



Compagnie de Saint-Gobain Zweigniederlassung Deutschland

Aachen

Befreiender Jahresabschluss gem. §325 a HGB und Befreiender Konzernabschluss gem. §291 HGB zum 31.12.2022

Jahres- und Konzernabschluss zum 31.12.2022

Compagnie de Saint-Gobain

Courbevoie, Paris/Frankreich

4 2022 RESULTS AND OUTLOOK FOR 2023

4.1 FINANCIAL RESULTS

The 2022 consolidated financial statements were approved by Saint-Gobain's Board of Directors at its meeting of February 23, 2023. The consolidated financial statements were audited and certified by the statutory auditors.

4.1.1 RECORD 2022 RESULTS

2022 Highlights: record results



–All financial performance indicators at a record high in 2022 (growth, operating income, margin, recurring net income, free cash flow, ROCE);

–Profound transformation of the Group's profile towards fast-growing markets: one-third of sales rotated in the past four years, increasing its exposure to North America and emerging countries and taking construction chemicals sales to €5.3bn;

–27% reduction in CO₂ emissions versus 2017 (scopes 1 and 2), -5% in 2022 versus 2021;

–Shareholder return: €1.35bn in 2022 (share buybacks and 2021 dividend). Dividend of €2.00 (+23%) recommended for 2022;

–2023 outlook: further execution of the "Grow & Impact" strategy, with the operating margin to remain in the 9%-11% range.

2022 RESULTS AND OUTLOOK FOR 2023

Financial results

(in EUR million)	2021	2022	Change
Sales	44,160	51,197	+15.9%
Operating income	4,507	5,337	+18.4%
Operating margin (in %)	10.2%	10.4%	+20 BPS
Recurring EPS (in EUR)	5,35	6,48	+21.1%
Free cash flow	2,904	3,791	+30.5%
ROCE (in %)	15.3%	16.1%	+80 BPS

4.1.2 A NEW, RESILIENT GROWTH PROFILE

A - 2018-2022: years of profound transformation for the Group

–23% increase in sales in a context of a profound change in Group structure, with one-third of sales rotated since 2018: €9 billion in divestments and almost €4 billion in acquisitions;

–Sharp improvement in the operating margin in 2022 versus 2018 (270 basis points), including a structural gain of 200 basis points in the period - set to rise to 240 basis points on a full-year basis after the disposal of the UK distribution business - thanks to cost savings related to the new organization and the optimization of the Group's profile;

–Significant efficiency improvements thanks to our new organization, reflected especially in close proximity to customers, stronger pricing power and an enhanced culture of results-driven accountability for local teams.

(in EUR million)	2018	2022	Change
Sales	41,774	51,197	+23%
Operating income	3,207	5,337	+66%
Operating margin (in %)	7.7%	10.4%	+270 BPS
Recurring EPS (in EUR)	3.18	6.48	x2
Free cash flow	1,236	3,791	x3
ROCE (in %)	10.7%	16.1%	+540 BPS

B - 2021-2022: successful deployment of the "Grow & Impact" strategic plan

The first two years of the plan successfully met the new financial trajectory set out in "Grow & Impact", with an acceleration in results, cash flow and value creation, exceeding objectives across the board:

–Strong organic growth of 10% per annum on average⁽¹⁾, benefiting from an unrivalled offer of sustainable solutions accounting for almost three-quarters of Group sales;

–A world leader in construction chemicals, with annual sales of €5.3 billion (pro forma basis for changes in Group structure in 2022), thanks to strong organic growth and recent acquisitions (Chryso, GCP, Impac in Mexico, Brasprefer and Matchem in Brazil, IDP Chemicals in Egypt, Best Crete in Malaysia, Choksey Chemicals in India, and Urumix in Uruguay);

–Operating income now well-balanced between the three geographic zones (pro forma basis for changes in Group structure in 2022): 30% in North America, 32% in Asia and emerging countries and 38% in Western Europe;

–Record financial results, with on average over two years: an operating margin of 10.3%, a free cash flow conversion ratio of 56% and strong value creation with a ROCE of 15.7%;

–Record-high shareholder return: €2.6 billion over two years through share buybacks and dividend payouts. With over €1 billion in shares bought back over two years, the Group is ahead of its €2 billion buyback target over five years (2021-2025).

⁽¹⁾ Average organic growth in 2021 and 2022: +6.9% in 2021 (+13.8% for 2021/2019 divided by two) and +13.3% in 2022.

4.1.3 GROUP OPERATING PERFORMANCE

A - Dynamic Organic Growth



Like-for-like sales rose 13.3%. This performance - supported by strong momentum in all our segments with double-digit organic growth in each - was driven by the Group's worldwide leadership in light and sustainable construction.

Leveraging the added value offered by its solutions and its dynamic local organization as close to its customers as possible, Saint-Gobain was able to protect its operating margin, generating a positive price-cost spread over 2022 as a whole and in each half of the year, thanks to a 14.6% price increase overall (13.8% increase in the second half against a higher comparison basis). This agility enabled the Group to effectively manage energy and raw material cost inflation, which represented about €3 billion in 2022 versus 2021.

The Group reported a slight decline in volumes, down 1.3% over the year as a whole and down 2.3% in the second half (with a negative working day effect of around 0.5% for this latter period).

On a reported basis, sales jumped 15.9% to €51.2 billion, with a positive currency effect of 3.6% over the year as a whole (2.4% in the fourth quarter). The Group structure impact reduced sales by 1.0% over the year as a whole but was positive in the second half, adding 1.3% to sales.

The Group resolutely continued to optimize its profile in 2022, in terms of both divestments, with €3.8 billion in sales divested or in the process of being divested - namely distribution in the UK and Poland, glass processing and Crystals & Detectors businesses - and in terms of acquisitions, with €1.9 billion in sales acquired, mainly GCP Applied Technologies (GCP) in October 2022 and Impac in Mexico in April 2022 in construction chemicals, Kaycan in North America in August 2022 in exterior products, and Rockwool India Pvt Ltd. in February 2022 in insulation.

The disposal of all remaining UK distribution brands (around €2.7 billion in sales in 2022) will be finalized by the end of March 2023.

The integration of recent acquisitions is proceeding seamlessly, and all synergies have been confirmed and are being put in place:

- Chryso: 20% growth in sales and €100 million in EBITDA for 2022, maintaining an industry-leading EBITDA margin;
- Kaycan: USD 84 million in EBITDA for 2022 as a whole;

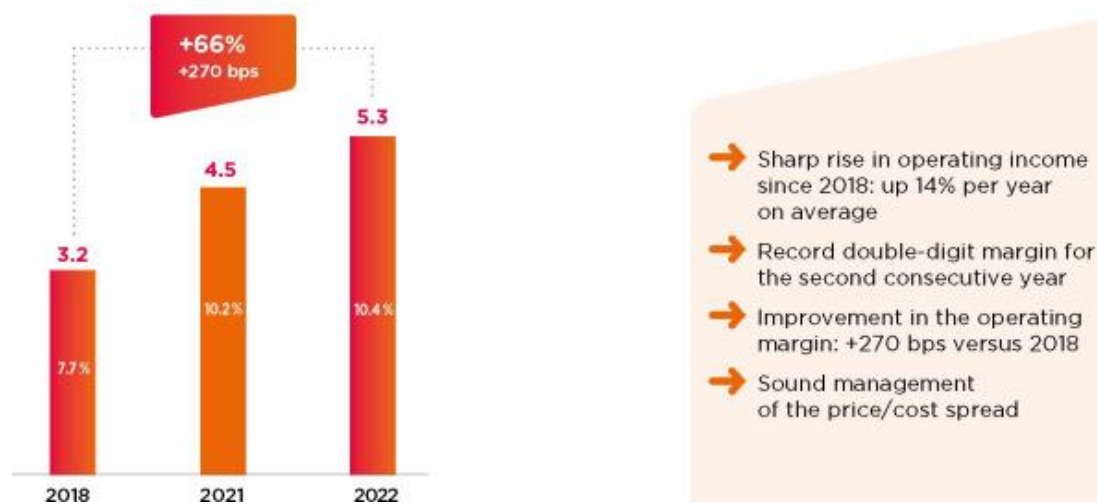
–GCP: EBITDA forecast at USD 170 million in 2023 for the first full year.

B - Record operating income and record margin for the second consecutive year

(€Bn and %)

4.1.4 SEGMENT PERFORMANCE (LIKE-FOR-LIKE SALES)

Operating income rose sharply to a new record high of €5,337 million, up 18.4% as reported versus 2021 and up 13.3% at constant exchange rates (up 11.7% like-for-like). Operating income is 66% higher than in 2018. The Group's operating margin hit a new record high, at 10.4% in 2022 (versus 10.2% in 2021), representing an increase of 270 basis points since the launch of the Group's transformation at the end of 2018.



A - Northern Europe: good growth in sales driven by renovation; record operating margin



Northern Europe was up 12.4% in the year against a strong inflationary backdrop, with a slight decrease in volumes amid a slowdown in new construction. Renovation remained at a good level, supported by stimulus measures and stricter energy performance regulations. The Region's operating margin came in at a new record high of 7.8% (versus 5.6% in 2018), thanks to an optimized business profile and sound management of the price-cost spread.

Nordic countries outperformed their market thanks to their successful presence across the entire construction value chain. Trade professionals continued to see full order books. Our Fredrikstad factory in Norway, the world's first carbon-neutral plasterboard plant, will start production by the end of first-half 2023. The UK put in a satisfactory performance amid a more pronounced slowdown in the market in both new construction and renovation. The country has been very active in optimizing its portfolio, with about €3.4 billion in sales divested or in the process of being divested (all distribution brands and glass processing) over the past two years.

In Germany, where the market slowed in the second half owing to fears regarding inflation and the energy supply, the Group benefited from its solid positions in energy efficiency renovation. Despite a slowdown in the second half, Eastern Europe posted an excellent performance in 2022 - led by Poland and Romania - benefiting from its leadership positions. A renewable electricity supply agreement has been signed in Poland which will cover around 45% of Saint-Gobain Poland's electricity needs from 2025.

B - Southern Europe - Middle East & Africa: good sales growth driven by renovation; very good margin level



Sales in Southern Europe - Middle East & Africa were up by 12.6% in a strongly inflationary environment, with volumes down slightly over the year on the back of a slowdown in new construction. Note that the Region delivered a good fourth-quarter performance with stable volumes, thanks to its continued outperformance on the more resilient renovation market, where demand was driven by stricter regulations, government stimulus measures and faster payback for energy efficiency renovation projects. Operating income hit a new record high with an operating margin of 8.0% (versus 4.6% in 2018), thanks to a highly optimized post-transformation profile, good management of the price-cost spread, productivity gains and a tight rein on costs.

In France, the Group strengthened its presence on the renovation market, where trade professionals continue to see healthy order books - thanks mainly to a favorable regulatory environment, public building programs and household stimulus packages (MaPrimeRenov'). Saint-Gobain's presence across the entire value chain - the market's first low-carbon glass solutions, digital apps for customers, a focus on collection and recycling, training centers for trade professionals - confirms the Group's position as undisputed leader in energy efficiency renovation.

Spain and Italy delivered robust growth with a further increase in volumes, thanks to their commercial organization by sales channel and range of light and sustainable construction solutions. Benelux held firm in a more difficult market and benefited from the development of innovative solutions improving our clients' productivity. Middle East and Africa continued to see robust growth, benefiting from the opening of three new construction chemicals plants (Kenya, South Africa, Oman) and by upbeat markets, particularly in the Gulf States and Egypt.

C - Americas: good sales growth driven by comprehensive light construction solutions; robust margin



The Americas Region delivered 13.9% organic growth, despite a slowdown in new construction in the second half of the year. Operating income for the Region hit a new record high of €1.5 billion with a 30% increase in absolute terms; the US now represents the Group's biggest market in terms of operating income. The Region achieved an operating margin of 16.1% (versus 11.2% in 2018), supported by good momentum from recent acquisitions, cost and sales synergies and a clear positive raw material and energy price-cost spread.

–North America progressed by 15.0%, driven by the development of a comprehensive range of solutions, by good momentum in light construction solutions, and by a strong presence in renovation. 2022 saw the launch of MaxPro, a new blowing wool to insulate attics. Although new construction slowed, the structural need for more housing, as well as the number of construction projects currently in progress, should help limit the slowdown. Our teams made good progress on the integration of Kaycan and of GCP's specialty construction materials business (waterproofing membranes), helping to speed up implementation of the expected synergies, confirm the sales development opportunities and reinforce Saint-Gobain's leading position in construction materials in North America. After a renewable wind farm energy supply agreement executed in 2021, in 2022 the Group signed a new contract based on solar energy: together these agreements will cover over 60% of Saint-Gobain's electricity needs in North America by the end of 2024.

–Latin America reported 11.0% growth in a macroeconomic environment that remains challenging in Brazil. Growth in all countries of the Region was supported by higher sales prices, an enriched offer and mix, and a geographic footprint and product range enhanced by bolt-on acquisitions country-by-country in construction chemicals (Impac in Mexico, Brasprefer in Brazil in waterproofing, and Urumix in Uruguay - Saint-Gobain's first facility in the country) and in insulation (Termica San Luis in Argentina).

D - Asia-Pacific: strong sales growth and record margin



The Asia-Pacific Region reported 23.6% organic growth, led by India and South-East Asia. The operating margin came in at an annual record high of 12.1% (compared to 10.4% in 2018), supported by good momentum in volumes and by a positive raw material and energy price-cost spread.

India delivered an excellent performance in 2022, thanks to further market share gains and an innovative, integrated range of solutions rolled out to new customers. Around 85 "MyHome by Saint-Gobain" showrooms presenting our range of solutions to a new consumer market will soon be operational in the country. To remain in step with market growth, Saint-Gobain has inaugurated a new plasterboard plant which will be powered by biomass in 2024, continued to expand in construction chemicals and made preparations for the opening of its sixth float glass plant in 2023. The successful integration of Rockwool India Pvt. Ltd. (stone wool insulation) and the definitive agreement to acquire U.P. Twiga Fiberglass Ltd. (glass wool insulation) complete the Group's leading positions in façade and interior solutions. Despite disruptions owing to the health situation, China posted moderate growth mainly driven by prices, benefiting from its distinctive positioning on the growing light construction and renovation markets. In South-East Asia, the Group continues to enjoy a strong growth dynamic and to outperform the market - particularly in Vietnam and Malaysia - supported by a diversified offering in construction chemicals with two new production lines opened in 2022 (Vietnam and Philippines). In addition, the acquisition of Best Crete in Malaysia at the end of the year enhances our resin-based flooring solutions.

E - High Performance Solutions (HPS): acceleration in sales growth



HPS sales were up by 14.3%, benefiting from an acceleration in prices in the second half and from good volume growth (up 5.0% in 2022), thanks mainly to the recovery in automotive in Europe in the second half. The operating margin came in at 12.0%, down slightly year-on-year owing to a negative mix effect and to the gradual catch-up in prices in Mobility in a strongly inflationary environment.

–Businesses serving global construction customers achieved record sales and outperformed the market with 19.5% growth. They continued to benefit from upbeat trends in textile solutions for external thermal insulation systems (ETICS). The very strong trends in Chryso sales and results continued, driven by decarbonization in the construction sector, growth capex (fifth additives plant in India) and targeted acquisitions (Matchem in Brazil, IDP Chemicals in Egypt). The new Construction Chemicals organization integrating GCP has been in place since October 1, 2022 and will help to accelerate implementation of the expected synergies.

–The Mobility business saw sales progress 14.9% over the year, with an acceleration in the second half at 24.4%, supported by both a gradual catch-up in sales prices and by a rebound in volumes. The business continued to enjoy upbeat momentum in the Americas, India and China. Thanks to its technological lead in solutions for electric vehicles - which accounted for 30% of our sales at the end of the year - and to its high value-added solutions, the Mobility business continues to outperform the automotive market.

–Businesses serving Industry grew 12.8%, supported by activities relating to investment cycles such as ceramics, which benefited from strong demand for innovation in specialty materials and new decarbonization technologies. Against this backdrop, Valoref, a pioneer in ceramic recycling in Europe, increased its sales by almost 50% in 2022 by expanding its operations internationally into India and China, and is now targeting North America.

4.1.5 FINANCIAL RESULTS

A - Record EBITDA for the second consecutive year

(in EUR million)	2021	2022	2022/2021
Operating income	4,507	5,337	+18.4%
Non-operating costs	(239)	(262)	
Capital gains (losses) and impact resulting from changes in Group structure	(67)	(85)	
Asset write-downs and other	(265)	(408)	

(in EUR million)	2021	2022	2022/2021
Business income	3,936	4,582	
Operating income	4,507	5,337	
Operating depreciation and amortization	1,934	2,048	
Non-operating costs	(239)	(262)	
EBITDA	6,202	7,123	+14.9%

EBITDA climbed 15% to a new record high of €7,123 million (up 53% compared to 2018). EBITDA includes €262 million in non-operating costs.

The net balance of capital gains and losses on disposals, asset write-downs and the impact of changes in Group structure represented an expense of €493 million (versus an expense of €332 million in 2021). It reflects €292 million in asset write-downs mainly relating to disposals (UK distribution in particular), €116 million in Purchase Price Allocation (PPA) intangible amortization, and €85 million in disposal losses and impacts relating to changes in Group structure.

B - Record recurring net income for the second consecutive year

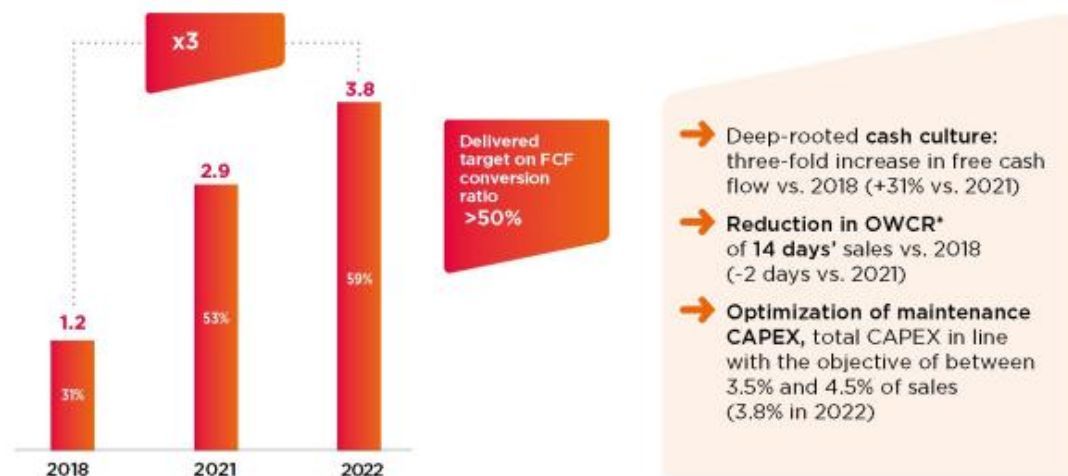
(in EUR million)	2021	2022	2022/2021
BUSINESS INCOME	3,936	4,582	
Net financial expense	(408)	(405)	
Income tax	(919)	(1,082)	
NET ATTRIBUTABLE INCOME	2,521	3,003	
RECURRING NET INCOME	2,815	3,335	+18.5%
Recurring EPS (in EUR)	5.35	6.48	+21.1%

Recurring net income hit a new record high of €3,335 million (up 18%). The tax rate on recurring net income was 25%.

Capital expenditure totaled €1,940 million (up 22%), driven by a 61% increase in growth capex, of which almost 70% was in North America and emerging countries. Capital expenditure represented 3.8% of sales in 2022. The Group opened 17 new plants and production lines to bolster its leading positions on the fast-growing markets of construction chemicals and light construction, particularly in Asia (India, Philippines, Vietnam, China), Africa and the Middle East (Kenya, Zimbabwe, Oman), Latin America (Mexico, Brazil) and Europe (Czech Republic with a 3D printing site, Poland).

C - Record free cash flow generation

FREE CASH FLOW IN €BN AND CONVERSION RATIO IN %



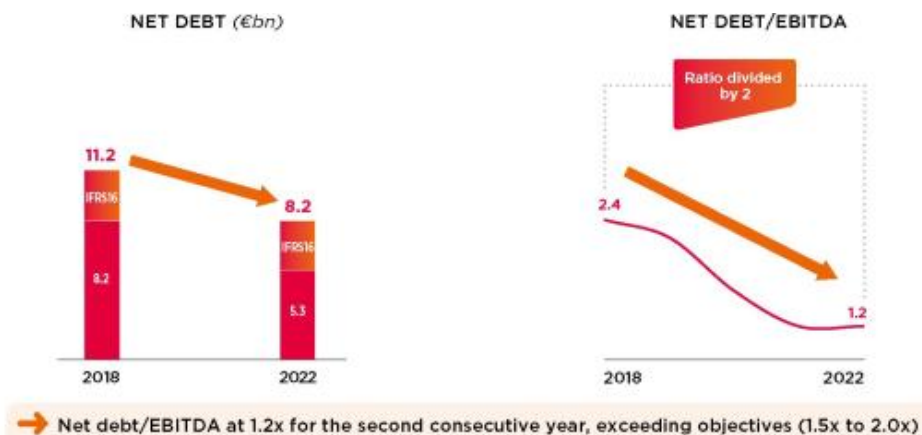
Free cash flow came in at a record €3,791 million - a rise of 31% and a three-fold increase compared to 2018 - with a free cash flow conversion ratio of 59% (versus 53% in 2021 and 31% in 2018). This reflects strong growth in EBITDA and very good management of operating working capital requirement (WCR), which represented 15 days' sales at end-December 2022 compared to 17 days' sales at end-December 2021.

ROCE hit a new all-time high of 16.1% (versus 15.3% in 2021 and 10.7% in 2018), resulting in strong value creation for our shareholders, exceeding or meeting the 12%-15% objective in all our segments.

Investments in securities of controlled companies net of debt acquired totaled €3,684 million (versus €1,319 million in 2021), primarily reflecting the acquisition of GCP in construction chemicals - but also Impac in Mexico, Matchem and Brasprefer in Brazil, Urumix in Uruguay, and IDP Chemicals in Egypt - as well as Kaycan in exterior products in North America and Rockwool India Pvt Ltd. in insulation in India. In total, acquisitions made by the Group in 2022 represent approximately €1.9 billion in full-year sales and approximately €300 million in EBITDA.

Divestments totaled €501 million, corresponding essentially to the sale of specialized distribution activities in the UK, Crystals & Detectors and ceramics for the steel market.

D - Balance sheet further strengthened



Net debt was €8.2 billion. Net debt as a percentage of consolidated equity was stable at 35% at December 31, 2022. The net debt to EBITDA ratio also remained stable year-on-year at 1.2, half its end-2018 level.

4.1.6 ATTRACTIVE SHAREHOLDER RETURN POLICY

In 2022, Saint-Gobain returned a record €1.35 billion to its shareholders, representing a total yield of 5.8% based on its closing share price at December 31, 2022 (€45.65):

- Around €835 million was paid by the Group to its shareholders in respect of the dividend for 2021;
- €520 million was allocated for share buybacks in 2022 (net of offsetting employee share creation) in order to reduce the number of shares outstanding to 511 million at December 31, 2022 from 521 million at December 31, 2021.

In 2023, the Group plans to return over €1.4 billion in total to shareholders:

- At today's meeting, Saint-Gobain's Board of Directors decided to recommend to the Shareholders' Meeting on June 8, 2023 a cash dividend up 23% to €2.00 per share for 2022 (versus €1.63 in 2021). This dividend represents 31% of recurring net income. The ex-dividend date has been set at June 12 and the dividend will be paid on June 14, 2023;
- The Group will allocate at least €400 million for share buybacks in 2023 (net of offsetting employee share creation) - in order to further reduce the number of its outstanding shares - in line with the objectives set out in its "Grow & Impact" plan.

4.1.7 2023 OUTLOOK AND STRATEGIC PRIORITIES

In an uncertain geopolitical and macroeconomic environment, the Group will continue to outperform its markets thanks to the pertinence of its strategic positioning at the heart of energy and decarbonization challenges.

In 2023 the Group's focus will be on consolidating its high operating performance level, supported by its resilience and ability to swiftly adapt to local market developments. Action plans are overseen by country CEOs in order to optimize in real time their P&Ls in terms of sales prices, fixed and variable costs, or production capacities.

Saint-Gobain expects a moderate slowdown in its markets in 2023, with contrasting trends: a decline in new construction in certain regions but good resilience overall in renovation:

- Europe: resilience in renovation while new construction slows;
- Americas: slowdown in new construction, partly mitigated by demand on the renovation market;



- Asia-Pacific: good growth in most countries;
- High Performance Solutions: good momentum supported by ongoing improvement in automotive.

Against this backdrop, in 2023 the Group will continue to implement the strategic priorities set out in its "Grow & Impact" plan for 2021-2025:

- 1) Consolidate our initiatives focused on profitability and performance: maintain a very good operating margin level and strong free cash flow generation:
 - Constant focus on the price-cost spread;
 - Productivity initiatives and swift adjustments of fixed and variable costs where necessary;
 - Maintaining an optimized operating working capital requirement while ensuring a good level of inventories to best serve customers;
 - Capital expenditure of just over 4% of sales, consistent with the Group's objective of between 3.5% and 4.5% of sales, with strict allocation to high-growth markets.
- 2) Outperform our markets and continue to strengthen our profitable growth profile:
 - Enrich our comprehensive range of integrated, differentiated and innovative solutions offering sustainability and performance;
 - Continue our targeted acquisition and divestment dynamic, and benefit from the integration of recent acquisitions.
- 3) Accelerate our engagement in building a carbon-neutral economy:
 - Enrich our positive-impact and low-carbon solutions;
 - Accelerate decarbonization across the value chain: optimization of manufacturing processes, development of the circular economy, partnerships in renewable energies and ESG emissions reduction roadmaps at our suppliers and partners.

Amid a moderate market slowdown, in 2023, Saint-Gobain is targeting an operating margin of between 9% and 11%, in line with the "Grow & Impact" strategic plan target.

This document contains forward-looking statements with respect to Saint-Gobain's financial condition, results, business, strategy, plans and outlook. Forward-looking statements are generally identified by the use of the words "expect", "anticipate", "believe", "intend", "estimate", "plan" and similar expressions. Although Saint-Gobain believes that the expectations reflected in such forward-looking statements are based on reasonable assumptions as at the time of publishing this document, investors are cautioned that these statements are not guarantees of its future performance. Actual results may differ materially from the forward-looking statements as a result of a number of known and unknown risks, uncertainties and other factors, many of which are difficult to predict and are generally beyond the control of Saint-Gobain, including but not limited to the risks described in the "Risk Factors" section of this document. Accordingly, readers of this document are cautioned against relying on these forward-looking statements. These forward-looking statements are made as of the date of this document. Saint-Gobain disclaims any intention or obligation to complete, update or revise these forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable laws and regulations.

4.2 NON-FINANCIAL RESULTS

4.2.1 ALIGNMENT OF THE CSR DASHBOARD WITH THE GROUP'S CHALLENGES

Saint-Gobain has prioritized its CSR challenges and actions. These key challenges relate to risks and opportunities identified in accordance with legal requirements (see chapter 2, section 1.3.3). They also consider the stakeholder expectations identified in the materiality analysis and the Group's environmental, social and societal challenges.

A CSR roadmap was published in 2019. It is a tool for managing the Group's CSR strategy. This roadmap is based on six key challenges for the Group: business ethics, climate change, inclusion and diversity, the circular economy, health and safety across the entire value chain and inclusive local value creation.

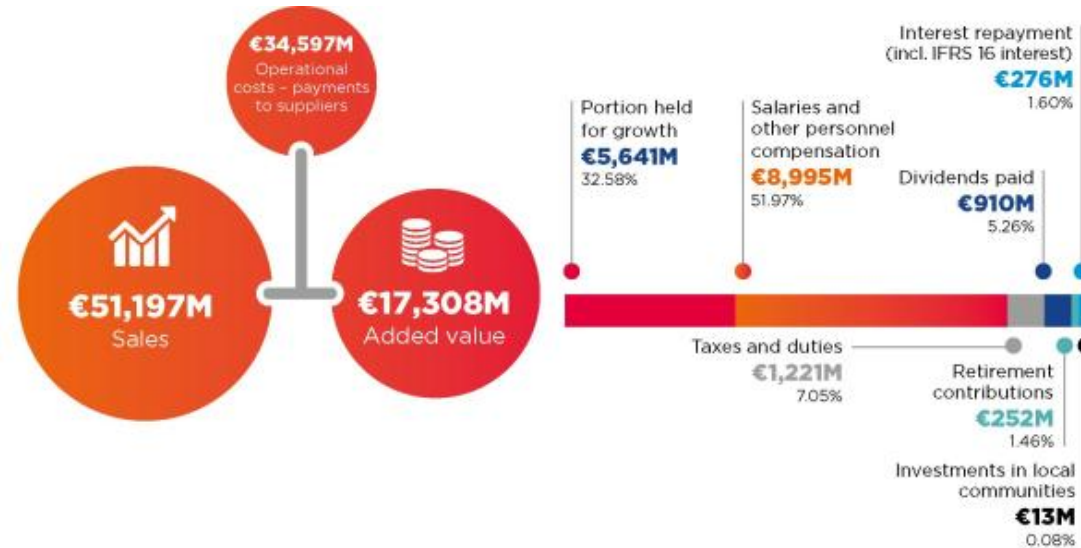
This roadmap reflects Saint-Gobain's willingness to assess its performance in terms of impacts on the environment, human beings and society generated by its activities and the expectations of its stakeholders.

In November 2020, the Group implemented its CO₂ roadmap to achieve carbon neutrality by 2050. New targets for reducing carbon emissions in scopes 1 and 2 and in scope 3 between 2017 and 2030 were validated by the Science-Based Targets initiative (SBTi). These targets were therefore included in the dashboard in 2021 to replace the targets for 2025 (based on equivalent production levels).

This dashboard update also includes the action plans implemented as part of the "Grow & Impact" strategic program.

OBJECTIVES	2022 RESULTS	PROGRESS IN 2022
Climate change		
Contribute to a just and sustainable transition, aligned with the Paris Agreement		
-33% on scopes 1 and 2 between 2017 and 2030 (in absolute value)	-27% (9.8 MtCO ₂)	82%
-50% on industrial water withdrawals between 2017 and 2030 (in absolute value)	-20% (45 million m ³)	40%
Circular economy		
Create value through a circular business model that conserves resources		
-80% non-recovered waste between 2017 and 2030 (in absolute value)	-37% (0.383 Mt)	46%
+30% of natural raw materials avoided between 2017 and 2030	-5% (9.407 Mt avoided)	0%
Health and safety across the entire value chain		
Our primary responsibility is to guarantee the health and safety of our employees and stakeholders		
Value of TRAR: 1.5 at end-2030 (performance compared with 2017)	1.5	100%
100% of sites covered by a chemical inventory by 2025	80%	81%
Employee engagement and diversity		
Create a work environment conducive to professional and personal growth and promoting the inclusion of all diversity and equity		
Employee engagement rate above benchmark every year	84% vs. 74%	100%
30% female managers by 2025	27.4%	91%
Inclusive growth		
Create shared economic growth with stakeholders in a spirit of mutual trust and transparency		
100% of countries have a community assistance program by 2025	84%	84%
100% coverage of the CARE program by 2023	100% employees covered	100%
Business ethics		
Create shared economic growth with stakeholders in a spirit of mutual trust and transparency		
100% of new managers are trained in the Code of Ethics in their first year with the Group every year	96% Code of Ethics 98% corruption 98% competition	97%
100% responsible timber purchases by 2025	95.7%	96%

In addition to this dashboard, Saint-Gobain assesses value creation for each stakeholder every year.



4.2.2 NON-FINANCIAL INDICATORS

Saint-Gobain has placed CSR at the heart of its strategy and wishes to transparently communicate its non-financial performance and its progress towards its short-, medium- and long-term objectives.

This communication is part of its dual commitment: minimizing its footprint on human beings and the environment and maximizing its positive contribution to climate, social and societal issues.

Environment

Saint-Gobain acts to reduce its environmental footprint and is committed to achieving carbon neutrality by 2050 thanks to its 2030 CO₂ roadmap:

- Reduction in scope 1 and 2 CO₂ emissions, down to 9.8 million tonnes in 2022, representing a 27% reduction since 2017, in line with the 2030 target of a 33% reduction, validated by the Science-Based Targets initiative (SBTi);
- Growth decoupled from CO₂ emissions: carbon intensity per euro of sales and EBITDA fell by 42% and 57% respectively in 2022 compared to 2017, reflecting the Group's objective of maximizing its positive impact for the environment while minimizing its footprint;
- More than half of electricity consumption is generated from decarbonized electricity;
- Energy consumption has been reduced by 3.7% between 2021 and 2022. Considering the impact of energy on carbon emissions, Saint-Gobain favors the transition to decarbonized energies by changing its energy mix.

Objectives	Deadline	2022 data	2021 data	2020 data	Progress
-33% on CO ₂ emissions scopes 1 and 2 between 2017 and 2030 (in absolute value)	2030	-27.0 % (9.8 Mt)	-23.0% (10.3 Mt)	N/A (10.4 Mt)	81.8%



Objectives	Deadline	2022 data	2021 data	2020 data	Progress
-16% on CO2 emissions scopes 3 between 2017 and 2030 (in absolute value)	2030	(21.3 Mt) ⁽¹⁾	(21.3 Mt)	(17.4 Mt)	-
-50% on industrial water withdrawals between 2017 and 2030 (in absolute value)	2030	-19.9 % (45.0 M of m ³)	-14.0% (48.1 M of m ³)	N/A (45.4 M of m ³)	39.7%
Zero water discharge in area with extremely high water risk	2030	(0.6 M of m ³)	(0.8 M of m ³)	N/A	-
-80% non-recovered waste between 2017 and 2030 (in absolute value)	2030	-36.6 % (0.4 Mt)	-24.0% (0.5 Mt)	N/A (0.4 Mt)	45.8%
+30% of virgin raw materials avoided between 2017 and 2030	2030	-4.7 % (9.4 Mt)	+1.0% (10.0 Mt)	N/A (9.3 Mt)	15.6%
100% of revenue generated with products covered by verified LCA or EPD, excluding distribution activity, by 2030	2030	47.9 %	29.1%	N/A	47.9%
100% of recyclable packaging by 2030 in absolute value	2030	91.10 %	69.0%	N/A	91.1%
Bio-sourced or recycled content in packaging (>30%) in 2030	2030	86.3 %	N/A	N/A	287.7%
Reduce CO2 emissions by 20% (scope 1 +2) at isoproduction between 2010 and 2025	2025	-26.0 %	(21.7%)	N/A	130.0%
Reduce SOx emissions by 20% between 2010 and 2025 at iso-production	2025	-67.0 % (8,789 t)	-66.1% (8,372 t)	-51.8 % (10,276 t)	165.0%
Reduce NOx emissions by 20% between 2010 and 2025 at iso-production	2025	-33.0 % (18,257 t)	-32.4% (16,906 t)	-15.7 % (16,988 t)	320.0%
Reduce dust emissions by 20% between 2010 and 2025 at iso-production	2025	-64.0 % (4,705 t)	-57.1% (4,731 t)	-53.0 % (4,817 t)	285.0%
Reduce energy consumption by 15% between 2010 and 2025 at iso-production	2025	-6.0 % (41,854 GWh)	-3.4% (43,461 GWh)	+1.3% (41,020 GWh)	40.0%
Reduce liquid water discharge by 80% between 2010 and 2025 at iso-production	2025	-41.0 % (45.0 M of m ³)	-39.8% (48.1 M of m ³)	-31.5 % (45.4 M of m ³)	51.3%
Reduce non-recovered waste by 50% between 2010 and 2025 at iso-production	2025	-38.0 % (0.4 Mt)	-27.3% (0.5 Mt)	-26.3 % (0.4 Mt)	76.0%
100% of the Group's active quarries with a biodiversity management plan by 2025	2025	28.0 %	31.0%	N/A	28.0%

⁽¹⁾ 2021 data - not actualized in 2022.

ENVIRONMENTAL MANAGEMENT	2022	2021	2020	GRI	SDG
Total environmental expenditure, of which:	€217.7 M	€188.1 M	€156.4 M		9; 13
a) Salaries and other payroll expenses for environmental officers	€35.3 M	€30.7 M	€26.6 M		13



ENVIRONMENTAL MANAGEMENT	2022	2021	2020	GRI	SDG
b) Environmental certification and renewal costs (ISO 14001, EMAS or ISO 50001)	€2.9 M	€2.5 M	€2.5 M		13
c) Environmental taxes	€11.9 M	€8.8 M	€6.9 M		13
d) Insurance and warranties	€12.2 M	€12.0 M	€11.7 M		13
e) Environmental fines	€0.1 M	€0.5 M	€0.0 M		13
f) Cost of environmental incidents	€1.0 M	€1.4 M	€0.5 M		13
g) Cost of technical measures	€9.7 M	€9.5 M	€9.2 M		13
h) Environmental R&D budget	€129.5 M	€110.7 M	€86.4 M	3-3	9
i) Soil decontamination, site remediation and other clean-up costs	€15.0 M	€11.9 M	€12.6 M		9
Capital expenditure on environmental management measures	€224.0 M	€118.4 M	€91.2 M		13
Provisions for environmental risks	€204.1 M	€189.8 M	€156.1 M		13
Number of serious major Group environmental events or accidents	0	0	0		12
Number of "Environment" certified sites (ISO 140001 and / or EMAS)	608	593	610		
• Proportion of certified sites in scope of consolidation	79.0 %	77.0 %	77.0 %		12; 13; 15
Number of sites certified for Energy management (ISO 50001)	161	152	158		
• Proportion of certified sites in scope of consolidation	23.0 %	21.0 %	20.0 %		7; 12; 13
Number of quality-certified sites	659	630	636		
• Of which ISO 9001	596	568	579		
• Proportion of certified sites (across the total scope)	62.0 %	60.0 %	60.0 %		9; 12; 13
Variation in production in sellable units	+3,4%	+7,9%	+5%		13
GHG EMISSIONS	2022	2021	2020	GRI	SDG
Target to reduce CO2 emissions by 20% (scope 1 +2) at iso-production between 2010 and 2025	-26.0 %	-21.7 %	-12.2 %	305-5	12; 13
Total CO2 emissions (scopes 1+2)				305-1 &	
	9,8 Mt	10,3 Mt	10,4 Mt	2	12; 13
Change in total CO2 emissions (scopes 1+2)	-0,5 Mt	-0,1 Mt	-0,4 Mt	305-5	12; 13
	-5,1 %	-1,0 %	-3,7 %	305-5	12; 13



GHG EMISSIONS	2022	2021	2020	GRI	SDG
Direct CO2 emissions (scope 1)	8.4 Mt	8.4 Mt	7.9 Mt	305-1	12; 13
Variation in direct CO2 emissions	-0.01 Mt	+0.50 Mt	-0.20 Mt	305-5	12; 13
	-0.1 %	+6.4%	-2.0 %	305-5	12; 13
Other relevant direct emissions (for the entire Group or the relevant scope) of greenhouse gases, by weight (tons of CO2 equivalent)	Not applicable	Not applicable	Not applicable	305-1	12; 13
Indirect GHG emissions (purchases of electricity, steam, hot water) (scope 2)	1.4 Mt CO2-eq	1.9 Mt CO2-eq	2.5 Mt CO2-eq	305-2	12; 13
Change in indirect emissions of greenhouse gases	-0.5 Mt CO2-eq	-0.6 Mt CO2-eq	-0.1 Mt CO2-eq	305-5	12; 13
(purchases of electricity, steam, hot water)	-27.0 %	-22.9 %	-4.0 %	305-5	12; 13
Change in the CO2 impact (scope 1+2) on Group revenue (value in 2017: 0,33 kg CO2/€)	0.2 kg CO2/€	0.2 kg CO2/€	0.3 kg CO2/€	305-4	12; 13
Change in the CO2 impact (scopes 1+2) on Group Ebitda (value in 2017: 3,17 kg CO2/€)	1.4 kg CO2/€	1.7 kg CO2/€	2.4 kg CO2/€	305-4	12; 13
Other indirect GHG emissions (scope 3)*	21.3 Mt	21.3 Mt	17.4 Mt	305-3	12; 13
Share of revenue generated with products covered by verified LCA or EPD, excluding distribution activity (target : 100% by 2030)	47.9 %	29.1 %	N/A		12; 13

* Scope 3 calculation methodology aligned with the Science-Based Targets commitment and the 2021 revision including an improvement in the impact assessment (see chapter 3, section 2.1.5.3).

OTHER EMISSIONS INTO THE AIR	2022	2021	2020	GRI	SDG
Target to reduce SOx emissions by 20% between 2010 and 2025 at iso-production	-67.0 %	-66.1 %	-51.8 %	305-7	7; 12; 13
SOx emissions	8,789 t	8,372 t	10,276 t	305-7	7; 12; 13
Target to reduce NOx emissions by 20% between 2010 and 2025 at iso-production	-33.0 %	-32.4 %	-15.7 %	305-7	7; 12; 13
NOx emissions	18,257 t	16,906 t	16,988 t	305-7	7; 12; 13
Target to reduce dust emissions by 20% between 2010 and 2025 at iso-production	-64.0 %	-57.1 %	-53.0 %	305-7	7; 12; 13
Dust emissions	4,705 t	4,731 t	4,817 t	305-7	7; 12; 13
ENERGY	2022	2021	2020	GRI	SDG
Target to reduce energy consumption by 15% between 2010 and 2025 at iso-production	-6.0 %	-3.4 %	+1.3%	302-4	7; 12
Total energy consumption of entire Group	41,854 GWh	43,461 GWh	41,020 GWh	302-1	7; 12



ENERGY	2022	2021	2020	GRI	SDG
Change in the impact of energy consumed on Group revenue (value in 2017: 1.12 kWh/€)	0.82 kWh/€	0.98 kWh/€	1.08 kWh/€	302-3	7; 12
Change in total energy consumption	-1,606 GWh	2,441 GWh	954 GWh		
	-3.7 %	+5.9%	-2.3 %	302-4	7; 12
Total indirect energy consumption	8,273 GWh	8,389 GWh	8,000 GWh	302-2	7; 12
Change in indirect total energy consumption	-116 GWh	+369 GWh	+480 GWh		
	-1.4 %	+4.6%	-5.7 %	302-4	7; 12
Electricity consumption	8,240 GWh	8,309 GWh	7,891 GWh	302-1	7; 12
Consumption of renewable electricity generated on site	25 GWh	21 GWh	14 GWh	302-1	7; 12
Share of carbon-free electricity in total electricity consumption (target: two-fold increase between 2020 and 2021) ²	51.9 %	39.2 %	18.9 %	302-1	7; 12
Consumption of renewable energy (electricity purchases, electricity generated on site and biomass)	4,935 GWh	4,321 GWh	2,412 GWh	302-1	7; 12
Utilities consumption (steam, hot water, etc.)	33 GWh	40 GWh	95 GWh	302-1	7; 12
Total direct energy consumption	33,582 GWh	35,091 GWh	33,020 GWh	302-1	7; 12
Change in direct total energy consumption	-1,509 GWh	2,071 GWh	474 GWh	302-4	7; 12
	-4.3 %	+6.3%	-1.4 %	302-4	7; 12
Coal and coke consumption	2,586 GWh	2,540 GWh	3,422 GWh		7; 12
Natural gas consumption	27,465 GWh	29,505 GWh	27,039 GWh		7; 12
Petroleum products consumption	2,606 GWh	2,022 GWh	1,656 GWh		7; 12
Renewable energy consumption/total energy consumption	11.8 %	10.0 %	5.9 %	302-3	7; 12
Sales outside the Group of renewable electricity generated on site	4 GWh	3 GWh	4 GWh		7; 12
Sales outside the Group of utilities (steam, hot water, etc.) produced on site	1.1 GWh	2.4 GWh	1.2 GWh		7; 12

²⁾ Carbon-free electricity = renewable and nuclear electricity.

WATER	2022	2021	2020	GRI	SDG
Target to reduce liquid water discharge by 80% between 2010 and 2025 at iso-production	-41.0%	-39.8%	-31.5%	303-4	6; 12
Total water withdrawal	45.0 M of m ³	48.1 M of m ³	45.4 M of m ³	303-3	6; 12



WATER	2022	2021	2020	GRI	SDG
Municipal water withdrawal	15.1 M of m ³	15.3 M of m ³	15.4 M of m ³	303-3	6; 12
Surface water withdrawal	11.0 M of m ³	12.7 M of m ³	11.3 M of m ³	303-3	6; 12
Ground water withdrawal	16.2 M of m ³	17.4 M of m ³	16.2 M of m ³	303-3	6; 12
Water withdrawal from high water stress sites based on Aqueduct 2020 data	4.6 M of m ³	4.7 M of m ³	4.6 M of m ³	303-3	6; 12
Surface water withdrawal on sites with very high water stress (sites with >5,000 m ³ /year) based on Aqueduct 2020 data	2.9 M of m ³	3.0 M of m ³	2.5 M of m ³	303-3	6; 12
Water withdrawal from sites with very high water stress based on Aqueduct 2016 database				303-3	6; 12
Total water discharge	21.6 M of m ³	23.5 M of m ³	23.0 M of m ³	303-4	6; 12
Water discharges into the surrounding environment	14.6 M of m ³	14.9 M of m ³	14.4 M of m ³	303-4	6; 12
Water discharges into the municipal waste water collection system	6.4 M of m ³	7.0 M of m ³	7.1 M of m ³	303-4	6; 12
Water discharge on sites with very high water stress based on Aqueduct 2020 data	0.6 M of m ³	0.8 M of m ³	N/A	303-4	6; 12
Water discharges on sites with high water stress based on Aqueduct 2020 data	1.5 M of m ³	1.5 M of m ³	N/A	303-4	6; 12
Quantity of water reused in production processes through internal recycling systems	230.1 M of m ³	274.3 M of m ³	258.6 M of m ³	303-5	6; 12
Percentage of water reused in production processes through internal recycling systems	84.0%	85.0%	85.0%	303-5	6; 12
CIRCULAR ECONOMY	2022	2021	2020	GRI	SDG
Target to reduce non-recovered waste by 50% between 2010 and 2025 at iso-production	-38.0%	-27.3%	-26.3%	306-4	9; 12; 13
Quantity of waste generated	1.3 Mt	1.4 Mt	1.4 Mt	306-3	9; 12; 13
Quantity of hazardous waste generated	0.1 Mt	0.1 Mt	0.1 Mt	306-3	9; 12; 13
Quantity of non-recovered waste	0.4 Mt	0.5 Mt	0.5 Mt	306-5	9; 12; 13
Quantity of non-recovered hazardous waste	0.0 Mt	0.04 Mt	0.04 Mt	306-5	9; 12; 13
Quantity of waste reused or recycled	0.9 Mt	1.0 Mt	1.0 Mt	306-4	9; 12; 13
Extraction of natural raw materials avoided*	9.4 Mt	10.0 Mt	10.0 Mt	301-1	9; 12; 13
Recycled materials included in the product	8.5 Mt	8.2 Mt	8.2 Mt	301-2	9; 12; 13
Percentage of recyclable packaging (target of 100% in absolute value by 2030)	91 %	69%	N/A	301-1	9; 12; 13

* New methodology in 2021.

BIODIVERSITY	2022	2021	2020	GRI	SDG
Percentage of the Group's active quarries with a biodiversity management plan (target of 100% by 2025)	28%	31%	N/A	304-1	15

Social

Thanks to the strong commitment of the teams, as demonstrated in the annual surveys conducted since 2019, with an impressive 84% industry-leading engagement rate, five points up from 2019, the Group made further strong social progress in 2022, confirming the pride, loyalty and satisfaction of its employees.

Take care of employees

- Continuous commitment to safety shown by an accident frequency rate (TRAR), including subcontractors and temporary workers, of 1.5, thus achieving the 2030 target in 2022;
- Completion of the roll-out of the "CARE by Saint-Gobain" social protection and prevention program for all Group employees.

Diversity

- Increase in gender diversity in management bodies, locally and at Group level;
- Continued increase in the proportion of female managers: 27.4% in 2022, in line with the target of 30% women managers set for 2025.

OBJECTIVES	Deadline	2022 data	2021 data	2020 data	Progress
Value of TRAR: 1.5 at the end of 2030 vs. 2017	2030	1.5	1.9	1.8	100%
100% of industrial sites covered by a chemical inventory (SAFHEAR) by 2025	2025	81.0 %	66.0 %	44.0%	81.0%
30% of women managers by 2025	2025	27.4 %	26.3 %	25.3%	91.3%
25% of women senior managers by 2025	2025	24.0 %	21.0 %	19.0%	96.0%
40% of women managers hires by 2025	2025	34.9 %	34.9 %	30.9%	87.0%
100% coverage of the CARE program by 2023	2023	100% of employees covered	88% of employees covered	71% of employees covered	100%
Employee engagement rate above benchmark every year (>74%)	Annual	84.0 %	83.0 %	82.0 %	OK
Maintain diversity index above 90%	Annual	91.8 %	91.1 %	90.7 %	OK



HEALTH - SAFETY	2022	2021	2020	GRI	SDG
Group accident frequency rate (TRAR) (employees, temporary workers and permanent subcontractors)	1.5	1.9	1.8	403-9	3; 8
Total recordable accident rate with and without lost time of more than 24 hours (employees, temporary workers and permanent subcontractors)	1.0	1.3	1.2	403-9	3; 8
Group accident severity rate (employees)	0.05	0.05	0.08	403-10	3; 8
Number of fatal incidents connected with the work of Saint-Gobain employees	2	4	1	403-9	3; 8
Number of fatal incidents connected with the work of subcontractors	1	1	1	403-9	3; 8
Number of fatal incidents connected with the work of temporary workers	0	0	1	403-9	3; 8
Number of fatal incidents connected with the work of third parties	0	0	0	403-9	3; 8
Percentage of industrial sites covered by a chemical inventory (SAFHEAR) (target of 100% by 2025)	81.0%	66.0%	44.0%	403-8	3; 8
Number of Health & Safety certified sites at the actual scope (OHSAS 18001 - ILO OSH 2001 - ISO 45001)	387	359	359	403-8	3; 8
Percentage of employees covered	32.0%	27.0%	28%	403-8	3; 8
Percentage of sites offering medical inspections at comparable scope	82.0%	83.0%	81%		3; 8
Number of occupational illnesses in France	80	60	61	403-10	3; 8
Absenteeism rate	4.0 %	3.9 %	3.7 %		3; 8
Education, training, advising, prevention and risk control programs to assist employees in the event of severe illness	YES	YES	YES		3; 8
Extension of the program to families	Advice and assistance in case of severe accident	Advice and assistance in case of severe accident	Advice and assistance in case of severe accident	403-1	3; 8
Extension of the program to communities	Sometimes in collaboration with associations	Sometimes in collaboration with associations	Sometimes in collaboration with associations	403-1	3; 8
Proportion of health and safety signed and active agreements with employee representatives*	25.9%	23.2%	8.8%	403-4	3; 8

* Value includes all active agreements that include a health and safety dimension.



EMPLOYMENT	2022	2021	2020	GRI	SDG
Number of employees					
Total headcount at 31 December	167,665	165,871	167,552	2-7	8
Percentage of Blue Collar	41.0%	41.1%	40.8%	2-7	8
Average headcount (number of employees)					
Average headcount including temporary workers	177,379	176,037	176,895	2-7	8
Average headcount excluding temporary workers	168,726	166,464	168,177	2-7	8
Average temporary headcount	8,653	9,573	8,718	2-7	8
Spot headcount at year-end					
Headcount at year-end including temporary workers	175,792	173,591	176,677	2-7	8
Permanent contracts in absolute value	150,386	149,718	152,842	2-7	8
Percentage of permanent contracts in the headcount excluding temporary workers	93.6%	93.4%	94.3%	2-7	8
Fixed-term contracts in absolute value	10,325	10,585	932	2-7	8
Percentage of fixed-term contracts in the headcount excluding temporary workers	6.4%	6.6%	5.7%	2-7	8
Temporary headcount	8,127	7,720	9,125	2-7	8
Temporary working hours rate	4.6%	5.2%	4.7%	2-7	8
Percentage of temporary employees (fixed-term employees and temporary workers)	10.8%	10.8%	10.6%	2-7	8
Full-time equivalent (FTE) headcount, excluding temporary workers	155,685	155,619	155,153	2-7	8
Organization of working time					
Percentage headcount at Full-time employment	95.5%	95.4%	95.7%	2-7	8
Percentage headcount at Part-time employment	4.5%	4.6%	4.3%	2-7	8
Overtime rate	4.9%	4.3%	3.5%	2-7	8
Breakdown of headcount by age in absolute value					
<=24 years old	11,538	11,663	10,455	405-1	8; 10
25-34 years old	38,275	37,872	37,216	405-1	8; 10
35-44 years old	43,726	43,168	43,609	405-1	8; 10



EMPLOYMENT	2022	2021	2020	GRI	SDG
45-54 years old	38,853	39,225	41,396	405-1	8; 10
55-64 years old	24,308	23,360	23,553	405-1	8; 10
> 64 years old	1,556	1,515	1,376	405-1	8; 10
Breakdown of employees by geographical region					
North America	9.7%	9.6%	9.0%	2-7	8
South America	13.7%	13.9%	12.8%	2-7	8
Asia-Pacific	11.3%	10.5%	10.4%	2-7	8
Northern Europe	33.4%	35.1%	34.6%	2-7	8
Southern Europe, Middle East, Africa	31.9%	30.9%	33.2%	2-7	8
Breakdown of headcount by country (most significant countries)					
France	23.5%	22.7%	23.9%	2-7	8
United Kingdom	8.2%	9.3%	9.4%	2-7	8
United States	9.0%	8.8%	8.3%	2-7	8
Brazil	7.5%	8.1%	7.7%	2-7	8
Germany	5.2%	5.3%	5.5%	2-7	8
India	4.1%	4.5%	4.3%	2-7	8
Mexico	4.8%	4.4%	3.9%	2-7	8
Poland	4.9%	4.3%	3.9%	2-7	8
China	3.5%	3.3%	3.7%	2-7	8
Norway	3.3%	3.2%	3.1%	2-7	8
Czech Republic	2.7%	2.6%	2.6%	2-7	8
Sweden	2.6%	2.5%	2.5%	2-7	8
Annual change in headcount by country (most significant countries)					
France	4.6%	-6.0%	-0.8%	2-7	8
EMPLOYMENT	2022	2021	2020	GRI	SDG
United States	+2.5%	+5.8%	-1.1%	2-7	8
United Kingdom	-10.7%	-1.7%	-4.8%	2-7	8
Brazil	-6.1%	+3.0%	+1.5%	2-7	8
Germany	-2.0%	-4.3%	-8.7%	2-7	8
India	+16.1%	+9.6%	-0.6%	2-7	8



EMPLOYMENT	2022	2021	2020	GRI	SDG
Mexico	+10.4%	+12.0%	+14.7%	2-7	8
Poland	-8.6%	+2.4%	-2.0%	2-7	8
China	+7.7%	-12.5%	-1.5%	2-7	8
Norway	+5.7%	+2.2%	-1.5%	2-7	8
Czech Republic	+2.2%	+1.6%	-0.6%	2-7	8
Sweden	+5.1%	+1.2%	-0.7%	2-7	8
Average temporary headcount					
Breakdown by geographical region					
North America	4.8%	4.6%	4.6%	2-7	8
South America	9.0%	13.7%	15.0%	2-7	8
Asia-Pacific	27.2%	22.4%	24.6%	2-7	8
Northern Europe	21.3%	21.5%	18.5%	2-7	8
Southern Europe, Middle East, Africa	37.7%	37.8%	37.3%	2-7	8
HIRING	2022	2021	2020	GRI	SDG
Hires	33,663	33,268	22,021	401-1	8
Hiring rate	20.7%	20.6%	13.6%	401-1	8
Breakdown of new hires by type of contract					
External hires: permanent contract hires in absolute value	23,035	22,016	12,988	401-1	8
External hires: percentage of permanent hires	68.4%	66.2%	59.0%	401-1	8
External hires: fixed-term contract hires in absolute value	10,628	11,252	9,033	401-1	8
External hires: percentage of hires on fixed-term contracts	31.6%	33.8%	41.0%	401-1	8
Internal hires: fixed-term contracts converted to permanent contracts in absolute value	3,803	4,673	3,422	2-7	8
Internal hires: percentage of fixed-term employment contracts converted into permanent contract	36.2%	44.4%	38.2%	2-7	8
Hiring rate by gender					
Men	72.5%	73.1%	72.9%	401-1	5; 8; 10
Women	27.5%	26.9%	27.1%	401-1	5; 8; 10
Breakdown of executive recruitment by gender					



HIRING	2022	2021	2020	GRI	SDG
Men	65.1%	65.1%	69.1%	401-1	5; 8; 10
Women	34.9%	34.9%	30.9%	401-1	5; 8; 10
Breakdown of hires by age					
≤ 24 years old	27.6%	27.8%	29.4%	401-1	8; 10
25-34 years old	34.3%	35.6%	35.4%	401-1	8; 10
35-44 years old	21.0%	20.8%	20.3%	401-1	8; 10
45-54 years old	12.0%	11.5%	11.1%	401-1	8; 10
55-64 years old	4.6%	3.9%	3.4%	401-1	8; 10
> 64 years old	0.5%	0.4%	0.4%	401-1	8; 10
Breakdown of hires by geographical region					
North America	14.1%	13.7%	8.7%	401-1	8
South America	16.0%	17.2%	20.4%	401-1	8
Asia-Pacific	11.3%	10.3%	8.3%	401-1	8
Northern Europe	32.4%	31.8%	32.7%	401-1	8
Southern Europe, Middle East, Africa	26.2%	27.0%	29.9%	401-1	8
DEPARTURES	2022	2021	2020	GRI	SDG
Departures on permanent and fixed-term contracts	29,632	27,852	22,708	401-1	8
• Of which layoffs	8,609	7,573	7,142	401-1	8
• Of which resignations	13,966	13,792	9,158	401-1	8
• Including others (retirements and end of contract)	7,057	6,487	6,408	401-1	8
Breakdown of departures by gender					
Men	73.9%	74.6%	74.4%	401-1	5; 8; 10
Women	26.1%	25.4%	25.6%	401-1	5; 8; 10
Breakdown of departures by age					
≤ 24 years old	18.6%	16.9%	16.8%	401-1	8; 10
25-34 years old	31.9%	31.6%	30.1%	401-1	8; 10
35-44 years old	21.7%	21.8%	22.1%	401-1	8; 10
45-54 years old	13.7%	15.0%	13.8%	401-1	8; 10
55-64 years old	11.6%	12.2%	14.2%	401-1	8; 10
> 64 years old	2.5%	2.5%	3.0%	401-1	8; 10



DEPARTURES	2022	2021	2020	GRI	SDG
Breakdown of departures by geographical region					
North America	14.4%	13.4%	9.7%	401-1	8
South America	19.6%	15.6%	15.4%	401-1	8
Asia-Pacific	8.7%	8.9%	9.2%	401-1	8
Northern Europe	30.2%	32.8%	32.4%	401-1	8
Southern Europe, Middle East, Africa	27.1%	29.3%	33.3%	401-1	8
LAYOFFS	2022	2021	2020	GRI	SDG
Rate of layoffs of permanent and fixed-term contracts	5.3%	4.7%	4.4%	401-1	8
Breakdown of layoffs by type of contract					
Permanent contract	83.5%	88.4%	90.9%	401-1	8
Fixed-term contract	16.5%	11.6%	9.1%	401-1	8
Breakdown of manager layoffs by gender					
Men	71.9%	71.5%	75.8%	401-1	5; 8; 10
Women	28.1%	28.5%	24.2%	401-1	5; 8; 10
Breakdown of layoffs by geographical region					
North America	20.9%	19.7%	13.4%	401-1	8
South America	29.6%	27.7%	28.9%	401-1	8
Asia-Pacific	3.5%	3.6%	5.7%	401-1	8
Northern Europe	19.8%	27.2%	35.2%	401-1	8
Southern Europe, Middle East, Africa	26.2%	21.8%	16.8%	401-1	8
RESIGNATIONS	2022	2021	2020	GRI	SDG
Resignation rate, permanent and fixed-term	8.6%	8.5%	5.6%	401-1	8
Breakdown of resignations by gender					
Men	73.1%	72.8%	72.9%	401-1	5; 8; 10
Women	26.9%	27.2%	27.1%	401-1	5; 8; 10
Breakdown of resignations by seniority					
Less than 1 year	36.5%	36.7%	35.0%	401-1	8
1-4 years old	39.8%	38.4%	40.7%	401-1	8
5-14 years old	18.4%	18.5%	17.9%	401-1	8
15-24 years old	4.2%	5.3%	4.8%	401-1	8
25-34 years old	0.9%	0.8%	1.1%	401-1	8



RESIGNATIONS	2022	2021	2020	GRI	SDG
> 34 years old	0.2%	0.3%	0.5%	401-1	8
DIVERSITY	2022	2021	2020	GRI	SDG
Diversity index (objective to maintain above 90%)	91.8%	91.1%	90.7%	405-1	5; 8; 10
Gender diversity*					
Percentage of women in the headcount:					
Percentage of women in the headcount at the end of the year	23.7%	23.3%	22.8%	405-1	5; 8; 10
Percentage of women on fixed-term contracts at the end of the year	31.9%	31.1%	28.9%	405-1	5; 8; 10
Percentage of women in the average headcount	23.5%	23.0%	22.6%	405-1	5; 8; 10
Percentage of women on fixed-term contracts in the average headcount	32.1%	29.5%	28.2%	405-1	5; 8; 10
Percentage of women in management:					
Senior management (target of 25% by 2025)	24.0%	21.0%	19.0%	405-1	5; 8; 10
Management (female managers in the total managerial headcount)	27.4%	26.3%	25.3%	405-1	5; 8; 10
Promotion of female managers among all management promotions	32.4%	31.4%	33.7%	405-1	5; 8; 10
Hiring rate of women managers (target of 40% by 2025)	34.9%	34.9%	30.9%	401-1	5; 8; 10
Equal treatment					
Ratio of average basic wage: female to male	0.95	0.94	0.94	405-2	5; 8; 10
Ratio of average total compensation: female to male	0.92	0.91	0.92	405-2	5; 8; 10
Percentage of women in the top pay quartile	18.8%	18.0%	18.6%	405-2	5; 8; 10
Percentage of women in the upper middle pay quartile	21.1%	20.1%	19.7%	405-2	5; 8; 10
Percentage of women in the lower middle pay quartile	22.3%	22.4%	23.0%	405-2	5; 8; 10
Percentage of women in the lower pay quartile	24.0%	24.2%	23.3%	405-2	5; 8; 10
Generational diversity					
Breakdown of headcount by age in absolute value					



DIVERSITY	2022	2021	2020	GRI	SDG
<=24 years old	7.3%	7.4%	6.6%	405-1	8; 10
25-34 years old	24.2%	24.2%	23.6%	405-1	8; 10
35-44 years old	27.6%	27.5%	27.7%	405-1	8; 10
45-54 years old	24.5%	25.0%	26.3%	405-1	8; 10
55-64 years old	15.4%	14.9%	14.9%	405-1	8; 10
> 64 years old	1.0%	1.0%	0.9%	405-1	8; 10
Breakdown of headcount by seniority					
Less than 1 year	13.8%	14.0%	9.4%	405-1	8; 10
1-4 years old	28.6%	27.9%	29.9%	405-1	8; 10
5-14 years old	28.9%	29.4%	30.7%	405-1	8; 10
15-24 years old	18.7%	18.3%	18.8%	405-1	8; 10
25-34 years old	7.5%	7.8%	8.5%	405-1	8; 10
> 34 years old	2.5%	2.6%	2.7%	405-1	8; 10
Disability					
Proportion of disabled employees within the Group	1.9%	1.6%	1.6%	405-1	8; 10

* indicators regarding executive and board diversity are included in the governance tab

TALENT DEVELOPMENT	2022	2021	2020	GRI	SDG
Training					
Proportion of payroll of training investment	0.44%	0.40%	0.33%		4
Employees who received training during the year (target of 100% by 2025)	89.2%	85.0%	73.2%	404-1	4
Average number of training hours per employee per year	17,2 hours	14.6 hours	12.1 hours	404-1	4
Average number of training hours per employee per year and by gender (M/F)	16,7 hrs / 18,7 hrs	14.3 hrs/15.2 hrs	12.2 hrs/12.1 hrs	404-1	4
Share of technical and EHS training	64.2%	61.0%	56.1%	404-1	4
EMPLOYEE'S ENGAGEMENT					
2022					
Annual employee satisfaction survey (me@Saint-Gobain):					
Participation rate	84.0%	81.0%	78.0%		3; 8
Engagement rate (target above benchmark every year)	84.0%	83.0%	82.0%		3; 8



EMPLOYEE'S ENGAGEMENT	2022	2021	2020	GRI	SDG
Recommendation rate	86.0%	85.0%	84.0%		3; 8
Annual reviews					
Proportion of employees who had annual reviews	64.0%	64.1%	61.7%	404-3	8
Proportion of non-managers who had annual reviews	58.1%	58.1%	55.3%	404-3	8
Proportion of managers who had annual reviews	91.0%	92.1%	91.7%	404-3	8
Social dialogue					
Percentage of employees with employee representation	68.3%	71.0%	68.2%	2-30	8; 16
Percentage of Group employees covered by a collective bargaining agreement	67.5%	68.0%	65.5%	2-30	8; 16
Number of collective agreements with employee representatives	3,109	2,941	2,638	2-30	8; 16
Minimum prior notice period before any organizational change	two weeks to several months, depending on the country	two weeks to several months, depending on the country	two weeks to several months, depending on the country	402-1	8; 16
"CARE BY SAINT-GOBAIN" SOCIAL PROTECTION PROGRAM (% of employees covered)	2022	2021	2020	GRI	SDG
CARE program coverage in number of employees covered (target of 100% by 2023)	100.0%	88.0%	71.0%	403-6	1; 3; 8; 10

Ethics and communities

In terms of inclusive growth and business ethics, significant progress has been made in areas such as:

- 98% of managers trained in the Saint-Gobain Code of Ethics; nearly 99% of managers trained in anti-corruption and competition rules;
- ESG weight reaches 10% in short-term compensation (CO₂ emissions reduction criterion added to the safety criterion in 2021) and 20% in long-term compensation (increase of the share of CO₂ emissions reduction criterion from 5% to 10% in 2021, along with criteria based on safety and diversity, each accounting for 5%);
- Continued support for education, vocational training and training in the construction sector (see Chapter 3, section 3.2.4).

Objectives	Deadline	2022 data	2021 data	2020 data	Progress
30% of women on the Group Executive Committee by 2025	2025	37.5%	37.5%	25.0%	125.0%
30% of women on the Executive Committees of Business Units by 2025	2025	26.5%	24.0%	N/A	88.3%



Objectives	Deadline	2022 data	2021 data	2020 data	Progress
100% of responsible timber purchases by 2025	2025	95.7%	93.4%	94.8%	95.7%
100% of countries have a community assistance program by 2025	2025	84.0%	67.0%	50.0%	84.0%
100% of new managers are trained to the code of ethics in their induction year every year	Annual	95.8%	95.0%	97.0%	95.8%
GROUP VALUES	2022	2021	2020	GRI	SDG
Adhere training: training of new managers in the code of ethics (Principles of Conduct and Action) in their first year (target of 100% per year)	95.8%	95.0%	97.0%		4
Adhere training: training for all managers	97.9%	96.9%	97.0%		4
Human rights					
Number of incidents involving forced or compulsory labor	0	0	0	409-1	8; 16
Number of incidents involving union freedom	0	1	1	407-1	8; 16
Other incidents involving human rights, including child labor	0	0	0	408-1	8; 16
Reports received through the occupational whistle-blowing system	845	645	477	2-16	8; 16
Anticorruption					
ACT training: training of managers in their first year	98.2%	95.0%	94.0%	205-2	4; 16
ACT training: share of managers trained	98.6%	98.0%	94.0%	205-2	4; 16
Number of proven cases of corruption	0	0	0	205-3	8; 16
Respect for the law					
Online training Comply (anti-trust laws): proportion of managers trained in the 1st year after joining the Group	98.0%	93.0%	96.0%		4; 16
Online training Comply (anti-trust laws): share of managers trained	98.5%	98.0%	96.0%		4; 16
Major fines for non-compliance with laws and regulations	0	0	0	206-1	8; 16
Number of non-financial penalties for violation of laws and regulations	0	0	0	206-1	8; 16



FIGHT AGAINST DISCRIMINATION AND HARASSMENT	2022	2021	2020	GRI	SDG
Number of incidents declared	72	54	60	406-1	8; 10
Discrimination of which	51	35	38	406-1	8; 10
Ethnic origin	9	6	5	406-1	8; 10
Disability	2	5	10	406-1	8; 10
Gender	4	3	7	406-1	5; 8; 10
Age	7	2	N/A	406-1	8; 10
Sexual orientation	2	2	N/A	406-1	5; 8; 10
Family status	2	1	N/A	406-1	8; 10
Freedom of association	4	1	1	406-1	8; 10
Other causes	21	15	17	406-1	8; 10
Harassment	21	19	20	406-1	8; 10
of which sexual harassment	11	8	5	406-1	8; 10

* Methodology update.

RESPONSIBLE PURCHASING	2022	2021	2020	GRI	SDG
Trade suppliers and outside subcontractors					
Percentage of contracts with European partners that include the Suppliers Charter	100.0%	100.0%	100.0%		9; 12
Proportion of suppliers per CSR performance level (evaluation includes in particular human rights, working conditions, fight against corruption, against forced labor, against child labor, etc.) as a percentage of revenue					
Percentage of so-called "risky" purchases following risk mapping: 27.0%					
Percentage of so-called "risky" purchases evaluated in terms of CSR: 92.2%					
Proportion of document reviews concluding on a "critical" CSR performance	3.3%	2.9%	5.1%	414-2	9; 12
Proportion of document reviews concluding on a "to be improved" CSR performance	18.8%	17.5%	11.1%	414-1	9; 12
Proportion of document reviews concluding on an "effective" CSR performance	77.9%	79.6%	83.7%	414-1	9; 12
Results of onsite audits of own-brand suppliers evaluated in terms of CSR					



RESPONSIBLE PURCHASING	2022	2021	2020	GRI	SDG
Proportion of onsite audits concluding on a "critical" CSR performance	-%	0.5%	1.9%	414-2	9; 12
Proportion of onsite audits concluding on a "to be improved" CSR performance	40.6%	57.9%	35.2%	414-1	9; 12
Proportion of onsite audits concluding on an "effective" CSR performance	59.4%	41.6%	63.0%	414-1	9; 12
Responsible timber purchases	95.7%	93.4%	94.8%		8; 9; 12; 15
Non-trade suppliers and outside contractors					
Total non-trade purchases covered by the Suppliers Charter (eligible perimeter)	92.7%	91.3%	90.6%		9; 12
Proportion of suppliers per CSR performance level (evaluation includes in particular human rights, working conditions, fight against corruption, forced labor, child labor, etc.) as a percentage of revenue					
Percentage of so-called "risky" purchases following risk mapping: 21.5%					
Percentage of so-called "risky" purchases evaluated in terms of CSR: 74.5%					
Proportion of document reviews concluding on a "critical" CSR performance	11.8%	14.0%	22.6%	414-2	9; 12
Proportion of document reviews concluding on a "to be improved" CSR performance	30.9%	35.0%	32.2%	414-1	9; 12
Proportion of document reviews concluding on an "effective" CSR performance	57.2%	51.0%	45.3%	414-1	9; 12
Proportion of onsite audits concluding on a "critical" CSR performance	10.7%	18.5%	5.2%	414-2	9; 12
Proportion of onsite audits concluding on a "to be improved" CSR performance	20.7%	16.5%	38.5%	414-1	9; 12
Proportion of onsite audits concluding on an "effective" CSR performance	68.6%	65.0%	56.4%	414-1	9; 12

* Methodology update.

LOCAL IMPACT	2022	2021	2020	GRI	SDG
Support to local communities					
Investments in projects	13.4 M€	15.1 M€	9.9 M€	413-1	1; 4; 8; 10; 11
Percentage of countries with a community assistance program (target of 100% by 2025)	84.0%	67.0%	50.0%	413-1	1; 4; 8; 10; 11

EXECUTIVE COMMITTEES DIVERSITY	2022	2021	2020	GRI	SDG
Group Executive Committee (target of 30% by 2025)	37.5%	37.5%	25.0%	405-1	5; 8; 10
Executive Committees Business Units (target of 30% by 2025)	26.5%	24.0%	N/A	405-1	5; 8; 10
GROUP SAVINGS PLAN	2022	2021	2020	GRI	SDG
Proportion of shares held by employees through the Group Savings Plan	8.8%	8.3%	9.1%	401-2	8
Number of countries participating in the Group Savings Plan	53	48	46	401-2	8
Group Savings Plan coverage rate for the entire Group headcount	96.9%	95.5%	88.1%	401-2	8

4.2.3 INTEGRATION OF THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

To embed the Sustainable Development Goals (SDGs) within its CSR approach, Saint-Gobain draws upon the materiality analysis (see chapter 2, section 1.3.2), the Group's stakeholder dialog and its understanding of its value chain. Saint-Gobain generally actively follows the debates on SDGs and reporting, especially the working group initiated by the Global Compact. The 17 SDGs were subdivided into different levels: SDGs aligned with the strategy, moderately aligned SDGs (limited scope of influence or associated with a specific activity) and non-priority SDGs where the Group has little or no impact.

SDG 9	SDGs aligned with the strategy
SDG 14	SDGs moderately aligned with the strategy
SDG 15	Non-priority SDGs

The Group is especially committed to 14 Sustainable Development Goals aligned with the strategy:





SDG 1

No poverty

Creating inclusive growth in the countries where it operates:

- for employees: the Group ensures fair compensation to its employees (see chapter 3, section 3.2.3);
- for local communities: Saint-Gobain contributes to economic development, improving access to decent housing and local employment (see chapter 3, section 3.2.4).

SDG 3

Good health and well-being

Ensure healthy lives and promote well-being for all at all ages:

- for employees: health and safety are central to Saint-Gobain's environmental, health and safety Charter and are top priorities at the heart of its corporate culture (see chapter 3, section 3.1.3. C);
- for suppliers: the Group encourages its suppliers to improve the workplace health and safety of its employees through its Responsible Purchasing policy (see chapter 3, section 3.1.2. B);
- for customers: one of the Group's priorities is to design convenient, sustainable products (see chapter 3, section 3.1.3. b and 3.1.4. A);
- for local communities: in the context of emergency situations, Saint-Gobain's local teams are mobilized to assist the populations affected. In 2022, Saint-Gobain's teams in Poland took action to welcome Ukrainian refugees (see chapter 3, section 3.2.4. A).

SDG 4

Quality education

Promote lifelong learning opportunities:

- for employees: Saint-Gobain's ambition is to be a benchmark employer, known and recognized for the wealth of career paths it offers. Saint-Gobain is committed to facilitating access to training for all its employees, using formats that meet their needs and expectations (see chapter 3, section 3.2.3);
- for customers: the Group develops training programs for customers' employees, some of which lead to certification (see chapter 3, section 3.2.4);
- for local communities: the Group maintains relationships with local partners in many countries where it operates to boost local employment and support disadvantaged populations with their career aspirations. Saint-Gobain also contributes to major societal issues through sponsorship and philanthropy (see chapter 3, section 3.2.4);
- for civil society: support for young people is a priority in all countries where the Group operates, particularly the professional integration of young adults in difficulty in the construction industry through the Build Change program (see chapter 3, section 3.2.4).

SDG 5

Gender equality



Be inclusive by promoting equal opportunities:

- for employees: Saint-Gobain is working to create an environment that fosters fairness and equality, which are essential for genuine professional development, while facilitating the formation and cohesion of high-performance operational teams. Exemplary management and a policy of equal treatment in recruitment, professional training and compensation are the main levers for action (see chapter 3, section 3.2.2.C);
- for civil society: Saint-Gobain is working to promote a more inclusive environment through its membership of the UN's Women Empowerment Principles (WEPs). The Group has also been listed in the Bloomberg Gender Equality Index for 2022 for the fifth consecutive year (see chapter 3, section 3.2.2. C);
- for local communities: the Saint-Gobain India Foundation has set itself the task of improving the living conditions of the most underprivileged by supporting education-related projects, in particular by accompanying approximately 9,500 young girls (see chapter 3, section 3.2.4).

SDG 6

Clean water and sanitation

Ensure sustainable management of water:

- for civil society: reduce the impacts of the Group's activities on water resources as much as possible, whether in terms of intake or discharge. The long-term objectives are to withdraw as little water as possible and aim for "zero discharge" of industrial water in liquid form while avoiding generating new impacts for other natural environments and/or for other stakeholders (see chapter 3, section 3.1.3. D. b);
- for suppliers: the Group pays particular attention to the quality of its supplies and the suppliers' performance in terms of sustainable resource management. Risks related to purchasing categories include environmental performance and in particular those related to water (see chapter 3, section 3.1.2.B.);
- for local communities: manage these issues locally. The needs and risks related to water access for local populations are systematically taken into account in the Group's action plans. (see chapter 3, section 3.1.3.D.b).

SDG 7

Clean and affordable energy

Use our potential for local consumption to foster the development of local renewable energy networks:

- for civil society: Saint-Gobain is a member of the ETC (Energy Transition Commission), whose aim is to accelerate the transition to a low-carbon energy system (see chapter 3, section 3.3.1).

SDG 8

Decent work and economic growth

Create conditions guaranteeing quality jobs for our employees:

- for employees: the development of a T.E.C. (Trust, Empowerment, Collaboration) culture is an important catalyst for successful employee development (see chapter 3, section 3.2.3). All of the actions undertaken have made it possible to achieve a record employee engagement index of 84% in 2022, with 86% of employees considering their working conditions to be good (see chapter 2, section 2.3.6);
- for suppliers: the Group's suppliers are committed to ensuring decent working conditions. For suppliers: the Group's suppliers are committed to ensuring decent working conditions. Ethical criteria on human rights, working conditions and compliance with standards, health and safety and the environment are integrated into the purchasing process (see chapter 3, section 3.1.2).

SDG 9

Industry, innovation and infrastructure

Put our innovation to work for sustainable development and a circular economy:

- for employees: to develop solutions that anticipate market trends, the Group has introduced an innovation approach that integrates the challenges of sustainable development. It is thanks to innovation and the evaluation of the performance of solutions that the group is able to increase the avoidance of CO₂ emissions and to adapt its offer to the new opportunities linked to a fair and sustainable transition (see chapter 3, section 3.1.);
- for civil society: Saint-Gobain has been a member of the WBCSD Board with responsibility for "climate, energy, the circular economy, towns and cities, and mobility" since 2017 (see chapter 3, section 3.3.1).

SDG 10

Reduced inequalities

Be inclusive by promoting equal opportunities:

- for employees: Saint-Gobain is working to create an environment conducive to fairness and equality, which is crucial to employees' professional growth, while fostering training and the cohesion of high-performance operational teams (see chapter 3, section 3.2.2. C);
- for local communities: wherever it is present, the Group is committed to promoting inclusion and diversity in all its forms: gender, nationalities, training, career paths, generational diversity, disabilities and ethnic and social origins (see chapter 3, section 3.2.2).

SDG 11

Sustainable cities and communities

Offer sustainable and affordable solutions in response to lifestyle changes in line with increasing urbanization:

- for customers: for Saint-Gobain, it is imperative to design sustainable solutions and to contribute to the construction of resilient cities, guaranteeing the wellbeing of individuals in a context of increasing resource scarcity and climate change (see chapter 3, section 3.3.2);
- for civil society: at the local level, the Group is forging partnerships with many players who share the same desire to promote more sustainable buildings. The Green Building Councils (GBC), a unique global network of national associations of construction professionals and players, are a key partner. (see chapter 3, section 3.3.1).

SDG 12

Responsible consumption and production

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

- for employees: the Climate Academy is a series of training courses made available to Saint-Gobain employees to inform them about the risks associated with climate change and to help them respond to environmental challenges (see chapter 3, section 3.3.1);
- for customers: Saint-Gobain designs, produces and distributes sustainable solutions that must adapt to new modalities: integrating more recycled or renewable materials to reduce the consumption of virgin raw materials and the consequences of their exploitation, in particular on biodiversity; extending the lifespan of products to reduce their environmental impact; facilitating the recycling or reuse of products at the end of their life cycle to succeed in satisfying the needs of the markets with a limited impact on natural resources (cf. chapter 3, section 3.4.2);



–for local communities: the sustainable resource management policy aims to promote responsible resource management in order to foster the transition to a circular economy. For example, the Group is committed through a policy called "Wood Purchasing" to fight deforestation by acting ethically and responsibly in the Group's value chain to preserve forests, the local populations living in them and biodiversity (see chapter 3, section 3.1.2. D. d).

SDG 13

Climate action

Contribute to the emergence of a sustainable economy aligned with the Paris Agreement:

- for customers: the innovative solutions developed by Saint-Gobain to improve the energy efficiency of buildings make it possible to reduce both the negative impact of construction on the climate and the energy bills of occupants, while at the same time improving their well-being (see chapter 3, section 3.3.2);
- for civil society: Saint-Gobain's ambition is to foster the emergence of a fair, sustainable economy aligned with the Paris Agreement in the countries where it operates (see chapter 3, section 3.3.1);
- for investors: Saint-Gobain is aligned with the recommendations of the Task Force on Financial Disclosure (TCFD) (see chapter 3, section 3.3.2) and published its first ESG Information Pack in 2022 (see chapter 2, section 2.1.3);
- for regulatory authorities: the Group takes part in the public debate on climate change (see chapter 3, section 3.2.1. B);
- for suppliers: the scope 3 control program involves suppliers in the negotiations conducted by the purchasing teams (see chapter 3, section 3.3.3). At the same time, Saint-Gobain encourages suppliers to reduce their carbon footprint through its Responsible Purchasing policy (see chapter 3, section 3.1.2. B).

SDG 16 Peace, justice and strong institutions

Share the Group's values with the stakeholders:

- for employees: the Group's responsible approach is based on its Code of Ethics: the Principles of Conduct and Action (see chapter 3, section 3.1.5);
- for suppliers: the Responsible Purchasing approach incorporates suppliers' compliance with the Suppliers Charter, based on the Principles of Conduct and Action (see chapter 3, section 3.1.5);
- for civil society: compliance with the law, the principles of the Code of Ethics and respect for human rights constitute the Group's fundamental values (see chapter 3, section 3.1.5).

SDG 17

Partnerships to achieve the objectives

Promote multi-stakeholder cooperation:

- for employees: through its commitments, the Group ensures decent working conditions and fights against practices that do not comply with its Code of Ethics and its human rights policy (see chapter 3, section 3.2.1. A);
- for suppliers: Saint-Gobain also encourages its partners, particularly its suppliers, to commit to the ten principles of the United Nations Global Compact (see chapter 3, section 3.2.1);
- for regulatory authorities: the Group participates in the public debate on the major issues it faces, such as climate change or the transition to a circular economy (see chapter 3, section 3.2.1. B);
- for civil society: through its positions, commitments and partnerships, Saint-Gobain is working towards a fair and sustainable transition (see chapter 3, section 3.3).

5 CORPORATE GOVERNANCE

5.1 COMPOSITION AND OPERATION OF THE GOVERNING BODIES

The following sections 5.1.1 p. 156 and 5.1.2 p. 171 prepared with the assistance of the Board's Nomination and Remuneration Committee and the Lead independent Director, hereby report, pursuant to Articles L. 225-37 et seq. and L. 22-10-10 et seq. of the French Commercial Code, the composition of the Board and the conditions for the preparation and organization of the Board's works (see section 5.4 p. 216 for the entire report of the Board of Directors on corporate governance).

Compliance with the AFEP-MEDEF Corporate Governance Code

Compagnie de Saint-Gobain refers to and complies with the AFEP-MEDEF Corporate Governance Code for French listed companies in its updated version of December 2022, which may be found on the AFEP website at the following address: www.afep.com

The Company's practices comply with all recommendations contained in the AFEP-MEDEF Code (the "AFEP-MEDEF Code").

AFEP-MEDEF Code recommendation revoked	Saint-Gobain practice and justification
None	None

5.1.1 COMPOSITION OF THE BOARD OF DIRECTORS

Members of the Board of Directors

The Board of Directors consists of the 14 members named below, appointed for four-year terms, including one Director representing employee shareholders and two Employee Directors, appointed in accordance with the law, and one Lead independent Director, in charge of overseeing the efficient running of the Company's governance bodies.

73% independent directors

99% attendance rate

1 lead independent director

45% women

2 employee directors

1 director representing employee shareholders

The table below gives a general overview of the members of the Board of Directors and its Committees as at February 1, 2023:

Name	Age	Independent ^(a)	Other terms ^(e)	ARC ^(f)	NRC ^(g)	CSRC ^(h)
Pierre-André de Chalendar	64	No	2			
Benoit Bazin	54	No	1			
Jean-François Cirelli	64	Yes	0		(P) ⁽ⁱ⁾	
Lydie Cortes	51	No ^(b)	0		(M)	
Sibylle Daunis-Opfermann	48	No ^(c)	0			
Thierry Delaporte	55	Yes	1			
Lina Ghotmeh	42	Yes	0			(M)



Name	Age	Independent ^(a)	Other terms ^(a)	ARC ^(f)	NRC ^(g)	CSRC ^(h)
Iêda Gomes Yell	66	Yes	0	(M) ⁽ⁱ⁾		
Pamela Knapp	64	Yes	2	(P)		
Agnès Lemarchand	68	Yes	2	(M)		(P)
Dominique Leroy	58	Yes	3 ⁽ⁱ⁾		(M)	
Gilles Schnepf	64	No	2	(M)		
Jean-Dominique Senard ^(d)	69	Yes	1			(M)
Philippe Thibaudet	42	No ^(b)	0			(M)
NUMBER OF MEETINGS ^(k)			Board: 9	ARC: 4	NRC: 4	CSRC: 4
ATTENDANCE RATE			99%	93%	93%	100%
Name						Years of seniority
Pierre-André de Chalendar						16.5
Benoit Bazin						1.5
Jean-François Cirelli						2.5
Lydie Cortes						4.5
Sibylle Daunis-Opfermann						2.5
Thierry Delaporte						0.5
Lina Ghotmeh						1.0
Iêda Gomes Yell						6.5
Pamela Knapp						9.5
Agnès Lemarchand						9.5
Dominique Leroy						5.5
Gilles Schnepf						13.5
Jean-Dominique Senard ^(d)						10.5
Philippe Thibaudet						4.5
NUMBER OF MEETINGS ^(k)						
ATTENDANCE RATE						

^(a) According to the criteria set forth in Recommendation 10.5 of the AFEP-MEDEF Code, see section 5.1.1 p. 156 for more details.

^(b) Employee Director, appointed pursuant to the law, not included in the calculation of the Director independence ratio on the Board of Directors, in compliance with the recommendations of the AFEP-MEDEF Code, nor in the gender parity ratio on the Board of Directors, in accordance with the law.

^(c) Director representing employee shareholders, not included in the calculation of the ratio of independent Directors on the Board of Directors, in accordance with the recommendations of the AFEP-MEDEF Code, and gender parity on the Board of Directors, in accordance with the law.

^(d) Lead independent Director.

^(e) Held within listed companies (excluding Compagnie de Saint-Gobain).

^(f) Audit and Risk Committee.

^(g) Nomination and Remuneration Committee.

^(h) Corporate Social Responsibility Committee.

⁽ⁱ⁾ Member of a Committee.

^(j) Chairperson of a Committee.

^(k) For the period from January 1, 2022 to December 31, 2022.

^(l) Dominique Leroy holds all her offices within Deutsche Telekom AG Group. T-Mobile USA (USA) and OTE (Greece) being companies controlled by Deutsche Telekom AG.

Each year, specifically on the occasion of its assessment, the Board of Directors considers the desirable balance of its composition and that of the Committees. Regarding the diversity and internationalization of the Saint-Gobain Group's activities, it specifically provides for the presence of Directors with international experience, and ensures that the profiles and competencies represented at the Board reflect, to the greatest possible extent, the diversity of challenges the Group may face, to guarantee to shareholders and the market that its tasks are executed with the necessary competency, independence and objectivity.

The following biographies show the members of the Board of Directors as of February 1, 2023, their experience and their respective expertise, and the principal offices and functions they exercise or have exercised outside the Group over the past five years, to the best of the Company's knowledge.

PIERRE-ANDRÉ DE CHALENDAR

Chairman of the Board of Directors

Principal office held: Chairman of the Board of Directors of Compagnie de Saint-Gobain Compagnie de Saint-Gobain - "Tour Saint-Gobain" - 12, place de l'Iris - 92400 Courbevoie

64 years old

Nationality: French

Number of shares held: 375 945

Date of first election: June 2006

Term start date: June 2022

Term end date of Director: General Shareholders' Meeting convened to approve the financial statements for fiscal year 2025

EXPERTISE AND EXPERIENCE

Mr. Pierre-André de Chalendar joined Compagnie de Saint-Gobain as Corporate Planning Director on October 1, 1989.

Appointed Director of Abrasives Europe (1992-1996), then of the Abrasives Division (1996-2000), the Head Office of which was located in Worcester, United States, before being named Vice President for the United Kingdom and the Republic of Ireland (2000-2002), Mr. Pierre-André de Chalendar was named Senior Vice President of Compagnie de Saint-Gobain in charge of the Building Distribution Sector in 2003.

Appointed Chief Operating Officer of Compagnie de Saint-Gobain in May 2005 and elected Director in June 2006, he was appointed Chief Executive Officer of Compagnie de Saint-Gobain in June 2007 then Chairman and Chief Executive Officer in June 2010, a position held until June 2021. Since July 2021, Mr. Pierre-André de Chalendar has been Chairman of the Board of Directors of Compagnie de Saint-Gobain.

Mr. Pierre-André de Chalendar has also been a Director of BNP Paribas since 2012, Chairman of its Compensation Committee and member of its Governance, Ethics, Nominations and CSR Committee. He has also been a Director of Veolia Environnement since 2021 and a member of its Nomination Committee.

His offices and duties held outside the Group over the past five years are described below.

Mr. Pierre-André de Chalendar has been a Director of Compagnie de Saint-Gobain since June 2006.



Offices and duties held outside the Group

• Director, Chairman of the Compensation Committee and member of the Governance, Ethics, Nomination and CSR Committee of BNP Paribas*

• Director and member of the Nomination Committee of Veolia Environnement*

• Director of Bpifrance

* Listed company.

Other offices held outside the Group and expired over the past five years

None

BENOIT BAZIN

Director

Principal office held: Chief Executive Officer of Compagnie de Saint-Gobain

Compagnie de Saint-Gobain - "Tour Saint-Gobain" - 12, place de l'Iris - 92400 Courbevoie, France

54 years old

Nationality: French

Number of shares held: 96 963

Date of first election: June 2021

Term start date: June 2021

Term end date: General Shareholders' Meeting convened to approve the financial statements for fiscal year 2024

EXPERTISE AND EXPERIENCE

After studying in France and in the United States, and spending four years at the Interministerial Committee on Industrial Restructuring (ICIR) and the Treasury Department within the French Ministry of Finance, Mr. Benoit Bazin joined Saint-Gobain in 1999. He held various positions in France, including Corporate Planning Director from 2000 to 2002, and, starting in 2002, in the United States, in a general management role within High-Performance Materials, before taking the Chief Financial Officer role of Compagnie de Saint-Gobain in 2005. From 2009 to the end of 2015, Mr. Benoit Bazin headed the Building Distribution Sector. In 2010, he was appointed Senior Vice President of Compagnie de Saint-Gobain. From 2016 to the end of 2018, Mr. Benoit Bazin headed the Construction Products Sector. During 2017, he was President and CEO of CertainTeed Corporation in the United States. Appointed Chief Operating Officer of Compagnie de Saint-Gobain on January 1, 2019, then Director on June 3, 2021, he was appointed Chief Executive Officer of Compagnie de Saint-Gobain as from July 1, 2021.

In addition, Mr. Benoit Bazin was appointed Director of Vinci in 2020; as such, he is Chairman of the Strategy and CSR Committee and member of the Nomination and Governance Committee. He was also a Director and member of the Audit and Risk Committee of Essilor between 2009 and 2017, and Chairman of the Audit and Risk Committee from May 2016 to March 2017. He is also Director of the Cité de l'Architecture et du Patrimoine.

Offices and duties held outside the Group

• Director and Chairman of the Strategy and CSR Committee and member of the Nomination and Governance Committee of Vinci*

* Listed company.

Other offices held outside the Group and expired over the past five years

None

JEAN-FRANÇOIS CIRELLI



Independent Director

Chairman of the Nomination and Remuneration Committee

Principal office held: Chairman of BlackRock France, Belgium and Luxembourg⁽¹⁾

BlackRock France - 16, rue du 4 Septembre - 75002 Paris, France

64 years old

Nationality: French

Number of shares held: 800

Date of first election: June 2020

Term start date: June 2020

Term end date: General Shareholders' Meeting convened to approve the financial statements for fiscal year 2023

EXPERTISE AND EXPERIENCE

Mr. Jean-François Cirelli began his professional career at the Treasury Department of the French Ministry of Economy and Finance, holding several positions, from 1985 to 1995 where he was in particular in charge of housing policy. In 1995, he was appointed Economic Advisor to the President of the Republic. In 2002, he was appointed Deputy Director of the Prime Minister's Office, more specifically in charge of economic, industrial and social issues.

Mr. Jean-François Cirelli was appointed Chairman and Chief Executive Officer of Gaz de France in 2004, an office he held until 2008. From 2008 to 2014, he was Vice Chairman and Chief Operating Officer of GDF SUEZ (now ENGIE). From 2012 to 2014, he also managed all of GDF SUEZ's Energy activities in Europe.

Since 2016, he has been Senior Advisor at Advent International and Chairman of BlackRock France, Belgium and Luxembourg. He has been a member of the Board of Directors of Idemia since 2017. He has also been a member of the Orientation Board of Sonepar SAS and a member of the Supervisory Board of Saur SAS since 2018 as well as a member of the Board of Directors of MET Holding AG since 2019.

Mr. Jean-François Cirelli has been a Director of Compagnie de Saint-Gobain since June 2020.

Offices and duties held outside the Group

• Chairman of BlackRock France, Belgium and Luxembourg

• Senior Advisor of Advent International

• Director of Idemia

• Director of Saur

• Director of MET Holding AG** (Switzerland)

Other offices held outside the Group and expired over the past five years

• Member of the Supervisory Board of Uniper SE* (Germany) (2017-2020)

⁽¹⁾ Director as an individual, and not as a BlackRock representative, Mr. Jean-François Cirelli does not represent BlackRock on the Board of Directors.

* Listed company.

** Non-listed foreign company.

LYDIE CORTES

Employee Director



Member of the Nomination and Remuneration Committee

Principal office held: Product Safety Coordinator

Saint-Gobain Weber France - D 1083 - Le Grand Étang - 01960 Servas, France

51 years old

Nationality: French

Number of shares held: 7

Date of first election: May 2018

Term start date: June 2022

Term end date: General Shareholders' Meeting convened to approve the financial statements for fiscal year 2025

EXPERTISE AND EXPERIENCE

Mrs. Lydie Cortes joined the Saint-Gobain Group in 1992, working at the Saint-Gobain Weber research and development laboratory on the Servas site, where she performed various functions, first as a color development and control technician, then as a technician for the development of control methods for finished pulp goods. From 1999 to 2012, she was an R&D technician for the formulation of finished powder goods.

Since 1996, Mrs. Lydie Cortes has held various elected and union offices, including member of the Works Committee, Employee Representative and member of the Saint-Gobain Weber CHSCT, and, since 2004, CFDT Central Trade Union Representative.

Since 2007, Mrs. Lydie Cortes has been a member of the Company's Works Council, and in 2010, she was elected Secretary of the European Convention and to the Saint-Gobain Select Committee.

Mrs. Lydie Cortes has been the Product Safety Coordinator (management and assessment of product hazard classes, awareness and prevention of the use and handling of chemicals) at Saint-Gobain Weber France since 2012.

Mrs. Lydie Cortes has been a Director of Compagnie de Saint-Gobain since June 2018.

Offices and duties held outside the Group

None

Other offices held outside the Group and expired over the past five years

None

SIBYLLE DAUNIS-OPFERMANN

Director representing employee shareholders Principal office held: Chief Executive Officer of PUM PUM - 4 rue René Francart - 51100 Reims

48 years old

Nationality: French

Number of shares held: 2,158

Date of first election: March 2020

Term start date: June 2021

Term end date: General Shareholders' Meeting convened to approve the financial statements for fiscal year 2024

EXPERTISE AND EXPERIENCE



Mrs. Sibylle Daunis-Opfermann began her career in 1996 in an SME in the automotive sector, where she was responsible for optimizing the non-production purchases of large groups in the automotive subcontracting sector.

In 1998, she joined the Welding activity of the Air Liquide Group, where she held the position of deputy to the head of Production Purchasing, before joining the Marketing Department and being in charge of the management of the whole trading products.

In 2001, she joined Virax, a Facom Group company specialized in plumber's tools, as purchasing manager.

In 2005, she joined the Saint-Gobain Group, within PUM Plastiques, where she was deputy to the Purchasing Director. She held this position until 2010 before being appointed head of Marketing and Purchasing. In 2013, she was entrusted, in addition to her duties, with the digitalization of the trading brand, and with the function of Head of the Communication Department.

Since September 2016 she has been Chief Executive Officer of PUM.

Mrs. Sibylle Daunis-Opfermann has been a Director of Compagnie de Saint-Gobain since March 2020.

Offices and duties held outside the Group

None

Other offices held outside the Group and expired over the past five years

None

THIERRY DELAPORTE

Independent Director

Principal office held: Chief Executive Officer of Wipro Limited

Bangalore, India

55 years old

Nationality: French

Number of shares held: 1,795

Date of first election: June 2022

Term start date: June 2022

Term end date: General Shareholders' Meeting convened to approve the financial statements for fiscal year 2025

EXPERTISE AND EXPERIENCE

Mr. Thierry Delaporte began his career in 1992 at the consulting firm Arthur Andersen before joining Capgemini Group in 1995. He first held various financial positions, including Chief Financial Officer for Southern Europe, then Asia-Pacific. He then spent nearly 15 years in the United States in the financial and operational management functions; in this capacity, he was Chief Financial Officer of North America, Chief Executive Officer of the global strategic international financial services unit and then Chief Executive Officer of the Latin America region. In 2017, he was appointed Chief Operating Officer of the Group, an office he held until 2020.

In June 2020, he joined Wipro Limited, a company headquartered in Bangalore, listed on the NYSE (New York Stock Exchange) and the BSE (Bombay Stock Exchange), the world leader in information technology, as Chief Executive Officer.

Mr. Thierry Delaporte has been a Director of Compagnie de Saint-Gobain since June 2022.

Offices and duties held outside the Group

• Chief Executive Officer of Wipro Limited* (India)

Other offices held outside the Group and expired over the past five years

None

* Listed company.

LINA GHOTMEH

Independent Director

Member of the Corporate Social Responsibility Committee

Principal office held: Architect

Compagnie de Saint-Gobain - "Tour Saint-Gobain" - 12, place de l'Iris - 92400 Courbevoie,

France

42 years old

Nationalities: French, Lebanese

Number of shares held: 800

Date of first election: November 2021

Term start date: November 2021

Term end date: General Shareholders' Meeting convened to approve the financial statements for fiscal year 2022

EXPERTISE AND EXPERIENCE

Mrs. Lina Ghotmeh is a particularly renowned architect on the international scene. She is leading her own studio, Lina Ghotmeh - Architecture, in Paris and works with a multicultural team to produce architectural designs in France and abroad.

She has received numerous awards, including the 2008 AJAP prize from the French Ministry of Culture, the 2016 DEJEAN prize from the Académie d'Architecture, the 2016 Grand Prix Afex, the 2019 Pierre Cardin prize from the Académie des Beaux-Arts de Paris, and more recently, the 2020 Tamayouz "Woman of Outstanding Achievement" Award and the 2020 Schelling Foundation Prix d'Architecture. She has also been nominated for the Moira Gemmill Prize, a British award.

Her work was exhibited at the 17th Venice Biennale of Architecture and is frequently published, notably in works of Phaidon and RIBA, or in the reviews AA, Domus and Architectural Record.

She teaches at the Yale School of Architecture in the United States, at the University of Toronto in Canada and has taught at the École Spéciale d'Architecture. She has lectured at several institutions including Columbia University in the United States, Parsons School in France and the Royal College of Art in the United Kingdom. Mrs. Lina Ghotmeh has been a Director of Compagnie de Saint-Gobain since November 2021.

Offices and duties held outside the Group

• President of Lina Ghotmeh Architecture

Other offices held outside the Group and expired over the past five years

None

IÊDA GOMES YELL

Independent Director

Member of the Audit and Risk Committee

Principal office held: Research fellow and Director of Companies

Compagnie de Saint-Gobain - "Tour Saint-Gobain" - 12, place de l'Iris - 92400 Courbevoie, France

66 years old

Nationalities: Brazilian, British

Number of shares held: 800

Date of first election: June 2016

Term start date: June 2020

Term end date: General Shareholders' Meeting convened to approve the financial statements for fiscal year 2023

EXPERTISE AND EXPERIENCE

Mrs. Iêda Gomes Yell was Chief Executive Officer of Companhia de Gas de São Paulo from 1995 to 1998.

She then held various senior positions within the BP Group, in particular as Vice President of Pan American Energy (1998-1999), Vice President of Regulatory Affairs (1999-2000), Chairwoman of BP Brazil (2000-2002), Vice President of Development of BP Solar (2002-2004), and Vice Chairwoman of BP Integrated Supply and Trading (2004-2011). She was also a member of the Board of BP Brasil Ltd and BP Egypt Investments Ltd up to 2011. Mrs. Iêda Gomes Yell was also Vice President of New Ventures for the Middle East and South Asia (2004-2011) and Independent Chairwoman of British Taekwondo Ltd. (2011-2016).

She has also held several senior positions within professional organizations (the Brazilian Association of Infrastructure, the International Gas Union, the US Civil Engineering Foundation and the Brazilian Association of Gas Distribution Companies).

In 2011, she founded Energix Strategy Ltd, a consulting company on the energy markets based in Warrington that she chaired until October 2017.

In addition, Mrs. Iêda Gomes Yell serves as Director of the Department of the Infrastructure of the Federation of the State Industry of São Paulo (since 2012), Councilor to the Brazilian Chamber of Commerce of England, member of the Advisory Board of the Fundação Getúlio Vargas Energia and Director and co-founder of WILL Latam, a non-profit organization for the development of women executives (since 2014). Mrs. Iêda Gomes Yell has been a visiting research fellow at the Oxford Institute for Energy Studies since September 2012. In October 2020, she became a representative of energy consumers at the Isle of Man Climate Change Citizens Forum.

Her other offices and positions held during the last five years are described below.

Mrs. Iêda Gomes Yell has been a Director of Compagnie de Saint-Gobain since June 2016.

Offices and duties held outside the Group	Other offices held outside the Group and expired over the past five years
<ul style="list-style-type: none"> • Director and Chairwoman of the Strategy Committee and member of the Human Resources, Compliance and Sustainable Development Committee of Prumo Logística SA** (Brazil) 	<ul style="list-style-type: none"> • Director and Chairwoman of the Nomination, Sustainable Development and Governance Committee and Human Capital and Remuneration Committee of Exterran Corporation* (United States) (2015-2022)
<ul style="list-style-type: none"> • Director and member of the Nomination Committee of The Institute of Directors** (United Kingdom) (2021-2022) 	<ul style="list-style-type: none"> • Director and member of the Audit and Risk Committee and of the Strategic Committee of Bureau Veritas* (2013-2021)
<ul style="list-style-type: none"> • Director of The Business Agency Isle of Man* (Isle of Man) 	<ul style="list-style-type: none"> • Director and Chairwoman of the Governance Committee of InterEnergy Group Holdings** (2013-2020) • Director and Chairwoman of the Compliance Committee of Odebrecht SA (Brazil) (2018-2019)

* Listed company.

