the Group's Principles of Conduct and Action.</li> <li>- 832 managers were trained in seminars at the Saint-Gobain School of Management in 2013.</li> <li>- A "train the trainer" program for the Principles of Conduct and Action was deployed worldwide. 271 managers received training during 17 sessions in 11 countries.</li> </ul> </li> <li>• <b>Responsible purchasing</b> <ul style="list-style-type: none"> <li>- CSR risk study conducted by major purchasing category and by type of supplier.</li> <li>- CSR criteria included in the supplier selection policy.</li> <li>- Web tool provided for signing the Suppliers Charter (e-signature).</li> <li>- Responsible purchasing section of the Internal Control manual updated.</li> </ul> </li> </ul> | <p>HR1<br/>HR2<br/>HR3<br/>HR10<br/>HR11<br/>SO3</p> |
| <p>2. <i>Businesses should make sure that they are not complicit in human rights abuses.</i></p>  | <ul style="list-style-type: none"> <li>• See above.</li> </ul>  | <p>HR10<br/>HR11</p>                                 |
| <b>Labor</b>  |   |  |
| <p>3. <i>Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.</i></p> | <ul style="list-style-type: none"> <li>• <b>Principles of Conduct and Action (see Principle no. 1)</b> <ul style="list-style-type: none"> <li>Respect for employee rights: "Group companies are to scrupulously ensure that employees' rights are respected. They are to promote an active dialogue with their employees."</li> </ul> </li> <li>• <b>Reference to ILO standards</b></li> <li>• <b>Indicator tracking</b> <ul style="list-style-type: none"> <li>- Percentage of employees covered by collective bargaining agreements: 73,5%</li> <li>- Number of agreements signed with employee representatives: 1,513</li> <li>- Two incidents involving union activities and collective bargaining were recorded during the year; the two subsidiaries involved reviewed the cases to take the most appropriate action.</li> </ul> </li> </ul>  | <p>HR5<br/>LA4</p>                                   |
| <p>4. <i>Businesses should uphold the elimination of all forms of forced and compulsory labor.</i></p>                                    | <ul style="list-style-type: none"> <li>• <b>Principles of Conduct and Action (see Principle no. 1)</b> <ul style="list-style-type: none"> <li>Respect for employee rights: "Group companies shall refrain from any form of recourse to forced labor, compulsory labor or child labor - whether directly or indirectly or through sub-contractors where the latter are working on a Group site."</li> </ul> </li> <li>• <b>Reporting</b> <ul style="list-style-type: none"> <li>No actions or legal complaints were recorded for this type of incident.</li> </ul> </li> <li>• <b>Responsible purchasing (see Principle no. 1)</b></li> </ul>  | <p>HR7</p>   |
| <p>5. <i>Businesses should uphold the effective abolition of child labor.</i></p>   | <ul style="list-style-type: none"> <li>• <b>Principles of Conduct and Action (see Principle no. 1)</b> <ul style="list-style-type: none"> <li>Respect for employee rights: "Group companies shall refrain from any form of recourse to forced labor, compulsory labor or child labor - whether directly or indirectly or through sub-contractors where the latter are working on a Group site."</li> </ul> </li> <li>• <b>Reporting</b> <ul style="list-style-type: none"> <li>No actions or legal complaints were recorded for this type of incident.</li> </ul> </li> <li>• <b>Specific procedures</b> <ul style="list-style-type: none"> <li>Group companies verify their employees' ages and carry out additional checks, if needed, in liaison with local authorities.</li> </ul> </li> <li>• <b>Responsible purchasing (see Principle no. 1)</b></li> </ul>   | <p>HR6</p>   |
| <p>6. <i>Businesses should uphold the elimination of discrimination in respect of employment and occupation.</i></p>                      | <ul style="list-style-type: none"> <li>• <b>Principles of Conduct and Action (see Principle no. 1)</b> <ul style="list-style-type: none"> <li>Respect for employee rights: "Group companies shall refrain from any form of discrimination with respect to their employees, whether in the recruitment process, at hiring, or during or at the end of the employment relationship."</li> </ul> </li> <li>• <b>Reporting</b> <ul style="list-style-type: none"> <li>During the year, 30 grievances were lodged in various countries. Each was reviewed on a case-by-case basis and action plans were implemented in the corresponding unit, when appropriate.</li> </ul> </li> <li>• <b>Human resources policy</b> <ul style="list-style-type: none"> <li>Application of the OPEN program, which includes policies designed to promote gender and other types of diversity, equal opportunity, inclusion of disabled persons and employment of seniors.</li> </ul> </li> <li>• <b>Compliance alerts system</b> <ul style="list-style-type: none"> <li>The network of e-mailboxes has been deployed in virtually all host countries.</li> </ul> </li> </ul>  | <p>LA 13<br/>LA 14<br/>HR4</p>                       |

| Global Compact Principles | Main actions in 2013 | GRI Indicators |
|---------------------------|----------------------|----------------|
|---------------------------|----------------------|----------------|