** Non-listed foreign company.

PAMELA KNAPP

Independent Director

Chairwoman of the Audit and Risk Committee

Principal office held: Director of companies



Compagnie de Saint-Gobain - "Tour Saint-Gobain" - 12, place de l'Iris - 92400 Courbevoie, France

64 years old

Nationality: German

Number of shares held: 1,818

Date of first election: June 2013

Term start date: June 2021

Term end date: General Shareholders' Meeting convened to approve the financial statements for fiscal year 2024

EXPERTISE AND EXPERIENCE

Mrs. Pamela Knapp began her career in 1987 as an M&A consultant at Deutsche Bank Morgan Grenfell GmbH and Fuchs Consult GmbH.

In 1992, she was named Director of Strategic Projects, then of the Maintenance & Services Branch in the Transportation Systems Division of the Siemens Group, where she served until 1997. From 1998 to 2000, she was a Board member and Chief Financial Officer (CFO) of Siemens SA, Belgium and Luxembourg.

In 2000, she became Director of the Siemens Group's central Corporate Development Executives Department then, starting in 2004, Board member and Chief Financial Officer of the Power Transmission and Distribution Division of the Siemens Group, until 2009. From 2009 until October 2014, she was a member of the Management Board of GfK SE.

Since June 2020, she has been a member of the Monopoly Commission (Monopolkommission), which advises the German Minister of the Economy on competition issues.

Her other offices and positions held during the last five years are described below.

Mrs. Pamela Knapp has been a Director of Compagnie de Saint-Gobain since June 2013.

Offices and duties held outside the Group	Other offices held outside the Group and expired over the past five years
<ul style="list-style-type: none"> • Member of the Supervisory Board and Chairwoman of the Audit Committee of Lanxess AG* (Germany) 	<ul style="list-style-type: none"> • Member of the Supervisory Board, the Nomination, Remuneration and Governance Committee and the Finance and Audit Committee of Peugeot SA* (2011-2021)
<ul style="list-style-type: none"> • Member of the Supervisory Board and Chairwoman of the Audit Committee of Signify NV* (Netherlands) 	<ul style="list-style-type: none"> • Director and member of the Audit Committee of NV Bekaert* (Belgium) (2016-2020) • Director of HKP Group AG (Switzerland) (2013-2019)
	<ul style="list-style-type: none"> • Director and member of the Audit Committee of Panalpina World Transport (Holding) Ltd* (Switzerland) (2015-2019)

* Listed company.

AGNÈS LEMARCHAND

Independent Director

Chairwoman of the Corporate Social Responsibility Committee

Member of the Audit and Risk Committee

Principal office held: Director of companies



Compagnie de Saint-Gobain - "Tour Saint-Gobain" - 12, place de l'Iris - 92400 Courbevoie, France

68 years old

Nationality: French

Number of shares held: 2,252

Date of first election: June 2013

Term start date: June 2021

Term end date: General Shareholders' Meeting convened to approve the financial statements for fiscal year 2024

EXPERTISE AND EXPERIENCE

Mrs. Agnès Lemarchand began her professional life with various operational responsibilities within the Rhône-Poulenc Group from 1980 to 1985.

Appointed in 1986 as Chief Executive Officer of Industrie Biologique Française (IBF), she created IBF Biotechnics, a subsidiary of the Rhône-Poulenc Group and the Institut Mérieux, in the United States in 1987, of which she was appointed Chairwoman and Chief Executive Officer.

In 1991, she joined the Ciments Français Group as Chief Executive Officer of Prodical, an industrial minerals subsidiary which she led from 1991 to 1996. She joined the Lafarge Group in 1997, held the position of head of strategy for the Specialty Materials branch, then in 1999 was appointed Chairwoman and Chief Executive Officer of Lafarge Chaux.

In 2004, she took over, together with its senior executives, the Lafarge Chaux subsidiary in the United Kingdom and founded Steetley Dolomite Limited, where she served as executive Chairwoman for 10 years before selling the company to the Lhoist industrial group. Mrs. Agnès Lemarchand was a member of the Supervisory Board of Mersen from 2007 to 2013 and a member of the Economic, Social and Environmental Council (economic activities section) from 2012 to 2014. She is a member of the ESG Committee of the Institut Français des Administrateurs (the French Institute of Directors). She was also President of COMDEV from April 2021 to August 2022.

Her other offices and positions held during the last five years are described below.

Mrs. Agnès Lemarchand has been a Director of Compagnie de Saint-Gobain since June 2013.

Offices and duties held outside the Group

- Director and member of the Nomination and Remuneration Committee of Solvay SA* (Belgium)
- Director and member of the Audit Committee of BioMérieux*

Other offices held outside the Group and expired over the past five years

- President of COMDEV (2021-2022)
- President of Orchard SAS (2014-2019)

* Listed company.

DOMINIQUE LEROY

Independent Director

Member of the Nomination and Remuneration Committee

Principal office held: Member of the Management Board of Deutsche Telekom AG and Chief executive officer for Europe

Friedrich-Ebert-Allee 140, 53113 Bonn, Germany

58 years old

Nationality: Belgian



Number of shares held: 1,000

Date of first election: November 2017

Term start date: June 2019

Term end date: General Shareholders' Meeting convened to approve the financial statements for fiscal year 2022

EXPERTISE AND EXPERIENCE

Mrs. Dominique Leroy held various positions at Unilever Belgium and Benelux for 24 years. Having started out in marketing, finance and client development, between 1999 and 2006 she was appointed first Director of Operations Division, then Director of Logistics and finally Director of Client Development at Unilever Foods Belgium. Up to 2011, she was then Director of Client Development and member of the Management Committee, then Managing Director of Unilever Benelux, where she also sat on the Management Committee from 2008 to 2011.

In 2011, she joined Proximus Group (formerly Belgacom) as Vice Chairwoman with responsibility for sales and e-business for the Consumer Business Unit, before becoming its Executive Vice Chairwoman in June 2012. Between January 2014 and September 2019, Mrs. Dominique Leroy was Chief Executive Officer of Proximus Group, listed on the first market of Euronext Brussels. At Proximus Group, she also chaired the Boards of Directors of BICS and Be-Mobile and was a Director of Proximus Art.

Since November 2020, she has been a member of the Management Board of Deutsche Telekom AG* for Europe.

Mrs. Dominique Leroy has been Senior Advisor of Ergon Capital Partners since May 2020. She is also member of the Board of Directors of T-Mobile USA and OTE (Greece), companies controlled by Deutsche Telekom AG. She chaired the International Advisory Board of the Solvay Brussels School of Economics and Management until October 2019.

Her other offices and positions held during the last five years are described below.

Mrs. Dominique Leroy has been a Director of Compagnie de Saint-Gobain since November 2017.

Offices and duties held outside the Group	Other offices held outside the Group and expired over the past five years
<ul style="list-style-type: none"> • Member of the Management Board of Deutsche Telekom AG* and Chief executive officer for Europe (Germany) 	<ul style="list-style-type: none"> • Member of the Supervisory Board, the Governance and Nomination Committee, the Risk Management Committee and the Sustainable Development and Innovation Committee of Ahold Delhaize* (Netherlands) (2016-2021)
<ul style="list-style-type: none"> • Member of the Board of Directors of T-Mobile USA* (United States), company controlled by Deutsche Telekom AG* 	<ul style="list-style-type: none"> • Senior Advisor of Bain & Company (Belgium) (2019-2020)
<ul style="list-style-type: none"> • Member of the Board of Directors of OTE* (Greece) a subsidiary more than 50% owned by Deutsche Telekom AG* 	<ul style="list-style-type: none"> • Chief Executive Officer of Proximus* (Belgium) (2014-2019)
	<ul style="list-style-type: none"> • Director and Chairwoman of the Audit Committee of Lotus Bakeries* (2009-2018)

* Listed company.

GILLES SCHNEPP

Director

Member of the Audit and Risk Committee

Principal office held: Chairman of the Board of Directors of Danone

Compagnie de Saint-Gobain - "Tour Saint-Gobain" - 12 place de l'Iris - 92400 Courbevoie, France

64 years old

Nationality: French

Number of shares held: 800

Date of first election: June 2009

Term start date: June 2021

Term end date: General Shareholders' Meeting convened to approve the financial statements for fiscal year 2024

EXPERTISE AND EXPERIENCE

Mr. Gilles Schnepf began his career at Merrill Lynch in 1983 and was appointed head of the Bonds and Derivatives Departments in 1988. In 1989, he joined the Legrand Group where he held several positions including that of Corporate Secretary and Chief Financial Officer, before being appointed Chief Operating Officer (2000), member of the Management Committee and Director (2001), Vice Chairman and Chief Executive Officer (2004), Chairman and Chief Executive Officer of Legrand (2006) and Chairman of the Board of Directors (2018), a term he held until June 2020.

Between 2019 and 2021 he was Vice Chairman and Senior Independent Member of the Supervisory Board of Peugeot SA and Chairman of the Nomination, Remuneration and Governance Committee and member of the Finance and Audit Committee. Since May 2020, he has been a Director of Sanofi and, since December 2020, of Danone and was appointed Chairman of Danone's Board on March 15, 2021.

His other offices and positions held during the last five years are described below. He has also been a member of the Board of Directors of Socotec since 2022.

Mr. Gilles Schnepf has been a Director of Compagnie de Saint-Gobain since June 2009.

Offices and duties held outside the Group

- Chairman of the Board of Directors of Danone* and member of its Strategy & Transformation Committee
- Director, Chairman of the Nomination, Governance and CSR Committee and member of the Strategic Thinking Committee of Sanofi†
- Director of Socotec

Other offices held outside the Group and expired over the past five years

- Director of Legrand* (2002-2022)
- Vice Chairman and Senior Independent Member of the Supervisory Board, Chairman of the Nomination, Remuneration and Governance Committee and member of the Finance and Audit Committee of Peugeot SA* (2019-2021)
- Chairman and Chief Executive Officer (2006-2018) then Chairman of the Board of Directors (until 2020) of Legrand†

* Listed company.

JEAN-DOMINIQUE SENARD

Lead independent Director

Independent Director

Member of the Corporate Social Responsibility Committee

Principal office held: Chairman of the Board of Directors of Renault

Renault - 13, quai Alphonse le Gallo - 92100 Boulogne-Billancourt, France

69 years old

Nationality: French

Number of shares held: 7,685

Date of first election: June 2012

Term start date: June 2020

Term end date: General Shareholders' Meeting convened to approve the financial statements for fiscal year 2023

EXPERTISE AND EXPERIENCE

Mr. Jean-Dominique Senard began his career with various financial and operational responsibilities within the Total Group from September 1979 to September 1987, before working at Saint-Gobain from 1987 to 1996.

From September 1996 to March 2001, he was Chief Financial Officer of the Pechiney Group and member of the Group's Executive Committee. He then managed the Primary Aluminum Division of the Pechiney Group until 2004. Then, as member of the Alcan Group Executive Committee, he was in charge of Pechiney's integration and Chairman of Pechiney SA.

Mr. Jean-Dominique Senard joined Michelin in March 2005 as Chief Financial Officer and member of the Executive Council of the Michelin Group. In May 2007, he became Non-Limited Partner of the Michelin Group before being appointed Limited Managing Partner in May 2011 alongside Mr. Michel Rollier, and then Chairman from May 2012 to May 2019. Mr. Jean-Dominique Senard was a Director of SEB from 2009 to 2013.

Mr. Jean-Dominique Senard was co-opted as a new Director and elected Chairman of the Board of Directors of Renault on January 24, 2019.

His other offices and positions held during the last five years are described below.

Mr. Jean-Dominique Senard has been a Director of Compagnie de Saint-Gobain since June 2012.

Offices and duties held outside the Group	Other offices held outside the Group and expired over the past five years
• Chairman of the Board of Directors of Renault*	• Chairman of Michelin* (2012-2019)
• Director of Nissan Motor Co., Ltd. (Japan)** ,	
• Member of the Supervisory Board of Groupe Fives	
• Director of Groupe Center France - La Montagne SA	

* Listed company

** Listed foreign company

PHILIPPE THIBAUDET

Employee Director

Member of the Corporate Social Responsibility Committee

Principal office held: EHS Operations Manager

Saint-Gobain Isover - 19, rue Paul Sabatier - 71102 Chalons-sur-Saône, France

42 years old

Nationality: French

Number of shares held: 7

Date of first election: May 2018

Term start date: June 2022

Term end date: General Shareholders' Meeting convened to approve the financial statements for fiscal year 2025

EXPERTISE AND EXPERIENCE

Mr. Philippe Thibaudet has spent his professional career at the Saint-Gobain Isover Chalon-sur-Saône plant as a continuous-shift production operator.

He began his union career path very early on, first at the Chalon-sur-Saône plant, then in the central, national and European union organizations of the Saint-Gobain Group as representative of the CGT.

He has been responsible for industrial activity and collective bargaining in all professional sectors covered by the CGT National Federation of Glass and Ceramic Workers.

Within the Saint-Gobain Isover and the Saint-Gobain Group union organizations, he was an employee representative, member of the CHSCT, member of the Works Committee, member of the Central Works Council, secretary of the CHSCT, member of the Company's Works Council, member of the Convention for European Social Dialogue, Trade Union Delegate, SGI Central Trade Union Delegate and FNTVC-CGT Federal Secretary. Lastly, he was also the CWC Alternate Representative on the Isover Board of Directors.

Mr. Philippe Thibaudet has been EHS Officer at Saint-Gobain Isover in Chalon-sur-Saône since July 1, 2019.

Mr. Philippe Thibaudet has been a Director of Compagnie de Saint-Gobain since June 2018.

Offices and duties held outside the Group

None

Other offices held outside the Group and expired over the past five years

None

Independence, diversity policy and representation of employee shareholders and employees on the Board of Directors

Independence

The Board has carried out the annual review of each Director's situation with regard to the independence criteria set out in the AFEP-MEDEF Corporate Governance Code for French listed companies, with which the Company complies, at the proposal of the Nomination and Remuneration Committee.

The Board of Directors, at its meeting of February 23, 2023, also scrutinized, as it does every year, with vigilance and with the same attention as the other criteria, the business relationships that may exist between the Saint-Gobain Group and the other companies or groups where each Director holds office. In particular, Mr. Jean-Dominique Senard, Chairman of the Board of Directors of Renault, Mr. Gilles Schnepf, Chairman of the Board of Directors of Danone, Mrs. Dominique Leroy, member of the Board of Directors and Europe Chief Executive Officer of Deutsche Telekom AG, Mr. Jean-François Cirelli, Chairman of BlackRock France, Belgium and Luxembourg, Mrs. Lina Ghotmeh, Présidente of Lina Ghotmeh Architecture and Mr. Thierry Delaporte, Chief Executive Officer of Wipro Limited, who hold executive management positions or chairmanships of board of directors or supervisory bodies. The Board's review, described below, concluded that, with the exception of Mrs. Dominique Leroy and Mr. Jean-Dominique Senard, none of these Directors, nor any company or group within which they hold office as senior executives or exercise Board chairmanship functions (or supervisory board) has any business relationship with Compagnie de Saint-Gobain, its Group or its management.

As no business relationships exist between the groups Danone, BlackRock, Lina Ghotmeh Architecture or Wipro Limited on the one hand, and Saint-Gobain on the other, the Board conducted a quantitative and qualitative review of the situation of Mrs. Dominique Leroy and Mr. Jean-Dominique Senard and of business relationship between Deutsche Telekom and the Renault Alliance (Renault, Nissan, Mitsubishi), on the one hand, and Saint-Gobain, on the other.

Business flows between the Saint-Gobain and Deutsche Telekom groups represent less than 0.1% of their respective consolidated revenues, all activities combined and worldwide. Between the Renault Alliance and the Saint-Gobain group, business flows represent less than 0.1% of Renault's consolidated revenues and less than 0.5% of Saint-Gobain's consolidated revenues, all activities combined and worldwide. These figures are well below the 1% materiality threshold set by the Board. In addition, the Board of Directors noted that, given the organization of the Saint-Gobain Group, its size and the diversity of its activities, it is not the Board's role to intervene in the commercial relations of the Group's various business units, which are managed on a decentralized basis by the departments concerned. Furthermore, Mrs. Dominique Leroy and Mr. Jean-Dominique Senard, in their capacity as Directors of the Saint-Gobain Group, have no direct or indirect decision-making power in the establishment or maintenance of these business relationships. If, however, such an issue were to be discussed at a Board meeting, the Board's internal rules provide for rules on the management of conflicts of interest, under which the Director concerned would have the duty to inform the Chairman of the Board of Directors and the Lead Director of his or her situation and to abstain from participating in the discussions and deliberations on the matter in question (see section 9.1.1.B, p. 370).

On the basis of the above, the Board considered that Mrs. Dominique Leroy and Mr. Jean-Dominique Senard do not have, directly or indirectly, any significant business relationships with the Group that could affect their freedom of judgment or independence.

It should be noted that Mr. Jean-François Cirelli is a Director as an individual and not on the proposal of BlackRock which, at December 31, 2022, held 6.02% of the capital and 5.49% of the voting rights of the Company. Mr. Jean-François Cirelli does not represent BlackRock on the Board of Directors.

See conflicts of interest and statements regarding members of the Board of Directors section 5.1.1 p. 156 regarding conflicts of interest of members of the Board of Directors, and the absence of services contract between Directors and the Company or any Group entity.

The Board of Directors concluded from its review of Directors' independence against the criteria set down by the AFEP-MEDEF Code that, as of February 1, 2023, eight Directors out of eleven (i.e., 73%) completely satisfied the independence criteria, and were therefore considered to be independent Directors: Mrs. Lina Ghotmeh, Mrs. Iêda Gomes Yell, Mrs. Pamela Knapp, Mrs. Agnès Lemarchand, Mrs. Dominique Leroy, Mr. Jean-François Cirelli, Mr. Jean-Dominique Senard and Thierry Delaporte. In compliance with the recommendations of the AFEP-MEDEF Code, Mrs. Sibylle Daunis-Opfermann, representing employee shareholders, and Mrs. Lydie Cortes and Mr. Philippe Thibaudet, representing employees, were not included in calculating that proportion.

The table below summarizes the results of the independence review of each Director in relation to the criteria set out in the AFEP-MEDEF Code.

Director	Criteria ^(a)					
	Criterion 1: Employee or executive corporate officer during the previous 5 years	Criterion 2: Cross-directorships	Criterion 3: Significant business relationships	Criterion 4: Family ties	Criterion 5: Statutory Auditor	Criterion 6: Term of office of more than 12 years
Pierre-André de Chalendar	x	✓	✓	✓	✓	x
Benoit Bazin	x	✓	✓	✓	✓	✓
Jean-François Cirelli	✓	✓	✓	✓	✓	✓
Lydie Cortes	x	✓	✓	✓	✓	✓
Sibylle Daunis-Opfermann	x	✓	✓	✓	✓	✓
Thierry Delaporte	✓	✓	✓	✓	✓	✓
Lina Ghotmeh	✓	✓	✓	✓	✓	✓
Iêda Gomes Yell	✓	✓	✓	✓	✓	✓
Pamela Knapp	✓	✓	✓	✓	✓	✓
Agnès Lemarchand	✓	✓	✓	✓	✓	✓
Dominique Leroy	✓	✓	✓	✓	✓	✓
Gilles Schnepf	✓	✓	✓	✓	✓	x
Jean-Dominique Senard	✓	✓	✓	✓	✓	✓
Philippe Thibaudet	x	✓	✓	✓	✓	✓
Director	Criteria ^(a)		Criteria ^(a)			
	Criterion 7: Non-executive corporate officer	Criterion 8: Major shareholder	Criterion 7: Non-executive corporate officer	Criterion 8: Major shareholder		
Pierre-André de Chalendar	✓	✓				
Benoit Bazin	✓	✓				
Jean-François Cirelli	✓	✓ ^(b)				
Lydie Cortes	✓	✓				
Sibylle Daunis-Opfermann	✓	✓				
Thierry Delaporte	✓	✓				
Lina Ghotmeh	✓	✓				

Director	Criteria ^(a)	
	Criterion 7: Non-executive corporate officer	Criterion 8: Major shareholder
Iéda Gomes Yell	✓	✓
Pamela Knapp	✓	✓
Agnès Lemarchand	✓	✓
Dominique Leroy	✓	✓
Gilles Schnepf	✓	✓
Jean-Dominique Senard	✓	✓
Philippe Thibaudet	✓	✓

In this table, ✓ represents an independence criterion that has been met and x represents an independence criterion that has not been met.

^(a) According to the criteria set forth in Recommendation 10.5 of the AFEP-MEDEF Code: (i) not be or not have been within the previous five years an employee or executive corporate officer of Compagnie de Saint-Gobain or employee, executive corporate officer or Director of a company within the Compagnie de Saint-Gobain scope of consolidation, (ii) not hold a cross-directorship as defined by Recommendation 10.5.2 of the AFEP-MEDEF Code, (iii) not have a significant business relationship with the Saint-Gobain Group, (iv) not be related by close family ties to an executive corporate officer of Compagnie de Saint-Gobain, (v) not have been Statutory Auditor of Compagnie de Saint-Gobain within the previous five years and (vi) not be a Director of Compagnie de Saint-Gobain for more than twelve years, it being specified that the loss of the status of independent Director occurs on the date when this twelve years is reached, (vii) not receive, for a non-Executive Director, variable compensation in cash or in the form of shares or any compensation linked to the performance of Compagnie de Saint-Gobain or the Saint-Gobain Group, and (viii) not represent a major shareholder of Compagnie de Saint-Gobain.

^(b) Note that Mr. Jean-François Cirelli is a Director as an individual and not on the proposal of BlackRock which, at December 31, 2022, held 6.02% of the capital and 5.49% of the voting rights of the Company. Mr. Jean-François Cirelli does not represent BlackRock on the Board of Directors.

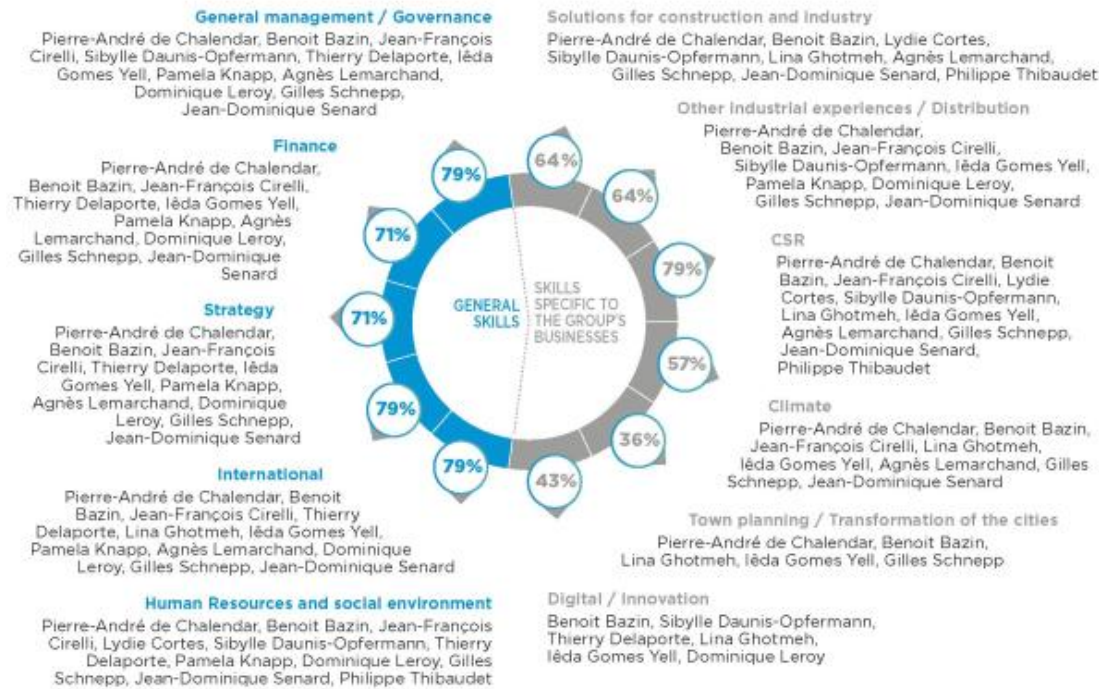
Diversity policy, complementarity of skills and Director experience

As of February 1, 2023, four members of the Board of Directors out of eleven (i.e., 36%) are of foreign nationality (Mrs. Sibylle Daunis-Opfermann, representing the employee shareholders, and Mrs. Lydie Cortes and Mr. Philippe Thibaudet, representing the employees, are not included to establish this percentage). Further, the majority of Directors has, or has had, very strong international exposure, managing groups with a significant proportion of their activities, or exercising significant duties, outside of France (see biographies section 5.1.1, p. 156).

In addition, as part of its assessment carried out during 2022 with the assistance of a specialist consulting firm (see Assessment of the Board's performance, section 5.1.2, p. 171), the Board of Directors assessed its composition very positively in terms of diversity, complementarity of sectoral and functional skills concerning knowledge of the industry or the Group's business lines (including construction) as well as innovation/digital technology, general management, strategy, finance, governance and/ or Corporate Social Responsibility (see biographies section 5.1.1, p. 158).

The Directors considered that it would be desirable to continue to reduce the age and broaden the international scope of the Board as part of future renewals, particularly those of Committee Chairmen/Chairwomen, over a three-year period, based on the needs resulting from the analysis of the skills matrix by the Nomination and Remuneration Committee and the Board, particularly by promoting the following research areas: a serving executive corporate officer or one with such experience within other major groups, a serving Chief Financial Officer, a Director from the construction value chain and/ or a Director with climate change skills.

The skills matrix below summarizes the skills of the members of the Board of Directors as of February 1, 2023:



Lastly, the Board intends to maintain balanced numbers of men and women (see the paragraph on "Gender parity" below).

Gender parity

As of February 1, 2023, the Board includes five women out of eleven members (45%), i.e., more than 40% women, in accordance with the provisions of Articles L. 225-17 et seq. of the French Commercial Code concerning the balanced representation of men and women on Boards of Directors. In accordance with the law, Mrs. Sibylle Daunis-Opfermann, who represents employee shareholders, and employee representatives Mrs. Lydie Cortes and Mr. Philippe Thibaudet are not counted when calculating this proportion. If they were included, the Board of Directors would have 50% women.

Representation of employee shareholders and employees

Mrs. Lydie Cortes and Mr. Philippe Thibaudet were appointed as Employee Directors by the Company's Works Council (Comité de Groupe) in accordance with the Company's bylaws. These were amended by the General Shareholders' Meeting of June 7, 2018 to provide for the appointment of two Employee Directors regardless of the size of the Board of Directors, even though, given its size, the law only required the appointment of one Employee Director. This initiative, in anticipation of the Pacte Law published in May 2019, is fully in line with Saint-Gobain's culture of social dialog.



Mrs. Sibylle Daunis-Opfermann, Director representing employee shareholders, was also appointed in accordance with the law.

The Employee Directors and the Director representing employee shareholders are members of the Board of Directors in the same way as the other Directors and have voting rights. Subject to the laws applying specifically to them, these Directors are subject to all legal and statutory provisions, have the same rights and are subject to the same duties, as fixed, in particular, by the Board's internal rules, as those applicable to the other Directors.

By law, one member of the Economic and Social Committee (Mr. Vincent Cotrel, elected by the members of the Economic and Social Committee and representing employees) holds a seat on the Board of Directors in a consultative capacity.

The Company bylaws and the Board's internal rules provide that each Director must hold a minimum of 800 registered shares, with the law exempting employee Directors, whether shareholders or not, from this type of obligation.

On February 1, 2023, all the shares held by the Directors (including Mr. Benoit Bazin) represented 0.10% of the Company's share capital.

Conflicts of interest and statements regarding members of the Board of Directors

To the best of Compagnie de Saint-Gobain's knowledge, as of February 1, 2023, there are no family relationships between the Company's Directors and, within the past five years, no Director has been found guilty of fraud, been associated with a bankruptcy, sequestration, liquidation or placed into court ordered administration, has been accused or received an official public sanction issued by a statutory or regulatory authority and/or been disqualified by a court from holding the office of a member of an administrative, management or supervisory body of an issuer of securities, or from taking part in managing or conducting an issuer's business.

To the best of Compagnie de Saint-Gobain's knowledge, there are no conflicts of interest between Compagnie de Saint-Gobain and the personal and professional activities of the members of its Board of Directors, and there are no service contracts between any members of the Board and either Compagnie de Saint-Gobain or any of its subsidiaries that provide for the conferral of benefits at the term of such contracts. The Lead independent Director reviewed for this purpose the responses provided by each Director to the questionnaire sent to them.

The Board's internal rules address conflicts of interest in the event such a situation arises: the concerned Director has the duty to inform the Chairman of the Board of Directors and the Lead independent Director thereof, and to refrain from participating in the discussions and deliberations on the subject in question (see section 9.1.1.B, p. 370).

Moreover, in accordance with Article L. 22-10-12 of the French Commercial Code, the Board has adopted a procedure for regularly assessing whether agreements relating to current operations and entered into under normal conditions meet these conditions. This procedure specifies in particular:

- the scope of the agreements at issue as well as a typology of the agreements that may be considered current for Compagnie de Saint-Gobain (excluding agreements that may be entered into with Directors); and
- the determination of the persons in charge, within the Corporate Secretariat, the Treasury and Financing Department, the Finance Department and the Corporate Legal Department, of the classification of such agreements depending on the nature of the agreements in question.

In 2022, no agreement falling within the scope of Article L. 225-38 of the French Commercial Code concerning related-party agreements was entered into between Compagnie de Saint-Gobain and its Directors.

Re-election of the Board of Directors and changes in its composition

The members of the Board of Directors may be re-elected in a staggered and balanced fashion as follows:

Date of expiration of the term of office	Director and date of first election
Upon completion of the General Shareholders' Meeting approving the financial statements for the fiscal year ended December 31, 2022	Dominique Leroy (November 2017)
	Lina Ghotmeh ^(a) (November 2021)
Upon completion of the General Shareholders' Meeting approving the financial statements for the fiscal year ended December 31, 2023	Jean-François Cirelli (June 2020)
	Iéda Gomes Yell (June 2016)
	Jean-Dominique Senard (June 2012)
Upon completion of the General Shareholders' Meeting approving the financial statements for the fiscal year ended December 31, 2024	Benoit Bazin (June 2021)



Date of expiration of the term of office	Director and date of first election
	Sibylle Daunis-Opfermann (March 2020)
	Pamela Knapp (June 2013)
	Agnès Lemarchand (June 2013)
	Gilles Schnepf (June 2009)
Upon completion of the General Shareholders' Meeting approving the financial statements for the fiscal year ended December 31, 2025	Pierre-André de Chalendar (June 2006)
	Thierry Delaporte (June 2021)
	Lydie Cortes (May 2018)
	Philippe Thibaudet (May 2018)

^(a) Lina Ghotmeh was co-opted by the Board of Directors on November 25, 2021, a co-option ratified at the General Shareholders' Meeting of June 2, 2022, to replace Mr. Denis Ranque, who resigned, for the remainder of his term of office, i.e., until the General Shareholders' Meeting of June 8, 2023.

The resolutions concerning the terms of office of Directors to be presented to the General Shareholders' Meeting of June 8, 2023 will be examined by the Board of Directors at its scheduled meeting in March 2023.

Summary of changes in the composition of the Board of Directors

The following table shows the changes in the composition of the Board of Directors in the 2022 fiscal year:

	General Shareholders' Meeting of June 2, 2022
Cessation of duties	Anne-Marie Idrac (June 2011) ^(a)
Renewal	Pierre-André de Chalendar (June 2006)
	Lydie Cortes (June 2018) ^(b)
	Philippe Thibaudet (June 2018) ^(b)
Proposed nomination/ratification	Thierry Delaporte ^(a)
	Lina Ghotmeh ^(a)

^(a) Independent Director.

^(b) Employee Director, not included in the ratio of independent Directors, in accordance with the recommendations of the AFEP-MEDEF Code.

The following table shows the changes in the composition of the Board with regard to independence, representation of women, and representation of foreign members at the end of the General Shareholders' Meetings of June 3, 2021 and June 2, 2022:

	As from the General Shareholders' Meeting of June 3, 2021	As from the General Shareholders' Meeting of June 2, 2022
Percentage of independent Directors ^(a)	64%	73%
Percentage of women ^(b)	45%	45%
Percentage of foreign nationals ^(c)	27%	36%

^(a) In accordance with the rules set by the AFEP-MEDEF Code.

^(b) Excluding Employee Directors and Directors representing employee shareholders. If they were included, the Board of Directors would have 50% women.

^(c) Excluding Employee Directors appointed under specific mandatory legal provisions.

Summary of changes in the composition of the Committees of the Board of Directors

The tables below show the changes in the composition of the three Committees of the Board of Directors during fiscal year 2022.

Audit and Risk Committee	Since the General Shareholders' Meeting of June 2, 2022
Chairperson	Pamela Knapp ^(a)
Members	Iéda Gomes Yell ^(a)
	Agnès Lemarchand ^(a)
	Gilles Schnepf

^(a) Independent Director.

Nomination and Remuneration Committee	Since the General Shareholders' Meeting of June 2, 2022
Chairperson	Jean-François Cirelli ^(a)
Members	Lydie Cortes ^(b)
	Dominique Leroy ^(a)

^(a) Independent Director.

^(b) Employee Director, not included in the ratio of independent Directors, in accordance with the recommendations of the AFEP-MEDEF Code.

Corporate Social Responsibility Committee	Since the General Shareholders' Meeting of June 2, 2022
Chairperson	Agnès Lemarchand ^(a)
Members	Lina Ghotmeh ^(a)
	Jean-Dominique Senard ^{(a) (b)}
	Philippe Thibaudet ^(c)

(a) Independent Director.

(b) Lead independent Director.

(c) Employee Director, not included in the ratio of independent Directors, in accordance with the recommendations of the AFEP-MEDEF Code.

5.1.2 OPERATION OF THE BOARD OF DIRECTORS

Governance structure: changes in governance and succession of General Management since July 1, 2021



Combination of the Chairman of the Board and CEO roles until June 30, 2021

At its meeting of June 3, 2010, the Board of Directors of Compagnie de Saint-Gobain resolved to recombine the roles of Chairman of the Board of Directors and Chief Executive Officer by appointing Mr. Pierre-André de Chalendar as Chairman and Chief Executive Officer.

The combination of the roles of Chairman of the Board of Directors and Chief Executive Officer, which were separated in June 2007 to ensure a smooth handover of powers from Mr. Jean-Louis Beffa, was decided following the cessation, by application of the age limit set out in the bylaws, of the role of Chairman of the Board of Mr. Jean-Louis Beffa, who subsequently became honorary Chairman of Compagnie de Saint-Gobain, to Mr. Pierre-André de Chalendar.

Having discussed the matter on numerous occasions since the combination of the roles, the Board of Directors had concluded that combining the two roles was in the best interests of the company as it was well suited to Saint-Gobain and to the experience and highly transparent approach of the Chairman and Chief Executive Officer, and it helped to ensure more responsive and efficient corporate governance and strategy implementation.

The assessment of the Board's work, repeated every year since 2013, showed that almost all the Directors were satisfied with the combination of functions. The Board wanted this to be maintained during this period, including, in 2018, when the term of office of Mr. Pierre-André de Chalendar was renewed.

Changes in Saint-Gobain governance and succession to the Group's General Management on July 1, 2021

In line with best corporate governance practices, the Board of Directors of Compagnie de Saint-Gobain has been working extensively since 2019 under the responsibility of the Lead independent Director and the Nomination and Remuneration Committee, and with the assistance of an independent recruitment firm, on preparing the succession of Mr. Pierre-André de Chalendar, Chairman and Chief Executive Officer since 2010.

As a result of this process, the Board of Directors deemed it essential for Saint-Gobain that there is a seamless transition, by separating the roles of Chairman and Chief Executive Officer. On the recommendation of Mr. Pierre-André de Chalendar, the Board unanimously decided to appoint Mr. Benoit Bazin as Chief Executive Officer, effective July 1, 2021.

Since that date, Mr. Pierre-André de Chalendar has continued to serve as Chairman of the Board of Directors, the General Shareholders' Meeting of June 2022 having renewed his term of office as Director and the Board of Directors of June 2, 2022 having reappointed him as Chairman of the Board of Directors. Note, however, that Mr. Pierre-André de Chalendar indicated to the Board of Directors that he would only serve as Chairman for a maximum period of two years, i.e., no later than until the General Shareholders' Meeting of June 2024.

The Board of Directors also decided to propose the appointment of Mr. Benoit Bazin as Director of Saint-Gobain to the General Shareholders' Meeting of June 3, 2021, a proposal that was approved.

This corporate governance formula is recognized as the best practice to enable listed companies to ensure the transition during the necessary period in the context of the succession of the Chairman and Chief Executive Officer.

The Chief Executive Officer is vested with the broadest authority to act under all circumstances on behalf of the Company de Saint-Gobain within the scope of its corporate purpose and subject to the limits set by law, the bylaws and/or internal rules of the Board of Directors (see section 5.1.3 p. 182 and section 9.1.1 p. 368).

It should also be emphasized that the balance of power is assured on the Board, guaranteeing compliance with the rules of governance, by:

- the specific role played in respect of governance matters and management of conflicts of interests by the Lead independent Director, a position held by Mr. Jean-Dominique Senard, an independent Director (see below);
- the ability of the Directors to meet in the absence of the executive corporate officers during or after a Board meeting (see operating rules of the Board of Directors - internal rules, section 5.1.2 p. 171 and section 9.1.1 p. 368); and
- the limitation of the powers of the executive corporate officers regarding all capital expenditures, restructuring, disposals, acquisitions and financial investment and divestment projects in individual amounts greater than €150 million, and any material transaction that fall outside the scope of the Saint-Gobain Group's stated strategy, requiring the prior approval of the Board of Directors (see operating rules of the Board of Directors - internal rules, section 5.1.2 p. 171 and section 9.1.1 p. 368).

To this should be added:

- the role played by all members of the Board - especially, but not only, independent Directors, who account for 73% of the Board of Directors, three quarters of members of the Audit and Risk Committee and 100% of the members of the Nomination and Remuneration Committee, the Corporate Social Responsibility Committee and the Committee Chairpersons - all of whom are extremely competent and experienced; as well as
- the Director representing the main shareholder (the Group Savings Plan Funds); and
- the Employee Directors appointed by the Saint-Gobain Group Works Council in accordance with the Company's bylaws and in application of the law.

Lead independent Director



The Board of Directors, taking into account the development of the practice within companies in France chaired by a combined Chairman of the Board/CEO and the expectations of certain investors expressed during the Company's dialog with them, created the role of Lead independent Director, a position held by Mr. Jean-Dominique Senard, Lead independent Director, since June 8, 2017.

The Lead independent Director oversees in particular the efficient running of the Company's governance bodies. In particular, he is responsible for preventing the occurrence of conflicts of interest, leading the assessment of the organization and functioning of the Board of Directors, at the request of the Chairman of the Board of Directors, being a point of contact for shareholders of the Company on governance issues and, where applicable, meeting with them and, in conjunction with the Chairman of the Board of Directors, ensuring that the Directors receive the relevant information to exercise their duties. A description of his powers and the resources available to him, including the possibility of asking the Chairman of the Board of Directors to convene the Board meeting on a given agenda, including for executive sessions, can be found in section 9.1.1.B, p. 370.

Once a year, the Lead independent Director reports on his actions to the Board of Directors.

Activities during fiscal year 2022

In 2022, the Lead independent Director attended all meetings of the Board of Directors and of the Corporate Social Responsibility Committee of which he is a member.

At the meeting of the Board of Directors on February 23, 2023, Mr. Jean-Dominique Senard presented a review of his activity as Lead independent Director for fiscal year 2022. His work especially consisted of:

- working with the Nomination and Remuneration Committee to examine the independent status of the Directors in light of the criteria set out in the AFEP-MEDEF Code (including through the review of conflict of interests questionnaires and the analysis of business relationships);
- discussing with the Chairwoman⁽¹⁾ of the Nomination and Remuneration Committee and the Chairman of the Board of Directors the Chief Executive Officer's succession plan in the event of an unforeseeable vacancy;
- conducting the assessment of the organization and operation of the Board and its Committees, which took place as follows in November 2022:
 - the Lead independent Director reviewed the draft questionnaire to be submitted to the Directors prepared by the specialist consulting firm appointed to carry out the Board's assessment;
 - the Lead independent Director spoke with the Chairman of the Board and the Chairman of the Nomination and Remuneration Committee, and was available to the Directors who wanted to discuss the individual contributions of the Directors to the work of the Board in terms of their skills and their respective participation in deliberations;
 - the specialist consulting firm presented the results of the Board's assessment to the Directors, who discussed on this occasion the functioning of the Board.

⁽¹⁾ Mrs. Anne-Marie Idrac was chairwoman of the Nomination and Remuneration Committee until June 2, 2022.

- meeting, in view of the General Shareholders' Meeting of June 2, 2022, at the request and with the participation of the Chairman of the Board of Directors, and, at the end of 2022, in view of the General Shareholders' Meeting on June 8, 2023, at the request and with the participation of the Chairman of the Board Directors, several shareholders groups to discuss the governance of Saint-Gobain;
- chairing the discussions at a meeting of the Board held out of the presence of the Chief Executive Officer "executive session" in November 2022 about Group governance;
- reviewing the draft agendas for the meetings of the Board of Directors and the Committees in fiscal year 2023;
- reviewing section 5.1.1 p. 156 of this chapter on the "Composition of the Board of Directors" and section 5.1.2 p. 171 regarding the "Operation of the Board of Directors".

The Lead independent Director presented a summary of his fourth year in that office to shareholders at the General Shareholders' Meeting held on June 2, 2022.

Operating rules of the Board of Directors - internal rules

In line with the recommendations of the AFEP-MEDEF Corporate Governance Code for French listed companies, the Board of Directors adopted a set of internal rules in 2003, as a supplement to the applicable laws and regulations and the Company's bylaws, aimed at defining the conditions for the operation of the Board and its Committees (Nomination and Remuneration Committee, Audit and Risk Committee and Corporate Social Responsibility Committee), as well as the Lead independent Director's responsibilities and powers.

The version of the Board's internal rules in force at February 1, 2023, which incorporates successive revisions of the AFEP-MEDEF Code and the PACTE Law, is reproduced in its entirety in section 9.1.1.B p. 370, with the exception of the provisions regarding the Board Committees which are reproduced below.



Deliberations of the Board of Directors

The internal rules provide for Board activities to include the following:

- examination and approval of the Saint-Gobain group annual report and consolidated and corporate financial statements, both annual and bi-annual;
- examination and approval each year of the Saint-Gobain group budget;
- examination and approval of the strategic orientations of the Saint-Gobain group at least once a year and monitoring of their implementation, taking into account the social and environmental challenges of its business;
- prior approval of investment transactions, restructurings, disposals, acquisitions, taking or selling of equity interests in individual amounts greater than €150 million, and any significant transaction not falling within the strategy announced by the Saint-Gobain group.

Ability to debate without the presence of the executive corporate officers

The Board's current internal rules afford Directors the authority to meet without the presence of the executive corporate officers during or after a session, in order to assess the performance of the executive corporate officers and to reflect on the future of the Saint-Gobain's Group General Management. Thus, each year, the Chief Executive Officer leaves the sessions of the Board and the Nomination and Remuneration Committee during such discussions (deliberations and votes) on issues involving the assessment of his performance and the setting of his variable compensation (February sessions), as well as during the Board's assessment, of governance issues, and on his long-term compensation scheme (November sessions). In November 2021, a meeting of the Board of Directors was held exclusively without the presence of the Chief Executive Officer, as well as in November 2022.

The Board intends to continue to meet in 2023 without the presence of the executive corporate officers to discuss governance issues more generally, beyond the issues of executive corporate officer compensation and the assessment of the Board. This option applies at the start of every meeting of the Board of Directors.

Prior and permanent information for Directors

At each meeting, the Board is provided with an analysis of the Saint-Gobain group's operating income and net debt situation, prepared as of the end of the month preceding the meeting.

Between meetings, the Directors receive copies of all press releases issued by Compagnie de Saint-Gobain and, as the case may be, any relevant information about events or transactions that are material for Saint-Gobain. They are entitled to request any other documents they consider necessary to make an informed contribution to the Board's discussions; requests are put to the Chairman of the Board of Directors, who may submit the request to the Board for a decision.

The Chairman of the Board of Directors and the Lead independent Director ensure that the Directors receive the information they need to perform their duties under the best possible conditions.

Directors' duties

The internal rules stipulate the duties of Directors, specifically with regard to stock trading ethics (status of occasional insider, closed periods, reporting of trades involving Saint-Gobain securities and the obligation to hold their Saint-Gobain shares in registered form), with regard to confidentiality and the management of potential conflicts of interest.

Other provisions in the internal rules

Finally, the internal rules provide for the distribution of the annual amount allocated by the General Shareholders' Meeting as compensation for the work of the Directors and the right of Directors to additional training on the specific activities of the Saint-Gobain group, its businesses, business lines, and Corporate Social Responsibility challenges (section 9.1.1, p. 368).

Principal activities of the Board and its Committees during fiscal year 2022

Principal activities of the Board during fiscal year 2022

The Board of Directors held nine meetings during the 2022 fiscal year (compared with eleven in 2021). The attendance rate of the Directors in office as of February 1, 2023 for all of those sessions was 99%. Thirteen of the fourteen Directors attended every meeting of the Board. One Director missed only one meeting. No Director missed more than one meeting.

The table below summarizes the attendance of Directors, on an individual basis, at meetings of the Board of Directors and its Committees (Audit and Risk Committee, Nomination and Remuneration Committee and Corporate Social Responsibility Committee) of which they are members as of February 1, 2023.

First and last name (function)	Attendance at			
	9 Board meeting ^(a)	4 meetings of the Audit Risk Committee	4 meetings of the Nomination and Remuneration Committee	4 meetings of the Corporate Soci- al Responsibility Committee
Pierre-André de Chalendar (Chairman of the Board of Directors)	100%	9	9	9
Benoit Bazin (Chief Executive Officer)	100%			
Jean-François Cirelli (Independent Director)	100%		100% ^(c)	
Lydie Cortes (Employee Director)	100%		100%	
Sibylle Daunis-Opfermann (Director representing employee shareholders)	100%			
Thierry Delaporte (Independent Director)	100% ^(b)			
Lina Ghotmeh (Independent Director)	89% ^(a)			100%
Iéda Gomes Yell (Independent Director)	100%	100%		
Pamela Knapp (Independent Director)	100%	100%		
Agnès Lemarchand (Independent Director)	100%	75% ^(d)		100%
Dominique Leroy (Independent Director)	100%		75% ^(d)	
Gilles Schnepf (Director)	100%	100%		
Jean-Dominique Senard (Lead independent Director)	100%			100%
Philippe Thibaudet (Employee Director)	100%			100%

^(a) The 89% rate corresponds to one missed Board meeting.

^(b) As of June 2, 2022, date of his appointment as a Director by the General Shareholders' Meeting.

^(c) As of June 2, 2022, date of his appointment as a member of the Nomination and Remuneration Committee.

^(d) The 75% rate corresponds to one missed committee meeting.

The principal topics discussed during Board of Directors meetings are listed below.

Monitoring of the Group's strategic orientations, its geographical presence and its business lines

At each meeting except for meetings held on the same day as the General Shareholders' Meeting, consistent with its internal rules, the Board analyzed the Group's situation. In addition, during each of these meetings, including a full day seminar dedicated to the presentation of the Group's strategy, the Board reviewed and approved the Group's strategic orientations or examined its pipeline M&A or a specific aspect of the strategy such as:

- comparison with the main competitors;
- the position of a business or a region after having heard, if relevant, an operational manager from the relevant business lines or regions;
- a presentation of the Innovation, Digital or Net Zero Carbon roadmaps.

The Board also examined the proposed disposals, in particular the disposal of its distribution activity in the United Kingdom (see section 2.3.7, p. 68). It also reviewed proposed acquisitions, including Kaycan (see section 2.3.7, p. 68).

In addition, it examined the Group's geographical exposure, particularly with regard to the war in Ukraine and its consequences. Furthermore it looked at the issue of the Group's exposure to China, in particular given the disruption caused by Covid.

The Board also monitored the progress of the Group's cost reduction and operational excellence measures year on year.

Financial management

Pursuant to its legal competency, the Board approved the annual and consolidated financial statements, and the interim consolidated financial statements, as well as the various reports relating to them, after hearing the opinions of the Chairwoman of the Audit and Risk Committee and the Statutory Auditors. The Board also approved the draft resolutions submitted to the General Shareholders' Meeting of June 2, 2022, in particular the proposed dividend distribution, and the reports made available to shareholders, and convened the meetings of shareholders and holders of Titres Participatifs. It approved the report on payments made to Governments (extractive industries).

It approved the budget of the Saint-Gobain group presented by Mr. Benoit Bazin, the various provisional management reports and documents, renewed the annual authorizations granted to the Chief Executive Officer, to issue bonds, sureties, and guarantees. It also reviewed the procedure applicable to the current agreements entered into under normal terms and conditions and examined the related-party agreements entered into during previous fiscal years, the execution of which was ongoing during fiscal year 2022.

It approved the implementation of the Company's share buyback program.

Internal control and risk management

The Board of Directors undertakes an annual review of the internal control and risk management processes in force within the Group, following analysis of the mapping of major financial and non-financial risks updated in 2022 by the Audit and Internal Control Department, and after hearing the report of the Chairwoman of the Audit and Risk Committee on these topics.

In particular, the Board of Directors examines and monitors the continued roll-out of the cyber plan regarding the cybersecurity of the Saint-Gobain group and of the post-audit monitoring plan. It was decided to implement, following the 2017 NotPetya cyberattack, an annual monitoring plan and a general external audit of Saint-Gobain Group's IT at the request of the Audit and Risk Committee. This audit was conducted annually over the period 2018-2021. In 2022, sufficient progress had been made in order to move to a permanent and automated control system. In this context, audits will now be carried out every two years, with the next audit taking place at the beginning of 2023. In addition to external audits, Saint-Gobain has obtained certifications at the level of some of its activities or factories (SOC2 certification for GCP, TISAX certification for several High Performance Solutions factories).

It was also informed of the compliance program.

In addition, it examined the Group's geographical exposure (see above).

On several occasions, it reviewed the position of the Company and Group with regard to certain risks (especially energy risk), procedures, litigation (notably in relation to asbestos, competition, the Grenfell Tower fire in the United Kingdom, and PFOA) and the evolving regulatory environment.

Finally, the Board of Directors reviewed the services assigned to the Statutory Auditors and their network as authorized by the Audit and Risk Committee.

Corporate Social Responsibility/Climate change

Over five sessions, one point on the agenda was dedicated to Corporate Social Responsibility matters, more specifically the following topics:

- "Solutions for Growth", a program that analyzes all the products and services offered by the Group and quantifies their ability to provide customers with performance and sustainability benefits;
- non-financial information;
- CO₂ roadmap and environmental strategy in line with the objectives for 2030, validated by the Science-Based Targets Initiative contributing to carbon neutrality by 2050, with many levers including product weight reduction, World Class Manufacturing (WCM), circularity, innovation, improvements to processes and the use of decarbonized energy (see section 3.1.3 p. 76 and section 3.3 p. 100);
- responsible purchasing with particular attention to scope 3 in order to align the value chain and CO₂ objectives;
- review of the compliance program (competition, embargoes, anti-corruption) (see section 3.1.5, p. 86);
- the human resources policy (see section 3.2.2 p. 91 and below) and in particular, the non-discrimination and diversity policies both at Group level and for the Senior Management. With regard to gender diversity, the Board of Directors has noted the progress made and new measures were adopted in 2020 and 2022, on the proposal of the General Management, setting gender diversity targets within the management bodies of Compagnie de Saint-Gobain and its subsidiaries by 2025: namely 30% women executives, 25% of



women Senior managers, 30% of women on the Executive Committee of Compagnie de Saint-Gobain, and on the Executive Committees of the Business Units, and 40% of women overall on the boards of the Business Units. To achieve these targets, it was decided to require that at least 40% of new hires be women and require gender diversity among spokespersons. The monitoring of these objectives was discussed at the Board meeting of November 2022;

–presentation of the results of the me@Saint-Gobain 2022 survey, a tool for assessing and managing the Group's transformation, with more than 125,000 employees responding to this survey in 75 countries;

–various actions in favor of inclusions, such as solidarity actions facing emergency situations (war in Ukraine), the implementation within the Group of diversity and inclusion programs with the objective of considering all types of potential discrimination (gender, disability, social and ethnic origins, etc.), and the development of training in construction trades with multiple societal and inclusive actions and operations adapted to the challenges, local needs and cultures.

In April 2022, the Directors took part in training organized specifically for them by the group, entitled "The City of the Future". On this occasion, external experts, recognized internationally and with complementary skills gave presentations to the Directors and discussed the following subjects with them:

–major trends for the city of the future;

–city and building design - weather architecture - healthy architecture; and

–the transformation of large urban areas facing climate change.

The purpose of this seminar was to give each Director a better understanding of the challenges related to urban development in the world of the future for the Saint-Gobain Group and the consequences for its strategy. It is recalled that the Directors had participated in seminars in February 2018, April 2019, April 2020 and April 2021 devoted, respectively to climate change and its consequences for companies, the circular economy and its challenges for companies, the transformation of energy and industrial systems in a zero-carbon economy, and biodiversity.

Governance

In accordance with the AFEP-MEDEF Corporate Governance Code for listed companies and under the supervision of the Lead independent Director, the Board formally conducted the annual assessment of its operations, with the help of a specialist consulting firm, and discussed the results of this assessment (see assessment of the Board's performance, section 5.1.2, p. 171).

It satisfied itself that a succession plan for the Chief Executive Officer, in the event of an unforeseeable vacancy, exists and has been implemented.

The Nomination and Remuneration Committee initiated discussions and work on the Company's governance, as the terms of office of the Chairman of the Board Mr. Pierre-André de Chalendar and that of the Lead independent Director Jean-Dominique Senard will expire in June 2024.

The Board of Directors reviewed the situation of Director independence. At the proposal of the Nomination and Remuneration Committee, it also discussed changes in its size and composition due to the expiration of the terms of office of certain Directors.

Lastly, it ruled on the training program for the Employee Directors.

Compensation of corporate officers and long-term incentives for executive corporate officers and employees

At its meeting of February 24, 2022, the Board approved the general principles of the executive corporate officer's compensation policy (i.e., the one of the Chairman of the Board of Directors, and the one for the Chief Executive Officer), for 2022 and, at its meeting of February 23, 2023, for 2023 (see section 5.2.1, p. 183).

In particular, it reviewed and approved the various components of the compensation of Mr. Benoit Bazin (fixed portion, variable portion and long-term compensation instruments) and the respective balance of those various components.

At its meeting of November 24, 2022, the Board also decided to implement and approve the main characteristics of the 2022 performance share plan and set the performance criteria of that plan that may benefit executive corporate officers and certain categories of employees (see section 5.2.4, p. 209).

As part of the ongoing development of employee shareholders, the Board resolved to again offer its employees and former employees the opportunity to subscribe to, under certain conditions, a share capital increase reserved for them in 2023, up to a maximum of approximately 8.1 million shares, i.e., approximately 1.6% of the share capital (see section 7.1.6, p. 253).

Principal activities of the Committees during fiscal year 2022

Board Committees

The Board has three Committees designed to facilitate its functioning and contribute effectively to the preparation of its deliberations: the Audit and Risk Committee, the Nomination and Remuneration Committee and the Corporate Social Responsibility Committee.

These Committees do not have their own decision-making authority (barring specific provision otherwise provided for by the internal rules of the Board of Directors as regards the Audit and Risk Committee's approval of services other than the certification of accounts assigned to the Statutory Auditors), and report to the Board regarding their activities, conclusions, and proposals.

The Board's internal rules incorporate the rules governing the composition, prerogatives, and responsibilities of each Committee, as described below.

The activities of these three Committees during fiscal year 2022 were regularly presented to the Board in the form of activity reports and proposals.

Composition of Committees

The Board's practice is to allow some time for all new Directors to adapt before proposing them to join a Committee, since active participation on a Committee requires familiarity with the operation of the Board of Directors and the ability to understand the major challenges with which the Company is faced.

At the recommendation of the Nomination and Remuneration Committee, the Board of Directors thus considers, on a case-by-case basis, the opportunity to propose to Directors their participation in one of the three Committees, depending upon the most appropriate schedule. Further, in its examination of the composition of the Committees and appointment of new Directors to these Committees, the Board ensures compliance with the recommendations of the AFEP-MEDEF Code with regard to the proportion of independent Directors on these Committees.

Audit and Risk Committee

Composition

Chairperson

Pamela Knapp

Members

Iéda Gomes Yell Agnès Lemarchand Gilles Schnepf

75% independent directors

93% attendance rate

At February 1, 2023, three of the four members of the Audit and Risk Committee are independent Directors (75%), including its Chairwoman. No executive corporate officers sit on the Committee.

By virtue of their current or past positions as Chief Financial Officers and/or Chief Executive Officers, each Committee member has considerable experience and high-level expertise in financial and accounting matters (see biographies section 5.1.1, p. 156).

The Audit and Risk Committee is chaired by Mrs. Pamela Knapp who began her career as a consultant in the field of mergers and acquisitions, was Chief Financial Officer of Siemens SA, Belgium and Luxembourg, then in the Power Transmission & Distribution sector of Siemens Group. She is currently a member of the Supervisory Board of Lanxess AG (a company listed in Germany) and Signify NV (a company listed in the Netherlands), and sits on the Audit Committees of each of these companies. Among other offices, she was also a member of the Supervisory Board and the Finance and Audit Committee of Peugeot SA from 2011 to 2021.

Mrs. Ieda Gomes Yell has senior management experience in a large international group and strong financial expertise. In particular, she was Director and member of the Audit and Risk Committee and of the Strategic Committee of Bureau Veritas from 2013 to 2021.

Mrs. Agnès Lemarchand has held General Management positions primarily in industrial groups in the construction sector, and internationally, enabling her to provide financial expertise as well as a business vision useful for internal control and risk management. She is also Director and member of the Audit Committee of BioMérieux.

Mr. Gilles Schnepf began his career at Merrill Lynch where he was head of the Bonds and Derivatives Departments. He brings his extensive financial experience to the Committee, particularly given his experience as Chief Financial Officer and Chairman and Chief Executive Officer of Legrand, Chairman of the Board of Directors of large listed companies and Chairman of the Finance and Audit Committee of Peugeot SA from 2019 to 2021, bearing in mind that he is currently Chairman of Danone's Board of Directors.

It should be noted that each newly appointed member consults with the Group's Chief Financial Officer on specific accounting, financial and operational aspects of the Saint-Gobain group.



Responsibilities (excerpts from the Board's internal rules)

In accordance with the internal rules of the Board of Directors effective on February 1, 2023, the Audit and Risk Committee has the following responsibilities:

- without encroaching on the role of the Board of Directors, the Audit and Risk Committee is primarily responsible for overseeing the following matters:
 - the process of preparing financial and non-financial accounting information,
 - the efficiency of the internal control and risk management systems,
 - work performed by the Statutory Auditors on the financial statements of the Company and the Group,
 - Statutory Auditors independence;
- it ensures that any questions relating to the preparation and control of financial and non-financial accounting information are followed up on, that the accounting policies used to prepare the financial statements are both appropriate and applied consistently from one period to the next, and that the internal procedures used to collect and control accounting and financial information provide the necessary assurance in this regard;
- it reviews the annual and consolidated financial statements, and the interim consolidated financial statements, as presented by General Management, prior to their examination by the Board of Directors;
- it reviews the scope of consolidation and, if applicable, the reasons why any companies have been excluded;
- it reviews significant risks, including those of a social and environmental nature, and off-balance sheet commitments, based on an explanatory report prepared by the Chief Financial Officer;
- it receives updates from general management on organization and operation of the risk management system;
- it reviews the Group's internal control action plan and receives updates at least once a year on the plan's results;
- it makes recommendations concerning the organization of the internal audit function and receives a copy of the internal audit program as well as executive summaries of the internal audit reports;
- it reviews the external Statutory Auditors' work plan and conclusions of their checks. It receives a post-audit report prepared by the Statutory Auditors concerning their main observations and the accounting options selected for preparation of the financial statements;
- it conducts the Statutory Auditor selection process, expresses an opinion on the amount of proposed statutory audit fees requested for performing tasks connected with a statutory audit, submits the results of the selection process to the Board and puts forward candidate Statutory Auditors for appointment by the General Shareholders' Meeting;
- it approves, with regard to rules in force and in accordance with the procedures implemented within the Group, under the responsibility of the Board of Directors, the services other than the certification of the accounts they can be assigned to the Statutory Auditors and members of their network to be provided to Compagnie de Saint-Gobain and other Group entities;
- each year it reviews the Statutory Auditors statement of independence, the amount and breakdown of the fees paid to them and to the members of their network by the Saint-Gobain Group over the past year, by category of service, as well as the percentage of these fees in their turnover, and reports to the Board its opinion concerning the Statutory Auditors' independence.

Operation during fiscal year 2022

The Audit and Risk Committee met four times in 2022, in February, April, July and September. The attendance rate of its members at all these meetings was 93%.

The following were the major topics of discussion:

- detailed advance review of the annual and consolidated financial statements (February) and the interim consolidated financial statements (July) and discussions with General Management, the Finance Department and the Statutory Auditors. On these occasions, the Committee discussed with the Statutory Auditors the main audit issues raised with the Finance Department during the accounts closing process, particularly the key risk exposures, in particular climate risks, and material off-balance sheet commitments described in the Chief Financial Officer's explanatory note to the Committee. The main points of the results of the statutory audit, as well as the accounting options applied, were also discussed;
- review of the Audit and Internal Control Department's activity report for 2022, its audit plan for 2023 and its report on major fraud incidents;
- review of work related to the 2022 update of the mapping of major financial and non-financial risks by the Audit and Internal Control Department and discussion with General Management, the Finance Department and the Audit and Internal Control Department;



- update on the continued deployment of the cyber plan regarding the cybersecurity of the Saint-Gobain Group;
- update on the compliance program with a presentation by the Group Head of Compliance, particularly concerning the anti-corruption program pursuant to the Sapin II Law, competition law and economic sanctions and control of exports;
- situation resulting from the development of litigation, in particular related to asbestos in the United States, the Grenfell Tower fire in the United Kingdom and PFOA, its exposure to certain countries whose geopolitical situation has been or is changing, and changes in the regulatory environment. The Committee regularly discusses in detail with the Statutory Auditors the financial and accounting consequences, including the related provisions, of this litigation for the US subsidiaries involved and for the Group, in order to present a report on this issue to the Board;
- update on the product compliance program;
- review of the procedure for approving non-audit services;
- granted authorization for services other than statutory certification assigned to the Statutory Auditors and review of fees received by each Statutory Auditor of the Group's companies during fiscal year 2022 for their auditing assignments, as well as for their other services (see section 9.1.4 note 14, p. 374).

In addition, the Committee interviewed the Statutory Auditors (without any other attendance), and then interviewed individually the Head of Treasury and Financing, the Head of Financial Management and the Chief Financial Officer, in accordance with the recommendations of the AFEP-MEDEF Code of Corporate Governance for listed companies.

The Committee reported to the Board on its activities and offered its recommendations during the Board meetings of February 24, 2022, April 21, 2022, July 27 and September 29, 2022.

Nomination and Remuneration Committee

Composition

Chairperson	Jean-François Cirelli
Members	Lydie Cortes Dominique Leroy
100% independent directors	93% attendance rate

On February 1, 2023, two out of three members of the Nomination and Remuneration Committee were independent Directors, plus one Employee Director in accordance with the recommendations of the AFEP-MEDEF Code (see section 5.1.1, p. 156). The Employee Director is not included in the computation of the ratio of independent Directors, in accordance with the recommendations of the AFEP-MEDEF Code and the Committee is therefore composed entirely of independent Directors.

Mr. Jean-François Cirelli has chaired the Committee since the General Shareholders' Meeting of June 2, 2022, replacing Mrs. Anne-Marie Idrac, whose term of office ended. He is currently Chairman of BlackRock France, Belgium, and Luxembourg, one of the world's largest asset managers. In the past, he was notably Chairman and CEO of Gaz de France.

Mrs. Dominique Leroy has held executive positions in a large international group.

Therefore, the members of the Nomination and Remuneration Committee have extensive experience, particularly in the areas of governance and remuneration (see their biographies in section 5.1.1, p. 166).

Lastly, Mrs. Lydie Cortes, Employee Director, seats also on the Nomination and remuneration Committee.

Responsibilities (excerpts from the Board's internal rules)

The Committee fulfills the duties of both a Nominations Committee and a Compensation Committee, provided for in the AFEP-MEDEF Corporate Governance Code for French listed companies.

According to the Board of Directors' internal rules in force at February 1, 2023, it has the following responsibilities:

- the Nomination and Remuneration Committee is responsible for making proposals to the Board of Directors in all cases where one or more seats on the Board fall vacant or the terms of one or more Directors are due to expire. The Committee organizes the procedure to select candidates for election as independent Directors, based on the criteria set out in the AFEP-MEDEF Code;



- it reviews annually each Director's situation in relation to the independence criteria set out in the AFEP-MEDEF Code, and reports its conclusions to the Board;
- through its Chairman, it obtains assurance from the Chief Executive Officer that a candidate has been identified for succession to his/her position in the event that it falls vacant for an unforeseen reason, and that enough potential successors are available to step in when they might be needed;
- it recommends candidates to the Board in the event that the position of Chairman and Chief Executive Officer falls vacant for any reason;
- it reviews any proposals by Chief Executive Officer for the appointment of one or more Chief Operating Officers, and reports its conclusions to the Board;
- it makes recommendations to the Board concerning the amount and terms and conditions of the compensation of the Chairman of the Board of Directors and concerning the determination of the other aspects of their positions;
- it makes recommendations to the Board of Directors concerning the amount and terms and conditions of the compensation of executive corporate officers, in particular the criteria for the variable portion of the Chief Executive Officer, and, where applicable, of the Chief Operating Officers, and concerning the determination of the other aspects of their positions;
- it discusses the Group's overall stock option and performance share policy and whether options should be exercisable for new or existing shares, and reviews General Management's proposals concerning stock option and performance share plans for the Saint-Gobain Group employees;
- it reviews the Chief Executive Officer's recommendations concerning his implementation of long-term compensation plans;
- it makes recommendations concerning the granting of stock options, performance shares and long-term compensation to the Chief Executive Officer and other members of the Saint-Gobain Group General Management.

Operation during fiscal year 2022

The Nomination and Remuneration Committee met four times in 2022, in February, March, September and November. The attendance rate of its members at all these meetings was 93%.

The following were the major topics of discussion:

- the Committee made its recommendations to the Board on the setting of the variable portion of the compensation of the Chairman and Chief Executive Officer and the Chief Operating Officer for the period from January 1, 2021 to June 30, 2021 and the Chief Executive Officer for the period from July 1, 2021 to December 31, 2021;
- it also made proposals to the Board, pursuant to the ex ante Say-on-Pay regime, concerning the 2022 compensation policy for the Chairman of the Board of Directors (proposal to maintain the compensation policy established in 2021 for the entire duration of his term of office) and for the Chief Executive Officer (in particular, the amount of the fixed compensation and the cap, the criteria and the targets to use to determine the variable portion for 2022 and the rules on caps to be applied with respect to the allocation of long-term compensation instruments in 2022);
- the Committee proposed to the Board of Directors to submit to the General Shareholders' Meeting of June 2, 2022 the appointment of Thierry Delaporte, the ratification of the co-option of Mrs. Lina Ghotmeh and the renewal of the term of office of Pierre-André de Chalendar, which was due to expire at the end of the Meeting of June 2, 2022. Finally, the Committee proposed, if the Meeting did renew his term of office, as part of the transition with Mr. Benoit Bazin, to renew Mr. Pierre-André de Chalendar's term of office as Chairman of the Board of Directors; and to maintain the position of Lead independent Director - currently held by Mr. Jean-Dominique Senard;
- the Committee decided to propose that the Board of Directors grant only performance shares in 2022, as in 2021, and notably set the service and performance criteria applicable to those plans and stated to the Board its proposals for allocations to the Chief Executive Officer;
- the Committee examined the Directors' independence status with regard to all independence criteria set forth in the AFEP-MEDEF Code, together with the Lead independent Director with regard to conflicts of interest and business relationships (see section 5.1.1, p. 166);
- it made proposals regarding the training program of the Employee Directors and the Director representing employee shareholders;
- finally, it reviewed the "Corporate Governance" section of the 2021 Universal Registration Document.

The Committee reported to the Board on its activities and offered its recommendations during the Board meetings of February 24, March 24, September 29 and November 24, 2022.

Corporate Social Responsibility Committee

Composition



Chairperson	Agnès Lemarchand
Members	Jean-Dominique Senard
	Philippe Thibaudet
	Lina Ghotmeh

100% attendance rate

The Corporate Social Responsibility Committee is chaired by Mrs. Agnès Lemarchand. She has held General Management positions in particular in industrial groups in the construction sector, was a member of the Economic, Social and Environmental Council from 2012 to 2014, and is currently a member of the ESG Committee of the Institut Français des Administrateurs (French Institute of Directors).

Mrs. Agnès Lemarchand also sits on the Audit and Risk Committee. As such, she ensures consistency between the work of the Audit and Risk Committee and that of the Corporate Social Responsibility Committee, particularly with regard to the examination of environmental and societal risks and associated control procedures, as well as with regard to non-financial information.

Mrs. Lina Ghotmeh, an internationally renowned architect, has expertise in innovation for sustainable architecture. She also contributes to the Committee her knowledge of materials and the circular economy.

Mr. Philippe Thibaudet, Employee Director, has a very high level of knowledge of the Group and its business lines as well as social issues more generally. He is currently EHS Officer at Saint-Gobain Isover in Chalon-sur-Saône.

Mr. Jean-Dominique Senard has experience as a manager and Director of major industrial groups. His functions have raised his awareness of responsible development, social dialog and governance. In particular, he co-authored with Nicole Notat the Notat-Senard report entitled "The Company, a Matter of Public Interest", which contributed to the strengthening of CSR under the Pacte law. As Lead independent Director, he meets with several shareholder groups each year to discuss Saint-Gobain's governance.

Responsibilities (excerpts from the Board's internal rules)

According to the Board of Directors' internal rules in force at February 1, 2023, it has the following responsibilities:

The Corporate Social Responsibility Committee is responsible for reviewing the Corporate Social Responsibility roadmap, its potential for improvement and the related topics proposed by its members.

It ensures that Corporate Social Responsibility topics are taken into account when defining and implementing the Group's strategy.

Operation during fiscal year 2022

The Corporate Social Responsibility Committee met four times in 2022, in February, June, September and November. The attendance rate of its members at all these meetings was 100%.

Its work focused on:

- the review regarding their levels of ambition of the subcriteria of the performance criterion related to Corporate Social Responsibility to which the long-term compensation plan implemented in November 2022 is in particular subject, namely: the total recordable accident rate - more than 24 hours' lost and non-lost time (TRAR), the reduction rate of CO₂ emissions and the senior executives diversity index (see section 5.2.4, p. 209);
- the review of the CO₂ roadmap and environmental strategy in line with the objectives for 2030 and 2050, which includes numerous levers including product weight reduction, World Class Manufacturing (WCM) and the use of decarbonized energy;
- "Solutions for Growth", a program that analyzes all the products and services offered by the Group and quantifies their ability to provide customers with performance and sustainability benefits: presentation and progress report;
- presentation of the results of the me@Saint-Gobain 2022 survey, a tool for assessing and managing the Group's transformation, with more than 125,000 employees responding to this survey in 75 countries;
- responsible purchasing, with a presentation including an introduction of the value chains on the planet and its social and societal issues, and with a particular focus on "scope" 3 in order to align the value chain and the CO₂ objectives;
- various actions in favor of inclusion, such as solidarity actions in the face of emergency situations (war in Ukraine), the implementation within the Group of diversity and inclusion programs with the objective of taking into account all types of potential discrimination (gender, disability, social and ethnic origins, etc.), and the development of training in construction trades with multiple societal and inclusive actions and operations adapted to local issues, needs and cultures;



–the review of chapters 3 and 4 of the Universal Registration Document for 2021 relating respectively to Corporate Social Responsibility, non-financial performance and the declaration of non-financial performance (DPEF), and Taxonomy reporting.
The Committee reported to the Board of Directors on its activities in its meetings of February 24, July 27, September 29 and November 24, 2022.

Assessment of the Board's performance

Procedure

Formal assessments of the Board's performance and that of the Committees are carried out each year, in accordance with the Board's internal rules.

These assessments are conducted with the assistance of outside consultants (as in 2022) every three years.

In the intervening years, it is carried out on the basis of a questionnaire sent to each of the Directors.

In line with best practices allowing the Directors to receive feedback on their individual contribution, the assessment also includes the following three stages:

- confidential review of each Director's individual contribution by the Chairman of the Nomination and Remuneration Committee, the Lead independent Director and the Chairman of the Board of Directors;
- individual review for each Director with the Chairman of the Board of Directors; and
- the option for every Director who wishes so, to request feedback on his/her individual contribution from the Chairman of the Board or the Lead independent Director.

The Directors who are members of a Board Committee also report on the operation of the Committees in which they participate.

The organization of the 2022 assessment was decided by the Board at its meeting of September 29, 2022, on proposal from the Lead independent Director. The 14 Directors in office as of that date were consulted and participated in the Board's assessment process conducted by the specialist consulting firm.

The specialist consulting firm met each Director individually on the basis of a questionnaire validated in advance with the Lead independent Director, the Chairman of the Board of Directors and the Corporate Secretary.

It reported on the results of this assessment to the Board of Directors on November 24, 2022.

General observations

The assessment process highlighted the satisfaction of Directors with the smooth transition provided by Mr. Pierre-André de Chalendar and Mr. Benoit Bazin. In addition, they emphasized the role played by the Lead independent Director in terms of governance.

All Board members also noted the existence of a strong alignment between the Directors and General Management with respect to the corporate purpose, strategy and risk management within the Group. The Board members also welcomed the trust between Directors and between the Board and the management team, enabling constructive discussions.

The main areas of work of the Board of Directors identified during the assessment are future governance, succession planning for Directors bearing in mind upcoming term end dates, and the continued success of the Group's new strategy.

The questionnaire and individual interviews covered the following five categories: (i) corporate purpose, strategy and risk management, (ii) composition of the Board, (iii) management of the Board, (iv) operation of the Board and its Committees, and (v) the culture.

Corporate purpose, strategy, risk management

The assessment reveals the satisfaction and alignment of Directors and General Management with the implementation of the strategy proposed by the Chief Executive Officer, a strategy of which the Board members emphasize the clarity, relevance and consistency with Saint-Gobain's corporate purpose, "Making the world a better home".

The Board unanimously notes that CSR is a strategic lever for the Group and that non-financial indicators and the impact on CSR are at the heart of the Group's business model.

In addition, the Board is actively involved in the preparation of M&A operations. Risk management is well covered by the Audit and Risk Committee, and these issues are well monitored by the Board.



The Directors particularly appreciate the strategic seminar that they consider to be extremely useful and well-constructed.

Composition of the Board of Directors

With regard to the composition of the Board, the diversity and complementarity of sectoral and functional skills within the Board are judged very positively by its members, both in terms of knowledge of the industry or the Group's business lines (including construction) and in terms of innovation/digital technology, general management, strategy, finance, governance and/or Corporate Social Responsibility (see the biographies and the skills matrix in section 5.1.1, p. 156). In particular, the Directors stress the contribution of experienced managers to the Board.

The Board members also welcome the constructive contribution of Employee Directors.

Finally, the assessment process highlights the high quality of the Executive Committee, which is a renewed, diverse team in line with the Group's strategy.

Management of the Board

The Directors unanimously welcomed the role of its Chairman, who leads the debates in an exemplary way and whose actions contribute to the continuous improvement of the Board's operation. The Chief Executive Officer has fully assumed his duties: he proposes to the Board the Group's strategy and, in charge of operations, implements it successfully.

The Directors also considered the interaction between the Chief Executive Officer and the Chairman of the Board of Directors to be very good, emphasizing their mutual trust.

The Board's open and transparent mode of operation is highly appreciated. The Directors believe that the trust and the richness of the dialogue between Directors and between the Board and the management team, in particular Mr. Benoit Bazin and the various members of his Executive Committee team, enable constructive discussions and consensus decision-making.

In addition, the role of Lead independent Director, whose experience and skills in terms of governance were welcomed, is considered positively by the Directors.

The entire Board is satisfied with the chairmanship of the various Committees.

Operation of the Board and its Committees

During the assessment, the Directors welcomed the effectiveness of the Chairman of the Board/Chief Executive Officer duo. They highlighted the clarity in the definition of each person's responsibilities, and the balance found by each of them in their respective functions.

The work of the Board's Committees was judged to be of excellent quality, with efficient and transparent operation of the various Committees.

Culture

According to the assessment, all of the Directors judged the Board of Directors to be collegial and united, in line with Saint-Gobain's corporate culture. The relationships of trust existing within the Board are appreciated by its members.

Results of implementing the 2022 recommendations and paths for 2023

Directors believe that the recommendations formulated upon completion of the 2021 assessment were duly taken into account in 2022. In particular, they were as follows:

- continue to reduce the age and broaden the international scope of the Board by recruiting a Director from the construction or infrastructure value chain, or experience in technology or digital technology or expertise in Corporate Social Responsibility or innovation, or a serving CEO or one with such experience within other major groups; the co-optation of Mrs. Lina Ghotmeh and the appointment of Mr. Thierry Delaporte are in line with this, given their respective skills and experience;
- enlarge the Board of Directors by one additional member in order to allow the appointment of candidates meeting the targeted profiles and prepare for the future in view of the renewals that must take place in the coming years;
- continue to focus on the following topics: the climate change and its strategic impact, value creation and stock market performance, innovation, growth levers;



- continue to regularly monitor the impacts of the Covid-19 pandemic on the Group and its strategy;
- regularly monitor the implementation of the Grow & Impact plan;
- continue the practice of executive sessions;
- organize training sessions on topics of interest to Saint-Gobain's activities;
- organize meetings on the Group's achievements to innovate and develop new products and the results obtained.

In order to sustain progress, the Board adopted the following conclusions on the proposal of the Lead independent Director, resulting from the assessment:

- implement a work process involving one or more executive sessions concerning the governance and succession of the Chairman of the Board and/or the Lead independent Director, depending on the scenario selected;
- continue to reduce the age and broaden the international scope of the Board as part of future renewals, particularly those of Committee Chairmen/ Chairwomen, over a three-year period, based on the needs resulting from the analysis of the skills matrix by the Nomination and Remuneration Committee and the Board, particularly by promoting the following research areas: one or several serving executive corporate officers or with such experience within other major groups, a serving Chief Financial Officer, a Director from the construction value chain and/or a Director with climate change skills; and
- regularly address financial, digital and commercial matters in the Board's work.

Director integration pathway

The Board of Directors meets once a year at a Group's plant or research center. On May 19, 2022, the Board of Directors visited the Chryso site in Sermaises (Loiret).

Each new Director may ask for training on the topic of his or her choice and visit the Group's plants, distribution facilities or research centers. In this context, new Directors may also visit various industrial or Building Distribution sites, and any Director may, at his or her request, meet with members of the Executive Committee (see section 1.5.2, p. 39).

Furthermore, in accordance with the law, Employee Directors benefit from supplementary training, the content of which is set every year by the Board of Directors, after consultation of such Employee Directors.

The Director representing employee shareholders also received such training.

5.1.3 THE GROUP'S SENIOR MANAGEMENT

Separation of functions since July 1, 2021: Chairman of the Board of Directors and Chief Executive Officer

Since July 1, 2021, the Chief Executive Officer has been responsible for the General Management of Company de Saint-Gobain. The operational organization of the Saint-Gobain Group's Management is provided by an Executive Committee chaired by the Chief Executive Officer (see section 1.5.2, p. 39).

Chief Executive Officer

Since the separation of the functions of Chief Executive Officer of Compagnie de Saint-Gobain from the Chairman of the Board of Directors on July 1, 2021, the position of Chief Executive Officer has been assumed by Mr. Benoit Bazin (see section 5.1.2, p. 171). Mr. Benoit Bazin has also been a Director of the Company since June 3, 2021.

The Chief Executive Officer is vested with the broadest authority to act under all circumstances on behalf of Compagnie de Saint-Gobain within the scope of its corporate purpose and subject to the limits set by law, the bylaws and/or internal rules of the Board of Directors (see section 5.1.2 p. 171 and section 9.1.1 p. 368). On the balance of powers within the Board of Directors to ensure proper compliance with the rules of governance, see chapter 5, section 5.1.2, p. 171.

Executive Committee



As part of the transformation of the Saint-Gobain Group announced on November 26, 2018, the General Management Committee was replaced as of January 1, 2019 by an Executive Committee. This Committee, whose composition reflects the new organizational structure of the Saint-Gobain Group, comprises 16 members as of January 1, 2023 (see section 1.5.2, p. 39). In addition to the Chief Executive Officer, the senior operational and functional managers of the Saint-Gobain Group are members (see section 1.5.2, p. 39).

The mission of the Executive Committee is to review operational management, coordinate project management and implement Saint-Gobain Group strategy. It meets every month.

5.2 COMPENSATION OF THE MANAGEMENT AND GOVERNING BODIES

This section, prepared with the assistance of the Board's Nomination and Remuneration Committee, describes the compensation components for the Directors, the executive corporate officers and members of Group General Management, and sets out the long-term compensation plans in place within the Group.

5.2.1 DIRECTORS' COMPENSATION

Compensation policy for Directors (ex ante Say-on-Pay)

The General Shareholders' Meeting of 5 June 2014 set the total annual amount to be paid to the Board of Directors for the compensation of its members at EUR 1.1 million.

In view of the anticipated recruitment to the Board, the Board reviewed the compensation policy for Directors, on the recommendation of the Nomination and Remuneration Committee.

The Board decided that it was desirable to modify the compensation policy for Directors in order to promote the international diversity of the Board and to continue to attract the best talent.

In this context, the Board of Directors, on the recommendation of the Nomination and Remuneration Committee, decided to:

- i. propose to the General Meeting of 8 June 2023 an increase in the overall annual compensation package for Directors (currently EUR 1.1 million) to EUR 1.3 million, in order to take into account the payment of travel allowances for Directors residing abroad, as mentioned in point (ii) below and, depending on the number of meetings of the Board of Directors and/or of its Committees and of the composition of its Committees, place the Directors' compensation to the level of the average of the CAC 40 companies (to date the Directors' compensation is slightly lower than such average);
- ii. subject to the approval by the General Meeting of 8 June 2023 of the increase in the overall annual remuneration package for Directors referred to in (i) above, revise the rules for the allocation of this package to provide for the payment of an additional lump sum per trip for Directors coming from abroad, in case of attendance in face to face meeting.

Subject to the approval by the General Meeting of 8 June 2023 of the increase in the total annual compensation package for Directors, the new distribution rules, which would be applicable as from 1 January 2023, would be as follows:

- neither the Chairman of the Board of Directors nor the Chief Executive Officer receive any compensation for his office as Director (unchanged);
- the Lead Independent Director did not wish to receive any remuneration for this function (unchanged);
- the other members of the Board of Directors each receive a fixed amount of €24,750 per year plus €3,300 for each Board meeting attended during the year (unchanged);
- the Chairpersons and members of the Committees (currently: the Audit and Risk Committee, the Nomination and Remuneration Committee, and the Corporate Social Responsibility Committee) (excluding executive corporate officers) each receive a fixed amount of €5,500 and €2,750 per year, respectively, plus a variable portion of €2,200 for each Committee meeting attended (unchanged);
- an additional sum per Board meeting and per Committee meeting is paid to take into account the travel expenses of directors residing outside France (EUR 2,500 per actual trip to a Board or Committee meeting for a Director residing in Europe (outside France); EUR 5,500 for a Director residing outside Europe). In the event that several Board or Committee meetings are held on the same day, this sum is paid only once (new);
- the amounts granted in respect of the fixed base amount are pro-rated when terms of office begin or end during the course of a fiscal year (unchanged);
- the compensation is paid in two half-yearly installments in arrears, with any balance available from the annual amount distributed at the beginning of the next year based on the variable portions allocated to each Director (excluding additional amounts to take into account the business trip of Directors residing outside France) for each Director's or Committee member's attendance rate at the prior year's Board or Committee meetings (unchanged).

The variable portion represents the bulk of their compensation if Directors consistently attend both Board and Committee meetings.

Compensation components paid to Directors during the 2022 fiscal year or granted in respect of the same fiscal year, subject to the approval of the General Shareholders' Meeting of June 8, 2023 (ex post Say-on-Pay)

In accordance with Articles L.22-10-34 I and L.22-10-9 I of the French Commercial Code, the fixed, variable and exceptional components of the total compensation and benefits of any kind paid during the year or granted for the same fiscal year to corporate officers are submitted every year for the approval of the Ordinary Shareholders' Meeting. This vote is binding (as opposed to an advisory vote).

The table below shows the individual compensation received by the members of the Board of Directors (fixed and variable components combined) for their terms of office as Directors in respect of fiscal years 2021 and 2022 pursuant to the compensation policy outlined in this section 5.2.1.

TABLE 3 - SUMMARY OF EACH NON-EXECUTIVE CORPORATE OFFICER'S COMPENSATION (AMF NOMENCLATURE)

Non-Executive corporate officers	Gross amounts received (in EUR)	
	for 2022 fiscal year	for 2021 fiscal year
Jean-François Cirelli	94,414	79,934
Lydie Cortes ^(a)	92,817	88,538
Sibylle Daunis-Opfermann	75,137	73,878
Thierry Delaporte ^(b)	36,837	-
Lina Ghotmeh ^(c)	82,340	6,907
Iêda Gomes Yell	92,817	85,560
Anne-Marie Idrac ^(d)	53,023	105,948
Pamela Knapp	95,566	90,127
Agnès Lemarchand	109,514	95,526
Dominique Leroy	89,084	84,072
Denis Ranque ^(e)	-	81,359
Gilles Schnepf	92,817	88,538
Jean-Dominique Senard	92,817	85,560
Philippe Thibaudet ^(a)	92,817	88,538
Philippe Varin ^(f)	-	45,515
TOTAL	1,100,000	1,100,000

^(a) It should be noted that, at the time they took up their positions and for the entire duration of their terms as Employee Directors, Mrs. Lydie Cortes and Mr. Philippe Thibaudet each decided to donate to the trade unions with which they are each affiliated, i.e. the Confédération Française Démocratique du Travail (for Mrs. Lydie Cortes) and the Confédération Générale du Travail (for Mr. Philippe Thibaudet), respectively, all compensation (net of social charges) paid by the Company for their term of office as Director. The net amount of this compensation is consequently paid directly by Compagnie de Saint-Gobain to these trade unions.

^(b) Director since June 2, 2022.

^(c) Director since November 25, 2021, date of her co-option by the Board of Directors to replace Mr. Denis Ranque, who resigned.

^(d) Director until June 2, 2022.

^(c) Director until November 25, 2021.

^(d) Director until June 3, 2021.

With the exception of the Employee Directors and the Director representing employee shareholders, who received compensation for their salaried positions, the non-Executive Directors received no other compensation from the Company or Group entity for their offices in respect of the 2021 and 2022 fiscal years.

5.2.2 COMPENSATION OF EXECUTIVE CORPORATE OFFICERS

General principles of the compensation policy for executive corporate officers

The Board of Directors and the Nomination and Remuneration Committee are committed to ensuring that the compensation of the executive corporate officers complies at all times with the recommendations of the AFEP-MEDEF Corporate Governance Code for French listed companies and in particular meets transparency and performance measurement requirements. They also ensure that it evolves taking into account the Group's performance and market practices.

The compensation package of the executive corporate officers is determined by taking into account all pay components (fixed compensation, annual variable compensation, long-term incentives, severance indemnity and pension benefits), with a view to achieving a balanced mix of these components.

When setting the various components of the compensation of the executive corporate officers, the Board of Directors also takes into consideration the benchmarks of CAC 40 industrial companies comparable to Saint-Gobain in terms of revenue, workforce and market capitalization.

The Board of Directors also seeks to ensure that the granting of long-term compensation instruments (stock options, performance shares and performance units, as the case may be) to the executive corporate officers in a given fiscal year does not represent a disproportionate share of their maximum total compensation in respect of that fiscal year and has conditioned these grants to demanding ceiling and holding rules.

Compensation and benefits allocated to the executive corporate officers

Summary of the compensation and benefits paid or granted to the executive corporate officers for the 2022 fiscal year

In accordance with the principles set out above, the Board of Directors, at its meeting of February 24, 2022, approved, on the proposal of the Nomination and Remuneration Committee, the compensation policies for the Chairman of the Board of Directors and the Chief Executive Officer for the fiscal year 2022.

These policies were approved by the General Shareholders' Meeting of June 2, 2022 (twelfth and thirteenth resolutions).

The following tables present a summary of the compensation, performance shares and stock options granted to Mr. Pierre-André de Chalendar, Chairman of the Board of Directors from July 1, 2021, and to Mr. Benoit Bazin, Chief Executive Officer from July 1, 2021, for the fiscal years ended December 31, 2021 and 2022. No stock options or performance units were granted to them in 2021 and 2022.

TABLE 1 - SUMMARY OF COMPENSATION, STOCK OPTIONS AND PERFORMANCE SHARES PAID OR GRANTED TO THE EXECUTIVE CORPORATE OFFICERS (AMF NOMENCLATURE)

(in EUR before social charges and income tax)	2022 fiscal year	2021 fiscal year
Since July 1, 2021		
Pierre-André de Chalendar, Chairman of the Board of Directors		
Compensation paid or granted in respect of the fiscal year (see Table 2 for details) ^(a)	450,000	225,000 ^(b)
Value of multi-year variable compensation allocated during the year	N/A	N/A

(in EUR before social charges and income tax)	2022 fiscal year	2021 fiscal year
Value of stock options granted during the year (see Table 4 for details)	N/A	N/A
Value of performance shares granted during the year (see Table 6 for details)	N/A	N/A
TOTAL	450,000	225,000
Benoit Bazin, Chief Executive Officer		
Compensation paid or granted in respect of the fiscal year (see Table 2 for details)	2,700,000	1,344,705 ^(c)
Value of multi-year variable compensation allocated during the year	0	0
Value of stock options granted during the year (see Table 4 for details)	0	0
Value of performance shares granted during the year (see Table 6 for details)	1,919,924	2,290,656
TOTAL	4,619,924	3,635,361^(d)

^(a) It is specified that Mr. Pierre-André de Chalendar decided to retire and benefit from his rights under the supplementary defined-benefit pension plan "SGPM" of which he was a beneficiary as Chairman and Chief Executive Officer, as of July 1, 2021. Since that date he has received a supplementary retirement pension, the gross annual amount of which was approximately €394,300 for the 2022 fiscal year.

^(b) For the six-month period from 1 July to 31 December 2021 (compensation awarded or paid to Mr. Pierre-André de Chalendar, Chairman of the Board of Directors).

^(c) For the six-month period from 1 July to 31 December 2021 (compensation awarded or paid to Mr. Benoit Bazin, Chief Executive Officer).

^(d) On an annualized basis, Mr. Benoit Bazin's remuneration would have amounted to 4,980,066 euros for the fiscal year 2021.

Compensation and benefits paid or granted to executive corporate officers for the 2022 fiscal year

The tables below show the breakdown of fixed compensation, variable compensation and other benefits granted to Mr. Pierre-André de Chalendar, Chairman of the Board of Directors from July 1, 2021, and to Mr. Benoit Bazin, Chief Executive Officer from July 1, 2021, for the fiscal years ended December 31, 2021 and 2022.

**TABLE 2 - SUMMARY OF THE COMPENSATION PAID OR GRANTED (a)
TO THE EXECUTIVE CORPORATE OFFICERS (AMF NOMENCLATURE)**

(in EUR before social charges and income tax)	2022		2021	
	Amounts awarded ^(b)	Amounts paid ^(c)	Amounts awarded ^(b)	Amounts paid ^(c)
From July, 1 2021				
Pierre-André de Chalendar, Chairman of the Board of Directors				
Fixed compensation	450,000	450,000	225,000*	225,000*
Annual variable compensation	N/A	N/A ^(c)	N/A	N/A
Multi-year variable compensation	N/A	N/A	N/A	N/A
Exceptional compensation	N/A	N/A	N/A	N/A
Compensation in respect of the Director's term of office ^(d)	0	0	0	0
Benefits in kind: company car	3,300	3,300	1,650*	1,650*



(in EUR before social charges and income tax)	2022		2021	
	Amounts awarded ^(b)	Amounts paid ^(c)	Amounts awarded ^(b)	Amounts paid ^(c)
TOTAL	453,300	453,300	226,650*	226,650*
Benoit Bazin, Chief Executive Officer				
Fixed compensation	1,000,000	1,000,000	500,000*	500,000*
Annual variable compensation	1,700,000	843,625 ^(d) *	843,625*	N/A
Multi-year variable compensation	0	0	0	0
Exceptional compensation	0	0	0	0
Compensation in respect of the Director's term of office ^(d)	0	0	0	0
Benefits in kind: company car	2,158	2,158	1,080*	1,080*
TOTAL	2,702,158	1,845,783	1,344,705*	501,080*

* For the six-month period from 1 July to 31 December 2021 (compensation awarded or paid to Mr. Pierre-André de Chalendar, Chairman of the Board of Directors, or Mr. Benoit Bazin, Chief Executive Officer).

^(a) On a gross basis before taxes.

^(b) Compensation allocated during the year, regardless of payment date.

^(c) Compensation paid during the year.

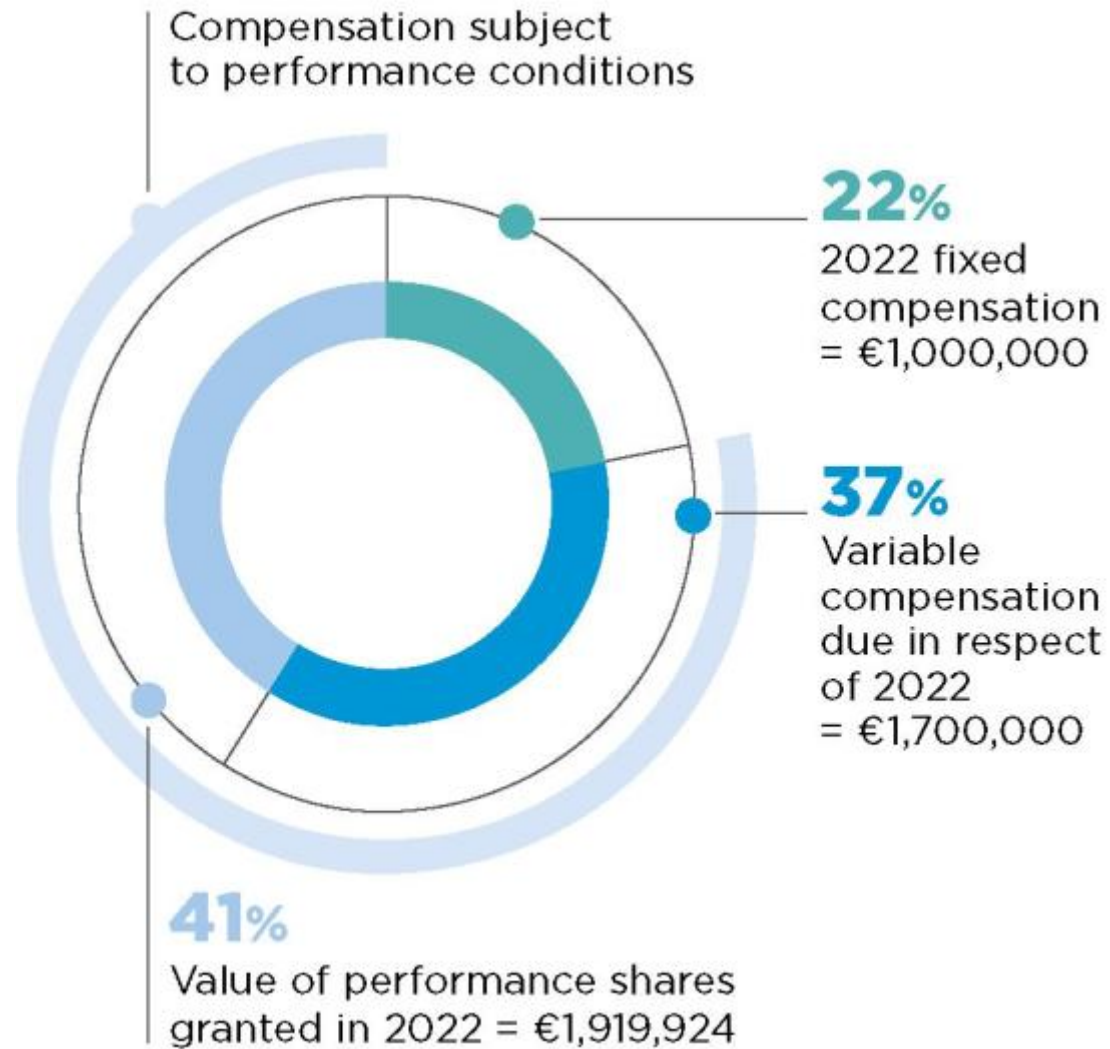
^(d) The executive corporate officers of Compagnie de Saint-Gobain do not receive any compensation for their duties as Directors in companies outside the Group in which the Group has equity interests.

^(e) During 2022 fiscal year, 1,012,350 euros were also paid to Mr. Pierre-André de Chalendar, as part of his annual variable compensation for the period from January to June 2021, as Chairman and Chief Executive Officer. These compensation elements were approved by the General Meeting of 2 June 2022 in the context of the ex-post say-on-pay (7th resolution).

^(f) During 2022 fiscal year, 558,281 euros were also paid to Mr Benoit Bazin, as part of his annual variable compensation for the period from January to June 2021 as Deputy Chief Executive Officer. These compensation elements were approved by the General Meeting of 2 June 2021 in the context of the ex-post Say-on-pay (8th resolution).

The graph below shows the breakdown of the various components of the compensation components of Mr. Benoit Bazin, paid during the 2022 fiscal year or awarded in respect of the same fiscal year, as Chief Executive Officer.

Benoit Bazin, Chief Executive Officer





In accordance with the compensation policy for the Chairman of the Board of Directors and the Chief Executive Officer approved by the General Shareholders' Meeting of June 2, 2022 (12th and 13th resolutions), the various compensation components paid during the 2022 fiscal year or awarded in respect of the same fiscal year to Mr. Pierre-André de Chalendar and Mr. Benoit Bazin are determined as follows:

Fixed compensation

The fixed portion of the compensation of executive corporate officers reflects their experience and responsibilities, and is comparable to that of equivalent positions in large companies that are similar in terms of revenues, workforce and market capitalization.

Fixed compensation of Mr. Pierre-André de Chalendar, Chairman of the Board of Directors

Pursuant to the compensation policy approved by the General Shareholders' Meeting of June 2, 2022, the compensation of Mr. Pierre-André de Chalendar was set at €450,000 gross per annum for the entire duration of his term of office as Chairman of the Board of Directors, to the exclusion of any other compensation in respect of his term of office⁽²⁾. The Nomination and Remuneration Committee had noted in 2021, with the assistance of an external firm, that this level was below the median of compensation paid to non-executive Chairmen of CAC 40 companies who previously held the position of Chairman and Chief Executive Officer (excluding financial companies).

⁽²⁾ It is specified that Mr. Pierre-André de Chalendar decided to retire and benefit from his pension rights under the supplementary defined-benefit supplementary pension plan "SGPM" of which he was a beneficiary as Chairman and Chief Executive Officer, as of July 1, 2021. Since that date he has received a supplementary retirement pension, the gross annual amount of which was approximately €394,300 for the 2022 fiscal year.

⁽³⁾ The quantifiable part of the variable represents 2/3 of the variable part, which can reach a maximum of 170% of the fixed part, so that with its maximum amount is 113.33% of the fixed amount.

Fixed compensation of Mr. Benoit Bazin,

Chief Executive Officer

In accordance with the compensation policy approved by the General Shareholders' Meeting of June 2, 2022, Mr. Benoit Bazin's fixed compensation was set at €1,000,000 for 2022, with no increase since 2021, when he took office as Chief Executive Officer, and even though the Nomination and Remuneration Committee found in 2022, with the help of an external firm, that this level is lower than the median of CAC 40 industrial companies comparable to Saint-Gobain in terms of size: revenue, workforce or market capitalization.

Annual variable compensation

This component of compensation rewards the contribution of the Chief Executive Officer to the Group's results over the past fiscal year. It is expressed as a percentage of the annual fixed compensation.

At its meeting of February 24, 2022, on the proposal of the Nomination and Remuneration Committee, the Board decided, for fiscal year 2022, to set the cap for the annual variable portion of the compensation of Mr. Benoit Bazin, as Chief Executive Officer, at 170% of the fixed portion of his compensation.

Furthermore, at its meeting of February 24, 2022, the Board determined, on the proposal of the Nomination and Remuneration Committee, the components and objectives of the variable compensation of Mr. Benoit Bazin as Chief Executive Officer for 2022 (structure unchanged since 2019):

- a quantitative portion of 2/3, based on the following four objectives, adapted to the Group's strategy by reverting to a weighting of 25% of each of the four quantifiable objectives, depending on the policy prevailing before the start of the Covid-19 crisis:
 - the "FCF" (Free Cash Flow), which is an indicator published and monitored by investors and which replaces the "OFCF" objective (Operating Free Cash Flow), which is an internal indicator,
 - ROCE (Return on Capital Employed),
 - the Group's operating income, and
 - Group recurring net income per share;

The objectives for the above quantifiable criteria are not disclosed for confidentiality reasons.



Given the volatility of the environment in which the Group operates, which makes it difficult to forecast each indicator, the Board of Directors, after consulting the Nomination and Remuneration Committee, has reserved the right to apply an "outperformance" mechanism that would make it possible to partially compensate for the non-achievement of quantifiable objectives on certain criteria by an exceptional outperformance on others. In the event of outperformance on one or more of the four criteria beyond the maximum, it is possible to reach up to 20% of the bonus share relating to the outperforming criterion/criteria, in the event of achievement above the maximum and up to 120% of the maximum, with linearity between 0 and 120% (which leads, for example, to 10% of the bonus share relating to a criterion in the event of achievement of up to 110% of the maximum), it being specified that the sum of the four components may not exceed 113%⁽³⁾ of the fixed portion. Thus, in the extreme case of outperformance of more than 20% of the maximum on three criteria and performance equal to zero on the fourth, the quantifiable portion of the annual variable will be equal to 102% of the fixed portion (which responds to the concern that the maximum of 113% of the fixed portion cannot be reached when one criterion is at zero). In 2022, this mechanism was not applied.

–a qualitative portion of 1/3, based on the following three objectives:

- Objective 1: deployment of the Grow & Impact strategic plan in its 6 action priorities (1 - Position ourselves in high-growth markets, 2 - Be solutions-oriented, combining performance and sustainability, 3 - Drive growth through customer innovation and the power of data, 4 - Embed Corporate Social Responsibility in our decisions and actions, 5 - Strengthen our "TEC" culture (trust, empowerment and collaboration), 6 - Have the best teams in a diverse and inclusive work environment);
- Objective 2: successful integration of Chryso and GCP and continued optimization of the Group's scope (acquisitions and disposals);
- Objective 3: implementation of the corporate social responsibility policy (including safety, social, environmental and compliance).

The quantifiable and qualitative variable compensation due for the 2022 fiscal year to the Chief Executive Officer was determined by the Board of Directors at its meeting of February 23, 2023, on the proposal of the Nomination and Remuneration Committee, as follows:

	Weighting	Possible variation under each objective (in EUR) ^(a)	Amount at target budget (target compensation) (in EUR)	Percentage achieved compared to target compensation	Percentage achieved	
Benoit Bazin, Chief executive officer					-	
FCF	25%	0 à 283,333	198,333	143%	-	
Quantifiable objectives (2/3) of which:	Group operating income	25%	0 à 283,333	198,333	143%	-
ROCE	25%	0 à 283,333	198,333	143%	-	
Group recurring net income per share	25%	0 à 283,333	198,333	143%	-	
Quantifiable total	100%	0 à 1,133,333	793,332	143%	-	
Qualitative objectives (see above for a detailed description of each objective) (1/3) of which:	Objective 1	33.3%	0 à 188,889	N/A	100%	
Objective 2	33.3%	0 à 188,889	N/A	N/A	100%	
Objective 3	33.3%	0 à 188,889	N/A	N/A	100%	
Qualitative (global)	100%	0 à 566,667	N/A	N/A	100%	
TOTAL VARIABLE SHARE	100%	0 à 1,700,000	N/A	N/A	100%	
					Achievement (in EUR)	
Benoit Bazin, Chief executive officer						
FCF					283,333	
Quantifiable objectives (2/3) of which:	Group operating income				283,333	



	Achievement (in EUR)
	283,333
ROCE	283,333
Group recurring net income per share	283,333
	1,133,333
Quantifiable total	1,133,333
Qualitative objectives (see above for a detailed description of each objective) (1/3) of which:	
Objective 1	188,889
Objective 2	188,889
Objective 3	188,889
Qualitative (global)	566,667
TOTAL VARIABLE SHARE	1,700,000

⁽⁴⁾ For each quantifiable objective, the corresponding portion of variable compensation becomes payable if 82% to 88% of the target of the considered objective is achieved (on budget basis), depending on the objective concerned, and it reaches its maximum if the objective reaches between 104% and 107%, as the case may be, of the target of the considered objective.

Qualitative variable compensation of the Chief Executive Officer

The Board of Directors, at its meeting of February 23, 2023, on the recommendation of the Nomination and Remuneration Committee, set at 100% the overall level of achievement of the three qualitative objectives used to determine the variable compensation for 2022 of Mr. Benoit Bazin, Chief Executive Officer, as outlined above.

In particular, it took the following main achievements into consideration:

- concerning deployment of the Grow & Impact strategic plan in its six action priorities (1 - Position ourselves in high-growth markets, 2 - Be solutions-oriented, combining performance and sustainability, 3 - Drive growth through customer innovation and the power of data, 4 - Embed Corporate Social Responsibility in our decisions and actions, 5 - Strengthen our "TEC" (Trust, Empowerment and Collaboration) culture, 6 - Have the best teams in a diverse and inclusive work environment) the Group's actions are described in section 2.3, p. 57. The Board of Directors noted in particular:
 - the pursuit of the allocation of Group resources to high-growth markets as a priority (notably, geographical rebalancing, acquisitions in the construction chemicals sector);
 - deployment of the "Solutions" approach in the main European countries (see section 2.3.2, p. 57);
 - the identification of major innovation priorities, the acceleration of innovation in net zero-carbon processes, the launch of the world's first commercial offering of low-carbon glass, and the development of digital and IT initiatives with the pursuit of the implementation of common platforms within the Group and the intensification of IT projects linked to the CO₂ roadmap;
 - the inclusion of the CSR roadmap in the budgets, the inclusion of CSR criteria in bonuses, the training of employees (in particular the deployment of the Climate Fresque and the Climate Academy), the creation and management of the COMEX CSR Committee;
 - the implementation of various TEC actions (creation of a 360° evaluation, specific training program "Grow your impact as a TEC leader") (see section 2.3.6 B, p. 66); and
 - the continuing increase in the proportion of women in the organization (see section 2.3.6 A, p. 65) and the development of numerous local initiatives on inclusion, concerning successful integration of Chryso and GCP and continued optimization of the Group's scope, especially:
- numerous growth synergies between Chryso and Saint-Gobain; the completion of acquisitions by Chryso with the support of Saint-Gobain and the gradual integration of Chryso's development projects with those of Saint-Gobain (the strengthening of the partnership between Ecoceem and Saint-Gobain, including Point.P, Weber, and Chryso);
- the fast completion of the acquisition of GCP Applied Technologies in September 2022 and the very active integration (weekly follow-ups in 2022 and very good collaboration between the teams); and
- the very active pursuit of optimization of the Group's profile, including (i) 20 signed or closed divestments for 3.8 billion in divested revenues, and (ii) 44 signed or closed acquisitions for 1.9 billion in acquired revenues, of which 55% in North America (including Kaycan in Canada), 23% in Asia, and 61% in construction chemicals, as detailed in section 2.3.7 B, p. 68. concerning implementation of the Corporate Social Responsibility policy:



- in terms of safety, the frequency rate of accidents with and without stoppage (TF2) fell by 19% between 2021 and 2022 and has been almost halved in the last five years. Once again this year, efforts to raise awareness, regularly and in response to accidents have been implemented;
- in terms of diversity: increase in the gender mix in management bodies, both locally and at Group level. Continued increase in the proportion of women managers: 27.4% in 2022, in line with the objective of 30% of women senior managers by 2025;
- in terms of team commitment and satisfaction: the results of the me@Saint-Gobain survey are excellent, with an increase in all indicators compared to 2021 (see section 3.2.3.E p. 97);
- on the environment: deployment of the Group's CO₂ emissions roadmap ("scopes" 1 and 2), with a 27% reduction in emissions since 2017 and a 5% reduction since 2021, in line with the Group's 2030 roadmap. Saint-Gobain has also signed renewable electricity purchase contracts in many countries. In addition, the indicators for non-recycled waste and water withdrawal are improving. Lastly, the Group's agency ratings have improved or been maintained;
- regarding compliance: a very high percentage of training is followed and the anti-corruption system is adapted to the new recommendations of the French Anti-Corruption Agency.

In total, for the fiscal year 2022:

- pursuant to the compensation policy approved by the General Shareholders' Meeting of June 2, 2022, the compensation of Mr. Pierre-André de Chalendar was set at €450,000 gross per annum for the entire duration of his term of office as Chairman of the Board of Directors. The Nomination and Remuneration Committee had noted in 2021, with the assistance of an external firm, that this level was below the median of compensation paid to non-executive Chairmen of CAC 40 companies who previously held the position of Chairman and Chief Executive Officer (excluding financial companies);
- Mr. Benoit Bazin's total compensation (fixed and variable) as Chief Executive Officer amounted to €2,700,000. This compensation is an increase of 0.5% compared to that of Mr. Benoit Bazin in 2021 as Chief Executive Officer calculated on an annualized basis.

Long-term compensation policy

Grant cap in relation to the total compensation of the Chief Executive Officer

In addition to the restrictions set out below, the Board of Directors resolved, in accordance with the AFEP-MEDEF Code, that the long-term compensation instruments that would be allocated in 2022 to Mr. Benoit Bazin could not represent, at the time of their allocation, a valuation (according to IFRS standards) greater than 100% of the Chief Executive Officer's maximum gross total compensation for the 2022 fiscal year (fixed plus maximum annual variable for the 2022 fiscal year or a value of €2,700,000).

In 2022, the performance shares allocated to Mr. Benoit Bazin amounted to a total value (according to IFRS), at the time of their grant, of €1,919,924, corresponding to 71.1% of his maximum gross total compensation for the 2022 fiscal year.

No stock option or performance unit plan was implemented in 2022.

Grant cap to the Chief Executive Officer in relation to the overall grant

The Board of Directors decided, during its meeting of February 24, 2022, as in previous years, that the Chief Executive Officer could not receive more than 10% of the overall grants of performance shares under the long-term compensation plan to be set up in 2022.

Hedging rules

The Chief Executive Officer formally committed not to hedge his risk either on stock options or on shares resulting from the exercise of stock options, on performance shares or on performance units he has been or will be granted during his term of office as executive corporate officer, until the cessation of his duties. To the Company's knowledge, the executive corporate officer has not hedged his risk.

Closed periods

In their capacity as executive corporate officers and by virtue of the applicable regulations as reminded in the Board's internal rules (see section 9.1.1.B, p. 370), Mr. Pierre-André de Chalendar and Mr. Benoit Bazin must refrain from carrying out any transactions on Saint-Gobain securities for 30 days prior to Board meetings during which the annual consolidated financial statements and the half-year consolidated financial statements are examined, for 15 days prior to the release of quarterly consolidated sales and on the day following the release of the full and half-year results. Outside of these periods, they are also required, as are the other Directors, to abide by the provisions on the prevention of insider trading.

Stock options

The tables below present the stock options exercised by the executive corporate officers during the 2022 fiscal year.

No stock option plan was implemented in 2022.

TABLE 4 - STOCK OPTIONS GRANTED IN 2022 TO THE EXECUTIVE CORPORATE OFFICERS (AMF NOMENCLATURE)

Name of the Executive corporate officer	Plan date	Type of options (subscription or purchase)	Value (based on method used to prepare the consolidated financial statements)	Number of options granted during the fiscal year	Exercise price	Exercise period
Pierre-André de Chalendar, Chairman of the Board of Directors	N/A	N/A	N/A	N/A	N/A	N/A
Benoit Bazin, Chief Executive Officer	N/A	N/A	N/A	N/A	N/A	N/A

TABLE 5 - STOCK OPTIONS GRANTED IN RESPECT OF THE TERM OF OFFICE AND EXERCISED IN 2022 BY THE EXECUTIVE CORPORATE OFFICERS (AMF NOMENCLATURE)

Name of the Executive corporate officer	Plan date	Type of options (subscription or purchase)	Number of options granted during the fiscal year	Exercise price
Pierre-André de Chalendar ^(a)	N/A	N/A	N/A	N/A
Benoit Bazin	N/A	N/A	N/A	N/A

^(a) Options granted to Mr. Pierre-André de Chalendar as Chairman and Chief Executive Officer.

Performance shares

The following tables show the performance shares granted or delivered to the executive corporate officers during the 2022 fiscal year.

TABLE 6 - PERFORMANCE SHARES GRANTED IN 2022 TO THE EXECUTIVE CORPORATE OFFICERS (AMF NOMENCLATURE)

Name of the Executive corporate officer	Plan date	Number of options granted during the fiscal year	Value of shares (based on method used to prepare the consolidated financial statements)	Vesting date	Availability date	Performance conditions
Pierre-André de Chalendar, Chairman of the Board of Directors	11/24/2022	0	0	11/24/2026	11/27/2026	See options plans details*

	Plan date	Number of options granted during the fiscal year	Value of shares (based on method used to prepare the consolidated financial statements)	Vesting date	Availability date	Performance conditions
Benoit Bazin, Chief Executive Officer	11/24/2022	75,000	1,919,924	11/24/2026	11/27/2026	See options plans details*

* See section 5.2.4, p. 209.

Grant for Benoit Bazin, Chief Executive Officer in fiscal year 2022

At the Board meeting of November 24, 2022, on the proposal of the Nomination and Remuneration Committee, Mr. Benoit Bazin was granted 75,000 performance shares, representing approximately 0.014% of the share capital, less than the sub-cap set by the General Shareholders' Meeting of June 2, 2022 and less than the 10% cap on the overall grant for performance shares and performance units decided by the Board.

The features of the performance shares, specifically the service and performance conditions to which the allocation is subject and which apply to the Chief Executive Officer, are explained in this section 5.2.4, p. 209.

TABLE 7 - SHARES GRANTED FREE OF CHARGE AND WHICH BECAME AVAILABLE IN 2022 FOR EACH EXECUTIVE CORPORATE OFFICER (AMF NOMENCLATURE)

Name of the Executive corporate officer	Plan date	Number of shares delivered during the year	Availability date
Pierre-André de Chalendar	11/22/2018	63,227	11/25/2022
Benoit Bazin ^(a)	N/A	N/A	N/A

^(a) Shares granted for a term of office as executive corporate officer.

Retention rules

The Chief Executive Officer is required to retain 50% of the performance shares awarded in 2021 until the end of his duties. However, this holding obligation will cease to apply if and when the total number of Saint-Gobain shares that the Chief Executive Officer personally holds in registered form-at the date of delivery of the performance shares-represents the equivalent of three years of gross fixed compensation (based on the average opening prices quoted for Saint-Gobain shares in the 20 trading days preceding the delivery date of the performance shares and the amount of the gross fixed compensation applicable at that time).

Performance units

No performance unit plans were set up during fiscal year 2022 and there are no longer any performance unit plans being vested (see section 5.2.4, p. 209). No performance units therefore became exercisable during fiscal year 2022.

Employment contract, retirement benefits and termination benefits for executive corporate officers For the Chairman of the Board of Directors

TABLE 11 - EMPLOYMENT CONTRACT, RETIREMENT BENEFITS AND TERMINATION BENEFITS FOR THE CHAIRMAN OF THE BOARD OF DIRECTORS (AMF NOMENCLATURE)

executive corporate officer	Employment contract		Supplementary pension arrangements		Indemnities or benefits due or likely to be due as a result of termination or a change of role		
	Yes	No	Yes	No	Yes	No	
Pierre-André de Chalendar, Chairman of the Board of Directors		X		X ^(a)		X	
executive corporate officer						Indemnities in relation to a non-compete clause	
						Yes	No
Pierre-André de Chalendar, Chairman of the Board of Directors							X

^(a) It is specified that Mr. Pierre-André de Chalendar decided to retire and benefit from his pension rights under the supplementary defined-benefit supplementary pension plan "SGPM" of which he was a beneficiary as Chairman and Chief Executive Officer, as of July 1, 2021. Since that date he has received a supplementary retirement pension, the gross annual amount of which was approximately €394,300 for the 2022 fiscal year.

Mr. Pierre-André de Chalendar benefits from the commitments made by the Group to him, as described below.

Health and personal risk insurance

See the heading "Health and personal risk insurance" described hereunder.

For the Chief Executive Officer

TABLE 11 - EMPLOYMENT CONTRACT, RETIREMENT BENEFITS AND TERMINATION BENEFITS FOR THE CHIEF EXECUTIVE OFFICER (AMF NOMENCLATURE)

executive corporate officer	Employment contract		Supplementary pension arrangements		Indemnities or benefits due or likely to be due as a result of termination or a change of role		
	Yes	No	Yes	No	Yes	No	
Benoit Bazin, CEO		X ^(a)	X		X		
executive corporate officer						Indemnities in relation to a non-compete clause	
						Yes	No
Benoit Bazin, CEO						X	

^(a) Mr. Benoit Bazin whose employment contract entered into when he joined the Saint-Gobain Group on September 1, 1999 had been suspended since January 1, 2019 and for the entire duration of his term of office as Chief Operating Officer, committed to renounce his employment contract as from July 1, 2021, the date on which he became Chief Executive Officer.

Mr. Benoit Bazin benefits from the commitments made by the Group to him, as described below.

Severance indemnity of Chief Executive Officer

See the heading "Severance indemnity" described hereunder.

Non-compete indemnity

See the heading "Non-compete indemnity" described hereunder.

Supplementary pension arrangements

See the heading "Supplementary pension arrangements" described hereunder.

Health and personal risk insurance

See the heading "Health and personal risk insurance" described hereunder.

Compensation components paid to executive corporate officers during the 2022 fiscal year or granted in respect of the same fiscal year, subject to the approval of the General Shareholders' Meeting of June 8, 2023 (ex post Say-on-Pay)

Article L.22-10-34 II of the French Commercial Code requires that the fixed, variable and exceptional components of the total compensation and benefits of any kind, paid during the past fiscal year or allocated for the same fiscal year to executive corporate officers, be submitted to the Ordinary Shareholders' Meeting for approval each year. This vote is binding (as opposed to an advisory vote).

The compensation components paid in 2022 or granted in respect of that fiscal year to Mr. Pierre-André de Chalendar, Chairman of the Board of Directors, and to Mr. Benoit Bazin, Chief Executive Officer, were decided by the Board of Directors at its meetings of February 24, 2022, November 24, 2022 and February 23, 2023, on the proposal of the Nomination and Remuneration Committee, pursuant to the compensation policies for the Chairman of the Board of Directors and Chief Executive Officer, approved by the General Shareholders' Meeting of June 2, 2022 (twelfth and thirteenth resolutions) and in accordance with the principles outlined in paragraph Compensation and benefits paid or granted to executive corporate officers for the 2022 fiscal year, in section 5.2.2 p. 185.

Compensation components paid to Mr. Pierre-André de Chalendar, Chairman of the Board of Directors, during the 2022 fiscal year or granted in respect of the same fiscal year (ex post Say-on-Pay)

The following table shows the compensation components paid in the 2022 fiscal year or granted in respect of that fiscal year to Mr. Pierre-André de Chalendar, Chairman of the Board of Directors, subject to shareholders' approval at the General Shareholders' Meeting of June 8, 2023, in accordance with Article L.22-10-34 II of the French Commercial Code.

Compensation components paid to Mr. Pierre-André de Chalendar, Chairman of the Board of Directors, during the 2022 fiscal year or granted in respect of the same fiscal year (Article L.22-10-34 II of the French Commercial Code) (ex post Say-on-Pay)

Compensation components submitted to vote	Amounts paid or granted or book value subject to vote (in euros)	Description
Fixed compensation	Amount paid: €450,000 (Board of Directors meeting of February 24, 2022)	In accordance with the compensation policy approved by the General Shareholders' Meeting of June 2, 2022 (12th resolution).

Compensation components submitted to vote	Amounts paid or granted or book value subject to vote (in euros)	Description
Annual variable compensation	None	Mr. Pierre-André de Chalendar has not been granted any annual variable compensation.
Deferred variable compensation	None	Mr. Pierre-André de Chalendar has not been granted any deferred variable compensation.
Multi-year variable compensation	None	Mr. Pierre-André de Chalendar has not been granted any multi-year variable compensation.
Exceptional compensation	None	Mr. Pierre-André de Chalendar has not been granted any exceptional compensation.
Long-term compensation	None	No long-term compensation was awarded to Mr. Pierre-André de Chalendar in 2022.
Compensation in respect of the Director's term of office	None	Mr. Pierre-André de Chalendar does not receive any compensation for his term of office as Director of Compagnie de Saint-Gobain.
In-kind benefits	€3,300 (book value)	Mr. Pierre-André de Chalendar has use of a company car.
Severance indemnity	None	The Board of Directors has not granted any severance indemnity to Mr. Pierre-André de Chalendar.
Non-compete indemnity	None	The Board of Directors has not granted any non-compete indemnity to Mr. Pierre-André de Chalendar.

Compensation components paid to Mr. Benoit Bazin, Chief Executive Officer, during the 2022 fiscal year or granted in respect of the same fiscal year (ex post Say-on-Pay)

The following table shows the compensation components paid during the 2022 fiscal year or granted in respect of that fiscal year to Mr. Benoit Bazin, Chief Executive Officer, subject approval at the General Shareholders' Meeting of June 8, 2023, in accordance with Article L.22-10-34 II of the French Commercial Code.

Compensation components paid to Mr. Benoit Bazin, Chief Executive Officer, during the 2022 fiscal year or granted in respect of the same fiscal year (Article L2210 34 II of the French Commercial Code) (ex post Sayon Pay)

Compensation components submitted to vote	Amounts paid or granted or book value subject to vote (in euros)	Description
Fixed compensation	Amount paid: €1,000,000 (Board of Directors meeting of February 24, 2022)	In accordance with the compensation policy approved by the General Shareholders' Meeting of June 2, 2022 (13th resolution).
Annual variable compensation	Amount due: €1,700,000 (Board of Directors meeting of February 23, 2023)	On February 24, 2022, on the proposal of the Nomination and Remuneration Committee, the Board decided to set the cap for the annual variable portion of the compensation of the Chief Executive Officer at 170% of the fixed portion of his compensation.



Compensation components submitted to vote	Amounts paid or granted or book value subject to vote (in euros)	Description
		<p>Based on the recommendations of the Nomination and Remuneration Committee, the Board of Directors, at its February 23, 2023 meeting, determined Mr. Benoit Bazin's variable compensation as Chief Executive Officer as follows, taking into account the extent to which the objectives outlined below have been attained:</p> <ul style="list-style-type: none"> • the portion of the variable compensation based on the fulfillment of the four quantifiable objectives (return on capital employed (ROCE), Group operating income, Group recurring earnings per share, Free Cash Flow) amounted to € 1,133,333, which corresponds to a compensation achievement rate against the Target of 143% (see section 5.2.2); • the amount of the variable portion in respect of the three qualitative objectives (deployment of the Grow & Impact strategic plan in its 6 action priorities, successful integration of Chryso and GCP and continued optimization of the Group's scope (acquisitions and disposals), and implementation of the Corporate Social Responsibility policy (including safety, social, environment and compliance)) amounted to € 566,667 corresponding to a percentage of achievement of 100% (see section 5.2.2). <p>The variable portion of the compensation of Mr. Benoit Bazin as Chief Executive Officer totaled € 1,700,000 for 2022, which corresponds to an achievement rate of 100%.</p> <p>In all, Mr. Benoit Bazin's total compensation for fiscal year 2022 (fixed and variable) as Chief Executive Officer amounted to € 2,700,000.</p> <p>Pursuant to the law, payment of the annual variable compensation is subject to the approval of the Ordinary Shareholders' Meeting of June 8, 2023.</p>
Deferred variable compensation	None	Mr. Benoit Bazin has not been granted any deferred variable compensation.
Multi-year variable compensation	None	Mr. Benoit Bazin has not been granted any multi-year variable compensation.
Exceptional compensation	None	Mr. Benoit Bazin has not been granted any exceptional compensation.

Compensation components paid to Mr. Benoit Bazin, Chief Executive Officer, during the 2022 fiscal year or granted in respect of the same fiscal year (Article L.22-10-34 II of the French Commercial Code) (ex post Say-on-Pay)

Compensation components submitted to vote	Amounts paid or granted or book value subject to vote (in euros)	Description
Performance shares	Amount due: €1,919,924 (value based on the method used to prepare the consolidated financial statements)	On the recommendation of the Nomination and Remuneration Committee, the Board of Directors' meeting of November 24, 2022 decided to grant Mr. Benoit Bazin 75,000 performance shares (as a reminder, 64,000 performance shares had been awarded in 2021 to Mr. Benoit Bazin as Chief Executive Officer). In 2021, the level of the share price and the application to the grant of the cap of 85% of the Chief Executive Officer's maximum gross total



Compensation components submitted to vote	Amounts paid or granted or book value subject to vote (in euros)	Description
		<p>compensation for 2021 led to a grant which was limited to 64,000 performance shares (as a reminder, 57,500 performance shares had been granted in 2020 to Mr. Benoit Bazin as Chief Operating Officer so that, at the time of his change of role, the grant of Mr. Benoit Bazin had increased by 11.1% in terms of the number of shares, although the Nomination and Remuneration Committee would have liked to be able to recommend a higher increase to reflect this change of role and the quality of Mr. Benoit Bazin's appointment). In addition, in 2022, the Nomination and Remuneration Committee found, with the help of a benchmark created by an external firm, that Mr. Benoit Bazin's total compensation was lower than the median compensation of CEOs of CAC 40 industrial companies comparable to Saint-Gobain in terms of revenue, workforce and market capitalization. He also noted the continuation of Mr. Benoit Bazin's excellent performance since taking up his position as Chief Executive Officer. These factors led to an increase in the number of performance shares awarded to Benoit Bazin in 2022 to 75,000, i.e. an increase of 17.2% in terms of number of shares and a decrease of 16.2% in terms of value compared to 2021). This allocation represents a total value (in accordance with IFRS) at the time it was granted of €1,919,924, which is below the 100%⁽¹⁾ cap of his overall maximum gross compensation as Chief Executive Officer for the year 2022 (fixed plus maximum variable compensation for the 2022 financial year), a cap set by the Board of Directors' decision of the Board of Directors on 24 February 2022. It corresponds to 71.1% of the compensation of the Chief Executive Officer for 2022, so that it does not represent a disproportionate share of it. This allocation represents less than the sub-cap set by the General Shareholders' Meeting of June 2, 2022 and is less than the cap of 10% of the overall allocation envelope of performance shares decided by the Board Refer to section 5.2.4 p. 209 for a description of the service and performance conditions applying to the vesting of performance shares. The performance targets set for each criterion are final. However, in accordance with the allocation plan rules, the Board of Directors will have the possibility, after consulting the Nomination and Remuneration Committee, to adjust them in the event of exceptional circumstances justifying this, in particular in the event of a change in the scope of consolidation or a change in accounting method, in order to neutralize, as far as possible, the consequences of these circumstances on the objectives set at the grant date. The performance conditions for performance shares allocated by the Group are demanding, as evidenced by the achievement rates for the latest three performance share plans for which the performance condition has been determined (94.4% for the 2018 plan, 75% for the 2017 plan, 57.1% for the 2016 plan). Percentage of share capital represented by the allocation of performance shares to the executive corporate officer: approximately 0,014%. Date of authorization by the General Shareholders' Meeting: June 2, 2022 (18th resolution). Date of the Board's grant decision: November 24, 2022.</p>
Stock options	None	No stock options were granted to Mr. Benoit Bazin in 2022.
Performance units	None	No performance units were granted to Mr. Benoit Bazin in 2022.



Compensation components submitted to vote	Amounts paid or granted or book value subject to vote (in euros)	Description
Compensation in respect of the Director's term of office	None	Mr. Benoit Bazin does not receive any compensation in respect of the fiscal year for serving as a Director of Compagnie de Saint-Gobain.
In-kind benefits	€2,158 (book value)	Mr. Benoit Bazin has use of a company car.
Severance indemnity	None	See the heading "Severance indemnity" in paragraph compensation policies for executive corporate officers subject to the approval of the General Shareholders' Meeting of June 8, 2023 (ex ante Say-on-Pay), section 5.2.2, p. 185 below.

⁽¹⁾ As a reminder, in 2022, the cap applicable to the Chief Executive Officer's allocation of performance shares was increased from 85% to 100% of his maximum gross total compensation as Chief Executive Officer in a context of rising share prices (see chapter 5, section 2.2.4.2 of the 2021 Universal Registration Document).

Compensation components paid to Mr. Benoit Bazin, Chief Executive Officer, during the 2022 fiscal year or granted in respect of the same fiscal year (Article L.22-10-34 II of the French Commercial Code) (ex post Say-on-Pay)

Compensation components submitted to vote	Amounts paid or granted or book value subject to vote (in euros)	Description
Non-compete indemnity	None	See the heading "Non-compete indemnity" in this section 5.2.2, p. 185 below.
Supplementary pension arrangements	None	<p>Following the freezing of the defined-benefit supplementary pension plan with conditional rights, set up in 2012, pursuant to Article L. 137-11 of the French Social Security Code (the "2012 Plan"), a defined-benefit supplementary pension plan with certain rights, meeting the conditions set out in Article L. 137-11-2 of the French Social Security Code (the "2012/2 Plan"), could be set up following the publication of the instruction of the Social Security Department on December 23, 2020. This 2012/2 Plan provides continuity to the 2012 Plan due to consistency in terms of population and benefits. Therefore, the 2012/2 Plan is not an addition to the 2012 Plan but a gradual replacement of it. Indeed, the pension rights vested annually in the 2012/2 Plan reduce the frozen rights in the 2012 Plan by the same proportion and are capped so that, when combined as the case may be with the frozen rights of the 2012 Plan, they do not allow the receipt of a benefit greater than that which could have resulted from the 2012 Plan if its closure had not been imposed by the Order of July 3, 2019.</p> <p>The characteristics of the 2012 and 2012/2 Plans are specified in the Chief Executive Officer's compensation policy for 2023 submitted for approval to the Ordinary Shareholders' Meeting (see section 5.2.2, p. 185). The extension of the 2012/2 Plan to Mr. Benoit Bazin as from 2021 results from the Chief Executive Officer's compensation policy for 2021, approved by the Ordinary Shareholders' Meeting held on June 3, 2021 (fourteenth resolution).</p> <p>The vesting of annual rights under the 2012/2 Plan is subject to the fulfillment of conditions related to the professional performance of Mr. Benoit Bazin assessed annually by the Board of Directors. The performance condi-</p>

Compensation components submitted to vote	Amounts paid or granted or book value subject to vote (in euros)	Description
		<p>on is defined as follows: the achievement, for the year in question, of at least 50% of the individual part of the quantifiable and qualitative objectives relating to the variable portion of the compensation. In February 2023, the Board of Directors noted that the performance condition determining the vesting of Mr. Benoit Bazin's rights in respect of 2022 had been met. As a result, under the 2012/2 plan, the rights vested in 2022 amount to a gross amount of approximately €35,000 per year. In addition, as of December 31, 2022, the total estimated amount of the rights that will be received by Mr. Benoit Bazin under the 2012/2 Plan amounts to a gross amount of approximately €67,000 per year. This indicative amount is calculated in accordance with the procedures set forth in Article D. 22-10-16 of the French Commercial Code. As indicated, this amount reduces the amount that could be paid under the 2012 Plan. In fact, the estimated amount of the rights paid under the 2012/2 Plan, together with that of the rights which could be paid under the 2012 Plan, remains in any event lower than the cap provided for in the "2012" pension plan (eight times the annual social security cap, i.e., 329 088 euros in 2022) and the cap of 45% of fixed and variable compensation provided for in the AFEP-MEDEF Code.</p>

Compensation policies for executive corporate officers subject to the approval of the General Shareholders' Meeting of June 8, 2023 (ex ante Say-on-Pay)

Article L.22-10-8 II of the French Commercial Code requires that the compensation policy for executive corporate officers be submitted to the Ordinary Shareholders' Meeting for approval each year. This vote is binding (as opposed to an advisory vote).

At its meeting of February 23, 2023, the Board of Directors, on the proposal of the Nomination and Remuneration Committee, determined the compensation policies for the Chairman of the Board of Directors and the Chief Executive Officer presented below.

The general principles of the compensation policy for the executive corporate officers described in section 5.2.2 p. 185 were reviewed by the Board of Directors and were confirmed for the 2023 fiscal year.

Compensation policy for the Chairman of the Board of Directors subject to the approval of the General Shareholders' Meeting of June 8, 2023 (ex ante Say-on-Pay)

The table below shows the compensation policy for the Chairman of the Board of Directors, submitted for approval to the General Shareholders' Meeting of June 8, 2023 pursuant to Article L.22-10-8 II of the French Commercial Code.

As part of the determination of the compensation policy of the Chairman of the Board of Directors, the Board analyzed the results of the votes during the 2022 General Shareholders' Meeting and inferred that the result of Mr. Pierre-André de Chalendar's ex post Say-on-Pay as Chairman and Chief Executive Officer was linked to reasons no longer applicable in 2023.

Compensation policy for the Chairman of the Board of Directors, subject to the approval of the Ordinary Shareholders' Meeting (Article L.22-10-8 II of the French Commercial Code)



Compensation components attributable to the Chairman of the Board of Directors	Cap	Description
Annual variable compensation	-	The compensation of the Chairman was set by the Board of Directors, at its meeting of February 25, 2021, on the proposal of the Nomination and Remuneration Committee, at €450,000 gross per year for the entire duration of his term of office with no other compensation in respect of his office ^(a) . This compensation is maintained for 2023. The Committee had noted in February 2021, with the assistance of an external firm, that this level was below the median of compensation paid to non-executive Chairmen of CAC 40 companies who previously held the position of Chairman and Chief Executive Officer (excluding financial companies).
Deferred variable compensation	None	The Board of Directors does not intend to grant any annual variable compensation to the Chairman in 2023.
Multi-year variable compensation	None	The Board of Directors does not intend to grant any deferred variable compensation to the Chairman in 2023.
Exceptional compensation	None	The Board of Directors does not intend to grant any multi-year variable compensation to the Chairman in 2023.
Indemnity for taking up office	None	The Board of Directors does not intend to grant any exceptional compensation to the Chairman in 2023.
Long-term compensation	None	The Board of Directors has not granted the current Chairman any severance package and does not plan to do so if a new Chairman would be recruited externally.
Compensation in respect of the Director's term of office	None	The Board of Directors does not intend to grant any long-term compensation to the Chairman during his term of office.
In-kind benefits	None	The Chairman does not receive any compensation for serving as a Director of Compagnie de Saint-Gobain.
Severance indemnity	-	The Chairman has use of a company car.
Non-compete indemnity	None	The Board of Directors does not intend to grant any severance indemnity to the Chairman.
Health and personal risk insurance	-	Mr. Pierre-André de Chalendar continues to fully benefit from the Group's health and personal risk insurance policies entered into with GAN and Mutuelle Malakoff Médéric respectively during his term of office.

^(a) It is specified that Mr. Pierre-André de Chalendar decided to retire and benefit from his pension rights under the supplementary defined-benefit supplementary pension plan "SGPM" of which he was a beneficiary as Chairman and Chief Executive Officer, as of July 1, 2021. Since that date he has received a supplementary retirement pension, the gross annual amount of which was approximately €394,300 for the 2022 fiscal year.

Compensation policy for the Chief Executive Officer subject to the approval of the General Shareholders' Meeting of June 8, 2023 (ex ante Say-on-Pay)

The table below details the compensation policy for the Chief Executive Officer, subject to the approval of the General Shareholders' Meeting of June 8, 2023 pursuant to article L.22-10-8 II of the French Commercial Code, including the commitments made in his favor on matters such as compensation components and indemnities or benefits due or likely to be due in the event of termination of his duties.

Compensation policy for the Chief Executive Officer subject to the approval of the Ordinary Shareholders' Meeting (Article L.22-10-8 II of the French Commercial Code)

Compensation components attributable to the office of Chief Executive Officer	Cap	Description
Fixed compensation		<p>The fixed compensation of the Chief Executive Officer is commensurate with his experience and responsibilities as Chief Executive Officer and shall be compared with fixed compensation offered by similar large companies in terms of revenues, workforce and market capitalization.</p> <p>In applying these principles, the Board of Directors decided, at its meeting of February 23, 2023, on the proposal of the Nomination and Remuneration Committee, to set this fixed compensation at €1,000,000 for 2023 (unchanged compared to 2022).</p> <p>The Nomination and Remuneration Committee noted again in November 2022, with the assistance of an external firm that this level is lower than the median of CAC 40 industrial companies which are similar to Saint-Gobain in terms of size: revenues, workforce and market capitalization.</p>
Annual variable compensation	170% of the fixed compensation at maximum	<p>The Board of Directors decided to leave the cap on the annual variable portion of the Chief Executive Officer's compensation unchanged at 170% of the fixed portion of his compensation (as in 2021 and 2022).</p> <p>The amount of the variable compensation for the 2023 fiscal year will be decided by the Board of Directors in 2024 based on the achievement of quantifiable and qualitative objectives that it established, respectively at 75% and 25% of the variable portion of his compensation (in 2022 the variable portion included a quantifiable portion with financial criteria amounting to 2/3 and qualitative portion amounting to 1/3). Quantifiable objectives include financial objectives and CSR objectives, which account respectively for 60% and 15% of variable compensation.</p> <p>As regards the quantifiable financials objectives, the Board decided to adopt, for the 2023 fiscal year, four quantifiable objectives, considered relevant for assessing the Saint Gobain Group's operating and financial performance and its strategy (as in 2022), each accounting for 25%: the rate of return on capital employed ("ROCE"), the Group's operating income, the Group's net income from recurring operations per share and the free cash flow. Given the volatility of the environment in which the Group operates, which makes it difficult to forecast each indicator, the Board of Directors, after consulting the Nomination and Remuneration Committee, reserves the right to apply an "outperformance" mechanism unchanged from 2022, which would allow partial compensation for the non-achievement of objectives on certain criteria by exceptional outperformance on others.</p>



Compensation components attributable to the office of Chief Executive Officer	Cap	Description
		<p>In the event of outperformance on one or more of the four criteria beyond the maximum, it is possible to reach up to 20% of the bonus share relating to the outperforming criterion/criteria, in the event of achievement above the maximum and up to 120% of the maximum, with linearity between 0 and 120% (which leads, for example, to 10% of the bonus share relating to a criterion in the event of achievement of up to 110% of the maximum), it being specified that the sum of the four components may not exceed 102%⁽⁴⁾ of the fixed portion. Thus, in the extreme case of outperformance of more than 20% of the maximum on three criteria and performance equal to zero on the fourth, the quantifiable portion of the annual variable will be equal to 91.8% of the fixed portion (which responds to the concern that it is not possible to reach the maximum set at 102% of the fixed portion, when one criterion is at zero).</p>
		<p>If this mechanism were implemented, this would be presented in the compensation components of the ex post Say-on-Pay.</p>
		<p>With regard to quantifiable CSR objectives, the Board decided to retain three objectives, each accounting for 5%:</p>
		<ul style="list-style-type: none"> • Carbon objective: reduction of CO₂ emissions (in "scopes" 1 and 2) versus 2022 at current scope (i.e., at actual production)⁽⁵⁾ ;
		<ul style="list-style-type: none"> • Safety objective: TF2 between 1.5 (maximum) and 1.8 (minimum); and
		<ul style="list-style-type: none"> • Diversity and teams objective: diversity index between 90% (maximum) and 85% (minimum)⁽⁶⁾.

⁽⁴⁾ The quantifiable financial portion of the variable represents 60% of the variable portion, which may reach a maximum of 170% of the fixed portion, so that its maximum amount is 102% of the fixed portion.

⁽⁵⁾ The Board of Directors will have the possibility, after consultation with the Nominating and Compensation Committee, to adjust this objective in the event of exceptional circumstances justifying it, particularly in the event of a change in the Group's scope of consolidation or a change in accounting method, in order to neutralize, as far as possible, the consequences of these circumstances on the carbon objective.

⁽⁶⁾ Index corresponding to the proportion of the Group's Senior managers who have at least one of the following three diversity characteristics: being of a non-French nationality, having diverse professional experience (having worked for Saint-Gobain in two countries other than their country of origin or in at least three different sectors, or having more than 12 years' experience outside the Saint-Gobain Group), and being a woman.

Compensation policy for the Chief Executive Officer subject to the approval of the Ordinary Shareholders' Meeting (Article L.22-10-8 II of the French Commercial Code)

Compensation components attributable to the office of Chief Executive Officer	Cap	Description
		<p>It is specified as necessary that the outperformance mechanism described above and applicable to the financial quantifiable part does not apply to the CSR quantifiable part.</p>
		<p>In addition, the Board of Directors selected the following qualitative objectives as relevant insofar as they reflect the implementation of strategic objectives for the fiscal year 2023:</p>
		<ul style="list-style-type: none"> • Stakeholders management;



Compensation components attributable to the office of Chief Executive Officer	Cap	Description
		<ul style="list-style-type: none">• Group perimeter: continuing to optimize the Group's perimeter;• Deployment of the "Grow & Impact" strategic plan in its six action priorities: 1 - Position ourselves in high-growth markets, 2 - Be Solutions-oriented, combining performance and sustainability, 3 - Drive growth through customer innovation and the power of data, 4 - Embedding corporate social responsibility in our decisions and actions, 5 - Strengthen our TEC culture (including maintaining high scores in the 2023 "me@Saint-Gobain" survey), and 6 - Have the best teams in a diverse and inclusive work environment (including ongoing actions on diversity and inclusion within the Group).
Deferred variable compensation	None	In compliance with the law, the payment of variable compensation to the Chief Executive Officer in respect of fiscal year 2023 will be subject to approval by the Ordinary General Meeting to be held in 2024. The Board of Directors also selected the following qualitative objectives as relevant insofar as they insofar as they reflect the implementation of strategic orientations for the fiscal year 2023:
Multi-year variable compensation	None	The Board of Directors does not intend to grant any multi-year variable compensation to the Chief Executive Officer in 2023.
Exceptional compensation	None	The Board of Directors does not intend to grant any exceptional compensation to the Chief Executive Officer in 2023.
		In accordance with the law, the payment of any exceptional compensation would be conditioned to the approval of the 2024 Ordinary Shareholders' Meeting.
Indemnity for taking up office	-	The Board of Directors reserves the option, if a new Chief Executive Officer were to be recruited outside the Group, to grant him/her an indemnity for taking up office to compensate for the loss of benefits, in compliance with current practices, such as the annual variable compensation and/or long-term compensation components which he/she was entitled to as part of his/her previous duties. This indemnity for taking up office could take the form of payments in cash and/or allocation of securities subject to performance conditions.

Compensation policy for the Chief Executive Officer subject to the approval of the Ordinary Shareholders' Meeting (Article L.22-10-8 II of the French Commercial Code)

Compensation components attributable to the office of Chief Executive Officer	Cap	Description
Long-term compensation	Cap for the allocation of long-term compensation instruments to the CEO of 75,000 shares	The Board of Directors has decided that the allocation of long-term compensation instruments from which the Chief Executive Officer may benefit may not exceed 75,000 shares. This cap, which defines the latitude available to



Compensation components attributable to the office of Chief Executive Officer	Cap	Description
		the Board at the time of granting long-term compensation instruments, does not necessarily prejudge the decision that will be taken in November 2023.
	and	In addition, the Board of Directors decided that the Chief Executive Officer could not be allocated more than 10% of the overall grant of performance shares under the plan to be implemented in 2023 (no performance unit plan).
	Cap for the allocation to the CEO set at 10% of the overall grant of performance shares in 2022 (no performance unit)	As a reminder, the sub-cap for the allocation of stock options to executive corporate officers was set by the General Shareholders' Meeting of June 2, 2022 at 10% of the cap set by the 17th resolution (sub-cap common to the 18th resolution of the same Meeting relating to the allocation of performance shares which itself provides for a sub-cap for allocation to executive corporate officers of 10% of the cap in the resolution).
	and	The Board of Directors, on the recommendation of the Nomination and Remuneration Committee, indicated to the General Shareholders' Meeting of June 2, 2022, its intention to submit the delivery of performance shares (the only long-term compensation instruments planned to be granted in 2023) subject to a presence condition and performance conditions that will be based at least on the following criteria historically applied to the Group's long-term compensation plans:
	Cap for the allocation to the CEO provided for by the 17th (options) and 18th (performance shares) resolutions of the General Shareholders' Meeting of June 2, 2022	<ol style="list-style-type: none">1. an internal performance criterion (the Group's ROCE);2. a relative performance criterion (the stock market performance of the Saint-Gobain share compared to the CAC 40 stock market index);3. a criterion relating to Corporate Social Responsibility.
		These criteria were deemed relevant by the Board of Directors as they reflect the operational, financial and non-financial performance of the Saint-Gobain Group and ensure that the beneficiaries are aligned with the interests of Saint-Gobain shareholders.
		If these criteria cease to be relevant, the Board would set criteria of a comparable requirement in order to continue to put in place consistent compensation instruments over the long term.
		The performance objectives relating to each of the above criteria will be set by the Board of Directors when the performance shares are allocated and will be final. However, the Board of Directors will have the possibility, after consulting the Nomination and Remuneration Committee, to adjust them in the event of exceptional circumstances justifying this, in particular in the event of a change in the Group's scope of consolidation or a change in accounting method, in order to neutralize, to the extent possible, the consequences of these circumstances on the objectives set on the grant date.
		The assessment period for the performance conditions of long-term compensation instruments may not be less than three years.



Compensation components attributable to the office of Chief Executive Officer	Cap	Description
		As in the past, the Board will set for the Chief Executive Officer, for any allocation in 2023 as part of a long-term compensation plan in the form of performance shares, a strict obligation to retain shares or to reinvest in shares that the Chief Executive Officer must hold in registered form until the end of his term of office.

Compensation policy for the Chief Executive Officer subject to the approval of the Ordinary Shareholders' Meeting (Article L.22-10-8 II of the French Commercial Code)

Compensation components attributable to the office of Chief Executive Officer	Cap	Description
Consequences of the termination of his duties as a corporate officer on his stock options, performance shares performance units and other long-term compensation instruments		<p>a) In the event of termination of his office as corporate officer, the Chief Executive Officers (or his heirs in the event of death) shall be deprived of his right to exercise stock options or receive performance shares, performance units and other long-term compensation instruments granted to him during his term as Chief Operating Officer for which the minimum exercise period, or the acquisition period, will not have expired as of the date of termination of his office as corporate officer (with the exception of events of death, disability or retirement, in which case the long-term compensation instruments will be maintained as stated in the related rules for the long-term compensation plans).</p> <p>b) The Board of Directors will nevertheless have the option, at the proposal of the Nomination and Remuneration Committee, to decide to derogate from the service condition and to maintain, exclusively on a pro rata temporis basis, the benefit of stock options, performance shares, performance units and other long-term compensation instruments granted to him since his appointment as Chief Operating Officer for which the minimum exercise period, or the acquisition period, will not have expired as of the date of termination of his office as corporate officer.</p> <p>Such decision by the Board of Directors shall occur no later than the day of the termination of office. Any such decision by the Board of Directors must be justified in accordance with the AFEF-MEDEF Code.</p> <p>The exercise of stock options and performance units, and the vesting of performance shares and other long-term compensation instruments would nonetheless remain subject in this case to the fulfillment of the performance conditions stipulated in the rules of the relevant plans.</p> <p>c) By exception, the Board of Directors shall not have the option to maintain this benefit in the following cases:</p> <ul style="list-style-type: none">• dismissal for gross or serious misconduct, or serious misconduct not related to his duties; and



Compensation components attributable to the office of Chief Executive Officer	Cap	Description
		<ul style="list-style-type: none">• resignation from the duties of company Director which does not constitute a case of "Forced Resignation". "Forced Resignation" means a resignation from the duties of executive corporate officer that occurs within the 12 months following:<ul style="list-style-type: none">- the date of approval by the General Shareholders' Meeting of a merger or a demerger affecting Compagnie de Saint-Gobain, or- the effective date on which a third party or group of investors acting in concert acquires control of Compagnie de Saint-Gobain (in accordance with Article L.233-3 of the French Commercial Code), or- the announcement by the Compagnie de Saint-Gobain's management bodies of a significant shift in the Saint-Gobain Group's strategy leading to a major change in its business.
Compensation in respect of the Director's term of office	None	The Chief Executive Officer does not receive any compensation for serving as a Director of Compagnie de Saint-Gobain.
In-kind benefits	-	The Chief Executive Officer has use of a company car.

Compensation policy for the Chief Executive Officer subject to the approval of the Ordinary Shareholders' Meeting (Article L.22-10-8 II of the French Commercial Code)

Compensation components attributable to the office of Chief Executive Officer	Cap	Description
	Cap set at twice the total gross annual compensation, including the non-compete indemnity	Mr. Benoit Bazin has renounced his employment contract, which he entered into with the Saint-Gobain Group more than 20 years ago, as from July 1, 2021. He has not been granted any indemnity payment on this occasion.
		In the event of Forced Departure, whatever form this departure takes, in the following circumstances: <ul style="list-style-type: none">a) early dismissal or non-renewal of the term of office of the Chief Executive Officer at the end of the term, except at his initiative or in the event of serious or gross misconduct or misconduct not related to the duties of Chief Executive Officer, or b) Forced resignation,
		Mr. Benoit Bazin would receive an indemnity equal to a maximum of twice the total gross annual compensation defined as the sum of the fixed portion of his annual compensation as Chief Executive Officer received at the date of termination of office, and the average of the variable portion of his annual compensation received or to be received in respect of the last three full fiscal years available during which he held the position of Chief Executive Officer and ended prior to the date of termination of his office.
		In any event, no amount would be due in respect of the severance indemnity in the event that Mr. Benoit Bazin would leave Compagnie de Saint-Gobain at his own initiative, other than in the circumstances described above, or



Compensation components attributable to the office of Chief Executive Officer	Cap	Description
		if, leaving the Company at his own initiative in one of the circumstances described above, he had the opportunity, within 12 months following the date of termination of his duties as Chief Executive Officer, to retire and be eligible to benefit from his retirement rights under the "2012" defined-benefit pension plan or any other supplementary pension plan then applicable (see "Supplementary pension arrangements" section below).
		In any event, the combination of this severance indemnity and the non-compete indemnity may not exceed twice the amount of the total gross annual compensation of Mr. Benoit Bazin.
		Eligibility for severance indemnity will be subject to the fulfillment of a performance condition defined as the granting by the Board of Directors, on average for the last three full fiscal years available during which he held the position of Chief Executive Officer and closed prior to the date of termination of his duties, of a variable portion of compensation at least equal to half of the maximum amount set for this variable portion.
		The payment of this severance indemnity shall be subject to the prior verification by the Board of Directors, under the conditions prescribed by the applicable law, of the fulfillment of said performance condition, assessed on the date of termination of his duties.
Non-compete indemnity	Cap set at one year of total gross annual compensation	Mr. Benoit Bazin has signed a firm and binding non-compete undertaking in favor of Compagnie de Saint-Gobain ⁽¹⁾ with a term of one year as from the date of his loss of office as Chief Executive Officer.
	and	In consideration of this undertaking, in the event of termination of office as Chief Executive Officer for any reason whatsoever, Mr. Benoit Bazin would receive an indemnity equal to one year's total gross annual compensation.
	Combined non-compete indemnity and severance indemnity capped at two years of total annual gross compensation	The total gross annual compensation would consist of the same fixed and variable components as those used to determine the severance indemnity mentioned above. In any event, the combination of this non-compete indemnity and the severance indemnity may not exceed twice the amount of the total gross annual compensation of Mr. Benoit Bazin.
		It should be noted that this non-compete undertaking is a protection mechanism of the Saint-Gobain Group, the non-compete indemnity being the imperative financial consideration for the restrictions imposed.
		However, the Board of Directors has reserved the right to unilaterally waive the benefit of this non-compete undertaking no later than the date of termination of the office of the Chief Executive Officer, in which case the Chief Executive Officer would be released from any commitment and no sum would be due to him in this respect. In addition, the payment of the non-compete indemnity would be excluded as soon as Mr. Benoit Bazin benefited from his pension rights. In any event, no indemnity would be paid beyond the age of 65.

⁽¹⁾ Activity concerned: any company whose main activity is the trading of construction materials or the production of construction materials similar to those produced by the Saint-Gobain Group. Territory: European Union, EFTA and Switzerland.



Compensation policy for the Chief Executive Officer subject to the approval of the Ordinary Shareholders' Meeting (Article L.22-10-8 II of the French Commercial Code)

Compensation components attributable to the office of Chief Executive Officer	Cap	Description
Supplementary pension arrangements	-	<p>2012 Plan:</p> <p>Mr. Benoit Bazin benefits from the 2012 Plan, under the same conditions as those applicable to all beneficiaries of this pension plan.</p> <p>The 2012 Plan benefits all Compagnie de Saint-Gobain employees who meet the following five conditions: (i) have at least ten (10) years' seniority within the Saint-Gobain Group as of July 4, 2019, (ii) have received annual compensation exceeding eight annual social security caps for at least three of the last ten years of employment prior to July 4, 2019, (iii) have completed their career as an employee of Compagnie de Saint-Gobain, (iv) have liquidated all of their retirement pensions, (v) have not been dismissed for gross misconduct.</p> <p>The methods for determining the reference compensation set by the 2012 Plan and used to calculate the rights of beneficiaries are as follows: (i) base compensation consists exclusively of the following elements: fixed, variable and benefits in kind, and (ii) the base compensation taken into account for the calculation is an average of three consecutive years, including the highest over the last ten years of activity.</p> <p>The 2012 Plan's benefit entitlement is calculated as follows: 1.8% of the portion of base compensation between 8 and 20 times the annual social security cap, plus 0.4% of the portion of base compensation exceeding 20 times the annual social security cap.</p> <p>The amount of the supplemental pension provided by the 2012 Plan is capped twice: • by the number of years of seniority taken into account in the calculation, which cannot exceed 20. Only the years of presence of the potential beneficiary until December 31, 2019 are taken into account. Thus, to determine the annual pension amount, the above-mentioned benefit entitlements are multiplied by the number of years of service, and</p> <ul style="list-style-type: none">• by an absolute cap: the pension may never exceed eight times the annual social security cap (i.e. €329,088 in 2022). <p>In addition, the annual amount of the supplementary pension provided for under the 2012 Plan is reduced by the amount of other defined-benefit supplementary pensions received. Thus, the annual pension vested by beneficiaries of the 2012 Plan under another defined-benefit plan, such as the 2012/2 Plan, reduces the annual rights that would be paid under the 2012 Plan by the same amount.</p> <p>Since Mr. Benoit Bazin joined the Saint-Gobain Group on September 1, 1999, he had reached the 20 years' service cap provided under the 2012 Plan</p>



Compensation components attributable to the office of Chief Executive Officer	Cap	Description
		<p>in September 2019, and therefore, he would be unable to acquire any conditional rights under this plan as from that date.</p>
		<p>In the event of departure with the maximum years of service (acquired in September 2019) under the 2012 Plan, Mr. Benoit Bazin would be entitled to an annual pension supplement equivalent to 30% of his last fixed compensation. Mr. Benoit Bazin's maximum supplementary theoretical retirement payout is lower than the AFEP-MEDEF Code's recommended cap, which is set at 45% of the sum of the fixed and annual variable compensations.</p> <p>These rights are financed by premiums paid to an insurance company which are deductible from the corporate income tax base. With respect to the social security charges associated with the payment of the rights, the Company would be subject to the payment of a contribution based on the premiums paid to the insurer, the rate of which is set by the French Social Security Code at 24%.</p> <p>At December 31, 2022, Mr. Benoit Bazin's estimated rights under the 2012 Plan would amount to around €224,000 per year, below the cap for the 2012 Plan (eight times the annual social security cap, i.e. €329,088 in 2022). This indicative amount is calculated in accordance with Article D. 22-10-16 of the French Commercial Code, according to which the rights must be estimated on an annual basis, take into account the accumulated years of service of the corporate officer in his/her duties on the fiscal year-end date, be based on the compensation during the last fiscal year(s) and be calculated disregarding the effective satisfaction of the conditions to which the commitment is subject, as if the corporate officer could benefit from it starting the day after fiscal year-end.</p> <p>The commitments made by the company to Mr. Benoit Bazin under the 2012 Plan may be terminated by decision of the Board of Directors.</p> <p>The 2012 Plan has been frozen as of December 31, 2019 such that no conditional rights can be vested after that date in accordance with Order No. 2019-697 of July 3, 2019 relating to supplementary professional pension arrangements.</p>

Compensation policy for the Chief Executive Officer subject to the approval of the Ordinary Shareholders' Meeting (Article L.22-10-8 II of the French Commercial Code)

Compensation components attributable to the office of Chief Executive Officer	Cap	Description
		<p>2012/2 Plan:</p> <p>Following this freeze, a defined-benefit supplementary pension plan with certain rights, meeting the conditions set out in Article L.137-11-2 of the French Social Security Code, the "2012/2 Plan", could be set up following</p>



Compensation components attributable to the office of Chief Executive Officer	Cap	Description
		<p>the publication of the instruction of the Social Security Department on December 23, 2020. This 2012/2 Plan provides continuity to the 2012 Plan due to consistency in terms of population and benefits. Therefore, the 2012/2 Plan concerns only those employees who are in the workforce on its effective date and who benefit from the 2012 Plan. Moreover, the 2012/2 Plan is not an addition to the 2012 Plan but a gradual replacement of it. Indeed, the pension rights vested annually in the 2012/2 Plan reduce the frozen rights in the 2012 Plan by the same proportion and are capped so that, when combined as the case may be with the frozen rights of the 2012 Plan, they do not allow the receipt of a benefit greater than that which could have resulted from the 2012 Plan if its closure had not been imposed by the Order of July 3, 2019.</p>
		<p>The 2012/2 Plan provides for the payment of a life annuity to the beneficiary, with the possibility of reversion, starting at the earliest from the date of liquidation of his pension in a compulsory old age insurance scheme to which he has contributed or from the legal retirement age mentioned in Article L.161-17-2 of the French Social Security Code. After the life annuity has been settled, no new pension rights may be granted. In the event of death before the liquidation of the vested rights, the latter will be converted into capital and paid to the previously designated beneficiaries.</p>
		<p>The reference compensation used to calculate the rights consists of the fixed and variable portions of the compensation as well as benefits in kind, taken into account for the calculation of social security contributions (pursuant to Article L.242-1 of the French Social Security Code). For the calculation of the reference compensation, the variable portion paid for the year in question is capped at 60% of the fixed portion of the previous year's compensation.</p>
		<p>The rights vested annually correspond to: 5.4% of the reference compensation between 8 and 20 times the annual social security cap in force for the year in question, plus 1.2% of the reference compensation exceeding 20 times the annual social security cap in force for the year in question.</p>
		<p>The acquisition of annual rights is subject to compliance with conditions related to the beneficiary's professional performance, assessed annually by the employer. The rights vested annually may not exceed 3% of the reference compensation. In addition, the cumulative number of percentage points applied to the same beneficiary under a scheme covered by Article L.137-11-2 of the French Social Security Code is capped at 30 points over the beneficiary's entire career and for all employers combined.</p>
		<p>Finally, in addition to these legal limits, the 2012/2 Plan has its own limit to ensure that it does not allow the beneficiary to receive a higher benefit than that which would have resulted from the 2012 Plan had its closure not been imposed by the Order of July 3, 2019. Thus, it is verified each year that the estimated rights vested under the 2012/2 Plan do not exceed the estimated amount of the "maximum" annual rights corresponding to the rights that could have resulted from the 2012 Plan if its closure had not been imposed by the July 3, 2019 Order. If this cap is not observed, the grant of rights for the following year is null and void.</p>



Compensation components attributable to the office of Chief Executive Officer	Cap	Description
		<p>In accordance with the Chief Executive Officer's compensation policy for 2022, approved by the Ordinary Shareholders' Meeting held on June 2, 2022 (thirteenth resolution), the application of the 2012/2 Plan has been extended to Mr. Benoit Bazin as of 2021.</p> <p>Mr. Benoit Bazin's vesting of annual rights is subject to compliance with conditions related to his professional performance, verified and validated annually by the Board of Directors at the beginning of the year following the year concerned. The performance condition is defined as follows: the achievement, for the year in question, of at least 50% of the individual part of the quantifiable and qualitative objectives relating to the variable portion of the compensation. Vesting may be zero (0%) in the year in which performance is below the threshold thus determined. The vested rights are revalued annually by a coefficient equal to the change in the social security cap. In the event of Mr. Benoit Bazin's departure from the Company, the rights will be revalued annually according to the technical and financial results of the insurer.</p> <p>These rights are financed exclusively by premiums paid by the Company to an insurer, which are deductible from the corporate tax base. As regards the social security charges associated with the payment of the annuity, the Company is subject to the payment of a contribution based on the premiums paid to the insurer, the rate of which is set by the French Social Security Code at 29.7%.</p>

Compensation policy for the Chief Executive Officer subject to the approval of the Ordinary Shareholders' Meeting (Article L.22-10-8 II of the French Commercial Code)

Compensation components attributable to the office of Chief Executive Officer	Cap	Description
		<p>The commitments made by the Company to Mr. Benoit Bazin under the 2012/2 Plan may be terminated by decision of the Board of Directors. However, the rights prior to this termination would remain vested, in accordance with the applicable legal provisions.</p> <p>On February 23, 2023, the Board of Directors noted that the performance condition determining the vesting of Mr. Benoit Bazin's rights in respect of 2022 had been met. As a result, under the 2012/2 plan, the rights vested in 2022 amount to a gross amount of approximately €35,000 per year. In addition, as of December 31, 2022, the total estimated amount of the pension that will be received by Mr. Benoit Bazin under the 2012/2 Plan amounts to a gross amount of approximately €67,000 per year. This indicative amount is calculated in accordance with the procedures set forth in Article D. 22-10-16 of the French Commercial Code. As indicated, this amount reduces the amount that could be paid under the 2012 Plan. In fact, the estimated amount of the rights paid under the 2012/2 Plan, together with those which could be paid under the 2012 Plan, remains in any event lower than the cap provided</p>



Compensation components attributable to the office of Chief Executive Officer	Cap	Description
		for in the 2012 Plan (eight times the annual social security cap, i.e. €329,088 in 2022) and the cap of 45% of fixed and variable compensation provided for in the AFEP-MEDEF Code.
		Pursuant to Article 5, II of the above-mentioned Order of 3 July 2019, the Board of Directors reserves the right to transfer the commitments of the 2012 Plan to the 2012/2 Plan and to extend its application to Mr Benoit Bazin. In any event, no rights would be transferred beyond the 30-point ceiling provided for in Article L. 137-11-2 of the Social Security Code, it being specified that this ceiling would be assessed by comparing the amount of the conditional rights at the date of the transfer to the average remuneration of the persons concerned over the last three years in the 2012 Plan. In the event of a transfer, the Company would be liable for a contribution in full discharge of its liabilities at a rate of 29.7% under the conditions provided for in Article 5, II of the Order of 3 July 2019. This contribution would then replace, in respect of the rights transferred, the 24% contribution based on the premiums paid to the insurer.
Health and personal risk insurance	-	By decision of the Board of Directors, Mr. Benoit Bazin continues to fully benefit from the Group's health and personal risk insurance policies entered into with GAN and Mutuelle Malakoff Médéric respectively during his term of office.

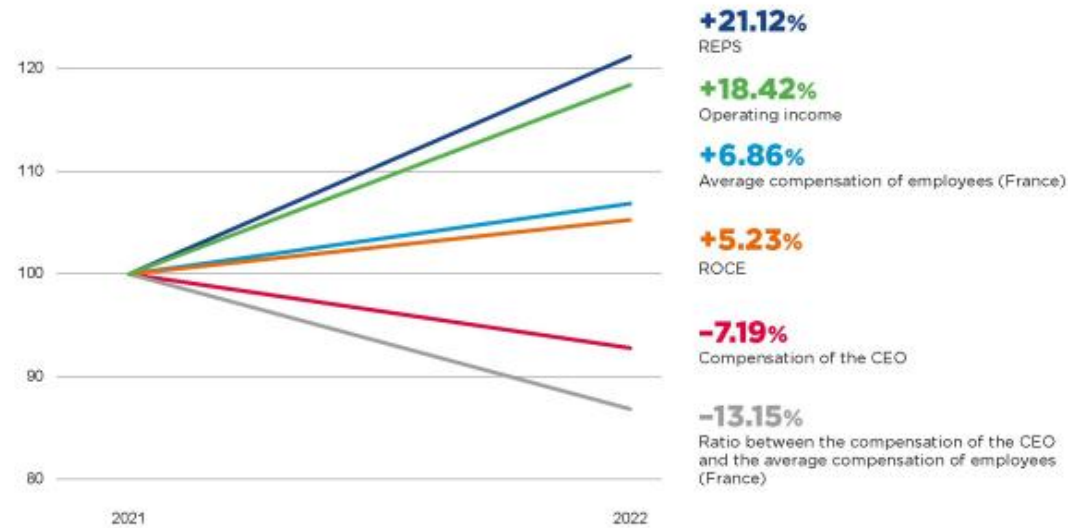
Compensation ratios

The chart below shows the change of:

- the compensation of the Chief Executive Officer;
- the average compensation of the employees of the consolidated subsidiaries of the Saint-Gobain Group in France⁽⁴⁾ ;
- the ratio between the compensation of the Chief Executive Officer and the average compensation of the employees of the consolidated subsidiaries of the Saint-Gobain Group in France; and
- the performance of the Saint-Gobain Group (operating income, return on capital employed (ROCE) and recurring earnings per share (REPS)).

The employees of Saint-Gobain Group's consolidated subsidiaries incorporated in France represent 38,461 employees, i.e. almost 22.9% of the Group's workforce at December 31, 2022.

Given the appointment of Mr. Benoit Bazin as Chief Executive Officer since July 1, 2021 and in accordance with the guidelines on compensation multiples published by the Afep on January 28, 2020, updated in February 2021, data relating to the Chief Executive Officer's compensation are presented only for the fiscal years 2021 (on an annualized basis in accordance with the methodology for calculating the compensation ratios described below) and 2022.



Change in compensation

Pursuant to Articles L.22-10-9, 6° and 7° of the French Commercial Code, the table below shows, over the last five fiscal years on a full-time equivalent basis:

- the change in the compensation of the executive corporate officers of Compagnie de Saint-Gobain, the mean and median compensation of employees of Compagnie de Saint-Gobain, and the performance of the Group;
- the ratios between the compensation of the executive corporate officers of Compagnie de Saint-Gobain and the mean and median compensation on a full-time equivalent basis of its employees, and any changes thereto, over the last five fiscal years.

On a voluntary basis, in the interest of relevance and transparency vis-à-vis Saint-Gobain Group stakeholders, the table below also presents these data on the basis of the "France scope"⁽⁵⁾.

⁽⁴⁾ Information provided on a voluntary basis.

⁽⁵⁾ Data on the median compensation of employees in France are only available for 2020 and 2021 (see the "France scope" below).

TABLE OF EQUITY RATIOS AND COMPARISON OF THE ANNUAL CHANGE IN COMPENSATION AND PERFORMANCE OF THE COMPANY UNDER ARTICLE L.22-10-9, 6° AND 7° OF THE FRENCH COMMERCIAL CODE

	2022	2021 ⁽⁴⁾	2020	2019	2018
Evolution of the Group performance					
Evolution of operating income	18.4%	57.9%	(15.8) %	5.7%	3.1%



	2022	2021 ^(a)	2020	2019	2018
Evolution of recurring earnings per share	21.1%	28.8%	(22.4) %	10.3%	7.4%
Evolution of return on capital employed	5.2%	47.1%	(6.3) %	3.7%	2.7%
Employees compensation					
Evolution of the average compensation (Compagnie de Saint-Gobain)	1.2%	8.6%	6.1%	5.1%	(6.3) %
Evolution of the median compensation (Compagnie de Saint-Gobain)	13.5%	13.4%	2.1%	5.4%	3.4%
Evolution of the average compensation (France)	6.9%	8.1%	0.0%	2.3%	3.3%
Evolution of the median compensation (France)	7.6%	8.6%	*	*	*
Chairman and Chief executive officer (until July 1, 2021)					
Evolution of compensation	-	(29.5) % ^(b)	3.3%	26.1%	(23.5) %
Ratio on average compensation (Compagnie de Saint-Gobain)	-	15	22	23 ^(d)	19
(change in ratio)	-	(35.1) %	(2.6) %	20.0% ^(d)	(18.4) %
Ratio on median compensation (Compagnie de Saint-Gobain)	-	26	42	42	35
(change in ratio)	-	(37.8) %	1.2%	19.6%	(26.1) %
Ratio on average compensation (France)	-	69	106	103	84
(change in ratio)	-	(34.8) %	3.3%	23.3%	(26.0) %
Ratio on median compensation (France)	-	84	130	*	*
(change in ratio)	-	(35.1) %	*	*	*
Chairman of the Board of Directors (since July 1, 2021)					
Evolution of compensation	0	N/A	N/A	N/A	N/A
Ratio on average compensation (Compagnie de Saint-Gobain)	2	2	-	-	-
(change in ratio)	0	-	-	-	-
Ratio on median compensation (Compagnie de Saint-Gobain)	3	4	-	-	-
(change in ratio)	(25) %	-	-	-	-
Ratio on average compensation (France)	9	10	-	-	-
(change in ratio)	(10.0) %	-	-	-	-



	2022	2021 ^(a)	2020	2019	2018
Ratio on median compensation (France)	11	12	-	-	-
(change in ratio)	(8.3) %	-	-	-	-
Chief operating officer (until July 1, 2021)					
Evolution of compensation	-	(29.9) % ^(c)	16.9%	N/A	N/A
Ratio on average compensation (Compagnie de Saint-Gobain)	-	8	13	12	N/A
(change in ratio)	-	(35.5) %	10.2%	N/A	N/A
Ratio on median compensation (Compagnie de Saint-Gobain)	-	15	25	21	N/A
(change in ratio)	-	(38.2) %	14.5%	N/A	N/A
Ratio on average compensation (France)	-	40	62	53	N/A
(change in ratio)	-	(35.2) %	16.9%	N/A	N/A
Ratio on median compensation (France)	-	49	76	*	*
(change in ratio)	-	(35.5) %	*	*	*
Chief executive officer (since July 1, 2021)					
Evolution of compensation	(7.2) % ^(d)	N/A	N/A	N/A	N/A
Ratio on average compensation (Compagnie de Saint-Gobain)	21	23	-	-	-
(change in ratio)	(8.7) %	-	-	-	-
Ratio on median compensation (Compagnie de Saint-Gobain)	33	40	-	-	-
(change in ratio)	(17.5) %	-	-	-	-
Ratio on average compensation (France)	93	107	-	-	-
(change in ratio)	(13.1) %	-	-	-	-
Ratio on median compensation (France)	112	130	-	-	-
(change in ratio)	(13.8) %	-	-	-	-

* Information not available.

^(a) Given the changes in corporate governance during the 2021 fiscal year, the compensation of executive corporate officers for the 2021 fiscal year has been annualized.

^(b) Mr. Pierre-André de Chalendar did not receive any performance shares for 2021.

^(c) Mr. Benoit Bazin did not receive any performance shares in his capacity as Chief Operating Officer for the period from January 1 to June 30, 2021.

^(d) The decrease in Mr. Benoit Bazin's remuneration is explained by the decrease in the valuation (according to IFRS) of the performance shares granted on 24 November 2022.

Method used to calculate compensation ratios



To calculate the compensation ratios presented above, Compagnie de Saint-Gobain referred to the guidelines on compensation multiples published by the AFEP on January 28, 2020, updated in February 2021. The compensation components and the methodology selected are shown below.

France scope

The France scope includes all employees of the consolidated subsidiaries of Saint-Gobain Group incorporated in France, on a full-time equivalent basis, and any changes thereto (excluding executive corporate officers). Data on the median compensation of employees in the France scope are available for 2020 and 2021. The median compensation ratio (France scope) is therefore presented from 2020 onwards.

The France scope is homogeneous in terms of salary structure and the type of contracts taken into account, and is not subject to exchange rate fluctuations, which allows a better comparability over time. The workforce in France represented nearly 22.9% of the Group's workforce at December 31, 2022.

The difference between the ratios on Compagnie de Saint-Gobain's average compensation and on average compensation in France is mainly due to the distribution structure of the employees in the scopes concerned: thus, while in 2022, Compagnie de Saint-Gobain comprised 83% of managers (including all members of the Executive Committee of the Saint-Gobain Group except those based in a foreign country) and 17% of administrative employees, the France scope comprised 24.7% of managers, 52.3% of administrative employees and 23% of blue-collar workers.

Compensation components used

For executive corporate officers: all compensation components paid or awarded during or for the fiscal year in question, submitted to the vote of the General Shareholders' Meeting (ex post Say-on-Pay)⁽⁶⁾, namely:

- the fixed compensation paid during the given fiscal year;
- the annual variable compensation granted in respect of the same fiscal year;
- any exceptional compensation paid during the same fiscal year;
- long-term compensation instruments granted during the same fiscal year (stock options, performance shares and/or performance units) at IFRS value on the grant date;
- benefits in kind (company car) granted during the same fiscal year (book value);
- it being specified that executive corporate officers are not granted any compensation in respect of their Directors' term of office within the Saint-Gobain Group.

⁽⁶⁾ Refer to section 5.2.2 for details of the gross amounts paid or allocated in respect of the 2022 fiscal year to the Chairman of the Board of Directors and the Chief Executive Officer.

For employees:

- the fixed gross compensation paid during the given fiscal year;
- for reasons of information availability on the publication date of the Universal Registration Document, the annual gross variable (annual bonus, profit-sharing, incentive schemes, payments into the Group Savings Plan, as applicable) and exceptional (premiums) compensation paid during the same fiscal year;
- long-term compensation instruments granted during the same fiscal year (stock options, performance shares and/or performance units) at IFRS value on the grant date;
- benefits in kind granted during the same fiscal year (book value);
- to ensure consistency with the compensation components paid to the executive corporate officers, termination of office indemnities are not included.

Governance changes

In view of the changes in governance in 2021:

- the executive corporate officers compensation for the 2021 fiscal year has been annualized;

–the compensation ratios of all executive corporate officers over the last five years are presented.

Employees taken into account

Only the employees who have entered into an indefinite or fixed-term employment contract with Compagnie de Saint-Gobain or a consolidated subsidiary of the Saint-Gobain Group registered in France and who have been continuously employed in these companies from January 1 to December 31 of the fiscal year in question were taken into account when calculating the ratios. The employees who have entered into a part-time employment contract with Compagnie de Saint-Gobain or a consolidated subsidiary of the Saint-Gobain Group registered in France were not taken into account when calculating the ratios but represent less than 3% of the workforce for the considered scope.

Concept of full-time equivalent

To determine the average and median compensation paid to employees of Compagnie de Saint-Gobain and the consolidated subsidiaries of the Saint-Gobain Group registered in France on a full-time equivalent basis, the methodologies already in use within the Group for social reporting reviewed by the independent third party in charge of reviewing non-financial information were used (see section 9.2.1, p. 375).

Changes in scope

Within the French scope, the consolidated subsidiaries sold during a given fiscal year are excluded from the ratios calculations of that fiscal year. The acquired companies which were in the process of being consolidated on December 31, 2022 are excluded from the ratios calculations, but represent less than 3% of the total number of employees of the consolidated subsidiaries of the Saint-Gobain Group registered in France.

Effect of Covid-19 on the calculation of compensation ratios in 2019 and 2020

On the proposition of the corporate executives officers concerned, the compensation of executive corporate officers for fiscal years 2019 and 2020 taken into account for the calculation of the compensation ratios for 2019 and 2020 were impacted by the reductions of 25% of their fixed compensation for 2020 and 25% of their variable compensation for 2019 (see chapter 5, section 2.2.2 of the Company's 2020 Universal Registration Document) decided by the Board of Directors for as long as the Saint-Gobain Group's employees were subject to partial employment in the context of the emergency measures taken by the French Government to halt the spread of the Covid-19 pandemic.

Compensation paid by the French State in 2020 to employees of Saint-Gobain Group entities subject to partial employment in the context of the emergency measures taken by the French Government to halt the spread of the Covid-19 pandemic are taken into account for the purposes of calculating compensation ratios for 2020 as if that compensation had been paid by the Saint-Gobain Group.

5.2.3 COMPENSATION OF MEMBERS OF THE GROUP'S SENIOR MANAGEMENT

Compensation paid to members of the Group's Senior Management is set at a level consistent with compensation packages offered by comparable groups. It is determined and reviewed, among other things, based on the results of specific surveys from specialized consultants commissioned by Group's Senior Management. They include, in addition to a fixed portion, a reasonable variable portion in relation to the total compensation, the purpose of which is to reflect the CEO's personal contribution to the results and development of the scope, taking into account three financial indicators: cash flow generation, operating margin relative to turnover, and Return on Capital Employed ("ROCE"), qualitative objectives and the results concerning occupational health and safety and CO₂ emissions.

This principle is applied to the whole of middle and senior management.

In this way, management compensation is clearly linked to performance and to the achievement of objectives that promotes a high level of personal commitment. Each manager's compensation can fluctuate significantly from one year to the next, based on the results achieved.

Total gross compensation received in 2022 from the Group's French and foreign companies by members of the Executive Committee as composed at December 31, 2022 (excluding the executive corporate officers and excluding long-term compensation components), amounted to €12.9 million (versus €10.8 million in 2021), including €4.4 million (versus €3.7 million in 2021) gross variable compensation in respect of 2022, an increase compared to the gross variable compensation in respect of 2021. No severance payments were made to members of the Executive Committee as composed on December 31, 2022 (same as in 2021).

Pensions and other post-employment benefits (Defined-Benefit Obligations in respect of length-of-service awards and pensions) accruing to the members of the Executive Committee as composed at December 31, 2022 (including the Chief Executive Officer) totaled €29.2 million at December 31, 2022 (versus €31.0 million at December 31, 2021) (see Note 6.2 of the consolidated financial statements, section 8.1).

Compensation allocated to Directors representing the Group (particularly members of Group's Senior Management) in Group companies other than Compagnie de Saint-Gobain are either reverted to their employer company, or paid directly to that company.

5.2.4 LONG-TERM COMPENSATION PLANS (PERFORMANCE SHARES, STOCK OPTIONS AND PERFORMANCE UNITS)

Attribution policy

The objective of the Group's long-term compensation policy is to retain and motivate the Group's Senior Management, officers and employees, and to associate them with the Group's performance, in particular through conditional allocations of performance shares, stock options or performance units to reflect their fulfillment of the Group's long-term strategy.

At the recommendation of the Nomination and Remuneration Committee, the Board of Directors authorizes the features of the performance share and stock option plans, as well as the identity of the beneficiaries. These plans are subject to a service condition and to the strict internal and/or relative performance criteria set by the Board (see below for details of each allocation).

In 2022, it was decided, as in 2021, to only implement a performance share plan. This plan applied to 2,671 of the Group's managers and officers, in France and overseas: managers with outstanding performance and high-potential managers (2,540), the main functional and operational heads of the Entities and Regions (116), Executive Committee (15, excluding the Chief Executive Officer). Grants to the Chief Executive Officer are detailed in the paragraph "Long-term compensation policy" in this section 5.2.2, p. 185

The beneficiaries of this plan are of 59 different nationalities and work in 67 countries.

The performance share plan entitles beneficiaries to existing shares and therefore has no impact in terms of dilution. No stock option or performance unit plan was set up during fiscal year 2022.

The other instruments designed to associate employees with business results are presented in section 7.1.6 p. 253 and section 3.2.3 A, p. 94.

Performance share plans

Performance share plans have been set up by the Board of Directors every year since 2009.

Under the authorization granted by the eighteenth resolution of the General Shareholders' Meeting of June 2, 2022, at its meeting of November 24, 2022 the Board of Directors resolved to implement a performance share plan, following analysis and the recommendation of the Nomination and Remuneration Committee.

This plan covers 2,672 managers and officers of the Group in France and abroad, who were granted a total of 1,232,792 performance shares (including the grant to the Chief Executive Officer).

It should be noted that, as in 2021, no stock option plans or performance units were put in place in 2022, as all beneficiaries received performance shares.

The duration of the vesting period was set at four years, with delivery of the shares to occur on the fourth day after the close of this period.

The performance criteria applicable to the performance share plan implemented on November 24, 2022, applicable for both the Chief Executive Officer and the Group's managers and officers, include, as has been the case since 2015, an internal performance condition linked to Saint-Gobain Group's Return on Capital Employed, including goodwill, and a performance condition linked to the performance of the Saint-Gobain stock price compared to the performance of the CAC 40 stock market index. Furthermore, following dialog with investors, the long-term compensation plans put in place since 2017 by the Board of Directors, on the proposal of the Nomination and Remuneration Committee, now include a criterion relating to Corporate Social Responsibility. These criteria were deemed relevant by the Board of Directors as they reflect the operational, financial and non-financial performance of the Saint-Gobain Group and ensure that the beneficiaries are aligned with the interests of Saint-Gobain shareholders.

The vesting of performance shares under the plan set up in November 2022 is therefore subject to the following conditions cumulatively:

- service condition: to be an employee or a company Director of a Saint-Gobain Group company throughout the entire duration of the vesting period, without interruption, except in a number of specific cases such as death, disability (as defined in paragraphs (2) and (3) of Article L.341-4 of the French Social Security Code), no-fault termination, negotiated departure, retirement, transfer to another position within the Group, or change of control of the grantee's host company to outside the Group;
- performance condition linked to the following three criteria:
 - 60% of the shares initially allocated are subject to the criteria of Return on Capital Employed, including goodwill, of the Saint-Gobain Group (ROCE),
 - 20% of the shares initially allocated are subject to a criterion linked to the performance of the Saint-Gobain stock price versus the performance of the CAC 40 stock market index, and
 - 20% of the shares initially allocated are subject to a criterion linked to Corporate Social Responsibility. This criterion, resulting from dialog with investors, comprises the following three indicators, all quantifiable and published each year as key CSR indicators: the rate of reduction of CO₂ emissions (10% of the shares initially allocated), the total recordable accident rate - more than 24 hours' lost and non-lost time (TRAR), and the senior executives diversity index (5% of the shares initially allocated to each of them).

However, the first 100 shares granted to each beneficiary other than Executive Committee members will be exempt from the performance conditions.

ROCE performance will be calculated as follows:

Arithmetic mean of the ROCE for the years 2023, 2024 and 2025	Percentage of shares initially granted, contingent upon the ROCE (i.e. 60% of grant), vested
Greater than 13.5%	All
Between 12% and 13.5%	$50\% + 50\% \cdot \frac{(\text{Arithmetic mean of ROCE for 2022, 2023 and 2024} - 12\%)}{(13.5\% - 12\%)}$
Equal to 12%	50%
Between 11% and 12%	$50\% \cdot \frac{(\text{Arithmetic mean of 2022, 2023 and 2024 ROCE} - 11\%)}{(12\% - 11\%)}$
11% or less	None

These criteria are the same as those selected for 2021, the Board of Directors considering that, despite the Group's performances in 2022, given the worsened geopolitical and economic situation when the 2022 plan was implemented in November 2022 compared to November 2021, it did not wish to increase the limits, but that given the Group's performances in 2022, it also did not wish to reduce them. As a reminder, the reasoning behind the criteria used for 2021 to calculate performance was based, for the ROCE, on the objective announced at the Capital Markets Day on October 6, 2021, of an average annual ROCE of between 12% and 15% for the period 2021-2025. Even though the objective is reached from 12%, an ambitious criterion has been set - i.e. 13.5% - for 100% of the shares initially allocated to vest.

Despite the history of ROCE rates, which only reached 11% in 2019 (excluding the 2021 situation), it was decided to grant 0% if the arithmetic mean of ROCE for 2023, 2024 and 2025 is less than or equal to 11%. Finally, if the arithmetic mean of ROCE for 2023, 2024 and 2025 is equal to 12%, i.e. if the objective is reached within the range of 12% to 15% announced at the Capital Markets Day, it was decided to allocate only 50% at this level, with a linear progression between 11% and 12% and then between 12% and 13.5%. The 2021 plan criteria reflect the Group's performance conditions, which will only definitively allocate 50% of the shares with an ROCE of 12% - and therefore if the target is reached.

Stock price performance will be calculated by comparing the average opening listing price of the Saint-Gobain stock price and the CAC 40 index over the six months prior to November 24, 2022 to the average over the six months prior to November 24, 2026, as follows:

Share price performance	Share price performance
At least 10% greater	All
Between 0% and 10%	$\frac{2}{3} + \frac{1}{3} \cdot \frac{(\text{Performance of the Saint-Gobain share price/CAC 40 index})^{(a)} - 100\%}{[110\% - 100\%)}$
Lower than the CAC 40 index	None

^(a) Saint-Gobain stock price performance/CAC 40 index performance (performance of the Saint-Gobain stock price versus performance of the CAC 40 index) is equal to: $100\% + \text{the difference between the performance of the Saint-Gobain stock price and that of the CAC 40 index, in both cases expressed as a percentage.}$

Performance in respect of the Corporate Social Responsibility criterion is calculated as follows:

Arithmetic mean of the Group's CO₂ emissions

"scopes" 1 and 2) for the years 2023, 2024 and 2025 ^(a)	Percentage of shares initially granted, contingent upon the percentage reduction in CO ₂ emissions (i.e. 10% of the grant), vested
Less than or equal to the target ^(b)	All
Above the target (b) but not by more than 5%	Linear interpolation
More than 5% above the target ^(b)	None

^(a) The results will be evaluated on actual production and are no longer assessed on production based on the new 2030 target validated by the Science Based Targets initiative (SBTi).

^(b) The target corresponds to an emissions level of 9.9 million metric tons.

Arithmetic mean of the Group's TRAR for the years 2023, 2024 and 2025 ^(a)	Percentage of shares initially granted, contingent upon the TRAR (i.e. 5% of grant), vested
Below 1.9	All
Between 1.9 and 2.3	Linear interpolation
Greater than 2.3	None

^(a) Total recordable accident rate-more than 24 hours' lost time and non lost time-for a million hours worked by the permanent and temporary employees and by permanent subcontractors of Saint-Gobain Group

Arithmetic mean of the diversity index for the years 2023, 2024 and 2025 ^{(a) (b)}	Percentage of shares initially awarded, contingent upon the diversity index (i.e. 5% of the grant), vested
Greater than 90%	All
Between 85% and 90%	Linear interpolation
Below 85%	None

^(a) index corresponding to the proportion of the Group's senior executives satisfying at least one of the three following diversity characteristics: being non-French, having diverse professional experiences (having worked at Saint-Gobain in two countries different from the country of origin or at least in three different sectors, or having an experience of more than 12 years outside the Saint-Gobain Group), being a woman (see section 4.2.2, p. 137).

^(b) The Group set a general objective of maintaining a minimum of 90% of senior executives meeting one of the three above-mentioned criteria and a target for 2025 of 25% of its senior executives being female (see section 4.2.2, p. 137).

The following table shows the history of the performance share plans outstanding at December 31, 2022 as well as the features of the 2018 plan, delivered in November 2022.

The performance conditions for performance shares allocated by the Group are demanding, as evidenced by the achievement rates for the latest three performance share plans for which the performance condition has been determined (94.37%⁽⁷⁾ for the 2018 plan, 75% for the 2017 plan⁽⁸⁾ and 57.1% for the 2016 plan). The performance condition for the 2019 plan will be determined in November 2023, since it includes, in addition to the ROCE criterion, a relative external criterion that is assessed over a four-year period ending in November 2023.

The ten Group employees and non-executive officers who were granted the highest number of shares in 2022 were allocated 182,500 performance shares (global information), valued at €45.12 per share based on the opening stock price on the day of the grant decided by the Board of Directors' meeting of November 24, 2022. These 182,500 performance shares had a total value (according to IFRS standards) at the time of grant of approximately €4,671 thousand in 2022.

⁽⁷⁾ The achievement rate for the 2018 performance shares plan would have been the same if the mechanism taking into account the impact of the Covid-19 crises had not been applied (see chapter 5, section 2.4.2 of the Company's 2020 Universal Registration Document).

⁽⁸⁾ The achievement rate for the 2017 performance shares plan would have been 53.33% if the mechanism taking into account the impact of the Covid-19 crises had not been applied (see chapter 5, section 2.4.2 of the Company's 2020 Universal Registration Document).

TABLE 10 - HISTORICAL INFORMATION ABOUT PERFORMANCE SHARES (AMF NOMENCLATURE)

Fiscal year	2022	2021	2020	2019 (f)	2018 (f)
Date of General Shareholders' Meeting	6/2/2022	6/6/2019	6/6/2019	6/6/2019	6/2/2016
Date of Board of Directors' meeting	11/24/2022	11/25/2021	11/26/2020	11/21/2019	11/22/2018
Type of shares	existing	existing	existing	existing	existing
Total number of performance share rights initially granted (4+0)	1,232,792 ^(a)	1,184,475 ^(a)	1,268,295 ^(a)	1,251,770 ^(a)	1,219,619 ^(a)
of which shares granted to Executive corporate officers:					
Pierre-André de Chalendar, Chairman of the Board of Directors*	N/A	N/A	90,000	90,000	67,000
Benoit Bazin, Chief executive officer**	75,000	64,000	57,500	45,000	N/A
Total number of shares delivered	0	200 ^(c)	750 ^(c)	850 ^(c)	1,077,549 ^(b)

Fiscal year	2022	2021	2020	2019 (f)	2018 (f)
Number of rights forfeited	0	0	0	0	142,070 ^(d)
TOTAL OUTSTANDING PERFORMANCE SHARE RIGHTS	1,232,792 ^(e)	1,184,275 ^(e)	1,267,545 ^(e)	1,250,920 ^(e)	0

* Chairman and Chief Executive Officer until June 30, 2021.

** Chief Executive Officer since July 1, 2021, previously Chief Operating Officer from January 1, 2019 to June 30, 2021.

^(a) Before application of the performance conditions related to the ROCE of the Saint-Gobain Group, the Saint-Gobain share price performance and the Group's Corporate Social Responsibility (see 2018 and 2019 Reference Documents and 2020 and 2021 Universal Registration Documents and above).

^(b) After taking into account service and performance conditions.

^(c) By anticipation, as part of the exceptions defined in the service condition (including death, disability - see this section 5.2.4, p. 209).

^(d) 53,310 rights under the 2018 plan forfeited following partial achievement of the performance condition, 87,110 rights under the 2018 plan forfeited after consideration of the service condition and 1,650 rights of the 2018 plan cancelled in accordance with the plan rules.

^(e) Subject to cumulative fulfillment of the service and performance conditions (see the Registration Document/Universal Registration Document relating to the year in which the plan in question was implemented).

^(f) The performance condition related to ROCE for the year 2020 was adjusted for the 2018 and 2019 plans by decision of the Board of Directors on September 24, 2020 in order to take into account the impact of the Covid-19 pandemic crisis (see chapter 5, section 2.4.2 of the Company's 2020 universal registration document).

Stock option plans

The Board of Directors approved stock option plans every year between 1987 and 2018. No stock option plan was implemented in 2022.

Under these plans, each beneficiary has a conditional right to exercise a certain number of options at a set price, each option carrying entitlement to the subscription or purchase of a Saint-Gobain share.

The lifetime of the options is 10 years.

The performance criteria applicable to the stock option plans implemented since 2017 are strictly identical to those applicable to the performance share plans for the same year.

The performance conditions for performance shares allocated by the Group are demanding, as evidenced by the achievement rates for the latest three performance share option plans for which the performance condition has been determined (94.37% for the 2018 plan⁽⁹⁾, 53.33% for the 2017 plan, and 24.5% for the 2016 plan).

Stock option plans are subject to fulfillment of a service condition that applies during the entire duration of the exercise period in a manner similar to that stipulated for performance shares (see this section 5.2.4, p. 209).

⁽⁹⁾ Vesting of the stock options granted in November 2018 was subject to a service condition and a performance condition, the latter being linked to the following three criteria: (i) 65% of the shares initially granted were subject to a ROCE criterion, (ii) 20% of the shares initially granted were subject to a stock market performance criterion of the Saint-Gobain share compared with the CAC 40 and (iii) 15% of the shares granted were subject to a Corporate Social Responsibility criterion (see chapter 5 of the 2018 Registration Document, section 2.4.2). As the achievement rate of these criteria (as verified by the Statutory Auditors) was respectively 100%, 71,87% and 100%, the overall achievement rate of the performance condition of the 2018 plan was 94,37%. SAINT-GOBAIN • UNIVERSAL REGISTRATION DOCUMENT 2022 213

The following table shows stock options granted to the ten highest-paid non-executive employees, and options exercised by them in 2022 (global information).

TABLE 9 - STOCK OPTIONS GRANTED TO THE TEN HIGHEST-PAID NON-EXECUTIVE EMPLOYEES AND OPTIONS EXERCISED BY THEM (AMF NOMENCLATURE)

	Total options granted or subscribed or purchased shares	Weighted average price	Plans
Options granted during the year by the issuer and any company included within the scope of the options allocation, to the ten employees of the issuer or of any company within this scope with the highest number of options granted (global information)	N/A	N/A	N/A



	Total options granted or subscribed or purchased shares	Weighted average price	Plans
Options on the issuer and the companies referenced above, exercised during the year by the ten employees of the issuer or of these companies with the highest number of options thus purchased or subscribed (global information)	20,324	€39.83	Plan 2017 and Plan 2018

The following table shows the history of the stock option allocation plans in place at December 31, 2022. There are no other stock option plans in place or other option instruments involving the shares, whether listed or non-listed, of Group companies within or outside France.

TABLE 8 - HISTORICAL INFORMATION ABOUT STOCK OPTION PLANS (AMF NOMENCLATURE)

Date of General Meeting	6/2/2022	6/6/2019	6/6/2019	6/6/2019	6/2/2016	6/2/2016
Date of Board of Directors' meeting	N/A	N/A	N/A	N/A	11/22/2018	11/23/2017
Type*	N/A	N/A	N/A	N/A	subscription	purchase
Total number of exercisable options at the start of the Plan	N/A	N/A	N/A	N/A	290,500	284,500
Cumulative number of canceled or forfeited options	N/A	N/A	N/A	N/A	32,411 ⁽⁶⁾	141,862 ⁽⁵⁾
Total number of exercisable options after adjustments and forfeitures	N/A	N/A	N/A	N/A	258,089	142,638
of which executive corporate officers:						
Pierre-André de Chalendar, Chairman**	N/A	N/A	N/A	N/A	54,734 ⁽⁷⁾	30,931 ⁽⁷⁾
Benoit Bazin, Chief executive officer***	N/A	N/A	N/A	N/A	N/A	N/A
Starting date of exercise period	N/A	N/A	N/A	N/A	11/22/2022	11/23/2021
Expiration date	N/A	N/A	N/A	N/A	11/21/2028	11/22/2027
Subscription or purchase price	N/A	N/A	N/A	N/A	€32.24	€49.38
Number of options exercised at 12/31/2022	N/A	N/A	N/A	N/A	11,324	20,925
Exercisable options outstanding at 12/31/2022	N/A	N/A	N/A	N/A	246,765	121,713
Fiscal year	2022	2021	2020	2019	2018	2017
Date of General Meeting	6/2/2016	6/5/2014	6/5/2014	6/7/2012		
Date of Board of Directors' meeting	11/24/2016	11/26/2015	11/20/2014	11/21/2013		
Type*	purchase	purchase	purchase	purchase		
Total number of exercisable options at the start of the Plan	280,000	224,950	234,550	247,250		



Date of General Meeting	6/2/2016	6/5/2014	6/5/2014	6/7/2012
Cumulative number of canceled or forfeited options	212,998 ⁽⁴⁾	162,408 ⁽³⁾	234,550 ⁽²⁾	98,047 ⁽¹⁾
Total number of exercisable options after adjustments and forfeitures	67,002	62,542	0	149,203
of which executive corporate officers:				
Pierre-André de Chalendar, Chairman**	14,210 ⁽⁷⁾	14,220 ⁽⁷⁾	0 ⁽⁷⁾	29,465 ⁽⁷⁾
Benoit Bazin, Chief executive officer***	N/A	N/A	N/A	N/A
Starting date of exercise period	11/24/2020	11/26/2019	11/20/2018	11/21/2017
Expiration date	11/23/2026	11/25/2025	11/19/2024	11/20/2023
Subscription or purchase price	€40.43	€39.47	€34.13	€38.80
Number of options exercised at 12/31/2022	23,105	25,803	0	112,496
Exercisable options outstanding at 12/31/2022	43,897	36,739	0	36,707
Fiscal year	2016	2015	2014	2013

* Of the plans in place at December 31, 2022, the 2018 plan is for the subscription of new shares and the 2013 to 2017 plans are purchase plans.

** Chairman and Chief executive officer until June 30, 2021.

*** Chief executive officer since July 1, 2021, previously Chief operating officer from January 1, 2019 to June 30, 2021.

⁽¹⁾ Options which cannot be exercised (i) following the partial fulfillment of performance conditions related to the relative performance of the Saint-Gobain share price to which all options granted in November 2013 were subject and (ii) due to the service condition not being met.

⁽²⁾ Options which cannot be exercised (i) due to the performance condition related to the relative performance of the Saint-Gobain share price to which all options granted in November 2014 were subject not being met and (ii) due to the service condition not being met.

⁽³⁾ Options which cannot be exercised (i) due to the performance condition related to the relative performance of the Saint-Gobain share price not being met and the performance condition on the relative performance of the Saint-Gobain Group's ROCE being only partially met, to which all options granted in November 2015 were subject, and (ii) due to the service condition not being met.

⁽⁴⁾ Options which cannot be exercised (i) due to the performance condition related to the relative performance of the Saint-Gobain share price not being met and the performance condition on the relative performance of the Saint-Gobain Group's ROCE being only partially met, to which all options granted in November 2016 were subject, and (ii) due to the service condition not being met.

⁽⁵⁾ Options which cannot be exercised (i) due to the performance condition related to the relative performance of the Saint-Gobain share price not being met, the performance condition on the relative performance of the Saint-Gobain Group's ROCE being only partially met and the performance condition related to the Group's CSR being only partially met, to which all options granted in November 2017 were subject, and (ii) due to the service condition not being met.

⁽⁶⁾ Options which cannot be exercised (i) due to the partial fulfillment of performance conditions related to the relative performance of the Saint-Gobain share price, to which all options granted in November 2018 were subject, and (ii) due to the service condition not being met.

⁽⁷⁾ After deducting the options granted that are not exercisable because the performance conditions were not, or only partly, met.

Performance unit plans

The Company set up performance unit plans annually between 2012 and 2015.

No performance unit plan was set up in 2022 and at December 31, 2022, there are no longer any performance unit plans in the process of being vested.

5.3 COMPANY STOCK TRADED BY CORPORATE OFFICERS

Transactions by corporate officers involving Compagnie de Saint-Gobain shares exceeding an aggregate amount of €20,000 reported to the Autorité des marchés financiers (AMF) in 2022 pursuant to Article L. 621-18-2 of the French Financial and Monetary Code were the following:

	Securities	Type	Transaction date	Unit price	Total amount
Pierre-André de Chalendar Chairman of the Board of Directors	Units of the Saint-Gobain France FCPE (Saint-Gobain Group Savings Plan)	Subscription	5/11/2022	€45.19	€203,544
Sibylle Daunis-Opfermann Director representing employee shareholders	Shares	Disposal	1/12/2022	€66.02	€52,816
	Units of the Saint-Gobain France FCPE (Saint-Gobain Group Savings Plan)	Subscription	5/11/2022	€45.19	€7,358
Lina Ghotmeh Director	Shares	Acquisition	2/28/2022	€54.32	€43,456
Benoit Bazin Chief Executive Officer	Units of the Saint-Gobain France FCPE (Saint-Gobain Group Savings Plan)	Subscription	5/11/2022	€45.19	€156,544
Thierry Delaporte Director	Shares	Acquisition	6/8/2022	€55.42	€99,479

5.4 REPORT OF THE BOARD OF DIRECTORS ON CORPORATE GOVERNANCE (ARTICLES L. 225-37 AND SEQ. AND L. 22-10-10 AND SEQ. OF THE FRENCH COMMERCIAL CODE)

Report of the Board of Directors on corporate governance

This report on corporate governance was prepared in accordance with Articles L. 225-37 et seq. and L. 22-10-10 et seq. of the French Commercial Code under the responsibility of the Board of Directors and based on information provided by the relevant departments of Compagnie de Saint-Gobain and was approved by the Board of Directors at its meeting of February 23, 2023.

The law stipulates that this report should include a number of corporate governance items.

Compensation of the management and governing bodies (Articles L. 22-10-8 and L. 22-10-9)

As regards compensation, the report must present the draft resolutions of the Board of Directors relating to the compensation policy for the corporate officers; this policy must comply with the Company's corporate interest, contribute to its longevity and be part of its business strategy.

Furthermore, the report must include the total compensation and benefits of any kind paid or granted by Compagnie de Saint-Gobain to the Company's corporate officers during or in respect of the fiscal year, as well as commitments of any kind made by Compagnie de Saint-Gobain in favor of the executive corporate officers, such as compensation components, indemnities or benefits due or to be due as a result of taking, losing or changing office or subsequent to the performance thereof, including retirement commitments and other annuity benefits.

The report must also present changes, over the last five fiscal years, in the compensation of the executive corporate officers, the average compensation of Compagnie de Saint-Gobain's employees, the performance of the Saint-Gobain Group and the ratios between the compensation levels of the executive corporate officers of Compagnie de Saint-Gobain and the average and median compensation of its employees, on a full-time equivalent basis.

Finally, the report must contain an explanation of how total compensation complies with the compensation policy adopted, including how it contributes to the company's long-term performance, and how the performance criteria have been applied.

This information, set out in section 5.2 p. 183 and prepared on the basis of details provided by the Corporate Legal, Human Resources and Finance Departments, was reviewed by the Nomination and Remuneration Committee and is included by reference in this report.

Composition and operation of the Board of Directors (Article L. 22-10-10)

The report must include the composition of the Board of Directors and the conditions for preparing and organizing its work, as well as any limitations on the powers of the Chief Executive Officer (see section 5.1, p. 156, and section 9.1.1, p. 368).

The report must also include a list of all offices and duties held in all companies by every Compagnie de Saint-Gobain Board member during the year (see section 5.1.1, p. 156), the method for exercising General Management (see section 5.1.2, p. 171), and adherence to a corporate governance code and application of its recommendations (see section 5.1.1, p. 156).

The report must include a description of the diversity policy applied to the members of the Board of Directors, as well as a description of the objectives of that policy, its methods of implementation and the results achieved during the previous fiscal year (see section 5.1, p. 156).

This information, prepared on the basis of details provided by the Corporate Legal Department, was reviewed by the Nomination and Remuneration Committee and the Lead independent Director, and is included by reference in this report.

Other information (Articles L. 22-10-10 and L. 22-10-11)

Finally, the report must present information likely to have an impact in the event of a takeover bid (see section 7.1.9, p. 254), related-party agreements and undertakings (see section 5.5, p. 217), a description of the procedure to properly assess whether the agreements on current transactions concluded under normal conditions meet these conditions and information on its implementation (section 5.1.1, p. 156), specific procedures for shareholders participation in the General Shareholders' Meeting (chapter 9, section 9.1.1, p. 368) and must contain a summary table of current valid delegations of authority granted by the General Shareholders' Meeting regarding capital increases showing how these delegations of authority were used during the fiscal year (see section 7.1.2, p. 249).

This information is prepared on the basis of details provided by the Corporate Legal and Financial Departments and is included by reference in this report.

The report must also include a description of how a balanced representation of women and men on the Executive Committee is sought and the gender diversity results in the 10% of the positions with the most responsibility in Compagnie de Saint-Gobain.

This information, which is listed in sections 3.2.2.C, p. 92, 4.2.2, p. 137, and 9.3.3, p. 385, and based on information submitted by the Human Resources Department, has been reviewed by the Board of Directors and is incorporated by reference into this report.

5.5 STATUTORY AUDITORS' SPECIAL REPORT ON RELATED-PARTY AGREEMENTS

This is a free translation into English of the Statutory Auditors' Report on regulated agreements and commitments that is issued in French and is provided solely for the convenience of English speaking readers. This report on regulated agreements and commitments should be read in conjunction, and construed in accordance with, French law and professional auditing standards applicable in France. It should be understood that the agreements reported on are only those provided by the French Commercial Code and that the report does not apply to those related party transactions described in IAS 24 or other equivalent accounting standards.

Annual General Meeting for the approval of the financial statements for the year ended December 31, 2022

To the annual general meeting of Compagnie de Saint-Gobain Company,

In our capacity as Statutory Auditors of Compagnie de Saint-Gobain, we hereby report to you on related party agreements.

It is our responsibility to report to you, based on the information provided to us, on the main terms and conditions of agreements that have been disclosed to us or that we may have identified as part of our engagement, as well as the reasons given as to why they are beneficial for the company, without commenting on their relevance or substance or identifying any undisclosed agreements. Under the provisions of article R.225-31 of the French commercial Code (Code de commerce), it is your responsibility to determine whether the agreements are appropriate and should be approved.

Where applicable, it is also our responsibility to provide you with the information required by article R.225-31 of the French Commercial Code (Code de commerce) in relation to the implementation during the year of agreements already approved by the Annual General Meeting.

We performed the procedures that we deemed necessary in accordance with professional standards applicable in France to such engagements.

Agreements to be submitted for the approval of the Annual General Meeting

Agreements authorized and concluded during the year

We were not informed of any agreements authorized and concluded during the year to be submitted for the approval of the Annual General Meeting in accordance with article L.225-38 of the French Commercial Code (Code de commerce).

Agreements previously approved by an Annual General Meeting

We inform you that we have not been advised of any agreements which were already approved by the Shareholders' meetings in previous years, and which were applicable during the year.

Paris-La Défense, March 10, 2023

The Statutory Auditors
KPMG S.A.

Pierre-Antoine DUFFAUD

Laurent CHILLET

Deloitte & Associés

Frédéric GOURD

Bénédicte MARGERIN

6 RISKS AND CONTROL

6.1 RISK FACTORS

The Group conducts its business in a constantly evolving environment. It is therefore exposed to risks, the occurrence of which could have a material adverse effect on its businesses, financial position, results and outlook. This chapter presents the main risks to which the Group believes it is exposed at the date of this Universal Registration Document.

Due to the Group's multiple geographic locations, the diversity of its markets and product ranges, as well as its development, the Saint-Gobain Group is exposed to different categories of risks. In the framework of the provisions of Article 16 of Regulation (EU) 2017/1129 of the European Parliament and of the Council, the risk factors considered most important (identified with an asterisk), at the date of this Universal Registration Document, are mentioned in the first place within each of the risk categories mentioned below, in line with an evaluation that takes account of their impact and probability of occurrence. Saint-Gobain's evaluation of the significance of the risks may be modified at any time, particularly if new internal or external events occur.

The reader's attention is drawn to the fact that other risks of which the Group is not aware at the date of this Universal Registration Document, or the occurrence of which is not currently considered likely to have a material adverse effect on the Group, its businesses, financial position, results and outlook, may or might exist or arise.