**Environment**

|   |   |   |
|---|---|---|
| <p>7. Businesses should support a precautionary approach to environmental challenges.</p>                     | <ul style="list-style-type: none"> <li>• <b>Principles of Conduct and Action (see Principle no. 1)</b><br/>Caring for the environment: "Group Companies are to actively promote the protection of the environment. At company sites management methods shall be followed, wherever the site may be located, which allow measurable environmental performance standards to be set, and actual performance to be regularly evaluated and checked against the applicable standards."</li> <li>• <b>Water policy</b><br/>A sustainable management policy for water has been deployed Group-wide.</li> <li>• <b>EHS standards</b><br/>Saint-Gobain continued to roll out the EvE standard introduced in 2012 to identify and manage environmental events, such as accidents or incidents, that could potentially occur at its sites.</li> </ul>  | <p>EC2<br/>EN8<br/>EN16<br/>EN18<br/>EN21</p> |
| <p>8. Businesses should undertake initiatives to promote greater environmental responsibility.</p>            | <ul style="list-style-type: none"> <li>• <b>Reduction of CO<sub>2</sub> emissions</b><br/>- Alternatives to road transport were developed and truck management was optimized. POINT.P launched a responsible transportation approach.<br/>- Continuation of the CARE:4® program to achieve a fourfold reduction in overall energy consumption and greenhouse gas emissions at Group office buildings by 2040. In 2013, Saint-Gobain completed energy audits of the buildings covered by the program. Six new buildings were certified to CARE:® standards, bringing the total to 20.</li> <li>• <b>Jobsite waste management and recycling</b><br/>Jobsite waste was recovered by the businesses (Gypsum Activity, for example).</li> <li>• <b>Eco-innovation</b><br/>An eco-innovation policy was formalized and the first teams involved in eco-innovation received training.</li> <li>• <b>Raising awareness among stakeholders</b><br/>Recommendations for building standards and environmental labels have been drafted so that our customers can be fully informed and make fact-based decisions.</li> </ul> | <p>EN26<br/>EN27</p>                          |
| <p>9. Businesses should encourage the development and diffusion of environmentally friendly technologies.</p> | <ul style="list-style-type: none"> <li>• <b>Sustainable habitat strategy</b><br/>Construction and renovation solutions have been developed and launched to ensure that buildings are energy efficient, comfortable, healthy and esthetically superior, while at the same time protecting natural resources.</li> </ul>  | <p>EN26</p>                                   |

**Anti-corruption**

|   |  |                                    |
|---|--|------------------------------------|
| <p>10. Businesses should work against corruption in all its forms, including extortion and bribery.</p> | <ul style="list-style-type: none"> <li>• <b>Principles of Conduct and Action (see above for main actions carried out in 2013)</b><br/>Respect for the law: "All Group companies (...) reject all forms of active or passive corruption whether in domestic or international transactions."</li> <li>• <b>Reference to the OECD Convention on Combatting Bribery of Foreign Public Officials (published on December 17, 1997).</b></li> <li>• <b>Group Compliance Program, including a program to prevent corruption.</b><br/>The anti-corruption program includes initiatives and good practices implemented in certain subsidiaries to prevent international business transaction risks. It covers:<br/>- active and passive corruption;<br/>- relations with national, foreign or international government agents;<br/>- the private sector.</li> <li>• <b>Compliance Network</b><br/>Implementation of a Group Compliance Program under the authority of the Corporate Secretary, supported by a dedicated network comprising 25 compliance correspondents, a compliance committee in each General Delegation and a Group Compliance Committee. In total, the network includes more than 80 corporate and line executives.</li> <li>• <b>Indicator tracking</b><br/>None of the alerts recorded through the compliance alerts system in 2013 concerned corruption.</li> </ul> | <p>SO2<br/>SO3<br/>SO4<br/>SO5</p> |
|---|--|------------------------------------|





## Statement GRI Application Level Check

GRI hereby states that **SAINT-GOBAIN** has presented its report "Corporate Social Responsibility report" (2014) to GRI's Report Services which have concluded that the report fulfills the requirement of Application Level A+.

GRI Application Levels communicate the extent to which the content of the G3.1 Guidelines has been used in the submitted sustainability reporting. The Check confirms that the required set and number of disclosures for that Application Level have been addressed in the reporting and that the GRI Content Index demonstrates a valid representation of the required disclosures, as described in the GRI G3.1 Guidelines. For methodology, see [www.globalreporting.org/SiteCollectionDocuments/ALC-Methodology.pdf](http://www.globalreporting.org/SiteCollectionDocuments/ALC-Methodology.pdf)

Application Levels do not provide an opinion on the sustainability performance of the reporter nor the quality of the information in the report.