6.1.1 RISKS SPECIFIC TO THE GROUP AND ITS BUSINESS SECTOR

Risks related to the economic situation *

A significant part of the Group's activities is linked to investment in the construction sector, namely the renovation markets (50%⁽¹⁾ of 2022 revenue), new residential construction (22%⁽¹⁾ of 2022 revenue) and non-residential markets (15%⁽¹⁾ of 2022 revenue) which are sensitive to the economic situation, including the effects of the current high inflation and/or the rise in interest rates in the major economies. Consequently, the Group's results are sensitive to the macroeconomic conditions of the geographic areas, both at regional and local levels, where the Group is active. Since the Group is established in 75 countries around the world (particularly in Northern Europe, Southern Europe, the Middle East, Sub-Saharan Africa, North America, Latin America and Asia-Pacific), a deterioration in the global economic environment due, for example, to a severe economic downturn or a major recession in any of these geographic areas is likely to have a negative impact on the consumption of the Group's products in the regions concerned, which could have a material adverse effect on the Group's revenues, results, free cash-flow generation and outlook.



⁽¹⁾ Estimate of Saint-Gobain's end markets.

Risks related to the Group's international activities*

The Group is active worldwide, including outside Western Europe and North America. It is present in particular in Eastern Europe, the Middle East, Africa, Asia-Pacific, and Latin America, particularly in Brazil. About 23% of the Group's consolidated revenue was generated in these regions in 2022. Generally speaking, the Group's activities in these regions carry higher risks than in Western European and North American countries, due to the existence of greater economic and political instability, as well as greater exposure to social and infrastructure disruptions than in more mature markets.

Thus, the direct and indirect consequences of political instability or of an unstable economic or regulatory environment in which the Group operates, in a country in which the Group is active or markets its products, could have a material adverse effect on investments in those countries' construction sector, and consequently on the Group's businesses, financial position, results or outlook.

In this respect, the war between Russia and Ukraine, which is a factor of economic uncertainty affecting economic activity and world trade, could have an adverse effect on the Group's activities even though the Group's economic exposure to Russia is not significant (approximately 0.7% of the Group's consolidated revenue in 2022 and about 1,800 employees, some 1,350 of whom are spread over the Group's nine factories).

In addition, while the Covid-19 pandemic appears to be less severe than in 2019 and 2020, the implementation of new restrictive measures in response to potential new waves of the pandemic could lead to further economic slowdowns in markets in which the Group operates, or affect global production chains, local supply or transport chains, or, more generally, could affect the global economy once again. This could have an adverse effect on the Group's financial position, results or outlook (see section 4.1.7, p. 133). However, most of the Group's activities are local, with products manufactured and sold locally, and largely local sourcing.

Moreover, legal or regulatory changes applicable to the Group's activities (involving, among other things, taxation, restrictions on capital transfers, customs duties, intellectual property and import and export licenses, the employment system or health, safety or the environment) could significantly increase the Group's costs in the various countries in which it is active, or limit its ability to freely transfer its capital, and consequently have a material adverse effect on its businesses, financial position, results and outlook.

Lastly, the Group operates in an uncertain geopolitical climate where trade tensions such as those that may arise from the war between Russia and Ukraine or those between China and the United States, are becoming increasingly prominent. The Group mainly operates in local markets (see section 1.4.2.A, p. 29), although some of its manufacturing activities have global value chains and could be subject to political and trade tensions, such as the automotive industry. Further deterioration of global trade relations could therefore have an adverse effect on the Group's results and outlook in these business sectors. At the date of this Universal Registration Document, the war between Russia and Ukraine has had no material adverse effect on the value chains of the Group's activities.

Risks related to innovation and the digital revolution

The Group has placed innovation at the heart of its strategy (see section 2.3.4, p. 60) in order to feed its competitiveness and maintain a high level of operational excellence and financial and non-financial performance.

Certain markets in which the Group is positioned are evolving rapidly, with the appearance of new practices, products and solutions (for instance pre-fabrication, 3D printing, light construction, digital services linked to the various phases of construction projects, optimized logistics and management of circularity), new technologies and new communication and distribution channels relying on digital tools and content (see section 2.3.3, p. 58). The success of the Group depends on its capacity to keep pace with these changes at all times and integrate these new technologies into its product offerings, in order to respond effectively to customers' needs.

Following the success, one year in advance, of the "Transform & Grow" program set up in November 2018, one of the challenges of which, in terms of innovation and digital transformation, was to optimally reconcile, on the one hand, initiatives and coordination of marketing policies and strategic innovations on a global scale, and, on the other hand, necessary local adaptations or initiatives to meet the needs of local markets and customers in the most pertinent and efficient way possible (in particular sales channels, logistics offering, etc.), the new "Grow & Impact" strategic plan announced to investors on October 6, 2021, continues to pursue these objectives and significantly strengthens the ambitions regarding the digital transformation in terms of both organization and resources. The Group's Digital & IT and Innovation entities are pooling resources to explore the potential and the possible scaling-up of the new digital technologies. The Group might not be in a position to fully implement its digital strategy, which could adversely affect its revenues, results or outlook.

The Group's innovation policy notably also comprises an ambitious marketing approach which seeks to better understand, anticipate and respond to customer requirements, working where appropriate closely with Research and Development to supply customized solutions. This policy of marketing innovation and operational excellence is based in particular on specific strategic watches. Innovation based on Research and Development requires significant investments (€520 million at December 31, 2022, i.e., 27% of the Group's total investments) as well as an appropriate recruitment and training policy, particularly in the new occupations resulting from the digital boom (digital marketing, occupations linked to the use of data, the development of digital platforms, and Industry 4.0 for example, see section 2.3.3, p. 58), the expected benefits of which cannot be guaranteed.

The Group's revenue, operating margins and results could be affected if it fails to invest or invests insufficiently in appropriate technologies related to the digital transformation, or if it is unable rapidly to bring new products to market, or if it seeks to market products that do not adequately address customer needs or if competing products are quickly introduced.

Intellectual property risks



The growth in the Group's activities relies on the protection of its manufacturing secrets, patents (more than 450 patents registered in 2022), brands and models, and other intellectual property rights (for a description of the Group's portfolio of patents and brands, see section 1.4.3, p. 34). If the Group were to be unable to obtain, protect and preserve its intellectual property rights, or its freedom to exploit them, this could result in the loss of its exclusive rights to use technologies and processes, which could have a material adverse effect on its results.

The Group has an active policy for the protection of its intellectual property rights but cannot rule out the risk of its products being counterfeited, the appropriation or illicit use of its intellectual property rights or an unfavorable ruling by the courts.

The Group may be forced to take legal action against third parties suspected of breaching its rights. Any such proceedings may give rise to significant costs and hamper growth in sales of the products manufactured using the rights concerned or force the Group to incur additional expenses to develop other technologies that do not use the disputed technology.

Risks related to the supply of energy and raw materials and changes in the cost of energy and raw materials

The Group's industrial activities, some of which consume high levels of energy, such as Building and Automobile Glass, Insulation or Gypsum (see section 1.4, p. 28 for a description of these activities), or are dependent on certain raw materials, could be impacted by a significant increase in prices resulting from difficulties in sourcing raw materials and/or energy (e.g., natural gas or electricity), or by the occurrence of natural disasters, extreme weather conditions, or geopolitical circumstances such as the war between Russia and Ukraine. By way of illustration, at December 31, 2022, the Group's irrevocable purchase commitments relating to raw materials and energy represented €1.8 billion (see Note 5.5.1 to the consolidated financial statements, section 8.1, p. 290). Inflation in energy and raw material costs represented about €3 billion in 2022 versus 2021.

The Group's ability to pass on these cost increases to its customers depends to a large extent on market conditions and commercial practices. Even if the Group passes them on, it may do so only in part and/or with a slippage over time. The Group's inability to immediately and/or fully pass on increases in the cost of raw materials and/or energy in the short term could have a material adverse effect on its operations, financial position or results.

The Group has set up hedging arrangements for some of the risks associated with the cost of energy and/or raw materials (see Note 10.1 Financial Risks to the consolidated financial statements, section 8.1, p. 311). Nevertheless, it cannot guarantee that these hedges, which themselves represent a cost for the Group, will fully cover any additional costs incurred as a result of future price increases in the cost of energy and/or raw materials; they will depend on the underlying assumptions regarding movements in costs applied by the Group.

Industrial and environmental risks

The Group could incur significant expenses and be exposed to environmental liabilities as a result of its operation of past, present or future industrial sites (see Note 9 to the consolidated financial statements, section 8.1, p. 307).

The industrial and environmental risks arising from the operation of some sites primarily relate to the storage of certain hazardous substances.

At December 31, 2022, eight sites were classified under Directive 2012/18/EU on the control of major-accident hazards involving dangerous substances, known as the "Seveso III" Directive. These industrial sites are subject to specific regulations and close supervision by the competent authorities and the Group's Environment, Health and Safety Department.

These sites include Balsta (Gypsum) in Sweden, storing liquid natural gas, Etolikon (Gypsum) in Greece and Stjordal (Insulation) in Norway, storing liquefied petroleum gas, Billesholm (Insulation) in Sweden and Sully-sur-Loire (Sekurit-Transport) and Sermaises (HPS) in France, storing combustible liquids, which fall under the "lower-tier" defined by the "Seveso III" Directive. Three other facilities are classified as "upper-tier": the Bagneaux-sur-Loing site (Flat Glass) in France, which stores arsenic (AS₂O₃), the Carrascal del Rio site (Flat Glass) in Spain, which stores hydrofluoric acid (HF), and the Boston, Lincolnshire site (Building Distribution) in the United Kingdom, which stores petroleum products. After identifying accident risks and their potential impact on the environment, preventive measures were implemented at these facilities, covering the design and construction of storage areas, as well as the manner in which they are operated and maintained. Internal contingency plans have been developed to respond to incidents. The financial consequences of personal injury and damage to property that may arise by accident from plant operations are covered by the current Group civil liability and environment impairment liability insurance programs (for a description of these programs, see section 6.1.5, p. 228), except for the Bagneaux-sur-Loing plant, which is operated by a joint venture and which is insured under a specific policy subscribed by such subsidiary. In the event of an industrial accident, compensation payments to victims would be organized jointly by the company, the insurance broker and the insurer.

The Saint-Gobain Group is also exposed to risks of chronic pollution, and could therefore be required to incur expenses to restore active or closed industrial sites or clean up the environment. At December 31, 2022, 69 European Group sites are classified as "IED" installations in the meaning of Directive 2010/75/EU on industrial emissions, and are subject to integrated pollution prevention and control regulations.

A breach of these regulations could result in fines or other civil, administrative or criminal penalties, specifically the withdrawal of permits and licenses needed for the activities in question to continue operation, which could have a material adverse effect on the Group's revenue, results, free cash flow generation and outlook.

Lastly, changes in environmental regulations, including their interpretation, and consideration of climate change risks (see section 3.3, p. 100) could cause the Group to incur significant expenses and/or investments.

Risks related to external growth

The Group's strategy is based, in part, on external growth, in particular by acquiring businesses or assets, taking equity interests or establishing joint ventures in the Group's business lines and in geographic regions where the Group seeks to establish or strengthen itself (see section 2.3.7, p. 68). For example on May 31, 2022, the Group announced that it had entered into an agreement to acquire Kaycan, a company that manufactures and distributes outdoor construction materials in Canada and the United States, which strengthens Saint-Gobain's status as a world leader in sustainable construction, a transaction that was definitively completed on July 29, 2022.

However, the Group may not be in a position to identify attractive targets or to enter into transactions at the optimal time and/or under satisfactory conditions (see paragraph B of section 2.3.7, p. 68 for a description of the business portfolio management strategy). The expected benefits of these external growth operations depend, in part, on the realization of expected synergies and integration of the activities of the acquired companies, and on relationships with other participants in the joint ventures. The Group gives no guarantees as to these objectives, which, if not fulfilled within the expected timeframes and at the expected levels, could affect the Group's financial position, results and outlook.

Risks related to information systems

Daily management of the Group's activities, specifically the conduct of its commercial, industrial, logistics and accounting processes, particularly in its Distribution activities, requires the proper functioning of all technical infrastructure and computer applications. The risk of system malfunction or interruption, which may be external or internal in origin (computer viruses or hacking, service provider default, blackouts or network shutdowns, natural disasters, human error, etc.), cannot be ruled out. In particular, a cyber attack could affect not only operations, but also the protection of confidential information or lead to the theft, loss or exposure of personal data.

It should be recalled that, in June 2017, the Group, along with numerous other companies and organizations in France and abroad, was affected by the NotPetya cyberattack, which required IT systems to be disconnected in order to prevent the spread of the virus, as well as the introduction of alternative processes in all of the Saint-Gobain businesses. The impact of the cyber-attack on operating income for the 2017 fiscal year was calculated to be €80 million. All of the information systems were back up and running within ten days, without any data being lost or compromised.

With a view to learning from NotPetya and minimizing the probability and the impact of this type of malfunction, the Information Systems Department, as part of a cyber-defense plan, has introduced strict rules relating to the governance and security of information systems, both in terms of infrastructure and applications, data protection and business continuity plans. This plan was deployed at Group level, controlled by the Audit and Internal Control Department and by regular external audits (see section 5.1.2, p. 174, on the work of the Board of Directors and the Audit and Risk Committee). Since 2021, the cyber-defense plan has become the cybersecurity continuous improvement plan, and an external audit is carried out on behalf of the Audit and Risk Committee every two years. Furthermore, a new insurance program covering the Group's cyber risks has been in place and renewed annually since the end of 2017. The implementation of these various actions has made it possible to ensure that the cybersecurity incidents and cyberattacks that Saint-Gobain Group has had to deal with over the past three years have had no consequences for the Group's operations.

The occurrence of such malfunctions may adversely affect the Group's operations, the protection of its know-how and its financial results.

Risks related to climate change and the energy transition

The fight against climate change involves both risk management and the development of the Group's markets (see section 3.3.1, p. 100).

The Group has placed the fight against climate change at the heart of its strategy and aims to contribute to a fair and sustainable transition to a low-carbon economy with the adoption of a 2030 roadmap with a view to attaining its goal of contribution to carbon neutrality by 2050 and the implementation of the "Sustainable Solutions for Growth" program.

Achieving its climate objectives requires, among other things, the Group's ability to access sufficient renewable energy sources to meet its needs at satisfactory pricing conditions. The Group's failure to access such energy sources could have an adverse effect on its ability to implement its strategy and meet the expectations of its customers and investors.

In addition, the need for decarbonization of the Group's industrial customers requires an acceleration of innovation in decarbonization technologies for the construction industry, green mobility and in specialty materials for the decarbonization of industrial processes. The implementation of new industrial processes and procedures as part of the Group's sustainability roadmap represents a major technical and technological challenge. The Group's failure to deploy these new processes or procedures, or a delay in deploying them, could adversely affect its ability to implement its strategy and meet the expectations of its customers and investors.

6.1.2 GROUP STRUCTURAL RISKS

Risks linked to the Group's pension and similar commitments^{*}

The Group recognizes significant pension and similar obligations mainly in Western Europe (in particular in France, Germany and the United Kingdom) and in North America (United States and Canada), in respect of pension plans that for the most part are no longer open to new employees. At December 31, 2022, the total amount of pension plan commitments was €8.8 billion (see Note 6.3 to the consolidated financial statements, section 8.1, p. 291).

The level of provision for Group pension plans (€1.7 billion at December 31, 2022) may be affected by adverse changes in the actuarial assumptions used to calculate the projected plan liabilities, by a reduction in the discount rates used to measure future commitments, a change in the assumed mortality rates or an increase in the inflation rates used, or a fall in the market values of plan assets, consisting mainly of equities and bonds.

Risks linked to cost reduction and restructuring

The Group constantly strives to reduce or optimize its costs. While further savings are planned, there is no guarantee that the forecast reductions will be achieved or that the costs related to possible restructuring will not exceed forecasts. In particular, certain restructuring operations and other initiatives may cost more than expected, or the cost savings may be less than expected or take longer than expected to achieve. An increase in restructuring costs and/or the Group's inability to achieve the expected savings could have a material adverse effect on the Group's results and outlook.

Risks linked to goodwill and impairment of property, plant and equipment, intangible assets and rights of use

The Group has a significant amount of intangible assets linked, on the one hand, to brands, customer relations and intellectual property, and on the other hand to goodwill (respectively €3.6 billion and €12.9 billion at December 31, 2022). In line with Group accounting policies, goodwill and certain other intangible assets with indefinite use lives are tested for impairment periodically and whenever there is an indication that their carrying amount may not be fully recoverable. Goodwill and other identified intangible assets may become impaired as a result of worse-than-expected Group performance, unfavorable market conditions, unfavorable legal or regulatory changes or many other factors. The recognition of impairment losses on goodwill could have an adverse effect on consolidated net income.

Property, plant and equipment including rights of use under leases (€14.9 billion at December 31, 2022), could also be subject to impairment in the event of adverse changes in the business (see Note 7 to the consolidated financial statements, section 8.1, p. 298).

6.1.3 FINANCIAL RISKS

The Group is exposed to financial risks, and notably a liquidity risk on financing. In particular, in a crisis environment, the Group might be unable to raise the financing or refinancing needed to cover its investment plans on the credit or capital markets, or to obtain such financing or refinancing on acceptable terms. For more information on this liquidity risk and the other financial risks to which the Group is exposed, please see Note 10.1 to the consolidated financial statements for the fiscal year ended December 31, 2022, section 8.1, p. 311.

6.1.4 LEGAL RISKS

Risks linked to legal and administrative procedures

The Group is exposed to risks of litigation and claims arising in the normal course of business. The most significant disputes pending or for which the Group has received notifications are described below. These proceedings may result in a conviction, the payment of substantial damages, regulatory or even criminal sanctions, and may tarnish the Group's reputation and thus have a significant negative impact on the Group's image, financial position and operating results. At December 31, 2022, total provisions for Group litigation amounted to €251 million (see Note 9 to the consolidated financial statements, section 8.1, p. 307).

Competition law and related proceedings^{*}

Competition laws apply to the Group companies in countries in which it operates. Violation of competition law exposes the Group to fines and, in certain countries, potential criminal sanctions on the Group and the employees involved. Any litigation filed by a competition authority could, in the event of conviction, give rise to the payment of fines and potentially damages, which is likely to have a significant impact on the Group's reputation, financial situation and operating results.

The Saint-Gobain Group is firmly committed to opposing any practice that might violate competition rules and has long applied the principle of zero tolerance. A competition law compliance program has been in place within the Group since 2007 (see section 3.1.5, p. 86).

Investigation by the Swiss Competition Commission in the sanitary products wholesale industry

In November 2011, the Swiss Competition Commission (Commission suisse de la concurrence) opened an investigation into anti-competitive practices in the sanitary products wholesale industry. In May 2014, the Commission Secretariat issued a notice of complaints against Sanitas Troesch and other wholesalers in the industry alleging that Sanitas Troesch and some of its competitors had, among other things, agreed in 2005 and 2012 to lower gross prices.



The total fine imposed on all companies involved is CHF 80 million. For Sanitas Troesch, the fine is CHF 28.8 million. Sanitas Troesch appealed this decision on May 2, 2016 and continues to firmly refute the claims made. The hearing took place before the Federal Administrative Court on January 21, 2020 and the date on which the Federal Administrative Court will issue its decision is not yet known. However, a provision for claims and litigation was recognized at December 31, 2015 in an amount equivalent to the fine (unchanged as at December 31, 2022).

Investigation by the French Competition Authority in the building insulation products industry

Alleged anti-competitive practices in the building insulation products market were notified to Saint-Gobain Isover and Compagnie de Saint-Gobain, which rejected such allegations. The French Competition Authority considered that the alleged anti-competitive practices were not established and dismissed all the objections in January 2021. Actis appealed this decision to the Paris Court of Appeal.

On the civil law front, Actis served in March 2013 a damages claim on Saint-Gobain Isover, the Centre scientifique et technique du bâtiment, and the FILMM before the Paris Civil Court (Tribunal judiciaire de Paris) based on the facts being investigated by the Competition Authority.

At the end of 2022, Actis withdrew these two actions. Saint-Gobain Isover and Compagnie de Saint-Gobain accepted these withdrawals without reservation. The decision of the Paris Court of Appeal noting the withdrawal of Actis and the fact that the actions were removed from the Court was made on January 26, 2023. The judgment of the Paris Civil Court declaring the withdrawal of Actis and the removal of the case is expected in the first half of 2023.

Asbestos-related litigation

Current legal actions related to asbestos are described below.

Asbestos-related litigation in France

Inexcusable fault lawsuits

In France, Everite and Saint-Gobain PAM, which in the past manufactured fiber-cement products containing asbestos fibres, are the subject of actions by former employees of these companies (or persons claiming through them) for recognition of inexcusable fault following diseases recognized as being of occupational origin.

As of December 31, 2022, a total of 850 lawsuits had been issued against the two companies since the outset with the aim of obtaining supplementary compensation over and above the amounts paid by the French Social Security authorities in this respect.

As of the same date, 826 of these 850 lawsuits had been completed and 24 actions are still pending.

The total amount of compensation paid by Everite and Saint-Gobain PAM since the outset of these litigations in settlement of these lawsuits totaled approximately €9.7 million as of December 31, 2022 (compared to €6.6 million as of December 31, 2021).

In addition, similar suits had been filed against 13 French companies of the Group (excluding suits against companies that are no longer part of the Group) which in the past used equipment containing asbestos to protect their employees and installations against heat from furnaces.

As of December 31, 2022, a total of 282 lawsuits had been filed since the outset against these 13 companies. 240 of these 282 lawsuits had been completed and 42 actions were still pending at the same date.

The total amount of compensation paid since the outset of the litigations by these companies was approximately €11.8 million as of December 31, 2022 (compared to approximately €10.5 million as of December 31, 2021).

Anxiety claims

Eight of the Group's subsidiaries, including six that operate or have operated facilities in France classified as containing asbestos, were the subject of anxiety claims brought by current or former employees not suffering from an occupational disease due to asbestos - claiming compensation for prejudice of anxiety suffered as a result of their alleged exposure to asbestos.

As of December 31, 2022, a total of 861 lawsuits had been brought against these companies.

At the same date, 824 suits out of 861 have been definitely completed and 37 were still pending.



The total amount of compensation paid since the outset of the litigations was €8.5 million as of December 31, 2022 (unchanged compared to the amount as of December 31, 2021).

It should be clarified that the above figures do not take into account suits filed against companies that are no longer part of the Group.

Last, the total amount registered as provision for asbestos-related litigations in France - inexcusable faults lawsuits and anxiety claims - amounted to around €8 million as of December 31, 2022 (compared to around €7 million as of December 31, 2021).

Situation in the United States

Measures taken to achieve an equitable and permanent resolution of the former CertainTeed Corporation's legacy asbestos liabilities in the United States

DBMP LLC, an affiliate of CertainTeed LLC based in North Carolina, that holds the legacy asbestos liabilities of the former CertainTeed Corporation, filed, on January 23, 2020, a voluntary petition for relief under Chapter 11 of the US Bankruptcy Code in the US Bankruptcy Court for the Western District of North Carolina in Charlotte. The matter remains pending. The purpose of the filing is to achieve a certain, final and equitable resolution of all current and future claims arising from asbestos-containing products manufactured and sold by the former CertainTeed Corporation.

DBMP LLC intends to seek court authority to establish a trust under Section 524(g) of the US Bankruptcy Code - a specific provision that is applicable to companies that face substantial numbers of asbestos-related claims - to achieve a fair and equitable resolution of its asbestos-related liabilities. Upon establishment of the trust, current and future plaintiffs with qualifying claims will be able to receive faster payment of their claims without the delay, stress and uncertainty of litigation in the tort system; at the same time, the creation and funding of such a trust will permanently and finally resolve DBMP LLC's asbestos liability.

During the course of this bankruptcy process, which is expected to take up to approximately five to eight years, all asbestos litigation will be stayed and all related costs suspended, providing DBMP LLC with the time and protection to negotiate an agreement to be approved on behalf of all claimants and by the court.

This action was taken as a result of the increasing risks presented in the US tort system. Despite the passage of time, the aging of the population and lessening opportunity for claimants to assert legitimate claims of exposure to the asbestos-containing products of the former CertainTeed Corporation, naming practices in the tort system continued to result in a steady volume of claims against DBMP LLC, with no foreseeable end in sight. In addition, there has been, in general, an escalation of settlement demands and verdicts in the tort system.

Certain adversary proceedings have been filed by representatives of current and future asbestos plaintiffs against DBMP LLC, CertainTeed LLC, Saint-Gobain Corporation, Compagnie de Saint-Gobain and various other parties. No decisions on the merits of the claims have been made and such claims do not affect the Company's financial assessment of the Chapter 11 case.

Impact on the financial statements

Following the commencement of the proceeding under Chapter 11 of the US Bankruptcy Code on January 23, 2020, the assets and liabilities of DBMP LLC and its wholly-owned subsidiary Millwork & Panel LLC, and in particular the provision for asbestos-related litigation in the United States, are no longer consolidated in the Group's financial statements.

Nonetheless, because of a funding agreement between CertainTeed LLC and DBMP LLC by which CertainTeed LLC has agreed to fund the costs of the Chapter 11 case and, ultimately, the 524(g) trust, in both cases solely to the extent DBMP LLC is unable to do so in full, the Group recorded in its consolidated financial statements a debt against DBMP LLC amounting to \$410 million as of December 31, 2022 (\$417 million as of December 31, 2021).

The Group's consolidated income for 2022 is not impacted by the ongoing Chapter 11 proceeding described above.

As a result of this bankruptcy proceeding, all legal costs and indemnity payments related to DBMP LLC's asbestos tort claims have been suspended, and no further charges in relation to such claims have been taken in 2022 (as in 2021).

Situation in Brazil

In Brazil, former employees of Brasilit, that once manufactured fiber cement containing asbestos, suffering from asbestos-related occupational illnesses are offered, depending on the case, either financial compensation alone or lifetime medical assistance combined with financial compensation. Around 1,200 contractual instruments have accordingly been signed to date.

Two class actions were initiated against Brasilit in 2017 by two associations defending former employees exposed to asbestos at the São Caetano (São Paulo state) and Recife (Pernambuco state) plants, asking for their medical assistance and compensation to be revised. First and second instance decisions were rendered in connection with the suit related to the São Caetano plant respectively in July 2020 and July 2021, rejecting the claims of the plaintiffs. The latter have nevertheless appealed the second instance decision. First and second instance decisions were rendered in relation to Recife case, respectively in February and October 2022 rejecting the claiming party arguments. The plaintiff has appealed such second instance decision.



A third class action was initiated against Brasilit in 2019 in Capivari (State of São Paulo) by the Labor prosecutor asking for health insurance, as well as collective moral damages, in favor of employees, former employees and their respective families, as well as subcontractors who were exposed to asbestos. A first instance decision was rendered in September 2020 partly in favor of the plaintiffs. In particular, collective moral damages were granted to the plaintiffs, for an amount reduced to BRL 5 million (€0.8 million). Brasilit has appealed the decision.

Brasilit is subject to controls by the Ministry of Labor and continues to comply with all of its legal obligations with regard to medical assistance for its current and former employees.

In November 2017, the Supreme Court of Brazil decided to ban asbestos definitively across the country. Brasilit stopped using asbestos voluntarily as early as 2002.

Environmental disputes

PFOA proceedings in the United States

Levels of PFOA (perfluorooctanoic acid) in excess of US Environmental Protection Agency (EPA) health advisories or state maximum contaminant levels for drinking water have been found in municipal water systems and private wells near current Saint-Gobain Performance Plastics (SG PPL) facilities in Hoosick Falls (New York) and Merrimack (New Hampshire), and two former facilities in North Bennington (Vermont) in the United States. PFOA and PTFE (polytetrafluorethylene) have never been manufactured by these plants. SG PPL is a processor of PTFE which it purchases from third party suppliers and which in the past contained some PFOA.

SG PPL has voluntarily provided bottled water in all three communities, installed point-of-entry treatment systems to residents and businesses in all three communities, installed carbon filtration systems on the municipal water supply in Hoosick Falls and funded the installation of a carbon filtration system on the Merrimack Valley District's municipal water supply. In addition, it has voluntarily funded construction of water line extensions in certain communities in the Merrimack and Bennington areas. The investigations are ongoing and the scope of responsibility for SG PPL arising from environmental remediation in New Hampshire and New York and clean-up obligations at these sites has not yet been established. The scope of the remediation in Vermont is defined and largely completed; future operation and maintenance obligations remain. Without admitting liability, SG PPL has signed consent orders with the environmental regulators in New York in 2016, in Vermont in 2017 and 2019 with respect to two different areas, and in New Hampshire in 2018, pursuant to which SG PPL has agreed to complete investigations, implement interim or final remediation measures at its current and former facilities and in the case of Vermont and New Hampshire, fund construction of water lines. Responsibility, if any, is expected to be shared with other parties as regards in particular the Hoosick Falls site.

PFOA-related lawsuits alleging both health-related and economic damages claims have been filed in civil courts in New York, New Hampshire and Vermont, some of which are in the form of proposed or certified class actions. It is difficult to predict the timing or outcome of any such litigation, or whether any additional litigation will be brought against SG PPL, however, both the New York and Vermont class actions are settled.

On December 31, 2022, the provision recorded by the Company in respect of this matter amounts to €201 million (compared to €116 million as of December 31, 2021). This provision covers both remediation and litigation related to PFOA matters.

Other contingent liabilities

Grenfell Tower fire in the United Kingdom

Celotex provides insulation materials for specific applications for the building and construction industry. Insulation materials from two Celotex ranges were purchased via distributors and used in refurbishing Grenfell Tower, London in 2015/2016, including as one component of the rainscreen cladding system designed and installed (by third parties) on the tower's external facade.

Following the Grenfell Tower fire on June 14, 2017, a Public Inquiry was constituted, which is considering, among other things, the modifications made to the building as part of the refurbishment, the role played by the various construction professionals, and the information provided by the manufacturers of the products used. The Inquiry has been conducting its work in two phases: its phase 1 report was published on October 30, 2019; phase 2 commenced in January 2020 and public hearings continued until July 2022, with a final report to follow, most likely in 2023. A criminal investigation into the circumstances of the fire is also in progress.

There are a large number of issues and circumstances that need to be explored and the implications for Celotex are unlikely to be known for some time. Civil proceedings in connection with Grenfell Tower brought against Celotex Limited and/or Saint-Gobain Construction Products UK Limited (which respectively held the Celotex business until or after December 31, 2015) and a number of other defendants - who are also core participants in the Public Inquiry - have been issued by bereaved, survivors and residents and emergency responders. Those proceedings have been stayed prior to the service of full pleadings on the basis that the parties to the litigation are permitted to engage in a confidential alternative dispute resolution process, which if it succeeds would avoid the need for litigation. Celotex and Saint-Gobain Construction Products UK Limited are engaging with other parties in such processes.

Celotex and Saint-Gobain Construction Products UK Limited are unable to communicate on the status of those confidential processes, which are ongoing. However, the financial statements as at 31 December 2022 include a provision covering the principal financial implications that may arise from the process engaged with bereaved, survivors and residents.



The extent to which Celotex may incur further civil or criminal liability in connection with the production, marketing, supply or use of its products is currently unclear and Celotex Limited and Saint-Gobain Construction Products UK are currently unable to make a reliable estimate of their potential liability in this respect.

Other proceedings and disputes

Some of the Group's companies may also be the subject of other claims made by their employees or by the tax authorities, or in the context of the enforcement of seller's warranties granted by the Group to the buyers of divested businesses (see in the consolidated financial statements p. 290, note 5.5.2). Apart from the proceedings and litigation described above, to the best of the Company's knowledge, no other government, court or arbitration proceedings exist (including pending proceedings or proceedings where the Company and/or the Group might be threatened) which could have or have had, in the last 12 months, a significant impact on the financial position or profitability of the Company and/or Group. Please refer to the consolidated financial statements, note 9 relating to provisions for litigation, p. 307.

Risk of regulatory changes

The Group is not subject to any specific regulations that could have an impact on its financial position, although the Group companies that operate industrial sites are generally required to comply with the specific national laws and regulations of the country where such sites are located. Such is the case for example, with regard to France, of the regulations applicable to classified sites, and certain regulations relating to the environment.

A certain number of legislative measures are already in place in certain countries and regions in which the Group operates. For example at European level, Directive 2003/87/EC of October 13, 2003, known as the "Quotas Directive", has set a cap on carbon dioxide emissions and a quota trading system for certain large production sites. Notwithstanding the Group's efforts to reduce CO₂ emissions, and more broadly, the use of best available techniques for its investments (see section 3.3, p. 100), changes in regulations applicable to the Group's activities could impact the operation of its production sites, which could have a material adverse effect on its operation, financial position or results.

Laws and regulations applicable to the Group's activities and to the materials and products that it uses in its activities may change in a manner that could be unfavorable to the Group. The introduction of stricter regulations or more diligent enforcement of existing regulations may affect the conditions under which the Group operates its businesses, which could increase its operating expenses, limit the scope of its activities or act as a brake on business growth. More generally, the Group cannot guarantee that there will be no rapid and/or significant regulatory changes in the future with a material adverse effect on its business, financial position or results.

6.1.5 INSURANCE

The Group transfers its risks to the insurance market when this is the most efficient solution. Default by one or more of the Group's insurers could therefore lead to financial losses.

The Group's policy is to implement preventive programs and purchase insurance coverage to protect its assets and revenue. This policy is embedded within a Group doctrine, which takes into account current conditions in the insurance market. It is determined, coordinated and overseen by the Risk and Insurance Department. It defines insurance criteria for the most significant risks, such as property and business interruption, as well as general and product liability. With this in mind, a new insurance program to cover the Group's cyber risks was implemented at the end of 2017.

For other types of coverage, such as automobile fleet insurance, the Risk and Insurance Department advises the individual operating units on policy content broker selection and which market to consult. These are called "high-frequency" risks, for which claims are monitored internally and appropriate action taken. The policies in force in 2022 are the result of the renewal of the policies for 2021.

The captive insurance company set up to cover property risks was highly successful and delivered real benefits for the Group.

Companies acquired during the year have been integrated into existing insurance programs.

Property and business interruption insurance

The risks covered are non-excluded property and casualty risks as well as operating losses following a sudden accident affecting the insured property. They are covered by a global program.

The programs meet the insurance criteria laid down by the Risk and Insurance Department, specifically:

- all policies are "all risks except";
- limits on compatible coverage with worst-case scenarios where safety systems operate effectively;
- deductibles are proportionate to the size of the site concerned and cannot be considered as self-insurance.



These criteria take into account current insurance offerings, which exclude certain risks and cover natural disasters such as floods, storms, earthquakes or tsunamis only up to a certain amount.

In extreme scenarios, such events could have a substantial uninsured financial impact in terms of both reconstruction costs and lost production costs.

The Risk and Insurance Department's policy is based on the findings of the annual audits carried out by independent prevention experts recognized by the Group's insurers. These audits give a clear picture of the risk exposure of the main sites in the event of a fire or other incident, and provide an estimate of the financial consequences in a worst-case scenario.

The transfer of risk to the insurance market takes place beyond €17.5 million per claimable event for all Group entities as from January 1, 2022.

This amount is self-insured by the Group through its captive insurance company. The latter has taken out reinsurance protection to protect it against an excessive frequency and/or severity.

Coverage of the risk of civil liability

A program provides coverage for third-party personal injury and property damage claims for which the Group would be legally held liable. This program comprises several programs for the lower tranches of coverage.

The first program covers all subsidiaries and has a coverage limit of €100 million. Those located in North America are subject to a deductible of US\$50 million. The program's exclusions are consistent with market practice and concern in particular potentially carcinogenic substances and gradual pollution.

In order to satisfy local regulatory requirements, a policy is taken out in each country in which the Group has a significant presence. Local policies are backed up by the master policy issued in Paris, which can be activated when local coverage proves inadequate.

The second program, with a cover limit of US\$50 million, concerns the subsidiaries located in North America. This program is structured differently to deal with the specific nature of liability risks in the United States. It is divided into several lines of coverage, requiring it to be placed, if needed, on the London insurance market. Exclusions are in line with current market practice in the United States and primarily concern contractual liability, pollution and third-party consequential loss.

In addition to the two programs described above, a number of supplementary programs have been set up in order to bring the total coverage limit to a level considered compatible with the Group's businesses.

Within the operating units, action is taken to raise awareness of civil liability risks, and the units are motivated to control costs by assuming a deductible that does not, however, constitute self-insurance. The Group also runs a risk prevention program at its operating units with the support of the Environment, Health and Safety Department.

Furthermore, to meet the environmental requirements set out in Directive 2004/35/EC of April 21, 2004 on environmental liability with regard to the prevention and remedying of environmental damage, the Group has since 2017 had a specific policy with a limit currently set at €75 million per year. This policy offers worldwide cover, excluding the United States, for the Group's civil environmental liability arising in relation to damage affecting natural resources (protected natural species and habitats, soil and water) as a result of its activities.

Exceptions

Joint ventures not controlled by the Group and minority interests are excluded from the scope of the above policies. These insurance policies are taken out separately.

6.2 INTERNAL CONTROL

Each of the Group's companies evaluates the main risks affecting the shaping of its strategy, the smooth running of its operations, compliance with laws and regulations and resilience to external events.

Thus the general aims of internal control are:

- management of the company's operational risks;
- quality of execution of processes and reliability of financial information;
- compliance, in accordance with the Group's programs, particularly on competition law, laws on economic sanctions, controls on exports, the fight against corruption and influence peddling (in accordance with the recommendations of AFA, the French Anti-corruption Agency);
- anti-fraud.

Each level of the organization plays a role in internal control, and risk management, which affect all Group employees. The three lines of defense model is therefore adopted by Saint-Gobain:



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- In the first line of defense, companies employ an internal control and risk management system tailored to their situation, at the initiative of the Chief Executive Officers and local managerial structures (Regions, countries and activities). The companies have access to Shared Services Centers (Finance, Human Resources - Payroll) and IT expertise. It is essential that there is a segregation of tasks between these organizations for successful skills optimization and transaction security;
 - In the second line, Group Internal Control establishes an internal control reference framework applicable to all, in addition to specific guidelines prepared by the Group's corporate departments; and
 - The third line involves verification of the proper application of the internal control principles which is carried out in-house by the Audit Department and externally by the Statutory Auditors.

6.2.1 COMPAGNIE DE SAINT-GOBAIN'S INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM

The aims of internal control and risk management

The Saint-Gobain internal control and risk management system is part of the legal framework applicable to companies listed on the Euronext Paris regulated market, and is inspired by the reference framework on the internal control and risk management system of the AMF (French Financial Markets Authority) and the "Committee of Sponsoring Organizations of the Treadway Commission" (COSO).

Saint-Gobain Group's internal control and risk management system is supported by a continuous improvement process and an Internal Control Reference Framework. This is a whole set of resources, behaviors, procedures and actions tailored to each company's specific characteristics which:

- enables it to appropriately address material operational, financial or compliance risks;
- helps it to manage its operations and meet its objectives;
- improves the efficiency of its operations and ensure that its resources are used to best effect.

It is more specifically designed to provide assurance concerning:

- application of General Management's instructions and orientations;
- compliance with the laws and regulations applicable to the company;
- the efficiency and effectiveness of internal operating, industrial, marketing, financial and other processes;
- of property, plant and equipment and intangible assets, in particular the prevention of fraud;
- the reliability of financial information.

By promoting constant improvement in all entities, internal control creates value and supports the companies' performance.

The internal control and risk management environment

The Group's core values

Internal control is based on values and rules of conduct which are formalized in:

- the Saint-Gobain Group Principles of Conduct and Action: professional commitment, respect for others, integrity, loyalty, solidarity, compliance with the law, respect for the environment, protection of health and safety at work and employee rights (cf. section 1.2.2, p. 14). The Principles of Conduct and Action are distributed to all Group employees; the Group's Human Rights policy (cf. section 3.2.1 , p.89);
- the Saint-Gobain Attitudes: being close to customers, acting as an entrepreneur, innovating, being flexible, building an open and engaging culture;
- the Group's compliance program: competition law, economic sanctions and export control, anti-corruption, influence peddling and fraud, professional associations, conflicts of interest, gift policy, etc. (cf. section 6.2.5, p. 241).

Executives leading by example, and control at all levels in implementing the Principles is essential in disseminating these values, which all Group employees must adhere to.



The organizational model

The implementation of an internal control system requires:

- appropriate organization which provides a framework for the planning, execution, monitoring and management of operations;
- clearly defined roles and responsibilities, according to a human resources management policy which recruits people with the knowledge and skills necessary to perform their jobs, providing them with training to develop employees' knowledge;
- rotation and succession plans for key positions and replacement solutions during temporary absences;
- powers of attorney granted to suitable people in line with the principle of task segregation.

Dissemination of policies and programs

The policies and programs devised by the Group's Senior Management are disseminated within each corporate department. The Regions, countries and activities formalize guidelines and directives within their scope of responsibility in line with the Group's own guidelines and directives, ensuring that they are applied when conducting operations.

Information systems

The Group's organizations and their operations rely to a large extent on information systems, information-sharing and the digitalization of processes. Information systems must therefore be efficiently protected in terms of both physical and logical security. The Saint-Gobain Group companies thus comply with the security rules set out by the Group Information Systems Department and Internal Control (automated controls described in detail in the "ITAC" reference base).

Internal control and risk management process

Within Saint-Gobain, internal control is a continuous and ongoing process that integrates risk management procedures.

Due to the constantly changing environment and the regulatory context, the companies must take steps to identify, evaluate, process and monitor any risks which may affect them.

At Group entity level

The internal control and risk management process can be summarized in four stages:

- analysis of the main identifiable risks. The company analyzes its main risks, and thus identifies what could prevent it from meeting its objectives, as well as dangers that could harm its interests or have a major impact on its internal control situation;
- developing controls that are proportionate to the risks involved in each process;
- communicating the objectives of internal control to employees and implementing controls;
- permanent oversight of and regular checks on the effectiveness of internal control: a compliance statement is signed each year by the Chief Executive Officers according to the scope defined for each annual campaign.

This process is described in the Internal Control Reference Framework (cf. section 6.2.5, p. 241) and applies to the entire Group.

At the level of Compagnie de Saint-Gobain

The Audit, Risks and Internal Control Department updates the Group's risk mapping every year. These updates draw on the contributions of the various management levels, and the results are submitted to the Audit and Risk Committee and the Board of Directors.

For the various risks analyzed, the necessary corrective action is taken.

6.2.2 PARTIES INVOLVED IN INTERNAL CONTROL AND RISK MANAGEMENT

Everyone within the organization has some responsibility for internal control and risk management, from General Management down to the employees of the individual entities.

The Board of Directors of Compagnie de Saint-Gobain and the Audit and Risk Committee

The Audit and Risk Committee periodically reviews the organization of the Group's internal control and risk management (cf. section 5.1.2, p.171).

The Audit and Risk Committee is specifically tasked with monitoring the process of preparing financial information and the effectiveness of the internal control and risk management system.

It also reviews the risks map prepared by the Audit, Risks and Internal Control Department.

It analyzes significant internal control incidents, results of audits and oversees the corrective actions necessary to address failures.

Finally, it reports regularly to the Board of Directors on its work and notifies the Board promptly of any issues encountered (cf. section 5.1.2, p.171).

Group Management

Saint-Gobain's Management oversees implementation of the Group's internal control and risk management process and the existence and effectiveness of appropriate internal control monitoring systems within the Group's subsidiaries.

In this context, the Chairman of the Board of Directors signed a charter on April 16, 2021 with the Audit, Risks and Internal Control Department to reiterate the principles of audit, internal control and risk management which support the Group's teams.

Audit, Risks and Internal Control Department

The general remit of the Audit, Risks and Internal Control Department is to provide systematic, methodical assurance that the internal control systems are relevant and effective, and to make recommendations for reinforcing them. It also promotes the pursuit of added value and enhanced performance, in line with the Group's focus areas and programs (notably in anticipation of the digitalization of company processes).

Therefore, the Audit, Risks and Internal Control Department is involved in the Group's compliance program and is primarily responsible for the following:

- designing the Group's internal control and risk management system;
- coordinating the implementation of this system, in liaison with the company's corporate departments and operational management structures. To do this, the Audit, Risks and Internal Control Department particularly relies on internal control/risk reference frameworks and the issuing and checking of the compliance statements signed by the general managers for the applicable management levels;
- carrying out audits in line with the audit plan approved by the Audit and Risk Committee.

The Saint-Gobain Group Internal Audit Department applies the international standards of the profession as described in the Professional Internal Auditing Standards (RPAI), 2020 version, and thus complies with the Core Principles for the Professional Practice of Internal Auditing (CRIPP) of the Institute of Internal Auditors (IIA). The Group's Audit Department was certified in 2020 by the IFACI, the French branch of the IIA.

At the end of 2022, the Audit, Risks and Internal Control Department had 76 staff, split between audit, internal control and risk management.

Audit, Risks and Internal Control Department	Main responsibilities	Reference standards and/or measures	2022 key figures
Internal control	<ul style="list-style-type: none"> • Draw up and maintain the Internal Control Reference Frameworks in line with the Group's risk priorities 	<ul style="list-style-type: none"> • Internal Control Reference Framework Standard (ICRF) 	<ul style="list-style-type: none"> • 1,598 action plans open in the "INTERACT" database at the end of 2022



Audit, Risks and Internal Control Department	Main responsibilities	Reference standards and/or measures	2022 key figures
	<ul style="list-style-type: none"> Lead the annual compliance statement process 	<ul style="list-style-type: none"> Internal Control Reference Framework for Information systems (ITAC) 	<ul style="list-style-type: none"> 2022 compliance statement campaign including the self-assessment of 216 scopes and 35 super-validations (cf. section 6.2.4, p.239)
	<ul style="list-style-type: none"> Analyze incidents, self-assessments and audit results to suggest changes 	<ul style="list-style-type: none"> Internal Control Reference Framework for companies with annual revenues below €20 million (ICRF MINI) 	<ul style="list-style-type: none"> Over 1,500 executives and managers trained at 8 Internal Control and Risk Management Forums (Morocco, South Africa, India, Latin America, Asia Pacific and North America)
	<ul style="list-style-type: none"> Monitor the implementation of the action plans decided upon as a result of these exercises 	<ul style="list-style-type: none"> Internal Control Quality Reference Framework (ICQRF) 	<ul style="list-style-type: none"> 20 webinars bringing together more than 3,500 participants
	<ul style="list-style-type: none"> Communicate and train in internal control 	<ul style="list-style-type: none"> Anti-corruption internal control framework (ACRF) Associated practical data sheets or Group memos 	<ul style="list-style-type: none"> 23 newsletters published 187 publications on the Yammer community "My ICRM"
		<ul style="list-style-type: none"> Internal control, risk management and audit training academy (IABC Academy), part of the "Saint-Go-bain University" training program accessible from the "Boost!" e-learning platform 	<ul style="list-style-type: none"> 203 best practices including 32 in 2022
		<ul style="list-style-type: none"> Certification of internal control as part of the Academy of Training (IABC Academy) 	<ul style="list-style-type: none"> Network of 128 internal control officers
		<ul style="list-style-type: none"> "MY ICRF" mobile app available for all employees 	<ul style="list-style-type: none"> 7 regional meetings/HPS of internal control correspondents (168 participants)
		<ul style="list-style-type: none"> Internal Control Briefs Library of Best Practices 	<ul style="list-style-type: none"> 29 discussion meetings with the Functional Divisions
		<ul style="list-style-type: none"> Webinars and training sessions by region/country (Business Control Forums⁽¹⁾) 	<ul style="list-style-type: none"> 65 one-to-one meetings were held with Internal Control correspondents within the Group
		<ul style="list-style-type: none"> Intranet and digital internal control community on "Yammer" ("My ICRM") 	<ul style="list-style-type: none"> Digital Internal Control Community with 2,007 members
		<ul style="list-style-type: none"> Integrated Audit/Internal Control/Risks tool: 	<ul style="list-style-type: none"> IABC training academy containing 54 internal control and risk modules and two audit familiarization modules. As of December 31, 2022, Group employees had taken 18,694 modules and 1,471 modules were in progress
		<ul style="list-style-type: none"> "INTERACT"⁽²⁾ and Analysis tool: "TABLEAU" Software⁽³⁾ 	<ul style="list-style-type: none"> 54 candidates received for internal control certification in 2022
Risk management	<ul style="list-style-type: none"> Define and maintain the Group's risk universe 	<ul style="list-style-type: none"> Risks universe 	<ul style="list-style-type: none"> 51 maps updated in 2022
	<ul style="list-style-type: none"> Update risk mapping at the different Group levels 	<ul style="list-style-type: none"> Risk mapping 	<ul style="list-style-type: none"> "AVANTEAM" risk database including 584 active risks in 2022
	<ul style="list-style-type: none"> Produce and maintain the risk management methodology 	<ul style="list-style-type: none"> Methodological risk analysis tool for Group companies 	<ul style="list-style-type: none"> "INTERACT" tool including 48 risk action plans
	<ul style="list-style-type: none"> Analyze responses to risks and the action plans for the different risks 	<ul style="list-style-type: none"> "AVANTEAM" risk mapping tool, containing the risk database 	<ul style="list-style-type: none"> Updated risks universe with 13 main categories and 76 subcategories
	<ul style="list-style-type: none"> Communicate and train in risk management 	<ul style="list-style-type: none"> Management of action plans in the "INTERACT" tool 	



Audit, Risks and Internal Control Department	Main responsibilities	Reference standards and/or measures	2022 key figures
		<ul style="list-style-type: none"> Intranet and digital risk management community on "Yammer" ("My ICRM") Annual "Risk Perspective" publication 	
Internal Audit	<ul style="list-style-type: none"> Conduct audits and monitor the implementation of the mandatory controls required by the Internal Control Reference Frameworks Check the consistency of compliance statements 	<ul style="list-style-type: none"> Audit plan Audit methodology 	<ul style="list-style-type: none"> Entities audited every 3 to 5 years depending on company size 160 audit missions, 10 special missions to review executive expense reports and 30 intrusion tests conducted
	<ul style="list-style-type: none"> Carry out cross-cutting studies on the operational benefit for the Group Identify and share best practices 	<ul style="list-style-type: none"> Specific "Essential Controls" anti-fraud methodology Best practices library 	<ul style="list-style-type: none"> IABC training academy containing 33 audit methodology modules, access to which is restricted to Group auditors. As of December 31, 2022, the Group's auditors had completed 1,865 modules and 223 modules were in progress 14 candidates received for internal audit certification in 2022 (corresponding to 18% of audit staff)
		<ul style="list-style-type: none"> "TABLEAU" data analysis tool "CELONIS" process analysis tool 	<ul style="list-style-type: none"> Training week organized in January 2022 for all auditors, representing 42 hours of training Training program for newcomers (Induction) organized in March, May, and September 2022, representing 2 days of training for the auditors concerned
		<ul style="list-style-type: none"> Management of action plans in the "INTERACT" tool Internal control, risk management and audit training academy ("IABC Academy"), part of the "Saint-Gobain University" training program accessible from the "Boost!" e-learning platform 	<ul style="list-style-type: none"> Methodological training cycle, i.e. 9 thematic sessions scheduled for 2022 for all auditors Data analysis training cycle, i.e. 7 sessions dedicated to the use of Celonis software scheduled for 2022 for all auditors
		<ul style="list-style-type: none"> Auditor training Program 	<ul style="list-style-type: none"> 191 publications on the Yammer community "My IABC"

⁽¹⁾ The Business Control Forums are local training sessions delivered over one or two days for executives and managers. The topics such as the fundamentals of internal control and the fight against fraud, audit results and compliance statements, as well as case studies on various processes.

⁽²⁾ Integrated audit and internal control tool used for the management of compliance statements, action plans and audits.

⁽³⁾ Intelligent data analysis and reporting tool.

Corporate departments

Compagnie de Saint-Gobain's Corporate Directors are responsible for setting up an internal control structure and defining internal control strategies and procedures in their area.

They assist the Audit, Risks and Internal Control Department in leading and conducting the internal control process in their area, notably:

- identify and analyze the main risks associated with their internal processes;
- define effective and relevant controls formalized in the Internal Control Reference Framework;



- inform and train the employees responsible for internal controls within their area;
- analyze any internal control weaknesses or incidents and the results of internal audits.

The Corporate Directors are also responsible for the internal control system within the Company entities, notably to establish the Group's procedures.

Corporate departments	Main responsibilities	Reference standards and/or measures	2022 key figures
Environment, Health and Safety (EHS) Department and Medical Department	• Promote and coordinate Group EHS policy	• EHS reference framework and standards	• Industry audits:
	• Monitor the application of EHS reference framework principles	• ISO 45001, ISO 14001 and ISO 50001 standards	- 33 "ISA" audits ⁽¹⁾
		• EHS Saint-Gobain audits	-31 "ISA-MINI" audits
		• ISO certification audits	• Distribution audits: - 200 "ESPR" audits ⁽²⁾
Information Systems Department	• Develop the Group's Digital and IT Strategy in line with the Group Strategy	• Minimum security rules	• See General doctrine on information systems security (cf. section 6.2.5, p.241)
Systems Department	• Leading the Group's Digital Transformation	• Technical standards	
	• Define Group policy for information systems and computer network security	• Development standard for secure web applications	
	• Promote and coordinate an annual self-assessment plan	• Note on the Cloud	
	• Control the implementation of rules and best practices	• Datacenter security rules and public Cloud security rules	
		• ITAC reference bases	
	• SAP users control tool		
		• SAP systems security monitoring and checking tool (SAP4SG)	
		• Industrial Systems Security Framework	
Purchasing Department	• Manage the World Class Purchasing program, an approach focused on purchasing performance, department professionalization, the internal customers department, and supplier innovation with a view to creating a competitive advantage for Saint-Gobain	• ISO 9001 standard with certification in Raw Materials, Precious Metals and Energy for Saint-Gobain Purchasing	• Completion of nearly 8,281 individual actions by buyers in 2022
Department	• Exploit all centralized multi-business and multi-country purchasing synergies	• Purchasing Process within the Internal Control Reference Framework	• 4 specific local purchasing internal audits
	• Coordinate the purchasing function		• 8 buy techs ⁽³⁾ were carried out in 6 countries. One of which was carried out in a digital format
	• Develop the culture of Responsible purchasing, in line with the Group's commitments		
	• Execute the Digital transformation of the Purchasing function, in collaboration with the countries and businesses		



Corporate departments	Main responsibilities	Reference standards and/or measures	2022 key figures
Risk and Insurance Department	• Define Group policy for property damage at industrial or distribution sites	• Prevention/protection reference base	• 393 site visits by prevention engineers including 47 visits specific to flood risks and 12 dedicated to checking the Continuity Plans
	• Define Group policy for insurance and monitoring its implementation	• "Risks Grading" self-assessment tool	• 1,296 sites that have performed their Risk Grading self-assessment
	• Steering centralized insurance programs	• Doctrine memos • Risks and Insurance Intranet	• 782 point-of-sale evaluations, including 77 in self assessments. It should be noted that 158 are linked to the catchup of the delay made in previous years due to Covid-19
			• 13 prevention/PCA training sessions • Regular plant inspections
Treasury and Financing Department	• Define policy for financing, market risk control and banking relationships for the entire Group	• Procedural reference base	• 160,596 internal/external foreign exchange transactions in 2022
		- for DTF activities - for subsidiary activities	• 35,516 internal/external transfers issued in 2022
		• Daily reports (DTF) and monthly reports (subsidiaries and DTF)	
Financial Control Department	• Implement continuous control of the Group's results and operating performance	• Dashboards	• More than 150 meetings per year with the Regions/HPS
	• Participate in drawing up the budget and periodic budget reviews	• Permanent relationship with the Regions/HPS	• 15 training modules (1 in-person module + 14 distancing modules); 81 new online e-learning modules
	• Oversee monthly results figures at all levels of the organization	• Oversight of the network of Group controllers	• 184 company Authorization Applications
	• Closely analyze and validate the financial consequences of investment, acquisition, divestment, merger and capital expenditure plans and restructurings	• Implementation of common analysis tools	• 54 acquisition projects, of which 26 were finalized
	• Develop a vision and implement the (digital) transformation programs of the Finance function within the Group	• Group reference base and opinion of the corporate departments	(22 closed + 6 signed) • 19 divestments (of which one not closed) • 10 mergers completed
Accounting Standards and Pension Liabilities Department	• Manage, update and distribute all financial, administrative and management procedures applicable to the Group's companies	• Group organization and procedures	• 903 documents available on the Accounting Standards intranet
	• Coordination and review of the valuation of the Group's pension obligations	• Financial and accounting standards (IFRS)	• 738 questions addressed via the hotline



Corporate departments	Main responsibilities	Reference standards and/or measures	2022 key figures
	<ul style="list-style-type: none"> Monitoring of IFRS 16 Lease contracts 	<ul style="list-style-type: none"> Group intranet and Yammer page. 	<ul style="list-style-type: none"> 1,148 employees subscribed to the news from the Accounting Standards Department and 1,331 to specific disclosures relating to IFRS16
	<ul style="list-style-type: none"> Coordination of the financial portion of the Universal Registration Document 		
	<ul style="list-style-type: none"> Coordination of the integration of new auditors in the different regions and monitoring of their fees 		
Legal and Ethics and Compliance Department	<ul style="list-style-type: none"> Identify the main legal and ethics and compliance risks 	<ul style="list-style-type: none"> Group policies and procedures in relevant matters 	<ul style="list-style-type: none"> Policies and procedures: translated into thirty languages on average
	<ul style="list-style-type: none"> Define and implement an ethics and compliance program aimed at preventing breaches of the Code of Ethics, the Group's commitments, and the law in the areas of competition law, anti-corruption, influence peddling and money laundering, economic sanctions and export control, the duty of vigilance and human rights, and personal data protection 	<ul style="list-style-type: none"> "SpeakUp! by Saint-Gobain" Whistleblowing Line 	<ul style="list-style-type: none"> Training
	<ul style="list-style-type: none"> Advise operational staff, via the network of Heads of Ethics and Compliance, on matters falling within the scope of the ethics and compliance program 	<ul style="list-style-type: none"> Digital register of gifts and invitations, conflicts of interest, and other items sensitive to the risk of corruption 	<ul style="list-style-type: none"> Online:
	<ul style="list-style-type: none"> Perform controls to verify the application of the rules of the ethics and compliance program 	<ul style="list-style-type: none"> Coordination of a network specializing in ethics and compliance 	<ul style="list-style-type: none"> - At the end of 2022, 95.8% of new managers, and 97.9% of all managers, had completed the "Adhere" online training course on the Principles of Conduct and Action
		<ul style="list-style-type: none"> Employee training related to legislation in force and Group policy adopted on the subject (online and in person trainings) 	<ul style="list-style-type: none"> - At the end of 2022, 98.2% of new managers, and 98.6% of all managers, had completed the "ACT" anti-corruption training course online
		<ul style="list-style-type: none"> Third-party screening tool and Wiki country page on economic sanctions and export control 	<ul style="list-style-type: none"> - At the end of 2022, 98% of new managers, and 98.5% of all managers, had completed the "Comply" antitrust law training course online
		<ul style="list-style-type: none"> Questions on the compliance statement on compliance-related topics 	<ul style="list-style-type: none"> Face-to-face/Hybrid/Teams: in 2022, 3,500 employees received training on one or more ethics and compliance topics
		<ul style="list-style-type: none"> Dedicated audits (Compliance Essentials) focusing on ethics and compliance issues 	<ul style="list-style-type: none"> Ethics and Compliance Communications in 2022:
			<ul style="list-style-type: none"> 6 Ethics and compliance newsletters
			<ul style="list-style-type: none"> 3 articles published in Skyline on ethics and compliance
			<ul style="list-style-type: none"> Audits carried out in 2022:
			<ul style="list-style-type: none"> •6 by the Ethics and Compliance Department
			<ul style="list-style-type: none"> •6 by the Internal Audit Department
Group Security and Anti-Fraud Department and French Security Department	<ul style="list-style-type: none"> Protection of people: 	<ul style="list-style-type: none"> Group travel policy 	<ul style="list-style-type: none"> At December 31, 2022, 29,675 international trips (PNR) were recorded

Corporate departments	Main responsibilities	Reference standards and/or measures	2022 key figures
	- Ensure the safety of travelers and expatriates	• Group safety policy	• 7 sites audited
	- Country and site safety audits	• Security awareness-raising	• 1 SGBDF fraud prevention mission
	• Safety of Assets:	• Fraud incident reports	• Number of cases of fraud received: 84
	- Develop anti-fraud policies	• Safety Officer function	- 16 cases from the Group Alert System
	- Ensure fraud prevention	• Audit of sensitive sites	- 68 cases reported by management or reported following control operations
	- Investigate fraud incidents	• Security watch	
	- Formulation of recommendations on the physical safety of the Group's sites	• Mapping of safety risks at industrial and distribution sites in France	
	• Security of sensitive information:	• Travel abroad to conduct investigations	
	- Ensure the protection of information relating to national defense secrets	• Monitoring of business travelers and expatriates	
	- Ensure the protection of information relating to R&D		

⁽¹⁾ Audits according to a grid in 13 sections, covering the requirements of international ISO 14001 standards: 2015 and ISO 45001: 2018 and additional internal requirements for the Group's industrial activities.

⁽²⁾ ESPR (Environment, Safety and Prevention of Risks) audit: specific to the Building Distribution.

⁽³⁾ Buy-Tech: Workshop that brings together purchasers and technicians with the aim of improving their cooperation, optimizing local purchases, promote best practices in terms of defining specifications and using the TCO (Total Cost of Ownership) tool and guarantee the best use of framework, national or regional contracts.

Operational departments

The Heads of the Regions, countries, Business Units and companies' CEOs are crucial in rolling out the internal control and risk management system in the Group; their main roles include:

- analyzing major risks faced by the companies;
- carrying out appropriate controls based on the Internal Control Reference Framework;
- gradually implementing the Group's programs;
- making self-assessments on the internal control system, in the form of an annual compliance statement, for the applicable management levels, that includes a letter of commitment confirming the Chief Executive Officer's personal commitment regarding the fairness and accuracy of the self-assessment;
- active, constructive and transparent involvement in the various assessment exercises: internal, specialized and external audits.

6.2.3 THE INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM IN THE GROUP ENTITIES

Each entity is responsible for implementing an internal control and risk management system that is appropriate to its needs and aligned with the Group's internal control and risk management system. Each Managing Director is responsible for:

- the relevance and effectiveness of the internal control system in place within their entity;



- its compliance with the Group's internal control system;
- appropriate management of the risks faced by their entity.

This responsibility cannot be delegated. Management exercises this by relying on the company's functional Directors, operational staff and the site Directors.

To build an internal control system adapted to their activity, the Chief Executive Officers of the companies aim to:

- establish the fundamental bases for internal control and risk management, and in particular the controls described in the Internal Control Reference Framework;
- adapt the internal control and risk management system by analyzing specific risks and enhancing the internal control system to include checks tailored to the management of identified risks;
- roll out the internal control and risk management system on all of the sites;
- oversee the internal control and risk management system.

6.2.4 THE PROCEDURE FOR MONITORING THE INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM

The Audit, Risks and Internal Control Department monitors the internal control and risk management systems using four main factors:

- compliance statement;
- internal audits;
- action plan monitoring;
- monitoring of fraud and incidents.

The results of this oversight are reported to the Audit and Risk Committee.

The compliance statement

The Managing Directors, for the applicable management levels, report to the Group's General Management on their levels of internal control via an annual compliance statement.

The form includes a certain number of key checks extracted from the Internal Control Reference Framework.

The Managing Director must provide assurances that:

- the controls selected are implemented in a compliant and efficient manner;
- the action plans arising from the self-assessment have been activated and implemented within the given time frames;
- significant internal control incidents, fraud and breaches of the Principles of Conduct and Action were reported to the Audit, Risks and Internal Control Department or via the Group whistle-blowing system.

The Managing Directors make a personal commitment to the accuracy of the self-assessment by signing a letter of commitment at the end of the form.

At the second level, the Directors of Clusters, Regions and HPS validate all compliance statements belonging to their respective scopes.

The compliance statements and the action plans are gathered, summarized and monitored by the Audit, Risks and Internal Control Department. They are covered in an annual report to the Group's Management team and the Audit and Risk Committee.

Internal audits



Internal audits are centralized at Compagnie de Saint-Gobain level. The Vice-President of Audit, Risks and Internal Control reports to the Chairman of the Board of Directors. Internal auditors located at the Group's headquarters or in the countries report directly to the Audit, Risks and Internal Control Department and work under its authority.

The audits are scheduled based on long-term, predetermined criteria, in line with a yearly audit plan which is designed taking into account the requirements of the company's General Management, corporate departments and operational departments. The audit plan prepared by the Audit, Risks and Internal Control Department is approved by the Audit and Risk Committee.

The aim of the audits is to evaluate the relevance and effectiveness of the internal control systems of the Group and its subsidiaries and to carry out cross-business missions with an operational benefit. Generally, they include an examination of the internal control environment, risk analysis system, internal control organization and procedures and information systems of one or more processes.

The auditors use IT tools provided to them to analyze the data systematically (data analytics) and share the results operationally with the entities:

- a performance-oriented tool for process analysis that can be used to analyze and represent an entity's organizational structure and its processes, to identify bottlenecks and irregularities in process flows;
- a compliance-oriented data analysis tool that is useful in targeted searches for inconsistencies with the internal control rules in place.

These two highly complementary tools thoroughly analyze the populations concerned (transactions, master files, access rights, etc.), so that anomalies can be detected and the most reliable conclusions reached.

At the end of the work, the internal auditors design a priority action plan in conjunction with the entity which should improve the coverage of the risks identified; they also produce a report setting out their main observations and recommendations. The report is then sent to the Group's General Management and the operational department to which the entity reports.

2022 was also marked by the Covid-19 health crisis, which disrupted the normal course of business.

Action plan monitoring

The "INTERACT" integrated audit and internal control tool centralizes:

- actions taken to correct the non-compliance identified during the annual compliance statement campaign;
- the priority action plans defined following the audits carried out;
- the main actions defined as part of the annual risk mapping campaign.

The INTERACT tool also enables entities to trigger action plans independently, as part of a dynamic management of their internal control.

This means that each Group company has access to a centralized operational platform it can use to manage its action plans by reporting the corrective measures taken and the progress made compared with the predefined implementation schedule. The corporate departments can also use the system to monitor these action plans.

Furthermore, a dashboard circulated at the Group's different management levels makes it possible to monitor the results of the compliance statements, internal audit grades and the progress of the related action plans.

Monitoring of fraud and internal control incidents

Fraud and other major internal control incidents are closely monitored by the Audit and Risk Committee.

Facts to be reported to the Group

- Accounting anomalies and alterations which damage the integrity of the financial information, irrespective of whether they are favorable or unfavorable to the entity or the Group;
- Misappropriation or jeopardizing of assets, whether tangible or intangible;
- Events likely to be construed as acts of passive or active corruption, or influence peddling;



- Violations of laws and regulations;
- Other violations of the Principles of Conduct and Action.

Alert procedure

Fraud alert procedure

The Group's Fraud Officer ensures monitoring by applying a single, centralized procedure which all of the Group's subsidiaries must follow. The facts are reported using a standard form available on the Security Intranet under the fraud section, which describes the facts and the measures taken. The declaration is updated by the entity as necessary. These declarations are then communicated by the Fraud Officer to the relevant management bodies.

Group whistle-blowing system

The Group's internal whistle-blowing system makes it possible to collect reports from any employee concerning conduct or situations which are contrary to the Group's Principles of Conduct and Action and the Group's Anti-Corruption policy, offenses or crimes or serious and obvious violations of laws or regulations (for details, see the Saint-Gobain Group Alert System policy). The internal whistle-blowing system is accessible at the following address: <https://www.bkms-system.com/saint-gobain/fr>.

When the eligibility conditions for the report are met, the reported facts are investigated in a professional and independent manner and the investigations coordinated by duly trained alert examiners.

Whistle-blower protection system

The whistle-blower is protected under the terms of the Whistle-blowing policy.

6.2.5 GUIDELINES AND PROCEDURES

Compagnie de Saint-Gobain has developed internal control and risk management procedures for its own needs and those of its subsidiaries.

Internal control guidelines

In 2022, the internal control reference framework library is as follows:



There are three main manuals:

- ICRF: Internal Control Reference Framework, in its standard format, applicable to companies with annual revenues in excess of €20 million and the support units (Finance, HR/Payroll and SGTS Shared Services Centers, IT Expertise Centers, R&D Centers);
- MINI ICRF: Internal Control Reference Framework applicable to companies with annual revenues of less than €20 million;
- ITAC: Internal Control Reference Framework applicable to all of the Group's business applications and ERP.

ICRF

Section 1 of the Internal Control Reference Framework highlights the role of each person in the perpetuation of the internal control and risk management system within the context of "Transform & Grow".

Section 2 of the Internal Control Reference Framework presents the Group's risk universe. Each ICRF control is referenced against the relevant risk sub-categories. Each process contains a control/risk matrix used to refer specifically to risk types by control and contributing to understanding the control system.

Section 3 of the Internal Control Reference Framework presents the list of mandatory controls to be implemented by all Group subsidiaries (250 controls in the 2022 version).

The Mini ICRF

This framework has the same structure as the standard ICRF with 17 chapters. It sets out 100 controls, which have been carefully selected and developed for small entities. The Mini ICRF also presents a practical tool for the consolidation of newly acquired companies.

ITACs

The Automated Control Reference Framework (ITAC) supplements the Group's Internal Control Reference Framework (ICRF) and lists the controls that are wholly or partially automatable, the implementation of which is mandatory. The Group companies are responsible for the implementation of this reference framework in the business applications within their scope (e.g. SAP) in order to guarantee the perpetuation of the control, limit its recurring costs and minimize the risk of human error or fraud.

In the 2022 edition of the ITAC standard, which covers eight processes, there are 97 controls listed. They are divided into three categories: automated process, automated workflow approval and automated reporting (R).

There are also two thematic manuals.

ICQRF



The ICQRF (Internal Control Quality Reference Framework) manual deals with internal control applied to quality.

ACRF

The ACRF (Anti-corruption Reference Framework) manual summarizes the internal controls related to the fight against corruption and influence peddling.

All of the reference frameworks are available on the Audit, Risks and Internal Control Intranet.

Other tools are also available on the Intranet site to help entities implement the controls (tool box: typical procedures, flow diagrams, library of controls) and best practices.

The best practices are compiled by:

- the Internal Audit Department - auditors gather best practices during their audit missions;
- the Internal Control Department, using a system of external monitoring (notably the French Audit and Internal Control Institute, IFACI);
- entities that agree to share their tools.

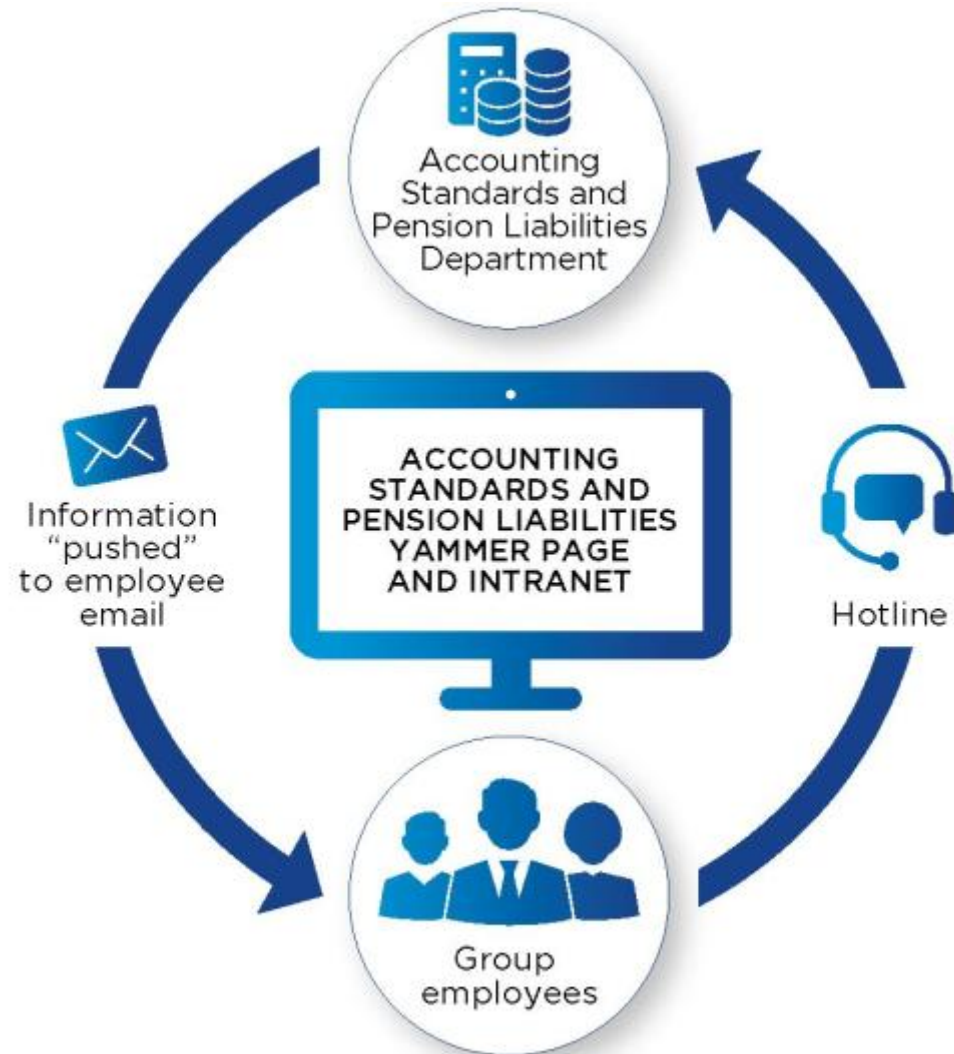
The Accounting Standards and Pension Liabilities Department

The Accounting Standards and Pension Liabilities Department presents all financial, administrative and management procedures applicable to Group companies.

These procedures, accessible via the Group Intranet, are based on two main themes:

- Group organization and procedures;
- financial and accounting standards.

It is also in charge of coordinating the calculation of the Group's pension provisions and ensures the detailed review of commitments and other related long-term benefits for employees of French companies in conjunction with actuaries.





It has also been responsible for the monitoring of "IFRS 16" leases using a global database of all of the Group's leases (about 41,000 contracts).

It is also in charge of coordinating the integration of auditors in the various regions as well as monitoring their fees.

The activities of the Accounting Standards and Pension Liabilities Department are the subject of a report sent to the Audit and Risk Committee of the Board of Directors in February.

The Environment, Industrial Health and Safety (EHS) standard, associated standards and implementation guides

The standard describes the EHS management system to be put in place to achieve the EHS objectives and achieve an autonomous and interdependent EHS culture. It is based on the principle of continuous improvement. It takes into account:

- international management standards in the three areas of EHS: ISO 45001: 2018 for health and safety and ISO 14001: 2015 for the environment;
- the specific requirements of Saint-Gobain, in particular the Group's EHS standards.

A new version of the EHS standard was published in 2020 and made available in 2021. It is based on the conviction that the implementation of an effective EHS management system in the branches is a necessary condition for the long-term improvement of their EHS performance.

The implementation of the requirements of the EHS standard is assessed through EHS audits: ESPR audit on the Distribution and ISA (Integrated System Assessment) scope launched in 2018 for the industrial scope. An audit system more suitable for institutions whose management system is not ISO-certified, called the ISA-MINI audit, was developed in 2020 and gradually rolled out since 2021. A new version of the ISA audit was developed and tested in 2022 to take into account the evolution of the EHS database in 2021, and will be launched in 2023. The reflection on the EHS Saint-Gobain audits at the Distribution sites was conducted in 2022, leading to the launch of a new audit tool for distribution sites in 2023.

Each country is in charge of defining its multi-year audit program according to the prioritization criteria proposed by the central EHS team. The objective is to target sites and entities that need audit recommendations to progress. The number of EHS audits in the field increased again in 2022, after being significantly reduced in 2020 and 2021 due to the Covid-19 crisis.

Furthermore, the EHS Department continues to work with its network to develop and update Group EHS standards, which describe the minimum applicable requirements and/ or methodologies. These standards help to ensure that risks are assessed and controlled on the same basis in all Group entities, irrespective of the country and the local laws and regulations (see chapter 3). Among the documents made available to the sites for the implementation of standards, there are implementation guides, examples of procedures, training kits, questionnaires for assessing the implementation of standards and IT tools. Every year and as needed, certain documents and tools are updated or added. In 2020, an appendix concerning the Work Permit was added to the "Health and Safety Risk Assessment and Control" standard. A new version of the "Work-Related Road Risks" standard has been made available, as have updated versions for the guides for the implementation of "Work Permits", "Working Alone" and "Safety Management Audit Tool (SMAT) visits". A standard on the assessment of environmental risks was disseminated with a guide, and training sessions were conducted. Two guides on risk management in the event of "isolated work" and when resuming activity to help sites manage the pandemic were also made available. In 2021, the guide on controlling risks linked to "dangerous energies" (commissioning/de-commissioning) was updated and a guide was created to be referred to during construction projects. This update work continued in 2022 with the provision of a new standard on "machine safety" and "forklifts and other rolling gear". A new communication campaign on "the minute of reflection" was launched. And has been initiated a new video training format in particular to focus on the priority to be given to managing potentially serious events: the first three modules relate to "SIPs (Serious Injury Potential)", "SMAT (Safety Management Audit Tool)" and "LOTO (Lock Out Tag Out)".

Finally, the training matrix listing mandatory and recommended EHS training for each function has been updated.

All of these implementation guides give examples of best practices on how to implement the minimum requirements and can also be used as training materials, thus facilitating the work and increasing the efficiency of the EHS networks of the various countries and businesses.

General doctrine on information systems security

The Information Systems Department compiles security rules and policies concerning the information systems and networks, based on four sets of compulsory minimum security rules in the following areas:

- infrastructure, with 23 minimum security rules (31 control points, 94 entities) and IT Security Reporting (34 control points, 17 IT covering 776 entities);
- applications and websites, with the 25 minimum security rules (50 control points);
- industrial information technology systems, with at least 28 security rules (68 control points, 891 entities, including 189 with critical or large industrial IT systems);
- Research and Development Centers, with at least 7 security rules (13 control points, 16 R&D centers);
- the hosting of resources in the Datacenters or Cloud solutions operated by partners led by the Group DSI or IT (99 control points, 17 Datacenters/private Cloud solutions, 33 Cloud Public security rules, one Cloud Public Azure solution).

These rules are the operational application by area of another two key high-level documents in the new IT security document reference system:



- the General IT Security policy letter, ensuring the importance of this issue and its sponsorship by top management;
- the Group Information Systems Security policy, an essential repository;
- the reference framework for short and medium-term actions to strengthen Saint-Gobain's cyber-defense against new cyber-attacks. This framework is implemented in a continuous cybersecurity improvement plan adapted to each Business organization and Group teams. This plan covers global infrastructure, local infrastructure, applications and websites, and industrial systems.

These rules are also supplemented downstream by periodically updated technical standards to monitor technological developments and control application, industrial and infrastructure services.

The Information Systems Department has notably defined and rolled out:

- a tool (GRC, Governance Risk and Compliance) for controlling SAP user rights and managing conflicting segregations of duties. This tool will be gradually integrated into all the Group's SAP systems;
- a technical standard (SAP4SG) to improve the security of SAP environments. A tool is being rolled out across 47 SAP environments hosted by GDI in the Kyndryl (P1) Datacenter to monitor and check the points covered by this standard:
 - a technical standard (SAP4SG) to improve the security of SAP environments. A tool is being rolled out across 47 SAP environments hosted by GDI in the Kyndryl (P1) Datacenter to monitor and check the points covered by this standard:
 - implementing security patches in SAP production and non-production environments,
 - the technical configuration of the environments to improve security,
- the monitoring of technical roles, profiles and accounts, as well as high privilege accounts;
- a technical standard to manage technical and business accounts that access to applications (ATA/ABA, Application Technical Accounts/Application Business Accounts);
- a Web Application Secured Development (3.2) standard (WASD);
- a technical standard to Secure the Hosting of Internet Applications (SHIA);
- a technical standard for SaaS systems which defines responsibilities and security measures for implementation;
- a series of security rules for the annual security control of the central and regional datacenters (Datacenter Security Rules 4 SG) and the Public Cloud Security Rules;
- a technical standard for the security of applications hosted by Saint-Gobain partners for publication on the internet;
- the methodology for the assessment of Cybersecurity risks used to assess the measures to be implemented to integrate security into all projects from the first stage, and into contracts with suppliers.

In addition, an ITAC (Information Technology Automated Controls) repository has been published since 2012 and is updated regularly. It is a complement to the Internal Control Reference Framework that describes the automatic or semi-automatic IT controls of key purchasing, sales, inventory, production, human resources, treasury and accounting processes. It is valid for all Group ERPs (SAP, Movex, QAD, Exact).

Industrial and distribution risk prevention manual

The Group's policy for prevention of property damage and the resulting operating losses, compiled as part of an internal collection of standards and best practices, is defined by the Risk and Insurance Department. The Risk and Insurance Department coordinates the implementation of the policy by the Group's operational entities in its different businesses.

Within the business and regional entities, Prevention Coordinators manage the application of Group policy within the scope of their activities.

At site level, those in charge of Prevention Management perform an annual self-assessment of risks at their sites using a risk rating software package. This tool assesses risks as well as the corresponding levels of protection and prevention. This self-assessment is updated annually by the industrial sites, the Research and Development Centers and logistical sites. A special assessment is carried out for the points of sale.

Furthermore, regular inspections of the Group's most important sites are carried out by prevention engineers, who are auditors external to the Group (approximately 350 inspections and 400 remote meetings per year). The sites update their action plans with a view to improving their level of prevention and protection based on recommendations prepared by these prevention engineers.

Tools of the Group's compliance culture



The culture of compliance that drives the Group has developed through its values, which are formally stated in the Principles of Conduct and Action.

The ethics and compliance program is strongly focused on the prevention and detection of risks and is now structured around the following main themes: the promotion and defense of the Principles of Culture and Action; the fight against corruption and influence peddling; the prevention of money laundering; compliance with the rules on competition law, economic sanctions and export control; monitoring of the vigilance plan and respect for human rights; and personal data protection.

The tools used in implementing the program include:

- a dedicated intranet, called Compliance, on which key messages are posted and tools made available;
- online training modules such as Adhere (Principles of Conduct and Action), ACT (preventing corruption), Comply (competition law), and SGU - Economic Sanctions and Export Control - Saint-Gobain Embargoes (rules relating to economic sanctions and embargoes, for persons concerned);
- in-person, hybrid or team training;
- the dissemination and implementation of internal policies such as:
 - the policy on the alert system in place at the Saint-Gobain Group,
 - the anti-corruption policy and its procedures, particularly relating to gifts and invitations, conflicts of interest, or sponsorship and patronage operations,
 - the Group policy on management of the corruption risk by Human Resources,
 - sales agents and intermediaries policy,
 - the "buyer" and "supplier" charters,
 - policy on economic sanctions and control of exports,
 - membership in professional associations policy;
- distribution of practical and technical guides:
 - the Thread of Competition,
 - 20 best practices in competition law for purchasers,
 - good human rights practices (child labor, forced labor, worker housing, recruitment agencies and security forces),
 - the Lexia video on the alert system;
- frequent dissemination of messages by the Chief Executive Officer, the Corporate Secretary and the Chief Executive Officers of the regions, countries and activities of the Saint-Gobain Group, via the Skyline publication or other forums;
- a network of compliance and ethics managers present locally and covering, within their respective scopes, all the matters concerned.

6.2.6 ORGANIZATION OF INTERNAL CONTROL IN PREPARING AND PROCESSING FINANCIAL AND ACCOUNTING INFORMATION TO THE SHAREHOLDERS

Compagnie de Saint-Gobain individual (parent company) financial statements

The Accounting Department is responsible for producing financial information for shareholders, partners and other third parties in accordance with French legal requirements. This information is prepared using the standards and principles in force. These are generally accepted principles such as the going concern principle, the principles of consistent application of accounting policies, alignment of the opening balance sheet with the prior-period closing balance sheet, recognition of expenses in the same period as the income to which they relate, segregation of accounting periods and substance over form.

Accounting organization

The accounting organization is based on the rules, methods and procedures set out in the Group's doctrine memos. It enables the monthly reconciliation and substantiation of the accounts and the true and fair view of the events which are represented. The organization also has an advisory role and works upstream to anticipate the accounting impacts of events and the regulatory changes that are likely to have a material impact on the Company's financial statements.

The chart of accounts is aligned with the Company's needs in terms of classification of transactions, and complies with the materiality principle. It is linked to the Group's Financial Information system.

Internal control

On the one hand, internal control is based on periodic assessments of the process for preparing accounting and financial information.

In addition to controlling compliance with payment authorization procedures and the double signature rule for secure payment means, the Accounting Department contributes to internal control by acting as guarantor in respect of responsibilities defined by General Management and formalized through a cost accounting system organized by cost center. Specifically, cost center managers receive monthly schedules listing the expenses incurred under their signature, allowing them to check these expenses and also to compare actual and year-to-date expenses with the initial budget.

A summary of these cost accounting reports is sent to the Finance Department and the Group's General Management at the end of each month.

On the other hand, measures are implemented to strengthen the arrangements for managing accounting risks and contributing to the reliability of the financial statements.

For this purpose, since 2016, Group units have been subject to a Balance Sheet Review (BSR) procedure under the direction of the Group Financial Control Department, to increase the level of accounting control by the Finance Department of each entity.

The Group's consolidated financial statements

The consolidated financial statements are prepared by the Group Consolidation and Reporting Department. The department is also responsible for updating consolidation procedures, training, and integrating the subsidiaries into the consolidation process, processing information, and utilizing, maintaining and developing consolidation systems and the Financial Reporting System for the Group and for regions and HPS.

Group standards

The Consolidation Department provides information and periodic training for the subsidiaries in conjunction with the Regions and HPS. To do so, it has a consolidation manual, several entry aid guides, an intranet site and an online training tool in French and English. New consolidation instructions are issued for each monthly closing, describing the changes compared with the previous period-end and enhancements to reporting systems, standards and procedures, in collaboration with the Group's Accounting Standards and Pension Liabilities Department.

Each year, the Consolidation Department offers training sessions.

Processing information and control of the financial statements

Each subsidiary submits its accounts in accordance with the timetable set by the Company. They are processed and controlled by the Consolidation Department and by each Region and HPS. The Consolidation Department reviews the Group's financial statements as a whole and makes the necessary adjustments to prepare the consolidated financial statements. These consolidated accounts are submitted to General Management every month.

The consolidated financial statements are then examined by the Statutory Auditors in accordance with professional Auditing Standards.

Consolidation tools

The consolidated financial statements are prepared using consolidation software equipped with a powerful, efficient and highly secure database aligned with the Group's structure. The software is regularly updated to guarantee the financial information system's sustainability. A tightly controlled access procedure has also been put in place to ensure that the overall system is secure, and a comprehensive access review is performed once a year.

This tool manages a common database that contains the data of all of the Group's consolidated entities.

It feeds data into a secure reporting system accessible on the Group's Intranet, for the Group's General Management and the Region and HPS Management, contributing to the internal control of information output.

Account reliability through the reporting process

The monthly reporting process ensures that the annual and interim consolidated financial statements are reliable. Hard closes are performed at May 31 and October 31, to reduce the workload at June 30 and December 31. These two closes are thoroughly reviewed in accordance with the same principles as the annual and interim financial statements. At this time, the main financial managers from the Company and Regions analyze in detail the net income and the hard close balance sheet. The entities' accounts are then analyzed before the final closing dates and are reviewed by the Statutory Auditors. This procedure helps to ensure early detection of any errors and their adjustment during the actual close.

A consolidated report is prepared each month for the Company's General Management, with supporting comments and analyses of material events over the period.

7 CAPITAL AND OWNERSHIP STRUCTURE

7.1 CAPITAL STOCK

7.1.1 SHARE CAPITAL

Share capital at December 31, 2022

At December 31, 2022, the share capital of Compagnie de Saint-Gobain amounted to €2,063,076,328 divided into 515,769,082 common shares (compared with 524,017,595 shares at December 31, 2021) each with a par value of €4.00 fully paid up and all of the same category.

At December 31, 2022, the Company had issued no shares not representing its share capital and had issued no securities giving access to its share capital other than stock options and performance shares (see section 5.2.4, p. 209).

Changes in share capital over the last three fiscal years

Since December 31, 2019, Saint-Gobain's share capital has changed as follows:

Date	Type of transaction	Share capital after transaction (in EUR)	Number of shares after transaction
12/2022	Issuance of 12,476 shares upon exercise of the same number of subscription options	€2,063,076,328	515,769,082
10/2022	Capital reduction: cancelation of 4,305,432 shares	€2,063,026,424	515,756,606
06/2022	Capital reduction: cancelation of 8,871,654 shares	€2,080,248,152	520,062,038
05/2022	Group Savings Plan: issue of 4,916,097 shares (at €45.19)	€2,115,734,768	528,933,692
12/2021	Issuance of 2,962 shares upon exercise of the same number of subscription options	€2,096,070,380	524,017,595
11/2021	Capital reduction: cancelation of 8,543,174 shares	€2,096,058,532	524,014,633

Date	Type of transaction	Share capital after transaction (in EUR)	Number of shares after transaction
06/2021	Capital reduction: cancelation of 5,700,000 shares	€2,130,231,228	532,557,807
05/2021	Group Savings Plan: issue of 5,562,855 shares (at €35.81)	€2,153,031,228	538,257,807
05/2021	Issuance of 11,239 shares upon exercise of the same number of subscription options	€2,130,779,808	532,694,952
11/2020	Capital reduction: cancelation of 3,000,000 shares	€2,130,734,852	532,683,713
11/2020	Capital reduction: cancelation of 9,000,000 shares	€2,142,734,852	535,683,713
10/2020	Issuance of 266 shares upon exercise of the same number of subscription options	€2,178,734,852	544,683,713
08/2020	Group Savings Plan: issue of 6,099,996 shares (at €23.03)	€2,178,733,788	544,683,447
08/2020	Capital reduction: cancelation of 6,100,000 shares	€2,154,333,804	538,583,451

Liens, guarantees and pledges

At December 31, 2022, to the best of the Company's knowledge, there were no significant liens, guarantees or pledges applying to Saint-Gobain shares.

7.1.2 FINANCIAL AUTHORIZATIONS CURRENTLY IN FORCE

The following table shows the status of delegations of authority and authorizations granted to the Board of Directors by the General Shareholders' Meetings of June 3, 2021 and June 2, 2022 and the use made of these delegations during the 2022 fiscal year.

Purpose of the resolution and securities concerned	Source (resolution number)	Authorization duration and expiration	Maximum par value of the capital increase
ISSUANCES WITH PREFERENTIAL SUBSCRIPTION RIGHT			
Capital increase (common shares or securities giving access to shares in the Company or its subsidiaries) (A)	2021 AGM 18th resolution	26 months (August 2023)	€426 million, excluding adjustments, i.e. approximately 20% of the share capital ⁽¹⁾ (A) + (B) + (C) + (D) + (E) + (I) being limited to €426 million (the "Global Cap") ⁽²⁾
Capital increase by incorporation of premiums, reserves, profits and free allocation of shares to shareholders (B)	2021 AGM 23rd resolution	26 months (August 2023)	€106 million, excluding adjustments, i.e. approximately 5% of the share capital Included in the Global Cap ⁽²⁾
ISSUANCES WITHOUT PREFERENTIAL SUBSCRIPTION RIGHT			
Capital increase, through a public offering, other than those referred to in Article L. 411-2 of the French Monetary and Financial Code, with the option of granting a priority period for shareholders, by issuing common shares or securities giving access to the share capital of the Company or subsidiaries, or shares of the Company to which securities to be issued by subsidiaries would grant entitlement (C)	2021 AGM 19th resolution	26 months (August 2023)	€213 million (shares), excluding any possible adjustments, i.e. approximately 10% of the share capital ⁽¹⁾ Included in the Global Cap (C) + (D) + (E) + (I) being limited to €213 million ⁽²⁾



Purpose of the resolution and securities concerned	Source (resolution number)	Authorization duration and expiration	Maximum par value of the capital increase
Capital increase, through a public offering referred to in paragraph 1 of Article L. 411-2 of the French Monetary and Financial Code, by issuing common shares or securities giving access to the share capital of the Company or subsidiaries, or shares of the Company to which securities to be issued by subsidiaries would grant entitlement (D)	2021 AGM 20th resolution	26 months (August 2023)	€213 million (shares), excluding any possible adjustments, i.e. approximately 10% of the share capital ⁽¹⁾ Allocation to the cap of (C), included in the Global Cap ⁽²⁾
Capital increase (common shares or securities giving access to shares in the Company shares with shares as primary securities) in compensation for contributions in kind (E)	2021 AGM 22nd resolution	26 months (August 2023)	10% of the share capital, i.e. approximately €213 million excluding any possible adjustments Allocation to the cap of (C), included in the Global Cap ⁽²⁾
ISSUANCES RESERVED TO GROUP EMPLOYEES AND CORPORATE OFFICERS			
Capital increase (equity securities) through the Group Savings Plan (F)	2021 AGM 25th resolution	26 months (August 2023)	€52 million, excluding any possible adjustments, i.e. approximately 2.4% of the share capital ⁽³⁾
Allocation of options to buy or subscribe shares (G)	2022 AGM 17th resolution	38 months (August 2025)	1.5% of the share capital on the date of the 2022 AGM, i.e. approximately €31.5 million with a sub-cap of 10% of this limit of 1.5% for executive corporate officers ⁽²⁾ (G) + (H) being limited to 1.5% of the share capital
Free allocation of existing shares (H)	2022 AGM 18th resolution	38 months (August 2025)	1.2% of the share capital on the date of the 2022 AGM, i.e. approximately €25 million with a sub-cap of 10% of this limit of 1.2% for executive corporate officers ⁽⁴⁾ Allocation to the cap of (G)
OTHER			
Option for complementary issuance in case of oversubscription of an issuance of common shares or securities giving access to the share capital with or without preferential subscription right (I)	2021 AGM 21st resolution	26 months (August 2023)	For each issuance, legal limit of 15% of the initial issuance ⁽¹⁾ Allocation to the cap of (C) and/or included in the Global Cap depending on the initial issuance ⁽²⁾
Determination of the issue price in the event of a capital increase without preferential subscription right through a public offer made pursuant to the 19th or 20th resolutions of the 2021 AGM (J)	2021 AGM 24th resolution	26 months (August 2023)	10% of the share capital per 12-month period ⁽¹⁾ Issuances completed pursuant to (C) or (D) depending on the type of capital increase Allocation to the cap of (C), included in the Global Cap ⁽²⁾
SHARE BUYBACK PROGRAM			
Share buyback ⁽⁵⁾	2022 AGM 16th resolution	18 months (December 2023)	10% of the total number of shares composing the share capital at the AGM date ⁽⁶⁾ Maximum purchase price per share: €100
Cancellation of shares	2021 AGM 26th resolution	26 months (August 2023)	10% of the share capital per 24-month period ⁽⁷⁾

⁽¹⁾ Maximum nominal amount of debt securities giving access to the share capital that may be issued capped at €1.5 billion. Global cap applicable to resolutions (A), (C), (D) and (I).

⁽²⁾ No use made of the delegation of authority in 2022.

⁽³⁾ Recognition of the subscription of 4,916,097 shares in May 2022 by the Chief Executive Officer having received a delegation of authority from the Board of Directors on November 25, 2021 on the basis of the 25th resolution of the General Shareholders' Meeting of June 3, 2021 to implement a capital increase through the Group Savings Plan.

⁽⁴⁾ Free allocation of 1,232,792 existing performance shares by the Board of Directors on November 24, 2022.

⁽⁵⁾ The objectives of the program are as follows: cancellation, delivery of shares upon exercise of the rights attached to securities giving access in any way to the allocation of shares in the Company or in the context of external growth, merger, demerger and contribution transactions, market animation under a liquidity agreement, allocation of free shares, granting of stock options, or sale of shares as part of a Company Savings Plan or other similar schemes, hedging against the potential dilutive impact of free share allocations, the granting of stock options and employee share subscriptions under the Company Savings Plan or other similar schemes, the implementation of any market practice that may become authorized by the French Financial Markets Authority (Autorité des marchés financiers - AMF) and, more generally, for any other transaction authorized under the relevant laws and regulations.

⁽⁶⁾ See section 7.1.3, p. 251, for a description of the implementation of the share buyback program in 2022.

⁽⁷⁾ Cancellation of (i) 8,871,654 shares resulting in a reduction of the share capital by a nominal amount of €35,486,616, decided by the Board of Directors on June 2, 2022, effective June 10, 2022, and (ii) 4,305,432 shares resulting in a reduction of the share capital by a nominal amount of €17,221,728, decided by the Board of Directors on September 29, 2022, effective October 4, 2022 (see section 7.1.3, p. 251).

7.1.3 SAINT-GOBAIN TREASURY SHARES AND ACQUISITION OF OWN SHARES

Treasury shares and own shares

At December 31, 2022, Compagnie de Saint-Gobain directly held a total of 3,745,751 treasury shares, i.e., 0.73% of its share capital, each with a par value of €4.00, acquired at an average purchase price of €48.54. The gross book value of treasury shares at December 31, 2022 was €181,810,498. At that date, it was not holding any treasury shares indirectly.

The following table shows, at December 31, 2022, the allocation of treasury shares held directly by Compagnie de Saint-Gobain for purposes of the program authorized by the General Shareholders' Meeting of June 2, 2022:

Purpose	Number of shares and percentage of share capital	Average purchase price (in EUR)	Gross book value (in EUR)
Coverage of performance share plans and other allocations to employees (including stock options for existing shares)	1,951,306 shares (0.38% of the share capital)	€51.59	€100,660,463
Cancellation	1,764,695 shares (0.34% of the share capital)	€45.22	€79,792,177
Liquidity agreement	29,750 shares (0.01% of share capital)	€45.64	€1,357,858

During the 2022 fiscal year, 1,076,098 treasury shares were re-allocated as part of existing performance share plans and 16,501 treasury shares were re-allocated as part of stock option plans.

Pursuant to decisions of the Board of Directors, 8,871,654 shares were canceled on June 10, 2022 and 4,305,432 shares were canceled on October 4, 2022. These share cancellations resulted in share capital reductions of nominal amounts of €35,486,616 and €17,221,728 respectively.

Information on transactions involving treasury shares during the 2022 fiscal year (excluding liquidity agreement)

In 2022, as part of the authorizations granted by the General Shareholders' Meetings of June 3, 2021 and June 2, 2022 to the Board of Directors, the Company purchased, excluding the liquidity agreement, 15,924,715 shares, at an average price of €50.21, and did not sell any of its treasury shares. Total trading expenses, fees and taxes incurred by the Company in 2022 in connection with all transactions on its treasury shares amounted to €2,832,478.

It made no use of derivative products in connection with these transactions. Further, the Company was holding no open purchase or sale positions at December 31, 2022.

Liquidity agreement

In November 2007, Compagnie de Saint-Gobain entered into a liquidity agreement with Exane BNP Paribas in accordance with the code of ethics issued by the Association française des marchés financiers (AMAFI).

To comply with current regulations (particularly AMF decision No. 2018-01 of July 2, 2018 establishing liquidity agreements on equity securities as an accepted market practice), Compagnie de Saint-Gobain entered into a new liquidity agreement with Exane BNP Paribas on June 20, 2019, with retroactive effect from January 1, 2019, which replaces the previous one.

The purpose of this contract is to mandate the liquidity provider to maintain a liquid market in Compagnie de Saint-Gobain shares and ensure that prices are regularly quoted for the shares, so as to avoid price fluctuations not justified by market trends.

The resources provided by Compagnie de Saint-Gobain under this contract entered into in June 2019 and applied to the credit of the liquidity account amounted to €4,002,006.22 and to 21,000 Compagnie de Saint-Gobain shares (compared to €5 million under the previous contract). At December 31, 2022, the liquidity account held 29,750 shares and had a credit balance of €5.6 million.

During the 2022 fiscal year, cumulative purchases under the liquidity agreement involved 2,086,990 shares at an average price of €49 while 2,081,717 shares were sold at an average price of €49.12. No shares allocated to the liquidity agreement were reallocated to another purpose of the share buyback program in 2022.

7.1.4 MAJOR SHAREHOLDERS

At December 31, 2022, the share capital of Compagnie de Saint-Gobain amounted to €2,063,076,328, divided into 515,769,082 common shares, to which 569,245,288 theoretical voting rights were attached.

The following table presents, to the best of the Company's knowledge, changes in the distribution of the Company's share capital and voting rights over the last three years.

	Dec. 31, 2022			Dec. 31, 2021		
	Number of shares	% of share capital ⁽¹⁾	% of voting rights ⁽²⁾	Number of shares	% of share capital ⁽¹⁾	% of voting rights ⁽²⁾
Group Savings Plans Fund	45,131,274	8.75	15.23	43,253,088	8.30	14.90
BlackRock, Inc	31,029,009 ⁽³⁾	6.02	5.49	30,760,840 ⁽⁵⁾	5.87	5.33
Caisse des Dépôts et Consignations	22,181,586 ⁽⁴⁾	4.30	5.19	18,950,947 ⁽⁶⁾	3.62	4.53
Treasury shares	3,745,751	0.73	0.00	2,085,448	0.40	0.00
Other shareholders ⁽⁹⁾	413,681,462	80.21	74.09	428,967,272	81.86	75.25
TOTAL		100	100		100	100
	Dec. 31, 2020					
	Number of shares	% of share capital ⁽¹⁾	% of voting rights ⁽²⁾			
Group Savings Plans Fund	48,557,060	9.10	15.40			
BlackRock, Inc	26,342,042 ⁽⁷⁾	4.90	4.50			
Caisse des Dépôts et Consignations	21,806,475 ⁽⁸⁾	4.10	4.90			
Treasury shares	1,988,969	0.40	0.00			
Other shareholders ⁽⁹⁾	433,989,167	81.50	75.20			
TOTAL		100	100			

⁽¹⁾ The percentages of share capital are calculated with reference to the total number of shares forming the Company's share capital, including treasury shares. See section 5.2.4, p. 209, for details of stock options not yet exercised and performance shares allocated. At December 31, 2022, the maximum percentage of dilution was 0.05%.

⁽²⁾ The percentages of voting rights are calculated with reference to the number of voting rights exercisable at General Shareholders' Meetings. Since 1987, registered shares in the name of the same shareholder for at least two years have benefited from a double voting right. For further information, see section 9.1.1.A, p. 368.

⁽³⁾ To the best of the Company's knowledge, based on the statement of crossing of statutory threshold prepared by BlackRock, Inc. dated December 30, 2022.

⁽⁴⁾ To the best of the Company's knowledge, based on the statement of crossing of statutory threshold prepared by Caisse des Dépôts et Consignations dated December 14, 2022 indicating its direct and indirect ownership through CNP Assurances, which it controls.

⁽⁵⁾ To the best of the Company's knowledge, based on the statement of crossing of statutory threshold prepared by BlackRock, Inc. dated October 12, 2021.

⁽⁶⁾ To the best of the Company's knowledge, based on the statement of crossing of statutory threshold prepared by Caisse des Dépôts et Consignations dated December 21, 2021 indicating its direct and indirect ownership through CNP Assurances, which it controls.



⁽⁷⁾ To the best of the Company's knowledge, based on the statement of crossing of threshold prepared by BlackRock, Inc. dated December 30, 2020.

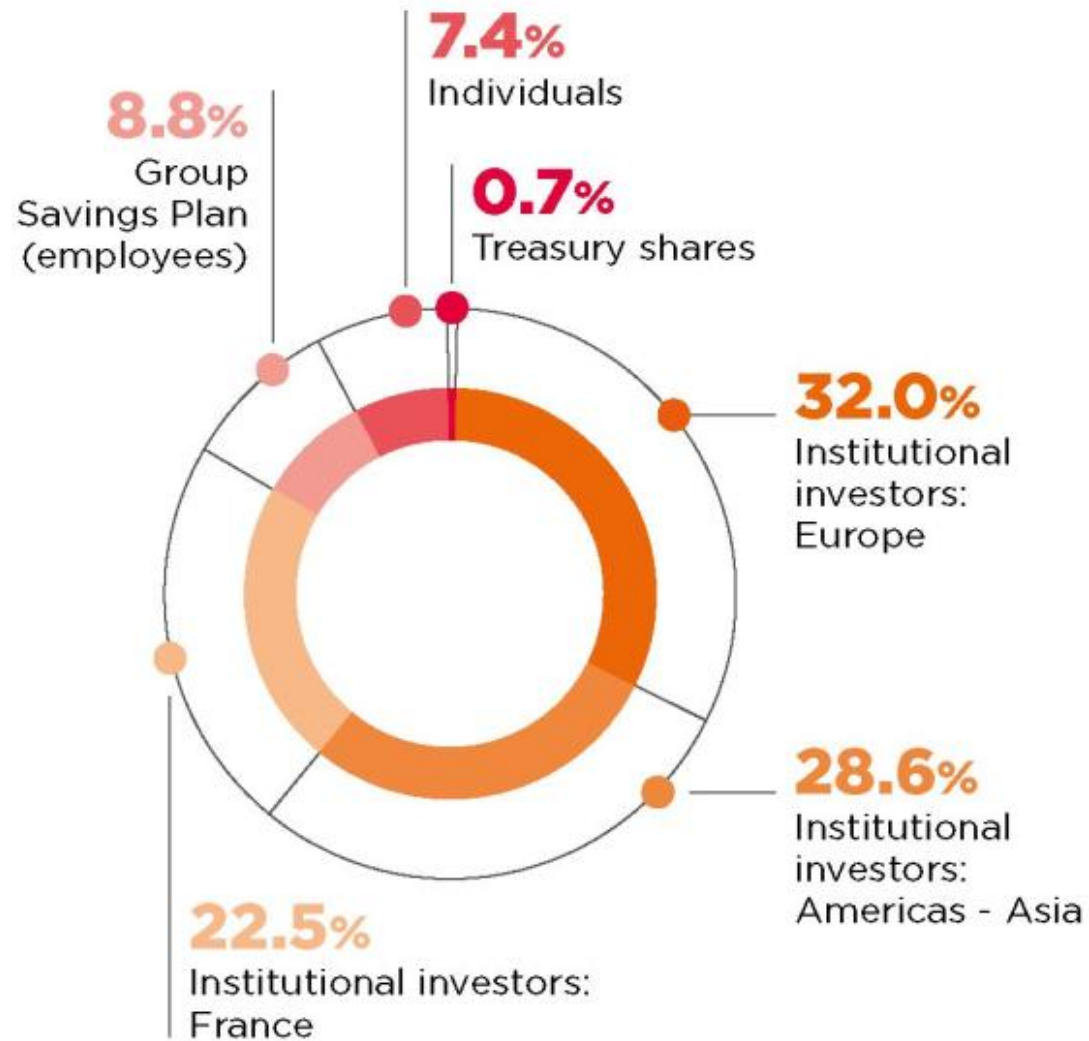
⁽⁸⁾ To the best of the Company's knowledge, based on the statement of crossing of threshold prepared by Caisse des Dépôts et Consignations dated December 29, 2020 indicating its direct and indirect ownership through CNP Assurances, which it controls.

⁽⁹⁾ The percentage of share capital and voting rights held by all Directors and members of the Group's General Management is less than 0.10%. The number of shares held by each Director is shown in section 5.1.1 p. 156.

To the best of the Company's knowledge, at December 31, 2022, no other shareholder directly or indirectly, acting alone or in concert, held more than 5% of the Company's share capital or voting rights.

According to the latest study of identifiable bearer shares, at December 31, 2022, the number of shareholders was estimated at approximately 200,000.

The following chart presents the ownership structure of Compagnie de Saint-Gobain at December 31, 2022 by major shareholder category.



7.1.5 DISCLOSURE THRESHOLDS

Caisse des dépôts et consignations

During fiscal year 2022, the Caisse des Dépôts et Consignations made several threshold disclosures stating that it had exceeded or dropped below the 5% legal threshold. Most recently, on November 16, 2022, the Caisse des Dépôts et Consignations disclosed to the French Financial Markets Authority (AMF) that it had exceeded, on November 9, 2022, directly and indirectly, the threshold of 5% of the voting rights of Compagnie de Saint-Gobain, holding, directly and indirectly through CNP Assurances, which it controls, 4.29% of the share capital and 5.15% of the voting rights.

The Caisse des Dépôts et Consignations specified that this disclosure threshold statement was the result of the receipt of Compagnie de Saint-Gobain shares as collateral by CNP Assurances.

It is specified that the Caisse des Dépôts et Consignations disclosed to the French Financial Markets Authority (AMF) that it had dropped, on February 1, 2023, directly and indirectly, below the threshold of 5% of the voting rights of Compagnie de Saint-Gobain, holding, directly and indirectly through CNP Assurances and LBP Prévoyance, which it controls, 4.09% of the share capital and 4.97% of the voting rights.

The Caisse des Dépôts et Consignations specified that this disclosure threshold statement was the result of the return of Compagnie de Saint-Gobain shares held as collateral by CNP Assurances.

Statutory disclosure thresholds

In addition, the Company received several notifications during the year in respect of the obligation set out in the Company's bylaws to disclose any and all changes in interest to above or below 0.5% of the share capital or voting rights, or any multiple thereof. Those disclosure notifications, upwards or downwards, were received following the sale of shares or changes in Compagnie de Saint-Gobain's shares and voting rights.

7.1.6 EMPLOYEE OWNERSHIP STRUCTURE

At December 31, 2022, Group employees held 8.75% of the share capital and 15.23% of the voting rights attached to Compagnie Saint-Gobain shares through the Group Savings Plan Funds⁽¹⁾. The Group Savings Plan Funds are thus the Group's main shareholder.

The Group Savings Plan is a key feature of Saint-Gobain's social contract. It represents an excellent mean of giving employees a stake in the Group and sharing in its results. By allowing employees to become shareholders, the Group Savings Plan strengthens the motivation and sense of belonging of employees within the Group, as well as aligning their interests with those of shareholders.

Employee share ownership transactions have been very successful both in France and internationally. The ownership rate of the Group Savings Plan Funds has remained stable over the past 10 years, although the Company carried out capital increases reserved for employees each year (8.4% of the capital held by the Group Savings Plan Funds (fonds commun de placement d'entreprise, FCPE) as at December 31, 2012 compared with 8.75% at December 31, 2022). This stability can be explained in particular by employees' periodic disposals of available assets.

⁽¹⁾ At December 31, 2022, to the Company's knowledge, in accordance with the provisions of Article L. 225-102 of the French Commercial Code, the number of Company shares held directly or indirectly by employees of the Company and related companies under the Group Savings Plan amounted to 50,986,688, i.e., 9.89% of the Company's share capital, including 45,131,274 shares through the company mutual funds (FCPE) and 5,855,414 registered shares held by employees. At December 31, 2022, 1,524,693 performance shares were held in registered form by employees.

At December 31, 2022, approximately 64,000 employees of the Group were shareholders of Compagnie de Saint-Gobain through the Group Savings Plan.

In 2022, 4,916,097 shares were issued under the Group Savings Plan offering Group employees two classic formulae with a five- or ten-year lock-up, for a total of €222.2 million (compared with 5,562,855 shares and €199.2 million in 2021).

In France, 71% of French employees invested in the Group Savings Plan through a corporate mutual fund (FCPE). Employees in 27 other European countries and 25 countries outside Europe were also given the opportunity to take part in the Group Savings Plan. In total, 49,497 present and former Group employees participated in the Group Savings Plan in 2022.

A new plan has been launched in 2023. It gives employees the opportunity to acquire up to 8,083,903 shares, i.e., approximately 1.6% of the share capital, with the classic five- or ten-year lock-up formulas.

7.1.7 SHAREHOLDER PACTS OR AGREEMENTS INVOLVING COMPAGNIE DE SAINT-GOBAIN SHARES

The Company has no knowledge of shareholder agreements, or of shareholders acting in concert with regard to the shares forming its share capital.

7.1.8 CONTROL OF THE COMPANY

At December 31, 2022, to the best of its knowledge, the Company was not controlled and has not been subject to any agreement binding on one or more shareholders or any other individual or legal entity, acting alone or in concert, concerning the direct or indirect holding of its capital or its control, or the implementation of which might subsequently involve a change in control of the Company.

7.1.9 ASPECTS THAT MAY HAVE AN EFFECT IN THE EVENT OF A TAKEOVER BID

Agreements that could result in restrictions on share transfers and the exercise of voting rights

The Company is not aware of any agreements between shareholders that could result in restrictions on the transfer of shares and the exercise of the Company's voting rights.

Impact of a change of control on certain Company operations

Company bonds issued since 2006 by Compagnie de Saint-Gobain contain a bearer protection clause in the event of change of control, allowing bearers to ask Compagnie de Saint-Gobain (at its discretion) to either buy them back with a view to early redemption or to buy them at par (plus accrued interest). This option is provided for only in the following cases: (i) the rating of the bonds concerned has been lowered from investment grade to non-investment grade by a designated rating agency;

(ii) the rating of the bonds concerned, which was non investment grade, has been lowered by one notch (e.g. from BB + to BB) by a designated rating agency; (iii) the rating is withdrawn - and, in each of these cases (i) to (iii), the action of the rating agency is expressly linked to the change of control -; or (iv) at the time of the change of control, the bonds concerned were not rated. Total outstanding of the borrowings concerned at December 31, 2022 were €9,776 million.

In addition, the agreements relating to the syndicated bank lines of credit in support of the general financing of the Group (dated December 2017 for respective amounts of €1,520 million and €2,480 million) also contain change of control clauses.

Finally, certain deferred compensation and defined-benefit pension plans of the Group's US subsidiaries would be immediately terminated in case of change of control, causing beneficiaries' rights to become due in 12 months. The amounts concerned total US\$143 million at December 31, 2022.

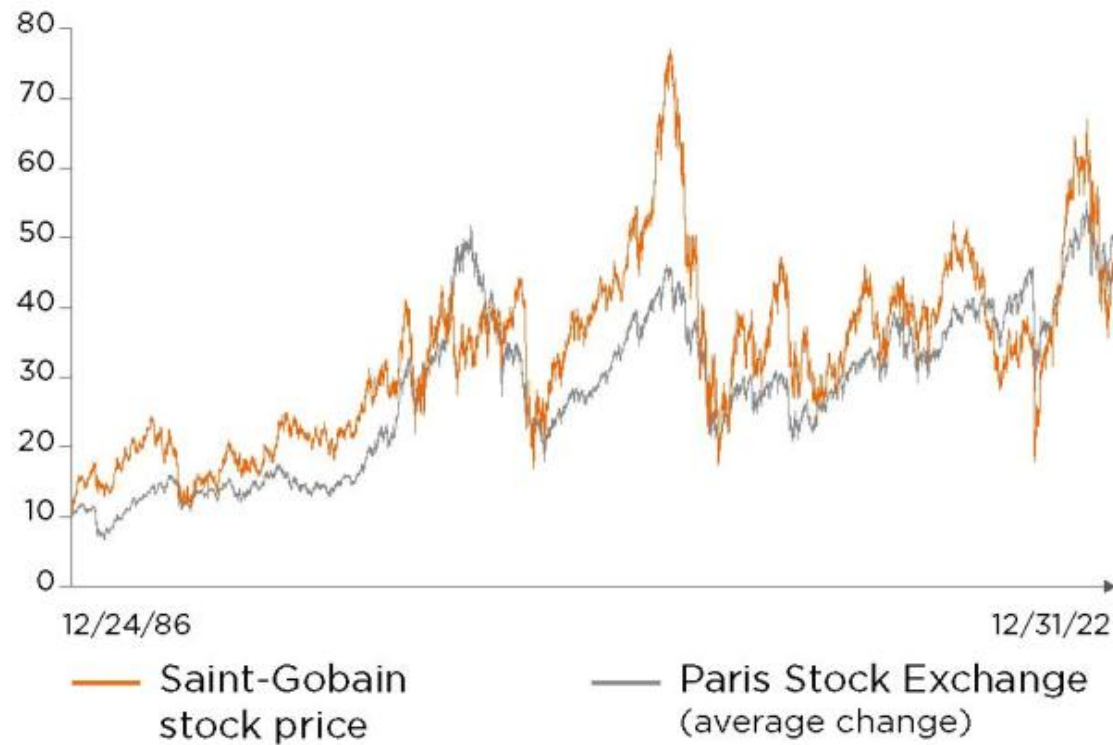
7.2 STOCK MARKET INFORMATION/SECURITIES MARKET

7.2.1 THE SAINT-GOBAIN SHARE

Saint-Gobain shares are listed on Compartment A of the Euronext market in Paris (ISIN FR 0000 125007) where at December 31, 2022, the Company had the 21st largest market capitalization of the CAC 40 (€23,544 million) and the 24th most actively traded stock on this market, with average daily trading volume of 1,314,977 shares during 2022. Saint-Gobain shares have also been traded on the London and Zurich stock exchanges since 1987 and on the Amsterdam and Brussels stock exchanges since 1988.

In addition, Saint-Gobain shares are part of "The Global Dow", a world index comprising 150 companies from both traditional and innovative sectors.

SAINT-GOBAIN SHARE PRICE AT 12/31/2022¹



(Source: Euronext Paris)

⁽¹⁾ Data adjusted for the effects of the March 1994 and February 2009 capital increases, and the four-for-one stock split in June 2002.

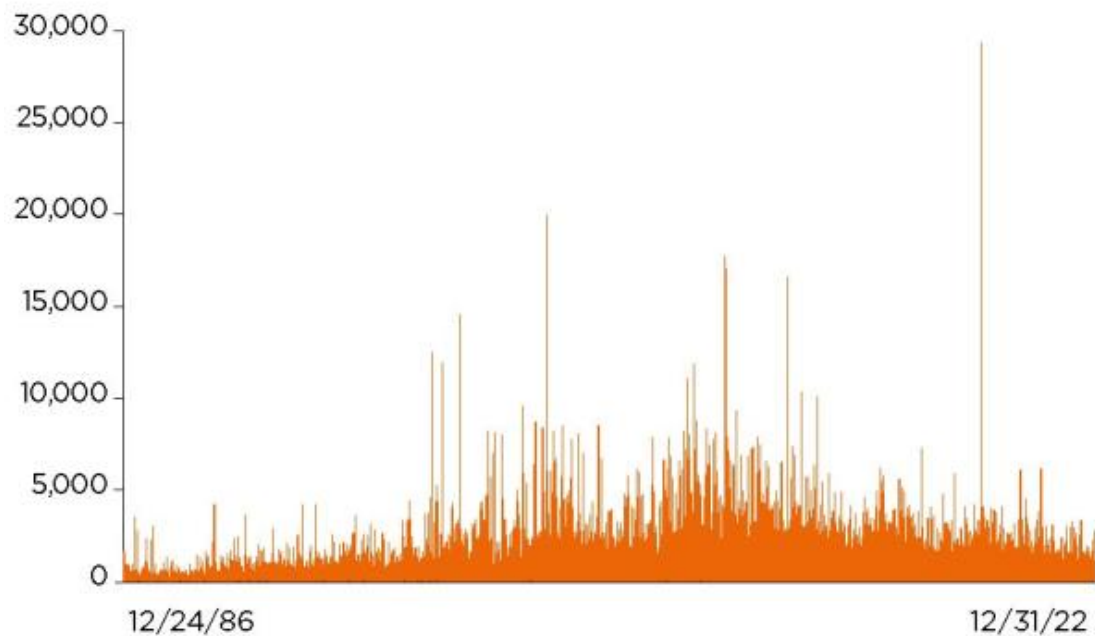
In the area of sustainable development and Corporate Social Responsibility, Saint-Gobain is referenced by the CAC 40 ESG, CAC SBT 1.5, FTSE4Good and Stoxx Europe 600 ESG, and several MSCI and Solactive indexes.

Saint-Gobain equity options are also traded on the options markets in Paris (MONEP) and on the London Stock Exchange. MONEP trading volumes on Saint-Gobain options represented 299,525 contracts in 2022, versus 189,609 in 2021.

The LEI Code of Compagnie de Saint-Gobain is NFONVGN05Z0FMN5PEC35.

NUMBER OF SHARES EXCHANGED (IN THOUSANDS) AT 12/31/2022²

Historical record of the number of shares exchanged per day (in thousands) at the end of 2022



(Source: Euronext Paris)

⁽²⁾ Data adjusted for the effects of the March 1994 and February 2009 capital increases, and the four-for-one stock split in June 2002.

HIGHEST AND LOWEST PRICES (IN EUROS)

Year	Highest	Lowest	Year-end price
2020	40.800	16.408	37.500
2021	64.930	37.790	61.870
2022	67.120	35.180	45.650

(Source: Euronext Paris)

7.2.2 TOTAL SHAREHOLDER RETURN

The total shareholder return on Saint-Gobain shares amounts to:

–7.6% per annum over the period from December 22, 1986 (date of privatization of Saint-Gobain) to December 31, 2022;

–2.3% per annum over the last five years (from December 29, 2017 to December 31, 2022).

The total shareholder return is the effective rate of return for the shareholder: it includes variations in the share price, dividends received over the period and assumed to be reinvested in shares, and securities transactions (capital increases).

It is calculated based on the "Total Return" published by Datastream for all listed companies.

TRANSACTIONS SINCE JANUARY 2021

Paris Stock Exchange ISIN code FR0000125007	In number of shares	In capital (in EUR)	Highest (in EUR)	Lowest (in EUR)
2021				
January	28,571,514	1,199,233,521	43.990	37.790
February	23,648,591	1,013,578,703	44.790	41.100
March	34,946,419	1,682,381,952	51.420	43.910
April	22,064,708	1,151,553,338	53.430	50.150
May	27,038,291	1,479,589,477	56.880	52.080
June	28,153,711	1,553,484,040	58.600	54.710
July	22,360,340	1,287,008,599	60.340	54.700
August	22,307,565	1,400,891,410	64.930	59.210
September	24,870,026	1,503,661,590	62.210	57.890
October	24,745,452	1,461,928,253	61.770	54.920
November	23,394,251	1,395,883,423	61.850	55.820
December	20,804,128	1,233,978,393	62.440	56.290
TOTAL	302,904,996	16,363,172,701		
2022				
January	29,553,154	1,848,093,442	67.120	56.950
February	28,604,682	1,699,623,110	63.200	53.840
March	41,942,526	2,287,907,783	59.190	45.760
April	29,620,440	1,573,046,020	58.100	48.915
May	23,474,055	1,261,840,171	56.910	50.980
June	38,235,026	1,829,051,861	57.870	39.870
July	24,555,188	1,037,643,651	45.795	39.190
August	22,074,058	957,714,522	46.560	39.665

Paris Stock Exchange ISIN code FR0000125007	In number of shares	In capital (in EUR)	Highest (in EUR)	Lowest (in EUR)
September	27,007,044	1,065,821,771	43.000	35.180
October	22,623,973	894,583,050	42.105	36.390
November	23,110,640	1,007,838,861	46.070	39.720
December	27,148,344	1,242,692,555	47.825	43.985
TOTAL	337,949,130	16,705,856,797		

(Source: Euronext Paris)

In 2022, 284,385,800 shares were traded on the London Stock Exchange (source: Datastream).

The only Group companies apart from Compagnie de Saint-Gobain that are currently listed on a regulated market are: Grindwell Norton and Saint-Gobain Sekurit India in Mumbai and Compañía Industrial El Volcán in Santiago, Chile.

7.2.3 BONDS

The majority of the bonds issued by the Company (see Note 10 to the consolidated financial statements, section 8.1, p. 311) are listed on a regulated market and issued under the Company's Medium Term Notes ("MTN") program. In August 2022, alongside two standard bond issues under the MTN program, the Company issued "Sustainability-Linked Bonds" (bonds promoting sustainable development) for an amount of €500 million, maturing in 2032. In the event of failure to meet specific ESG performance measures set out in the documentation relating to this issue, one or two increases (as the case may be) in the cost of borrowing (through higher interest rates) would occur in the final year leading up to maturity (for further details, see Note 10 to the consolidated financial statements, section 8.1, p. 311)

7.2.4 NON-VOTING PARTICIPATING SECURITIES

Non-voting participating securities issued in June 1983

In June 1983, Compagnie de Saint-Gobain issued 1,288,299 non-voting participating securities (titres participatifs), each with a face value of FRF1,000, now fixed at €152.45, following the conversion to euros in 1999.

Some of those securities have been repurchased over the years. At December 31, 2022, 606,883 of these securities were outstanding with an aggregate face value of €92.5 million.

Interest on these non-voting participating securities ranges from 75% to 125% of the average corporate bond yield (TMO), based on the Saint-Gobain Group's consolidated income. The amount paid out per security in 2022 was €0.45.

TRANSACTIONS SINCE JANUARY 2021 (FIRST TRANCHE)

Paris Stock Exchange ISIN code FR0000140030	In number of securities	In capital (in EUR)	Highest (in EUR)	Lowest (in EUR)
2021				
January	990	130,714	135.000	123.200
February	928	125,339	141.000	128.430
March	421	56,513	136.000	132.020
April	1,145	148,952	135.000	128.250
May	379	50,279	136.980	128.430



Paris Stock Exchange ISIN code FR0000140030	In number of securities	In capital (in EUR)	Highest (in EUR)	Lowest (in EUR)
June	354	46,635	135.000	128.300
July	617	79,954	135.980	124.010
August	123	15,948	131.970	125.080
September	224	29,121	130.020	130.000
October	664	86,016	130.010	129.000
November	572	73,806	130.000	125.020
December	3,273	423,627	134.000	124.000
TOTAL	9,690	1,266,902		
2022				
January	3,669	486,322	135.000	123.390
February	308	40,362	134.970	124.360
March	1,791	232,002	134.980	125.050
April	943	123,031	131.990	124.450
May	2,691	353,911	135.000	124.640
June	3,792	488,230	134.970	125.850
July	252	32,397	130.000	125.190
August	96	12,401	130.000	125.780
September	1,506	194,112	130.470	125.190
October	4,142	533,162	130.000	124.170
November	2,653	319,922	122.070	115.180
December	2,389	290,932	130.000	115.180
TOTAL	24,232	3,106,784		

(Source: Euronext Paris)

TRANSACTIONS SINCE JANUARY 2021 (SECOND TRANCHE)

Paris Stock Exchange ISIN code FR0000047607	In number of securities	In capital (in EUR)	Highest (in EUR)	Lowest (in EUR)
2021				
January	2	234	117.000	117.000
February	172	21,428	127.800	114.550
March	115	14,839	132.000	125.420

Paris Stock Exchange ISIN code FR0000047607	In number of securities	In capital (in EUR)	Highest (in EUR)	Lowest (in EUR)
April	75	9,623	133.320	125.120
May	46	5,984	132.000	126.700
June	156	20,315	133.900	123.000
July	22	2,904	132.000	132.000
August	231	32,398	146.700	133.000
September	10	1,350	135.000	135.000
October	36	4,680	130.000	130.000
November	189	23,245	124.900	120.020
December	95	11,813	128.000	115.000
TOTAL	1,149	148,814		
2022				
January	1,921	248,770	129.500	129.500
February	76	9,440	130.000	117.060
March	32	3,895	129.000	120.000
April	76	9,524	127.000	125.000
May	20	2,391	124.980	115.900
June	108	12,647	118.000	117.000
July	3	387	135.300	122.800
August	49	6,126	125.990	125.000
September	19	2,375	125.000	125.000
October	86	9,743	120.000	110.050
November	17	1,967	124.100	115.000
December	142	16,823	119.800	113.000
TOTAL	2,549	324,088		

(Source: Euronext Paris)

Non-voting participating securities issued in April 1984

In April 1984, Compagnie de Saint-Gobain also issued 194,633 non-voting participating securities (titres participatifs) with a face value of ECU 1,000 (now €1,000).

Some of those securities have been repurchased over the years. At December 31, 2022, 77,516 of these securities were outstanding with an aggregate face value of €77.5 million.

Interest on these non-voting participating securities comprises a fixed portion of 7.5% paid per year applicable to 60% of the nominal amount of the security, and a variable portion applicable to the remaining 40% of the nominal amount of the participating security, which is linked to consolidated net profit (loss) for the previous year and to the reference six-month Euribor rate +7/8%. The amount paid per security in 2022 was €61.70, paid in two installments (€27.95 and €33.75).

TRANSACTIONS SINCE MARCH 2013

Luxembourg Stock Exchange ISIN code LU0002804531	In number of securities	In capital (in EUR)	Highest (in EUR)	Lowest (in EUR)
2013				
March	16	13,753	875.000	847.500
April	12	9,810	830.000	815.000
May	56	42,050	800.000	750.000
June	4,001	2,920,730	730.000	730.000
December	51	33,200	700.000	700.000
TOTAL	4,136	3,019,543	-	-
2014	-	-	-	-
April	1,545	817,500	530.000	500.000
June	11	6,600	600.000	600.000
July	4,002	2,401,100	600.000	550.000
September	12	7,800	650.000	612.000
December	2	1,400	700.000	700.000
TOTAL	5,572	3,234,400	-	-
2015	-	-		No transaction
2016	-	-	-	-
February	55	41,250	750.000	750.000
April	2	1,420	720.000	700.000
TOTAL	57	42,670	-	-
2017	-	-		No transaction
2018	-	-	-	-
November	1	700	700.000	700.000
TOTAL	1	700	-	-
2019	-	-	-	-
September	5	3,500	700.000	700.000
TOTAL	5	3,500	-	-
2020	-	-	-	-
September	3	2,100	700.000	700.000
TOTAL	3	2,100	-	-

Luxembourg Stock Exchange ISIN code LU0002804531	In number of securities	In capital (in EUR)	Highest (in EUR)	Lowest (in EUR)
2021	-	-		No transaction
2022	-	-		No transaction

(Source: Luxembourg Stock Exchange)

These non-voting participating securities are not redeemable and the interest paid on them is reported under financial costs.

No securities issued by Compagnie de Saint-Gobain were traded on a stock market in 2022, other than shares, bonds and non-voting participating securities.

7.3 INFORMATION POLICY AND FINANCIAL CALENDAR

Information policy

The Investor Relations Department is responsible for implementing the Group's information policy as regards the financial community, investors and shareholders. Its manager is Mr. Vivien Dardel.

This Department is available to answer questions and address requests for information about the Group:

Saint-Gobain

Investor Relations Department

Tour Saint-Gobain

12, place de l'Iris

92400 Courbevoie cedex

Tel.: +33 1 88 54 05 05 - Fax: +33 1 47 62 50 62

TOLL-FREE NUMBER 0800 32 33 33

During 2022, the Chief Executive Officer and the Chief Financial Officer met quarterly with the financial community to present the Group's performance, during conference calls or meetings broadcast live on the Company's website. In addition to the quarterly meetings, numerous meetings and roadshows were organized physically or virtually, with financial analysts, institutional investors and journalists. Specific meetings and conferences dedicated to ESG issues were also organized, with the participation of the Vice President for Sustainable Development and the Lead independent Director.

2022 was also marked by the announcement of several acquisitions and disposals of businesses as part of Saint-Gobain's strategy of continuing to optimize its portfolio to improve the Group's growth and profitability, in line with its "Grow & Impact" plan.

The sanitary conditions allowed the General Shareholders' Meeting to be held in person on June 2, 2022. In addition, necessary resources were in place to facilitate remote participation by shareholders, with a full live webcast on the Saint-Gobain website and the possibility for shareholders to ask questions live via the webcast platform.

The Group also favored a policy of exchanges with individual shareholders. Several physical visits of the showroom, with its interactive terminals, and of the Saint-Gobain Tower were organized by the Shareholders' Club, with the help of an expert guide. The shareholders discovered more than 80 Group solutions used on the floors by experimenting with the different comforts in order to present and demonstrate many building materials developed by Saint-Gobain. These visits were followed by informal discussions during convivial moments.

Benoit Bazin, Chief Executive Officer, participated in the "Investir Day" on November 29, 2022, to present the Group's transformation, recent results and growth prospects, and finally the strategy for 2025, before answering shareholders' questions. On this occasion, we also answered questions from individual shareholders throughout the day at our stand.

We also communicate regularly on the Group's various initiatives throughout the year on our website: our solutions for our customers, the Group's commitment to carbon neutrality, and the web series "The Extraordinary Tower", which takes a look behind the scenes of the Saint-Gobain Tower.

In addition to the events organized throughout the year, the Investor Relations Department continued to communicate regularly with individual shareholders on the Group's many news items via its website, the "Saint-Gobain Shareholder" app and the Letter to shareholders.



The "Saint-Gobain Shareholder" app allows shareholders to follow the Group's financial news and find essential and useful information (share price, financial calendar, press releases, etc.). Finally, the Letter to shareholders, sent twice a year to Group shareholders in March and September, highlights the Group's financial results and strategic priorities.

In order to ensure privileged contact, shareholders can use the following address:

actionnaires@saint-gobain.com

Compagnie de Saint-Gobain also makes additional services available to holders of registered shares through UPTEVIA, to improve the management of their fully registered shares. For more information, contact the Compagnie de Saint-Gobain Investor Relations Department or:

UPTEVIA - Émetteur Adhérents Euroclear 30 Immeuble GMP - Europe

9, rue du Débarcadère - 93761 Pantin Cedex, France

By telephone: TOLL-FREE NUMBER 0 800 03 33 33

By fax: + 33(0)1 55 77 34 17

Online, on the website: <https://www.uptevia.com>

2023 financial calendar

2022 final results: February 23, 2023, after the market closes.

First quarter 2023 revenue: April 27, 2023, after the market closes.

General Shareholders' Meeting: June 8, 2023 at 3 p.m., Salle Pleyel in Paris, 8th, in the absence of restrictive measures related to the health situation.

Dividend:

–Ex-dividend date: June 12, 2023;

–Dividend payment date: June 14, 2023.

First-half 2023 final results: July 26, 2023, after the market closes.

Revenue for the first nine months of 2023: October 26, 2023, after the market closes.

2024 financial calendar

General Shareholders' Meeting: June 6, 2024.

7.4 DIVIDENDS

Year	Number of shares with dividend rights	Net dividend per share (in EUR)	Adjusted yield based on year-end share price
2020	525,057,461 actions ⁽¹⁾	1.33	3.5 %
2021	512,006,300 actions ⁽²⁾	1.63	2.6 %

Year	Number of shares with dividend rights	Net dividend per share (in EUR)	Adjusted yield based on year-end share price
2022	512,063,320 actions ⁽³⁾	2.00	4.4 %

⁽¹⁾ Based on 532,695,363 outstanding shares on the ex-dividend date less 7,637,902 treasury shares held on this date.

⁽²⁾ Based on 524,017,595 outstanding shares on the ex-dividend date less 12,011,295 treasury shares held on this date.

⁽³⁾ Estimated amount based on 515,781,821 outstanding shares at January 31, 2023, less 3,718,501 treasury shares held at this date.

Dividends not claimed within five years are time-barred and are paid over to the French State.

At its meeting of February 23, 2023, the Board of Directors of Compagnie de Saint-Gobain decided to propose to the General Shareholders' Meeting of June 8, 2023 a dividend of €2 per share.

8 FINANCIAL AND ACCOUNTING INFORMATION

8.1 2022 CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET

Assets

(in EUR millions)	Notes	Dec. 31, 2022	Dec. 31, 2021
Goodwill	(7.1)	12,858	11,181
Other intangible assets	(7.2)	4,026	2,705
Property, plant and equipment	(7.3)	12,163	11,663
Right-of-use assets	(7.4)	2,752	2,959
Investments in equity-accounted companies	(8.1) (8.2)	639	536
Deferred tax assets	(12.2)	382	576
Pension plan surpluses	(6.3)	569	894
Other non-current assets	(8.3)	537	528
NON-CURRENT ASSETS		33,926	31,042
Inventories	(5.4)	7,219	6,598
Trade accounts receivable	(5.4)	5,178	5,104
Current tax receivable	(5.4) (12.1)	76	166
Other receivables	(5.4)	1,450	1,504
Assets held for sale	(4.3)	1,394	227
Cash and cash equivalents	(10.3)	6,134	6,943



(in EUR millions)	Notes	Dec. 31, 2022	Dec. 31, 2021
CURRENT ASSETS		21,451	20,542
TOTAL ASSETS		55,377	51,584
Liabilities			
(in EUR millions)	Notes	Dec. 31, 2022	Dec. 31, 2021
EQUITY AND LIABILITIES			
Shareholders' equity	(11.1)	22,711	20,715
Non-controlling interests		443	411
TOTAL EQUITY		23,154	21,126
Non-current portion of long-term debt	(10.3)	8,964	9,194
Non-current portion of long-term lease liabilities	(10.3)	2,324	2,474
Provisions for pensions and other employee benefits	(6.3)	1,712	2,014
Deferred tax liabilities	(12.2)	768	555
Other non-current liabilities and provisions	(9.1)	1,092	1,066
NON-CURRENT LIABILITIES		14,860	15,303
Current portion of long-term debt	(10.3)	1,841	1,336
Current portion of long-term lease liabilities	(10.3)	597	681
Current portion of other liabilities and provisions	(9.1)	693	479
Trade accounts payable	(5.4)	7,266	6,903
Current tax liabilities	(5.4) (12.1)	263	236
Other payables	(5.4)	5,078	4,808
Liabilities held for sale	(4.3)	985	167
Short-term debt and bank overdrafts	(10.3)	640	545
CURRENT LIABILITIES		17,363	15,155
TOTAL EQUITY AND LIABILITIES		55,377	51,584

The accompanying notes are an integral part of the consolidated financial statements.

CONSOLIDATED INCOME STATEMENT

(in EUR millions)	Notes	2022	2021
Sales	(5.1)	51,197	44,160
Cost of sales	(5.1)	(38,006)	(32,440)
General expenses including research	(5.1)	(7,915)	(7,265)



(in EUR millions)	Notes	2022	2021
Share in net income of core business equity-accounted companies	(8.1)	61	52
OPERATING INCOME		5,337	4,507
Other business income	(5.1)	245	176
Other business expense	(5.1)	(1,000)	(747)
BUSINESS INCOME		4,582	3,936
Borrowing costs, gross		(250)	(240)
Income from cash and cash equivalents		54	7
Borrowing costs, net, excluding lease liabilities		(196)	(233)
Interest on lease liabilities		(66)	(54)
Other financial income and expense		(142)	(120)
NET FINANCIAL EXPENSE	(10.2)	(404)	(407)
Share in net income of non-core business equity-accounted companies	(8.1)	5	4
Income taxes	(12.1) (12.2) (12.3)	(1,082)	(919)
NET INCOME		3,101	2,614
GROUP SHARE OF NET INCOME		3,003	2,521
Non-controlling interests		98	93
	Notes	2022	2021
EARNINGS PER SHARE, GROUP SHARE (in EUR)	(11.2)	5.84	4.79
Weighted average number of shares in issue		514,372,413	526,244,506
DILUTED EARNINGS PER SHARE, GROUP SHARE (in EUR)	(11.2)	5.80	4.76
Weighted average number of shares assuming full dilution		517,595,809	529,905,261

The accompanying notes are an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME AND EXPENSE

(in EUR millions)	Notes	2022	2021
NET INCOME		3,101	2,614
Items that may be subsequently reclassified to profit or loss			
Translation adjustments and restatement for hyperinflation		323	910
Changes in fair value of financial instruments	(10.4)	23	21
Tax on items that may be subsequently reclassified to profit or loss		(4)	(8)
Items that will not be reclassified to profit or loss			



(in EUR millions)	Notes	2022	2021
Changes in actuarial gains and losses	(6.3)	(12)	802
Tax on items that will not be reclassified to profit or loss	(12.1) (12.2)	(10)	(142)
Changes in assets at fair value through equity and other items	(8.3)	(9)	37
OTHER ITEMS OF COMPREHENSIVE INCOME (EXPENSE)		311	1,620
COMPREHENSIVE INCOME (EXPENSE)		3,412	4,234
Group share		3,327	4,139
Non-controlling interests		85	95

Translation adjustments in 2022 primarily concern the pound sterling and US dollar.

The accompanying notes are an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

(in EUR millions)	Notes	2022	2021
NET INCOME		3,101	2,614
Share in net income (loss) of equity-accounted companies, net of dividends received	(8.1)	(58)	(23)
Depreciation, amortization and impairment of assets (including right-of-use assets)	(5.1) (7)	2,442	2,174
Gains and losses on disposals of assets	(5.3)	42	7
Unrealized gains and losses arising from changes in fair value and share-based payments		21	33
Restatement for hyperinflation		18	13
Changes in inventory	(5.4)	(855)	(1,179)
Changes in trade accounts receivable and payable, and other accounts receivable and payable	(5.4)	785	912
Changes in tax receivable and payable	(5.4)	51	50
Changes in deferred taxes and provisions for other liabilities and charges	(6.3) (9.1) (12.2) (12.3)	164	(162)
NET CASH FROM OPERATING ACTIVITIES		5,711	4,439
Acquisitions of property, plant and equipment and intangible assets, and changes in amounts due to suppliers of fixed assets	(7.2) (7.3) (5.4)	(1,889)	(1,441)
Acquisitions of shares in controlled companies, net of cash acquired		(3,413)	(913)
Increase in investment-related liabilities	(9.1)	57	45
Decrease in investment-related liabilities	(9.1)	(21)	(5)
Acquisitions of other investments	(8.3)	(99)	(33)
Investments		(5,365)	(2,347)
Disposals of property, plant and equipment and intangible assets	(7.2) (7.3)	89	207
Disposals of shares in controlled companies, net of cash divested		416	(120)



(in EUR millions)	Notes	2022	2021
Disposals of other investments	(8.3)	6	4
(Increase) decrease in amounts receivable on sales of fixed assets	(5.4)	(32)	(20)
Divestments		479	71
Increase in loans and deposits	(8.3)	(70)	(76)
Decrease in loans and deposits	(8.3)	118	153
NET CASH FROM (USED IN) INVESTMENT AND DIVESTMENT ACTIVITIES		(4,838)	(2,199)
Issues of capital stock	(a)	222	199
(Increase) decrease in treasury stock	(a)	(781)	(854)
Dividends paid	(a)	(833)	(697)
Transactions with shareholders of the parent company		(1,392)	(1,352)
Capital increases in non-controlling interests	(a)	15	13
Acquisitions of minority interests without gain of control		(2)	(9)
Disposals of minority interests without loss of control		39	12
Changes in investment-related liabilities following the exercise of put options of minority shareholders	(9.1)	0	(21)
Dividends paid to non-controlling interests and change in dividends payable	(a)	(77)	(31)
Transactions with non-controlling interests		(25)	(36)
Increase (decrease) in bank overdrafts and other short-term debt		(46)	(107)
Increase in long-term debt	(b) (10.3)	1,624	52
Decrease in long-term debt	(b) (10.3)	(1,286)	(1,584)
Decrease in lease liabilities	(b)	(725)	(762)
Change in debt		(433)	(2,401)
NET CASH FROM (USED IN) FINANCING ACTIVITIES		(1,850)	(3,789)
Net effect of exchange rate changes on cash and cash equivalents		175	31
Net effect of changes in fair value on cash and cash equivalents		5	1
Cash and cash equivalents classified within assets held for sale		(12)	17
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		(809)	(1,500)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD		6,943	8,443
CASH AND CASH EQUIVALENTS AT END OF PERIOD		6,134	6,943

^(a) Please refer to the consolidated statement of changes in equity.

^(b) Including bond premiums, prepaid interest, issue costs and interest on lease liabilities.

In 2022, income tax paid represented €1,001 million (€793 million in 2021), total rental expenses paid €974 million (€905 million in 2021), including €66 million in interest paid on lease liabilities (€54 million in 2021), and interest paid net of interest received €210 million (€244 million in 2021).

The accompanying notes are an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(in EUR millions)	Capital stock	Additional paid-in capital and legal reserve	Retained earnings and consolidated net income	Cumulative translation adjustments	Fair value reserves	Treasury stock
AT JANUARY 1, 2021	2,131	5,104	13,687	(2,857)	(48)	(125)
Income and expense recognized directly in equity			678	908	32	
Net income for the period			2,521			
Total income and expense for the period			3,199	908	32	
Issues of capital stock						
Group Savings Plan	22	177				
Other						
Dividends paid			(698)			
Shares purchased and sold			19			(873)
Shares canceled	(57)	(737)				794
Share-based payments			58			
Changes in Group structure and other			(21)			
AT DECEMBER 31, 2021	2,096	4,544	16,244	(1,949)	(16)	(204)
Income and expense recognized directly in equity			(26)	335	15	
Net income for the period			3,003			
Total income and expense for the period			2,977	335	15	
Issues of capital stock						
Group Savings Plan	20	202				
Other						
Dividends paid			(833)			
Shares purchased and sold			8			(789)
Shares canceled	(53)	(617)				670
Share-based payments			43			
Changes in Group structure and other			18			

(in EUR millions)	Capital stock	Additional paid-in capital and legal reserve	Retained earnings and consolidated net income	Cumulative translation adjustments	Fair value reserves	Treasury stock
AT DECEMBER 31, 2022	2,063	4,129	18,457	(1,614)	(1)	(323)
(in EUR millions)				Shareholders' equity	non-controlling interests	Total equity
AT JANUARY 1, 2021				17,892	311	18,203
Income and expense recognized directly in equity				1,618	2	1,620
Net income for the period				2,521	93	2,614
Total income and expense for the period				4,139	95	4,234
Issues of capital stock						
Group Savings Plan				199		199
Other					13	13
Dividends paid				(698)	(31)	(729)
Shares purchased and sold				(854)		(854)
Shares canceled						0
Share-based payments				58		58
Changes in Group structure and other				(21)	23	2
AT DECEMBER 31, 2021				20,715	411	21,126
Income and expense recognized directly in equity				324	(13)	311
Net income for the period				3,003	98	3,101
Total income and expense for the period				3,327	85	3,412
Issues of capital stock						
Group Savings Plan				222		222
Other					15	15
Dividends paid				(833)	(78)	(911)
Shares purchased and sold				(781)		(781)
Shares canceled						0
Share-based payments				43		43
Changes in Group structure and other				18	10	28
AT DECEMBER 31, 2022				22,711	443	23,154

The accompanying notes are an integral part of the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements reflect the accounting position of Compagnie de Saint-Gobain (the Company) and its subsidiaries ("the Group"), as well as the Group's interests in associate companies and joint ventures. They are expressed in euros rounded to the nearest million.

These consolidated financial statements were adopted on February 23, 2023 by the Board of Directors and will be submitted to the Shareholders' Meeting of June 8, 2023 for approval.

Accounting principles and policies are highlighted in a distinct color.

NOTE 1 ACCOUNTING PRINCIPLES AND POLICIES

The accounting policies applied are consistent with those used to prepare the financial statements for the year ended December 31, 2021, except for the application of the new standards and interpretations described below. The consolidated financial statements have been prepared using the historical cost convention, except for certain assets and liabilities that have been measured using the fair value model as explained in these notes.

1.1 Standards applied

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) and interpretations adopted for use in the European Union at December 31, 2022. These consolidated financial statements have also been prepared in accordance with the IFRS issued by the International Accounting Standards Board (IASB).

1.1.1 Standards, interpretations and amendments to existing standards applicable for reporting periods beginning on or after January 1, 2022

The following standards and amendments, effective since January 1, 2022, were applied where necessary to the 2022 consolidated financial statements:

- Amendment to IFRS 3, "Reference to the Conceptual Framework";
- Amendments to IAS 37, "Onerous Contracts - Cost of Fulfilling a Contract";
- Amendments to IAS 16, "Property, Plant and Equipment - Proceeds before Intended Use".

The main IFRIC decisions published in 2022 concern:

- IFRS 9 and IAS 20, "TLTRO III Transactions";
- IAS 7, "Demand Deposits with Restrictions on Use arising from a Contract with a Third Party";
- IFRS 15, "Principal versus Agent: Software Reseller";
- IAS 37, "Negative Low Emission Vehicle Credits";
- IFRS 17, "Transfer of Insurance Coverage under a Group of Annuity Contracts";
- IAS 32, "Special Purpose Acquisition Companies (SPAC): Classification of Public Shares as Financial Liabilities or Equity";
- IFRS 9 and IFRS 16, "Lessor Forgiveness of Lease Payments";
- IFRS 2 and IAS 32, "Special Purpose Acquisition Companies (SPAC): Accounting for Warrants at Acquisition";
- IFRS 17 and IAS 21, "Multicurrency Groups of Insurance Contracts".

The annual improvements to IFRSs - 2018-2020 Cycle applicable at January 1, 2022 concern the following standards:

- IFRS 1, "First-time Adoption of IFRS - Subsidiary as a First-time Adopter", concerning the measurement of translation differences at the subsidiary's date of transition to IFRS;
- IFRS 9, "Fees in the '10 per cent' Test for Derecognition of Financial Liabilities";

–IFRS 16, "Lease Incentives (Amendment to Illustrative Examples)";

–IAS 41, "Fair Value Measurement of Biological Assets".

These amendments have no material impact on the Group's consolidated financial statements.

1.1.2 Standards, interpretations and amendments to existing standards available for early adoption in reporting periods beginning on or after January 1, 2022

The new standards, interpretations and amendments to existing standards applicable to accounting periods starting on or after January 1, 2023 were not early adopted by the Group at December 31, 2022. These are:

–Amendment to IAS 1 and IFRS Practice Statement 2, "Classification of Liabilities as Current or Non-current" along with significant information on accounting policies;

–Amendment to IFRS 17, "Initial Application of IFRS 17 and IFRS 9 - Comparative Information";

–Amendment to IFRS 17, "Insurance Contracts", including amendments published in June 2020;

–Amendment to IAS 8, "Definition of Accounting Estimates";

–Amendment to IAS 12, "Deferred Tax related to Assets and Liabilities arising from a Single Transaction".

1.1.3 Standards, interpretations and amendments to existing standards published but not yet applicable

The new standards, interpretations and amendments to existing standards that have been published but are not yet applicable concern:

–Amendment to IAS 1, "Classification of Liabilities as Current or Non-current" (effective date deferred by one year, i.e., to January 1, 2024);

–Amendment to IFRS 16, "Leaseback Liability in a Sale and Leaseback".

Where applicable to Saint-Gobain, these amendments are currently being analyzed by the Group.

1.2 Estimates and assumptions

The preparation of consolidated financial statements in compliance with IFRS requires management to make estimates and assumptions that affect the amounts of assets and liabilities reported in the balance sheet and the disclosure of contingent assets and liabilities in the notes to the financial statements, as well as the reported amounts of income and expenses during the period. These estimates and assumptions are based on past experience and on various other factors in the prevailing economic and financial environment which makes it difficult to predict future business performance. Actual amounts may differ from those obtained through the use of these estimates and assumptions.

The main estimates and assumptions described in these notes concern the measurement of employee benefit obligations and share-based payments (see note 6, p. 291), asset impairment tests (notably the assumptions used in the tests relating to the Group's commitments to reduce its net carbon emissions) and the determination of lease terms (see note 7, p. 298), provisions for other liabilities (see note 9, p. 307), the measurement of financial instruments (see note 10, p. 311), and taxes (see note 12, p. 323).

NOTE 2 IMPACT OF THE RUSSIA-UKRAINE CONFLICT

Amid the fast-changing, complex environment of the Russia/Ukraine conflict, the Group's first priority has been to affirm its support for and solidarity with Ukraine and the Ukrainian people, and to ensure the safety of all its Ukrainian employees and their families throughout the world.

The Group's teams in Poland and Romania stepped up to provide humanitarian and financial aid to refugees in their countries. This was in addition to the financial support provided by the Group, in particular to the International Committee of the Red Cross.

The main impacts of the conflict on the Group's strategy and financial performance were analyzed from various standpoints, as discussed below.

Group operating activities

Since the outbreak of the conflict between Russia and Ukraine, in addition to the Group's application of the sanctions imposed against Russia, Saint-Gobain has decided to halt all its exports to customers in Russia and Belarus, and all its imports from these two countries, and has shelved all new investment projects in these countries.

Nevertheless, its local Russian operations, which represent around 0.7% of the Group's worldwide sales and do not involve any local partnerships, continue to operate autonomously, with locally produced solutions sold exclusively on local construction markets.

In Ukraine, Saint-Gobain does not have any industrial operations, and its sales office in Kyiv has been closed.

In organizational terms, Ukraine is now included in a Poland-Ukraine cluster falling under the direct responsibility of the management team in Poland.

One of the indirect consequences of the conflict is the steep rise in inflation. As a result, the Saint-Gobain Group recorded a year-on-year rise of around €3 billion in its energy and raw materials costs. Inflation concerns in particular the cost of energy, especially in Europe.

Thanks to its policy of hedging energy costs, its efforts in terms of pricing, and the value-added delivered by its solutions, the Saint-Gobain Group was able to generate a positive sale price/cost (raw materials and energy) differential in 2022. The Group has hedges in place for 2023 covering around 70% of its natural gas and over 60% of its electricity purchases in Europe.

More specifically, the countries most sensitive to Russian gas supplies for Saint-Gobain are Germany, Poland and Czechia. The Group has drawn up various plans for continuing its operations in these countries, enabling it to significantly mitigate the impact of a scenario in which all or some supplies of Russian gas are terminated. Various levers can be used by the Group, such as the classification of priority industries, using alternative energy sources prepared at certain sites, and increasing flexibility of its production capacities.

Scope of consolidation

Insofar as the Group continues to produce and sell in Russia for the local market, and to ensure its local business can continue to operate with complete autonomy of management and control of returns, Saint-Gobain still controls its Russian subsidiaries.

In accordance with IFRS 10, its Russian and Ukrainian companies have not therefore been deconsolidated, and continue to be included in the Group's scope of consolidation for the preparation of the 2022 consolidated financial statements.

Impairment review in light of the Russia/Ukraine conflict

Total non-current assets in Russia represent €207 million, or 0.6% of the Group's total non-current assets.

No evidence of impairment was identified for these companies. Consequently, no impairment losses related to the Russia/Ukraine conflict were recognized in 2022.

Financial risks (credit, liquidity, forex)

Given the Group's limited presence in Russia and Ukraine, the conflict has not generated any credit or liquidity risks, and forex exposure is also being managed effectively.

Since March 2, 2022, the Group has been using the Russian ruble exchange rate published by Reuters for the translation of its consolidated financial statements.

While the Russia/Ukraine conflict has not had a direct material impact on the financial statements for 2022, the situation remains unstable and complex. The Group therefore remains vigilant in analyzing the potential future impacts of the conflict.

NOTE 3 CLIMATE ISSUES

Sustainability is essential in supporting the growth of the Saint-Gobain Group and sustainability issues are therefore an integral part of its growth outlook.

Responding to climate challenges is therefore at the heart of the Group's strategy, and its net-zero-carbon commitment is taken into account in its financial decisions.

3.1 The commitment to carbon neutrality is at the heart of the Group's strategy



In line with the Paris Agreement, Saint-Gobain signed the UN Global Compact's "Business ambition for 1.5°C" pledge on September 23, 2019 in New York, thereby affirming its commitment to achieving carbon neutrality by 2050.

In order to achieve this by 2050, Saint-Gobain defined a 2030 roadmap in November 2020. The roadmap identifies the levers and action plans that will enable the Group to meet its goal of a 33% reduction in scope 1 and 2 carbon emissions in absolute terms compared to a 2017 baseline, and a 16% reduction for scope 3 emissions.

The Group's capital expenditure is aligned with the investment requirements identified in this CO₂ roadmap.

Saint-Gobain's roadmap and commitment to carbon neutrality by 2050 apply to all of its activities. To date, no activity has been identified as being incompatible with this target.

As well as its commitments to reduce its emissions through to 2030, the Group seeks to develop and propose solutions to help decarbonize the construction sector and its customers' markets.

- After validating its 2030 greenhouse gas emissions reduction targets in 2020, in September 2022 the Science-Based Targets initiative (SBTi) approved the Group's commitment to being net-zero-carbon by 2050, considering its roadmap to be consistent with the new net-zero standard and the Paris climate agreement.
- In 2022, Saint-Gobain was once again recognized for its leadership in the fight against climate change by the CDP, a global environmental non-profit organization. In 2022, for the second time in a row, the Group was included in the CDP's "Climate Change A List" comprising 283 companies out of the more than 15,000 that responded to the CDP's 2022 climate change questionnaire.
- The innovative solutions developed by Saint-Gobain to improve the energy performance of buildings help reduce both the negative impact of construction on the environment and their occupants' energy bills, while also enhancing occupant well-being. Saint-Gobain's solutions play an important role in the fight against climate change, since they reduce the amount of greenhouse gas emissions by reducing energy use. The Group's thermal insulation and insulating glass solutions provide benefits in terms of energy performance and greenhouse gas emissions that significantly outweigh the carbon footprint associated with their production. In 2021, Saint-Gobain estimated that the solutions produced and sold by the Group in one year had helped avoid nearly 1,300 million tonnes of CO₂ emissions over their lifespan.
- In 2022, the Group further strengthened its position in the construction chemicals market by acquiring GCP Applied Technologies Inc., a company operating 50 production sites in 38 countries whose products play a significant role in helping to decarbonize construction through innovative admixtures that reduce the carbon footprint of cement.
- In order to increase the percentage of sales represented by its sustainable solutions, Saint-Gobain has developed a method for evaluating the environmental benefits of its solutions for all stakeholders. It aims to generate 75% of its sales from sustainable solutions by 2025.

3.2 The commitment to carbon neutrality is taken into account when preparing the Group's financial statements

In line with these commitments and targets, the Group has taken into account climate change and sustainable development issues in its financial statements, mainly in the areas cited below.

A Group-wide commitment

All Regions and High Performance Solutions (HPS) have drawn up dynamic CO₂ roadmaps through to 2030, based on the principle of a yearly review and consistent with the main financial deadlines (three-year business plan and budget).

These CO₂ roadmaps are broken down by country or entity, plant and project, and together, will be used to justify the Group's 2030 emissions reduction target. Specific projects have been identified and evaluated in all countries and are part of an investment plan set out in the 2030 CO₂ roadmap, with an average budget of €100 million per year between 2020 and 2030.

These roadmaps focus on improving operating efficiency, changing the energy mix, rolling out new technologies, and investing to reduce CO₂ emissions.

Marketing teams are also involved, adapting product design to reduce environmental impact.

2022 was shaped by:

- An acceleration in the delivery of technological developments and projects set out in the Group's roadmap to carbon neutrality:
 - On May 16, 2022, Saint-Gobain became the first company in the world to achieve zero-carbon production (scopes 1 and 2) of flat glass, using 100% recycled glass (cullet) and 100% green energy, produced from biogas and decarbonized electricity. It was implemented at Saint-Gobain's flat glass manufacturing plant in Aniche, Northern France.
 - In Sweden in the first half of 2022, the Balsta plant carried out a zero-carbon plasterboard campaign (scopes 1 and 2) powered by biogas and 100% green electricity, with up to 30% recycled content. Elsewhere, the Group is building two fully-electric plants in Norway and Canada with net-zero-carbon production (scopes 1 and 2), powered by hydroelectricity. More than €90 million in investments are needed to electrify these plants, while more energy efficient processes enable energy savings of up to 30%.
 - In line with the Group's objectives to accelerate the transition to a circular economy, Saint-Gobain was the first manufacturer in France to produce and market a plasterboard made from more than 50%-recycled gypsum.

–The signature of new renewable power purchase agreements (PPA - scope 2) in North America (10-year PPA for 200MW of solar energy, which should reduce electricity-related CO₂ emissions by 33% for its 145 industrial sites in North America), in Poland (15-year contract for the purchase of wind and solar power, covering nearly 45% of electricity requirements), and in Spain (11-year contract for the purchase of wind, solar and hydroelectric power, covering 55% of electricity requirements).

Basis of measurement applicable to assets incorporating the cost of emissions per tonne of CO₂

The Group's commitments to carbon neutrality were taken into account when carrying out the sensitivity tests as part of the annual impairment testing of its cash-generating units (CGUs).

Based on information on current CO₂ emissions from production sites, and factoring in projections and assumptions as regards business trends and CO₂ emissions reductions (scopes 1 and 2), validated by each of the Regions and by High Performance Solutions, a projection of future CO₂ emissions was determined for each site up to 2030.

These projections take into account planned investments to:

- maximize energy efficiency by exploring all energy switching options (biofuel, hydrogen or synthetic fuel, green electricity);
- make products lighter, replace them with low-carbon alternatives, increase recycled content and significantly rethink formulations and processes.

For the European Union scope, the Group has calculated projected CO₂ emissions reductions up to 2030 based on detailed roadmaps by activity, taking into account historical business levels, a factor reflecting exposure to the risk of carbon leakage, and a cross-sector adjustment factor, as well as the stock of CO₂ emissions allowances held at the end of December 2022.

It should be noted that the annual sensitivity tests for 2022 also factored in the assumption dated December 18, 2022 put forward by the European Council and Parliament regarding carbon market reform, according to which free CO₂ emissions allowances granted to industry under the European Union Emissions Trading Scheme (EU ETS) would be gradually phased out between 2026 and 2034 (100%), with 2.5% phased out by 2026, 5% by 2027, 10% by 2028, 22.5% by 2029 and 48.5% by 2030.

These CO₂ emissions were valued on the basis of a euro price per tonne resulting from a panel of 11 analysts as of November 11, 2022 (source: Carbon Market Pulse Limited, an independent private company based in London).

(in euros/tonne)	2023	2024	2025	2026	2030
Average (11 analysts)	77	90	103	120	140

For the non-Europe scope, tonnes of CO₂ emitted were priced in the tests as from 2023 assuming a fixed price of €75 per tonne until 2030 and no government support schemes such as CO₂ emissions allowances.

This assumption of €75 per tonne is consistent with the application of an internal carbon price set by Saint-Gobain, and is conservative in that few countries outside Europe have so far defined a price per tonne of carbon.

In addition to the action plans rolled out at its production sites, the Group has set two internal carbon prices:

- €75 per tonne for major industrial investment projects and investments related to a change in energy source;
- €150 per tonne for R&D investment in breakthrough technology, particularly "low-carbon" projects.

A similar approach has been adopted for major acquisitions, and includes the work that may be required to ensure that the carbon impact of these acquisitions is compatible with Saint-Gobain's roadmap.

Sensitivity tests were carried on the Group's assets across all of its industrial activities (excluding Distribution and the recent Chryso/GCP and Kaycan acquisitions).

The discounted future cash flows, calculated on the basis of the three-year business plan (2023-2025) were extrapolated to 2029 and then impacted by the projected cost of CO₂ emissions net of the free emissions allowances received. These discounted cash flows were compared with the net value of the assets at December 31, 2022 (property, plant and equipment, intangible assets and working capital).

As a result of the sensitivity tests performed based on the aforementioned assumptions, no impairment would be recognized against the Group's non-current assets, since the headroom (€20.4 billion), i.e., the difference between discounted future cash flows and the net value of the assets tested (€20.9 billion) is significantly positive.

It should be noted that any increase in carbon prices will result in higher demand for Saint-Gobain's solutions, which is a driver of growth in business volumes and cash generation.

CO₂ emissions allowances

At the end of 2022, the Saint-Gobain Group had 4.4 million tonnes of greenhouse gas emissions allowances from the European Commission. Accordingly, it believes that its current level of allowances will continue to cover its emissions for at least five years.

Sustainable investments, research and development expenditure, and other expenditure aimed at combating climate change and protecting the environment

Investments to reduce CO₂ emissions are reported monthly by each Group company in the Group's financial reporting.

To help accelerate progress towards carbon-neutral production, €1 billion has been set aside over the ten years from 2021 to 2030 (i.e., an average of €100 million per year) for investments and R&D.

In 2022, the Group set aside €128 million in capital expenditure (€55 million in 2021) and €63 million in research and development expenditure (€44 million in 2021) to further its CO₂ emissions reduction strategy.

Sustainability-linked bond

In August 2022, Saint-Gobain completed a debt issue which included a 10-year €500 million Sustainability-Linked Bond (SLB) tranche paying a 2.625% coupon. The SLB is linked to two 2030 targets in relation to the 2017 baseline year: (i) reduce scope 1 and 2 CO₂ emissions by 33%, and (ii) reduce non-recovered production waste by 80%. A 0.375% step-up would apply on the 2032 coupon if either of these targets is not met.

Executive compensation policy

In stepping up its commitment to carbon neutrality, since 2020 the Group has increased the weighting of CSR objectives in the criteria determining short- and long-term executive compensation plans. CSR objectives now determine 20% of amounts paid out under long-term plans (versus 15% previously), and 10% of amounts paid out under short-term plans (5% previously), while CO₂ objectives now account for 10% of long-term plans and 5% of short-term plans.

Consideration of future changes in regulations

The Group will continue to analyze the potential impacts of future changes in regulations related to climate change and the energy transition as part of its commitment to achieve carbon neutrality by 2050. In this respect, Saint-Gobain closely monitors international and European projects on sustainability reporting.

NOTE 4 SCOPE OF CONSOLIDATION

4.1 Accounting principles related to consolidation

The Group's consolidated financial statements include the accounts of Compagnie de Saint-Gobain and of all companies controlled by the Group, as well as those of jointly controlled companies and companies over which the Group exercises significant influence.

4.1.1 Consolidation methods

Full consolidation

Companies over which the Group exercises exclusive control, either directly or indirectly, are fully consolidated.

Joint arrangements

Joint arrangements that meet the definition of joint ventures are accounted for by the equity method. Balance sheet and income statement items relating to joint arrangements that meet the definition of joint operations are consolidated line-by-line based on the amount actually contributed by the Group.

Equity accounting

Companies over which the Group directly or indirectly exercises significant influence are accounted for by the equity method.

The Group's share of the income of equity-accounted companies is shown on two separate lines of the income statement. The income of equity-accounted companies whose main business activity is in keeping with the Group's core operational business is presented in business income under "Share in net income of core business equity-accounted companies", while the income of other equity-accounted companies is shown under "Share in net income of non-core business equity-accounted companies" in pre-tax income.

4.1.2 Business combinations

Step acquisitions and partial disposals

When the Group acquires control of an entity in which it already holds an equity interest, the transaction is treated as a step acquisition (an acquisition in stages), as follows: (i) as a disposal of all the previously-held interest, with recognition of any resulting gain or loss in the consolidated financial statements, and (ii) as an acquisition of all of the shares, with recognition of the corresponding goodwill on the entire interest (previous and new acquisitions).

In the event of a partial disposal resulting in the loss of control (but with the Group retaining a non-controlling interest), the transaction is also treated as both a disposal and an acquisition, as follows: (i) as a disposal of the entire interest, with recognition of any resulting gain or loss in the consolidated financial statements, and (ii) as an acquisition of a non-controlling interest, measured at fair value.

Potential voting rights and share purchase commitments

Potential voting rights conferred by call options on minority interests are taken into account in determining whether the Group exclusively controls an entity only when the Group has control.

When calculating its percentage interest in controlled companies, the Group considers the impact of cross put and call options on minority interests in the companies concerned. This approach gives rise to the recognition in the financial statements of an investment-related liability, included within other provisions and non-current liabilities, corresponding to the present value of the estimated exercise price of the put option, with a corresponding reduction in non-controlling interests and shareholders' equity. Any subsequent changes in the fair value of the liability are recognized by adjusting equity.

Non-controlling interests

Under IFRS 10, non-controlling interests are considered as a shareholder category (single economic entity approach). As a result, changes in minority interests with no loss of control continue to be recorded in the statement of changes in equity and have no impact on the income statement or balance sheet, except for changes in cash and cash equivalents.

4.1.3 Non-current assets and liabilities held for sale - Discontinued operations

Assets and liabilities that are immediately available for sale, and for which a sale is highly probable within the next 12 months, are classified as non-current assets and liabilities held for sale. When several assets are held for sale in a single transaction, they are accounted for as a disposal group, which also includes any liabilities directly associated with those assets. The assets or disposal groups held for sale are measured at the lower of carrying amount and fair value less costs to sell. Depreciation/ amortization ceases when non-current assets are classified as held for sale. Non-current assets and liabilities held for sale are presented separately on two lines of the consolidated balance sheet, and income and expenses continue to be recognized in the consolidated income statement on a line-by-line basis. The reclassified assets are carried at the lower of their fair value less costs to sell and their carrying amount. At the end of each reporting period, the value of the assets and liabilities held for sale is reviewed to determine whether any provision adjustments should be recorded due to a change in their fair value less costs to sell.

An operation is classified as discontinued when it represents a separate major line of business for the Group, and when the criteria for classification as an asset held for sale have been met, or when the Group has sold the asset. Discontinued operations are reported on a single line in the Group's income statement. This line shows the aftertax net income from discontinued operations until the date of disposal and the gains or losses net of taxes realized on the disposals of these operations. In addition, cash flows generated by the discontinued operations are reported, by type of operation, on a separate line in the consolidated statement of cash flows for the relevant periods.

4.1.4 Intragroup transactions

All intragroup transactions in the balance sheet and income statement are eliminated in consolidation.

4.1.5 Translation of the financial statements of foreign companies

The consolidated financial statements are presented in euros, which is Compagnie de Saint-Gobain's functional and presentation currency.

Assets and liabilities of subsidiaries outside the Eurozone are translated into euros at the closing exchange rate, while income and expense items are translated using the average exchange rate for the period.

The Group's share of any translation gains or losses is included in equity under "Cumulative translation adjustments" until the assets or liabilities and all foreign operations to which they relate are sold, liquidated or deconsolidated. In this case, these translation differences are either taken to the income statement, if the transaction results in a loss of control, or recognized directly in the statement of changes in equity, if the change in minority interests does not result in a loss of control.

4.1.6 Foreign currency transactions

Expenses and income from operations in currencies other than the Company's functional currency are translated at the exchange rates prevailing at the transaction date. Assets and liabilities denominated in foreign currencies are translated at the closing rate and any exchange differences are recorded in the income statement. However, exchange differences relating to loans and borrowings between consolidated Group companies are recorded in equity, net of tax, under "Cumulative translation adjustments", as they are in substance an integral part of the net investment in a foreign subsidiary.

4.1.7 Hyperinflation

Under IAS 29, "Financial Reporting in Hyperinflationary Economies", financial statements prepared based on historical cost must be restated. This involves applying a general price index that enables the financial statements to be presented in the measuring unit in force at the reporting date. All non-monetary assets and liabilities must therefore be adjusted for inflation in order to reflect changes in purchasing power at the reporting date. Similarly, the income statement is adjusted for inflation during the period. Monetary items do not need to be restated as they already reflect purchasing power at the reporting date.

Argentina

Argentina has been classified as a hyperinflationary economy since July 1, 2018. IAS 29 therefore applies to entities using the Argentine peso as their functional currency (based on the table of indices issued by FACPCE).

Lebanon

Lebanon has been classified as a hyperinflationary economy since October 2020. As from December 31, 2020, IAS 29 is therefore applicable to entities using the Lebanese pound as their functional currency.

The Group's exposure to Lebanon is not material, as sales and total non-current assets in the country represent less than 1% of the Group's consolidated data.

Turkey

Since February 2022, Turkey has had a three-year cumulative inflation rate above 100% and was therefore included in the list of hyperinflationary economies in March 2022. The Group's exposure to Turkey is not material, as sales and total non-current assets in the country represent less than 1% of the Group's consolidated data.

4.2 Changes in Group structure

Significant changes in the Group's structure during 2022 and 2021 are presented below and a list of the main consolidated companies at December 31, 2022 is provided in note 16, p. 326.

4.2.1 Transactions carried out in 2022

In 2022, Saint-Gobain acquired 36 consolidated companies for a total purchase price of €3,712 million. The Group also sold 19 consolidated companies for a net sale price of €539 million.

Main acquisitions in 2022

In 2022, acquisitions represented full-year sales of €1,866 million and EBITDA of approximately €300 million.

- On January 2, 2022, Saint-Gobain completed the acquisition of Igland Industrier AS, a manufacturer of prefabricated garages for villas, which also has an assembly services network in Norway.
- On January 7, 2022, Saint-Gobain completed the acquisition of Fischer Ag, a Swiss kitchen and household appliance installation and repair company.
- On February 4, 2022, Saint-Gobain completed the acquisition of Rockwool India Pvt Ltd, a major player in the production of stone wool in India. This followed the announcement on December 21, 2021 of the agreement signed by Saint-Gobain with the Alghanim group.
- On April 1, 2022, Saint-Gobain finalized the acquisition of Impac, a leading player in the construction chemicals market in Mexico. This acquisition consolidates the Group's leadership in Latin America while accelerating its growth in the region by enriching its range of solutions for light and sustainable construction.
- On May 12, 2022, Saint-Gobain announced the acquisition of Global SFC, a major player in nanoceramic window film coatings located in South Korea. The acquisition, which closed on April 22, 2022, will enhance the insulating properties of the Solar Gard film line, a world leader in innovative solar control and surface protection film technologies for the sustainable construction and mobility markets.
- On the same date, Saint-Gobain announced the acquisition of Monofrax LLC, a leading regional player in fused cast refractories in the United States. This acquisition, which closed on April 20, 2022, will enhance Saint-Gobain's global footprint and enable further localization of refractory production close to the end-customer. It will enable the development of high-end glass melting applications and further decarbonization of light metal smelting processes.
- On August 1, 2022, Saint-Gobain announced that it had completed the acquisition of Kaycan on July 29, 2022. Kaycan is a family-owned manufacturer and distributor of exterior building materials in Canada and the United States. Thanks to its leading position on siding in Canada, this acquisition reinforces Saint-Gobain's worldwide leadership in light and sustainable construction by becoming the top siding player in Canada and enlarging its vinyl offer across the United States.

The acquisition of Kaycan represents pro forma full-year sales of €409 million and €70 million in EBITDA for 2022.

- On September 27, 2022, Saint-Gobain completed the acquisition of GCP Applied Technologies, a major global player in construction chemicals. Offering highly complementary geographic and commercial footprints with Chryso, the acquisition of which was completed in September 2021, GCP represents a unique opportunity for Saint-Gobain to establish a leading worldwide presence in the growing construction chemicals sector, and furthers the Group's strategy as a worldwide leader in light and sustainable construction.

The acquisition of GCP Applied Technologies represents pro forma full-year sales of €952 million and €162 million in EBITDA for 2022.

- Saint-Gobain completed the acquisition of Matchem in Brazil on December 22, 2022. Together with Quartzolit, a leading mortars company, TekBond, a specialist in sealants and adhesives, and the recently acquired GCP Applied Technologies, Matchem rounds out Saint-Gobain's construction chemicals line-up with a Brazilian market leader boasting 24 production sites. This acquisition will allow Saint-Gobain to strengthen its position in construction chemicals, in particular concrete admixtures which play a key role in the decarbonization of the construction industry. Matchem will be consolidated in 2023.

The process of identifying and measuring at fair value the assets acquired and liabilities assumed within the scope of the acquisitions carried out in 2022 began during the year and will be finalized within 12 months of each acquisition date.

The Group completed the fair value measurement of each major category of Chryso assets acquired and liabilities assumed in the first half of 2022. The amounts allocated to customer relationships and brands represent €326 million and €174 million, respectively, bringing goodwill to €493 million following allocation of the purchase price.

The table below shows the fair value measurement of each major category of assets acquired and liabilities assumed at December 31, 2022:



(in EUR millions)	GCP Applied Technologies	Kaycan	Other newly-consolidated companies	Total at the acquisition date
Intangible assets	811	505	375	1,691
Property, plant and equipment, and right-of-use assets	264	5	98	367
Financial assets and other non-current assets	51	1	24	76
NON-CURRENT ASSETS	1,126	511	497	2,134
Inventories	165	138	47	350
Trade accounts receivable	190	78	36	304
Other receivables	30	4	14	48
Cash and cash equivalents	213	27	24	264
CURRENT ASSETS	598	247	121	966
Non-current portion of long-term debt and lease liabilities	53		14	67
Non-current portion of provisions and other liabilities	261	140	104	505
NON-CURRENT LIABILITIES	314	140	118	572
Current portion of long-term debt and lease liabilities	7		8	15
Current portion of provisions and other liabilities	19			19
Trade accounts payable	109	49	43	201
Other payables	176	21	39	236
Short-term debt and bank overdrafts	155	17	14	186
CURRENT LIABILITIES	466	87	104	657
TOTAL FAIR VALUE OF NET ASSETS ACQUIRED	944	531	396	1,871
Acquisition cost of shares	2,430	886	313	3,629
Minority interests	4		4	8
GOODWILL	1,490	355	(79)	1,766

Main disposals in 2022

In 2022, disposals represent full-year sales of €1,043 million.

The main companies deconsolidated in 2022 are summarized below:

- On January 10, 2022, Saint-Gobain completed the sale of Glassolutions, its regional glass processing business in Denmark, to German glassmaker Sencoglas Holding GmbH.
- On February 4, 2022, Saint-Gobain announced the sale of its regional glass processing business Baltiklaas Oü in Estonia to Polar Glass Oü, a subsidiary of Barrus AS.
- On February 17, 2022, Saint-Gobain signed an agreement for the sale of CTD Tile Group, its specialist tiling distributor in the United Kingdom, to Aurelius Investments, and an agreement for the sale to Wolseley UK of Ideal Bathrooms, the Group's remaining United Kingdom distribution brand specialized in plumbing, heating and sanitaryware.
- On February 28, 2022, Saint-Gobain completed the sale of three of its remaining four United Kingdom distribution brands specializing in plumbing, heating and sanitaryware (Neville Lumb, DHS and Bassetts) to Wolseley UK.



- On May 12, 2022, Saint-Gobain announced the sale of International Decorative Surfaces (IDS), its specialist flooring, worktop and laminate distribution business in the United Kingdom, to Chiltern Capital.
- On the same date, Saint-Gobain signed binding agreements for the divestment of two glass processing facilities specialized in the manufacture of double glazing in the United Kingdom.
- On May 27, Saint-Gobain announced the sale of its Austrian glass processing subsidiaries, Eckelt Glas and Glas Ziegler, to the privately-owned German group Aequita, as well as the sale of its holding in the joint venture Glaskontor Erfurt - a glass processing business in Germany - to the Caleoglas group.
- On September 2, 2022, Saint-Gobain announced that it had closed the sale of the Saint-Gobain Glassolutions Grand Ouest glass processing business to a group of private investors, led by former Saint-Gobain managers.
- On September 30, 2022, Saint-Gobain finalized the sale of Protrae, its wood processing and distribution business in Denmark, to its main customer Jem & Fix.
- On the same date, Tadmar, a distribution brand specialized in plumbing, heating and sanitaryware products in Poland, was sold to Polish company 3W.
- On December 1, 2022, Saint-Gobain completed the sale of its worldwide Crystals and Detectors business to a consortium led by SK Capital Partners associated with Edgewater Capital Partners, both US private equity funds with expertise in advanced materials.
- On December 29, 2022, the Group finalized the sale of certain ceramic activities for the traditional steel market. These activities, comprising the Vinhedo site in Brazil and the Latrobe site in the United States, were sold to the Japanese group Shinagawa Refractories Corporation.

These disposals are part of Saint-Gobain's continued portfolio optimization strategy to enhance the Group's growth and profitability profile in line with the objectives of its "Grow & Impact" plan.

4.2.2 Transactions carried out in 2021

In 2021, Saint-Gobain acquired 31 consolidated companies for a total purchase price of €985 million. The Group also sold 12 consolidated companies for a sale price of €187 million.

The main transactions are summarized below:

- On February 15, 2021, Saint-Gobain finalized the disposal of Saniplus in Spain to the Spanish group Stonewall Ventures SL with the sale of Saniplast, its civil engineering materials distribution business. This follows the disposal of Sanigrif, its plumbing, heating and sanitary distribution business, at the end of 2020.
- On February 19, 2021, in accordance with the agreement to strengthen its partnership with El Volcan in Argentina and Peru, Saint-Gobain acquired El Volcan Soluciones Constructivas, which specializes in the production and sale of plasterboard in Peru.
- On March 15, 2021, Saint-Gobain announced that it had acquired a majority stake in Brüggemann, one of Germany's leading companies in the manufacture and installation of turnkey modular timber construction solutions for new construction and renovation in Germany.
- On May 28, 2021, Saint-Gobain sold La Plataforma - its construction materials distribution business in Spain - to the Bigmat group, and on July 5, 2021 completed the disposal of its Discesur banner to the Jorge Fernandez group in association with the Terrapilar group.
- On May 31, 2021, Saint-Gobain announced that it had sold Saint-Gobain Glassolutions Objekt-Center, which specializes in glass processing operations as part of the Glassolutions network in Germany, to the German privately-owned Aequita group based in Munich.
- After having entered into exclusive negotiations on November 9, 2020, Saint-Gobain announced on June 1, 2021 that it had finalized the sale of Lapeyre and its subsidiaries in France to Mutares, a company listed in Frankfurt.
- On July 12, 2021, Saint-Gobain signed an agreement to sell Graham, its plumbing, heating and sanitaryware specialist distribution business in the United Kingdom, to UK Plumbing Supplies and Wolseley.
- On July 15, 2021, Saint-Gobain completed the acquisition of Russia's Scientific and Production Company Adhesive LLC, a specialist company that controls the entire polyurethane and epoxy production cycle in order to develop, manufacture and supply a wide range of high quality products for the construction, transportation and aerospace markets.
- On July 28, 2021, Saint-Gobain completed the sale of PAM China assets and liabilities (SG Pipelines Co. Ltd), further to the signature on April 16, 2021 of an agreement for the sale in second-half 2021 of 67% of its Pipe business in China to a consortium led by local management.
- After entering into exclusive negotiations on January 4, 2021, on July 30, 2021 Saint-Gobain completed the sale of Saint-Gobain Distribution The Netherlands (SGD NL), operating in the Netherlands under the Raab Karcher, Tegelgroep Nederland, Galvano and Van Keulen brands, to the BME group (Building Materials Europe).
- On August 31, 2021, the Group announced the sale of French flat glass processing and shaping company Aurys to a former Saint-Gobain manager.
- On August 31, 2021, Saint-Gobain also announced that it had sold German tempered glassmaker GVG Deggendorf to the Swiss Arbonia group.
- On September 1, 2021, Saint-Gobain acquired Netherlands-based Equflow BV, a leading designer and supplier of flowmeters for the single-use bioprocessing market. This acquisition expands the Group's range of single-use fluid management solutions.

–On September 29, 2021, in line with its May 20, 2021 announcement, Saint-Gobain announced that it had completed the acquisition of Chryso, a leading global player on the construction chemicals market thanks to its comprehensive additives solutions for sustainable construction. This acquisition, perfectly in line with Saint-Gobain's strategy to position itself as a world leader in sustainable construction, allows the Group to strengthen its presence on the growing construction chemicals market, while benefiting from cost and sales synergies.

–On September 30, 2021, Saint-Gobain completed the acquisition of Romanian group Duraziv specializing in the production of adhesives and other value-added construction chemicals solutions.

–On September 30, 2021, in line with its May 11, 2021 announcement, Saint-Gobain completed the acquisition of the French company Panofrance, a specialist distributor of timber and panels for the construction and furnishing industries.

–On October 1, 2021, Saint-Gobain acquired a majority stake in Abe Mauritius, a leading supplier of waterproofing, admixtures and technical mortar solutions and a Chryso brand licensee.

–On October 4, 2021, Saint-Gobain announced that it had completed the acquisition of Raboni Normandie, a multi-specialist distributor of construction materials on the dynamic home renovation and energy efficiency market in France.

–On November 10, 2021, Saint-Gobain announced that it had acquired a minority stake in Livspace, a digital company focused on the growing residential housing markets in India and South-East Asia.

–On November 15, 2021, the Group announced that it had acquired a gypsum plant in Nairobi, Kenya. This will be Saint-Gobain's first production site in Kenya, where it will also invest in a construction chemicals production line.

At December 31, 2021, acquisitions represented full-year sales of around €816 million and €123 million in EBITDA. Disposals represented full-year sales of around €1,856 million, of which €641 million relates to the disposal of Lapeyre.

4.3 Assets and liabilities held for sale

On December 12, 2022, Saint-Gobain announced that it had signed an agreement to sell all of its United Kingdom merchandising brands - including the builders and timber merchant Jewson - to the Stark group. The transaction, which is not subject to any external conditions, is expected to close in the first quarter of 2023, following which Saint-Gobain will no longer have any distribution businesses in the United Kingdom.

These disposals are part of Saint-Gobain's portfolio optimization strategy, which is designed to improve the Group's growth and profitability profile.

Since the assets and liabilities held for sale meet the qualifying criteria (see note 4.1.3, p. 279), the United Kingdom distribution companies' balance sheets were combined and measured as assets and liabilities held for sale in the consolidated balance sheet at December 31, 2022, in accordance with IFRS 5.

These entities in the process of being sold were not considered as discontinued operations within the meaning of IFRS 5 as they do not represent a major line of business for the Group.

However, all companies classified as assets and liabilities held for sale in 2021 were disposed of in 2022.

Assets and liabilities held for sale break down as follows:

(in EUR millions)	Dec. 31, 2022	Dec. 31, 2021
Intangible assets, property, plant and equipment, right-of-use assets and other non-current assets	529	66
Inventories, trade accounts receivable and other receivables	851	159
Cash and cash equivalents	14	2
ASSETS HELD FOR SALE	1,394	227
Provisions for pensions and other employee benefits	(1)	3
Other current and non-current liabilities and provisions	50	11
Trade accounts payable, other payables and other current liabilities	603	98
Debt and bank overdrafts	333	55
LIABILITIES HELD FOR SALE	985	167
NET ASSETS (LIABILITIES) HELD FOR SALE	409	60

4.4 Changes in the number of consolidated companies

At December 31, 2022, the number of consolidated companies was as follows:

	France	Outside France	Total
Fully consolidated companies			
At December 31, 2021	126	634	760
Newly consolidated companies	10	108	118
Merged companies	(15)	(20)	(35)
Deconsolidated companies	(3)	(16)	(19)
At December 31, 2022	118	706	824
Equity-accounted companies and joint arrangements			
At December 31, 2021	3	85	88
Newly consolidated companies		6	6
Deconsolidated companies		(6)	(6)
At December 31, 2022	3	85	88
TOTAL AT DECEMBER 31, 2021	129	719	848
TOTAL AT DECEMBER 31, 2022	121	791	912

4.5 Off-balance sheet commitments related to companies within the scope of consolidation

Non-cancelable purchase commitments represented approximately €50 million at December 31, 2022 and include the acquisition of IDP Chemicals in Egypt and Tèrmica San Luis in Argentina.

NOTE 5 INFORMATION CONCERNING THE GROUP'S OPERATING ACTIVITIES

5.1 Income statement items

5.1.1 Revenue recognition

Revenue generated by the sale of goods or services is recognized net of rebates, discounts and sales taxes when control of the goods or services has been transferred to the customer. Revenue generated by the sale of goods is primarily recognized at the time the goods are delivered. Revenue generated by the sale of services is recognized when the services have been rendered, or based on the stage of completion of the services, as calculated based on costs incurred. Similarly, within the Distribution entities, estimated returns are recognized as a deduction from revenue (sales) and reclassified within inventories for their net carrying amount, since there is a possibility that goods will be returned within the allotted timeframe. A liability relating to future refunds for goods returned is also recognized.

Revenue generated under construction contracts is accounted for by the Group's companies on a percentage-of-completion basis, as calculated based on costs incurred. The related costs are expensed as incurred. When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognized to the extent of contract costs incurred that it is probable will be recovered. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognized as an expense immediately.

Construction contract revenues are not material in relation to total consolidated sales.

5.1.2 Operating income

Operating income is a measure of the performance of the Group's different reporting segments and has been used by the Group as its key external and internal management indicator for many years. Foreign exchange gains and losses are included in operating income, as are changes in the fair value of financial instruments that do not qualify for hedge accounting when they relate to operating items. The share of income of core business equity-accounted companies is also posted under operating income.

Supplier discounts granted to entities in the Distribution business are included in operating income as a reduction of cost of sales. Contractual supplier discounts are customary practice in the industrial goods distribution sector. These discounts are mostly calculated by applying a contractually guaranteed rate by product type to volumes purchased. The calculation is made automatically, based on the supplier invoices. Consequently, little judgment is needed when determining the amounts to be recognized in the income statement for these discounts. Other discounts are calculated based on a step mechanism linked to specified targets, whereby the percentage discount increases as the entity achieves the various targets over a given period. In this case, judgment is required based on historical data, past performance and future trends in order to determine the discount to be recognized in the income statement. Such judgment is exercised in a prudent manner and consistently from one period to the next.

5.1.3 Business income

Business income includes all income and expenses other than financial income and expense, the Group's share in net income of non-core business equity-accounted companies, and income taxes.

Business income is detailed by type below:

(in EUR millions)	2022	2021
SALES	51,197	44,160
Personnel expenses:		
Salaries and payroll taxes ⁽¹⁾	(8,995)	(8,296)
Share-based payments ⁽²⁾	(43)	(58)
Pensions and employee benefit obligations ⁽²⁾	(189)	(249)
Depreciation and amortization of property, plant and equipment, intangible assets and right-of-use assets ⁽³⁾	(2,048)	(1,934)
Share in net income of core business equity-accounted companies	61	52
Other ⁽⁴⁾	(34,646)	(29,168)
OPERATING INCOME	5,337	4,507
Other business income	245	176
Other business expense ⁽³⁾	(1,000)	(747)
OTHER BUSINESS INCOME AND EXPENSE	(755)	(571)
BUSINESS INCOME (EXPENSE)	4,582	3,936

⁽¹⁾ The year-on-year increase in salaries and payroll taxes in 2022 is attributable to bullish trading during the year and an unfavorable exchange rate effect.

⁽²⁾ Share-based payments (IFRS 2 expense) and changes in employee benefit expenses are detailed in note 6, p. 291.

⁽³⁾ Total depreciation and amortization of property, plant and equipment, intangible assets and right-of-use assets, along with amortization charged against intangible assets within the scope of purchase price accounting (PPA), represented €2,164 million in 2022 versus €1,986 million in 2021.

⁽⁴⁾ The "Other" operating income line relates to cost of sales, supplier discounts and selling expenses for Distribution entities, and to transport costs, raw materials costs, and other production costs for the other entities. This item also includes research and development expenditure recorded under operating expenses, amounting to €520 million in 2022 (2021: €447 million).

5.1.4 Other business income and expense

Other business income and expense mainly include changes in provisions for claims and litigation (excluding those arising in the ordinary course of operations) and environmental matters, disposal gains and losses, asset impairment, amortization charged against intangible assets within the scope of purchase price accounting, restructuring costs incurred upon the disposal or discontinuation of operations and the costs of workforce reduction measures.

Other business income and expense can be analyzed as follows:

(in EUR millions)	2022	2021
Impairment of assets ⁽¹⁾	(299)	(213)
Amortization of intangible assets related to PPA ⁽²⁾	(116)	(52)
Other business expense ⁽³⁾	(323)	(243)
Impairment of assets and other business expenses	(738)	(508)
Gains on disposals of non-current assets	245	176
GAINS AND LOSSES ON DISPOSALS, ASSET IMPAIRMENT, IMPACT OF CHANGES IN GROUP STRUCTURE	(493)	(332)
NON-OPERATING INCOME AND EXPENSE⁽⁴⁾	(262)	(239)
OTHER BUSINESS INCOME AND EXPENSE	(755)	(571)

⁽¹⁾ The "Impairment of assets" line includes the impairment of goodwill, other intangible assets, property, plant and equipment, right-of-use assets, assets held for sale and other assets and mostly concerns the Distribution activities in the United Kingdom in 2022.

⁽²⁾ Amortization charged against brands and customer lists is included on a separate line within "Impairment of assets and other business expenses" together with other gains and losses arising on business combinations which are not taken into account when determining the performance of the Group's operating segments.

⁽³⁾ As in 2021, other business expense mainly includes capital losses on assets divested or scrapped, acquisition fees and contingent consideration incurred in connection with business combinations;

⁽⁴⁾ Non-operating income and expense mainly include claims-related expenses and restructuring costs.

5.2 Segment information

In accordance with IFRS 8, segment information reflects the Group's internal organization as presented to management. The Group has chosen to present segment information in line with its internal reporting. Segment assets and liabilities include net property, plant and equipment, working capital, goodwill and net other intangible assets, after deducting deferred taxes on brands and land, and assets and liabilities held for sale. Capital expenditure corresponds to acquisitions of property, plant and equipment and does not include right-of-use assets.

The Group is organized into five reporting units: four regional businesses and a global High Performance Solutions unit. Segment information is presented for:

–High Performance Solutions (HPS), which is organized by market for global customers, i.e., Mobility, Life Sciences, Construction Industry and Industry.

And for four regions:

–Northern Europe, comprising the Nordic countries, United Kingdom, Ireland, Switzerland, Germany, Austria, Eastern Europe and Russia;

–Southern Europe - Middle East (ME) & Africa, comprising France, Benelux, Mediterranean, Middle East and Africa;

–Americas, comprising North America and Latin America;

–Asia-Pacific, comprising the Asia region and India;

–Other, comprising the Group's various holding companies.

Segment information for 2022 and 2021 is as follows:

2022



(in EUR millions)	High Performance Solutions ⁽²⁾	Northern Europe	Southern Europe ⁽²⁾ - ME & Africa	Americas ⁽²⁾	Asia-Pacific	Other ⁽¹⁾
Sales	9,648	16,413	15,198	9,064	2,132	(1,258)
Operating income (loss)	1,155	1,279	1,219	1,462	257	(35)
Business income (loss)	1,047	951	1,145	1,281	249	(91)
Share in net income of equity-accounted companies	2	13	12	30	6	3
Operating depreciation and amortization	383	620	587	305	104	49
Impairment of assets	4	215	7	52	7	0
EBITDA	1,371	1,872	1,761	1,740	360	19
Acquisitions of property, plant and equipment and intangible assets ⁽³⁾	406	445	434	430	198	27
Goodwill, net ⁽⁴⁾	3,162	4,207	2,067	3,130	292	0
Brands, customer relationships and intellectual property ⁽⁴⁾	1,014	1,048	503	1,058	0	0
Total segment assets and liabilities ⁽⁴⁾	8,165	9,006	7,441	7,221	1,431	258
(in EUR millions)						Group Total
Sales						51,197
Operating income (loss)						5,337
Business income (loss)						4,582
Share in net income of equity-accounted companies						66
Operating depreciation and amortization						2,048
Impairment of assets						285
EBITDA						7,123
Acquisitions of property, plant and equipment and intangible assets ⁽³⁾						1,940
Goodwill, net ⁽⁴⁾						12,858
Brands, customer relationships and intellectual property ⁽⁴⁾						3,623
Total segment assets and liabilities ⁽⁴⁾						33,522

⁽¹⁾ "Other" corresponds to the elimination of intragroup transactions for internal sales, and holding company transactions for the other captions.

⁽²⁾ France and United States sales represent €12,341 million and €8,135 million, respectively. Segment assets for France and the United States represent €8,333 million and €7,535 million, respectively.

⁽³⁾ Capital expenditure does not include right-of-use assets.

⁽⁴⁾ "Net goodwill" and "Brands, customer relationships and intellectual property" do not include assets relating to companies held for sale (assets and liabilities relating to companies held for sale are however included in the line "Total segment assets and liabilities").



2021

(in EUR millions)	High Performance Solutions ⁽²⁾	Northern Europe	Southern Europe ⁽²⁾ - ME & Africa	Americas ⁽²⁾	Asia- Pacific	Other ⁽¹⁾
Sales	7,511	15,028	14,044	6,815	1,787	(1,025)
Operating income (loss)	931	1,100	1,166	1,123	211	(24)
Business income (loss)	712	966	1,019	1,012	252	(25)
Share in net income of equity-accounted companies	1	14	1	32	6	2
Operating depreciation and amortization	332	623	575	262	91	51
Impairment of assets	7	90	78	11	2	0
EBITDA	1,098	1,709	1,715	1,358	302	20
Acquisitions of property, plant and equipment and intangible assets ⁽³⁾	346	424	395	276	134	16
Goodwill, net ⁽⁴⁾	2,697	4,239	2,038	1,924	283	0
Brands, customer relationships and intellectual property ⁽⁴⁾	270	1,050	490	389	0	0
Total segment assets and liabilities ⁽⁴⁾	6,736	9,265	7,224	4,940	1,383	328
(in EUR millions)						Group Total
Sales						44,160
Operating income (loss)						4,507
Business income (loss)						3,936
Share in net income of equity-accounted companies						56
Operating depreciation and amortization						1,934
Impairment of assets						188
EBITDA						6,202
Acquisitions of property, plant and equipment and intangible assets ⁽³⁾						1,591
Goodwill, net ⁽⁴⁾						11,181
Brands, customer relationships and intellectual property ⁽⁴⁾						2,199
Total segment assets and liabilities ⁽⁴⁾						29,876

⁽¹⁾ "Other" corresponds to the elimination of intragroup transactions for internal sales, and holding company transactions for the other captions.

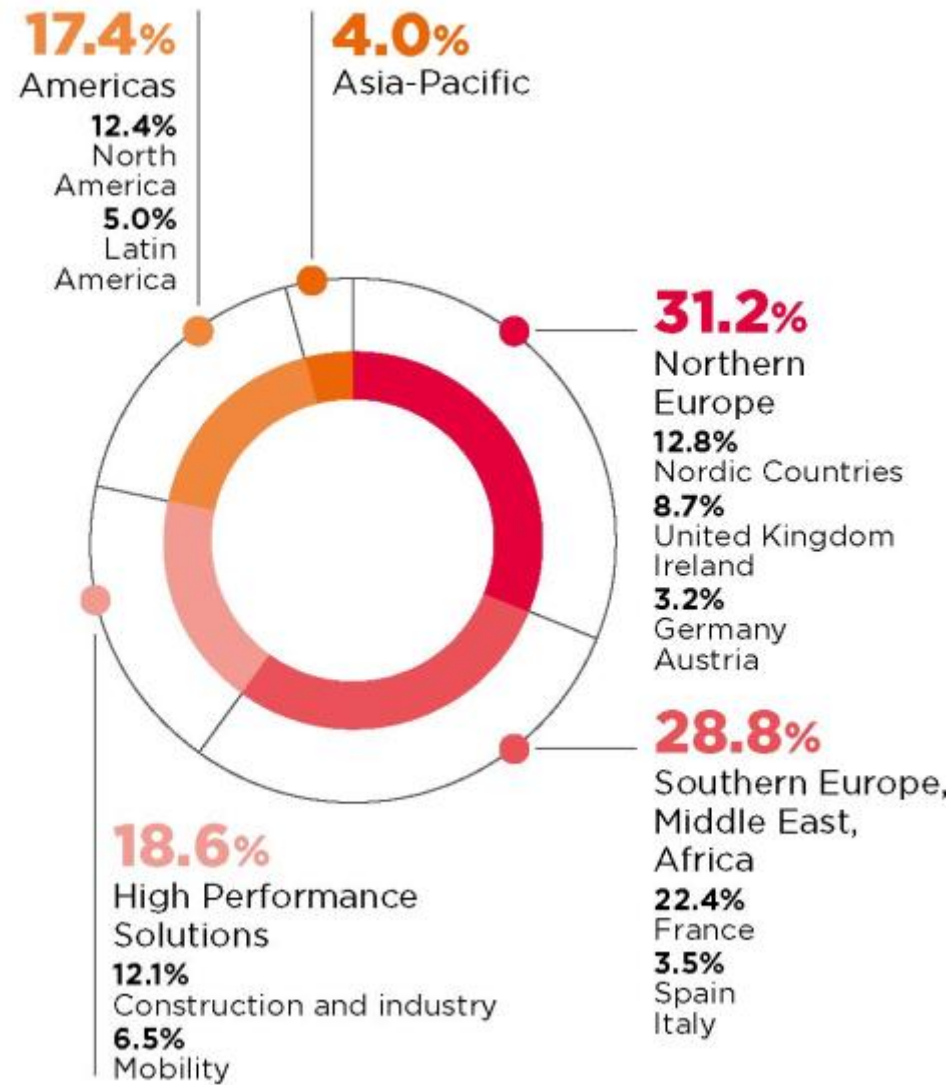
⁽²⁾ France, United States and United Kingdom sales represent €11,346 million, €6,187 million and €4,441 million, respectively. France, United States and United Kingdom segment assets represent €7,503 million, €5,581 million and €2,742 million, respectively.



⁽³⁾ Capital expenditure does not include right-of-use assets.

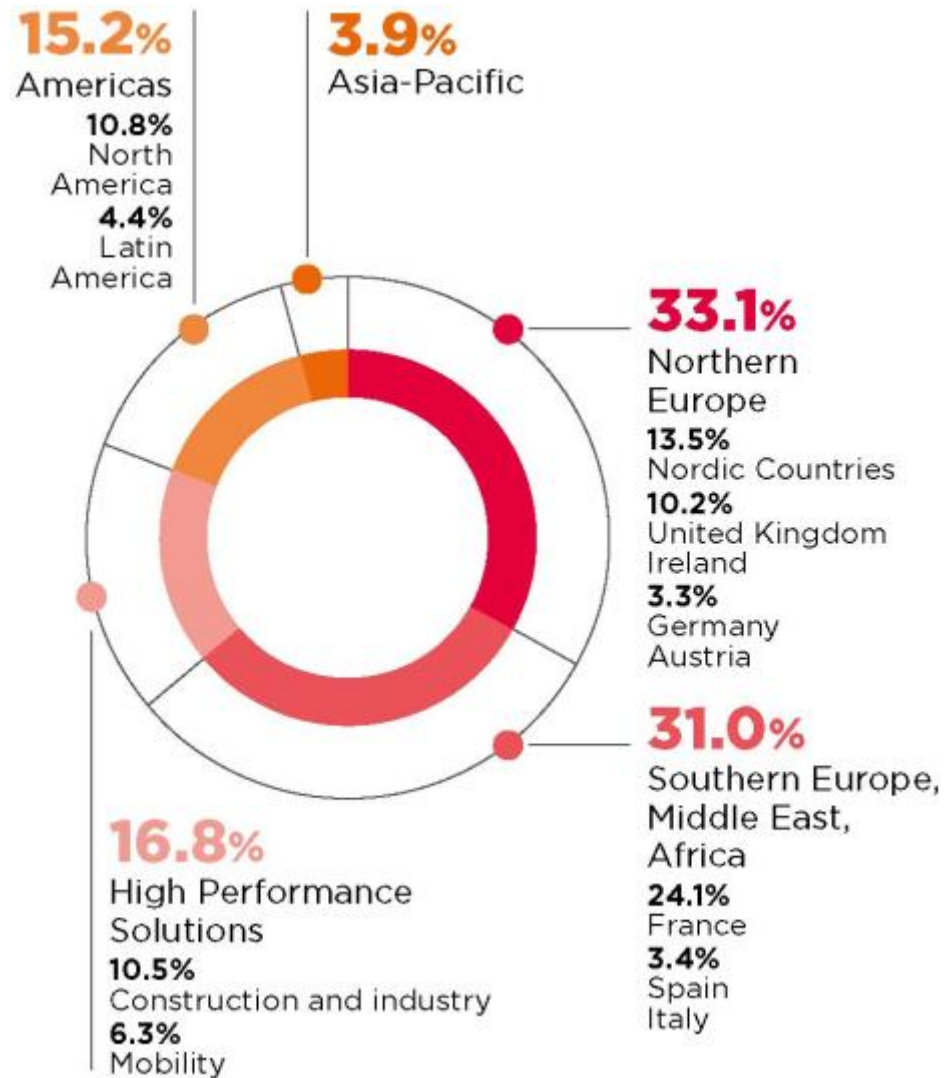
⁽⁴⁾ "Net goodwill" and "Brands, customer relationships and intellectual property" do not include assets relating to companies held for sale (assets and liabilities relating to companies held for sale are however included in the line "Total segment assets and liabilities").

In 2022, the breakdown of sales by segment and for the Group's main countries is as follows:





In 2021, the breakdown of sales by segment was as follows:



5.3 Performance indicators

5.3.1 EBITDA

EBITDA represents operating income plus depreciation and amortization of property, plant and equipment, intangible assets and right-of-use assets, as well as non-operating income and expense.

EBITDA amounted to €7,123 million in 2022 (2021: €6,202 million), calculated as follows:

(in EUR millions)	2022	2021
Operating income	5,337	4,507
Depreciation/amortization of property, plant and equipment and intangible assets	1,332	1,255
Depreciation of right-of-use assets	716	679
Non-operating income and expense	(262)	(239)
EBITDA	7,123	6,202

5.3.2 Free cash flow

Free cash flow (FCF) represents the surplus cash generated from the entity's operations. Free cash flow represents EBITDA plus net financial income/(expense), income tax and changes in working capital, less depreciation of right-of-use assets and investments in property, plant and equipment and intangible assets excluding additional capacity investments.

5.3.3 Operating free cash flow

Operating free cash flow (OFCF) represents the surplus cash generated from the entity's operations and is calculated as operating income plus non-operating income and expense and changes in working capital, less operating depreciation and amortization, investments in property, plant and equipment and intangible assets, and right-of-use assets.

5.3.4 Return on capital employed

Return on capital employed (ROCE) corresponds to annualized operating income adjusted for changes in the scope of consolidation (based on 12 months' of operating income for acquired companies and with no operating income taken into account for divested companies), expressed as a percentage of total assets at the year end. Total assets include net property, plant and equipment, working capital, net goodwill, other intangible assets and assets and liabilities held for sale, but exclude deferred tax assets arising on non-amortizable brands, customer relationships and land.

5.3.5 Recurring net income

Recurring net income corresponds to income after tax and minority interests but before disposal gains or losses, asset impairment, material non-recurring provisions and the related tax and non-controlling interests.

Recurring net income totaled €3,335 million in 2022 (2021: €2,815 million). Based on the weighted average number of shares outstanding at December 31 (514,372,413 shares in 2022 and 526,244,506 shares in 2021), recurring earnings per share amounted to €6.48 in 2022 and €5.35 in 2021.

The difference between net income and recurring net income corresponds to the following items:



(in EUR millions)	2022	2021
GROUP SHARE OF NET INCOME	3,003	2,521
Less:		
Gains and losses on disposals of assets	(42)	(7)
Impairment of assets and other	(333)	(272)
Changes in provisions for non-recurring items	(16)	0
Impact of non-controlling interests	2	(1)
Tax on disposal gains and losses, asset impairment, non-recurring provisions and write-downs of deferred taxes on tax loss carry-forwards	57	(14)
GROUP SHARE OF RECURRING NET INCOME	3,335	2,815

5.4 Working capital

Working capital can be analyzed as follows:

(in EUR millions)	Dec. 31, 2022	Dec. 31, 2021
INVENTORIES, NET	7,219	6,598
TRADE ACCOUNTS RECEIVABLE, NET	5,178	5,104
Other operating receivables	1,337	1,424
Other non-operating receivables	113	80
OTHER RECEIVABLES, NET	1,450	1,504
CURRENT TAX RECEIVABLE	76	166
TRADE ACCOUNTS PAYABLE	7,266	6,903
Other operating payables	4,428	4,153
Other non-operating payables	650	655
OTHER PAYABLES	5,078	4,808
CURRENT TAX LIABILITIES	263	236
Operating working capital	2,040	2,070
Non-operating working capital (including current tax receivable and liabilities)	(724)	(645)
WORKING CAPITAL	1,316	1,425

5.4.1 Inventories

Inventories are stated at the lower of cost and net realizable value. The cost of inventories includes purchase costs (net of supplier discounts), processing costs and other costs incurred in bringing the inventories to their present location and condition. Cost is generally determined using the weighted-average cost method, and in some cases the First-In-First-Out (FIFO) method. Inventory costs may also include the transfer from equity of any gains/losses on qualifying cash flow hedges of foreign currency purchases of raw materials. Net realizable value is the selling price in the ordinary course of business, less estimated completion and selling costs. No account is taken in the inventory valuation process of the impact of below-normal capacity utilization rates.

At December 31, 2022 and 2021, inventories were as follows:

(in EUR millions)	Dec. 31, 2022	Dec. 31, 2021
Gross value		
Raw materials	2,152	1,726
Work in progress	446	367
Finished goods	5,246	5,033
GROSS INVENTORIES	7,844	7,126
Provisions for impairment		
Raw materials	(233)	(191)
Work in progress	(17)	(16)
Finished goods	(375)	(321)
TOTAL PROVISIONS FOR IMPAIRMENT	(625)	(528)
INVENTORIES, NET	7,219	6,598

The net value of inventories was €7,219 million at December 31, 2022 compared with €6,598 million at December 31, 2021. Impairment losses on inventories recorded in the 2022 income statement totaled €332 million (2021: €279 million). Reversals of impairment losses on inventories amounted to €222 million in 2022 (2021: €219 million).

5.4.2 Operating and non-operating receivables and payables

Trade accounts receivable and payable and other receivables and payables are stated at their carrying amount, which approximates their fair value as they generally have maturities of less than three months. Provisions for impairment are booked to cover the risk of total or partial non-recovery, within the limit of expected credit losses.