Amsterdam, 21 March 2014

A handwritten signature in black ink, appearing to read "Ásthildur Hjaltadóttir".

Ásthildur Hjaltadóttir  
Director Services  
Global Reporting Initiative

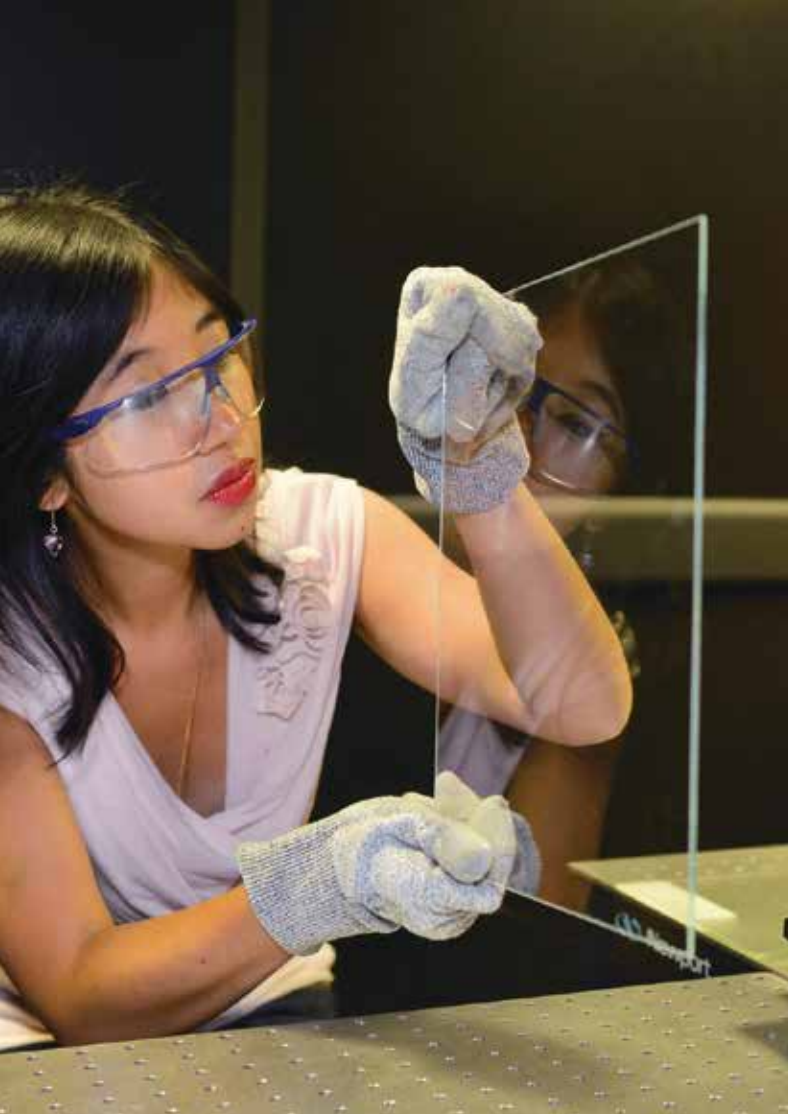


The "+" has been added to this Application Level because SAINT-GOBAIN has submitted (part of) this report for external assurance. GRI accepts the reporter's own criteria for choosing the relevant assurance provider.

*The Global Reporting Initiative (GRI) is a network-based organization that has pioneered the development of the world's most widely used sustainability reporting framework and is committed to its continuous improvement and application worldwide. The GRI Guidelines set out the principles and indicators that organizations can use to measure and report their economic, environmental, and social performance. [www.globalreporting.org](http://www.globalreporting.org)*

**Disclaimer:** Where the relevant sustainability reporting includes external links, including to audio visual material, this statement only concerns material submitted to GRI at the time of the Check on 13 March 2014. GRI explicitly excludes the statement being applied to any later changes to such material.







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#### Captions:

**Cover:** Saint-Gobain employees. **p.22:** Book Mountain, a library in the Netherlands equipped with Saint-Gobain solar control glass. The project won the Red Dot Design award in 2013. **p.33:** Pavilion built for the G8 summit in La Maddalena (Italy), equipped with SGG CLIMAPLUS advanced thermal insulation and solar control glass. **p.42:** Saint-Gobain Canalização employee in Brazil. **p.56:** *Le Prieuré de Vanves*, a community living center near Paris (France) belonging to the Simon de Cyrène association that was renovated with support from the Saint-Gobain Initiatives International Corporate Foundation. **p.64:** Photo essay for Weber in Sweden. **p.74:** SGG CLIMATOP MAX triple glazing.

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