The Group deems that its exposure to concentrations of credit risk is limited due to its diversified business line-up, broad customer base and global presence. Past-due trade receivables are regularly monitored and analyzed, and impairment losses recognized are adjusted where appropriate.

The Group has various securitization and factoring programs for its trade receivables. Receivables transferred under some of these programs continue to be shown on the balance sheet with a corresponding liability in short-term debt if, based on an analysis of the contracts, the risks associated with the receivables are not transferred in substance to the financing institutions (further information is provided in note 10.3.8, p. 316 and 10.3.10, p. 316).

Trade and other accounts receivable

Trade and other accounts receivable can be analyzed as follows:

(in EUR millions)	Dec. 31, 2022	Dec. 31, 2021
Gross value	5,597	5,449
Provisions for impairment	(419)	(345)
TRADE ACCOUNTS RECEIVABLE, NET	5,178	5,104
Discounts obtained from and advances granted to suppliers	529	636
Prepaid payroll taxes	32	35



(in EUR millions)	Dec. 31, 2022	Dec. 31, 2021
Other prepaid and recoverable taxes (other than income tax)	484	470
Miscellaneous operating receivables	299	289
Other non-operating receivables	113	81
Provision for impairment of other receivables	(7)	(7)
OTHER RECEIVABLES, NET	1,450	1,504

Receivables at December 31, 2022 were stable compared to end-2021.

The impact of movements in provisions and bad debt write-offs represented an expense of €119 million in 2022 versus an expense of €55 million in 2021.

Bad debt write-offs fell to €56 million from €78 million in 2021.

Trade accounts receivable at December 31, 2022 and 2021 are analyzed below by maturity:

(in EUR millions)	Gross value		Impairment		Net value	
	Dec. 31, 2022	Dec. 31, 2021	Dec. 31, 2022	Dec. 31, 2021	Dec. 31, 2022	Dec. 31, 2021
TRADE ACCOUNTS RECEIVABLE NOT YET DUE	4,612	4,616	(81)	(62)	4,531	4,554
Less than 1 month	417	350	(38)	(29)	379	321
1-3 months	173	148	(42)	(30)	131	118
More than 3 months	395	335	(258)	(224)	137	111
TRADE ACCOUNTS RECEIVABLE PAST DUE	985	833	(338)	(283)	647	550
TRADE ACCOUNTS RECEIVABLE	5,597	5,449	(419)	(345)	5,178	5,104

Trade and other accounts payable

Trade and other accounts payable and accrued expenses can be analyzed as follows:

(in EUR millions)	Dec. 31, 2022	Dec. 31, 2021
TRADE ACCOUNTS PAYABLE	7,266	6,903
Downpayments received and rebates granted to customers	1,788	1,636
Payables to suppliers of non-current assets	472	439
Grants received	88	91
Accrued personnel expenses	1,497	1,439
Accrued taxes other than on income	442	403
Other operating payables	701	675

(in EUR millions)	Dec. 31, 2022	Dec. 31, 2021
Other non-operating payables	90	125
OTHER PAYABLES	5,078	4,808

5.5 Off-balance sheet commitments related to operating activities

5.5.1 Non-cancelable purchase commitments

Non-cancelable purchase commitments include contractual commitments to purchase raw materials and services along with firm orders for property, plant and equipment and intangible assets.

(in EUR millions)	Total 2022	Payments due by period			Total 2021
		Due within 1 year	Due in 1 to 5 years	Due beyond 5 years	
Property, plant and equipment and intangible assets	115	39	19	57	129
Raw materials and energy	1,786	659	882	245	1,550
Services	324	121	192	11	155
TOTAL	2,225	819	1,093	313	1,834

5.5.2 Guarantee commitments

In some cases, the Group grants seller's warranties to the buyers of divested businesses. A provision is recognized whenever a risk is identified and the related cost can be estimated reliably. The Group also receives guarantees, amounting to €75 million at December 31, 2022 (December 31, 2021: €56 million).

5.5.3 Commercial commitments

The Group's commercial commitments are shown below:

(in EUR millions)	Total 2022	Commitment amounts by period			Total 2021
		Due within 1 year	Due in 1 to 5 years	Due beyond 5 years	
Security for borrowings	69	39	14	16	51
Other commitments given	255	58	50	147	224
TOTAL	324	97	64	163	275

Guarantees given to the Group in respect of receivables amounted to €81 million at December 31, 2022 (December 31, 2021: €75 million). At December 31, 2022, pledged assets represented €1,054 million (December 31, 2021: €1,095 million) and chiefly concerned non-current assets pledged in the United Kingdom.

5.5.4 Other commitments

A provision for greenhouse gas emissions allowances is recorded in the consolidated financial statements to cover any difference between the Group's emissions and the allowances granted.

The Saint-Gobain Group had 4.4 million tonnes of greenhouse gas emissions allowances at December 31, 2022, which will cover its actual CO₂ emissions for 2022. As a result, no provision has been recorded in this respect in the Group's financial statements.

NOTE 6 EMPLOYEES, PERSONNEL EXPENSES AND EMPLOYEE BENEFIT OBLIGATIONS

6.1 Employees of fully consolidated companies

Average headcount

	2022	2021
Managerial-grade employees	30,372	29,007
Administrative employees	69,623	69,398
Other employees	69,437	68,475
TOTAL AVERAGE NUMBER OF EMPLOYEES	169,432	166,880

Closing headcount

The total number of Group employees for fully consolidated companies was 170,714 employees at December 31, 2022 and 167,816 employees at December 31, 2021.

6.2 Management compensation

Direct and indirect compensation and benefits paid to the members of the Board of Directors and to the Group's senior management were as follows in 2022 and 2021:

(in EUR millions)	2022	2021
Directors' compensation	1.1	1.1
Direct and indirect compensation (gross)		
Fixed portion	9.6	8.7
Variable portion	5.7	5.5
Share-based payment expense (IFRS 2)	9.2	16.2
TOTAL EXCLUDING ESTIMATED COST OF PENSIONS AND OTHER EMPLOYEE BENEFIT OBLIGATIONS (IAS 19)	25.6	31.5
Estimated cost of pensions and other employee benefit obligations (IAS 19)*	7.2	5.7
TOTAL	32.8	37.2

* The 2021 expense took into account the transfer of obligations to a third-party insurer falling within the scope of Article L. 137-11 of the French Social Security Code.

Total gross compensation and benefits paid in 2022 to Saint-Gobain management by the French and foreign companies in the Group (excluding any long-term cash settled compensation) amounted to €15.3 million (2021: €14.2 million), including €5.7 million in gross variable compensation (2021: €5.5 million).

Provisions for pensions and other post-employment benefit obligations (defined benefit obligations [DBO] in respect of length-of-service awards and pensions) accruing to Group management totaled €29.2 million at December 31, 2022 (December 31, 2021: €31 million). The decrease in this item reflects changes during 2021 as well as the transfer of obligations to a third-party insurer falling within the scope of Article L. 137-11 of the French Social Security Code, as taken up in the PACTE Law.

6.3 Provisions for pensions and other employee benefits

6.3.1 Description of defined benefit plans

After retirement, some of the Group's former employees are eligible for pension benefits in accordance with the applicable laws and regulations in the respective countries in which the Group operates. There are also additional pension obligations in certain Group companies, both in France and in other countries.

The Group's obligation for the payment of pensions and length-of-service awards is determined at the end of the reporting period by independent actuaries using the projected unit credit method (taking into account changes in salaries until retirement) and the economic conditions in each country. This obligation may be financed by pension funds, with a provision recognized in the balance sheet for the unfunded portion.

When plan assets exceed the defined benefit obligation, the excess is recognized in other non-current assets under "Net pension assets". The asset ceiling corresponds to the maximum future economic benefit. Changes in the asset ceiling are recognized in equity.

Actuarial gains and losses result from changes in actuarial assumptions, experience adjustments and the difference between the funds' actual and estimated (calculated) rates of return. They are recognized against equity as and when they arise.

The interest cost of these obligations and the return on the related plan assets are measured by the Group using the discount rate applied to estimate the obligation at the beginning of the period, and are recognized as financial income or expense.

The Group's main defined benefit plans are described below.

In France, employees receive length-of-service awards on retirement based on years of service and the calculation methods prescribed in the applicable collective bargaining agreements.

In addition to length-of-service awards, there are three defined benefit plans, all of which are final salary plans. These plans were closed to new entrants by the companies concerned between 1969 and 1997. Effective March 1, 2012, a defined benefit plan complying with Article L. 137-11 of France's Social Security Code (Code de la sécurité sociale) was set up by Compagnie de Saint-Gobain. Pursuant to an order of July 4, 2019 issued in the wake of France's PACTE Law setting out an action plan for business growth and transformation, this plan was closed and any vested rights frozen at December 31, 2019. In 2021, two new plans were set up pursuant to Article L. 137-11-2 resulting from the PACTE Law, effective January 1, 2020. Under these plans, final payments are made to a third-party insurer who takes on responsibility for the liability.

Since 2021, the Group has applied the IFRIC agenda decision, "Attributing Benefit to Periods of Service", which changes the method for calculating obligations under certain defined benefit plans.

In Germany, retirement plans provide pensions and death and disability benefits for employees. These plans have been closed to new entrants since 1996. Since January 1997, new employees have been offered pension plans based on contributions financed jointly by employer and employee.

On January 1, 2019, the main pension plan in the Netherlands covering 80% of employees was converted into a defined contribution plan with a residual defined benefit plan for a transitional period of up to 12 years.

In the United Kingdom, retirement plans provide pensions as well as death and permanent disability benefits. These defined benefit plans - which are based on employees' average salaries over their final years of employment - have been closed to new entrants since 2001. In 2021, the legal structure of the plans was altered, resulting in the closure of the Building Distribution Section to future accrual as of January 1, 2022.

In the United States and Canada, the Group's defined benefit plans are final-salary plans. Since January 1, 2001, new employees have been offered a defined contribution plan.

In the United States and Spain, retired employees receive benefits other than pensions, mainly concerning healthcare. The Group's obligation under these plans is determined using the actuarial method and is covered by a provision recorded in the balance sheet.

Provisions for other long-term employee benefits cover all other employee benefits. These benefits primarily include long-service awards in France, jubilee awards in Germany, deferred compensation, provisions for social security benefits in the United States, and termination benefits in different countries. The related defined benefit obligation is generally calculated on an actuarial basis using the same rules as for pension obligations. Actuarial gains and losses relating to these benefits are recognized immediately in the income statement.

6.3.2 Actuarial assumptions used to measure defined benefit obligations and plan assets

Interest rate assumptions

Assumptions related to mortality, employee turnover and future salary increases take into account the economic conditions specific to each country and Group company. The discount rates are established by region or country based on observed bond rates at December 31, 2022.

For the Eurozone (including France), two discount rates were calculated for first-half 2022 based on the term of the plans using a yield curve model developed by consulting firm Mercer: one rate for plans with a term of 15 years or less and one for plans with a term of over 15 years (2021: one rate for plans with a term of 14 years or less and one for plans with a term of over 14 years).

The rates used in 2022 for the Group's main plans are the following:

(in %)	France		Eurozone (excluding France)		United Kingdom	United States
	Short-term plans	Long-term plans	Short-term plans	Long-term plans		
Discount rate	4.16%	4.23%	4.16%	4.23%	4.85 %	5.20 %
Salary increases	1.90 % to 5.50%		2.70 % to 3.00%		2.00 %*	3.00 %
Inflation rate	2.20%		2.20%		2.50 %	2.50 %

* A cap applies to the reference salaries used to calculate benefit entitlements.

The rates used in 2021 for the Group's main plans were the following:

(in %)	France		Eurozone (excluding France)		United Kingdom	United States
	Short-term plans	Long-term plans	Short-term plans	Long-term plans		
Discount rate	1.06%	1.42%	1.06%	1.42%	1.95 %	2.70 %
Salary increases	1.90 % to 5.50%		2.10 % to 2.30%		2.00 %*	3.00 %
Inflation rate	1.70%		1.60 % to 2.00%		2.70 %	2.20 %

* A cap applies to the reference salaries used to calculate benefit entitlements.

As the above three regions account for substantially all of the Group's pension obligation, the revised actuarial assumptions (in particular discount and inflation rates) contributed to a decrease in the obligation, and therefore in the provision, by an amount of €3,589 million.

The actual return on plan assets for almost all plans was lower than expected, at €3,506 million, leading to an increase in the provision of the same amount. In addition, a €95 million rise in the asset ceiling, mainly in Switzerland, generated an increase in the provision in the same amount.

Sensitivity to assumptions

A 0.5-point decrease (increase) in the discount rate would lead to an increase (decrease) in defined benefit obligations of around €140 million for the United States plans, €100 million for the Eurozone plans and €270 million for the United Kingdom plans. A 0.5-point increase in the inflation rate would lead to an overall increase in defined benefit obligations of around €320 million.

The same assumptions concerning mortality, employee turnover and interest rates are used to determine the Group's defined benefit obligations for other long-term employee benefits. In the United States, retirees' healthcare costs are projected to rise between 4.00% and 5.99% per year (under 65 years of age), and between 2.26% and 6.56% per year (older than 65), depending on the age of the beneficiary. A 1-point increase in this rate would lead to an increase of around €13 million in the related projected benefit obligation.

6.3.3 Breakdown of and changes in pension and other post-employment benefit obligations

Carrying amount of provisions

Provisions for pension and other employee benefit obligations consist of the following:

(in EUR millions)	Dec. 31, 2022	Dec. 31, 2021
Pension obligations	1,110	1,263
Length-of-service awards	290	361
Post-employment healthcare benefits	183	255
TOTAL PROVISIONS FOR PENSIONS AND OTHER POSTEMPLOYMENT BENEFIT OBLIGATIONS	1,583	1,879
Healthcare benefits	27	26
Long-term disability benefits	8	8
Other long-term benefits	94	101
PROVISIONS FOR PENSIONS AND OTHER EMPLOYEE BENEFITS	1,712	2,014

Provisions for all other long-term benefits totaled €129 million at December 31, 2022 (€135 million at December 31, 2021).

The following table shows net obligations under pensions and other post-employment benefit plans, excluding other long-term benefits:

(in EUR millions)	Dec. 31, 2022	Dec. 31, 2021
Provisions for pensions and other postemployment benefit obligations - liabilities	1,583	1,879
Pension plan surpluses - assets	(569)	(894)
NET PENSION AND OTHER POSTEMPLOYMENT BENEFIT OBLIGATIONS	1,014	985

Analysis of obligations

At December 31, 2022, pension obligations and provisions for other post-employment benefit obligations break down by major geographic region as follows:

(in EUR millions)	France	Eurozone (excluding France)	United Kingdom	United States	Rest of the world	Net total
AVERAGE DURATION (in years)	12	13	14	11	14	13
Defined benefit obligations - funded plans	432	1,086	3,256	2,423	945	8,142
Defined benefit obligations - unfunded plans	225	39	0	162	194	620
Fair value of plan assets	(203)	(684)	(3,764)	(2,123)	(1,104)	(7,878)
DEFICIT (SURPLUS)	454	441	(508)	462	35	884
Asset ceiling	0	9	0	0	121	130
NET PENSION AND OTHER POST-EMPLOYMENT BENEFIT OBLIGATIONS	454	450	(508)	462	156	1,014

At December 31, 2021, pension obligations and provisions for other post-employment benefit obligations break down by major geographic region as follows:



(in EUR millions)	France	Eurozone (excluding France)	United Kingdom	United States	Rest of the world	Net total
AVERAGE DURATION (in years)	14	17	20	13	16	17
Defined benefit obligations - funded plans	584	1,496	5,471	2,941	1,029	11,521
Defined benefit obligations - unfunded plans	294	51	-	220	270	835
Fair value of plan assets	(249)	(848)	(6,261)	(2,915)	(1,129)	(11,402)
DEFICIT (SURPLUS)	629	699	(790)	246	170	954
Asset ceiling	-	-	2	-	29	31
NET PENSION AND OTHER POST-EMPLOYMENT BENEFIT OBLIGATIONS	629	699	(788)	246	199	985

Changes in provisions

Changes in pensions and other post-employment benefit obligations are as follows:

(in EUR millions)	Pension obligations	Fair value of plan assets	Asset ceiling	Net pension and other post-employment benefit obligations
AT JANUARY 1, 2022	12,523	(10,370)	13	2,166
Changes during the year				
Service cost	205			205
Interest cost/return on plan assets as per calculations	189	(160)		29
Employee contributions and plan administration costs		(3)		(3)
Past service cost	11			11
Plan curtailments/settlements	13			13
Pension contributions		(492)		(492)
Benefit payments	(625)	532		(93)
Actuarial gains and losses and asset ceiling	(597)	(222)	17	(802)
Translation adjustments	677	(693)	1	(15)
Changes in Group structure	(31)	(1)		(32)
Assets/liabilities held for sale	(9)	7		(2)
TOTAL CHANGES	(167)	(1,032)	18	(1,181)
AT DECEMBER 31, 2021	12,356	(11,402)	31	985
Changes during the year				

(in EUR millions)	Pension obligations	Fair value of plan assets	Asset ceiling	Net pension and other post-employment benefit obligations
Service cost	188			188
Interest cost/return on plan assets as per calculations	244	(232)		12
Employee contributions and plan administration costs		(6)		(6)
Past service cost	1			1
Plan curtailments/settlements	(1)			(1)
Pension contributions		(153)		(153)
Benefit payments	(710)	631		(79)
Actuarial gains and losses and asset ceiling	(3,589)	3,506	95	12
Translation adjustments	6	16	4	26
Changes in Group structure	270	(244)		26
Assets/liabilities held for sale	(3)	6		3
TOTAL CHANGES	(3,594)	3,524	99	29
AT DECEMBER 31, 2022	8,762	(7,878)	130	1,014

Actuarial gains and losses

Actuarial gains and losses on provisions result from the following items:

(in EUR millions)	2022	2021
Pension obligations	(3,589)	(597)
Fair value of plan assets	3,506	(222)
Asset ceiling	95	17
TOTAL CHANGES	12	(802)

Plan assets

Plan assets have been progressively built up by contributions, primarily in the United Kingdom and the United States. Contributions paid by the Group in 2022 totaled €153 million (2021: €492 million).

A 0.5-point increase or decrease in the actual return on plan assets would have an impact of approximately €39 million on equity.

Plan assets mainly comprise:

	Dec. 31, 2022	Dec. 31, 2021
Equities	18 %	17 %
Bonds	56 %	63 %

	Dec. 31, 2022	Dec. 31, 2021
Other	26 %	20 %
TOTAL	100 %	100 %

Contributions to pension plans for 2023 are estimated at around €86 million.

6.3.4 Defined contribution plans

Contributions to defined contribution plans are expensed as incurred.

Contributions to defined contribution plans for 2022 represented an estimated €703 million (2021: €647 million), including €444 million for government-sponsored basic pension schemes (2021: €423 million), €134 million for government-sponsored supplementary pension schemes, mainly in France (2021: €126 million), and €125 million for corporate-sponsored supplementary pension plans (2021: €98 million).

6.4 Share-based payments

6.4.1 Group Savings Plan (PEG)

The Group Savings Plan (Plan d'Épargne Groupe - PEG) is an employee stock purchase plan open to all Group employees in France and most other countries where the Group is present. Eligible employees must have completed a minimum of three months' service with the Group. Eligible employees are able to invest in Saint-Gobain shares at a preferential subscription price. These shares are held either directly or through the employee saving plan's mutual funds, depending on local legislation, and are subject to a mandatory five- or ten-year lock-up, except following the occurrence of certain events. The Board of Directors delegates authorization for setting the subscription price to the Chief Executive Officer of Compagnie de Saint-Gobain. The subscription price corresponds to the average of the opening prices for the Saint-Gobain share on Euronext Paris over the 20 trading days preceding the date of the decision, subject to a 20% discount, in accordance with applicable laws, the Shareholders' Meeting resolutions and the deliberations of the Board of Directors. The Group makes a matching contribution to amounts paid in by employees, which is expensed in the consolidated financial statements. The Group also records an IFRS 2 expense reflecting the benefit offered to employees (€9.3 million in 2022, compared with €13.2 million in 2021).

Saint-Gobain implemented a new PEG in the first half of 2022. As approved by the Chief Executive Officer on March 14, 2022, the reference price is €56.48 (€44.76 in 2021), representing a subscription price of €45.19 (€35.81 in 2021) after a 20% discount.

In 2022, 4,916,097 new shares with a par value of €4 were issued to employees under the PEG at an average subscription price of €45.19 (5,562,855 shares at an average price of €35.81 in 2021), representing a share capital increase of €222 million (€199 million in 2021), net of transaction fees.

6.4.2 Stock option plans

Until 2018, Compagnie de Saint-Gobain operated stock option plans for certain employees.

Under these plans, the Board of Directors granted options allowing beneficiaries to obtain Saint-Gobain shares at a price set, at no discount, by reference to the average of the opening prices for the Saint-Gobain share over the 20 stock market trading days preceding the date of the decision by the Board of Directors.

For all of the plans, beneficiaries must wait at least four years from the grant date to exercise any options. None of the options received may be exercised until this four-year period has lapsed. Options must be exercised within 10 years of the grant date. Except in specified circumstances, grantees forfeit these options if they leave the Group.

Among the plans outstanding at December 31, 2022, the 2013, 2015, 2016 and 2017 plans offer stock purchase options. The 2018 plan was classified as a stock subscription option plan further to a decision of the Board of Directors in 2022, prior to the start of the exercise period.

A performance condition applies for all beneficiaries under current plans.

No stock options plan has been launched since 2019.

The following table presents changes in the number of outstanding options:

	€4 par value shares	Average exercise price (in EUR)
OPTIONS OUTSTANDING AT DECEMBER 31, 2020	844,524	40.04
Options granted		
Options exercised	(151,173)	38.59
Options forfeited	(141,862)	49.38
OPTIONS OUTSTANDING AT DECEMBER 31, 2021	551,489	38.03
Options granted		
Options exercised	(28,977)	40.97
Options forfeited*	(36,691)	31.71
OPTIONS OUTSTANDING AT DECEMBER 31, 2022	485,821	38.32

* Including 15,411 options granted under the 2018 stock option plan that lapsed because the performance conditions were not met and 17,000 that lapsed after they had been withdrawn, as well as 4,280 options that lapsed after the exercise period under the 2012 stock option plan expired.

The cost of stock option plans is calculated using the Black & Scholes option pricing model.

The following inputs were used:

- volatility assumptions that take into account the historical volatility of the share price over a rolling 10-year period, as well as implied volatility from traded share options. Periods of extreme share price volatility are disregarded;
- assumptions relating to the average holding period of options, based on observed behavior of option holders;
- expected dividends, as estimated on the basis of historical dividend information dating back to 1988;
- a risk-free interest rate corresponding to the yield on long-term government bonds;
- the effect of any stock market performance conditions, which is taken into account in the initial measurement of IFRS 2 share-based payment expense.

The cost calculated using this method is recognized in the income statement over the vesting period of the options, which is a maximum of four years.

Under IFRS 2, the expense attributable to the amortization of stock options granted under previous plans totaled €0.1 million in 2022 (€0.4 million in 2021).

The table below summarizes information about stock options outstanding at December 31, 2022, after taking into account partial fulfillment of the performance criteria attached to certain plans:

Grant date	Exercise price (in EUR)	Exercisable options outstanding		
		Number of options	Weighted average contractual life (in months)	Type of options
2013	38.80	36,707	11	Purchase
2015	39.47	36,739	35	Purchase
2016	40.43	43,897	47	Purchase
2017	49.38	121,713	59	Purchase
2018	32.24	246,765	71	Subscription
TOTAL		485,821		

At December 31, 2022, 485,821 options were exercisable at an average exercise price of €38.32. All options are now exercisable.

6.4.3 Performance share and performance unit grants

Since 2009, performance share plans have also been set up for certain categories of employees. These plans are subject to eligibility criteria based on the grantee's period of service (service conditions) with the Group as well as performance criteria (performance conditions), which are described below. The IFRS 2 share-based payment expense takes into account these conditions. It is determined after deducting the present value of the dividends forfeited on the performance shares and is recognized over the vesting period, not exceeding four years.

From 2012 to 2015, performance unit plans have been set up for certain employees in France. These plans are also subject to service and performance conditions. The IFRS 2 share-based payment expense therefore takes into account these factors, as well as the fact that the units are cash-settled. IFRS 2 stipulates that for cash-settled share-based payment transactions, the granted instruments are initially measured at fair value at the grant date, then remeasured at the end of each reporting period, with the expense adjusted accordingly pro rata to the rights that have vested at the reporting date. The expense is recognized over the vesting period of the rights.

Performance share plans

At December 31, 2022, there were four outstanding performance share plans, approved by the Board of Directors in 2019, 2020 and 2021 and on November 24, 2022.

The expense recorded for these plans in the 2022 income statement amounted to €33.2 million (2021: €44.4 million).

All plans are subject to service and performance conditions. The vesting period for the shares awarded under these plans is four years and the shares will be delivered under all plans the fourth day after the end of the vesting period for the 2019, 2020, 2021 and 2022 plans.

The table below shows changes in the number of performance share rights:

	Number of rights
NUMBER OF PERFORMANCE SHARE RIGHTS AT DECEMBER 31, 2020	4,965,834
Performance share rights granted in November 2021	1,184,475
Shares issued/delivered	(904,712)
Lapsed and canceled rights	(324,838)
NUMBER OF PERFORMANCE SHARE RIGHTS AT DECEMBER 31, 2021	4,920,759
Performance share rights granted in November 2022	1,232,792
Shares issued/delivered	(1,076,098)
Lapsed and canceled rights*	(141,921)
NUMBER OF PERFORMANCE SHARE RIGHTS AT DECEMBER 31, 2022	4,935,532

* Including 53,310 rights that lapsed because the performance condition had only been partly met, and 88,611 rights that lapsed after they had been withdrawn.

The fair value of the performance shares corresponds to the Saint-Gobain share price on the grant date, less the value of dividends not payable on the shares during the vesting period. The expense is recognized over the vesting period, which covers a maximum of four years.

The following table shows the expected dates when shares under the four performance share plans outstanding at December 31, 2022 will be delivered (except in the case of early release following the grantee's death or disability, along with the service and performance conditions remaining to be fulfilled):

Grant date	Number of rights at December 31, 2022*	Delivery date	Type of shares
November 21, 2019	1,250,920	November 24, 2023	existing
November 26, 2020	1,267,545	November 29, 2024	existing

Grant date	Number of rights at December		Delivery date	Type of shares
	31, 2022*			
November 25, 2021	1,184,275		November 28, 2025	existing
November 24, 2022	1,232,792		November 27, 2026	existing
TOTAL	4,935,532			

* Subject to fulfillment of the service and performance conditions applicable to each plan.

Performance unit plans

Performance unit plans subject to service and performance conditions were set up every year between 2012 and 2015 for certain management-grade employees and senior managers of the Group in France. These plans do not give rise to the delivery of shares but entitle grantees to receive cash compensation deferred over the long-term (exercise period between four and ten years after the grant date), the amount of which will be determined by reference to Saint-Gobain's share price.

No long-term compensation plan in the form of performance units has been set up since 2016.

Since the vesting period of the last plan ended in 2019, there are no longer any expenses in respect of such plans.

NOTE 7 INTANGIBLE ASSETS, PROPERTY, PLANT AND EQUIPMENT, AND RIGHT-OF-USE ASSETS

7.1 Goodwill

When an entity is acquired by the Group, its identifiable assets acquired, liabilities assumed and contingent liabilities are recognized at their fair value. IFRS allows a 12-month period after the acquisition date ("measurement period") to identify the assets and liabilities of the acquired entity that were not recognized in the initial accounting for the combination, and to retroactively modify the amounts initially allocated.

The final acquisition price ("consideration transferred" in IFRS 3R), including, as appropriate, the estimated fair value of any earn-out payments or other deferred consideration ("contingent consideration" in IFRS 3R), is determined in the 12 months following the acquisition. Under IFRS 3R, any adjustments to the acquisition price beyond this 12-month period are recorded in the income statement. Directly attributable acquisition costs are expensed as incurred.

In addition, goodwill is recognized only at the date that control is achieved. Any subsequent increase in ownership interest (without change of control) is recorded as a change in equity without adjusting goodwill.

Goodwill is recorded in the consolidated balance sheet as the difference between (i) the acquisition-date fair value plus the amount of any non-controlling interests in the acquiree - measured either at fair value (full goodwill method) or at the proportionate interest in the fair value of the net identifiable assets acquired (partial goodwill method) - and (ii) the net amount of assets and liabilities acquired at their fair value at the acquisition date. The Group generally applies the partial goodwill method and the amount of goodwill calculated under the full goodwill method is not therefore material.

Any excess of the cost of an acquisition over the fair value of the Group's share of the assets and liabilities of the acquired entity is recorded as goodwill. If the fair value of the net assets acquired and liabilities assumed exceeds their acquisition cost, this negative difference is recognized in the income statement in the year of acquisition.

Changes in goodwill in 2022 and 2021 are detailed below:

(in EUR millions)	Dec. 31, 2022	Dec. 31, 2021
At January 1		
Gross value	13,399	12,229
Accumulated impairment	(2,218)	(2,201)
NET VALUE	11,181	10,028
Changes during the period		



(in EUR millions)	Dec. 31, 2022	Dec. 31, 2021
Impairment	(28)	(30)
Translation adjustments and restatement for hyperinflation	(37)	354
Changes in Group structure	1,742	815
Assets held for sale	0	14
TOTAL CHANGES	1,677	1,153
At December 31		
Gross value	14,304	13,399
Accumulated impairment	(1,446)	(2,218)
NET VALUE	12,858	11,181

In 2022, changes in scope of consolidation mainly concerned first-time consolidations, in particular following the acquisition of GCP Applied Technologies (see note 4.2.1, p. 280) for €1,490 million; the finalization of the Chryso purchase price accounting, which resulted in a €229 million reduction in goodwill; and the acquisitions of Kaycan and Impac for €355 million and €51 million, respectively.

Impairment losses were recognized for a total of €28. million, mainly against individual assets in the period. The translation adjustments and restatements for hyperinflation primarily reflect the impacts of fluctuations in the pound sterling, US dollar, Norwegian krone, Canadian dollar, Swedish krona, Brazilian real and Argentine peso.

In 2021, changes in Group structure mainly reflected first-time consolidations following the acquisition of Chryso for €722 million and of Equflow and Duraziv for €20 million and €17 million, respectively, as well as adjustments relating to purchase price accounting in progress at the time. Impairment losses were recognized for €30 million, mainly against assets sold in the period. Translation adjustments primarily reflected the impacts of fluctuations in the US dollar, pound sterling, Norwegian krone and Argentine peso.

7.2 Other intangible assets

Other intangible assets primarily include brands, customer relationships, intellectual property, software, patents and development costs. They are measured at historical cost less accumulated amortization and impairment.

Certain retail or manufacturing brands acquired are treated as intangible assets with indefinite useful lives as they have a strong national and/or international reputation. These brands are not amortized but are tested systematically for impairment on an annual basis. Other brands are amortized over their useful lives, not exceeding 40 years.

Customer relationships are amortized over the attrition period used to value these assets.

Costs incurred to develop software in-house - primarily configuration, programming and testing costs - are recognized as intangible assets. Patents and purchased computer software are amortized over their estimated useful lives, not exceeding 20 years for patents and three to five years for software.

Research costs are expensed as incurred. Development costs meeting the recognition criteria under IAS 38 are included in intangible assets and amortized over their estimated useful lives (not exceeding five years) from the date when the products to which they relate are first marketed.

Changes in other intangible assets during 2022 and 2021 are analyzed below:

(in EUR millions)	Brands	Intellectual property and customer relationships	Software	Other	Total intangible assets
At January 1, 2021					
Gross value	2,062	496	1,323	536	4,417
Accumulated amortization and impairment	(542)	(54)	(955)	(361)	(1,912)
NET VALUE	1,520	442	368	175	2,505

Changes during the period

(in EUR millions)	Intellectual property and customer relationships		Software	Other	Total intangible assets
	Brands				
Acquisitions			41	69	110
Disposals			(4)	1	(3)
Translation adjustments and restatement for hyperinflation	37	31	8	4	80
Amortization*	(8)	(47)	(121)	(18)	(194)
Impairment	(4)	(25)	(9)	(2)	(40)
Transfers			56	(56)	0
Changes in Group structure and other	160	93	4	(7)	250
Assets held for sale			(1)	(2)	(3)
TOTAL CHANGES	185	52	(26)	(11)	200
At December 31, 2021					
Gross value	2,294	651	1,411	548	4,904
Accumulated amortization and impairment	(589)	(157)	(1,069)	(384)	(2,199)
NET VALUE	1,705	494	342	164	2,705
Changes during the period					
Acquisitions			42	63	105
Disposals			(6)	(2)	(8)
Translation adjustments and restatement for hyperinflation	(43)	(85)	(3)	1	(130)
Amortization*	(15)	(105)	(119)	(13)	(252)
Impairment	(6)			(71)	(77)
Transfers			72	(72)	0
Changes in Group structure and other	323	1,355	(3)	8	1,683
Assets held for sale			(49)	49	0
TOTAL CHANGES	259	1,165	(66)	(37)	1,321
At December 31, 2022					
Gross value	2,190	1,897	1,345	492	5,924
Accumulated amortization and impairment	(226)	(238)	(1,069)	(365)	(1,898)
NET VALUE	1,964	1,659	276	127	4,026

* "Amortization" includes amortization charged against intangible assets within the scope of purchase price accounting, representing €116 million in 2022 (2021: €52 million).

The breakdown of brands, intellectual property and customer relationships by segment is provided in the segment information tables in note 5, p. 285.

In 2022, changes in Group structure correspond mainly to adjustments to the purchase price accounting relating to brands and customer relationships in the Chryso acquisition, representing €16 million and €277 million, respectively. They also include GCP Applied Technologies' brands and customer relationships for a total amount of €811 million, Kaycan's brands and customer relationships for a total amount of €504 million, and Impac's customer relationships for a total amount of €30 million. Impairment losses were recognized for a total of €77 million, mainly against assets held for sale. The translation adjustments and restatements for hyperinflation primarily reflect the impacts of fluctuations in the Canadian and US dollars, and in pound sterling.

In 2021, changes in Group structure related mainly to brands and customer relationships acquired as a result of the Chryso acquisition for €158 million and €48 million, respectively. They also included customer relationships acquired as a result of the MS Techniques, Transluminal and Duraziv acquisitions for a total amount of €23 million, as well as Saint-Gobain Brüggemann Holzbau GmbH intellectual property for €10 million. Impairment losses were recognized against certain individual assets for a total of €40 million.

7.3 Property, plant and equipment

Land, buildings and equipment are carried at historical cost less accumulated depreciation and impairment.

Cost may also include incidental expenses directly attributable to the acquisition, as well as the impact of transfers from equity of any gains/losses on qualifying cash flow hedges of property, plant and equipment purchases.

Expenses incurred in exploring and evaluating mineral resources are included in property, plant and equipment when it is probable that associated future economic benefits will flow to the Group. They include mainly the costs of topographical or geological studies, drilling costs, sampling costs and all costs incurred in assessing the technical feasibility and commercial viability of extracting the mineral resource.

Material borrowing costs incurred for the construction and acquisition of property, plant and equipment are included in the cost of the related asset if they are significant.

Property, plant and equipment are considered as having no residual value, as they chiefly consist of industrial assets that are intended to be used until the end of their useful lives.

Property, plant and equipment other than land are depreciated using the components approach on a straight-line basis over the following estimated useful lives, which are regularly reviewed:

• Major factories and offices	30-40 years
• Other buildings	15-25 years
• Production machinery and equipment	5-16 years
• Vehicles	3-5 years
• Furniture, fixtures, office and computer equipment	4-16 years

Gypsum quarries are depreciated over their estimated useful lives, based on the quantity of gypsum extracted during the year compared with extraction capacity.

Provisions for site restoration are recognized as a component of assets whenever the Group has a legal or constructive obligation to restore a site in accordance with contractually determined conditions or in the event of a sudden deterioration in site conditions. These provisions are reviewed periodically and may be discounted over the expected useful lives of the assets concerned. The component is depreciated over the same useful life as that used for mines and quarries.

Changes in property, plant and equipment in 2022 and 2021 are analyzed below:

(in EUR millions)	Land and quarries	Buildings	Machinery and equipment	Assets under construction	Total property, plant and equipment
At January 1, 2021					
Gross value	2,293	7,925	19,169	1,312	30,699
Accumulated depreciation and impairment	(652)	(4,822)	(14,135)	(18)	(19,627)
NET VALUE	1,641	3,103	5,034	1,294	11,072
Changes during the period					
Acquisitions	46	70	249	1,116	1,481
Disposals	(32)	(26)	(34)	(3)	(95)

(in EUR millions)	Land and quarries	Buildings	Machinery and equipment	Assets under construction	Total property, plant and equipment
Translation adjustments and restatement for hyperinflation	49	104	166	53	372
Depreciation	(33)	(241)	(837)	(2)	(1,113)
Impairment	(5)	(30)	(64)	(5)	(104)
Transfers		185	668	(853)	0
Changes in Group structure and other	38	12	29	(2)	77
Assets held for sale	(1)	(14)	(9)	(3)	(27)
TOTAL CHANGES	62	60	168	301	591
At December 31, 2021					
Gross value	2,380	8,161	19,848	1,611	32,000
Accumulated depreciation and impairment	(677)	(4,998)	(14,646)	(16)	(20,337)
NET VALUE	1,703	3,163	5,202	1,595	11,663
Changes during the period					
Acquisitions	35	81	287	1,432	1,835
Disposals	(21)	(30)	(23)	(6)	(80)
Translation adjustments and restatement for hyperinflation	6	23	33	22	84
Depreciation	(37)	(256)	(902)	(1)	(1,196)
Impairment	(2)	(129)	(38)		(169)
Transfers		267	943	(1,210)	0
Changes in Group structure and other	35	76	126	17	254
Assets held for sale	(93)	(73)	(36)	(26)	(228)
TOTAL CHANGES	(77)	(41)	390	228	500
At December 31, 2022					
Gross value	2,329	8,085	20,896	1,841	33,151
Accumulated depreciation and impairment	(703)	(4,963)	(15,304)	(18)	(20,988)
NET VALUE	1,626	3,122	5,592	1,823	12,163

In 2022, changes in Group structure relate mainly to adjustments to the purchase price accounting for the Chryso acquisition and the first-time consolidation of GCP Applied Technologies and Impac. Impairment losses were recognized for a total of €169 million, mainly against assets held for sale. The translation adjustments and restatements for hyperinflation primarily reflect the impacts of fluctuations in the US dollar, Mexican peso, Brazilian real, pound sterling, Indian rupee, Egyptian pound, Argentine peso and Swedish krona.

In 2021, changes in Group structure related mainly to the first-time consolidation of Chryso. Translation adjustments and restatement for hyperinflation primarily reflected the impacts of fluctuations in the US dollar, pound sterling, Chinese renminbi, Indian rupee, Mexican peso, Czech koruna, Norwegian krone, Argentine peso, Brazilian real, Canadian dollar and Turkish lira.

7.4 Right-of-use assets linked to leases

The Saint-Gobain Group has chosen to apply IFRS 16 using the full retrospective method at January 1, 2019 (i.e., with effect from January 1, 2018) and has restated all of its leases that were identified ahead of first-time application of the standard. Entities' historical lease contracts were restated with effect from the date on which the entities were first consolidated by the Group.

The following recognition exemptions proposed by IFRS 16 have been used by the Group:

- leases with a lease term of 12 months or less;
- leases where the underlying asset has a value of less than US\$5,000 when new.

Property leases

The lease term corresponds to the non-cancelable period of the lease, plus any renewal (or termination) options that the Group is reasonably certain to exercise (or not to exercise). The Group determined whether or not lease renewal (or termination) options were reasonably certain to be exercised based on the location of, and any improvements inseparable from, the leased asset. The lease term at inception for "3/6/9-year" commercial leases in France is generally nine years. The Group did not identify any material leases with similar characteristics in other countries.

At December 31, 2019 and with retroactive effect from January 1, 2018, Saint-Gobain took account of the IFRIC's November 2019 agenda decision in reviewing the terms of its automatically renewable leases, considering the importance of the underlying assets to its operations.

The discount rate used to calculate the lease liability is the incremental borrowing rate. This rate is applied at the commencement of the lease or at the date of the decision to renew the lease. The Group calculated the rate applicable to each lease contract on the basis of its duration, which reflects the payment profile of the lease liability.

The useful life of non-movable leasehold improvements cannot exceed the useful life of the right-of-use assets to which they relate.

Leases other than property leases

The main leases identified correspond to leases of vehicles, machinery and production equipment.

The lease capitalization period (lease term) represents the non-cancelable period of the lease. Where leases provide for a renewal (or termination) option, the Group determined whether or not that option was reasonably certain to be exercised based on the ease with which the leased asset could be replaced and its criticality.

The discount rate used to determine the lease liability is calculated using the same approach as for property leases.

The interest rate implicit in the lease is used as the discount rate only in the case of non-property leases and only if this is expressly stipulated in the lease contract.

Although leases can generally incorporate indexation clauses, lease liabilities are measured based solely on indexes known at the end of the reporting period.

In 2022, right-of-use assets linked to leases relate mainly to land and buildings for €2,336 million (€2,419 million at December 31, 2021) and to machinery and equipment for €416 million (€540 million at December 31, 2021).

Lease payments made under low-value and/or short-term leases, along with variable lease payments or lease payments falling outside the scope of IFRS 16, totaled €195 million in 2022 (€169 million in 2021).

The table below presents right-of-use assets for lease contracts by category:

(in EUR millions)	Land and buildings	Machinery and equipment	Total
At January 1, 2021			
Gross value	5,549	1,070	6,619
Accumulated depreciation and impairment	(3,182)	(535)	(3,717)
NET VALUE	2,367	535	2,902
Changes during the period			
New leases	538	231	769

(in EUR millions)	Land and buildings	Machinery and equipment	Total
Lease modifications	10		10
Disposals	(46)	(18)	(64)
Translation adjustments	47	13	60
Depreciation	(463)	(216)	(679)
Impairment	(11)	(3)	(14)
Changes in Group structure and other	17	8	25
Assets held for sale	(40)	(10)	(50)
TOTAL CHANGES	52	5	57
At December 31, 2021			
Gross value	5,761	1,133	6,894
Accumulated depreciation and impairment	(3,342)	(593)	(3,935)
NET VALUE	2,419	540	2,959
Changes during the period			
New leases	570	194	764
Disposals		(4)	(4)
Translation adjustments	(38)	(4)	(42)
Depreciation	(491)	(225)	(716)
Impairment	(10)		(10)
Changes in Group structure and other	54	(8)	46
Assets held for sale	(168)	(77)	(245)
TOTAL CHANGES	(83)	(124)	(207)
At December 31, 2022			
Gross value	5,521	901	6,422
Accumulated depreciation and impairment	(3,185)	(485)	(3,670)
NET VALUE	2,336	416	2,752

7.5 Impairment review

7.5.1 Impairment of property, plant and equipment, intangible assets, goodwill and right-of-use assets

The Group carries out impairment tests on property, plant and equipment, right-of-use assets, goodwill and other intangible assets whenever there is any indication of impairment. These tests consist of comparing the asset's carrying amount to its recoverable amount. The recoverable amount is the higher of the asset's fair value less disposal costs and its value in use.

Goodwill and other unamortized intangible assets (including brands with indefinite useful lives) are tested for impairment annually by comparing the asset's carrying amount to its recoverable amount using the EBITDA multiple approach.

If the resulting recoverable amount is below the asset's carrying amount, the Group determines the value in use at the level of the relevant cash-generating unit (CGU).

Assets and liabilities held for sale are carried at the lower of their fair value less costs to sell and their net carrying amount.

In 2022, the number of CGUs was reduced from 23 to 18, following various disposals and reorganizations within the Group.

The value in use is calculated using the net present value of future cash flows excluding interest but including tax. It is determined using assumptions made by management based on estimates and judgments including future changes in sales, profitability, investments and other cash flows arising from the use of the corresponding assets, as well as the discount rate applied to future cash flows. Cash flows for the last year of the business plan beyond the three-year forecast period are rolled forward over the following two years. For impairment tests of goodwill, normative cash flows are then projected to perpetuity using an annual growth rate (between 1.5% and 2% barring exceptional cases).

The average cost of capital was 7.2% in 2022 versus 6.85% in 2021. This rate corresponds to the Group's average cost of capital, plus a country risk premium where applicable.

7.5.2 CGU impairment tests

When the annual impairment test reveals that the recoverable amount of an asset is less than its carrying amount, an impairment loss is recorded.

Impairment losses on goodwill can never be reversed through income. For property, plant and equipment and other intangible assets, an impairment loss recognized in prior periods may be reversed, taking into account depreciation/amortization adjustments, if there is an indication that the impairment no longer exists and that the recoverable amount of the asset concerned exceeds its carrying amount.

During the impairment tests, different assumptions measuring the method's sensitivity are systematically tested using the following inputs:

- 0.5-point increase in the discount rate applied to cash flows;
- 0.5-point decrease in the annual average rate of growth in cash flows projected to perpetuity;
- 1-point decrease in the operating income rate for Industry activities and a 0.5-point decrease for Distribution activities.

On the basis of the sensitivity tests carried out at December 31, 2022 (i.e., sensitivity to changes in the discount rate, perpetuity growth rate and profitability rate), three CGUs were identified as sensitive: the Brazil Distribution CGU and the two Pipe CGUs (Europe and Latin America).

In 2022, the average cost of capital plus a country risk premium for the CGUs identified as sensitive is 7.8% for Pipe Europe, 13.4% for Pipe Latin America and 14.0% for Brazil Distribution.

At December 31, 2022, a 0.5-point increase in the discount rate would have led the Group to recognize approximately €1 million in additional impairment against the Latin America Pipe CGU's non-current assets.

Furthermore, no impairment would have been recognized against non-current assets in the event of a 0.5-point decrease in the average annual cash flow growth rate projected to perpetuity for the three CGUs.

The impact of a 1-point decrease in the operating income rate for the two Pipe CGUs would have led the Group to recognize an impairment loss of approximately €78 million (of which €69 million in Europe and €9 million in Latin America), while a 0.5 point decrease in the rate for the Brazil Distribution CGU would not have generated material additional impairment.

The breakdown of asset impairment by region for 2022 and 2021 is provided in the segment information tables in note 5, p. 285.

In 2022 the Group reviewed its impairment tests in light of the current situation and the outlook for certain businesses and countries.

2022 saw significant increases in sales prices for the Pipe Europe CGU in order to offset inflation experienced in 2021 and 2022, along with strong volume momentum in the first half of the year, which led to a significant improvement in operating income. The challenges for 2023 will be to remain responsive to market conditions, to streamline and scale back product listings, and to continue to improve operating income.

For the Latin America Pipe CGU, 2022 was shaped by significant price increases and political instability in Brazil. The outlook for 2023 is for moderate growth with the aim of maintaining sales prices.

For the Brazil Distribution CGU, 2022 saw the closure of five stores in a declining market. An impairment loss of €30 million was recognized in 2022. The restructuring, alongside the new sales policy aimed at optimizing margins and developing new concepts ("TelhaNorte Já" and "Boutique") explains the expected improvement in performance in 2023.

The Group's commitments to carbon neutrality were taken into account when carrying out sensitivity tests as part of its impairment testing. Details of these sensitivity tests are provided in note 3 on climate issues (see p. 276).

NOTE 8 INVESTMENTS IN EQUITY-ACCOUNTED COMPANIES AND OTHER NON-CURRENT ASSETS

A joint venture is a joint arrangement whereby the parties have joint control of the arrangement, and decisions about the relevant activities require the unanimous consent of the parties sharing control. The parties that have joint control of the arrangement have rights to the net assets of the arrangement. By contrast, an associate is an entity over which a partner has significant influence over the power to participate in decisions, but not control.

Under IAS 28, investments in both associates and joint ventures must be recognized using the same equity-accounting consolidation method.

8.1 Changes in investments in equity-accounted companies

Changes in investments in equity-accounted companies in 2022 and 2021 can be analyzed as follows:

(in EUR millions)	2022	2021
At January 1		
Group share in:		
Associates	221	185
Joint ventures	283	246
TOTAL	504	431
Goodwill	32	31
INVESTMENTS IN EQUITY-ACCOUNTED COMPANIES	536	462
Changes during the period		
Group share in net income of associates	27	31
Group share in net income of joint ventures	39	25
Dividends paid	(8)	(33)
Translation adjustments and restatement for hyperinflation	40	27
Acquisitions and capital increases	1	4
Changes in Group structure, transfers and other variations	4	20
TOTAL CHANGES	103	74
At December 31		
Group share in:		
Associates	249	221
Joint ventures	350	283
TOTAL	599	504
Goodwill	40	32
INVESTMENTS IN EQUITY-ACCOUNTED COMPANIES	639	536

Investments in non-core business equity-accounted companies represented €67 million at December 31, 2022 (€62 million at end-2021).

The principal financial aggregates of equity-accounted companies are as follows:

(in EUR millions)	2022			2021		
	Associates	Joint ventures	Total	Associates	Joint ventures	Total
Sales	1,613	886	2,499	1,182	781	1,963
Net income	98	79	177	107	50	157
Non-current assets	663	610	1,273	536	514	1,050
Current assets	919	352	1,271	785	285	1,070
Non-current liabilities	1,120	800	1,920	959	673	1,632
Current liabilities	462	162	624	362	126	488
Shareholders' equity	885	729	1,614	754	597	1,351

8.2 Transactions with equity-accounted companies - related parties

The consolidated financial statements include transactions conducted by the Group in the normal course of its businesses with associates and joint ventures. These transactions are carried out on an arm's length basis.

The assets and liabilities of equity-accounted companies at December 31 are as follows:

(in EUR millions)	Dec. 31, 2022	Dec. 31, 2021
Financial receivables	33	33
Inventories	2	2
Short-term receivables	18	15
Cash and cash equivalents	0	0
Short-term debt	10	8
Cash advances	0	0

Purchases and sales transactions with equity-accounted companies are as follows:

(in EUR millions)	2022	2021
Purchases	111	63
Sales	53	38

8.3 Other non-current assets

Changes in other non-current assets in 2022 and 2021 are analyzed below:

(in EUR millions)	Equity investments and other	Loans, deposits and surety	Total
At January 1, 2021			
Gross value	92	446	538



(in EUR millions)	Equity investments and other	Loans, deposits and surety	Total
Provisions for impairment	(22)	(5)	(27)
NET VALUE	70	441	511
Changes during the period			
Increases (decreases)	30	(77)	(47)
Provisions for impairment	(1)		(1)
Translation adjustments and restatement for hyperinflation	3	10	13
Transfers and other movements	17	2	19
Changes in Group structure	(1)	22	21
Changes in fair value	12		12
TOTAL CHANGES	60	(43)	17
At December 31, 2021			
Gross value	152	403	555
Provisions for impairment	(22)	(5)	(27)
NET VALUE	130	398	528
Changes during the period			
Increases (decreases)	93	(48)	45
Provisions for impairment		(1)	(1)
Translation adjustments and restatement for hyperinflation	1	11	12
Transfers and other movements	(3)	23	20
Changes in Group structure	(42)	5	(37)
Changes in fair value	(10)	(10)	(20)
Assets held for sale		(10)	(10)
TOTAL CHANGES	39	(30)	9
At December 31, 2022			
Gross value	175	374	549
Provisions for impairment	(6)	(6)	(12)
NET VALUE	169	368	537

NOTE 9 OTHER CURRENT AND NON-CURRENT LIABILITIES AND PROVISIONS, CONTINGENT LIABILITIES AND LITIGATION

A provision is booked when (i) the Group has a present legal or constructive obligation towards a third party as a result of a past event, (ii) it is probable that an outflow of resources will be required to settle the obligation, and (iii) the amount of the obligation can be estimated reliably.

If the amount or due date of the obligation cannot be estimated reliably, it is classified as a contingent liability and reported as an off-balance sheet commitment.

Provisions for other material liabilities and charges whose timing can be estimated reliably are discounted to present value.

9.1 Provisions for other liabilities and charges

The table below provides a breakdown by type along with details of changes in other provisions and current and non-current liabilities:

(in EUR millions)	Provisions for claims, litigation and environmental risks	Provisions for restructuring costs and personnel expenses	Provisions for customer warranties	Provisions for other contingencies	Total provisions for other liabilities	Investment -related liabilities
At January 1, 2021						
Current portion	64	96	108	82	350	11
Non-current portion	162	126	107	442	837	128
TOTAL PROVISIONS FOR OTHER LIABILITIES AND INVESTMENT-RELATED LIABILITIES	226	222	215	524	1,187	139
Changes during the period						
Additions	193	73	94	83	443	
Reversals	(8)	(27)	(16)	(22)	(73)	
Utilizations	(72)	(121)	(44)	(41)	(278)	
Changes in Group structure	4	(2)	(5)	8	5	
Translation adjustments and re-classifications	11	3	13	35	62	57
Liabilities held for sale	(5)	15		(7)	3	
TOTAL CHANGES	123	(59)	42	56	162	57
At December 31, 2021						
Current portion	165	61	135	92	453	26
Non-current portion	184	102	122	488	896	170
TOTAL PROVISIONS FOR OTHER LIABILITIES AND INVESTMENT-RELATED LIABILITIES	349	163	257	580	1,349	196
Changes during the period						
Additions	203	80	92	144	519	
Reversals	(6)	(17)	(16)	(35)	(74)	
Utilizations	(69)	(84)	(52)	(59)	(264)	
Changes in Group structure		(1)	(1)	15	13	



(in EUR millions)	Provisions for claims, litigation and environmental risks	Provisions for restructuring costs and personnel expenses	Provisions for customer warranties	Provisions for other contingencies	Total provisions for other liabilities	Investment -related liabilities
Translation adjustments and re-classifications	10	17	(8)	31	50	28
Liabilities held for sale	(27)	(3)		(2)	(32)	
TOTAL CHANGES	111	(8)	15	94	212	28
At December 31, 2022						
Current portion	253	65	145	179	642	51
Non-current portion	207	90	127	495	919	173
TOTAL PROVISIONS FOR OTHER LIABILITIES AND INVESTMENT-RELATED LIABILITIES	460	155	272	674	1,561	224
						Total provisions for other liabilities and investment -related liabilities
(in EUR millions)						
At January 1, 2021						
Current portion						361
Non-current portion						965
TOTAL PROVISIONS FOR OTHER LIABILITIES AND INVESTMENT-RELATED LIABILITIES						1,326
Changes during the period						
Additions						443
Reversals						(73)
Utilizations						(278)
Changes in Group structure						5
Translation adjustments and reclassifications						119
Liabilities held for sale						3
TOTAL CHANGES						219
At December 31, 2021						
Current portion						479
Non-current portion						1,066
TOTAL PROVISIONS FOR OTHER LIABILITIES AND INVESTMENT-RELATED LIABILITIES						1,545
Changes during the period						
Additions						519
Reversals						(74)

(in EUR millions)	Total provisions for other liabilities and investment-related liabilities
Utilizations	(264)
Changes in Group structure	13
Translation adjustments and reclassifications	78
Liabilities held for sale	(32)
TOTAL CHANGES	240
At December 31, 2022	
Current portion	693
Non-current portion	1,092
TOTAL PROVISIONS FOR OTHER LIABILITIES AND INVESTMENT-RELATED LIABILITIES	1,785

9.1.1 Provisions for claims, litigation and environmental risks

These provisions cover costs relating to litigation, environmental protection measures, as well as site rehabilitation and clean-up costs.

They cover in particular PFOA-related proceedings and the antitrust lawsuit in the Distribution sector in Switzerland.

Litigation provisions amounted to €251 million at December 31, 2022. These provisions are described in further detail in note 9.2 "Contingent liabilities and litigation".

9.1.2 Provisions for restructuring costs and personnel expenses

Provisions for restructuring costs and personnel expenses amounted to €155 million at December 31, 2022 (December 31, 2021: €163 million).

These provisions cover restructuring transactions (personnel costs and other charges linked to reorganization plans), as well as provisions for personnel expenses unrelated to restructuring plans, in particular provisions for severance payments.

9.1.3 Provisions for customer warranties

These provisions cover the Group's commitments under warranties granted to customers mainly in the United States. They are determined on a statistical basis using a range of criteria and take into account contractual warranty payments made in prior years in the business and region concerned. In addition, specific provisions may be set aside for identified contingencies in the context of a specific claim.

9.1.4 Provisions for other contingencies

At December 31, 2022, provisions for other contingencies amounted to €674 million (December 31, 2021: €580 million) and mainly concern the United States (€473 million), France (€60 million) and Brazil (€73 million).

9.1.5 Investment-related liabilities

Investment-related liabilities correspond to commitments to purchase minority interests, liabilities relating to the acquisition of shares in Group companies, and minority shareholder puts.

In 2022, changes in investment-related liabilities primarily concerned liabilities relating to the acquisition of equity interests.

9.2 Contingent liabilities and litigation

9.2.1 Antitrust law and related proceedings

Investigation by the Swiss Competition Commission in the sanitary products wholesale industry

In November 2011, the Swiss Competition Commission (Commission suisse de la concurrence) opened an investigation into anti-competitive practices in the sanitary products wholesale industry. In May 2014, the Commission Secretariat issued a notice of complaints against Sanitas Troesch and other wholesalers in the industry alleging that Sanitas Troesch and some of its competitors had, among other things, agreed in 2005 and 2012 to lower gross prices.

The total fine imposed on all companies involved is CHF 80 million. For Sanitas Troesch, the fine is CHF 28.8 million. Sanitas Troesch appealed this decision on May 2, 2016 and continues to firmly refute the claims made. The hearing took place before the Federal Administrative Court on January 21, 2020 and the date on which the Federal Administrative Court will issue its decision is not yet known. However, a provision for claims and litigation was recognized at December 31, 2015 in an amount equivalent to the fine (unchanged as at December 31, 2022).

Investigation by the French Competition Authority in the building insulation products industry

Alleged anti-competitive practices in the building insulation products market were notified to Saint-Gobain Isover and Compagnie de Saint-Gobain, which rejected such allegations. The French Competition Authority considered that the alleged anti-competitive practices were not established and dismissed all the objections in January 2021. Actis appealed this decision to the Paris Court of Appeal.

On the civil law front, Actis served in March 2013 a damages claim on Saint-Gobain Isover, the Centre scientifique et technique du bâtiment, and the FILMM before the Paris Civil Court (Tribunal judiciaire de Paris) based on the facts being investigated by the Competition Authority.

At the end of 2022, Actis withdrew these two actions. Saint-Gobain Isover and Compagnie de Saint-Gobain accepted these withdrawals without reservation. The decision of the Paris Court of Appeal noting the withdrawal of Actis and the fact that the actions were removed from the Court was made on January 26, 2023. The judgment of the Paris Civil Court declaring the withdrawal of Actis and the removal of the case is expected in the first half of 2023.

9.2.2 Asbestos-related litigation

Current legal actions related to asbestos are described below.

Asbestos-related litigation in France

Inexcusable fault lawsuits

In France, Everite and Saint-Gobain PAM, which in the past manufactured fiber-cement products containing asbestos fibres, are the subject of actions by former employees of these companies (or persons claiming through them) for recognition of inexcusable fault following diseases recognized as being of occupational origin.

As of December 31, 2022, a total of 850 lawsuits had been issued against the two companies since the outset with the aim of obtaining supplementary compensation over and above the amounts paid by the French Social Security authorities in this respect.

As of the same date, 826 of these 850 lawsuits had been completed and 24 actions are still pending.

The total amount of compensation paid by Everite and Saint-Gobain PAM since the outset of these litigations in settlement of these lawsuits totaled approximately €9.7 million as of December 31, 2022 (compared to €6.6 million as of December 31, 2021).



In addition, similar suits had been filed against 13 French companies of the Group (excluding suits against companies that are no longer part of the Group) which in the past used equipment containing asbestos to protect their employees and installations against heat from furnaces.

As of December 31, 2022, a total of 282 lawsuits had been filed since the outset against these 13 companies. 240 of these 282 lawsuits had been completed and 42 actions were still pending at the same date.

The total amount of compensation paid since the outset of the litigations by these companies was approximately €11.8 million as of December 31, 2022 (compared to approximately €10.5 million as of December 31, 2021).

Anxiety claims

Eight of the Group's subsidiaries, including six that operate or have operated facilities in France classified as containing asbestos, were the subject of anxiety claims brought by current or former employees not suffering from an occupational disease due to asbestos - claiming compensation for prejudice of anxiety suffered as a result of their alleged exposure to asbestos.

As of December 31, 2022, a total of 861 lawsuits had been brought against these companies.

At the same date, 824 suits out of 861 have been definitely completed and 37 were still pending.

The total amount of compensation paid since the outset of the litigations was €8.5 million as of December 31, 2022 (unchanged compared to the amount as of December 31, 2021).

It should be clarified that the above figures do not take into account suits filed against companies that are no longer part of the Group.

Last, the total amount registered as provision for asbestos-related litigations in France - inexcusable faults lawsuits and anxiety claims - amounted to around €8 million as of December 31, 2022 (compared to around €7 million as of December 31, 2021).

Situation in the United States

Measures taken to achieve an equitable and permanent resolution of the former CertainTeed Corporation's legacy asbestos liabilities in the United States

DBMP LLC, an affiliate of CertainTeed LLC based in North Carolina, that holds the legacy asbestos liabilities of the former CertainTeed Corporation, filed, on January 23, 2020, a voluntary petition for relief under Chapter 11 of the US Bankruptcy Code in the US Bankruptcy Court for the Western District of North Carolina in Charlotte. The matter remains pending. The purpose of the filing is to achieve a certain, final and equitable resolution of all current and future claims arising from asbestos-containing products manufactured and sold by the former CertainTeed Corporation.

DBMP LLC intends to seek court authority to establish a trust under Section 524(g) of the US Bankruptcy Code - a specific provision that is applicable to companies that face substantial numbers of asbestos-related claims - to achieve a fair and equitable resolution of its asbestos-related liabilities. Upon establishment of the trust, current and future plaintiffs with qualifying claims will be able to receive faster payment of their claims without the delay, stress and uncertainty of litigation in the tort system; at the same time, the creation and funding of such a trust will permanently and finally resolve DBMP LLC's asbestos liability.

During the course of this bankruptcy process, which is expected to take up to approximately five to eight years, all asbestos litigation will be stayed and all related costs suspended, providing DBMP LLC with the time and protection to negotiate an agreement to be approved on behalf of all claimants and by the court.

This action was taken as a result of the increasing risks presented in the US tort system. Despite the passage of time, the aging of the population and lessening opportunity for claimants to assert legitimate claims of exposure to the asbestos-containing products of the former CertainTeed Corporation, naming practices in the tort system continued to result in a steady volume of claims against DBMP LLC, with no foreseeable end in sight. In addition, there has been, in general, an escalation of settlement demands and verdicts in the tort system.

Certain adversary proceedings have been filed by representatives of current and future asbestos plaintiffs against DBMP LLC, CertainTeed LLC, Saint-Gobain Corporation, Compagnie de Saint-Gobain and various other parties. No decisions on the merits of the claims have been made and such claims do not affect the Company's financial assessment of the Chapter 11 case.

Impact on the financial statements

Following the commencement of the proceeding under Chapter 11 of the US Bankruptcy Code on January 23, 2020, the assets and liabilities of DBMP LLC and its wholly-owned subsidiary Millwork & Panel LLC, and in particular the provision for asbestos-related litigation in the United States, are no longer consolidated in the Group's financial statements.

Nonetheless, because of a funding agreement between CertainTeed LLC and DBMP LLC by which CertainTeed LLC has agreed to fund the costs of the Chapter 11 case and, ultimately, the 524(g) trust, in both cases solely to the extent DBMP LLC is unable to do so in full, the Group recorded in its consolidated financial statements a debt against DBMP LLC amounting to \$410 million as of December 31, 2022 (\$417 million as of December 31, 2021).



The Group's consolidated income for 2022 is not impacted by the ongoing Chapter 11 proceeding described above.

As a result of this bankruptcy proceeding, all legal costs and indemnity payments related to DBMP LLC's asbestos tort claims have been suspended, and no further charges in relation to such claims have been taken in 2022 (as in 2021).

Situation in Brazil

In Brazil, former employees of Brasilit, that once manufactured fiber cement containing asbestos, suffering from asbestos-related occupational illnesses are offered, depending on the case, either financial compensation alone or lifetime medical assistance combined with financial compensation. Around 1,200 contractual instruments have accordingly been signed to date.

Two class actions were initiated against Brasilit in 2017 by two associations defending former employees exposed to asbestos at the São Caetano (São Paulo state) and Recife (Pernambuco state) plants, asking for their medical assistance and compensation to be revised. First and second instance decisions were rendered in connection with the suit related to the São Caetano plant respectively in July 2020 and July 2021, rejecting the claims of the plaintiffs. The latter have nevertheless appealed the second instance decision. First and second instance decisions were rendered in relation to Recife case, respectively in February and October 2022 rejecting the claiming party arguments. The plaintiff has appealed such second instance decision.

A third class action was initiated against Brasilit in 2019 in Capivari (State of São Paulo) by the Labor prosecutor asking for health insurance, as well as collective moral damages, in favor of employees, former employees and their respective families, as well as subcontractors who were exposed to asbestos. A first instance decision was rendered in September 2020 partly in favor of the plaintiffs. In particular, collective moral damages were granted to the plaintiffs, for an amount reduced to BRL 5 million (€0.8 million). Brasilit has appealed the decision.

Brasilit is subject to controls by the Ministry of Labor and continues to comply with all of its legal obligations with regard to medical assistance for its current and former employees.

In November 2017, the Supreme Court of Brazil decided to ban asbestos definitively across the country. Brasilit stopped using asbestos voluntarily as early as 2002.

9.2.3 Environmental disputes

PFOA proceedings in the United States

Levels of PFOA (perfluorooctanoic acid) in excess of US Environmental Protection Agency (EPA) health advisories or state maximum contaminant levels for drinking water have been found in municipal water systems and private wells near current Saint-Gobain Performance Plastics (SG PPL) facilities in Hoosick Falls (New York) and Merrimack (New Hampshire), and two former facilities in North Bennington (Vermont) in the United States. PFOA and PTFE (polytetrafluorethylene) have never been manufactured by these plants. SG PPL is a processor of PTFE which it purchases from third party suppliers and which in the past contained some PFOA.

SG PPL has voluntarily provided bottled water in all three communities, installed point-of-entry treatment systems to residents and businesses in all three communities, installed carbon filtration systems on the municipal water supply in Hoosick Falls and funded the installation of a carbon filtration system on the Merrimack Valley District's municipal water supply. In addition, it has voluntarily funded construction of water line extensions in certain communities in the Merrimack and Bennington areas. The investigations are ongoing and the scope of responsibility for SG PPL arising from environmental remediation in New Hampshire and New York and clean-up obligations at these sites has not yet been established. The scope of the remediation in Vermont is defined and largely completed; future operation and maintenance obligations remain. Without admitting liability, SG PPL has signed consent orders with the environmental regulators in New York in 2016, in Vermont in 2017 and 2019 with respect to two different areas, and in New Hampshire in 2018, pursuant to which SG PPL has agreed to complete investigations, implement interim or final remediation measures at its current and former facilities and in the case of Vermont and New Hampshire, fund construction of water lines. Responsibility, if any, is expected to be shared with other parties as regards in particular the Hoosick Falls site.

PFOA-related lawsuits alleging both health-related and economic damages claims have been filed in civil courts in New York, New Hampshire and Vermont, some of which are in the form of proposed or certified class actions. It is difficult to predict the timing or outcome of any such litigation, or whether any additional litigation will be brought against SG PPL, however, both the New York and Vermont class actions are settled.

On December 31, 2022, the provision recorded by the Company in respect of this matter amounts to €201 million (compared to €116 million as of December 31, 2021). This provision covers both remediation and litigation related to PFOA matters.

9.2.4 Other contingent liabilities

Grenfell Tower fire in the United Kingdom



Celotex provides insulation materials for specific applications for the building and construction industry. Insulation materials from two Celotex ranges were purchased via distributors and used in refurbishing Grenfell Tower, London in 2015/2016, including as one component of the rainscreen cladding system designed and installed (by third parties) on the tower's external facade.

Following the Grenfell Tower fire on June 14, 2017, a Public Inquiry was constituted, which is considering, among other things, the modifications made to the building as part of the refurbishment, the role played by the various construction professionals, and the information provided by the manufacturers of the products used. The Inquiry has been conducting its work in two phases: its phase 1 report was published on October 30, 2019; phase 2 commenced in January 2020 and public hearings continued until July 2022, with a final report to follow, most likely in 2023. A criminal investigation into the circumstances of the fire is also in progress.

There are a large number of issues and circumstances that need to be explored and the implications for Celotex are unlikely to be known for some time. Civil proceedings in connection with Grenfell Tower brought against Celotex Limited and/or Saint-Gobain Construction Products UK Limited (which respectively held the Celotex business until or after December 31, 2015) and a number of other defendants - who are also core participants in the Public Inquiry - have been issued by bereaved, survivors and residents and emergency responders. Those proceedings have been stayed prior to the service of full pleadings on the basis that the parties to the litigation are permitted to engage in a confidential alternative dispute resolution process, which if it succeeds would avoid the need for litigation. Celotex and Saint-Gobain Construction Products UK Limited are engaging with other parties in such processes.

Celotex and Saint-Gobain Construction Products UK Limited are unable to communicate on the status of those confidential processes, which are ongoing. However, the financial statements as at 31 December 2022 include a provision covering the principal financial implications that may arise from the process engaged with bereaved, survivors and residents.

The extent to which Celotex may incur further civil or criminal liability in connection with the production, marketing, supply or use of its products is currently unclear and Celotex Limited and Saint-Gobain Construction Products UK are currently unable to make a reliable estimate of their potential liability in this respect.

9.2.5 Other proceedings and disputes

Some of the Group's companies may also be the subject of other claims made by their employees or by the tax authorities, or in the context of the enforcement of seller's warranties granted by the Group to the buyers of divested businesses (see p. 290, note 5.5.2). Apart from the proceedings and litigation described above, to the best of the Company's knowledge, no other government, court or arbitration proceedings exist (including pending proceedings or proceedings where the Company and/or the Group might be threatened) which could have or have had, in the last 12 months, a significant impact on the financial position or profitability of the Company and/or Group.

NOTE 10 FINANCING AND FINANCIAL INSTRUMENTS

10.1 Financial risks

10.1.1 Liquidity risk

Liquidity risk on financing

In a crisis environment, the Group might be unable to raise the financing or refinancing needed to cover its investment plans on the credit or capital markets, or to obtain such financing or refinancing on acceptable terms.

The Group's overall exposure to liquidity risk on its net debt is managed by the Treasury and Financing Department of Compagnie de Saint-Gobain, the Group's parent company. The subsidiaries generally enter into short- or long-term financing arrangements with Compagnie de Saint-Gobain or with the regional cash pools.

The Group's policy is to ensure that the Group's financing will be rolled over at maturity and to optimize borrowing costs. Long-term debt therefore systematically represents a high percentage of overall debt. At the same time, the maturity schedules of long-term debt are set in such a way that replacement capital market issues are spread over time.

The Group's main source of long-term financing is constituted by bonds, which are generally issued under the Medium Term Notes program. The Group also uses lease financing, perpetual bonds, participating securities, a long-term securitization program and bank borrowings.

Short-term debt is composed of borrowings under Negotiable European Commercial Paper (NEU CP) programs, and occasionally Euro Commercial Paper and US Commercial Paper programs, but also includes receivables securitization programs and bank financing. The Group also has factoring programs. Financial assets comprise marketable securities and cash and cash equivalents.

Compagnie de Saint-Gobain's liquidity position is secured by confirmed syndicated lines of credit.

A breakdown of long- and short-term debt by type and maturity is provided in note 10.3, which also details the main characteristics of the Group's financing programs and confirmed credit lines.

Saint-Gobain's long-term debt issues have been rated BBB with a positive outlook by Standard & Poor's since April 26, 2022, and Baa1 with a stable outlook by Moody's since June 15, 2022.

There is no guarantee that the Company will be in a position to maintain its credit risk ratings at current levels. Any deterioration in the Group's credit risk rating could limit its capacity to raise funds and could lead to higher rates of interest on future borrowings.

Liquidity risk on investments

Short-term investments consist of bank deposits and mutual fund units. To reduce liquidity and high volatility risks, the Group invests in money market funds and/or bonds whenever possible.

10.1.2 Financial counterparty credit risk

The Group is exposed to the risk of default by the financial institutions that manage its cash or other financial instruments, since such default could lead to losses for the Group.

The Group limits its exposure to risk of default by its counterparties by dealing solely with reputable financial institutions and regularly monitoring their credit ratings. However, the credit quality of a financial counterparty can change rapidly, and a high credit rating cannot eliminate the risk of a rapid deterioration of its financial position. As a result, the Group's policy in relation to the selection and monitoring of its counterparties is unable to entirely eliminate exposure to a risk of default.

To limit Compagnie de Saint-Gobain's exposure to counterparty credit risk, the Treasury and Financing Department deals primarily with counterparties with a long-term rating of A- or above from Standard & Poor's or A3 or above from Moody's. Concentrations of credit risk are also closely monitored to ensure that they remain at reasonable levels, taking into account the relative CDS ("Credit Default Swap") level of each counterparty.

10.1.3 Market risks

Energy and commodity risk

The Group is exposed to changes in the price of the energy it consumes and the raw materials used in its activities. Its energy and commodity hedging programs may be insufficient to protect the Group against significant or unforeseen price swings that could result from the prevailing financial and economic environment.

The Group may limit its exposure to energy price fluctuations by using swaps and options to hedge part of its fuel oil, natural gas and electricity purchases. The swaps and options are mainly contracted in the functional currency of the entities concerned. Hedges of fuel oil, gas and electricity purchases are contracted in accordance with the Group's purchasing policy.

These hedges (excluding fixed-price purchases negotiated directly with suppliers by the Purchasing Department) are generally arranged by the Group Treasury and Financing Department (or with regional treasury departments) in accordance with instructions received from the Purchasing Department.

From time to time, the Group may enter into contracts to hedge purchases of certain commodities or engage in the CO₂ emissions market, in accordance with the same principles as those outlined above for energy purchases.

Note 10.4 provides a breakdown of instruments used to hedge energy and commodity risks.

Interest rate risk

The Group's overall exposure to interest rate risk on consolidated debt is managed by the Treasury and Financing Department of Compagnie de Saint-Gobain.

The Group's policy is aimed at fixing and optimizing its medium-term borrowing costs by hedging interest rate risk. According to Group policy, the derivative financial instruments used to hedge interest rate risk can include interest rate swaps, cross-currency swaps, options - including caps, floors and swaptions - and forward rate agreements.

The table below shows the sensitivity at December 31, 2022 of pre-tax income and pre-tax equity to fluctuations in the interest rate on the Group's net debt after hedging:



(in EUR millions)	Impact on pre-tax income	Impact on pre-tax equity
Interest rate increase of 50 basis points	21	6
Interest rate decrease of 50 basis points	(21)	(6)

Note 10.4 provides a breakdown of instruments used to hedge interest rate risk and of gross debt by type of interest (fixed or variable) after hedging.

Foreign exchange risk

The currency hedging policies described below could be insufficient to protect the Group against unexpected or sharper than expected fluctuations in exchange rates resulting from economic and financial market conditions.

Foreign exchange risks are managed by hedging virtually all transactions entered into by Group entities in currencies other than the functional currency of the particular entity. Compagnie de Saint-Gobain and its subsidiaries may use forward contracts and options to hedge exposures arising from current and forecast transactions.

The subsidiaries generally set up contracts through the Group's parent company, Compagnie de Saint-Gobain, which then carries out the corresponding forex hedging transactions on their behalf, or through the regional cash pools. Failing this, contracts are taken out with one of the subsidiary's banks.

Most forward contracts have short maturities of around three months. However, forward contracts taken out to hedge firm orders may have longer terms.

The Group monitors its exposure to foreign exchange risk using a monthly reporting system that captures the foreign exchange positions taken by its subsidiaries. At December 31, 2022, 98% of the Group's foreign exchange exposure was hedged.

The residual net foreign exchange exposure of subsidiaries for the currencies presented below was as follows at December 31, 2022:

(in millions of euro equivalent)	Long	Short
EUR	10	4
USD	8	4
Other currencies	0	4
TOTAL	18	12

The table below gives an analysis, as of December 31, 2022, of the sensitivity of the Group's pre-tax income to a 10% increase in the exchange rates of the following currencies given the subsidiaries' residual net foreign exchange exposure:

Currency of exposure (in millions of euro equivalent)	Impact on pre-tax income
EUR	0.6
USD	0.4
Other currencies	(0.4)
TOTAL	0.6

Assuming that all other variables remained unchanged, a 10% fall in the exchange rates for these currencies at December 31, 2022 would have the opposite impact.

Note 10.4 provides a breakdown of instruments used to hedge foreign exchange risk.

Saint-Gobain share price risk

The Group is exposed to changes in the Saint-Gobain share price as a result of its performance unit incentive plans. To reduce its exposure to fluctuations in the share price, the Group uses hedging instruments such as equity swaps.

As a result, if the price of the Saint-Gobain share changes, any changes in the expense recorded in the income statement will be fully offset by the hedges in place.

Note 10.4 provides a breakdown of instruments used to hedge share price risk.

10.2 Net financial income (expense)

Net financial income (expense) includes borrowing and other financing costs, income from cash and cash equivalents, interest on lease liabilities, interest cost for pension and other post-employment benefit plans net of the return on plan assets, and other financial income and expense.

Net financial income (expense) in 2022 and 2021 comprises:

(in EUR millions)	2022	2021
Borrowing costs, gross	(250)	(240)
Income from cash and cash equivalents	54	7
BORROWING COSTS, NET, EXCLUDING LEASE LIABILITIES	(196)	(233)
Interest on lease liabilities	(66)	(54)
TOTAL BORROWING COSTS, NET	(262)	(287)
Interest cost - pension and other post-employment benefit obligations	(247)	(190)
Return on plan assets	232	160
INTEREST COST - PENSION AND OTHER POST-EMPLOYMENT BENEFIT OBLIGATIONS, NET	(15)	(30)
Other financial expense*	(139)	(106)
Other financial income	12	16
OTHER FINANCIAL INCOME AND EXPENSE	(127)	(90)
NET FINANCIAL INCOME (EXPENSE)	(404)	(407)

* Including €19 million in premiums paid in 2022 on the partial redemption of a GBP bond issue.

10.3 Net debt

10.3.1 Long- and short-term debt

Long-term debt

Long-term debt includes bonds, perpetual bonds, participating securities, long-term securitization and all other types of long-term financial liabilities, including the fair value of interest rate hedging derivatives.

Under IAS 32, the distinction between financial liabilities and equity is based on the substance of the contracts concerned rather than their legal form. As a result, participating securities are classified as debt.

At the end of the reporting period, long-term debt (excluding interest rate derivatives) is measured at amortized cost. Premiums and issuance costs are amortized using the effective interest method.

Short-term debt

Besides the current portion of long-term debt described above, short-term debt includes financing programs such as commercial paper, short-term securitization, bank overdrafts and other short-term financial liabilities including the fair value of derivatives related to debt and accrued interest on borrowings.

Short-term debt, excluding derivatives related to debt, is measured at amortized cost at the end of the reporting period. Premiums and issuance costs are amortized using the effective interest rate method.

Lease liabilities

Lease liabilities represent obligations to make lease payments in accordance with IFRS 16.

Cash and cash equivalents

Cash and cash equivalents mainly consist of bank accounts and marketable securities that are short-term (i.e., generally with maturities of less than three months), highly liquid investments readily convertible into known amounts of cash and subject to an insignificant risk of changes in value.

Marketable securities are measured at fair value through profit or loss.

Long- and short-term debt consists of the following:

(in EUR millions)	Dec. 31, 2022	Dec. 31, 2021
Bond issues	8,165	8,521
Perpetual bonds and participating securities	203	203
Long-term securitization	390	280
Other long-term financial liabilities	206	190
NON-CURRENT PORTION OF LONG-TERM DEBT	8,964	9,194
Bond issues	1,611	1,000
Long-term securitization	110	220
Other long-term financial liabilities	120	116
CURRENT PORTION OF LONG-TERM DEBT	1,841	1,336
Short-term financing programs (NEU CP, US CP, Euro CP)	0	0
Short-term securitization	148	263
Bank overdrafts and other short-term financial liabilities	492	282
SHORT-TERM DEBT	640	545
TOTAL GROSS DEBT EXCLUDING LEASE LIABILITIES	11,445	11,075
Lease liabilities	2,921	3,155
TOTAL GROSS DEBT	14,366	14,230
Cash at banks	(2,891)	(1,725)
Mutual funds and other marketable securities	(3,243)	(5,218)
CASH AND CASH EQUIVALENTS	(6,134)	(6,943)

(in EUR millions)	Dec. 31, 2022	Dec. 31, 2021
TOTAL NET DEBT	8,232	7,287

Changes in the Group's long-term debt (excluding lease liabilities) can be analyzed as follows:

(in EUR millions)	Dec. 31, 2021	Cash impact			No cash impact	
		Increases	Decreases	Changes in Group structure	Translation adjustments	Other
Non-current portion of long-term debt	9,194	1,607	(279)	9	(58)	(1,509)
Current portion of long-term debt	1,336	17	(1,007)	6	0	1,489
TOTAL LONG-TERM DEBT	10,530	1,624	(1,286)	15	(58)	(20)

(in EUR millions)	Dec. 31, 2022
Non-current portion of long-term debt	8,964
Current portion of long-term debt	1,841
TOTAL LONG-TERM DEBT	10,805

The main changes with an impact on cash are described in note 10.3.3. The main change with no cash impact in the "Other" column relates to the reclassification of debt maturing within 12 months in the current portion of long-term debt.

The fair value of gross long-term debt (including the current portion), excluding lease liabilities, managed by Compagnie de Saint-Gobain amounts to €9.4 billion at December 31, 2022 (carrying amount: €10 billion). The fair value of bonds corresponds to the market price at the last market quotation of the year. For other borrowings, fair value is considered equal to the amount repayable.

10.3.2 Gross debt repayment schedule

The schedule of the Group's total gross debt as of December 31, 2022 is as follows:

(in EUR millions)	Currency	Within 1 year	1 to 5 years	Beyond 5 years	Total
Bond issues	EUR	1,611	4,331	3,423	9,365
	GBP	0	131	280	411
Perpetual bonds and participating securities	EUR	0	0	203	203
Long-term securitization	EUR	110	390	0	500
Other long-term financial liabilities	All currencies	28	80	126	234
Accrued interest on long-term debt	All currencies	92	0	0	92
TOTAL LONG-TERM DEBT		1,841	4,932	4,032	10,805
SHORT-TERM DEBT	All currencies	640	0	0	640
TOTAL GROSS DEBT EXCLUDING LEASE LIABILITIES		2,481	4,932	4,032	11,445
Lease liabilities	All currencies	597	1,509	815	2,921

(in EUR millions)	Currency	Within 1 year	1 to 5 years	Beyond 5 years	Total
TOTAL GROSS DEBT		3,078	6,441	4,847	14,366

At December 31, 2022, future interest payments on gross long-term debt (including the current portion), excluding lease liabilities, managed by Compagnie de Saint-Gobain can be broken down as follows:

(in EUR millions)	Within 1 year	1 to 5 years	Beyond 5 years	Total
Future interest payments on gross long-term debt	185	557	480	1,222

Interest on perpetual bonds and on participating securities is calculated up to 2049.

10.3.3 Bonds

Compagnie de Saint-Gobain also redeemed the following instruments at maturity:

- €900 million worth of 3.625% bonds on March 28, 2022;
- €100 million worth of 3.6% bonds on October 10, 2022.

On May 18, 2022, Compagnie de Saint-Gobain partially redeemed a bond for a face value of GBP 183.6 million. The amount outstanding under this bond, originally issued for GBP 300 million, represents GBP 116.4 million maturing on November 15, 2024 with a coupon of 5.625%. The difference between the redemption value and the face value of the bonds redeemed (GBP 16.1 million) was recorded in other financial expense.

On August 10, 2022, Compagnie de Saint-Gobain issued a €1.5 billion bond divided into three tranches:

- a €500 million tranche maturing August 10, 2025 and paying a coupon of 1.625%;
- a €500 million tranche maturing June 10, 2028 and paying a coupon of 2.125%;
- a €500 million tranche maturing August 10, 2032 and paying a coupon of 2.625%.

The ten-year tranche is a Sustainability-Linked Bond (SLB) linked to two important indicators of Saint-Gobain's sustainability roadmap, with ambitious 2030 targets in relation to the 2017 base year:

- reduce by 33% the absolute scope 1 and 2 CO₂ emissions;
- achieve an 80% reduction in non-recovered production waste.

A 0.375% step-up would apply on the 2032 coupon for each of these indicators if their respective target was not met.

10.3.4 Perpetual bonds

In 1985, Compagnie de Saint-Gobain issued 25,000 perpetual bonds with a face value of ECU 5,000 (€5,000 today).

A total of 18,496 perpetual bonds have since been bought back and canceled, and 6,504 perpetual bonds are outstanding at December 31, 2022, representing a total face value of €33 million.

The bonds bear interest at a variable rate (average of interbank rates offered by the four reference banks for six-month euro deposits). The amount paid out per bond in 2022 was €0.

The bonds are not redeemable and interest on the bonds is classified as a component of finance costs.

10.3.5 Non-voting participating securities

In June 1983, Compagnie de Saint-Gobain issued 1,288,299 non-voting participating securities with a face value of FRF 1,000. Their face value is now €152.45, following their translation into euros in 1999.

A certain number of these participating securities have been bought back over the years. At December 31, 2022, 606,883 securities are still outstanding with an aggregate face value of €92.5 million.

Interest on the securities ranges from 75% to 125% of the average corporate bond yield (TMO), based on the Group's consolidated income. The amount paid out per security in 2022 was €0.45.

In April 1984, 194,633 non-voting participating securities were issued by Compagnie de Saint-Gobain with a face value of ECU 1,000 (€1,000 today).

A certain number of these participating securities has been bought back over the years. At December 31, 2022, 77,516 securities are still outstanding, with an aggregate face value of €77.5 million.

Interest comprises (i) a fixed portion of 7.5% paid per year applicable to 60% of the nominal amount of the security, and (ii) a variable portion applicable to the remaining 40% of the nominal amount of the security, which is linked to consolidated net income of the previous year and to the reference six-month Euribor rate +7/8%. The amount paid per security in 2022 was €61.70, settled in two installments (€27.95 and €33.75).

These participating securities are not redeemable and the interest paid on them is classified as a component of finance costs.

10.3.6 Financing programs

The Group has a number of medium- and long-term financing programs (Medium-Term Notes) and short-term financing programs (Commercial Paper).

The state of these programs is as follows:

(in EUR millions)	Authorized drawings	Authorized limits at Dec. 31, 2022	Balance outstanding at Dec. 31, 2022	Balance outstanding at Dec. 31, 2021
Medium Term Notes	any duration	15,000	9,879	9,649
NEU CP	up to 12 months	4,000	0	0
US Commercial Paper	up to 12 months	938*	0	0
Euro Commercial Paper	up to 12 months	938*	0	0

* Equivalent of USD 1,000 million based on the exchange rate at December 31, 2022.

In accordance with market practices, Negotiable European Commercial Paper (NEU CP), US Commercial Paper and Euro Commercial Paper are generally issued with maturities of one to six months. They are treated as variable-rate debt since they are rolled over at frequent intervals.

10.3.7 Syndicated lines of credit

Compagnie de Saint-Gobain has two syndicated lines of credit that are intended to provide a secure source of financing for the Group (including as additional backing for its NEU CP, US Commercial Paper and Euro Commercial Paper programs):

- a €2.5 billion syndicated line of credit, maturing in December 2024 after the exercise of the two one-year rollover options;
- a second €1.5 billion syndicated line of credit, also maturing in December 2024 after the exercise of the two one-year rollover options.

Based on the Group's current credit rating for long-term debt, the two facilities are not subject to any covenants. Neither of these two lines of credit was drawn down at December 31, 2022.

10.3.8 Receivables securitization programs

The Group has set up two receivables securitization programs, one through its French subsidiary Point.P Finances GIE, and the other through its US subsidiary, Saint-Gobain Receivables Corporation.



The French program, covering an amount of up to €500 million, represented €500 million at both December 31, 2022 and December 31, 2021.

Based on observed seasonal fluctuations in receivables included in the program and on the contract's features, €390 million of this amount is classified as non-current and the remaining balance as current.

Under the US program, covering a maximum of up to USD 400 million, a total of USD 157 million has been drawn down at December 31, 2022. Its value amounts to an equivalent in euros of €148 million compared to €263 million at December 31, 2021.

10.3.9 Secured debt

At December 31, 2022, €1 million of Group debt is secured by various non-current assets (real estate and securities).

10.3.10 Factoring

The Group has set up several trade receivables factoring programs. Based on an analysis of the risks and rewards as defined by IFRS 9, the Group has derecognized virtually all of the receivables sold under these programs. A total of €644 million in factored receivables were derecognized at December 31, 2022, compared to €492 million at December 31, 2021.

10.4 Financial instruments

The Group uses interest rate, foreign exchange, energy, commodity and equity derivatives to hedge its exposure to changes in interest rates, exchange rates, and energy, commodity and equity prices that may arise in the normal course of business.

In accordance with IAS 32 and IFRS 9, all such instruments are recognized in the balance sheet and measured at fair value, irrespective of whether or not they are part of a hedging relationship that qualifies for hedge accounting under IFRS 9.

Changes in the fair value of both derivatives that are designated and qualified as fair value hedges and derivatives that do not qualify for hedge accounting during the period are taken to the income statement (in business income and expense for operational foreign exchange derivatives and commodity derivatives not qualifying for hedge accounting, and in financial income and expense for all other derivatives). However, in the case of derivatives that qualify as cash flow hedges, the effective portion of the gain or loss arising from changes in fair value is recognized directly in equity, and only the ineffective portion is recognized in the income statement.

Fair value hedges

Fair value hedge accounting is applied by the Group mainly for derivative instruments which swap fixed rates against variable rates (fixed-for-floating interest rate swaps). These derivatives hedge fixed-rate debt exposed to a fair value risk. In accordance with hedge accounting principles, debt included in a designated fair value hedging relationship is remeasured at fair value to the extent of the risk hedged. As the loss or gain on the underlying hedged item offsets the effective portion of the gain or loss on the fair value hedge, the income statement is only impacted by the ineffective portion of the hedge.

Cash flow hedges

Cash flow hedge accounting is applied by the Group mainly for derivative instruments which fix the cost of future investments (financial assets or property, plant and equipment) and the price of future purchases, mostly gas and fuel oil (commodity swaps) or foreign currencies (foreign exchange forwards). Transactions hedged by these instruments are qualified as highly probable. The application of cash flow hedge accounting allows the Group to defer the impact on the income statement of the effective portion of changes in the fair value of these derivatives by recording them in a hedging reserve in equity. This reserve is reclassified to the income statement when the hedged transaction occurs and the hedged item itself affects income. In the same way as for fair value hedges, cash flow hedging limits the Group's exposure to changes in the fair value of these derivatives to the ineffective portion of the hedge.

Derivatives that do not qualify for hedge accounting

Changes in the fair value of derivatives that do not qualify for hedge accounting are recognized in the income statement. The instruments concerned are primarily foreign exchange swaps and foreign exchange forwards.

Fair value of financial instruments

The fair value of financial assets and financial liabilities corresponds to their quoted price on an active market (if any): this represents level 1 in the fair value hierarchy defined in IFRS 7 and IFRS 13. The fair value of instruments not quoted in an active market, such as derivatives or financial assets and liabilities, is determined by reference to commonly used valuation techniques such as the fair value of another recent and similar transaction, or discounted cash flow analysis based on observable market inputs. This represents level 2 in the fair value hierarchy defined in IFRS 7 and IFRS 13.

The fair value of short-term financial assets and liabilities is considered as being the same as their carrying amount due to their short maturities.

The following table presents a breakdown of the main derivatives used by the Group:

(in EUR millions)	Fair value		Nominal amount by maturity			
	Derivatives recorded in assets	Derivatives recorded in liabilities	Dec. 31, 2022	Dec. 31, 2021	Within 1 year	1 to 5 years
FAIR VALUE HEDGES	0	0	0	0		
Cash flow hedges						
Currency	3	(7)	(4)	6	268	34
Interest rate	6	(47)	(41)	(60)	0	95
Energy and commodities	5	(1)	4	6	42	1
Other risks: equities	1	0	1	12	4	10
CASH FLOW HEDGES - TOTAL	15	(55)	(40)	(36)	314	140
Derivatives not qualifying for hedge accounting mainly contracted by Compagnie de Saint-Gobain						
Currency	15	(12)	3	14	2,304	0
Interest rate	0	(1)	(1)	0	0	6
Energy and commodities	0	0	0	0	0	0
DERIVATIVES NOT QUALIFYING FOR HEDGE ACCOUNTING - TOTAL	15	(13)	2	14	2,304	6
TOTAL	30	(68)	(38)	(22)	2,618	146
					Nominal amount by maturity	
(in EUR millions)					Beyond 5 years	Dec. 31, 2022
FAIR VALUE HEDGES						0
Cash flow hedges						
Currency					0	302
Interest rate					362	457
Energy and commodities					0	43

(in EUR millions)	Nominal amount by maturity	
	Beyond 5 years	Dec. 31, 2022
Other risks: equities	0	14
CASH FLOW HEDGES - TOTAL	362	816
Derivatives not qualifying for hedge accounting mainly contracted by Compagnie de Saint-Gobain		
Currency	0	2,304
Interest rate	0	6
Energy and commodities	0	0
DERIVATIVES NOT QUALIFYING FOR HEDGE ACCOUNTING - TOTAL	0	2,310
TOTAL	362	3,126

10.4.1 Currency instruments

Currency swaps

The Group uses currency swaps mainly to convert euro-denominated funds into foreign currencies for cash management purposes.

Forward foreign exchange contracts and currency options

Forward foreign exchange contracts and currency options are used to hedge foreign currency transactions, particularly commercial transactions (purchases and sales) and investments.

10.4.2 Interest rate instruments

Interest rate swaps

The Group uses interest rate swaps to convert part of its fixed/variable-rate bank debt and bond debt to variable/ fixed rates.

Cross-currency swaps

The Group uses cross-currency swaps to convert foreign currency (euro) debt into euro (foreign currency) debt.

10.4.3 Energy and commodities

Energy and commodity swaps

Energy and commodity swaps are used to hedge the risk of changes in the price of certain purchases used in Group subsidiaries' operating activities, particularly energy (fuel oil, natural gas and electricity) purchases.

10.4.4 Other risks

Equity derivatives

Equity derivatives are used to hedge the risk of changes in the Saint-Gobain share price in connection with the performance units long-term incentive plan.

10.4.5 Credit value adjustments to derivative instruments

Credit value adjustments to derivative instruments are calculated in accordance with IFRS 13 based on historical probabilities of default derived from calculations performed by a leading rating agency and on the estimated loss given default. At December 31, 2022, credit value adjustments were not material.

10.4.6 Impact on equity of financial instruments qualifying for cash flow hedge accounting

At December 31, 2022, the IFRS cash flow hedge reserve carried in equity had a debit balance of €8 million, consisting mainly of:

- a debit balance of €15 million in relation to cross-currency swaps designated as cash flow hedges that are used to convert a GBP bond issue into euros;
- a credit balance of €6 million corresponding to changes in the fair value of interest rate hedges classified as cash flow hedges;
- a credit balance of €4 million corresponding to changes in fair value of energy hedges qualified as cash flow hedges;
- a debit balance of €3 million corresponding to changes in fair value of currency derivatives qualified as cash flow hedges.

The ineffective portion of cash flow hedge derivatives is not material.

10.4.7 Impact on income of financial instruments not qualifying for hedge accounting

The fair value of derivatives classified as "Financial assets and liabilities at fair value through profit or loss" represents a gain of €2 million in 2022 compared to a gain of €14 million in 2021.

10.4.8 Embedded derivatives

The Saint-Gobain Group regularly analyzes its contracts in order to separately identify financial instruments classified as embedded derivatives under IFRS.

At December 31, 2022, no embedded derivatives deemed to be material at Group level were identified.

10.4.9 Group debt structure (excluding lease liabilities)

The weighted average interest rate on total gross debt under IFRS and after hedging (interest rate swaps and cross-currency swaps) was 2.3% at December 31, 2022, compared with 2.1% at December 31, 2021.

The average internal rate of return for the main component of the Group long-term debt before hedging (bonds) was 2.0% at December 31, 2022, compared with 2.5% at December 31, 2021.

The table below presents the breakdown by interest rate (fixed or variable) of the Group's gross debt at December 31, 2022, taking into account interest rate and cross-currency swaps.

(in EUR millions)	Gross debt, excluding lease liabilities		Total
	Variable rate	Fixed rate	
EUR	861	8,807	9,668
Other currencies	644	999	1,643
TOTAL	1,505	9,806	11,311
(in %)	13 %	87 %	100 %
Accrued interest and other			134
TOTAL GROSS DEBT EXCLUDING LEASE LIABILITIES			11,445

10.5 Financial assets and liabilities

Financial assets and liabilities are classified as follows in accordance with IFRS 9:

At December 31, 2022

(in EUR millions)	Notes	Financial instruments			Financial instruments at fair value	
		Fair value through profit or loss	Fair value through other comprehensive income	Amortized cost	Total financial instruments	Level 1 inputs
Trade and other accounts receivable				6,618	6,618	
Loans, deposits and surety	(8)			368	368	
Equity investments and other	(8)		169		169	
Derivatives recorded in assets		15	15		30	
Cash and cash equivalents		3,246		2,891	6,137	3,246
TOTAL FINANCIAL ASSETS		3,261	184	9,877	13,322	3,246
Trade and other accounts payable				(12,335)	(12,335)	
Long- and short-term debt				(11,409)	(11,409)	
Long- and short-term lease liabilities				(2,921)	(2,921)	
Derivatives recorded in liabilities		(13)	(55)		(68)	
TOTAL FINANCIAL LIABILITIES		(13)	(55)	(26,665)	(26,733)	0

(in EUR millions)	Notes	Financial instruments			Financial instruments at fair value	
		Fair value through profit or loss	Fair value through other comprehensive income	Amortized cost	Total financial instruments	Level 1 inputs
FINANCIAL ASSETS AND LIABILITIES - NET		3,248	129	(16,788)	(13,411)	3,246
Financial instruments at fair value						
(in EUR millions)				Level 2 inputs	Level 3 inputs	Total financial instruments measured at fair value
Trade and other accounts receivable						0
Loans, deposits and surety						0
Equity investments and other					169	169
Derivatives recorded in assets				30		30
Cash and cash equivalents						3,246
TOTAL FINANCIAL ASSETS				30	169	3,445
Trade and other accounts payable						0
Long- and short-term debt						0
Long- and short-term lease liabilities						0
Derivatives recorded in liabilities				(68)		(68)
TOTAL FINANCIAL LIABILITIES				(68)	0	(68)
FINANCIAL ASSETS AND LIABILITIES - NET				(38)	169	3,377

At December 31, 2021

(in EUR millions)	Notes	Financial instruments			Financial instruments at fair value	
		Fair value through profit or loss	Fair value through other comprehensive income	Amortized cost	Total financial instruments	Level 1 inputs
Trade and other accounts receivable				6,573	6,573	
Loans, deposits and surety	(8)			398	398	
Equity investments and other	(8)		130		130	
Derivatives recorded in assets		18	27		45	
Cash and cash equivalents		5,218		1,727	6,945	5,218
TOTAL FINANCIAL ASSETS		5,236	157	8,698	14,091	5,218



(in EUR millions)	Notes	Financial instruments			Financial instruments at fair value	
		Fair value through profit or loss	Fair value through other comprehensive income	Amortized cost	Total financial instruments	Level 1 inputs
Trade and other accounts payable				(11,708)	(11,708)	
Long- and short-term debt				(11,022)	(11,022)	
Long- and short-term lease liabilities				(3,155)	(3,155)	
Derivatives recorded in liabilities		(4)	(63)		(67)	
TOTAL FINANCIAL LIABILITIES		(4)	(63)	(25,885)	(25,952)	0
FINANCIAL ASSETS AND LIABILITIES - NET		5,232	94	(17,187)	(11,861)	5,218
Financial instruments at fair value						
(in EUR millions)				Level 2 inputs	Level 3 inputs	Total financial instruments measured at fair value
Trade and other accounts receivable						0
Loans, deposits and surety						0
Equity investments and other					130	130
Derivatives recorded in assets				45		45
Cash and cash equivalents						5,218
TOTAL FINANCIAL ASSETS				45	130	5,393
Trade and other accounts payable						0
Long- and short-term debt						0
Long- and short-term lease liabilities						0
Derivatives recorded in liabilities				(67)		(67)
TOTAL FINANCIAL LIABILITIES				(67)	0	(67)
FINANCIAL ASSETS AND LIABILITIES - NET				(22)	130	5,326

IFRS 13 ranks the inputs used to determine fair value:

- Level 1: inputs resulting from quoted prices on an active market for identical instruments;
- Level 2: inputs other than level 1 inputs that can be observed directly or indirectly;
- Level 3: all other non-observable inputs.

NOTE 11 SHAREHOLDERS' EQUITY AND EARNINGS PER SHARE

11.1 Equity

11.1.1 Equity

At December 31, 2022, Saint-Gobain's capital stock was composed of 515,769,082 shares with a par value of €4 (524,017,595 shares at December 31, 2021).

11.1.2 Additional paid-in capital and legal reserve

This item includes capital contributions in excess of the par value of capital stock as well as the legal reserve, which corresponds to a cumulative portion of the yearly net income of Compagnie de Saint-Gobain.

11.1.3 Retained earnings and consolidated net income

Retained earnings and consolidated net income correspond to the Group's share in the undistributed earnings of all consolidated companies.

11.1.4 Treasury stock

Treasury stock is measured at cost and recorded as a deduction from equity. Gains and losses on disposals of treasury stock are recognized directly in equity and have no impact on net income for the period.

Forward purchases of treasury stock are treated in the same way. When a fixed number of shares is purchased forward at a fixed price, this amount is recorded in "Other liabilities" against a deduction from equity under "Retained earnings and net income for the year".

Saint-Gobain shares held or controlled by Compagnie de Saint-Gobain and Saint-Gobain Corporation are shown as a deduction from equity under "Treasury stock" at acquisition cost.

The liquidity agreement signed with Exane BNP Paribas on November 16, 2007 and implemented on December 3, 2007 for a period up to December 31, 2007 has been automatically renewed since that date.

At December 31, 2022, 4,406,990 shares were held in treasury (December 31, 2021: 2,746,687 shares). In 2022, the Group acquired 18,011,705 shares (2021: 16,865,006 shares) directly on the market. The number of shares sold in 2022 was 3,174,316 versus 2,525,353 in 2021. 13,177,086 shares were canceled in 2022, compared with 14,243,174 shares in 2021.

For the purposes of a compensation plan set up in January 2008 for certain employees in the United States, Compagnie de Saint-Gobain shares are held by the trustee, Wachovia Bank, National Association. In the consolidated financial statements, these shares are treated as being controlled by Saint-Gobain Corporation.

11.1.5 Number of shares

	Number of shares	
	Issued	Outstanding
NUMBER OF SHARES AT DECEMBER 31, 2020	532,683,713	530,033,505
Group Savings Plan	5,562,855	5,562,855
Stock subscription option plans	14,201	14,201
Shares purchased		(16,865,006)

	Number of shares	
	Issued	Outstanding
Shares sold		2,525,353
Shares canceled	(14,243,174)	
NUMBER OF SHARES AT DECEMBER 31, 2021	524,017,595	521,270,908
Group Savings Plan	4,916,097	4,916,097
Stock subscription option plans	12,476	12,476
Shares purchased		(18,011,705)
Shares sold		3,174,316
Shares canceled	(13,177,086)	
NUMBER OF SHARES AT DECEMBER 31, 2022	515,769,082	511,362,092

11.1.6 Dividends

The Annual Shareholders' Meeting of June 2, 2022 approved the recommended dividend payout for 2021 representing €1.63 per share. The ex-dividend date was June 6 and the dividend was paid on June 8, 2022.

11.2 Earnings per share

11.2.1 Basic earnings per share

Basic earnings per share are calculated by dividing net income by the weighted average number of shares of the Group outstanding during the period.

Basic earnings per share are as follows:

	2022	2021
Group share of net income (in EUR millions)	3,003	2,521
Weighted average number of shares in issue	514,372,413	526,244,506
BASIC EARNINGS PER SHARE, GROUP SHARE (in EUR)	5.84	4.79

11.2.2 Diluted earnings per share

Diluted earnings per share are calculated by adjusting earnings per share and the average number of shares outstanding for the effects of all potential dilutive common shares, such as stock options and performance shares.

Diluted earnings per share are as follows:

	2022	2021
Group share of net income (in EUR millions)	3,003	2,521

	2022	2021
Weighted average number of shares assuming full dilution	517,595,809	529,905,261
DILUTED EARNINGS PER SHARE, GROUP SHARE (in EUR)	5.80	4.76

The weighted average number of shares assuming full dilution is calculated based on the weighted average number of shares outstanding, assuming conversion of all dilutive instruments. The Group's dilutive instruments include stock options and performance share grants, corresponding to a weighted average of 113,095 and 3,110,301 instruments, respectively, at December 31, 2022.

NOTE 12 TAX

12.1 Income taxes

Current income tax is the estimated amount of tax payable in respect of income for a given period, calculated by reference to the tax rates that have been enacted or substantively enacted at the end of the reporting period, plus any adjustments to current taxes recorded in previous financial periods.

Income tax expense breaks down as follows:

(in EUR millions)	2022	2021
CURRENT TAXES	(1,052)	(843)
France	(164)	(104)
Outside France	(888)	(739)
DEFERRED TAXES	(30)	(76)
France	4	(13)
Outside France	(34)	(63)
TOTAL INCOME TAX EXPENSE	(1,082)	(919)

Theoretical tax expense was reconciled with current tax expense using a tax rate of 25.82% in 2022 and 28.41% in 2021, and can be analyzed as follows:

(in EUR millions)	2022	2021
Net income	3,101	2,614
Less:		
Share in net income of equity-accounted companies	66	56
Income taxes	(1,082)	(919)
PRE-TAX INCOME OF CONSOLIDATED COMPANIES	4,117	3,477
French tax rate	25.82%	28.41%
Theoretical tax expense at French tax rate	(1,063)	(988)
Impact of different tax rates	48	117
Asset impairment, capital gains and losses on asset disposals	(100)	(34)
Deferred tax assets not recognized and provisions for deferred tax assets	56	75



(in EUR millions)	2022	2021
Liability method		(106)
Research tax credit and value-added contribution for businesses (CVAE)	(10)	(6)
Deduction of interest not deductible in France		15
Costs related to dividends	(28)	(39)
Other taxes and changes in provisions	15	47
TOTAL INCOME TAX EXPENSE	(1,082)	(919)

The contribution of countries with low tax rates explains the impact of the different tax rates applicable outside France. The main contributors are Poland, Ireland, Switzerland, Sweden, Czechia, Romania and Norway.

The increase in future tax rates for the United Kingdom from 19% to 25% (applicable as of April 1, 2023) led the Group to recognize a tax expense of €106 million for 2021 in connection with the liability method.

12.2 Deferred tax

Deferred tax assets and liabilities are recorded using the balance sheet method for temporary differences between the carrying amount of assets and liabilities and their tax basis. Deferred tax assets and liabilities are measured at the tax rates expected to apply to the period when the asset is realized or the liability settled, based on the tax laws that have been enacted or substantively enacted at the end of the reporting period.

No deferred tax liability is recognized in respect of undistributed earnings of subsidiaries that are not intended to be distributed.

For investments in subsidiaries, deferred tax is recognized on the difference between the consolidated carrying amount of the investments and their tax basis when it is probable that the temporary difference will reverse in the foreseeable future.

Deferred taxes are recognized as income or expense in the income statement, unless they relate to items that are recognized directly in equity, in which case they are also recognized in equity. Income tax resulting from changes in tax rates is recognized in income, except where it relates to items initially recognized in equity.

In the balance sheet, changes in net deferred tax assets and liabilities break down as follows:

(in EUR millions)	Net deferred tax asset/ (liability)
NET VALUE AT JANUARY 1, 2021	305
Deferred tax (expense)/benefit	(76)
Changes in deferred taxes relating to actuarial gains and losses (IAS 19)	(196)
Liability method on actuarial gains and losses*	60
Translation adjustments and restatement for hyperinflation	(11)
Changes in Group structure and other	(61)
NET VALUE AT DECEMBER 31, 2021	21
Deferred tax (expense)/benefit	(30)
Changes in deferred taxes relating to actuarial gains and losses (IAS 19)	(10)
Translation adjustments and restatement for hyperinflation	57
Assets and liabilities held for sale	2
Changes in Group structure and other	(426)

(in EUR millions)	Net deferred tax asset/ (liability)
NET VALUE AT DECEMBER 31, 2022	(386)

* In 2021, the liability method on actuarial gains and losses mainly concerned the United Kingdom.

Changes in Group structure in 2022 mainly concern the first-time consolidation of GCP Applied Technologies and Kaycan, as well as the finalization of the Chryso purchase price accounting. In 2021, changes in Group structure related mainly to the first-time consolidation of Chryso.

The table below shows the main deferred tax components:

(in EUR millions)	Dec. 31, 2022	Dec. 31, 2021
Pensions	232	246
Brands, customer relationships and intellectual property	(863)	(512)
Depreciation and amortization, accelerated capital allowances and tax-driven provisions	(717)	(693)
Tax loss carry-forwards	294	410
Other	668	570
NET DEFERRED TAX	(386)	21
Of which:		
Deferred tax assets	382	576
Deferred tax liabilities	(768)	(555)

Deferred taxes are offset at the level of each tax entity, i.e., by tax group where applicable (mainly in France, the United Kingdom, Spain, Germany, the United States and the Netherlands).

Deferred tax assets of €382 million were recognized at December 31, 2022 (€576 million at December 31, 2021), primarily in Germany (€93 million), Brazil (€79 million), Italy (€39 million), China (€39 million) and Mexico (€37 million). Deferred tax liabilities of €768 million were recognized at December 31, 2022 (€555 million at December 31, 2021), including €228 million in the United Kingdom, €133 million in Canada, €93 million in France, €56 million in Switzerland, €48 million in the United States, €37 million in India and €37 million in Denmark. Deferred tax liabilities recognized in other countries represented considerably smaller amounts.

12.3 Tax loss carry-forwards

Deferred tax assets are recognized only if it is considered probable that there will be sufficient future taxable income against which the temporary difference can be utilized. They are reviewed at the end of each reporting period and written down to the extent that it is no longer probable that there will be sufficient taxable income against which the temporary difference can be utilized. In determining whether to recognize deferred tax assets for tax loss carry-forwards, the Group applies a range of criteria that take into account the probable recovery period based on business plans and the strategy for the long-term recovery of tax losses applied in each country.

The Group recognized deferred tax assets for tax loss carry-forwards for a net amount of €294 million at December 31, 2022 and €410 million at December 31, 2021. This principally relates to the United States, for which the recovery period is shorter than the maximum utilization period of 20 years, and to France, Germany and Spain, where tax consolidation generally ensures that deferred tax can be recovered. In these countries, tax losses may be carried forward indefinitely. Nevertheless, after analyzing each situation, the Group may decide not to recognize them.

At December 31, 2022, deferred tax assets whose recovery is not considered probable totaled €274 million (December 31, 2021: €299 million) and a provision had been accrued for the full amount. Provisions for deferred tax assets chiefly relate to Germany, Spain, the United States, China, France and Belgium.

The improved deferred tax position in France in 2022 led to a reversal of provisions for losses of €59 million, in addition to the €53 million reversal in 2021.

NOTE 13 SUBSEQUENT EVENTS

On January 18, 2023, Compagnie de Saint-Gobain issued a €1.15 billion bond split into two tranches:

–a €500 million tranche maturing July 18, 2024 and paying a floating-rate coupon of 3-month Euribor +0.20%;

–a €650 million tranche maturing January 18, 2029 and paying a coupon of 3.5%.

This issue has no impact on the financial statements at December 31, 2022.

NOTE 14 FEES PAID TO THE STATUTORY AUDITORS

Total fees paid to the Statutory Auditors and recognized in the income statement in 2022 and 2021 break down as follows:

(in EUR millions)	Deloitte 2022		PWC 2021		KPMG 2022	
	Amount before tax	%	Amount before tax	%	Amount before tax	%
Accounts certification services						
Issuer	0.8	10%	0.8	6%	0.9	9%
Fully consolidated subsidiaries	6.4	80%	8.4	65%	8.5	81%
SUBTOTAL	7.2	90%	9.2	71%	9.4	90%
Services other than accounts certification*						
Issuer	0.2	3%	0.2	2%	0.1	1%
Fully consolidated subsidiaries	0.6	7%	3.5	27%	0.9	9%
SUBTOTAL	0.8	10%	3.7	29%	1.0	10%
TOTAL	8.0	100%	12.9	100%	10.4	100%
					KPMG 2021	
(in EUR millions)					Amount before tax	%
Accounts certification services						
Issuer					1.0	11%
Fully consolidated subsidiaries					7.3	82%
SUBTOTAL					8.3	93%
Services other than accounts certification*						
Issuer					0.0	-%
Fully consolidated subsidiaries					0.6	7%
SUBTOTAL					0.6	7%
TOTAL					8.9	100%

* Non-audit services provided by the Statutory Auditors to the parent company and its subsidiaries mainly comprise (i) independent third party verification procedures performed on the consolidated social, environmental and corporate information, (ii) accounting, tax and regulatory advisory services, and (iii) training.

NOTE 15 INFORMATION ON THE ISSUER

Name or other identification of the reporting entity	Compagnie de Saint-Gobain
Company address	Registered office Tour Saint-Gobain 12, place de l'Iris 92400 Courbevoie
Legal form of the entity	French société anonyme (joint-stock company)
Country of incorporation	France
Address of the company's registered office	Tour Saint-Gobain 12, place de l'Iris 92400 Courbevoie
Main place of establishment	France
Nature of the company's operations and its main activities	Saint-Gobain aspires to be the worldwide leader in sustainable construction, which improves everyone's daily life with its High Performance Solutions
Company LEI code	NFONVGN05Z0FMN5PEC35

NOTE 16 PRINCIPAL CONSOLIDATED COMPANIES

The table below shows the Group's principal consolidated companies, typically those with annual sales of over €100 million.

High Performance Solutions	Country	Consolidation method	Percentage held directly and indirectly
Saint-Gobain Diamantwerkzeuge GmbH, Norderstedt*	Germany	Full consolidation	100.00 %
Saint-Gobain Abrasives GmbH, Wesseling*	Germany	Full consolidation	100.00 %
Supercut Europe GmbH, Baesweiler*	Germany	Full consolidation	100.00 %
Saint-Gobain Performance Plastics Isofluor GmbH, Neuss*	Germany	Full consolidation	100.00 %
Saint-Gobain Performance Plastics Pampus GmbH, Willich*	Germany	Full consolidation	100.00 %
Saint-Gobain Performance Plastics L+S GmbH, Wertheim*	Germany	Full consolidation	100.00 %
Saint-Gobain Performance Plastics Biolink GmbH, Waakirchen*	Germany	Full consolidation	100.00 %
Saint-Gobain Adfors Deutschland GmbH, Neustadt an der Donau*	Germany	Full consolidation	100.00 %
H.K.O. Isolier- und Textiltechnik GmbH, Oberhausen*	Germany	Full consolidation	100.00 %
BEUHKO Fasertechnik GmbH, Leinefelde-Worbis*	Germany	Full consolidation	100.00 %
Freudenberger Autoglas GmbH, München*	Germany	Full consolidation	99.99 %
Freeglass GmbH & Co. KG, Schwaikheim*	Germany	Full consolidation	99.99 %
Freeglass Verwaltungsgesellschaft mbH*	Germany	Full consolidation	99.99 %



High Performance Solutions	Country	Consolidation method	Percentage held directly and indirectly
Saint-Gobain Sekurit Deutschland GmbH, Herzogenrath*	Germany	Full consolidation	99.99 %
Saint-Gobain Sekurit Deutschland Beteiligungen GmbH, Herzogenrath*	Germany	Full consolidation	99.99 %
FABA Autoglas Technik GmbH & Co. Betriebs-KG, Berlin*	Germany	Full consolidation	99.99 %
Saint-Gobain Autover Deutschland GmbH, Kerpen*	Germany	Full consolidation	99.99 %
Saint-Gobain Innovative Materials Belgium	Belgium	Full consolidation	99.98 %
Saint-Gobain Do Brasil Produtos Industriais e Para Construcao Ltda	Brazil	Full consolidation	100.00 %
Saint-Gobain Canada Inc.	Canada	Full consolidation	100.00 %
Saint-Gobain Performance Plastics (Shanghai) Co., LTD	China	Full consolidation	100.00 %
Saint-Gobain Abrasives (Shanghai) Co., LTD	China	Full consolidation	99.99 %
SG Hanglas Sekurit (Shanghai) Co., LTD	China	Full consolidation	99.81 %
SG Join Leader (Hangzhou) New Materials Co.,LTD.	China	Full consolidation	100.00 %
Hankuk Sekurit Limited	South Korea	Full consolidation	99.63 %
Saint-Gobain Cristaleria S.L	Spain	Full consolidation	99.83 %
Saint-Gobain Adfors America, Inc.	United States	Full consolidation	100.00 %
Saint-Gobain Performance Plastics Corporation	United States	Full consolidation	100.00 %
Saint-Gobain Abrasives, Inc.	United States	Full consolidation	100.00 %
Saint-Gobain Ceramics & Plastics, Inc.	United States	Full consolidation	100.00 %
Saint-Gobain Corporation	United States	Full consolidation	100.00 %
GCP Applied Technologies, Inc.	United States	Full consolidation	100.00 %
Chryso	France	Full consolidation	100.00 %
Saint-Gobain Abrasifs	France	Full consolidation	99.99 %
Société Européenne des Produits Réfractaires - SEPR	France	Full consolidation	100.00 %
Saint-Gobain Sekurit France	France	Full consolidation	100.00 %
Grindwell Norton Ltd	India	Full consolidation	51.59 %
Saint-Gobain Sekurit Italia S.R.L.	Italy	Full consolidation	100.00 %
Saint-Gobain K.K.	Japan	Full consolidation	100.00 %
Saint-Gobain America S.A De C.V	Mexico	Full consolidation	99.83 %
Saint-Gobain Mexico	Mexico	Full consolidation	99.83 %
Saint-Gobain Abrasives BV	Netherlands	Full consolidation	100.00 %
Saint-Gobain HPM Polska Sp Zoo	Poland	Full consolidation	100.00 %



High Performance Solutions	Country	Consolidation method	Percentage held directly and indirectly
Saint-Gobain Innovative Materials Polska Sp Zoo	Poland	Full consolidation	99.97 %
Saint-Gobain Adfors CZ, S.R.O.	Czechia	Full consolidation	100.00 %
Saint-Gobain Sekurit CZ, Spol S.R.O	Czechia	Full consolidation	99.99 %
Saint-Gobain Glass Deutschland GmbH, Stolberg*	Germany	Full consolidation	99.99 %
Flachglas Torgau GmbH, Torgau*	Germany	Full consolidation	99.99 %
Saint-Gobain Weisswasser GmbH, Aachen*	Germany	Full consolidation	99.99 %
Saint-Gobain Deutsche Glas GmbH, Stolberg*	Germany	Full consolidation	99.99 %
Vetrotech Saint-Gobain Würselen GmbH, Würselen*	Germany	Full consolidation	99.99 %
Saint-Gobain Glassolutions Isolierglas-Center GmbH, Bamberg*	Germany	Full consolidation	99.99 %
Kaimann GmbH	Germany	Full consolidation	100.00 %
Saint-Gobain Isover G+H Aktiengesellschaft*	Germany	Full consolidation	99.91 %
Saint-Gobain Rigips GmbH*	Germany	Full consolidation	100.00 %
Saint-Gobain Weber GmbH	Germany	Full consolidation	100.00 %
Saint-Gobain PAM Deutschland GmbH	Germany	Full consolidation	100.00 %
Saint-Gobain Glassolutions Augustdorf*	Germany	Full consolidation	99.99 %
Saint-Gobain Brüggemann Holzbau GmbH, Neuenkirchen*	Germany	Full consolidation	100.00 %
Brüggemann Dach- & Wandtechnik GmbH, Neuenkirchen*	Germany	Full consolidation	100.00 %
Brüggemann Effizienzhaus GmbH, Neuenkirchen*	Germany	Full consolidation	100.00 %
SG Formula GmbH*	Germany	Full consolidation	100.00 %
SG Beteiligungen GmbH*	Germany	Full consolidation	100.00 %
Saint-Gobain Austria GmbH	Austria	Full consolidation	100.00 %
Saint-Gobain Denmark A/S	Denmark	Full consolidation	100.00 %
Saint-Gobain Distribution Denmark	Denmark	Full consolidation	100.00 %
Optimera Estonia A/S (currently AS Famar-Desi)	Estonia	Full consolidation	100.00 %
Saint-Gobain Finland OY	Finland	Full consolidation	100.00 %
Dahl Suomi OY	Finland	Full consolidation	100.00 %
Saint-Gobain Construction Products (Ireland) Limited	Ireland	Full consolidation	100.00 %
Glava As	Norway	Full consolidation	100.00 %
Saint-Gobain Byggevarer AS	Norway	Full consolidation	100.00 %
Brødrene Dahl As (Norway)	Norway	Full consolidation	100.00 %



High Performance Solutions	Country	Consolidation method	Percentage held directly and indirectly
Optimera As	Norway	Full consolidation	100.00 %
Saint-Gobain Polska Sp Zoo	Poland	Full consolidation	99.98 %
Saint-Gobain Construction Products Polska Sp Zoo	Poland	Full consolidation	100.00 %
Saint-Gobain Construction Products CZ AS	Czechia	Full consolidation	100.00 %
Saint-Gobain Construction Products Romania Srl	Romania	Full consolidation	100.00 %
Saint-Gobain Glass Romania Srl	Romania	Full consolidation	100.00 %
Saint-Gobain Glass (United Kingdom) Limited	United Kingdom	Full consolidation	100.00 %
Saint-Gobain Construction Products United Kingdom Ltd	United Kingdom	Full consolidation	100.00 %
Saint-Gobain Building Distribution Ltd	United Kingdom	Full consolidation	100.00 %
Saint-Gobain Construction Products Russia ooo	Russia	Full consolidation	100.00 %
SG Construction Products S.R.O.	Slovakia	Full consolidation	100.00 %
Saint-Gobain Ecophon AB	Sweden	Full consolidation	100.00 %
Saint-Gobain Sweden AB	Sweden	Full consolidation	100.00 %
Dahl Sverige AB	Sweden	Full consolidation	100.00 %
Vetrotech Saint-Gobain International	Switzerland	Full consolidation	100.00 %
Saint-Gobain Weber AG	Switzerland	Full consolidation	100.00 %
Sanitas Troesch Ag	Switzerland	Full consolidation	100.00 %
Saint-Gobain Construction Products South Africa (Pty) Ltd	South Africa	Full consolidation	100.00 %
Saint-Gobain Construction Products Belgium	Belgium	Full consolidation	100.00 %
SG Glass Egypte S.A.E.	Egypt	Full consolidation	70.00 %
Saint-Gobain Cristaleria S.L	Spain	Full consolidation	99.83 %
Saint-Gobain Placo Iberica	Spain	Full consolidation	99.83 %
Saint-Gobain Idaplac, S.L.	Spain	Full consolidation	99.83 %
Saint-Gobain Distribucion Construccion, S.L	Spain	Full consolidation	99.83 %
SG PAM Espana S.A.	Spain	Full consolidation	99.83 %
SG Isover Iberica S.L	Spain	Full consolidation	99.83 %
Saint-Gobain Glass Solutions Menuisiers Industriels	France	Full consolidation	100.00 %
Saint-Gobain Glass France	France	Full consolidation	100.00 %
Eurofloat	France	Full consolidation	100.00 %
Placoplatre SA	France	Full consolidation	99.80 %
Saint-Gobain Isover	France	Full consolidation	100.00 %



High Performance Solutions	Country	Consolidation method	Percentage held directly and indirectly
Saint-Gobain Weber	France	Full consolidation	100.00 %
Saint-Gobain PAM Canalisation	France	Full consolidation	100.00 %
Distribution Sanitaire Chauffage	France	Full consolidation	100.00 %
Saint-Gobain Distribution Bâtiment France	France	Full consolidation	100.00 %
SG Eurocoustic	France	Full consolidation	100.00 %
Saint-Gobain Glass Italia S.p.a	Italy	Full consolidation	100.00 %
Saint-Gobain Italia S.p.a	Italy	Full consolidation	100.00 %
Saint-Gobain Construction Products Nederland BV	Netherlands	Full consolidation	100.00 %
Izocam Ticaret VE Sanayi A.S.	Turkey	Full consolidation	50.00 %
Asia-Pacific	Country	Consolidation method	Percentage held directly and indirectly
SG Innovation Materials (Changxing) Co., Ltd	China	Full consolidation	100.00 %
Saint-Gobain India Private Limited	India	Full consolidation	99.03 %
Mag-Isover K.K.	Japan	Full consolidation	99.98 %
Saint-Gobain Vietnam Ltd	Vietnam	Full consolidation	100.00 %
Americas	Country	Consolidation method	Percentage held directly and indirectly
Saint-Gobain Argentina S.A	Argentina	Full consolidation	100.00 %
Cebrace Cristal Plano Ltda	Brazil	Full consolidation	50.00 %
Saint-Gobain Do Brasil Produtos Industriais e Para Construção Ltda	Brazil	Full consolidation	100.00 %
Saint-Gobain Canalização Ltda	Brazil	Full consolidation	100.00 %
Saint-Gobain Distribuição Brasil Ltda	Brazil	Full consolidation	100.00 %
Saint-Gobain Mexico	Mexico	Full consolidation	99.83 %
CertainTeed Canada, Inc.	Canada	Full consolidation	100.00 %
Certain Teed LLC	United States	Full consolidation	100.00 %
Kaycan Ltd	United States	Full consolidation	100.00 %
KP Building Products Ltd	United States	Full consolidation	100.00 %
GCP Applied Technologies, Inc.	United States	Full consolidation	100.00 %
Saint-Gobain Gypsum USA, Inc.	United States	Full consolidation	100.00 %
CertainTeed Ceilings Corporation	United States	Full consolidation	100.00 %

* German consolidated subsidiary or sub-group with corporate or limited liability status and meeting the criteria under Articles 264 paragraph 3, 264b and 291 of the German Commercial Code (HGB) exempting the relevant entities and sub-groups from publishing their statutory and consolidated financial statements or notes to the financial statements and management reports (entities or sub-groups above or below the €100 million threshold).

8.2 STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

(For the year ended December 31, 2022)

Opinion

In compliance with the engagement entrusted to us by your annual general meeting, we have audited the accompanying consolidated financial statements of the Compagnie de Saint-Gobain Company for the year ended on December 31, 2022.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at December 31, 2022, and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

The audit opinion expressed above is consistent with our report to the Audit and Risk Committee.

Basis for Opinion

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

Independence

We conducted our audit engagement in compliance with independence requirements of the French Commercial Code (code de commerce) and the French Code of Ethics (code de déontologie) for statutory auditors, for the period from January 1, 2022, to the date of our report, and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014.

Justification of Assessments - Key Audit Matters

In accordance with the requirements of Articles L. 823-9 and R. 823-7 of the French Commercial Code (code de commerce) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole, approved in the conditions mentioned above, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the consolidated financial statements.

Valuation of goodwill, intangible assets and property, plant and equipment

Description of risk

The net carrying amounts of goodwill, other intangible assets and property, plant and equipment were material at December 31, 2022, representing €12,858 million, €4,026 million, and €12,163 million, respectively that is to say 52% of total assets.

These assets may present a risk of impairment due to internal or external factors, including decisions to change the Group's strategy in certain markets, a decline in Group performance, the Group's commitments to carbon neutrality, changes in competition, unfavorable market conditions and changes in legislation or regulations. These changes are likely to have an impact on the Group's forecast cash flow and, consequently, the recoverable amount of assets.

The impairment tests performed by Management using the method described in Note 7.5 to the consolidated financial statements led to book an impairment losses of €299 million in the year ended December 31, 2022 (mainly including an impairment on assets held for sale related to the distribution activity in UK), as indicated in notes 4.3 and 5.1.4 to the consolidated financial statements.

The valuation of these assets is a key audit matter, particularly for the cash generating units presenting a risk of impairment, given the materiality of their amount in the consolidated balance sheet and the high level of judgment required by Management in assessing impairment losses. Judgements include multiples of a normative basis of performance and assumptions regarding future changes in revenue in volume and value, profitability, investments and other cash flows related to the operation of these assets, as well as the determination of an appropriate discount rate applied to future cash flows.

How our audit addressed this risk

We familiarized ourselves with the procedures implemented within the Group for impairment testing purposes, particularly with regard to the impacts of the Group's commitments to carbon neutrality and exercised our professional judgment to assess the position adopted by Management. We tested the effectiveness of the controls implemented by the Group to ensure the quality and reliability of these procedures and their consistency with data from the budget and the medium-term business plan prepared by Management.

We also assessed the consistency and relevance of Management's approach to determining the cash-generating units for asset impairment testing. We adapted our audit approach to the risk of impairment, which varies depending on the cash-generating unit.

Our valuation specialists performed an independent analysis of certain key assumptions used by Management for impairment testing purposes, in particular the discount rate, the average perpetual growth rate or multiples of a normative performance basis deemed appropriate to the valuation of cash-generating units, by referring to both external market data and comparable company analyses.

For the most sensitive cash-generating units presenting a risk of impairment, we analyzed the consistency of future cash flow projections with regard to past performance and our knowledge of the business, confirmed by interviews with the Heads of the relevant Businesses. We paid particularly close attention to the calculation of the normalized amount of terminal cash flows projected to perpetuity. We performed our own sensitivity analyses of certain key variables of the measurement model, particularly with regard to the inclusion of CO₂ emissions when assessing the materiality of potential impacts on the recoverable amounts of the most high-risk assets.

For the cash-generating unit of the UK distribution for which the Group has retained the fair value less costs to sell, we verified the consistency of the fair value adopted with signed sales agreements and reviewed the method of calculating the impairment loss resulting from the transaction.

We verified that the disclosures provided in the notes 5.1.4, 7.1, 7.2, 7.3 et 7.5 to the consolidated financial statements on the valuation of goodwill, intangible assets and property, plant and equipment, the underlying assumptions and sensitivity analyses were appropriate.

Measurement of provisions related to asbestos litigations in the United States of America

Description of risk

As indicated in note 9.2.2 to the consolidated financial statements, the risk of being called upon to finance the costs of the bankruptcy proceedings of DBMP LLC, an affiliate of CertainTeed LLC which holds the historical assets of the former entity CertainTeed Corporation, is subject to a provision amounting to \$410m (€385m) at December 31, 2022.

With regard to this funding risk, determining and measuring the provision recognized for contingent liabilities and litigation and assessing the appropriateness of the related disclosures in the notes to the consolidated financial statements are a key audit matter given the amounts involved and the high degree of estimation and judgment required by Management in determining this provision. Judgment is required, in particular, to assess the status and resolution of the ongoing legal proceedings (in particular the voluntary petition for relief under Chapter 11): duration, cost, estimation of the number of current and future cases covered, definition of the damages by the judicial authority, etc.

How our audit addressed this risk

To obtain an understanding of contingent liabilities and litigation regarding asbestos in the United States and the related judgments made, we held discussions with Management and lawyers chosen by Management, at the Group and country level as well as at the main subsidiaries concerned. We also contacted certain law firms and external experts chosen by Management to assist them with the monitoring of these risks.

We have:

–examined the minutes of the Board of Directors' meetings and the Group's risk mapping prepared by Management and presented to the Audit and Risk Committee;



- familiarized ourselves with the procedures implemented by Management when measuring the provisions for asbestos-related risks in the United States and determining the disclosures thereon in the notes to the consolidated financial statements;
- assessed the permanence of methods and performed a critical review of internal analyses relating to the probability and possible impact of these contingent liabilities and new items of litigation by examining the available information relating to the proceedings (correspondence, judgments, notifications, etc.). We also reviewed the responses to the confirmation letters of the law firms chosen by Management, particularly in terms of their experience at resolving comparable situations in the past. We also used our professional judgment to assess the positions adopted by Management, to see where they fell within risk assessment ranges and the consistency of those positions over time;
- verified the arithmetical accuracy of the calculations of changes in provisions and the consistency of the main items of change in relation to the underlying data, in particular the payments made during the year in respect of these risks.

We assessed if the appropriateness of the disclosures provided in the note 9.2.2 to the consolidated financial statements regarding these items of litigation and contingent liabilities identified.

Specific Verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations of the information pertaining to the Group presented in the management report of Board of Directors.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

We attest that the consolidated non-financial statement required by Article L.225-102-1 of the French Commercial Code (code de commerce) is included in the information pertaining to the Group presented in the management report, it being specified that, in accordance with the provisions of Article L.823-10 of the code, we have verified neither the fair presentation nor the consistency with the consolidated financial statements of the information contained therein. This information should be reported on by an independent third party.

Other Legal and Regulatory Verifications or Information

Format of presentation of the consolidated financial statements intended to be included in the annual financial report

We have also verified, in accordance with the professional standard applicable in France relating to the procedures performed by the statutory auditor relating to the annual and consolidated financial statements presented in the European single electronic format, that the presentation of the consolidated financial statements intended to be included in the annual financial report mentioned in Article L. 451-1-2, I of the French Monetary and Financial Code (code monétaire et financier), prepared under the responsibility of the General Manager, complies with the single electronic format defined in the European Delegated Regulation No 2019/815 of 17 December 2018. As it relates to consolidated financial statements, our work includes verifying that the tagging of these consolidated financial statements complies with the format defined in the above delegated regulation.

Based on the work we have performed, we conclude that the presentation of the consolidated financial statements intended to be included in the annual financial report complies, in all material respects, with the European single electronic format.

Due to the technical limitations inherent to the block-tagging of the consolidated financial statements according to the European single electronic format, the content of certain tags of the notes may not be rendered identically to the accompanying consolidated financial statements.

Moreover, we have no responsibility to verify that the consolidated financial statements that will ultimately be included by your company in the annual financial report filed with the AMF are in agreement with those on which we have performed our work.

Appointment of the Statutory Auditors

We were appointed as statutory auditors of Compagnie de Saint-Gobain by the annual general meeting held on June 10, 2004, for KPMG and on June 2, 2022 for Deloitte & Associés.

As at December 31, 2022, KPMG and Deloitte & Associés were in the 19th year and 1st year of total uninterrupted engagement.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.



The Audit and Risk Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The consolidated financial statements were approved by the Board of Directors.

Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Objectives and audit approach

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As specified in Article L. 823-10-1 of the French Commercial Code (code de commerce), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the consolidated financial statements;
- assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein;
- evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The statutory auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

Report to the Audit and Risk Committee

We submit a report to the Audit and Risk Committee which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit and Risk Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period and which are therefore the key audit matters, that we are required to describe in this report.

We also provide the Audit and Risk Committee with the declaration provided for in Article 6 of Regulation (EU) N° 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L. 822-10 to L. 822-14 of the French Commercial Code and in the French Code of Ethics (code de déontologie) for statutory auditors. Where appropriate, we discuss with the Audit and Risk Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Paris-La Défense, February 23, 2023

The Statutory Auditors
French original signed by
KPMG S.A.
Pierre-Antoine DUFFAUD
Laurent CHILLET
Deloitte & Associés
Frédéric GOURD
Bénédicte MARGERIN

8.3 COMPAGNIE DE SAINT-GOBAIN 2022 ANNUAL FINANCIAL STATEMENTS (PARENT COMPANY)

INCOME STATEMENT

(in EUR millions)	2022	2021
OPERATING REVENUE		
SALES	383	301
Other operating income	86	69
TOTAL	469	370
OPERATING EXPENSES		
Other purchases and external charges	(364)	(283)
Taxes other than on income	(8)	(10)
Payroll costs	(82)	(86)
Depreciation, amortization, impairment and provisions	(23)	(19)
Other operating expenses	(2)	(2)
TOTAL	(479)	(400)
OPERATING INCOME/(LOSS) (NOTE 2)	(10)	(30)
FINANCIAL INCOME		
Income from investments in subsidiaries and affiliates	1,201	927
Income from loans and other investments	315	279



(in EUR millions)	2022	2021
Other financial income	35	359
TOTAL	1,551	1,565
FINANCIAL EXPENSE		
Interest expense	(263)	(245)
Other financial expense	(16)	(25)
TOTAL	(279)	(270)
NET FINANCIAL INCOME (NOTE 3)	1,272	1,295
INCOME BEFORE TAX AND EXCEPTIONAL ITEMS	1,262	1,265
NET EXCEPTIONAL INCOME/(EXPENSE) (NOTE 4)	(19)	(68)
INCOME TAXES (NOTE 5)	253	261
NET INCOME	1,496	1,458

BALANCE SHEET

Assets

(in EUR millions)	Dec. 31, 2022			Dec. 31, 2021
	Gross	Depreciation, amortization, and impairment	Net	
INTANGIBLE ASSETS (Note 6)	56	(52)	4	6
PROPERTY, PLANT AND EQUIPMENT (Note 7)	92	(26)	66	71
Investments in subsidiaries and affiliates	14,136	(43)	14,093	13,837
Loans and advances to subsidiaries and affiliates	14,882		14,882	12,766
Other financial investments	1,298	0	1,298	825
FINANCIAL INVESTMENTS (Note 8)	30,316	(43)	30,273	27,428
NON-CURRENT ASSETS	30,464	(121)	30,343	27,505
Other receivables	884	0	884	752
Marketable securities	2,817	(2)	2,815	4,748
Cash and cash equivalents	1,651	0	1,651	1,060
CURRENT ASSETS (Note 11)	5,352	(2)	5,350	6,560
Accruals	67	0	67	72
TOTAL ASSETS	35,883	(123)	35,760	34,137

Shareholders' equity and liabilities

(in EUR millions)	Dec. 31, 2022	Dec. 31, 2021
Capital stock	2,063	2,096
Additional paid-in capital	3,925	4,335
Revaluation reserve	45	45
Other reserves	3,125	3,129
Unappropriated retained earnings	7,169	6,546
Net income for the year	1,496	1,458
Untaxed provisions (Note 14)	3	3
SHAREHOLDERS' EQUITY (NOTE 12)	17,826	17,612
Other equity (Note 13)	170	170
Provisions (Note 14)	271	331
Bonds	9,932	9,686
Other debts	7,289	6,135
Other payables	262	192
Accruals	10	11
TOTAL LIABILITIES	35,760	34,137

NOTES TO THE 2022 ANNUAL FINANCIAL STATEMENTS

The financial statements cover the 12-month period from January 1 to December 31, 2022.

The following notes are an integral part of the annual financial statements.

These financial statements were adopted on February 23, 2023 by the Board of Directors.

NOTE 1 ACCOUNTING PRINCIPLES AND METHODS

The financial statements of Compagnie de Saint-Gobain have been drawn up in accordance with the French Chart of Accounts, French law, and accounting principles generally accepted in France.

The financial statements include the accounts of Compagnie de Saint-Gobain's German branch.

Intangible assets

Intangible assets are carried at acquisition cost (including incidental expenses) and are amortized over their estimated useful lives, ranging from three to ten years.

Property, plant and equipment



Property, plant and equipment are carried at acquisition cost (purchase price plus incidental expenses). They are depreciated over their estimated useful lives using the straight-line method. The most commonly used useful lives are as follows:

• Buildings	40 to 50 years	Straight-line
• Improvements and additions	12 years	Straight-line
• Fixtures and fittings	5 to 12 years	Straight-line
• Office furniture	10 years	Straight-line
• Office equipment	5 years	Straight-line
• Vehicles	4 years	Straight-line
• IT equipments	3 years	Straight-line

Financial investments

On initial recognition, investments in subsidiaries and affiliates are stated at cost including incidental expenses. Periodically, and particularly when an inventory is performed, the net carrying amount of the investments is compared with their fair value (value in use). Fair value is estimated based on various criteria: the Company's equity in the underlying net assets, proportion of consolidated net assets, net present value of future cash flows, excluding interest expense but after tax, based on business plans (or long-term budget projections), or a multiple of a normative performance basis.

When the fair value of the investments falls below their carrying amount, a provision is set aside for impairment. No unrealized capital gain is recorded if their fair value exceeds their carrying amount, and unrealized capital gains and losses are not offset.

Treasury shares

Treasury shares held by the Company for cancellation are recorded in the balance sheet under "Other investment securities". They are carried at acquisition cost and are not revalued or provisioned.

Treasury shares held by the Company for allocation upon exercise of stock options are recorded in the balance sheet under "Marketable securities".

Treasury shares held by the Company for allocation under performance share plans are also recorded in the balance sheet under "Marketable securities". These shares are valued in accordance with the first in/first out (FIFO) method, and are not revalued or provisioned.

Where appropriate, a provision for contingencies and charges is recognized in respect of these plans, corresponding to the outflow of resources expected by the Company. This is calculated based on the number of shares likely to be delivered to the beneficiaries and the acquisition cost of the shares at the date they are allocated to the plan or the likely cost of repurchasing the shares as measured at the reporting date. The provision is recognized on a pro rata basis over the vesting period.

Receivables

Receivables are stated at nominal value. A provision is set aside for impairment when their realizable value is less than their book value.

Marketable securities

Marketable securities mainly include units in money market funds (OPCVM and FCP) and are stated at the lower of acquisition cost and market value at year-end.

Foreign currency transactions

Income and expenses in foreign currencies are recorded at the euro exchange rate prevailing on the transaction date. Receivables, payables and bank balances in foreign currencies are translated at the year-end exchange rate, along with the related hedging instruments, and differences arising on translation are recorded under translation gains or losses. Provisions are booked for any exceptional unrealized translation losses that are not hedged.



Risk management/financial instruments

Liquidity risk is managed with the main objective of ensuring the timely rollover of the Group's financing at an optimal cost. Long-term debt therefore systematically represents a high proportion of overall debt. At the same time, the maturity schedules of long-term debt are set in such a way that replacement capital market issues are spread over time.

Currency, interest rate and commodity (energy and raw material price) risks arising from the Group's international operations are hedged by Compagnie de Saint-Gobain, mainly on behalf of subsidiaries. Currency risk is primarily hedged through forward purchase and sale contracts and currency options, while interest rate risk is hedged mainly through swaps and cross-currency swaps.

Compagnie de Saint-Gobain applies regulation no. 2015-05 of July 2, 2015 issued by the French accounting standards-setter (Autorité des normes comptables - ANC) on forward financial instruments and hedging operations.

Pension obligations

The Company's obligations under supplementary pension plans and retirement bonuses are measured by independent actuaries using the projected unit credit method (based on final salary and benefit obligations as determined at the measurement date). Pension obligations are included within provisions for contingencies and charges.

Actuarial gains and losses arising in the year under defined-benefit retirement plans are recognized immediately and in full in the income statement.

Since 2021, the provision for retirement bonuses has been calculated in accordance with the November 17, 2021 revision to Recommendation No. 2013-02 issued by the French accounting standards-setter (ANC) regarding the rules for measuring and recognizing pension and other benefit obligations.

Tax consolidation agreements

Compagnie de Saint-Gobain is the parent company of a tax consolidation group under the group relief regime provided for in Articles 223 A and seq. of the French Tax Code (Code général des impôts).

The tax consolidation agreements between Compagnie de Saint-Gobain and its subsidiaries provide for tax neutrality for consolidated subsidiaries. In their relationship with Compagnie de Saint-Gobain, the consolidating parent company, the subsidiaries discharge their taxes as if they had been taxed on a stand-alone basis. When loss-making companies leave the Group, they are not, in principle, entitled to any payments for losses transferred to the consolidating parent company during the consolidation period.

NOTE 2 OPERATING INCOME/(LOSS)

The operating loss improved by €20 million compared to 2021, due mainly to an increase in discount rates in 2022, which generated actuarial gains on pension obligations (decrease in obligations with a corresponding increase in operating income).

NOTE 3 NET FINANCIAL INCOME

Net financial income contracted by €23 million to €1,272 million in 2022 from €1,295 million in 2021.

This change is mainly attributable to the reduction in reversals of provisions for impairment of securities to €13 million in 2022 from €345 million in 2021, offset to a large extent by a €274 million increase in investment income.

Dividends received from subsidiaries rose by €210 million to €1,025 million in 2022, while 2022 profit transferred from subsidiaries of the German branch increased by €64 million.

NOTE 4 EXCEPTIONAL ITEMS

The Company recorded a net exceptional expense of €19 million in 2022 compared to a net exceptional expense of €68 million in 2021. The expense in 2022 mainly reflects provisions recorded at the level of the German branch, while in 2021 it was due to an increase in provisions for the Group's long-term compensation plans.

NOTE 5 INCOME TAXES

The Company recorded an income tax benefit of €253 million in 2022, comprising a €272 million income tax benefit under the tax consolidation regime in France and a €19 million income tax expense for the German entity.

The French tax group generated a tax profit in 2022. 50% of the 2022 tax profit is therefore charged against tax losses carried forward from prior years. At December 31, 2022, total cumulative tax loss carry-forwards represented €459 million.

Compagnie de Saint-Gobain's permanent German establishment is the head of the Group's Organschaft local tax consolidation regime.

At December 31, 2022, future tax savings corresponding to the branch's unused tax loss carry-forwards amounted to €15 million.

NOTE 6 INTANGIBLE ASSETS

(in EUR millions)	Intangible assets				Amortization	
	Gross at Jan. 1, 2022	Additions	Disposals (retirements)	Transfer of intangible assets under construction	Gross at Dec. 31, 2022	Accumulated at Jan. 1, 2022
Purchased goodwill	1				1	1
Other intangible assets	56	0	-2	1	55	50
Intangible assets in progress	0	1		-1	0	0
TOTAL	57	1	-2	0	56	51
(in EUR millions)	Amortization			Net value		
	Increases	Decreases	Accumulated at Dec. 31, 2022	At Dec. 31, 2022		
Purchased goodwill			1	0		
Other intangible assets		1	0	4		
Intangible assets in progress			0	0		
TOTAL		1	0	4		

NOTE 7 PROPERTY, PLANT AND EQUIPMENT

(in EUR millions)	Property, plant and equipment				Depreciation	
	Gross at Jan. 1, 2022	Additions	Disposals (retirements)	Transfer of intangible assets under construction	Gross at Dec. 31, 2022	Accumulated at Jan. 1, 2022
Land	0	0			0	0
Buildings	1				1	1
Other	88	1	0	2	91	17
Assets under construction	0	2		-2	0	0
Prepayments	0				0	0



(in EUR millions)	Property, plant and equipment				Depreciation	
	Gross at Jan. 1, 2022	Additions	Disposals (retirements)	Transfer of intangible assets under construction	Gross at Dec. 31, 2022	Accumulated at Jan. 1, 2022
TOTAL	89	3	0	0	92	18

(in EUR millions)	Depreciation			Net value
	Increases	Decreases	Accumulated at Dec. 31, 2022	
Land			0	0
Buildings	0		1	0
Other	8	0	25	66
Assets under construction			0	0
Prepayments			0	0
TOTAL	8	0	26	66

NOTE 8 FINANCIAL INVESTMENTS

(in EUR millions)	Financial investments			
	Gross at Jan. 1, 2022	Increases	Decreases	Gross at Dec. 31, 2022
Investments in subsidiaries and affiliates	13,893	243	0	14,136
Loans and advances to subsidiaries and affiliates	12,766	6,539	(4,423)	14,882
Other investment securities	0	750	(670)	80
Loans	824	1,204	(811)	1,217
Other financial investments	1	1	(1)	1
TOTAL	27,484	8,737	(5,905)	30,316

(in EUR millions)	Impairment			Gross at Dec. 31, 2022
	Gross at Jan. 1, 2022	Increases	Decreases	
Investments in subsidiaries and affiliates	56	0	(13)	43
Loans and advances to subsidiaries and affiliates	0	0	0	0
Other investment securities	0	0	0	0
Loans	0	0	0	0
Other financial investments	0	0	0	0
TOTAL	56	0	(13)	43

In 2022, changes in the gross value of investments in subsidiaries and affiliates mainly result from the €238 million capital increase at SG Europe du Nord and the €6 million capital increase at SG PAM.

Most loans and advances to subsidiaries and affiliates are due in more than one year.

Movements in other investment securities correspond mainly to treasury shares (see the section below).

In 2022, the change in provisions for impairment of investments is mainly due to a write-back of €13 million from the provision related to SG Innovative Materials Belgium.

Movements in treasury shares (outside the scope of the liquidity agreement)

(numbers)	Treasury shares allocated to stock option plans	Treasury shares allocated for cancelation	Total other financial assets	Treasury shares allocated to performance share plans	Treasury shares allocated to stock option plans	Total marketable securities
AT DECEMBER 31, 2020	251,616	26,904	278,520	1,674,082	0	1,674,082
Shares purchased in 2021	-	14,216,260	14,216,260	976,332	200,625	1,176,957
Shares canceled in 2021	-	(14,243,174)	(14,243,174)	-	-	0
Transfer of marketable securities in 2021	(251,616)	10	(251,606)	-	251,616	251,616
Deliveries	-	-	-	(904,712)	(136,972)	(1,041,684)
AT DECEMBER 31, 2021	0	0	0	1,745,702	315,269	2,060,971
Shares purchased in 2022	0	14,941,781	14,941,781	981,956	0	981,956
Shares canceled in 2022	0	(13,177,086)	(13,177,086)	0	0	0
Other movements	0	0	0	978	0	978
Deliveries	0	0	0	(1,076,098)	(16,501)	(1,092,599)
AT DECEMBER 31, 2022	0	1,764,695	1,764,695	1,652,538	298,768	1,951,306
(numbers)						Total treasury shares
AT DECEMBER 31, 2020						1,952,602
Shares purchased in 2021						15,393,217
Shares canceled in 2021						(14,243,174)
Transfer of marketable securities in 2021						10
Deliveries						(1,041,684)
AT DECEMBER 31, 2021						2,060,971
Shares purchased in 2022						15,923,737
Shares canceled in 2022						(13,177,086)
Other movements						978
Deliveries						(1,092,599)
AT DECEMBER 31, 2022						3,716,001



Gross value (in EUR millions)	Treasury shares allocated to stock option plans	Treasury shares allocated for cancelation	Total other financial assets	Treasury shares allocated to performance share plans	Treasury shares allocated to stock option plans	Total marketable securities
AT DECEMBER 31, 2020	10	1	11	57	-	57
Shares purchased in 2021	-	793	793	60	11	71
Shares canceled in 2021	-	(794)	(794)	-	-	0
Transfer of marketable securities in 2021	(10)	0	(10)	0	10	10
Deliveries	0	-	-	(33)	(6)	(39)
AT DECEMBER 31, 2021	0	0	0	84	15	99
Shares purchased in 2022	0	750	750	50	0	50
Shares canceled in 2022	0	(670)	(670)	0	0	0
Other movements	0	0	0	0	0	0
Deliveries	0	0	0	(49)	(1)	(50)
AT DECEMBER 31, 2022	0	80	80	85	14	99
Gross value (in EUR millions)						Total treasury shares
AT DECEMBER 31, 2020						68
Shares purchased in 2021						864
Shares canceled in 2021						(794)
Transfer of marketable securities in 2021						0
Deliveries						(39)
AT DECEMBER 31, 2021						99
Shares purchased in 2022						800
Shares canceled in 2022						(670)
Other movements						0
Deliveries						(50)
AT DECEMBER 31, 2022						179

In all, 8,871,654 shares were canceled on June 10, 2022 and 4,305,32 shares were canceled on October 4, 2022, representing a total of 13,177,086 shares canceled.

In 2022, 1,076,098 treasury shares were remitted under existing performance share plans (of which 1,074,659 in November under the 2018 performance share plan), versus 904,712 shares in 2021, and 16,501 treasury shares were remitted under existing stock option plans versus 136,972 shares in 2021.

At December 31, 2022, 3,716,001 treasury shares were held, of which:

- 298,768 treasury shares to cover stock option plans;
- 1,652,538 treasury shares to cover employee share plans;
- 1,764,695 treasury shares to be canceled.

NOTE 9 INVESTMENT PORTFOLIO

	Country	Net book value (in EUR millions)	% interest	Number of shares
Société de Participations Financières et Industrielles -SPAFI	France	6,660	100.00%	251,014,618
Partidis	France	2,266	100.00%	58,597,751
Saint-Gobain Europe du Nord	France	3,462	100.00%	208,429,614
Saint-Gobain Benelux	Belgium	400	100.00%	3,296,475
Saint-Gobain Do Brasil	Brazil	259	55.31%	93,891,494
Saint-Gobain Cristaleria	Spain	211	16.36%	3,660,677
Saint-Gobain Isover G+H AG	Germany	155	100.00%	3,200,000
Saint-Gobain PPL Isofluor GmbH	Germany	154	100.00%	23,008,200
Saint-Gobain Innovative Materials	Belgium	150	15.00%	1,667,698
Saint-Gobain Glass Deutschland GmbH	Germany	86	60.00%	119,999,970
Saint-Gobain Beteiligungen GmbH	Germany	76	100.00%	15,358,100
Saint-Gobain Autoglas GmbH	Germany	73	60.00%	120,000,000
Saint-Gobain Diamant Werkzeuge GmbH	Germany	61	100.00%	20,000,000
Société Européenne des Produits Refractaires - SEPR	France	53	25.73%	407,600
Saint-Gobain PAM	France	21	8.10%	927,255
Unterstützungskasse GmbH	Germany	0	95.00%	28,500
Saint-Gobain Immobilien GmbH	Germany	0	100.00%	25,000
SCI Île-de-France	France	3	94.00%	22,560
INVESTMENTS IN SUBSIDIARIES AND AFFILIATES		14,093		
Compagnie de Saint-Gobain (treasury stock held for cancellation)		80	0.03%	0
OTHER INVESTMENT SECURITIES		80		
TOTAL		14,173		

NOTE 10 INFORMATION ABOUT SUBSIDIARIES AND AFFILIATES

Information on direct holdings of Compagnie de Saint-Gobain whose book value exceeds 1% of capital:



COMPANY (in EUR millions)	Capital stock	Reserves	% interest	Book value of shares held		Loans and advances granted by the Company
				Gross	Net	
1 - SUBSIDIARIES						
At least 50%-owned by the Company						
SPAFI						
12, place de l'Iris						
92400 Courbevoie	3,012	5,322	100.00	6,660	6,660	2,602
Partidis						
12, place de l'Iris						
92400 Courbevoie	259	111	100.00	2,266	2,266	845
S-G Europe du Nord						
12, place de l'Iris						
92400 Courbevoie	886	1,727	100.00	3,462	3,462	3,081
S. G. Benelux						
6, Avenue Einstein, 1300 Wavre, Belgium	400	12	100.00	400	400	0
S. G. Isover G+H AG						
1 Burgermeister-Grünzweig Strasse						
D-67059 Ludwigshafen	82	11	100.00	155	155	0
S. G. PPL Isofluor GmbH						
Ziegeleistrasse 2 / Kreitzweg						
D-41472, Neuss	23	133	100.00	154	154	0
S. G. Glass Deutschland GmbH						
Nikolausstrasse 1						
D-52222, Stolberg	102	32	60.00	87	86	0
S G Do Brasil						
482, avenida Santa Marina - Agua Branca						
05036-903 São Paulo-SP, Brésil	301	260	55.31	259	259	0
Saint-Gobain Autoglas GmbH						



COMPANY (in EUR millions)	Capital stock	Reserves	% interest	Book value of shares held		Loans and advances granted by the Company
				Gross	Net	
Glasstrasse 1						
D-52134, Herzogenrath	102	20	60.00	73	73	0
Saint-Gobain Diamant Werk- zeuge GmbH						
Schuetzenwall 13-17						
D-22844, Norderstedt	10	51	100.00	61	61	0
Saint-Gobain Beteiligungen GmbH						
Krefelder Straße 195						
D-52070, Aachen	0	0	100.00	76	76	0
2 - AFFILIATES						
10%- to 50%-owned						
by the Company						
S. G. Cristaleria						
132, Principe de Vergara						
28002 Madrid, Espagne	135	643	16.36	211	211	620
S. G. Innovative Materials						
6, Avenue Einstein,						
1300 Wavre, Belgium	391	(245)	15.00	161	150	0
SEPR						
12, place de l'Iris						
92400 Courbevoie	63	7	25.73	53	53	0
OTHER						
Subsidiaries over 50% -owned						
Total french companies				3	3	
Total foreign companies						
Affiliates (10% - to 50%-ow- ned)						
Total French companies						
Total foreign companies						
Other investments				53	22	



COMPANY (in EUR millions)	Capital stock	Reserves	% interest	Book value of shares held		Loans and advances granted by the Company
				Gross	Net	
Treasury stock held for cancellation				80	80	
TOTAL				14,216	14,173	7,148
COMPANY (in EUR millions)			Guarantees given by the Company	2022 sales	2022 net income/ (loss)	Dividends received by the Company in 2022
1 - SUBSIDIARIES						
At least 50%-owned by the Company						
SPAFI						
12, place de l'Iris 92400 Courbevoie			0	0	413	760
Partidis						
12, place de l'Iris 92400 Courbevoie			0	482	457	0
S-G Europe du Nord						
12, place de l'Iris 92400 Courbevoie			0	20	97	201
S. G. Benelux						
6, Avenue Einstein, 1300 Wavre, Belgium			0	0	4	4
S. G. Isover G+H AG						
1 Burgermeister-Grünzweig Strasse D-67059 Ludwigshafen			0	538	61	61
S. G. PPL Isofluor GmbH						
Ziegeleistrasse 2 / Kreitzweg D-41472, Neuss			0	14	94	94
S. G. Glass Deutschland GmbH						
Nikolausstrasse 1 D-52222, Stolberg			0	478	27	27
S G Do Brasil						



COMPANY (in EUR millions)	Guarantees given by the Com- pany	2022 sales	2022 net income/ (loss)	Dividends received by the Com- pany in 2022
482, avenida Santa Marina - Agua Branca				
05036-903 São Paulo-SP, Brésil	0	1,101	112	53
Saint-Gobain Autoglas GmbH				
Glasstrasse 1				
D-52134, Herzogenrath	0	117	(15)	(15)
Saint-Gobain Diamant Werkzeuge GmbH				
Schuetzenwall 13-17				
D-22844, Norderstedt	0	38	5	5
Saint-Gobain Beteiligungen GmbH				
Krefelder Straße 195				
D-52070, Aachen	0	0	0	0
2 - AFFILIATES				
10%- to 50%-owned				
by the Company				
S. G. Cristaleria				
132, Principe de Vergara				
28002 Madrid, Espagne	0	342	141	4
S. G. Innovative Materials				
6, Avenue Einstein,				
1300 Wavre, Belgium	0	185	11	0
SEPR				
12, place de l'Iris				
92400 Courbevoie	0	227	96	3
OTHER				
Subsidiaries over 50% -owned				
Total french companies				
Total foreign companies				
Affiliates (10% - to 50%-owned)				
Total French companies				
Total foreign companies				
Other investments				

COMPANY (in EUR millions)	Guarantees given by the Company	2022 sales	2022 net income/ (loss)	Dividends received by the Company in 2022
Treasury stock held for cancellation				
TOTAL	0	3,542	1,503	1,197

The amounts shown for subsidiaries of the German branch corresponds to the 2022 profit or loss transferred under the tax consolidation system.

NOTE 11 CURRENT ASSETS

Other receivables

This item includes receivables and loans granted by the Company with a maturity of less than one year. Other receivables totaled €884 million at December 31, 2022 and €752 million at December 31, 2021. At December 31, 2022, other receivables mainly comprise €710 million in current account advances to subsidiaries (€584 million at end-2021), €97 million in accounts receivable - Group (€50 million at end-2021), €3 million in mark-to-market adjustments on swap and option contracts (€16 million at end-2021) and €23 million in tax receivables (€42 million at end-2021).

Maturities of receivables reported under "Current assets"

(in EUR millions)	Gross	Due	
		Within 1 year	Beyond 1 year
Other receivables	884	884	0
Prepayments	31	9	22
Deferred charges	36	10	26
TOTAL PREPAYMENTS AND DEFERRED CHARGES	67	19	48
Provision for doubtful receivables	0	0	0

Marketable securities

Marketable securities represent €2,815 million at December 31, 2022 (€4,748 million at December 31, 2021).

They consist mainly of €2,711 million worth of units in money market funds (OPCVM and FCP), representing the investment of funds held by the cash pool managed by the Company on behalf of the Group to yield a return on temporary cash surpluses.

Marketable securities also include 1,951,306 treasury shares held to cover employee stock option and performance share plans (see Note 8).

Lastly, marketable securities include securities held within the scope of a liquidity agreement that complies with the Code of Ethics adopted by the French financial markets association (AMAFI) and with AMF decision no. 2018-01 of July 2, 2018.

Under this liquidity agreement, at December 31, 2022 the Company held:

–€4.2 million worth of units in a euro-denominated money-market fund (FCP);

–29,750 treasury shares.

In 2022, 2,086,990 shares were purchased under this agreement (2021: 1,471,779 shares) and 2,081,717 shares were sold (2020: 1,483,669 shares).

Deferred charges

Deferred charges mainly correspond to bond issuance costs for €34 million (€31 million at December 31, 2021).

In 2022, new debt issuance costs recorded under "Deferred charges" totaled €12 million (2021: €0.5 million) and amortization for the year amounted to €10.4 million (2021: €10.7 million). The corresponding refinancing transactions are presented in Note 15.

NOTE 12 SHAREHOLDERS' EQUITY

12.1 Changes in shareholders' equity

	Date	Number of shares (number)	Capital stock (in EUR millions)	Additional paid-in capital, re- serves and other (in EUR millions)	Unappropriated retained earnings (in EUR millions)	Net income (in EUR millions)
SHAREHOLDERS' EQUITY AT DECEMBER 31, 2021		524,017,595	2,096	7,512	6,546	1,458
Appropriation of 2021 net inco- me		0	0	0	1,458	(1,458)
Dividend		0	0	0	(835)	0
Shares issued under the Group Savings Plan	05/11/2022	4,916,097	20	202	0	0
Shares canceled	06/10/2022	(8,871,654)	(35)	(439)	0	0
Shares canceled	10/4/2022	(4,305,432)	(18)	(177)	0	0
Shares issued upon exercise of stock options	12/31/2022	12,476	0	0	0	0
Net income for 2022		0	0	0	0	1,496
SHAREHOLDERS' EQUITY AT DECEMBER 31, 2022		515,769,082	2,063	7,098	7,169	1,496
						Total equity (in EUR millions)
SHAREHOLDERS' EQUITY AT DECEMBER 31, 2021						17,612
Appropriation of 2021 net income						0
Dividend						(835)
Shares issued under the Group Savings Plan						222
Shares canceled						(474)
Shares canceled						(195)
Shares issued upon exercise of stock options						0
Net income for 2022						1,496



	Total equity (in EUR millions)
SHAREHOLDERS' EQUITY AT DECEMBER 31, 2022	17,826

At December 31, 2022, capital stock amounted to €2,063 million, comprising 515,769,082 shares of common stock with a par value of €4 each.

The principal events that contributed to changes in capital stock and shareholders' equity were as follows:

- the May 2022 increase in capital stock through the subscription of 4,916,097 shares under the Group Savings Plan at a price of €45.19 for a gross and net amount of €222 million;
- the capital reductions of June 10, 2022 and October 4, 2022 through the cancelation of 8,871,654 and 4,305,432 shares, respectively, for a total gross and net amount of €670 million.

12.2 Stock option plans

Until 2018, Compagnie de Saint-Gobain operated stock option plans for certain employees.

Under these plans, the Board of Directors granted options allowing beneficiaries to obtain Saint-Gobain shares at a price set, at no discount, by reference to the average of the opening prices for the Saint-Gobain share over the 20 stock market trading days preceding the date of the decision by the Board of Directors.

For all of the plans, beneficiaries must wait at least four years from the grant date to exercise any options. None of the options received may be exercised until this four-year period has lapsed. Options must be exercised within 10 years of the grant date. Except in specified circumstances, grantees forfeit these options if they leave the Group.

Among the plans outstanding at December 31, 2022, the 2013, 2015, 2016 and 2017 plans offer purchase options, while the 2018 plan offers subscription options.

Since 2009, a performance condition has applied for all grantees in plans.

No new stock option plans have been launched since 2019.

The following table presents changes in the number of outstanding options:

Stock purchase and subscription option plans

	€4 par value exercise shares	Average exercise (in EUR)
OPTIONS OUTSTANDING AT DECEMBER 31, 2020	844,524	40.04
Options granted	0	0.00
Options exercised	(151,713)	38.59
Options forfeited	(141,862)	49.38
OPTIONS OUTSTANDING AT DECEMBER 31, 2021	551,489	38.03
Options granted	0	0.00
Options exercised	(28,977)	40.97
Options forfeited*	(36,691)	31.71
OPTIONS OUTSTANDING AT DECEMBER 31, 2022	485,821	38.32

* Including 15,411 options granted under the 2018 stock option plan that lapsed because the performance conditions were not met and 17,000 that lapsed after they had been withdrawn, as well as 4,280 options that lapsed after the exercise period under the 2012 stock option plan expired.

The table below summarizes information about stock options outstanding at December 31, 2022, after taking into account partial fulfillment of the performance criteria attached to certain plans:

Grant date	Exercisable options			Non-exercisable options		Total outstanding options
	Exercise price (in EUR)	Number of options	Weighted ave. residual life (in months)	Exercise price (in EUR)	Number of options	Number of options
2013	38.80	36,707	11	0	0	36,707
2014	34.13	0	23	0	0	0
2015	39.47	36,739	35	0	0	36,739
2016	40.43	43,897	47	0	0	43,897
2017	49.38	121,713	59	0	0	121,713
2018	32.24	246,765	71	0	0	246,765
TOTAL		485,821			0	485,821
Grant date	Type of option					
2013	Purchase					
2014	Purchase					
2015	Purchase					
2016	Purchase					
2017	Purchase					
2018	Subscription					
TOTAL						

At December 31, 2022, 485,821 options were exercisable at an average exercise price of €38.32.

12.3 Performance share plans

Various performance share plans have been set up by Saint-Gobain since 2009. These plans concern both managerial-grade employees and senior managers of the Group both within and outside France.

At December 31, 2022, there were four outstanding performance share plans, approved by the Board of Directors in 2019, 2020 and 2021 and on November 24, 2022.

All plans are subject to service and performance conditions. The vesting period for the plans is four years and the shares will be delivered on the fourth day after the end of the vesting period.

The table below shows changes in the number of performance share rights:

Performance share plans (movements)	Number of rights
NUMBER OF PERFORMANCE SHARE RIGHTS (NOT YET VESTED) AT DECEMBER 31, 2020	4,965,834
performance share rights granted in November 2021	1,184,475
shares issued/delivered	(904,712)
lapsed and canceled rights	(324,838)
NUMBER OF PERFORMANCE SHARE RIGHTS (NOT YET VESTED) AT DECEMBER 31, 2021	4,920,759

Performance share plans (movements)	Number of rights
performance share rights granted in November 2022	1,232,792
shares issued/delivered	(1,076,098)
lapsed and canceled rights*	(141,921)
NUMBER OF PERFORMANCE SHARE RIGHTS (NOT YET VESTED) AT DECEMBER 31, 2022	4,935,532

* Including 53,310 rights that lapsed because the performance condition had only been partly met, 86,961 rights that lapsed after they had been withdrawn, and 1,650 that were canceled in accordance with plan regulations.

The following table shows the expected dates when shares under the four performance share plans outstanding at December 31, 2022 will be delivered (except in the case of early release following the grantee's death or disability, along with the service and performance conditions remaining to be fulfilled):

Performance share plans

Information on the number of performance share rights (not yet vested) at December 31, 2022

Grant date	Number of rights granted at inception of Plan	Deliveries	Outstanding rights at Dec. 31, 2022 [†]	11/24/2023	11/29/2024	11/28/2025
11/21/2019	1,251,770	850	1,250,920	1,250,920		
11/26/2020	1,268,295	750	1,267,545		1,267,545	
11/25/2021	1,184,475	200	1,184,275			1,184,275
11/24/2022	1,232,792	0	1,232,792			
TOTAL	4,937,332	1,800	4,935,532	1,250,920	1,267,545	1,184,275

Grant date	11/27/2026	Type of shares
11/21/2019		existing
11/26/2020		existing
11/25/2021		existing
11/24/2022	1,232,792	existing
TOTAL	1,232,792	

* Subject to fulfillment of the service and performance conditions applicable to each plan.

12.4 Performance unit plans

Performance unit plans subject to service and performance conditions were set up every year between 2012 and 2015 for certain management-grade employees and senior managers of the Group in France. These plans do not give rise to the delivery of shares, but entitle grantees to receive cash compensation deferred over the long term (exercise period between four and ten years after the grant date), the amount of which will be determined by reference to Saint-Gobain's share price.

No long-term compensation plan in the form of performance units has been set up since 2016, as all beneficiaries received rights to performance shares (see above).

As of 2019, there are no more unvested performance unit plans.

12.5 Compagnie de Saint-Gobain Group Savings Plan (PEG)

The Group Savings Plan (Plan d'Épargne Groupe - PEG) is an employee stock purchase plan open to all Group employees in France and most other countries where the Group is present. Eligible employees must have completed a minimum of three months' service with the Group. Eligible employees are able to invest in Saint-Gobain shares at a preferential subscription price. These shares are held either directly or through the employee saving plan's mutual funds, depending on local legislation, and are subject to a mandatory five- or ten-year lock-up, except following the occurrence of certain events. The Board of Directors delegates authorization for setting the subscription price to the Chief Executive Officer of Compagnie de Saint-Gobain. It corresponds to the average of the opening prices for the Saint-Gobain share on Euronext Paris over the 20 trading days preceding the date of the decision, subject to a 20% discount, in accordance with applicable laws, the Shareholders' Meeting resolutions and the deliberations of the Board of Directors.

In 2022, 4,916,097 new shares with a par value of €4 were issued to employees under the PEG at an average subscription price of €45.19 (5,562,855 shares at an average price of €35.81 in 2021), representing a share capital increase of €222 million (€199 million in 2021).

12.6 Potential number of shares

At the Shareholders' Meeting of June 2, 2022, shareholders authorized the Board of Directors of Compagnie de Saint-Gobain to:

–grant stock purchase or subscription options exercisable for new or existing shares, subject in particular to performance conditions, representing up to 1.5% of capital stock on the date of the Shareholders' Meeting, with a sub-limit of 10% of this limit for corporate officers of Compagnie de Saint-Gobain, i.e., 7,934,005 options, including a maximum of 793,401 options for corporate officers (17th Resolution/38-month authorization commencing June 2, 2022). It should be noted that this limit of 1.5% of the capital stock will be set off against the threshold set in the 18th Resolution for the performance share grants mentioned below, and that this 1.5% limit represents the aggregate limit for shares resulting from the exercise of options granted under and within the limit of the 17th Resolution and shares granted under and within the limit of the 18th Resolution;

–grant free existing shares, subject in particular to performance conditions, representing up to 1.2% of the capital stock on the date of the Shareholders' Meeting, with a sub-limit of 10% of this limit for corporate officers of Compagnie de Saint-Gobain, i.e., 6,347,204 free shares, including a maximum of 634,720 free shares for corporate officers (18th Resolution/38-month authorization commencing June 2, 2022). The limit of 1.2% and sub-limit of 10% are being set off against the limits specified under the 17th Resolution of the Shareholders' Meeting referred to above regarding stock options. The Board of Directors made partial use of this authorization by granting 1,232,792 performance shares (including 75,000 for corporate officers) on November 24, 2022 (see section 12.3).

At the Shareholders' Meeting of June 3, 2021, shareholders authorized the Board of Directors of Compagnie de Saint-Gobain to:

–issue, on one or several occasions, up to 106,500,000 new shares or securities giving access to the share capital of the Company or its subsidiaries, with preferential subscription rights, or without preferential subscription rights but with a priority period for existing shareholders, by public offering, or without preferential subscription rights by private placement, or to issue new shares through the capitalization of share premiums, reserves, profits or other amounts, or without preferential subscription rights in consideration of contributions in kind (18th to 23th Resolutions/26-month authorization commencing June 3, 2021);

–issue, on one or several occasions, up to 13,000,000 new shares to members of the Group Savings Plan (25th Resolution/26-month authorization commencing June 3, 2021).

If all outstanding stock options whose type has not yet been decided by the Board of Directors were to be exercised via the issue of new shares, this would potentially have the effect of increasing the number of shares outstanding to 516,015,847 shares. In addition, if the authorizations described above were to be used in full by the Board of Directors, this would potentially have the effect of increasing the number of shares outstanding to 637,300,963 shares.

NOTE 13 OTHER EQUITY

Non-voting participating securities

In June 1983, Compagnie de Saint-Gobain issued 1,288,299 non-voting participating securities with a face value of FRF 1,000. Their face value is now €152.45, following their translation into euros in 1999.

A certain number of these participating securities have been bought back over the years. At December 31, 2022, 606,883 securities are still outstanding with an aggregate face value of €92.5 million.

Interest on the securities ranges from 75% to 125% of the average corporate bond yield (TMO), based on the Group's consolidated income. The amount paid out per security in 2022 was €0.45.

In April 1984, 194,633 non-voting participating securities were issued by Compagnie de Saint-Gobain with a face value of ECU 1,000 (€1,000 today).

A certain number of these participating securities has been bought back over the years. At December 31, 2022, 77,516 securities are still outstanding, with an aggregate face value of €77.5 million.

Interest comprises (i) a fixed portion of 7.5% paid per year applicable to 60% of the nominal amount of the security, and (ii) a variable portion applicable to the remaining 40% of the nominal amount of the security, which is linked to consolidated net income of the previous year and to the reference six-month Euribor rate +7/8%. The amount paid per security in 2022 was €61.70, settled in two installments (€27.95 and €33.75).

These participating securities are not redeemable and the interest paid on them is classified as a component of finance costs.

NOTE 14 PROVISIONS

(in EUR millions)	At Jan. 1, 2022	Charge for the year	Write-backs of utilized provisions	Write-backs of surplus provisions	Other (transfer, method change)	At Dec. 31, 2022
Untaxed provisions						
Reinvested capital gains	3	0	0	0	0	3
Other	0	0	0	0	0	0
	3	0	0	0	0	3
Provisions for contingencies						
Provisions for taxes	8	9	0	0	0	17
Other risks	2	0	1	0	0	1
	10	9	1	0	0	18
Provisions for charges						
Pensions ⁽¹⁾	105	11	49	0	0	67
Retirement bonuses	9	1	1	0	0	9
Provisions for performance share and performance unit plan costs	189	117	140	0	0	166
Provisions for other charges	18	0	7	0	0	11
	321	129	197	0	0	253
Provisions for impairment						
Investments in subsidiaries and affiliates	56	0	13	0	0	43
Other investment securities	0	0	0	0	0	0
Doubtful receivables	0	0	0	0	0	0
Marketable securities	0	0	0	0	0	0
	56	0	13	0	0	43

⁽¹⁾ The discount rate used in 2022 to calculate benefit obligations was 4.16% for terms of 15 years or less (1.06% in 2021), and 4.23% for terms over 15 years (1.42% in 2021).

NOTE 15 DEBT AND PAYABLES

The net €1,469 million increase in total debt and payables (€17,493 million) was mainly attributable to the net increase in other debts.

Analysis of debt and payables

Maturities of debt and payables

(in EUR millions)	Gross	Due	
		Within 1 year	Beyond 1 year
Bonds (1)	9,932	1,701	8,231
Bank borrowings (1) (2)	8	8	0
Other borrowings (3)	7,281	6,565	716
DEBT	17,221	8,274	8,947
Tax and social charges payable	80	80	0
Other payables (3)	182	141	41
Deferred income	10	1	9
TOTAL DEBT AND PAYABLES (4)	17,493	8,496	8,997
(1) New borrowings and debt for the year - non-Group	0		
Borrowings and debt repaid during the year - non-Group	1,217		
(2) Of which:	0		
■ debt with original maturity of up to two years	8		
■ debt with original maturity of more than two years	0		
(3) Of which:	0		
■ shareholder loans	None		
■ new loans from subsidiaries*	4,075		
■ loans from subsidiaries repaid during the year	(2,800)		
(4) Debt due beyond five years	0		

* Including the net change in current accounts with Group entities.

Long- and short-term debt

(in EUR millions)	2022	2021
1. MEDIUM- AND LONG-TERM DEBT		
LONG-TERM PORTION		
Due between January 1 and December 31		
2023	1,612	1,612



(in EUR millions)	2022	2021
2024	976	1,202
2025	1,250	750
2026	750	750
2027 and beyond	5,222	4,238
No fixed maturity	33	33
Total long- and medium-term debt excluding short-term portion	9,843	8,585
Short-term portion	89	1,102
TOTAL	9,932	9,686
2. SHORT-TERM DEBT		
Borrowings from Group entities	6,552	6,113
Bank overdrafts and other short-term borrowings	15	19
Other	6	3
TOTAL	6,573	6,135
TOTAL LONG- AND SHORT-TERM DEBT	16,505	15,822

Long-term debt can be analyzed as follows by currency:

(in EUR millions)	2022	2021
Euros	9,515	9,026
Pound sterling	417	660
TOTAL	9,932	9,686

The amortization of expenses incurred to set up borrowings is recognized on a pro rata basis over the term of the borrowings in question. These expenses are shown on the "Deferred charges" line of the balance sheet (see Note 11 "Deferred charges").

15.1 Perpetual bonds

In 1985, Compagnie de Saint-Gobain issued 25,000 perpetual bonds with a face value of ECU 5,000 (€5,000 today).

A total of 18,496 perpetual bonds have since been bought back and canceled, and 6,504 perpetual bonds are outstanding at December 31, 2022, representing a total face value of €33 million.

The bonds bear interest at a variable rate (average of interbank rates offered by the four reference banks for six-month euro deposits). The amount paid out per bond in 2022 was €0.

The bonds are not redeemable and interest on the bonds is classified as a component of finance costs.

15.2 Main changes in bond debt

Compagnie de Saint-Gobain also redeemed the following instruments at maturity:

–€900 million worth of 3.625% bonds on March 28, 2022;

–€100 million worth of 3.6% bonds on October 10, 2022.

On May 18, 2022, Compagnie de Saint-Gobain partially redeemed a bond for a face value of GBP 183.6 million. The amount outstanding under this bond, originally issued for GBP 300 million, represents GBP 116.4 million maturing on November 15, 2024 with a coupon of 5.625%. The difference between the redemption value and the face value of the bonds redeemed (GBP 16.1 million) was recorded in other financial expense.

On August 10, 2022, Compagnie de Saint-Gobain issued a €1.5 billion bond divided into three tranches:

- a €500 million tranche maturing August 10, 2025 and paying a coupon of 1.625%;
- a €500 million tranche maturing June 10, 2028 and paying a coupon of 2.125%;
- a €500 million tranche maturing August 10, 2032 and paying a coupon of 2.625%.

The ten-year tranche is a Sustainability-Linked Bond (SLB) linked to two important indicators of Saint-Gobain's sustainability roadmap, with ambitious 2030 targets in relation to the 2017 base year:

- reduce by 33% the absolute scope 1 and 2 CO₂ emissions;
- achieve an 80% reduction in non-recovered production waste.

A 0.375% step-up would apply on the 2032 coupon for each of these indicators if their respective target was not met.

15.3 Financing programs

The Group has a number of medium- and long-term financing programs (Medium-Term Notes) and short-term financing programs (Commercial Paper).

The state of these programs is as follows:

(in EUR millions)	Authorized drawings	Authorized limits at Dec. 31, 2022	Balance outstanding at Dec. 31, 2022	Balance outstanding at Dec. 31, 2021
Medium Term Notes	any duration	15,000	9,879	9,649
NEU CP	up to 12 months	4,000	0	0
US Commercial Paper	up to 12 months	938*	0	0
Euro Commercial Paper	up to 12 months	938*	0	0

* Equivalent to USD 1,000 million based on the exchange rate at December 31, 2022.

In accordance with market practices, Negotiable European Commercial Paper (NEU CP), US Commercial Paper and Euro Commercial Paper are generally issued with maturities of one to six months. They are treated as variable-rate debt since they are rolled over at frequent intervals.

Syndicated lines of credit

Compagnie de Saint-Gobain has two syndicated lines of credit that are intended to provide a secure source of financing for the Group (including as additional backing for its NEU CP, US Commercial Paper and Euro Commercial Paper programs):

- a €2.5 billion syndicated line of credit, maturing in December 2024 after the exercise of the two one-year rollover options;
- a second €1.5 billion syndicated line of credit, also maturing in December 2024 after the exercise of the two one-year rollover options.

Based on the Group's current credit rating for long-term debt issues, the two facilities are not subject to any covenants. Neither of these two lines of credit had been drawn down at December 31, 2022.

NOTE 16 RELATED-PARTY TRANSACTIONS

16.1 Transactions with related companies

(in EUR millions)	Net amount concerning related companies			Net balance sheet amount at Dec. 31, 2022
	Subsidiaries ⁽¹⁾	Other related companies ⁽²⁾	Other companies	
BALANCE SHEET ITEMS				
Investments in subsidiaries and affiliates	14,093	0	0	14,093
Loans and advances to subsidiaries and affiliates	14,882	0	0	14,882
Other investment securities	0	0	80	80
Loans and other financial investments	1,196	0	22	1,218
Other receivables	808	0	74	884
Marketable securities	0	0	2,815	2,815
Cash and cash equivalents	0	0	1,651	1,651
Bonds	0	0	(9,932)	(9,932)
Bank borrowings	0	0	(8)	(8)
Other borrowings	(7,284)	3	0	(7,281)
Tax and social charges payable	0	0	(80)	(80)
Other payables	(30)	0	(152)	(182)
INCOME STATEMENT ITEMS				
Income from investments in subsidiaries and affiliates	(1,201)	0	0	(1,201)
Income from loans and other investments	(315)	0	0	(315)
Other interest income	0	0	(7)	(7)
Interest expense	48	0	215	263

⁽¹⁾ Fully consolidated companies.

⁽²⁾ Companies that are not fully consolidated.

16.2 Transactions with other related parties

There are no material transactions with other related parties that were not entered into under arm's-length conditions.

NOTE 17 OFF-BALANCE SHEET COMMITMENTS

**Off-balance sheet commitments given on behalf of consolidated companies**

Off-balance sheet commitments given on behalf of consolidated companies	Date	Counterparty	2022 amount (in EUR millions)	2021 amount (in EUR millions)
Guarantee for Saint-Gobain tower lease	09/01/2032	SCI Iris La Défense	6	6
Guarantee given on behalf of Saint-Gobain Isover (electricity purchases)	12/31/2025	Exeltium	9	12
Commitments given to other members of economic interest groupings (GIE)	indefinite	GIE counterparts	0	9
Commitment given to the Saint-Gobain Initiatives foundation	multiple	SG Initiatives counterparts	6	0
Commitment given to employees of the German companies in the Group (early retirement plan)	12/31/2025	Sparkasse Aachen	2	2

Financing-related off-balance sheet commitments

Financing-related off-balance sheet commitments given	Date	Counterparty	2022 amount (in EUR millions)	2021 amount (in EUR millions)
Liquidity agreement guarantee	jan-23	Exane	1	1
Euro equivalent of forward currency sale contracts	multiple	multiple	1,543	1,844
Euro equivalent of foreign currencies payable under currency swaps	multiple	multiple	2,724	3,214
Equity swaps acquired as hedges of performance units	multiple	multiple	0	0
Financing-related off-balance sheet commitments received	Date	Counterparty	2022 amount (in EUR millions)	2021 amount (in EUR millions)
Liquidity agreement guarantee	jan-23	Exane	1	1
Euro equivalent of forward currency sale contracts	multiple	multiple	1,543	1,844
Euro equivalent of foreign currencies payable under currency swaps	multiple	multiple	2,759	3,240
2013/2023 undrawn line of credit	12/20/2023	multiples	2,480	2,480
2017/2023 undrawn line of credit	12/20/2023	multiples	1,520	1,520
Equity swaps acquired as hedges of performance units	multiple	multiple	0	12
Financing-related off-balance sheet commitments given and received	Date	Counterparty	2022 amount (in EUR millions)	2021 amount (in EUR millions)
Interest-rate swaps: fixed-rate borrower/fixed-rate lender	multiple	multiple	282	298

Financing-related off-balance sheet commitments given and received	Date	Counterparty	2022 amount (in EUR millions)	2021 amount (in EUR millions)
Interest-rate swaps: variable-rate borrower/fixed-rate lender	multiple	multiple	175	175
Commodity swaps: fixed-price buyer/variable-price seller	multiple	multiple	6	4
Commodity swaps: variable-price buyer/fixed-price seller	multiple	multiple	6	4

Operations-related off-balance sheet commitments

None.

Other off-balance sheet commitments

In some cases Compagnie de Saint-Gobain, or other Group companies, may grant seller's warranties to the buyers of divested businesses. A provision is recognized whenever a risk is identified and the related cost can be estimated reliably.

NOTE 18 INFORMATION ON FEES PAID TO THE STATUTORY AUDITORS

Total fees (excluding VAT) paid and payable to the Statutory Auditors in 2022, as reflected in the income statement for the year, may be broken down as follows:

- statutory audit fees: €1.7 million in 2022;
- fees for non-audit services: €0.3 million in 2022.

Non-audit services provided by the Statutory Auditors to Compagnie de Saint-Gobain relate mainly to audit procedures carried out as an independent third party on the management report on CSR information, due diligence in the context of planned acquisitions or divestments, and procedures related to the issuance of comfort letters in the case of new bond issues.

NOTE 19 EMPLOYEES

Monthly average number of employees

Paris HQ (Tour Saint-Gobain, La Défense)	2022	2021
Managerial-grade employees	174	167
Supervisors	13	15
Administrative staff	4	3
TOTAL	191	185
of which employees on fixed-term contracts	7	3
German branch (Aix la Chapelle)	2022	2021
Managerial-grade employees	88	82



German branch (Aix la Chapelle)	2022	2021
Supervisors	105	106
Administrative staff	0	0
TOTAL	193	188
of which employees on fixed-term contracts	13	9

Management compensation

Total gross compensation and benefits paid in 2022 by the French and foreign companies in the Group to members of the Executive Committee as it stood at December 31, 2022 (excluding any long-term compensation) amounted to €15.3 million (2021: €14.2 million), including €5.7 million in gross variable compensation (2021: €5.5 million).

Provisions for pensions and other post-employment benefit obligations (defined-benefit obligations [DBO] in respect of length-of-service awards and pensions) accruing to members of the Group's management bodies totaled €29.2 million (2021: €31.0 million).

Compensation paid to members of the Board of Directors for 2022 totaled €1.1 million (2021: €1.1 million).

NOTE 20 LITIGATION

The lawsuits described below involves Group subsidiaries and the related costs and provisions are recorded in the accounts of the subsidiaries concerned.

20.1 Competition law and related proceedings

Investigation by the Swiss Competition Commission in the sanitary products wholesale industry

In November 2011, the Swiss Competition Commission (Commission suisse de la concurrence) opened an investigation into anti-competitive practices in the sanitary products wholesale industry. In May 2014, the Commission Secretariat issued a notice of complaints against Sanitas Troesch and other wholesalers in the industry alleging that Sanitas Troesch and some of its competitors had, among other things, agreed in 2005 and 2012 to lower gross prices.

The total fine imposed on all companies involved is CHF 80 million. For Sanitas Troesch, the fine is CHF 28.8 million. Sanitas Troesch appealed this decision on May 2, 2016 and continues to firmly refute the claims made. The hearing took place before the Federal Administrative Court on January 21, 2020 and the date on which the Federal Administrative Court will issue its decision is not yet known. However, a provision for claims and litigation was recognized at December 31, 2015 in an amount equivalent to the fine (unchanged as at December 31, 2022).

Investigation by the French Competition Authority in the building insulation products industry

Alleged anti-competitive practices in the building insulation products market were notified to Saint-Gobain Isover and Compagnie de Saint-Gobain, which rejected such allegations. The French Competition Authority considered that the alleged anti-competitive practices were not established and dismissed all the objections in January 2021. Actis appealed this decision to the Paris Court of Appeal.

On the civil law front, Actis served in March 2013 a damages claim on Saint-Gobain Isover, the Centre scientifique et technique du bâtiment, and the FILMM before the Paris Civil Court (Tribunal judiciaire de Paris) based on the facts being investigated by the Competition Authority.

At the end of 2022, Actis withdrew these two actions. Saint-Gobain Isover and Compagnie de Saint-Gobain accepted these withdrawals without reservation. The decision of the Paris Court of Appeal noting the withdrawal of Actis and the fact that the actions were removed from the Court was made on January 26, 2023. The judgment of the Paris Civil Court declaring the withdrawal of Actis and the removal of the case is expected in the first half of 2023.

20.2 Asbestos-related litigation

Current legal actions related to asbestos are described below.

Asbestos-related litigation in France

Inexcusable fault lawsuits

In France, Everite and Saint-Gobain PAM, which in the past manufactured fiber-cement products containing asbestos fibres, are the subject of actions by former employees of these companies (or persons claiming through them) for recognition of inexcusable fault following diseases recognized as being of occupational origin.

As of December 31, 2022, a total of 850 lawsuits had been issued against the two companies since the outset with the aim of obtaining supplementary compensation over and above the amounts paid by the French Social Security authorities in this respect.

As of the same date, 826 of these 850 lawsuits had been completed and 24 actions are still pending.

The total amount of compensation paid by Everite and Saint-Gobain PAM since the outset of these litigations in settlement of these lawsuits totaled approximately €9.7 million as of December 31, 2022 (compared to €6.6 million as of December 31, 2021).

In addition, similar suits had been filed against 13 French companies of the Group (excluding suits against companies that are no longer part of the Group) which in the past used equipment containing asbestos to protect their employees and installations against heat from furnaces.

As of December 31, 2022, a total of 282 lawsuits had been filed since the outset against these 13 companies. 240 of these 282 lawsuits had been completed and 42 actions were still pending at the same date.

The total amount of compensation paid since the outset of the litigations by these companies was approximately €11.8 million as of December 31, 2022 (compared to approximately €10.5 million as of December 31, 2021).

Anxiety claims

Eight of the Group's subsidiaries, including six that operate or have operated facilities in France classified as containing asbestos, were the subject of anxiety claims brought by current or former employees not suffering from an occupational disease due to asbestos - claiming compensation for prejudice of anxiety suffered as a result of their alleged exposure to asbestos.

As of December 31, 2022, a total of 861 lawsuits had been brought against these companies.

At the same date, 824 suits out of 861 have been definitely completed and 37 were still pending.

The total amount of compensation paid since the outset of the litigations was €8.5 million as of December 31, 2022 (unchanged compared to the amount as of December 31, 2021).

It should be clarified that the above figures do not take into account suits filed against companies that are no longer part of the Group.

Last, the total amount registered as provision for asbestos-related litigations in France - inexcusable faults lawsuits and anxiety claims - amounted to around €8 million as of December 31, 2022 (compared to around €7 million as of December 31, 2021).

Situation in the United States

Measures taken to achieve an equitable and permanent resolution of the former CertainTeed Corporation's legacy asbestos liabilities in the United States

DBMP LLC, an affiliate of CertainTeed LLC based in North Carolina, that holds the legacy asbestos liabilities of the former CertainTeed Corporation, filed, on January 23, 2020, a voluntary petition for relief under Chapter 11 of the US Bankruptcy Code in the US Bankruptcy Court for the Western District of North Carolina in Charlotte. The matter remains pending. The purpose of the filing is to achieve a certain, final and equitable resolution of all current and future claims arising from asbestos-containing products manufactured and sold by the former CertainTeed Corporation.



DBMP LLC intends to seek court authority to establish a trust under Section 524(g) of the US Bankruptcy Code - a specific provision that is applicable to companies that face substantial numbers of asbestos-related claims - to achieve a fair and equitable resolution of its asbestos-related liabilities. Upon establishment of the trust, current and future plaintiffs with qualifying claims will be able to receive faster payment of their claims without the delay, stress and uncertainty of litigation in the tort system; at the same time, the creation and funding of such a trust will permanently and finally resolve DBMP LLC's asbestos liability.

During the course of this bankruptcy process, which is expected to take up to approximately five to eight years, all asbestos litigation will be stayed and all related costs suspended, providing DBMP LLC with the time and protection to negotiate an agreement to be approved on behalf of all claimants and by the court.

This action was taken as a result of the increasing risks presented in the US tort system. Despite the passage of time, the aging of the population and lessening opportunity for claimants to assert legitimate claims of exposure to the asbestos-containing products of the former CertainTeed Corporation, naming practices in the tort system continued to result in a steady volume of claims against DBMP LLC, with no foreseeable end in sight. In addition, there has been, in general, an escalation of settlement demands and verdicts in the tort system.

Certain adversary proceedings have been filed by representatives of current and future asbestos plaintiffs against DBMP LLC, CertainTeed LLC, Saint-Gobain Corporation, Compagnie de Saint-Gobain and various other parties. No decisions on the merits of the claims have been made and such claims do not affect the Company's financial assessment of the Chapter 11 case.

Impact on the financial statements

Following the commencement of the proceeding under Chapter 11 of the US Bankruptcy Code on January 23, 2020, the assets and liabilities of DBMP LLC and its wholly-owned subsidiary Millwork & Panel LLC, and in particular the provision for asbestos-related litigation in the United States, are no longer consolidated in the Group's financial statements.

Nonetheless, because of a funding agreement between CertainTeed LLC and DBMP LLC by which CertainTeed LLC has agreed to fund the costs of the Chapter 11 case and, ultimately, the 524(g) trust, in both cases solely to the extent DBMP LLC is unable to do so in full, the Group recorded in its consolidated financial statements a debt against DBMP LLC amounting to \$410 million as of December 31, 2022 (\$417 million as of December 31, 2021).

The Group's consolidated income for 2022 is not impacted by the ongoing Chapter 11 proceeding described above.

As a result of this bankruptcy proceeding, all legal costs and indemnity payments related to DBMP LLC's asbestos tort claims have been suspended, and no further charges in relation to such claims have been taken in 2022 (as in 2021).

Situation in Brazil

In Brazil, former employees of Brasilit, that once manufactured fiber cement containing asbestos, suffering from asbestos-related occupational illnesses are offered, depending on the case, either financial compensation alone or lifetime medical assistance combined with financial compensation. Around 1,200 contractual instruments have accordingly been signed to date.

Two class actions were initiated against Brasilit in 2017 by two associations defending former employees exposed to asbestos at the São Caetano (São Paulo state) and Recife (Pernambuco state) plants, asking for their medical assistance and compensation to be revised. First and second instance decisions were rendered in connection with the suit related to the São Caetano plant respectively in July 2020 and July 2021, rejecting the claims of the plaintiffs. The latter have nevertheless appealed the second instance decision. First and second instance decisions were rendered in relation to Recife case, respectively in February and October 2022 rejecting the claiming party arguments. The plaintiff has appealed such second instance decision.

A third class action was initiated against Brasilit in 2019 in Capivari (State of São Paulo) by the Labor prosecutor asking for health insurance, as well as collective moral damages, in favor of employees, former employees and their respective families, as well as subcontractors who were exposed to asbestos. A first instance decision was rendered in September 2020 partly in favor of the plaintiffs. In particular, collective moral damages were granted to the plaintiffs, for an amount reduced to BRL 5 million (€0.8 million). Brasilit has appealed the decision.

Brasilit is subject to controls by the Ministry of Labor and continues to comply with all of its legal obligations with regard to medical assistance for its current and former employees.

In November 2017, the Supreme Court of Brazil decided to ban asbestos definitively across the country. Brasilit stopped using asbestos voluntarily as early as 2002.

20.3 Environmental disputes

PFOA proceedings in the United States



Levels of PFOA (perfluorooctanoic acid) in excess of US Environmental Protection Agency (EPA) health advisories or state maximum contaminant levels for drinking water have been found in municipal water systems and private wells near current Saint-Gobain Performance Plastics (SG PPL) facilities in Hoosick Falls (New York) and Merrimack (New Hampshire), and two former facilities in North Bennington (Vermont) in the United States. PFOA and PTFE (polytetrafluorethylene) have never been manufactured by these plants. SG PPL is a processor of PTFE which it purchases from third party suppliers and which in the past contained some PFOA.

SG PPL has voluntarily provided bottled water in all three communities, installed point-of-entry treatment systems to residents and businesses in all three communities, installed carbon filtration systems on the municipal water supply in Hoosick Falls and funded the installation of a carbon filtration system on the Merrimack Valley District's municipal water supply. In addition, it has voluntarily funded construction of water line extensions in certain communities in the Merrimack and Bennington areas. The investigations are ongoing and the scope of responsibility for SG PPL arising from environmental remediation in New Hampshire and New York and clean-up obligations at these sites has not yet been established. The scope of the remediation in Vermont is defined and largely completed; future operation and maintenance obligations remain. Without admitting liability, SG PPL has signed consent orders with the environmental regulators in New York in 2016, in Vermont in 2017 and 2019 with respect to two different areas, and in New Hampshire in 2018, pursuant to which SG PPL has agreed to complete investigations, implement interim or final remediation measures at its current and former facilities and in the case of Vermont and New Hampshire, fund construction of water lines. Responsibility, if any, is expected to be shared with other parties as regards in particular the Hoosick Falls site.

PFOA-related lawsuits alleging both health-related and economic damages claims have been filed in civil courts in New York, New Hampshire and Vermont, some of which are in the form of proposed or certified class actions. It is difficult to predict the timing or outcome of any such litigation, or whether any additional litigation will be brought against SG PPL, however, both the New York and Vermont class actions are settled.

On December 31, 2022, the provision recorded by the Company in respect of this matter amounts to €201 million (compared to €116 million as of December 31, 2021). This provision covers both remediation and litigation related to PFOA matters.

20.4 Other contingent liabilities

Grenfell Tower fire in the United Kingdom

Celotex provides insulation materials for specific applications for the building and construction industry. Insulation materials from two Celotex ranges were purchased via distributors and used in refurbishing Grenfell Tower, London in 2015/2016, including as one component of the rainscreen cladding system designed and installed (by third parties) on the tower's external facade.

Following the Grenfell Tower fire on June 14, 2017, a Public Inquiry was constituted, which is considering, among other things, the modifications made to the building as part of the refurbishment, the role played by the various construction professionals, and the information provided by the manufacturers of the products used. The Inquiry has been conducting its work in two phases: its phase 1 report was published on October 30, 2019; phase 2 commenced in January 2020 and public hearings continued until July 2022, with a final report to follow, most likely in 2023. A criminal investigation into the circumstances of the fire is also in progress.

There are a large number of issues and circumstances that need to be explored and the implications for Celotex are unlikely to be known for some time. Civil proceedings in connection with Grenfell Tower brought against Celotex Limited and/or Saint-Gobain Construction Products UK Limited (which respectively held the Celotex business until or after December 31, 2015) and a number of other defendants - who are also core participants in the Public Inquiry - have been issued by bereaved, survivors and residents and emergency responders. Those proceedings have been stayed prior to the service of full pleadings on the basis that the parties to the litigation are permitted to engage in a confidential alternative dispute resolution process, which if it succeeds would avoid the need for litigation. Celotex and Saint-Gobain Construction Products UK Limited are engaging with other parties in such processes.

Celotex and Saint-Gobain Construction Products UK Limited are unable to communicate on the status of those confidential processes, which are ongoing. However, the financial statements as at 31 December 2022 include a provision covering the principal financial implications that may arise from the process engaged with bereaved, survivors and residents.

The extent to which Celotex may incur further civil or criminal liability in connection with the production, marketing, supply or use of its products is currently unclear and Celotex Limited and Saint-Gobain Construction Products UK are currently unable to make a reliable estimate of their potential liability in this respect.

20.5 Other proceedings and disputes

Some of the Group's companies may also be the subject of other claims made by their employees or by the tax authorities, or in the context of the enforcement of seller's warranties granted by the Group to the buyers of divested businesses (see p. 290, note 5.5.2). Apart from the proceedings and litigation described above, to the best of the Company's knowledge, no other government, court or arbitration proceedings exist (including pending proceedings or proceedings where the Company and/or the Group might be threatened) which could have or have had, in the last 12 months, a significant impact on the financial position or profitability of the Company and/or Group.

NOTE 21 SUBSEQUENT EVENTS

On January 18, 2023, Compagnie de Saint-Gobain issued a €1.15 billion bond split into two tranches:



–a €500 million tranche maturing July 18, 2024 and paying a floating-rate coupon of 3-month Euribor +0.20%;

–a €650 million tranche maturing January 18, 2029 and paying a coupon of 3.5%.

This issue has no impact on the financial statements at December 31, 2022.

8.4 STATUTORY AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

This is a translation into English of the statutory auditors' report on the financial statements of the Compagnie de Saint-Gobain issued in French and it is provided solely for the convenience of English speaking users.

This statutory auditors' report includes information required by French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to shareholders.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

For the year ended December 31, 2022

To the annual general meeting of Compagnie de Saint-Gobain Company,

COMPAGNIE DE SAINT-GOBAIN

Tour Saint-Gobain

92400 Courbevoie cedex

Opinion

In compliance with the engagement entrusted to us by your annual general meeting, we have audited the accompanying financial statements of Compagnie de Saint-Gobain for the year ended December 31, 2022.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at December 31, 2022 and of the results of its operations for the year then ended in accordance with French accounting principles.

The audit opinion expressed above is consistent with our report to the Audit and Risk Committee.

Basis for Opinion

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the Statutory Auditors Responsibilities for the Audit of the Financial Statements section of our report.

Independence

We conducted our audit engagement in compliance with independence requirements of the French Commercial Code (code de commerce) and the French Code of Ethics (code de déontologie) for statutory auditors, for the period from January 1, 2022, to the date of our report, and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014.



Justification of Assessments - Key Audit Matters

In accordance with the requirements of Articles L. 823-9 and R. 823-7 of the French Commercial Code (code de commerce) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the financial statements as a whole, approved in the conditions mentioned above, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the financial statements.

Measurement of investments in subsidiaries and affiliates and related loans and advances

Description of risk

At December 31, 2022, the carrying amount of the Company's investments in subsidiaries and affiliates and related loans and advances stood respectively at €14,093 million and €14,882 million, representing 81% of the net assets of the company. Investments in subsidiaries and affiliates are initially stated at historical cost including incidental expenses and are impaired, when applicable, based on their value in use.

As stated in Note 1 to the financial statements, the value in use is estimated periodically, and in particular at the closing date, using a multi-criteria approach: the Company's equity in the underlying net assets, proportion of consolidated net assets, net present value based on a multiple of a normative performance basis or net present value of future cash flows based on business plans (or long-term budget projections) excluding interest expenses but after tax.

When the value in use is lower than the book value, a provision for impairment is recorded, the impairment losses could result in particular from a decline in the performance of certain subsidiaries or risks relating to the international locations of those companies.

The impairment tests performed by Management have led to book a reversal of impairment amounting to €13 million for the year ended December 31, 2022.

We deemed the measurement of the value in use of the investments in subsidiaries and affiliates and related loans and advances to be a key audit matter due to the materiality of these assets in the balance sheets and the high degree of estimation and judgment required from Management to assess impairment losses. Management's judgment is based in part on assumptions relating, on the one hand, to the multiples applicable to the valuation of the investments and, on the other, to future changes in the cash flows relating to the investments, as well as to the calculation of the appropriate discount rate applied to future cash flows.

How our audit addressed this risk

We examined the impairment test procedure applied by the Company's financial management team, verified the consistency of the method used and tested the effectiveness of the controls implemented by Management to ensure the quality and reliability of the procedure.

With the support of our valuation experts, we carried out an independent analysis of certain key assumptions used by Management to perform the tests, pertaining, as appropriate, to the multiple deemed applicable to the valuation of the investments or to the discount rate and average perpetual growth rate used to project future cash flows, referring both to external market data and analyses of comparable companies.

For each investment selected for our tests of detail, we corroborated the calculation parameters applied in Management's multi-criteria approach with the accounting and budget data available for that investment. Where projected future cash flows were used, we analyzed the consistency of the projections with past performance and our knowledge of the Company's business, supported by interviews with managers from the various businesses, and in so far as they were available, by external data relating to markets or competitors. We paid particularly close attention to the calculation of the normalized amount of the terminal cash flows projected to perpetuity.

Specific vérifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations.

Information given in the management report and in the other documents with respect to the financial position and the financial statements provided to the Shareholders



We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Board of Directors and in the other documents with respect to the financial position and the financial statements provided to the Shareholders.

We attest the fair presentation and the consistency with the financial statements of the information relating to the payment deadlines mentioned in Article D.441-4 of the French Commercial Code (code de commerce).

Report on corporate governance

We attest that the Board of Directors' report on corporate governance sets out the information required by Articles L.225-37-4, L.22-10-10 and L.22-10-9 of the French Commercial Code (code de commerce).

Concerning the information given in accordance with the requirements of Article L.22-10-9 of the French Commercial Code (code de commerce) relating to remunerations and benefits received by the directors and any other commitments made in their favour, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your company from controlling and controlled companies. Based on these procedures, we attest the accuracy and fair presentation of this information.

With respect to the information relating to items that your company considered likely to have an impact in the event of a takeover bid or exchange offer, provided pursuant to Article L.22-10-11 of the French Commercial Code (code de commerce), we have agreed this information to the source documents communicated to us. Based on these procedures, we have no observations to make on this information.

Other information

In accordance with French law, we have verified that the required information concerning the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

Report on Other Legal and Regulatory Requirements

Format of the presentation of the financial statements intended to be included in the annual financial report

We have also verified, in accordance with the professional standard applicable in France relating to the procedures performed by the statutory auditor relating to the annual and consolidated financial statements presented in the European single electronic format, that the presentation of the financial statements intended to be included in the annual financial report mentioned in Article L. 451-1-2, I of the French Monetary and Financial Code (code monétaire et financier), prepared under the responsibility of the Chief Executive Officer, complies with the single electronic format defined in the European Delegated Regulation No 2019/815 of 17 December 2018.

Based on the work we have performed, we conclude that the presentation of the financial statements intended to be included in the annual financial report complies, in all material respects, with the European single electronic format.

We have no responsibility to verify that the financial statements that will ultimately be included by your company in the annual financial report filed with the AMF are in agreement with those on which we have performed our work.

Appointment of the Statutory Auditors

We were appointed as statutory auditors of Compagnie de Saint-Gobain by the annual general meeting held on June 10, 2004, for KPMG and on June 2, 2022 for Deloitte & Associés.

As at December 31, 2022, KPMG and Deloitte & Associés were in the 19th year and 1st year of total uninterrupted engagement.

Responsibilities of Management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with French accounting and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.



In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit and Risk Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The financial statements were approved by the Board of Directors.

Statutory Auditors' Responsibilities for the Audit of the Financial Statements

Objective and audit approach

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in Article L.823-10-1 of the French Commercial Code (code de commerce), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the financial statements.
- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.
- Evaluates the overall presentation of the financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

Report to the Audit and Risk Committee

We submit a report to the Audit and Risk Committee which includes, in particular, a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report any significant deficiencies in internal control that we have identified regarding the accounting and financial reporting procedures.

Our report to the Audit and Risk Committee includes the risks of material misstatement that, in our professional judgment, were the most significant for the audit of the financial statements and which constitute the key audit matters that we are required to describe in this report.

We also provide the Audit and Risk Committee with the declaration provided for in article 6 of Regulation (EU) No 537/2014, confirming our independence within the meaning of the rules applicable in France, as defined in particular in articles L.822-10 to L.822-14 of the French Commercial Code and in the French Code of Ethics for Statutory Auditors. Where appropriate, we discuss any risks to our independence and the related safeguard measures with the Audit and Risk Committee.

Paris-La Défense, February 23, 2023

The Statutory Auditors

French original signed by

KPMG S.A.

Pierre-Antoine DUFFAUD

Laurent CHILLET

Deloitte & Associés

Frédéric GOURD

Bénédicte MARGERIN

8.5 MANAGEMENT REPORT - COMPAGNIE DE SAINT-GOBAIN ANNUAL FINANCIAL STATEMENTS

Compagnie de Saint-Gobain's net income totaled €1,496 million in 2022 (2021: €1,458 million). It consisted primarily of financial income from subsidiaries and affiliates (dividends and income transfers from subsidiaries of the German branch) totaling €1,201 million in 2022 (2021: €927 million), reversals of impairment recognized against investments in subsidiaries and affiliates totaling €13 million (2021: €345 million), an income tax benefit of €253 million (2021: €261 million) from the French and German tax consolidation groups, less a net exceptional expense of €19 million in 2022 (2021: €68 million) due mainly to provisions for taxes and for performance share plans awarded to employees.

Shareholders' equity before the appropriation of income for the year totaled €17,826 million at December 31, 2022 (December 31, 2021: €17,612 million).

8.5.1 SIGNIFICANT EVENTS DURING THE YEAR

Transactions involving shareholders' equity

The principal events that contributed to changes in capital stock and shareholders' equity were:

- the May 2022 increase in capital stock through the subscription of 4,916,097 shares under the Group Savings Plan at a price of €45.19 for a gross and net amount of €222 million;
- the capital reductions of June 10, 2022 and October 4, 2022 through the cancellation of 8,871,654 and 4,305,432 shares, respectively, for a total gross and net amount of €670 million;
- on June 8, 2022, the Company paid dividends representing a total payout of €835 million.

Acquisition of GCP



On December 6, 2021, Saint-Gobain and GCP Applied Technologies announced that they had entered into a definitive agreement pursuant to which Saint-Gobain will acquire all of the outstanding shares of GCP for USD 32.00 per share, in cash, in a transaction valued at approximately USD 2.3 billion (approximately €2.0 billion). This acquisition is a decisive step in establishing Saint-Gobain's leading position worldwide in construction chemicals with total sales of more than €4 billion (up from €3 billion previously), and furthers the Group's strategy as worldwide leader in light and sustainable construction.

On September 22, 2022, Saint-Gobain obtained the necessary approvals from the relevant competition authorities and the transaction closed on September 27, 2022. GCP was subsequently delisted from the New York Stock Exchange.

With approximately USD 1.0 billion in revenues generated in 2021 by 1,800 employees working on 50 production sites in 38 countries, GCP Applied Technologies provides a global platform with established success in cement additives, concrete admixtures, infrastructure and commercial and residential building materials.

The specialty building materials business in North America (approximately USD 250 million of sales) has been integrated into the CertainTeed business serving local customers in its Region. All other businesses, consisting of mainly concrete admixtures and cement additives (approximately USD 750 million of sales), have been combined with Chryso in a newly formed "Construction Chemicals" business unit within High Performance Solutions.

Acquisition of Kaycan

On May 31, 2022, Saint-Gobain announced that it had entered into a definitive agreement to acquire Kaycan, Ltd, a family-owned manufacturer and distributor of exterior building materials in Canada and in the United States, for USD 928 million (approximately €860 million) in cash. The transaction was finalized on July 29, 2022.

With this acquisition, Saint-Gobain reinforces its worldwide leadership in light and sustainable construction by becoming the top siding player in Canada and enlarging its vinyl offer across the United States with complementary solutions including aluminum and engineered wood.

Sale of the Crystals and Detectors business

On September 1, 2022, Saint-Gobain announced that it had entered into an exclusive negotiation process for the sale of its Crystals and Detectors business - part of High Performance Solutions - to a consortium led by SK Capital Partners associated with Edgewater Capital Partners, both US private equity firms with expertise in advanced materials which have made a binding and irrevocable offer for an enterprise value of USD 214 million. The transaction was finalized on December 1, 2022.

The Crystals and Detectors business employs around 400 people, operates six production sites (two in France, three in the United States and one in India) and generated revenues of close to €75 million in 2021 with an adjusted EBITDA margin of around 20%. It provides radiation detection solutions for medical imaging, security, nuclear safety, oil and gas exploration and environmental monitoring, as well as sapphire products for medical, industrial, electronics, and aerospace applications.

This transaction aims at focusing the Group's High Performance Solutions activities on markets where Saint-Gobain, thanks to its leadership positions and its innovation capabilities, enables its customers to accelerate towards carbon neutrality and circularity. It is part of Saint-Gobain's continued business profile optimization strategy, in line with the "Grow & Impact" plan objectives.

Sale of the Distribution business in the United Kingdom

On December 12, 2022, following a competitive sale process, Saint-Gobain announced that it had signed an agreement to sell all of all its merchandising brands in the United Kingdom - including the builders and timber merchant Jewson - to the Stark group.

The divested assets generated revenues of around €2.7 billion in 2022 with an operating margin of around 2%. They comprise 600 outlets and employ 8,900 people. The divestment was made based on an enterprise value of GBP 740 million, i.e. around €850 million.

The transaction, which is not subject to any external conditions, is expected to close in the first quarter of 2023, following which Saint-Gobain will no longer have any distribution businesses in the UK.

It follows the divestment of specialist distribution brands in the United Kingdom over the last 18 months representing around €650 million of revenues at around breakeven in terms of operating margin, based on an enterprise value of around €200 million.

These divestments are part of Saint-Gobain's continued business profile optimization strategy to enhance the Group's growth and profitability in line with its "Grow & Impact" plan.

Financing activities

Compagnie de Saint-Gobain also redeemed the following instruments at maturity:

–€900 million worth of 3.625% bonds on March 28, 2022;



–€100 million worth of 3.6% bonds on October 10, 2022.

On May 18, 2022, Compagnie de Saint-Gobain partially redeemed a bond for a face value of GBP 183.6 million. The amount outstanding under this bond, originally issued for GBP 300 million, represents GBP 116.4 million maturing on November 15, 2024 with a coupon of 5.625%.

On August 10, 2022, Compagnie de Saint-Gobain issued a €1.5 billion bond divided into three tranches:

- a €500 million tranche maturing August 10, 2025 and paying a coupon of 1.625%;
- a €500 million tranche maturing June 10, 2028 and paying a coupon of 2.125%;
- a €500 million tranche maturing August 10, 2032 and paying a coupon of 2.625%.

The ten-year tranche is a Sustainability-Linked Bond (SLB) linked to two important indicators of Saint-Gobain's sustainability roadmap, with ambitious 2030 targets in relation to the 2017 base year:

- reduce by 33% the absolute scope 1 and 2 CO₂ emissions;
- achieve an 80% reduction in non-recovered production waste.

A 0.375% step-up would apply on the 2032 coupon for each of these indicators if their respective target was not met.

On January 18, 2023, Compagnie de Saint-Gobain issued a €1.15 billion bond split into two tranches:

- a €500 million tranche maturing July 18, 2024 and paying a floating-rate coupon of three-month Euribor +0.20%;
- a €650 million tranche maturing January 18, 2029 and paying a coupon of 3.5%.

This issue has no impact on the financial statements at December 31, 2022.

8.5.2 OTHER MANDATORY DISCLOSURES

Maturity of amounts owed to suppliers and from customers

Pursuant to Article D. 441-6, amounts owed to suppliers and from customers can be analyzed as follows by maturity:

(in EUR thousands)	Article D.441 I.-1: Overdue invoices from suppliers unpaid at Dec 31, 2021					
	0 days (for information)	1 to 30 days	31 to 60 days	61 to 90 days	91 days and more	Total (1 day and more)
(A) OVERDUE BY DELAY						
Number of invoices	2					262
Total value of invoices incl. VAT	0	11,058	145	171	445	11,819
Percentage of 2021 total purchases incl. VAT	0.0%	3.0%	0.0%	0.0%	0.0%	3.0%
Percentage of 2021 sales incl. VAT						
(B) INVOICES EXCLUDED FROM (A) RELATING TO DISPUTED OR UNRECO-						



Article D.441 I.-1: Overdue invoices from suppliers unpaid at Dec 31, 2021						
(in EUR thousands)	0 days (for information)	1 to 30 days	31 to 60 days	61 to 90 days	91 days and more	Total (1 day and more)
GNIZED PAYABLES/RECEIVABLES						
Number of invoices						0
(C) METHOD USED TO CALCULATE OVERDUE INVOICES (CONTRACTUAL OR STATUTORY PERIOD - ARTICLE L.441-6 OR L.443-1 OF THE FRENCH COMMERCIAL CODE)						
Method used to calculate overdue invoices	Due date of the invoice					
Article D.441 I.-2: Overdue invoices to customers unpaid at Dec 31, 2021						
(in EUR thousands)	0 days (for information)	1 to 30 days	31 to 60 days	61 to 90 days	91 days and more	Total (1 day and more)
(A) OVERDUE BY DELAY						
Number of invoices	0					1,651
Total value of invoices incl. VAT	0	28,699	2,326	639	7,692	39,356
Percentage of 2021 total purchases incl. VAT						
Percentage of 2021 sales incl. VAT	0.0%	5.0%	0.4%	0.1%	1.3%	6.8%
(B) INVOICES EXCLUDED FROM (A) RELATING TO DISPUTED OR UNRECOGNIZED PAYABLES/RECEIVABLES						
Number of invoices						0
(C) METHOD USED TO CALCULATE OVERDUE INVOICES (CONTRACTUAL OR STATUTORY PERIOD - ARTICLE L.441-6 OR L.443-1 OF THE FRENCH COMMERCIAL CODE)						
Method used to calculate overdue invoices	Due date of the invoice					

Compagnie de Saint-Gobain settles its debts by their given due dates. The only invoices not settled by their due dates are those subject to disputes and classified as pending decisions, as well as invoices that were received late.

Company branch

Compagnie de Saint-Gobain has a German branch.

8.6 FIVE-YEAR FINANCIAL SUMMARY

(in EUR thousands)	2022	2021	2020	2019	2018
1 - CAPITAL STOCK AT YEAR-END					
Share capital	2,063	2,096	2,131	2,179	2,186
Number of common shares outstanding	515,769,082	524,017,595	532,683,713	544,683,451	546,585,004
2 - RESULTS OF OPERATIONS					
Sales	383	301	281	297	189
Income before tax, depreciation, amortization and provisions	1,187	879	695	677	915
Income tax	253	261	185	226	154
Income after tax, depreciation, amortization and provisions (net income)	1,496	1,458	862	849	669
Dividends	1,024 ⁽¹⁾	835 ⁽²⁾	698 ⁽³⁾	0 ⁽⁴⁾	716 ⁽⁵⁾
3 - EARNINGS PER SHARE (in EUR)					
Income before tax, depreciation, amortization and provisions	2.30	1.68	1.30	1.24	1.67
Income after tax, depreciation, amortization and provisions (net income)	2.90	2.78	1.62	1.56	1.22
Net dividend per share	2.00	1.63	1.33	0.00	1.33
4 - EMPLOYEE INFORMATION⁽⁶⁾					
Average number of employees during the year	192	185	188	201	200
Total payroll for the year	35	40	32	34	31
Total benefits paid for the year	20	24	18	15	15

⁽¹⁾ Estimated amount based on 515 781 821 shares carrying, at January 31, 2022, rights to dividends in respect of 2022 less 3 718 501 treasury shares held at January 31, 2023.

⁽²⁾ Based on 524 017 595 shares carrying rights to dividends in respect of 2021 less 12 011 295 treasury shares held on the ex-dividend date.

⁽³⁾ Based on 532,695,363 shares carrying rights to dividends in respect of 2020, less 7,637,902 treasury shares held on the ex-dividend date.

⁽⁴⁾ No dividend was paid in respect of 2019.

⁽⁵⁾ Based on 546,585,333 shares carrying rights to dividends in respect of 2018, less 7,953,739 treasury shares held on the ex-dividend date.

⁽⁶⁾ Employee numbers only include staff at the Company's head office and exclude the German branch.



9 ADDITIONAL INFORMATION AND CROSS-REFERENCE TABLES

9.1 ADDITIONAL INFORMATION

9.1.1 PRINCIPAL STATUTORY PROVISIONS AND INTERNAL RULES OF THE BOARD OF DIRECTORS

A - Principal statutory provisions

The main provisions of Compagnie de Saint-Gobain's bylaws are summarized below.

A complete version of the bylaws may be consulted on the Company's website (www.saint-gobain.com). A copy may also be obtained upon request from the clerk of the Commercial Court of Nanterre and at the Company's headquarters.

Corporate name, form, head office and duration (Articles 1, 2, 4 and 5)

A French société anonyme governed by the provisions of Articles L. 210-1 et seq. of the French Commercial Code, Compagnie de Saint-Gobain's head office is Tour Saint-Gobain, 12, place de l'Iris, 92400 Courbevoie, France (Tel: +33 (0)1 88 54 00 00). It is registered with the Trade and Companies Register of Nanterre under No. 542 039 532.

The Company was founded in 1665 and registered with the Trade and Companies Register on July 21, 1954, for a period that will expire on December 31, 2040, unless it is subject to early dissolution or extension.

Corporate purpose (Article 3)

The Company's summarized corporate purpose is to conduct and manage, in France and internationally, any industrial, commercial, financial, securities and real estate transactions related to its manufacturing and contracting activities through French or foreign subsidiaries or equity interests or otherwise.

Fiscal year (Article 19)

Its fiscal year runs from January 1 to December 31.

Share capital and disclosure thresholds (Articles 6 and 7)

As of December 31, 2022, the share capital was set at €2,063,076,328 divided into 515,769,082 shares with a par value of €4.00 each, entirely paid up and all of the same class.

The bylaws (Article 7.4) require shareholders to disclose to the Company within five trading days any direct, indirect or joint interest representing at least 0.50% of the share capital or voting rights, or any multiple of this percentage.

The same disclosure requirement applies when a direct, indirect or joint equity interest falls below any of these thresholds.

Failure to comply with these disclosure rules may result in the undisclosed shares exceeding this percentage being deprived of voting rights for a period of two years from the date when the non-disclosure is remedied, at the request of one or more shareholders representing at least 3% of the share capital or voting rights, as recorded in the minutes of the General Meeting.

Furthermore, the Company may request information regarding the composition of its shareholding structure and the ownership of its shares in accordance with current laws and regulations.



Share rights (Article 8)

Each share entitles the owner to ownership of corporate assets and liquidation proceeds equal to the proportion of the share capital it represents.

Whenever it is necessary to own a certain number of shares to exercise a right, the owners who do not hold that number must arrange for the pooling of the required number of shares where appropriate.

Each share entitles the holder to vote at the General Meetings under the conditions stipulated in the bylaws (see Article 18 below).

Ownership of a share automatically entails acceptance of the Company's bylaws and the decisions of the General Meeting.

Company Management (Articles 9 to 12, 14 and 15)

The Company is administered by a Board of Directors of at least three members and no more than eighteen members, subject to the exceptions provided for by law in the event of a merger.

Directors are elected for a four-year term. They may be reappointed subject to the age limit of 70. The age limit for the Chairman of the Board of Directors is 68. The Chairman of the Board of Directors may also hold the position of Chief Executive Officer of the Company at the discretion of the members of the Board. In this case, the Chairman of the Board of Directors has the title of Chairman and Chief Executive Officer, and the age limit is 65 (like that of the Chief Executive Officer and the Chief Operating Officers).

One Director representing employee shareholders is appointed by the General Shareholders' Meeting under the conditions of quorum and majority applicable to any appointment of a Director from among the employee shareholders or, where appropriate, from among the members of the Supervisory Boards of the corporate mutual fund(s) of the Company's Group Savings Plan. It is governed by all the laws and provisions of the bylaws applicable to the Directors appointed by the General Shareholders' Meeting as well as those specific to it.

Procedure for appointing candidates for the office of Director representing employee shareholders

Candidates for the office of Director representing employee shareholders are presented to the General Shareholders' Meeting as follows:

- one candidate is appointed from among its members by the Supervisory Board of the corporate mutual fund of the Company's Group Savings Plan. If there is more than one corporate mutual fund, each Supervisory Board of such corporate mutual funds appoints one candidate from among its members;
- one candidate is elected by the employees holding registered shares as part of a consultation process defined by General Management. Voting may take place by any technical means that ensures the reliability of the vote, whether by electronic means or by mail, with each employee holding a number of votes equal to the number of registered shares they hold. The candidate with the highest number of votes is presented to the General Shareholders' Meeting.

Election of the Director representing employee shareholders

If there is more than one candidate for the office of Director representing employee shareholders, the Board of Directors may approve the appointment of one of them. The candidate with the highest number of votes at the General Shareholders' Meeting is appointed Director representing employee shareholders.

The Company's Works Council (Comité de Groupe) appoints two Employee Directors. Employee Directors are appointed within six months of the General Shareholders' Meeting.

The term of office of a Director ends at the conclusion of the Ordinary General Meeting called to approve the financial statements for the previous fiscal year held in the calendar year during which this Director's term expires. The duties of an Employee Director (including a Director representing employee shareholders) also end if the employment contract is terminated, as of the date of the termination, subject to intragroup transfer. If the conditions for application of the law are not met, the term of office of the Employee Directors (including a Director representing employee shareholders) ends upon completion of the Board meeting that confirms the Company's exit from the scope of application of the law.

The Board of Directors determines the Company's overall business strategy and examines any issues relating to its proper functioning.

The activities of the Board of Directors are organized and led by its Chairman.

Board meetings may be held using videoconferencing or other interactive telecommunication technology under the conditions stated by law.

Each Director appointed by the General Shareholders' Meeting must own at least eight hundred shares, except Employee Directors and the Director representing employee shareholders.



General Management (Articles 13 and 15)

At the discretion of the Board of Directors, the Company's General Management is assumed either by the Chairman of the Board of Directors, in this case in the capacity of Chairman and Chief Executive Officer, or by the Chief Executive Officer.

The Chief Executive Officer, chosen by the Board of Directors, whether or not from among its members, is vested with the broadest authority to act under any circumstances in the name of the Company within the limits of the corporate purpose and subject to such powers as the law expressly attributes to General Meetings and the Board of Directors. The Chief Executive Officer represents the Company in its relations with third parties.

General Meetings and voting rights (Article 18)

Any shareholder may participate in General Meetings in person or by proxy, provided that his/her/its shares have been formally recorded in the accounts, subject to the applicable legal provisions.

Where decided by the Board of Directors, shareholders may be convened to and vote at a General Meeting by any form of electronic communication. Any shareholder may be represented under the conditions provided for by law. Shareholding legal entities are represented at a General Meeting by their legal representative or by any person designated by that legal representative for this purpose.

At all General Meetings, voting rights are exercisable by the beneficial owner of the shares. Each shareholder has a number of voting rights corresponding to the number of shares held, without limitation.

However, double voting rights are allocated to fully paid-up shares registered in the name of the same shareholder for at least two years.

In addition, in the case of a capital increase through capitalization of reserves, profits or share premiums, registered shares allocated free of charge to a shareholder carry double voting rights from the date on which they are issued on the basis of shares already held by the shareholder carrying such entitlement.

Double voting rights are forfeited when the shares are converted to bearer form or sold. However, double voting rights are not forfeited when title is transferred by way of an inheritance or as a result of the liquidation of the marital estate or an inter vivos donation to a spouse or a relative in the direct line of succession. The transfer is not considered in calculating the qualifying period indicated in the preceding paragraph.

Shareholders may vote by mail in accordance with applicable laws and regulations.

Allocation and appropriation of net income (Article 20)

An appropriation of at least five percent is deducted from net income, less any losses carried forward from the previous year, and allocated to the reserve fund prescribed by law. This appropriation is no longer mandatory once the reserve fund reaches a sum equal to one tenth of the share capital. It is reactivated if the reserve falls below one tenth.

Distributable income corresponds to net income for the fiscal year less any losses carried forward from prior years and less any amounts to be credited to reserves in application of the law or the Company's bylaws, plus retained earnings.

The General Meeting may appropriate this distributable net income for the period as follows:

1. all or part of this amount to any contingency or special reserves or to retained earnings, based on a recommendation of the Board of Directors;
2. if these appropriations do not absorb the total amount of distributable income, shareholders are paid a non-cumulative first dividend equal to five percent of the paid-up par value of shares without being entitled to claim such payment from appropriations from the distributable income of subsequent years;
3. if any funds remain after paying these appropriations, they are divided among the shareholders.

The General Meeting approving the financial statements option of receiving all or part of the dividend (or any for the fiscal year may decide to offer shareholders the interim dividend) in cash or in shares.

B - Internal rules of the Board of Directors

Compagnie de Saint-Gobain's internal rules of the Board of Directors in force as of February 1, 2023, describe the Board's organization and functioning. The internal rules were last updated by the Board of Directors on July 29, 2021.

The provisions of the Board's internal rules are reproduced in their entirety below, except for the provisions that concern Board Committees, which are set out in section 5.1.2, p. 176. Paragraphs shown in italics below provide commentary.



"These internal rules aim to set out the organization and functioning of Compagnie de Saint-Gobain's Board of Directors.

They are to be applied in conjunction with the rules and duties laid out in those applicable legal and regulatory provisions and the Company's bylaws, which have not been reproduced below.

They implement the recommendations of the AFEP-MEDEF Corporate Governance Code for French listed companies.

I. Meetings of the Board of Directors

The Board of Directors holds at least seven scheduled meetings each year. At each year-end, an annual work program is drawn up by the Chairman of the Board of Directors and given to the Directors for the following year. The draft minutes of each meeting are sent to the Directors at the same time as the agenda for the next meeting. They are approved at that meeting, and the final minutes are then sent with the agenda for the next meeting.

Except for meetings held to approve the annual financial statements of the Company, the annual consolidated financial statements and the annual management report, Directors who take part in a Board meeting using videoconferencing or other telecommunication technology enabling them to be identified and participate actively in the discussion are deemed to be present for calculation of the quorum and voting majority.

II. Prior and ongoing information for Directors

Each time a meeting is called, Directors are provided with a selection of financial analyses and a range of press articles concerning the Group published since the last Board meeting.

The text of explanations and presentations scheduled on the agenda for a meeting is sent to the Directors before the meeting.

The draft Universal Registration Document for the Group, the draft consolidated financial statements and the draft annual and interim financial statements are sent to the Directors before the meeting at which they are to be considered.

The information file provided to the Directors at each meeting includes, among other things, an analysis of the Group's operating income and its net debt at the end of the previous month, as well as details of the Saint-Gobain share performance compared with the CAC 40 and an industry index.

One Board meeting is held at a different Group site each year to give the Directors an opportunity to visit that site.

Between meetings, the Directors receive copies of all press releases issued by the Company along with any relevant information about events or transactions that are material for the Group.

Directors have the right to ask for any other documents that they consider necessary to make an informed contribution to the Board's discussions; the request is made to the Chairman of the Board of Directors, who may submit the request to the Board for a decision.

Directors may also ask to meet with the Senior Management of the Group and to request that no executive corporate officers are present; in the latter case, notice is first given to the Chairman of the Board of Directors and the Chief Executive Officer, and the Chairman may submit the request to the Board for a decision.

III. Deliberations of the Board of Directors

The Board of Directors examines all issues that fall within its remit, as specified in the applicable laws and regulations and the Company's bylaws, particularly on the following subjects:

The Board of Directors meets annually to review and approve the budget for the Group.

It reviews and approves the strategic orientations of the Group at least once a year and monitors their implementation, taking into account the social and environmental challenges of its business.

All capital expenditures, restructuring, disposals, acquisitions and financial investment and divestment projects in individual amounts greater than €150 million must be submitted to the Board for prior approval, along with any material transactions that fall outside the Saint-Gobain Group's stated strategy.

For urgent matters where there is not enough time to call a Board meeting, the Chairman of the Board of Directors provides the Directors with all relevant information by the most efficient method to obtain their opinion.

Once a year, the Board of Directors dedicates an item on its agenda to a discussion about its operation. In addition, an assessment of its organization and operation is carried out periodically at the initiative of the Lead independent Director; this assessment is added to the agenda of a subsequent Board meeting.



Every year, the Board of Directors also reviews each Director's situation in relation to the independence criteria set out in the AFEP-MEDEF Code, based on a report prepared by the Nomination and Remuneration Committee. The results of the review are reported to shareholders in the annual report.

Non-executive Directors may meet during or after a Board meeting, without the executive corporate officers being present, to assess their performance and consider the future line-up of the Group's General Management.

IV. Role of the Chairman of the Board of Directors

The Chairman organizes and directs the work of the Board of Directors and sets the agenda. The Chairman sets the schedule and agenda for Board meetings, convenes them and chairs them.

In consultation with the Chairmen of the Committees concerned, the Chairman sets the schedule and agenda of meetings of Committees of the Board of Directors and convenes them.

The Chairman ensures that the Company's governing bodies function properly, that the Directors are able to fulfill their duties, and, in particular, that they have all the necessary information.

The Chairman convenes, chairs, coordinates and reports to the Chief Executive Officer on meetings of the Directors without the presence of the executive corporate officers, which may be held during or at the end of a Board meeting, where appropriate, co-chaired by the Lead independent Director (or the Chairman of the Nomination and Remuneration Committee when matters falling within the remit of this Committee, in particular compensation components for the Chief Executive Officer, are discussed).

The Chairman reports on the work of the Board of Directors to the General Shareholders' Meeting and chairs this meeting.

V. Board of Directors Committees

The work and decisions of the Board of Directors are prepared in their respective areas by Committees (the Audit and Risk Committee, the Nomination and Remuneration Committee and the Corporate Social Responsibility Committee), composed of Directors appointed by the Board. The Chairman and the Chief Executive Officer may attend their meeting, except when the matter concerns them. In this case, they do not participate in the discussions and deliberations on the subjects in question.

Committee members may participate in meetings by videoconference or other telecommunication technology enabling them to be identified and ensuring their effective participation. They are then considered present at these Committee meetings.

To fulfill their duties, these Board Committees may commission technical studies by outside experts at Compagnie de Saint-Gobain's expense and consult Group executives after notifying the Chief Executive Officer and the Chairman of the Board of Directors, who may submit the request to the Board for a decision. They report to the Board on the opinions and information obtained.

The Chairman of each Board Committee designates the person responsible for acting as secretary of the Committee.

The Board's internal rules also cover, among other things, the respective duties and areas of the three Board Committees. A description of these duties and areas is provided in section 5.1.2, p. 176, in the passage dedicated to each Committee.

VI. Lead independent Director

The Board of Directors may appoint a Lead independent Director from among the Board's independent Directors. The Lead independent Director remains in office for the duration of the term as Director. The Lead independent Director may be reappointed and may be removed at any time by the Board of Directors.

Duties of the Lead independent Director

The Lead independent Director's main responsibility is to oversee the efficient running of the Company's governance bodies. As such, the Lead independent Director is in charge of:

- preventing and managing conflicts of interest: the Lead independent Director is responsible for preventing the occurrence of situations of conflicts of interest. The Lead independent Director informs the Board of Directors of any known conflicts of interest concerning the Directors;
- conducting the periodic assessment of the organization and operation of the Board of Directors;
- at the Chairman's request, serving as a point of contact for Compagnie de Saint-Gobain's shareholders on governance issues and, where appropriate, meet with them;
- in conjunction with the Chairman of the Board of Directors, ensuring that the Directors receive the information they need to perform their duties under the best possible conditions, in accordance with these internal rules;



–more generally, ensuring compliance with the internal rules of the Board of Directors.

Means available to the Lead independent Director

In the course of the assigned duties, the Lead independent Director has the right to:

- suggest to the Chairman the addition of points to the agenda of any Board meeting;
- ask the Chairman to convene the Board of Directors on a specific agenda, including for a meeting without the presence of executive corporate officers;
- convene and chair the Board meetings in the event of the temporary inability or death of the Chairman; and
- attend, where applicable, meetings of the Committees of which the Lead independent Director is not a member to the extent strictly necessary to accomplish the assigned duties and upon the approval by the Chairman of the Board of Directors.

Once a year, the Lead independent Director reports the actions taken to the Board of Directors. The Chairman of the Board of Directors may invite the Lead independent Director to General Meetings to report on actions taken.

VII. Duties of the Directors

Directors have regular access to inside information within the meaning of financial market laws and regulations and comply with insider trading prevention provisions.

Closed periods are also set each year, during which Directors are prohibited from trading directly or indirectly and from derivative transactions in Compagnie de Saint-Gobain's securities.

These closed periods cover the thirty days preceding the Board meetings at which the annual and interim consolidated financial statements are reviewed, the fifteen days preceding the publication of quarterly revenue figures, and the day following the publication of the annual and half-year results.

The Board Secretary sends the precise calendar of the closed periods to the Directors each year. The Group's Senior Management and employees having regular or occasional access to insider information are also subject to these closed periods.

Directors must declare to the French Financial Markets Authority (Autorité des marchés financiers) any trades they have executed involving Compagnie de Saint-Gobain's securities, in compliance with applicable regulations.

Directors hold their Compagnie de Saint-Gobain shares in registered form.

Beyond the obligation of discretion provided by law, Directors are bound by a general duty of confidentiality with regard to the documents and information communicated to them before or during the meetings, as well as on the deliberations of the Board of Directors, until they have been made public.

They must seek to avoid any actual or potential conflict of interest, whether direct or indirect. If any such conflict of interest should arise, they must inform the Chairman of the Board of Directors and the Lead independent Director and refrain from participating in discussions and votes on the topics in question.

The Chief Executive Officer must consult the Board before accepting any new appointment in a publicly traded company.

VIII. Compensation of the Directors and reimbursement of expenses

The Board of Directors distributes among the Directors, except the Chairman and the Chief Executive Officer, who do not receive any compensation in this respect, the annual amount allocated by the General Meeting as compensation for the activities of the Directors.

The amounts granted in respect of the fixed-base amount are paid pro rata temporis when terms of office begin or end during the course of a fiscal year.

The compensation is paid in two half-yearly installments in arrears, with any balance available from the annual amount distributed at the beginning of the next fiscal year based on variable parts allocated to each Director depending both on his/her participation to Board and Committees meetings held during the prior fiscal year.

Upon submission of the necessary supporting documents, Directors may be reimbursed for travel expenses and any expenses incurred in performing their duties as Directors of the Company.



IX. Other provisions

All Directors may receive additional training on the Group's specific characteristics, business lines, operating segments and social and environmental responsibilities if they consider it necessary.

Those appointed to the Audit and Risk Committee may receive training in the accounting, financial and operational aspects specific to the Group's activities if they consider it useful.

Unless impeded, the Directors must attend the General Shareholders' Meeting."

9.1.2 DOCUMENTS AVAILABLE TO THE PUBLIC

For the period of validity of this Universal Registration Document, the following documents (or a copy of them) relating to the Company may be consulted through the Investor Relations Department at the Company's head office at Tour Saint-Gobain, 12, place de l'Iris, 92400 Courbevoie (France) and may be viewed online at www.saint-gobain.com:

- this Universal Registration Document, which may also be consulted on the website of the Autorité des marchés financiers (AMF) (www.amf-france.org);
- the Company bylaws; and
- any reports, letters and other documents, historical financial information, assessments and statements prepared by an outside expert at the Company's request, a part of which is included in or referred to in this Universal Registration Document.

9.1.3 PERSONS RESPONSIBLE FOR THE UNIVERSAL REGISTRATION DOCUMENT

Person responsible for the Universal Registration Document

Benoit Bazin, Chief Executive Officer of Compagnie de Saint-Gobain.

Statement by the person responsible for the Universal Registration Document including the Annual Financial Report

I hereby declare that the information contained in this Universal Registration Document is, to the best of my knowledge, consistent with the facts and contains no omission likely to affect its import.

I further declare that, to the best of my knowledge, the financial statements have been prepared in accordance with applicable accounting standards and give a true and fair view of the assets, liabilities, financial position and results of the Company and all the companies included in the consolidation scope and that the information provided in the management report contained in this Universal Registration Document and listed in the cross-reference table in section 9.3.2, p. 384, provides a true and fair view of the evolution of the business, results and financial position of the Company and of all the companies included in the consolidation scope, as well as a description of the main risks and uncertainties to which they are exposed.

Courbevoie, March 22, 2023

Benoit Bazin, Executive Officer

9.1.4 INFORMATION ABOUT THE STATUTORY AUDITORS

Primary and alternate Statutory Auditors

As of December 31, 2022, the Statutory Auditors of the Company are:

–Deloitte & Associés, Tour Majunga, 6 Pl. de la Pyramide, 92800 Puteaux, represented by Frédéric Gourd and Bénédicte Margerin, appointed for a term of six years expiring at the 2028 General Meeting;

–KPMG Audit, a Department of KPMG SA, Tour Eqho, 2 avenue Gambetta, CS 60055 - 92066 Paris La Défense (France), represented by Pierre-Antoine Dufaud and Laurent Chillat. It was reappointed on June 7, 2018, for a period of six years, ending at the 2024 General Meeting.

Statutory Auditors' fees

FEES PAID BY THE GROUP TO THE STATUTORY AUDITORS AND MEMBERS OF THEIR NETWORKS FOR THE 2022 FISCAL YEAR

Statutory Auditors' fees and members of their networks for the 2022 fiscal year are presented in Note 14, p. 325 "fees paid to the Statutory Auditors" of the Consolidated Financial Statements, section 8.1 of this universal registration document.

9.1.5 ADDRESS

COMPAGNIE DE SAINT-GOBAIN

Head office

Tour Saint-Gobain 12,
place de l'Iris
92400 Courbevoie
France
Tel.: + 33 (1) 88 54 00 00
www.saint-gobain.com

9.2 CSR INFORMATION

9.2.1 NOTE ON METHODOLOGY

The content of the CSR chapters of this document reflects broad consultation with internal and external stakeholders.

Internally, countries or clusters of countries' entities, Business Units of HPS and corporate support functions (human resources, responsible purchasing, financial communications, responsible development, EHS, etc.) have been asked to contribute, in order to enhance the report with examples.

Externally, stakeholders are regularly consulted on general policy or various specific aspects of Saint-Gobain's social responsibility. These consultations assist in developing the Group's CSR reporting and communications.

A - Reference bases

Saint-Gobain's main reportings include social, environmental, health and safety, and responsible purchasing indicators. Each of these reports and the associated indicators have been drawn up in accordance with the United Nations Global Compact and applicable French legislation.

In order to have a global reference framework, these standards are also based on indicators from the GRI (Global Reporting Initiative), SASB or other relevant standards depending on materiality issues.

The choice of indicators is defined in a logic of time stability and information availability. The description and calculation rules of indicators defined in the Group's governance documents are available for the teams of the different countries in French and in English.

B - Scope

a. The social reporting includes both qualitative and quantitative data on personnel and social issues

Compared to the scope of financial consolidation, the scope of consolidation of CSR data in this report is composed of fully consolidated companies. Newly consolidated companies are accounted for at the rate of their financial integration, with a maximum grace period of two years, and companies sold during the year are not taken into account. An entity integrated in the reporting before the maximum period remains integrated until its disposal. For 2022, the acquisitions of Kaycan Ltd and GCP Applied Technologies are excluded from reporting.

Social data from the Smart'R tool is collected either manually or automatically as follows:

Type of collection	Frequency	Scope	Content
Social data (IT interface)	Monthly	94.4%	Basic data on employees, hours and salary costs. Detail by employee
Social Data (questionnaire) Entities with over 500 employees (no IT interface)	Monthly	1.5%	Basic data on employees, hours and salary costs at the entity level
Social Data (questionnaire) Entities with under 500 employees (no IT interface)	Quarterly	4.1%	Workforce and hours worked by gender and socio-professional category at the entity level
Social reporting questionnaire	Annual	95.9%	Social dialog (e.g.: number of signed agreements in effect)
Human Rights* questionnaire	Annual	100%	Group's Values - Human Rights and fight against discrimination
Temporary work (questionnaire)	Monthly	100%	Temporary work data

* The Human Rights questionnaire is completed every year by the human resources managers of the countries except for France where it is completed at the activities level. This makes it possible to collect qualitative indicators and to consult internal stakeholders when writing the report.

Absenteeism and temporary employment indicators

Absenteeism data of some entities is sometimes difficult to collect in view of local contexts. Absenteeism rate is therefore calculated over a more limited scope than that of the annual social reporting campaign.

Some countries were excluded from the calculation of these indicators because of the lack of data for diverse reasons (no interface, priority application of local regulations over global definition, etc.). The following countries are concerned by this exclusion: the United States, Canada, Ireland and Switzerland, as well as non-interfaced entities with less than 500 employees.

Absenteeism rate is expressed as a percentage and corresponds to the total number of hours of absence over the total number of theoretical working hours. The reasons for absences taken into account in this indicator are absences for illness, absences relating to occupational accidents (including traveling to and from work), absences due to strikes and unjustified absences. Authorized or anticipated absences (e.g. annual leave, family events) are not included in this indicator.

The temporary employment rate is expressed as a percentage and corresponds to the total number of hours worked by temporary employees out of the total number of hours worked by Saint-Gobain's employees and temporary workers. Temporary employment does not include subcontractors and service providers.

Despite the entities excluded from the scope, the Group retains sufficient coverage in terms of headcount to enable the reporting of relevant indicators.

Training indicators

The scope is that of the Smart'R entities interfaced with payroll, i.e., 94.4% of the total workforce.

The indicator includes all employees trained during the year (including those who left during the year) reported on the number of employees at December 31, 2022.

b. Environmental, health, and safety reporting is organized around three questionnaires with different scopes and frequencies

The scope of consolidation for environmental, health, and safety data includes all fully consolidated companies. Newly consolidated companies are accounted for at the rate of their financial integration, with a maximum grace period of two years, and companies sold during the year are not taken into account. An entity included in the reporting before the maximum period remains included until it is disposed of. For 2022, the acquisitions of Kaycan Ltd and GCP Applied Technologies are excluded from reporting.

Some questionnaires being specific to one or several categories of establishments, the scope can be more or less wide.

- Safety: makes it possible to summarize all accidents and their severity, as well as the number of days lost from work. The questionnaire includes all the companies in the Group, which are grouped together by site, branch or office. For example, an entity that produces both plasterboard and plaster will report the data on a single grouping. In addition to Group employees, accidents relating to temporary workers and permanent subcontractors are also included.
- Industrial Hygiene & Health: allows for the results of internal audits, the follow-up of health programs, certifications, etc. to be included. The questionnaire concerns all group companies by site grouping node.
- Environment: enables the collection of all data relating to production, raw materials, energy, atmospheric emissions, water, etc. It concerns sites with a significant impact on the environment, such as industrial sites, mines and quarries.
- Financial data related to the environment, health, and safety (expenditure and investments) concern all the group's entities. They are tracked in the SIF, the Group's financial reporting tool since the 2013 fiscal year.

The safety and environment reporting data is entered directly in the EHS reporting system, called Gaia, for all EHS entities. The various questionnaires sent, as well as their frequency, scope of reporting and content, are shown in the following table:

Questionnaire	Frequency	Scope	Content
Safety-on-Line	When needed	World, all categories of victims	Instant alert in case of work-related accident with or without work stoppage, fatal
Environment-on-Line	When needed	World, environmental events	Instant alert in case of major or significant environmental accidents
Safety	Monthly	World, all categories of employees	Accidents, numbers of days lost, worked hours...
General & Health	Annual	World (all entities except certain offices or attached sites)	Certification, audit results, monitoring of health programs...
Environment	Annual	"Environmental concerned scope" sites + mines and quarries (excluding sites connected to plants) + other sites at the region's initiative	Output, raw materials, energy, atmospheric emissions, water, waste, mitigation plan...

c. Responsible purchasing reporting

Responsible purchasing reporting is broken down into a "trading" and a "non-trading" scope. All suppliers in these categories which carry out transactions with Group companies are covered by the reporting.

The scope of "trade" suppliers is composed as follows:

- European partners: strategic suppliers with a European framework contract. These suppliers represent 43% of total purchases;
- main suppliers: annual transactions of over 3 million euros. These suppliers - mainly in France, Norway, Denmark, Sweden and the United Kingdom - account for more than 85% of the total purchases of trading companies;
- own brands: suppliers with whom Saint-Gobain Sourcing (India and China) develops products marketed under a Group brand. Limited share of the Group's total purchases.



The scope of "non-trading" suppliers considered in the indicators is made up of suppliers with annual purchases of more than 100,000 euros which have not been subject to an exemption (supplier owned by a State government or in a sole sourcing position) and which do not concern expenses related to sectors of activity not managed by the Purchasing function (banks, insurance, legal services).

This perimeter represents 82% of the total expenses of the Group's non-trading perimeter.

C - Data consolidation

a. Social reporting

Social reporting is mainly composed of Smart'R data. Depending on the type of data, the data is reassembled monthly or annually. The process of data consolidation for the social reporting involves three steps:

- The data is entered into the tool monthly by interface (94.4% of headcount) or manually via questionnaires for other entities (5.6% of headcount);
- The reporting is enriched by annual social data gathered by questionnaires such as the number of signed agreements in effect, etc.;
- Information is made more reliable by the Social Affairs Direction.

The environmental, health, and safety reporting is powered by the Gaïa tool. Each of the questionnaires is manually typed into the tool. Information may be reported monthly (e.g., safety) or annually (e.g., industrial hygiene, and health and environment). The process for consolidating EHS reporting data is similar to that for social reporting, where the data is entered and then verified and consolidated by the Group's EHS Department.

b. CO₂ emissions evaluation

To evaluate its CO₂ emissions, the Group applies the GHG protocol frame of reference.

–Scope 2 evaluation:

Scope 2 emissions evaluation calculations are carried out using a market-based methodology. Following the GHG protocol, emission factors for electricity come from certified sources or suppliers' certificates or recognized bases (for example, the IEA).

For countries where data is not available, the emission factors used are defined by the environment team. In particular, for the majority of European countries, the IAE country emission factors have been used. In order to quantify the differences between the methodology used by Saint-Gobain and the one using only the AIB "residual mix" emission factors, a sensitivity analysis was carried out on the 2022 data and the difference observed represents less than 10% for Scope 2 and less than 1.5% for Scope 1+2.

c. Responsible purchasing reporting

Responsible purchasing reporting is powered by the Nazare tool by compiling document reviews and audits of trade and non-trade suppliers. The data is aggregated and reviewed by the Group's Purchasing teams.

D - The Group's objectives

The Group has set targets for 2025, based on 2010 results, and targets for 2030, based on 2017 results.

a. 2010-2025 iso-production objectives

The Group has set medium-term objectives, up to 2025, based on the 2010 results. They are established using comparable production for three-year periods. This means, for instance, that 2020-2022 emissions and consumption are recalculated based on 2019 production.

Based on the results from the baseline year for the three-year period, the Group updates every three years the scope for which environmental results are tracked for the following three years (2011-2013 / 2014-2016 / 2017-2019 / 2020-2022 / 2023-2025).



The published results for each scope therefore have a comparable scope for the three years within the period: sites closed or sold are removed from current year and baseline year, but no acquisition is taken into account. They are included in the subsequent period. The achievement of the iso-production objectives will therefore take into account the contribution of sites that opened or closed between 2010 and 2025 in one (or more) of the five periods considered.

Progress achieved over these five three-year periods (between 2010 and 2025) will be cumulated to assess whether the 2025 objectives have been achieved based on the 2010 results.

b. Targets 2017-2030, in absolute terms

The Group has also set objectives for 2030 based on the results of 2017, including Continental for targets related to CO₂ emissions, water withdrawals, avoided virgin raw materials and non-recovered waste. They are defined in absolute value, for the entire Group.

E - Limitations encountered

As the Group operates in a variety of countries, a doctrine detailing the calculation method for each indicator is distributed to the contributors every year for the various reporting systems. However, despite the doctrine, it is sometimes possible that the indicators are interpreted differently depending on the local context (national legislation or practices).

The Group remains vigilant with regard to distortions between countries that may arise in the understanding of indicators and may be led to exclude from the scope of reporting entities with excessive differences in understanding.

In addition, the reporting process means that some entities are not interfaced or have difficulty presenting the necessary data. The Group remains attentive to the reliability of the information and ensures that the coverage for each reporting is sufficient to present reliable indicators.

As payroll closing dates may differ from one country to the other, some social reporting indicators are only calculated on a 12-month rolling basis in order to smooth out any timing differences due to these different closing dates.

9.2.2 AUDITORS' OPINION

This is a free English translation of the report by one of the Statutory Auditors issued in French and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

Report of one of the Statutory Auditors, appointed as independent third party, on the verification of the consolidated non-financial performance statement

Year ended December 31, 2022

COMPAGNIE DE SAINT-GOBAIN

Tour Saint-Gobain

92400 Courbevoie cedex

In our capacity as Statutory Auditor of Compagnie de Saint-Gobain SA (hereinafter the "Company"), appointed as independent third party ("third party") and accredited by the French Accreditation Committee (Cofrac), under number 3-1886 (Cofrac Inspection Accreditation, scope available at www.cofrac.fr), we have conducted procedures to express a limited assurance conclusion on the historical information (observed or extrapolated) in the consolidated non-financial performance statement, prepared in accordance with the Company's procedures (hereinafter the "Guidelines"), for the year ended December 31, 2022 (hereinafter the "Information" and the "Statement", respectively), presented in the Group management report pursuant to the legal and regulatory provisions of Articles L. 225-102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code (code de commerce).

Conclusion



Based on our procedures as described in the section "Nature and scope of procedures" and the evidence we have obtained, no material misstatements have come to our attention that cause us to believe that the non-financial performance statement does not comply with the applicable regulatory provisions and that the Information, taken as a whole, is not fairly presented in accordance with the Guidelines.

Comments

Without qualifying the conclusion expressed above and in accordance with Article A. 225-3 of the French Commercial Code, we make the following comments:

- The Guidelines used for the preparation of information on energy and raw materials consumed could be specified in order to ensure homogeneous application.
- The "Absenteeism rate" indicator is based on local laws with regard to the hours to be included in the absences taken into account, leading to differences in approach.

Preparation of the non-financial performance statement

The absence of a generally accepted and commonly used reference framework or established practices on which to base the assessment and measurement of the Information enables the use of different but acceptable measurement techniques that may impact comparability between entities and over time.

Accordingly, the Information must be read and interpreted with reference to the Guidelines, summarised in the Statement and available on the Company's website.

Limits inherent in the preparation of the information relating to the Statement

As stated in the Declaration, the Information may be subject to uncertainty inherent to the state of scientific and economic knowledge and the quality of external data used.

Some information is sensitive to the choice of methodology and the assumptions or estimates used for its preparation and presented in the Statement.

Responsibility of the Company

Management is responsible for:

- selecting or determining the appropriate criteria for the preparation of the Information;
- preparing a Statement pursuant to legal and regulatory provisions, including a presentation of the business model, a description of the main non-financial risks, a presentation of the policies implemented with respect to these risks as well as the outcomes of these policies, including key performance indicators and the information set-out in Article 8 of Regulation (EU) 2020/852 (Green taxonomy);
- implementing such internal control as it determines is necessary to enable the preparation of Information that is free from material misstatement, whether due to fraud or error.

The Statement has been prepared by applying the Company's Guidelines as referred to above.

Responsibility of the Statutory Auditor appointed as independent third party

Based on our work, our responsibility is to express a limited assurance conclusion on:

- the compliance of the Statement with the requirements of Article R. 225-105 of the French Commercial Code;
- the fairness of the information provided pursuant to part 3 of sections I and II of Article R. 225-105 of the French Commercial Code, i.e., the outcomes of policies, including key performance indicators, and measures relating to the main risks, hereinafter the "Information".

As it is our responsibility to issue an independent conclusion on the information prepared by management, we are not authorised to participate in the preparation of the Information, as this could compromise our independence.



It is not our responsibility to provide a conclusion on:

- the Company's compliance with other applicable legal and regulatory provisions (particularly with regard to the information set-out in Article 8 of Regulation (EU) 2020/852 (Green taxonomy), the duty of vigilance and the fight against corruption and tax evasion);
- the compliance of products and services with the applicable regulations.

Applicable regulatory provisions and professional guidance

We performed the work described below in accordance with our audit verification program in application of Articles A. 225-1 et seq. of the French Commercial Code, the professional guidance issued by the French Institute of Statutory Auditors (Compagnie Nationale des Commissaires aux Comptes) relating to this engagement and with the international standard ISAE 3000 (revised - Assurance engagements other than audits or reviews of historical financial information).

Independence and quality control

Our independence is defined by Article L. 822-11-3 of the French Commercial Code and French Code of Ethics for Statutory Auditors (Code de déontologie). In addition, we have implemented a system of quality control including documented policies and procedures aimed at ensuring compliance with applicable legal and regulatory requirements, ethical requirements and the professional guidance issued by the French Institute of Statutory Auditors (Compagnie Nationale des Commissaires aux Comptes) relating to this engagement.

Means and resources

Our work engaged the skills of ten people between September 2022 and March 2023 and took a total of fifteen weeks.

To assist us in conducting our work, we referred to our corporate social responsibility and sustainable development experts. We conducted around ten interviews with people responsible for preparing the Statement.

This work involved the use of information and communication technologies allowing the work and interviews to be carried out remotely, without hindering the good execution of the verification process.

Nature and scope of procedures

We planned and performed our work taking account of the risk of material misstatement of the Information.

We consider that the procedures conducted in exercising our professional judgement enable us to express a limited assurance conclusion:

- We familiarized ourselves with the activities of all companies in the consolidation scope and the description of the principal risks.
- We assessed the suitability of the Guidelines with respect to their relevance, completeness, reliability, neutrality and clarity, taking into account, where appropriate, best practices within the sector;
- We verified that the Statement covers each category of information stipulated in section III of Article L. 225-102-1 governing social and environmental affairs, respect for human rights and the fight against corruption and tax evasion;
- We verified that the Statement provides the information required under Article R.225-105 II of the French Commercial Code where relevant with respect to the principal risks, and includes, where applicable, an explanation for the absence of the information required under Article L.225-102-1 III, paragraph 2 of the French Commercial Code;
- We verified that the Statement presents the business model and a description of the principal risks associated with the activities of all the consolidated entities, including where relevant and proportionate, the risks associated with their business relationships, their products or services, as well as their policies, measures and the outcomes thereof, including key performance indicators associated to the principal risks;
- We referred to documentary sources and conducted interviews to:
 - assess the process used to identify and confirm the principal risks as well as the consistency of the outcomes, including the key performance indicators used, with respect to the principal risks and the policies presented;
 - corroborate the qualitative information (measures and outcomes) that we considered to be the most important;⁽¹⁾ for certain risks or information, (for instance: supply chains, skills and talent management, etc.), our work was carried out on the consolidating entity, while for other risks, our work was carried out on the consolidating entity and on a selection of entities.



⁽¹⁾ Qualitative review of the following social information on skills and talent management: gender equality and gender pay gaps in the organization; proportion of shares held by employees; percentage of new managers trained in the Adhere, Comply and ACT programs. Qualitative review of the following information on energy efficiency: calculation of the "sustainable share" ratio of Solution for Growth. Qualitative review of information on the management of the following resources: resource management including biodiversity action plans and land use; actions to limit water withdrawals, particularly in areas of water stress; circular economy strategy and resource management. Qualitative review of information on responsible management of the following supply chain: amount of purchases covered by the signature of the charter; breakdown of suppliers by CSR performance level; results of on-site audits of own-brand suppliers assessed in terms of CSR; share of "risky" purchases having been assessed in terms of CSR.

–We verified that the Statement covers the consolidated scope, i.e., all companies within the consolidation scope in accordance with Article L. 233-16, with the limits specified in the Statement;

–We obtained an understanding of internal control and risk management procedures implemented by the Company and assessed the data collection process aimed at ensuring the completeness and fairness of the Information;

–For the key performance indicators and other quantitative outcomes⁽²⁾ that we considered to be the most important, we implemented:

– analytical procedures that consisted in verifying the correct consolidation of collected data as well as the consistency of changes thereto;

– substantive tests, on a sample basis and using other selection methods, that consisted in verifying the proper application of definitions and procedures and reconciling data with supporting documents. These procedures were conducted for a selection of contributing entities⁽³⁾ and covered between 20.4% and 31.9% of the consolidated data selected for these tests.

–We assessed the overall consistency of the Statement in relation to our knowledge of the entire Company.

⁽²⁾ Quantitative Environment and Safety reviews: Net Salable production; CO₂ emissions (scope 1 and 2); energy consumption by type; percentage of non-recovered waste; consumption of virgin raw materials and recycled raw materials (internal and external); total quantity of non-recovered waste and breakdown by type (hazardous waste, non-hazardous waste); frequency rates relating to accidents with and without lost time (employees, temporary workers and permanent subcontractors). Quantitative Human Resources reviews: absenteeism rate; total workforce and breakdown of employees by gender; hires/departures and breakdown by gender; percentage of employees who received training during the year.

⁽³⁾ Entities Tested (Environmental, Safety, Human Resources): Cebrace-Cristal Plano (Jacarei, BR), Certainteed Insulation (Athens, GA (USA)), Certainteed Gypsum, Inc.; (Carrollton, KY, Moundsville, WV, Nashville, AR (USA)), Continental BP (Buchanan, NY (USA)), Isover Iberica (Pomegranate Sugarcane, (SP)), Leca Denmark (Hinge, DN)), Rigips (Brieselang and Scholven (GER)), SG Adfors CZ (Litomyšl Glass Mat, Litomyšl CP, Litomyšl Vetrotex, (CZ)), SG America - Adfors (Xicohtencatl Vetrotex (MX)), SG Innovation Materials (Changxing, (CN)), SG Isover G+H AG (Bergisch Gladbach (GER)), SG Glass India (Sriperumbudur (IN)), SG Glass Germany (Torgau - Flachglass (GER)), SG Glass Poland (Dabrowa Gornicza (PL)), SGCP Hungary Gypsum (Matra (HN)), SG Mexico Glass (Cuautla (MX)), SG Pam/Usines-H (Pont A Mousson (FR)), SGCP Polska (Gliwice, PL), SGCP UK Gypsum (East Leake Works (UK)). Tested Entities (Security, Human Resources): CDL (St Brieuc site (FR)), La Plateforme (Paris (FR)), Optimera AS (Oslo (NR)), SG Distribution Brazil (Telhanorte Lojas (BR)), SG Mexico Secret (Cuautla (MX)).

The procedures conducted in a limited assurance review are substantially less in scope than those required to issue a reasonable assurance opinion in accordance with the professional guidelines of the French National Institute of Statutory Auditors (Compagnie Nationale des Commissaires aux Comptes); a higher level of assurance would have required us to carry out more extensive procedures.

Paris-La Défense, February 23, 2023

One of the Statutory Auditors

Deloitte & Associés

Frédéric Gourd Partner, Audit

Olivier Jan Partner, Sustainability Services

9.3 CROSS-REFERENCE TABLES

9.3.1 CROSS-REFERENCE TABLE FOR THE UNIVERSAL REGISTRATION DOCUMENT

For the convenience of readers of this Universal Registration Document, the following table provides an index to the main disclosures required by Annexes 1 and 2 of the EU Regulation No. 2019/980, dated March 14, 2019, supplementing provisions of EU Regulation 2017/1129, dated June 14, 2017.

Contents of Annexes 1 and 2 of the EU Regulation No. 2019/980, dated March 14, 2019, supplementing provisions of EU Regulation 2017/1129, dated June 14, 2017	Sections
1 Persons responsible, third party information, experts' reports and competent authority approval	9.1.3



Contents of Annexes 1 and 2 of the EU Regulation No. 2019/980, dated March 14, 2019, supplementing provisions of EU Regulation 2017/1129, dated June 14, 2017	Sections
2 Statutory Auditors	9.1.4
3 Risk factors	
3.1 Risks specific to the Group and its business sector	6.1.1
3.2 Risks related to the Group's structures	6.1.2
3.3 Financial risks	6.1.3
3.4 Legal risks	6.1.4
4 Information about the issuer	7.2.1 and 9.1
5 Business overview	
5.1 Principal activities	1.4
5.2 Principal markets	1.1.2 and 2.1.2
5.3 Important events in the development of business	1.3
5.4 Strategy and objectives	2. and 4.1.7
5.5 Dependence on patents or licenses, industrial, commercial or financial contracts or new manufacturing processes	6.1.1 see Intellectual property risks
5.6 Competitive position	1.4.3
5.7 Investments	
5.7.1 Material investments made	1.3.1, 1.4.1, 2.3.7, 4.1.5, 4.2.2, 8.1 (NOTE 3, NOTE 4 and NOTE 5) and 8.5.1
5.7.2 Material investments in progress	2.3.7, 4.1.5, 4.1.7 and 4.2.2
5.7.3 Information related to the joint ventures and undertakings in which the issuer holds a proportion of the capital likely to have a significant effect on the assessment of its own assets and liabilities, financial position or profits and losses	8.1 (NOTE 4), 8.3 (NOTE 9, NOTE 10 and NOTE 16)
5.7.4 Environmental issues that may affect Compagnie de Saint-Gobain's use of its property, plant and equipment	3.1, 4.2.2 and 6.1.1
6 Organizational structure	
6.1 Brief description of the Group	1.1.1, 1.1.2, 1.1.3, 7.1.4, 7.1.5 and 7.1.6
6.2 List of significant subsidiaries	8.1 (NOTE 16) and 8.3 (NOTE 9 and NOTE 10)
7 Operating and financial review	
7.1 Financial condition	1.1 , 4.1 and 4.2
7.2 Operating income	4.1
8 Liquidity and capital resources	
8.1 Information on capital resources	8.1 and 8.3 , 8.1 (NOTE 11), 8.3 (NOTE 12) and 8.5



Contents of Annexes 1 and 2 of the EU Regulation No. 2019/980, dated March 14, 2019, supplementing provisions of EU Regulation 2017/1129, dated June 14, 2017	Sections
8.2 Source, amounts and description of cash flows	8.1 (Consolidated statement of cash flows)
8.3 Information on borrowing requirements and funding structure	7.2.4, 8.1 (NOTE 10 and NOTE 13) and 8.3 (NOTE 13 and NOTE 15) and 8.5
8.4 Restriction on the use of capital	N/A
8.5 Anticipated sources of fund needed to fulfill commitments referred to in 5.7.2	8.1 (NOTE 10)
9 Regulatory environment	3.1.5 and 6.1
10 Trend information	4.1.7
11 Profit forecasts or estimates	N/A
12 Administrative, management and supervisory bodies and General Management	1.5.2 and 5.1
13 Remuneration and benefits	5.2 and 8.1 (NOTE 6)
14 Board and management practices	5.1
15 Employees	
15.1 Number of employees and breakdown by main category	1.1.3, 1.2.3, 8.1 (NOTE 6) and 8.3 (NOTE 19)
15.2 Shareholding in the issuer's capital and stock options	5.2.2, 5.2.4, 7.1.6, 8.1 (NOTE 6) and 8.3 (NOTE 12)
15.3 Arrangements for involving the employees in the capital of the issuer	5.2.4, 7.1.6, 8.1 (NOTE 6) and 8.3 (NOTE 12)
16 Major shareholders	7.1.4
17 Related party transactions	8.1 (NOTE 8) and 8.3 (NOTE 16)
18 Financial information concerning the issuer's assets and liabilities, financial position and profit and losses	
18.1 Historical financial information	8.
18.2 Interim and other financial information	N/A
18.3 Auditing of the historical annual financial information	8.2 and 8.4
18.4 Pro forma financial information	N/A
18.5 Dividend policy	7.4
18.6 Legal and arbitration proceedings	6.1.4, 8.1 (NOTE 9) and 8.3 (NOTE 20)
18.7 Significant change in the financial position	N/A
19 Additional information	
19.1 Share capital	
19.1.1 Amount of issued capital	



Contents of Annexes 1 and 2 of the EU Regulation No. 2019/980, dated March 14, 2019, supplementing provisions of EU Regulation 2017/1129, dated June 14, 2017	Sections
(a) Number of shares authorized	7.1.1, 7.1.2 and 8.3 (NOTE 12)
(b) Number of shares issued and fully paid and issued but not fully paid	7.1.1, 9.1.1 and 8.3 (NOTE 12)
(c) Par value per share	8.3 (NOTE 12)
(d) Number of shares outstanding at the beginning and end of the year	7.1.1, 9.1.1 and 8.3 (NOTE 12)
19.1.2 Shares not representing share capital	7.1.1
19.1.3 Treasury shares	7.1.3
19.1.4 Convertible securities, exchangeable securities or securities with warrants	N/A
19.1.5 Information on the conditions attached to any acquisition rights and/or obligations relating to the subscribed but unissued capital, or on any undertaking to increase the capital	5.2.4 and 7.1.2
19.1.6 Capital of any member of the Group which is under option or has agreed conditionally or unconditionally to be put under option	N/A
19.1.7 History of the share capital	7.1.1
19.2 Bylaws	
19.2.1 Corporate purpose	9.1.1
19.2.2 Rights, preference and restrictions attached to each class of existing shares	9.1.1
19.2.3 Provisions of the bylaws that would have an effect of delaying, deferring or preventing a change of control	9.1.1
20 Material contracts	N/A
21 Documents available	9.1.2

Incorporation by reference

In accordance with Article 19 of Regulation (EU) No. 2017/1129 of the European Parliament and of the Council of June 17, 2017, this Universal Registration Document incorporates the following information by reference which the reader is invited to refer to:

–for the fiscal year ended December 31, 2021: the management report, the consolidated financial statements, the annual financial statements and the related reports of the Statutory Auditors, included in the Universal Registration Document filed with the French Financial Markets Authority (Autorité des marchés financiers - AMF) on March 22, 2022 under number D.22-0132;

–for the fiscal year ended December 31, 2020: the management report, the consolidated financial statements, the annual financial statements and the related reports of the Statutory Auditors, included in the Universal Registration Document filed with the French Financial Markets Authority (Autorité des marchés financiers - AMF) on March 18, 2021 under number D.21-0152.

The information included in these two Universal Registration Documents, other than that referred to above, is replaced or updated by the information included in this Universal Registration Document. These two Universal Registration Documents are available at the Company's head office and on its website www.Saint-Gobain.com.

9.3.2 CROSS-REFERENCE TABLE FOR THE ANNUAL FINANCIAL REPORT

For the convenience of readers of the Annual Financial Report, the following table provides an index to the main disclosures required by Article L. 451-1-2 of the French Monetary and Financial Code.

Information required in the Annual Financial Report	Sections
Statement by the person responsible for the Annual Financial Report	9.1.3
Management report	



Information required in the Annual Financial Report	Sections
Article L.225-100-1 of the French Commercial Code	
analysis of the Company's operations, results and financial position	1.1.1, 1.1.2, 1.2.3, 2. , 4.1 , and 4.2
key financial and non-financial performance indicators	1.1 , 1.2.3, 4.1 and 4.2
main risks and uncertainties	6.1
indications of the financial risks associated with the effects of climate change and the measures taken to reduce them	2.1.1, 3.3 and 3.4
main characteristics of the internal control and risk management procedures relating to the preparation and handling of accounting and financial information	6.2
Article L.225-102 of the French Commercial Code:	
employee shareholding	5.2.4 and 7.1.6
Article L.225-102-1 of the French Commercial Code:	
declaration of non-financial performance	9.3.3
Article L.225-211 of the French Commercial Code:	
company buyback of treasury shares	7.1.3 and 8.1 (NOTE 11)
Article L.225-37 et seq. of the French Commercial Code Report of the Board of Directors on corporate governance	
composition and functioning of the Board of Directors	5.1.1 and 5.1.2
compensation of the management and governing bodies	5.2
General Management procedures and restrictions set by the Board of Directors on the powers of Executive corporate officers	5.1.2
adherence to a code of corporate governance	5.1
aspects that may have an effect in the event of a public offering	7.1.9
special procedure for shareholders' participation in the Shareholders' Meeting	9.1.1
summary table of the Delegations currently valid granted by the General Shareholders' Meeting to the Board of Directors with regard to an increase in capital and description of the use made of these delegations during the fiscal year	7.1.2
agreements and regulated commitments	5.1.1
description of the procedure under which it is regularly assesses whether agreements relating to current operations and entered into under normal conditions meet these conditions and description of its implementation during the fiscal year	5.1.1
Statutory Auditors' special report on related party agreements	5.5
Statutory Auditors' report on the Board of Directors' report on corporate governance	5.4
Financial statements	
Annual financial statements	8.3
Statutory Auditors' report on the annual financial statements	8.4
Consolidated financial statements	8.1
Statutory Auditors' report on the consolidated financial statements	8.2
Statutory Auditors' fees	9.1.4

9.3.3 CROSS-REFERENCE TABLE FOR SOCIAL AND ENVIRONMENTAL INFORMATION: DECLARATION OF NON-FINANCIAL PERFORMANCE

Declaration of non-financial performance (DPEF), in compliance with the Order of July 19, 2017 (Order No. 2017-1180) which transposes the Directive 2014/95/EU of the European Parliament and of the Council of October 22, 2014.

The Declaration includes the presentation of the Group's business model and the analysis of its CSR risks and opportunities (risks, associated policies, action plans and key indicators).

The business model

Saint-Gobain's business model can be found in section 1.2.3, p. 20. It is the result of a consultation with the Group's internal stakeholders and it takes into account Saint-Gobain's new organization, effective as of January 1, 2019. It presents the Group's sustainable growth generation process through its key resources and its main pillars of value creation.

CSR risk and opportunity analysis

Saint-Gobain has conducted its study of the risks and opportunities related to corporate social responsibility (CSR) within the framework of the priority challenges presented in the materiality analysis (see section 2.1.3, p. 54).

As a result, a universe of the 15 most important CSR risks and opportunities for Saint-Gobain was built by factoring in the Group's strategy, its objectives and operations as well as its main environmental, social and societal challenges. In an effort to harmonize the vocabulary and the vision on these challenges, a table presenting a risk or an opportunity's definition, as well as the potential impacts for stakeholders on the one hand and for Saint-Gobain on the other hand, has been provided.

These risks and opportunities were then rated according to stakeholders' expectations in order to combine internal and external visions of the organization, according to the methodology shared with internal audit and control. While the risk assessment methodology follows the process developed by the internal control, the value scales have been adjusted according to non-financial impacts and to a long-term time frame. The interviews were conducted from May to September 2018 with two assessment criteria: impact and criticality. Members of the Executive Committee participated in these evaluations.

Nine CSR risks and opportunities were identified as the most important:

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

The identification of these risks is a key step in the construction of the Group's CSR roadmap (see section 2.1.3, p. 55).

Risk or opportunity identified	Management of the risk or opportunity	Section
The Principles of Conduct and Action constitute the Group's code of ethics. All of Saint-Gobain's policies and commitments refer to them.	Engagement:	



Risk or opportunity identified	Management of the risk or opportunity	Section
	Human Resources Policy	III - 3.2.2.A
	Human Rights Policy	III - 3.2.1.A
	Actions:	
	OPEN program	III - 3.2.3.D
	Human rights program (non-discrimination)	III - 3.2.1.A
	Quantitative objectives:	
	Diversity index	IV - 4.2.2
Diversity within the organization and inclusion	30% of women managers in 2025	IV - 4.2.2
	25% of women senior managers in 2025	IV - 4.2.2
	30% of women in the Executive Committee of the Group in 2025	IV - 4.2.2
	30% of women on average in the Executive Committees of the Business Unit in 2025	IV - 4.2.2
	Indicators:	
	25.7% of women in the 19,452 highest positions or 11.6% of the Group's positions	IV - 4.2.2
	Other diversity indicators	IV - 4.2.2
	Other non-discrimination indicators	
	Commitment:	
	EHS charter and policy	III - 3.1.3.A
	Energy policy - climate	III - 3.1.3.D
	Net zero carbon commitment before 2050	III - 3.3.1.B
	Actions:	
	WCM program	III - 3.1.3.B
	Energy - climate network	III - 3.1.3.D
	Transversal programs including internal carbon pricing, R&D programs and scope 3 control	III - 3.3.1.B
Energy efficiency and carbon intensity of operations	Quantitative objectives:	
	Reduce carbon emissions by 20% by 2025 (2010 basis)	IV - 4.2.2
	Reduce energy consumption by 15% by 2025 (2010 basis)	IV - 4.2.2
	Reduce carbon emissions by 33% (scope 1 and 2) in absolute terms between 2017 and 2030	IV - 4.2.2
	Reduce carbon emissions by 16% (scope 3) in absolute terms between 2017 and 2030	IV - 4.2.2
	Indicators:	
	GHG emissions indicators	IV - 4.2.2
	Energy indicators	IV - 4.2.2



Risk or opportunity identified	Management of the risk or opportunity	Section
	Commitment:	
	Code of ethics: the Principles of Conduct and Action	I - 1.2.2.B
	Actions:	
Business ethics	Ethics and compliance program	III - 3.1.5.B
	Quantitative objectives:	
This risk includes human rights and the fight against corruption	Train 100% of new managers on the Adhere, Comply and Act program during their first year of integration	IV - 4.2.2
	Indicators:	
	Group values Indicators	IV - 4.2.2
	Non-discrimination indicators	IV - 4.2.2
Tax evasion The Group acts in compliance with the tax laws of the countries in which it operates and fulfills its tax reporting and payment obligations in time (section 3.1.5, p. 88). Saint-Gobain has therefore not established structures whose purpose is tax evasion and applies tax laws and regulations with honesty and integrity.		
	Commitment:	
	Human Resources policy	III - 3.2.2
	Actions:	
	WCM program	III - 3.3.1.B
	OPEN program	III - 3.2.3.D
Management of skills and talents	SG Talents program	III - 3.2.3.D
	Training program	III - 3.2.3.C
	Indicators:	
	Percentage of employees trained	IV - 4.2.2
	Training indicators in talent development	IV - 4.2.2
	Commitment:	
	Code of ethics: the Principles of Conduct and Action	I - 1.2.2.B
	Timber policy	III - 3.1.2.B
	High-risk Raw Material minerals policy	III - 3.1.2.B
	Actions:	
Responsible supply chain management	Responsible purchasing program	III - 3.1.2.B
	Quantitative objectives:	
	Responsible purchasing program	III - 3.1.2.B
	Indicators:	



Risk or opportunity identified	Management of the risk or opportunity	Section
	Responsible Purchasing Indicators	IV - 4.2.2
	Commitment:	
	EHS charter and policy	III - 3.1.3.A
	Sustainable Resource Management policy	III - 3.1.3.D
	Actions:	
	Obtain a maximum recycled content	III - 3.1.3.D
Integration of recycled materials into products	Circular economy	III - 3.4.1
	Quantitative objectives:	
	Increase avoided withdrawals of natural raw materials by 30% (between 2017 and 2030)	IV - 4.2.2
	Indicators:	
	Waste and raw materials	IV - 4.2.2
	Commitment:	
	EHS charter and policy	III - 3.1.3.A
	Energy and Climate policy	III - 3.1.3.D
	Actions:	
Energy and carbon efficiency of products and services	"Solutions for Growth" program: design sustainable, comfortable and high-performance solutions including product transparency and evaluation and improvement of the sustainable performance of products	III - 3.1.4.C
	Seize the opportunities linked to the transition to a low-carbon economy	III - 3.3.2.B
	Actions that support strong and low-carbon economic growth	III - 3.1.4.C
	Train clients locally, inform the end user	III - 3.1.4.A
	Indicators:	
	Provision of EPDs	III - 3.3.2.C
	Carbon avoidance linked to solutions	III - 3.3.2.C
	Commitment:	
	EHS charter and policy	III - 3.1.3.A
	Health policy	III - 3.2.3.B
	Actions:	
	WCM program	III - 3.1.3.B
	Safety at work program	III - 3.1.3.C
	Health at work program	III - 3.1.3.C
Health and safety at work	CARE program	III - 3.2.3.A
	Mental WellBeing program	III - 3.2.3.B

Risk or opportunity identified	Management of the risk or opportunity	Section
	Quantitative objectives:	
	Maintain a TRAR below 2	III - 3.1.3.C
	Indicators:	
	HICE (Health Indicator for Occupational Exposure)	III - 3.1.3.C
	Health and Safety indicators	IV - 4.2.2
	Commitment:	
	EHS charter and policy	III - 3.1.3.A
	Health policy	III - 3.2.3.B
	Actions:	
	Innovation program, including the EHS check-list	III - 3.1.4.A
	WCM program	III - 3.1.3.B
Product safety	Product transparency	III - 3.3.2.C
	Program to assess the sustainable performance of products	III - 3.3.2.C
	Management of chemical risks	III - 3.1.3.C
	Indicators:	
	Deployment of chemical risk management tools Complementary work on the possibility of defining a performance indicator on product safety is being considered.	III - 3.1.3.C

The themes "food waste", "fight against food insecurity", "respect for animal welfare", and "responsible, fair and sustainable food" do not represent main non-financial risks for Saint-Gobain and are not included in the Declaration of Non-Financial Performance.

9.3.4 CONCORDANCE TABLE FOR SOCIAL AND ENVIRONMENTAL INFORMATION: VIGILANCE PLAN

As part of compliance with law No. 2017-399 of March 27, 2017 on the duty of care of parent companies and ordering companies.

Saint-Gobain's vigilance plan consists of two separate but complementary plans:

- the vigilance plan for the Group's operations (holding company, subsidiaries, joint ventures and on-site subcontractors);
- the vigilance plan for purchasing, including tier 1 suppliers and subcontractors outside the Group's sites.

Vigilance plan for the Group's operations	Section
Mapping of risks related to operations and procedures for assessing the situation in relation to the risk map	
Identification, analysis and prioritization of risks, prevention of serious violations of human rights and fundamental freedoms	III - 3.2.1.A
Identification, analysis and prioritization of risks, prevention of serious harm to the health and safety of people and the environment	III - 3.1.3.A
Appropriate actions to mitigate risks or prevent serious harm	
For the respect of human rights	III - 3.1.5; III - 3.2.1.A
For the health and safety of people	III - 3.1.3.C

Vigilance plan for the Group's operations	Section
For the environment	III - 3.1.3.D
A system for monitoring the measures implemented and evaluating their effectiveness	
Annual reporting	IV - 4.2.2
A mechanism for alerting and collecting reports	III - 3.2.1.C
Vigilance plan for the Group's purchasing	Section
Mapping of risks related to operations and procedures for assessing the situation in relation to the risk map	
Identification, analysis and prioritization of risks, prevention of serious violations of human rights and fundamental freedoms, health and safety of people, and the environment	III - 3.1.2.B
Appropriate actions to mitigate risks or prevent serious harm	
Trade Responsible Purchasing program	III - 3.1.2.B
Non-trade Responsible Purchasing program	III - 3.1.2.B
A system for monitoring the measures implemented and evaluating their effectiveness	
Annual reporting	IV - 4.2.2
A mechanism for alerting and collecting reports	III - 3.2.1.C

9.3.5 CLASSIFICATION OF ACTIVITIES ACCORDING TO THE EUROPEAN REGULATORY FRAMEWORK ALLOWING THE DEFINITION OF ENVIRONMENTAL SUSTAINABLE ECONOMIC ACTIVITIES

Classification of activities

In application of the European Regulation 2020/852 Taxonomy Regulation in effect since July 2020, with delegated acts for the first two objectives concerning mitigation and adaptation to climate change (Taxonomy Climate Delegated Act (EU) 2021/2139), as well as with the delegated act in Article 8 of Regulation (EU) 2020/852 and its annexes on the reporting conditions (Disclosures Delegated Act), Saint-Gobain has carried out an analysis of the eligibility criteria used to classify its sustainable economic activities with regard to the new reporting and disclosure requirements on the relevant contribution to the turnover, investments and operating expenses (CapEx and OpEx).

Eligibility of activities

For the 2022 financial year, Saint-Gobain's activities considered eligible correspond to the definitions of the following activities listed in the delegated acts dedicated to the objectives of climate change mitigation and adaptation to climate change:

- 3.5. Manufacture of energy-efficient equipment for the buildings. Activity 3.5 directly covers several Saint-Gobain product categories, including insulation, glazing for external façades (windows), plasterboard and mortars that are part of an insulation system;
- 3.6. Manufacture of other low carbon technologies. Activity 3.6 concerns Saint-Gobain products and solutions contributing to substantial reduction (compared to the most efficient alternative on the market) of GHG emissions generated by the product or by the manufacturing process to which they contribute. This especially includes activities in ceramics, mobility, construction chemicals, or the construction industry. Some building material systems that promote lightweight construction are also included.

Alignment of activities

For all so-called eligible activities, Saint-Gobain has identified the applicable technical criteria as well as the corresponding performance thresholds:

- for the activities referenced in category 3.5, technical criteria and corresponding performance thresholds have been defined by the regulation;

–for the activities referenced in category 3.6, in the absence of technical criteria and performance thresholds defined by the regulation, these have been identified and assessed by comparing the benefits and performance with standard products or solutions on the market as required by regulations. Saint-Gobain relied in particular on life cycle analyzes in accordance with reference standards (ISO, PEF) and assessed the thresholds to define a substantial reduction according to sectors and product families.

Saint-Gobain's ambition is to offer solutions that combine performance and sustainability in order to meet the expectations of its stakeholders, especially its customers, and to enable the acceleration towards a more sustainable and low-carbon economy (see section 3.1.4.C, p. 85). A standard method for evaluating the benefits of these solutions was defined in 2020 and deployed in the organization. The benefits in terms of contributing to the fight against climate change are integrated into the approach. This standard profit measurement method has been audited by an independent third party and published on the Group's website. Saint-Gobain relied on this method to measure the alignment of product lines for the activities referenced in category 3.6.

This exercise requires carrying out complex studies on the comparative performance of products and solutions, some of which, given their complexity, will have to be continued during 2023.

The work carried out also included verification of compliance with the minimum guarantees (see section 3.1.5 Ethics and compliance and table 9.3.4 on the Vigilance plan, p. 86 and p. 388), as well as the analysis of compliance with the criteria of "Do not significant harm" (DNSH) based on its existing policies and its risk management system. More specifically for DNSHs:

–adaptation to climate change, see section 3.1.3.A.b. Environmental risks, p. 76, and section 3.3 Contributing to a decarbonized world and 3.3.2.B Managing risks and opportunities, p. 100 and p. 109;

–water policies: see section 3.1.3.D.b Water management, p. 82;

–pollution, see section 3.1.3.B Chemical risk management, p. 77, section 3.1.3.D.a. Energy and air emissions, p.81, and The fight against air pollution, p. 81;

–circular economy, see section 3.1.3.D.c. Resource management and section 3.4 Contributing to a leaner economy, p. 83 and p. 115;

–Biodiversity, see section 3.1.3.D.d Biodiversity and land use, p. 84.

Non-eligible activities

Saint-Gobain's sustainable solutions revenue (see section 3.1.4.C, p. 85) includes activities not assessed in the context of compliance with European Regulation 2020/852 Taxonomy, such as distribution activities, impacts and benefits not yet integrated into the regulations, such as resources and the circular economy or finally the benefits related to health, safety and comforts, which will potentially be eligible for the social taxonomy.

Calculation of taxonomic indicators

The reporting scope concerns all Saint-Gobain consolidated entities at the end of 2022.

Turnover (TO)

In the denominator, turnover corresponds to the turnover presented in the consolidated financial statement (chapter 8).

1	2	3	4	5	6	7	
Economic activities	Codes	Absolute turnover	Currency	Proportion of turnover %	Substantial contribution criteria		
					Climate change mitigation %	Climate change adaptation %	Water and marine resources %
A. Taxonomy eligible activities							
A.1. Taxonomy aligned							
Manufacturing of energy efficiency equipment for buildings	3.5	6,396		12%	12%	12%	
Manufacturing of other low carbon technologies	3.6	2,196		4%	4%	4%	



1	2	3	4	5	6	7
Economic activities	Codes	Absolute turnover Currency	Proportion of turnover %	Substantial contribution criteria		
				Climate change mitigation %	Climate change adaptation %	Water and marine resources %
Turnover of taxonomy aligned activities (A.1.)		8,591	17%	17%	17%	
A.2. Taxonomy eligible but not taxonomy aligned activities						
Manufacture of energy efficiency equipment for buildings	3.5	91	0%	0%	0%	
Manufacturing of other low carbon technologies	3.6	759	1%	1%	1%	
Turnover of taxonomy eligible but not taxonomy aligned activities (A.2.)		850	2%	2%	2%	
Total A (A.1. + A.2.)		9,442	18%	18%	18%	
B. Taxonomy non-eligible activities						
Turnover of taxonomy non eligible activities (B)		41,755	82%			
Total A + B		51,197	100%			

1	8	9	10	11	12	13
Economic activities	Substantial contribution criteria			DNSH criteria		
	Circular economy %	Pollution %	Biodiversity and ecosystems %	Climate change mitigation Y/ N	Climate change adaptation Y/ N	Water and marine resources Y/N
A. Taxonomy eligible activities						
A.1. Taxonomy aligned						
Manufacturing of energy efficiency equipment for buildings				Y	Y	Y
Manufacturing of other low carbon technologies				Y	Y	Y
Turnover of taxonomy aligned activities (A.1.)						
A.2. Taxonomy eligible but not taxonomy aligned activities						
Manufacture of energy efficiency equipment for buildings						

1	8	9	10	11	12	13
Substantial contribution criteria				DNSH criteria		
Economic activities	Circular economy %	Pollution %	Biodiversity and ecosystems %	Climate change mitigation Y/N	Climate change adaptation Y/N	Water and marine resources Y/N
Manufacturing of other low carbon technologies						
Turnover of taxonomy eligible but not taxonomy aligned activities (A.2.)						
Total A (A.1. + A.2.)						
B. Taxonomy non-eligible activities						
Turnover of taxonomy non eligible activities (B)						
Total A + B						
1	14	15	16	17	18	19
DNSH criteria				Taxonomy-aligned proportion		
Economic activities	Circular economy Y/N	Pollution Y/N	Biodiversity and ecosystems Y/N	Minimum safeguards Y/N	of turnover year N %	of turnover year N-1 %
A. Taxonomy eligible activities						
A.1. Taxonomy aligned						
Manufacturing of energy efficiency equipment for buildings	Y	Y	Y	Y	12.5%	
Manufacturing of other low carbon technologies	Y	Y	Y	Y	4.3%	
Turnover of taxonomy aligned activities (A.1.)					16.8%	
A.2. Taxonomy eligible but not taxonomy aligned activities						
Manufacture of energy efficiency equipment for buildings						
Manufacturing of other low carbon technologies						
Turnover of taxonomy eligible but not taxonomy aligned activities (A.2.)						
Total A (A.1. + A.2.)					18,4%	



1	14	15	16	17	18	19
DNSH criteria						
Economic activities	Circular economy Y/N	Pollution Y/N	Biodiversity and ecosystems Y/N	Minimum safeguards Y/N	Taxonomy-aligned proportion of turnover year N %	Taxonomy-aligned proportion of turnover year N-1 %
B. Taxonomy non-eligible activities						
Turnover of taxonomy non eligible activities (B)						
Total A + B						
1					20	21
Economic activities					Category (enabling) E/T	Category (transitional)**
A. Taxonomy eligible activities						
A.1. Taxonomy aligned						
Manufacturing of energy efficiency equipment for buildings					Y	N
Manufacturing of other low carbon technologies					Y	N
Turnover of taxonomy aligned activities (A.1.)						
A.2. Taxonomy eligible but not taxonomy aligned activities						
Manufacture of energy efficiency equipment for buildings					Y	N
Manufacturing of other low carbon technologies					Y	N
Turnover of taxonomy eligible but not taxonomy aligned activities (A.2.)						
Total A (A.1. + A.2.)						
B. Taxonomy non-eligible activities						
Turnover of taxonomy non eligible activities (B)						
Total A + B						

Capital Expenditures (CapEx)

In the denominator, the CapEx corresponds to the gross increase in tangible and intangible assets declared in the financial statements, including when resulting from entry into the scope of a subsidiary within the consolidated financial statements (see note 7 to the consolidated financial statements). The portion relating to entries in the scope is presented in note 4.2.

The CapEx categories considered in the numerator as eligible (or aligned) are as follows:

- CapEx linked to activities whose turnover is eligible, and detailing the CAPEX linked to activities whose turnover is aligned;
- CapEx linked to individual measures enabling the reduction of CO₂ emissions.

Since 2021, a financial reporting category has been dedicated for monitoring investments linked to CO₂ emissions reduction, in line with the Group's CO₂ roadmap to contribute to carbon neutrality by 2050.



	2	3	4	5	6	7
	Substantial contribution criteria					
Economic activities	Codes	Absolute CAPEX Currency	Proportion of CAPEX %	Climate change mitigation %	Climate change adaptation %	Water and marine resources %
A. Taxonomy eligible activities						
A.1. Taxonomy aligned						
Manufacturing of energy efficiency equipment for buildings	3.5	509	9%	9%	9%	
Manufacturing of other low carbon technologies	3.6	1,495	26%	26%	26%	
CAPEX of taxonomy aligned activities (A.1.)		2,004	35%	35%	35%	
A.2. Taxonomy eligible but not taxonomy aligned activities						
Manufacturing of energy efficiency equipment for buildings	3.5	2	0%	0%	0%	
Manufacturing of other low carbon technologies	3.6	506	9%	9%	9%	
CAPEX of taxonomy eligible but not taxonomy aligned activities (A.2.)		508	9%	9%	9%	
Total A (A.1. + A.2.)		2,512	44%	44%	44%	
B. Taxonomy non-eligible activities						
CAPEX of taxonomy non-eligible activities (B)		3,176	56%			
Total A + B		5,688	100%			
	8	9	10	11	12	13
	Substantial contribution criteria			DNSH criteria		
Economic activities	Circular economy %	Pollution %	Biodiversity and ecosystems %	Climate change mitigation Y/N	Climate change adaptation Y/N	Water and marine resources Y/N
A. Taxonomy eligible activities						
A.1. Taxonomy aligned						
Manufacturing of energy efficiency equipment for buildings				Y	Y	Y
Manufacturing of other low carbon technologies				Y	Y	Y



	8	9	10	11	12	13
	Substantial contribution criteria			DNSH criteria		
Economic activities	Circular economy %	Pollution %	Biodiversity and ecosystems %	Climate change mitigation Y/N	Climate change adaptation Y/N	Water and marine resources Y/N
CAPEX of taxonomy aligned activities (A.1.)						
A.2. Taxonomy eligible but not taxonomy aligned activities						
Manufacturing of energy efficiency equipment for buildings						
Manufacturing of other low carbon technologies						
CAPEX of taxonomy eligible but not taxonomy aligned activities (A.2.)						
Total A (A.1. + A.2.)						
B. Taxonomy non-eligible activities						
CAPEX of taxonomy non eligible activities (B)						
Total A + B						
	14	15	16	17	18	19
	DNSH criteria				Taxonomy-aligned proportion of CAPEX year N %	Taxonomy-aligned proportion of CAPEX year N-1 %
Economic activities	Circular economy Y/N	Pollution Y/N	Biodiversity and ecosystems Y/N	Minimum safeguards Y/N		
A. Taxonomy eligible activities						
A.1. Taxonomy aligned						
Manufacturing of energy efficiency equipment for buildings	Y	Y	Y	Y	8.9%	
Manufacturing of other low carbon technologies	Y	Y	Y	Y	25.9%	
CAPEX of taxonomy aligned activities (A.1.)					35.2%	
A.2. Taxonomy eligible but not taxonomy aligned activities						
Manufacturing of energy efficiency equipment for buildings						



	14	15	16	17	18	19
	DNSH criteria					
Economic activities	Circular economy Y/N	Pollution Y/N	Biodiversity and ecosystems Y/N	Minimum safeguards Y/N	Taxonomy-aligned proportion of CAPEX year N %	Taxonomy-aligned proportion of CAPEX year N-1 %
Manufacturing of other low carbon technologies						
CAPEX of taxonomy eligible but not taxonomy aligned activities (A.2.)						
Total A (A.1. + A.2.)					44.2%	
B. Taxonomy non-eligible activities						
CAPEX of taxonomy non eligible activities (B)						
Total A + B						
Economic activities					20	21
					Category (enabling) E/T	Category (transitional) **
A. Taxonomy eligible activities						
A.1. Taxonomy aligned						
Manufacturing of energy efficiency equipment for buildings					Y	N
Manufacturing of other low carbon technologies					Y	N
CAPEX of taxonomy aligned activities (A.1.)						
A.2. Taxonomy eligible but not taxonomy aligned activities						
Manufacturing of energy efficiency equipment for buildings					Y	N
Manufacturing of other low carbon technologies					Y	N
CAPEX of taxonomy eligible but not taxonomy aligned activities (A.2.)						
Total A (A.1. + A.2.)						
B. Taxonomy non-eligible activities						
CAPEX of taxonomy non eligible activities (B)						
Total A + B						

Operating Expenditures (OpEx)

In the denominator, the expenses considered correspond exclusively to R&D costs. Indeed, the other types of operating expenses defined by the delegated regulation (renovation of buildings, short-term rental contracts, maintenance and repairs) were not considered material for Saint-Gobain. In the numerator, were considered:



–OpEx linked to activities whose turnover is eligible and detailing the OPEX linked to activities whose turnover is aligned;

–OpEx corresponding to individual measures related to CO₂ emissions reduction projects.

Section 3.3.3 lists all the actions taken to ensure the transition towards the use of renewable and decarbonized energies, including innovation and R&D programs.

	2	3	4	5	6	7
	Substantial contribution criteria					
Economic activities	Codes	Absolute R&D OPEX Currency	Proportion of R&D OPEX %	Climate change mitigation %	Climate change adaptation %	Water and marine resources %
A. Taxonomy eligible activities						
A.1. Taxonomy aligned						
Manufacturing of energy efficiency equipment for buildings	3.5	61	12%	12%	12%	
Manufacturing of other low carbon technologies	3.6	28	5%	5%	5%	
R&D OPEX of taxonomy aligned activities (A.1.)		89	17%	17%	17%	
A.2. Taxonomy eligible but not taxonomy aligned activities						
Manufacturing of energy efficiency equipment for buildings	3.5	3	0%	0%	0%	
Manufacturing of other low carbon technologies	3.6	16	3%	3%	3%	
R&D OPEX of taxonomy eligible but not taxonomy aligned activities (A.2.)		18	4%	4%	4%	
Total A (A.1. + A.2.)		107	21%	21%	21%	
B. Taxonomy non-eligible activities						
R&D OPEX of taxonomy non eligible activities (B)		410	79%			
Total A + B		517	100%			
	89	10	11	12	13	
	Substantial contribution criteria			DNSH criteria		
Economic activities	Circular economy %	Pollution %	Biodiversity and ecosystems %	Climate change mitigation Y/N	Climate change adaptation Y/N	Water and marine resources Y/N
A. Taxonomy eligible activities						
A.1. Taxonomy aligned						



	89		10		11		12		13
	Substantial contribution criteria			DNSH criteria					
Economic activities	Circular economy %	Pollution %	Biodiversity and ecosystems %	Climate change mitigation Y/N	Climate change adaptation Y/N	Water and marine resources Y/N			
Manufacturing of energy efficiency equipment for buildings				Y	Y				Y
Manufacturing of other low carbon technologies				Y	Y				Y
R&D OPEX of taxonomy aligned activities (A.1.)									
A.2. Taxonomy eligible but not taxonomy aligned activities									
Manufacturing of energy efficiency equipment for buildings									
Manufacturing of other low carbon technologies									
R&D OPEX of taxonomy eligible but not taxonomy aligned activities (A.2.)									
Total A (A.1. + A.2.)									
B. Taxonomy non-eligible activities									
R&D OPEX of taxonomy non eligible activities (B)									
Total A + B									
	14	15	16	17	18	19			
	DNSH criteria								
Economic activities	Circular economy Y/N	Pollution Y/N	Biodiversity and ecosystems Y/N	Minimum safeguards Y/N	Taxonomy-aligned proportion of R&D OPEX year N %	Taxonomy-aligned proportion of R&D OPEX year N-1 %			
A. Taxonomy eligible activities									
A.1. Taxonomy aligned									
Manufacturing of energy efficiency equipment for buildings	Y	Y	Y	Y	11.8%				
Manufacturing of other low carbon technologies	Y	Y	Y	Y	4.9%				
R&D OPEX of taxonomy aligned activities (A.1.)					17.2%				



	14	15	16	17	18	19
	DNSH criteria					
Economic activities	Circular economy Y/N	Pollution Y/N	Biodiversity and ecosystems Y/N	Minimum safeguards Y/N	Taxonomy-aligned proportion of R&D OPEX year N %	Taxonomy-aligned proportion of R&D OPEX year N-1 %
A.2. Taxonomy eligible but not taxonomy aligned activities						
Manufacturing of energy efficiency equipment for buildings						
Manufacturing of other low carbon technologies						
R&D OPEX of taxonomy eligible but not taxonomy aligned activities (A.2.)						
Total A (A.1. + A.2.)					20.7%	
B. Taxonomy non-eligible activities						
R&D OPEX of taxonomy non eligible activities (B)						
Total A + B						
					20	21
Economic activities					Category (enabling) E/T	Category (transitional)**
A. Taxonomy eligible activities						
A.1. Taxonomy aligned						
Manufacturing of energy efficiency equipment for buildings					Y	N
Manufacturing of other low carbon technologies					Y	N
R&D OPEX of taxonomy aligned activities (A.1.)						
A.2. Taxonomy eligible but not taxonomy aligned activities						
Manufacturing of energy efficiency equipment for buildings					Y	N
Manufacturing of other low carbon technologies					Y	N
R&D OPEX of taxonomy eligible but not taxonomy aligned activities (A.2.)						
Total A (A.1. + A.2.)						
B. Taxonomy non-eligible activities						
R&D OPEX of taxonomy non eligible activities (B)						
Total A + B						

9.4 GLOSSARY

A

ACT

Training program dedicated to the prevention of corruption.

Act4nature International

Voluntary initiative, launched in France, in which companies commit to protecting biodiversity. Saint-Gobain signed up in 2018.

Adhere

Remote training program dedicated to the Principles of Conduct and Action, the Saint-Gobain Group's code of ethical conduct.

Afep or Association française des entreprises privées, a French organization founded in 1982, representing large global private companies operating in France.

Attitudes

Concept related to Saint-Gobain's managerial practices. These five practices represent both a management approach and a state of mind that binds all Group employees.

B

BIM or Building Information Modeling

Model that offers an integrated vision of the building during all stages of its life cycle through a "digital twin".

BIPV or Building Integrated Photovoltaics.

Boost

Online training platform created by Saint-Gobain.

BREEAM or Building Research Establishment Environmental Assessment Method

Originating in the United Kingdom, this method for assessing the environmental performance of buildings is the most widely used building certification standard worldwide.



C

Capex or Capital Expenditure

Capex refers to a company's investment expenditure capitalized on the balance sheet. Capex consists of all expenditures incurred by a company relating to its physical investments.

CARE by Saint-Gobain

Social protection program for all Group employees and their families.

CDP or Carbon Disclosure Project

International non-profit organization created in 2000 that publishes data on the environmental impact of the largest companies. It is based in the United Kingdom.

Climatetech or Climate Technologies

Refers to companies that work specifically to reduce or eliminate greenhouse gas emissions and, more generally, offer solutions to combat the impacts of climate change by relying on technologies relating to, in particular, decarbonization, negative emissions, or adaptation to change.

COMPLY

Training program dedicated to competition law.

CSR or Corporate Social Responsibility

This is the voluntary integration by companies of societal, social and environmental concerns into their commercial activities and relations with their stakeholders. It is therefore the contribution of companies to the challenges of sustainable development.

Cullet

Broken glass from production waste or the selective collection of waste and recycled content.

D

DNFP or Declaration of Non-Financial Performance

The Declaration of Non-Financial Performance results from the transposition into French law of a European directive on non-financial reporting in the form of an order replacing the former CSR reporting system. Its purpose is to provide a concise and accessible strategic management tool for the Company, focused on essential information.



E

EBITDA or Earnings Before Interest, Taxes, Depreciation and Amortization.

EFRAG or European Financial Reporting Advisory Group An international non-profit association created in 2001 with the encouragement of the European Commission and whose role is to develop and promote the European voice in the development of international financial reporting standards (IFRS) and ensure that it is taken into consideration by the IASB (International Accounting Standard Board).

EHS or Environment, Health, and Safety

EPBD or Energy Performance of Buildings Directive

The European Directive on energy efficiency of buildings, adopted in 2002 and implemented since 2006, is the Union's main piece of legislation dealing with the promotion of energy efficiency of buildings. It was inspired by the Kyoto Protocol, which includes legally binding obligations to limit and reduce greenhouse gas emissions.

EPD or Environmental Product Declaration

An environmental product declaration makes it possible to assess the environmental performance of a construction product or equipment intended for use in building works. Its objective is to provide transparent, objective and verified information for consumers.

EpE or Entreprises Pour l'Environnement

Founded in 1992, this French association is a partner of the WBCSD and brings together some 50 large French and international companies from all sectors of the economy wanting to take the environment more fully into account in their strategic decisions and day-to-day management. Saint-Gobain is a member.

ESG or Environment, Social and Governance

Environmental, Social and Governance (ESG) criteria are generally the three pillars of the non-financial analysis. They are taken into account in socially responsible management. ESG criteria are used to assess how companies exercise responsibility with respect to the environment and their stakeholders (employees, partners, subcontractors and customers).

ETC or Energy Transition Commission

International think tank focused on economic growth and climate change mitigation. It was created in September 2015 and is based in London.

ETICS or External Thermal Insulation Composite System.

F

FCPE or Corporate Mutual Fund Undertaking for Collective Investment in Transferable Securities (UCITS) reserved for employees of companies.



Fit for 55

A set of proposals to review and update European Union legislation and new initiatives to ensure that EU policies align with the climate targets agreed by the Council and the European Parliament. The name refers to the EU's target of reducing net greenhouse gas emissions by at least 55% by 2030. The proposed package aims to align EU legislation with the target set for 2030.

Float

Industrial process known as float glass in which a mixture of raw materials is continuously loaded into the melting furnace. When it comes out of the furnace, the glass forms a floating strip on the surface of the molten tin.

G

GBC or Green Building Council

NGO promoting sustainable construction founded in 2002, bringing together sustainable construction professionals from more than 100 countries.

GDPR or General Data Protection Regulation

European regulation governing the processing of personal data throughout the European Union.

GHG or Greenhouse Gases

Gaseous components that absorb infrared radiation emitted by the Earth's surface and thus contribute to the greenhouse effect. The increase in their concentration in the Earth's atmosphere is one of the factors behind global warming.

Global ABC or Global Alliance For Buildings and Construction

Launched at COP21, the global alliance for buildings and construction aims to mobilize international institutions on the construction sector's contribution to GHG emissions. Hosted by UNEP, bringing together international organizations, countries, companies and associations, Global ABC has developed a roadmap for zero-carbon construction.

Global Compact

Launched in 2000, this United Nations initiative aims to encourage companies around the world to adopt a socially responsible attitude by committing to integrate and promote several principles relating to human rights, international labor standards, the environment and the fight against corruption.

Global Deal

Initiative launched in 2016 by the Swedish Prime Minister to promote social dialog. Co-led by the OECD (Organisation for Economic Co-operation and Development) and the ILO (International Labour Organization), this initiative brings together a community of players who trust social dialog as a regulatory tool for globalization benefiting everyone.

Green Buildings Saint-Gobain

Website that allows the Group's customers to assess the contribution of its products and solutions to obtaining certifications.

Green Deal or European Green Deal

Set of measures aimed at making Europe a "climate neutral" continent by 2050. Presented on December 11, 2019, by the European Commission, the Green Deal is aimed at companies as well as citizens who are invited to participate in the ecological transition and sustainable development.

Grow & Impact

Strategic plan adopted by Saint-Gobain and announced in November 2021.

H

HPS or High-Performance Solutions

A division of Saint-Gobain, organized by market, for the Group's global customers and aiming to provide value-added solutions for a variety of cutting-edge applications in mobility, construction and industry.

HQE or Haute Qualité Environnementale

Certification, created in 2005 in France, pursuing sustainable performance objectives by leaving a large place for life cycle analysis (LCA) of buildings. Its multicriterion approach incorporates user well-being concerns by considering the impacts on the health and comfort of individuals and the indoor environment.

HR or Human Resources

I

IFRS or International Financial Reporting Standards

The IFRS are a set of international accounting standards established by the International Accounting Standards Board (IASB) and adopted by the European Union.

L

LEED or Leadership in Energy and Environmental Design. US certification program created in 1998.



Lightweight construction

Unlike traditional construction with solid, load-bearing walls (bricks, cement, etc.), light construction consists of producing a frame made of wood, metal, concrete, or a combination of these materials to which light façade systems and non-load-bearing interior partitions are attached. This type of construction, partially or fully carried out on site or prefabricated, reduces the environmental impact of construction and optimizes resource consumption while ensuring superior performance. Saint-Gobain offers a complete range of lightweight construction solutions, which accounts for 40% of the Group's sales: from prefabrication to kitting services to complete façade or partition solutions.

M

Materiality

The extent to which measures significantly impact an organization and its ability to create financial and non-financial value for itself and its stakeholders.

Medef or Mouvement des entreprises de France

An employers' organization founded in 1998, replacing the French National Employers' Council (CNPF). Its purpose is to represent French entrepreneurs in its dealings with the State and trade unions.

Mental WellBeing

Program that was rolled out to all Group managers and concerns all Saint-Gobain employees. It takes the form of an interactive app and was designed to clarify the approach to preventing mental health issues and help managers optimize the psychological well-being of their teams.

MEPS or Minimum Energy Performance Standards

Energy efficiency standards for buildings, introduced by the 2002/91/CE European Directive, as revised at the end of 2022.

Multichannel

Customer-supplier relationship using at least two channels, such as physical points of contact (stores, advice centers, exhibition venues, etc.), the internet, email, or mobile platforms.

N

Net Zero Carbon

Balancing between CO₂ emissions and absorption.

O

OPEN or Our People in an Empowering Network Saint-Gobain's human resources program

P

PEE or Company Savings Plan

PEG or Group Savings Plan

PPA or Power Purchase Agreement

Electricity purchase contracts for the medium or long term (five to 20 years) between an electricity producer, often from renewable sources, and an organization that consumes it directly without going through an electricity supplier.



Principles of Conduct and Action

These nine principles constitute Saint-Gobain's Code of Ethics. They refer explicitly to the applicable conventions of the International Labour Organization (ILO), the International Charter on Human Rights and the Guidelines on Multinational Enterprises regarding the fight against corruption of the Organisation for Economic Co-operation and Development (OECD).

R

R&D or Research and Development

REACH or Registration, Evaluation and Authorisation of CHemicals

European regulation that provides for public access to information on substances to which they may be exposed. The corresponding database is managed by the European Chemicals Agency (ECHA).

S

SA or Statutory Auditor

Statutory auditor whose role is to audit the financial statements of a company. The Statutory Auditor engages in a regulated profession and is responsible for independently conducting the accounting, financial and legal audits of a company.

SBTi or Science-Based Targets initiative

The result of a collaboration between CDP, the United Nations Global Compact, the World Resource Institute (WRI), the World Wide Fund for Nature (WWF) and one of the commitments of the We Mean Business coalition, the Science-Based Targets initiative defines and promotes best practices in science target setting and independently assesses and approves corporate targets to accelerate the transition to a low-carbon economy.

Scope

This term refers to the three main families of an organization's greenhouse gas emissions, as defined by the international standard of the Greenhouse Gas Protocol. Scope 1 corresponds to direct emissions; scope 2 corresponds to emissions related to the production of the energy used; scope 3 corresponds to the direct and indirect emissions of the organization's various stakeholders - suppliers, service providers, customers - in its value chain upstream and downstream of its activity.

SDGs or Sustainable Development Goals

SDGs are the 17 interconnected priorities set by the United Nations to promote economic and social development with respect for people and the planet. They were adopted in September 2015 by the UN as part of the 2030 Agenda. They address the challenges of poverty, inequality, climate, environmental degradation, prosperity, peace and justice.

SMAT or Safety Management Tool

Methodology used for safety inspections.

Solutions for Growth

Program that consists of analyzing all the products and services offered by Saint-Gobain and quantifying their ability to provide its customers with performance benefits and contribute to sustainable development.

Stakeholders

A company's stakeholders include all the individuals and organizations that participate in its economic life, observe it, and influence it or that it influences directly or indirectly. They are grouped into two main categories: internal stakeholders and external stakeholders.

T

TCFD or Task Force on Financial Disclosure



Working Group on climate-related financial disclosures with the aim of improving corporate climate-related financial transparency. The TCFD encourages economic players to publish information on how climate-related opportunities and risks are considered in governance, strategy, risk management, and the indicators and metrics used.

Transform & Grow

Saint-Gobain Group transformation plan launched in January 2019 and completed at the end of 2020.

U

UNEP or United Nations Environment Program

A United Nations organization created in 1972 to coordinate environmental activities of the United Nations and assist countries in implementing environmental policies.

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