PRESS RELEASE

November 12, 2020

SAINT-GOBAIN SETS OUT ITS CO₂ ROADMAP TOWARDS CARBON NEUTRALITY BY 2050

Saint-Gobain today sets out its CO₂ roadmap for achieving carbon neutrality. The roadmap incorporates the Group’s new commitments through to 2030 in terms of reducing not only its direct and indirect carbon dioxide emissions, but also the emissions along its value chain. These new targets for 2030 have been validated by the Science-Based Targets (SBT) initiative which considers them aligned with the Group’s 2050 net-zero commitment. To meet its targets, Saint-Gobain will dedicate a targeted capital expenditure and R&D budget of around €100 million per year until 2030. This approach will be the basis for the decisions that the Group will take to achieve carbon neutrality by 2050.

Saint-Gobain’s response to climate change
Besides its efforts to become carbon neutral in its operations, Saint-Gobain provides solutions to its customers and end-users to address the climate and environmental challenges that they face. In the construction industry, which accounts for around 40% of global CO₂ emissions, Saint-Gobain develops and markets solutions to improve the energy efficiency in buildings, and solutions with a reduced carbon footprint – such as for light construction – designed to replace traditional, more carbon-intensive heavy building materials. Elsewhere, through its High Performance Solutions segment, the Group helps the transport industry in its transition thanks to lightweight and more energy efficient solutions. It also aids industrial producers by providing them with solutions to reduce energy consumption in their manufacturing processes.

On September 23, 2019 in New York, Saint-Gobain formalized its support for the UN Global Compact’s “Business Ambition for 1.5°C”. In doing so, it committed to achieving carbon neutrality, or net-zero CO₂ emissions, by no later than 2050. As a consequence, the Group will reduce its carbon emissions to a maximum by 2050 and employ measures to absorb any residual emissions.

Today, Saint-Gobain is unveiling its new ambitions and the main axes of its CO₂ roadmap towards carbon neutrality in 2050, which comprises several stages: the 2025 targets confirmed by the Group represent the first milestone, which is supplemented by new targets for 2030.

1 Science-Based Targets, a joint initiative of CDP, the UN Global Compact, the World Resources Institute (WRI) and the World Wildlife Fund (WWF), and one of the We Mean Business coalition commitments, defines and promotes best practice in science-based target setting, and independently assesses and approves companies’ targets to accelerate the transition to a low-carbon economy.
**Intensified efforts**
This commitment is part of an approach pursued over many years, which has seen Saint-Gobain set out formal targets to reduce its environmental footprint, in particular a reduction in CO₂ emissions (Scope 1 + 2) by 20% between 2010 and 2025 at iso-production. In 2019 Saint-Gobain achieved a 14.5% reduction versus 2010 on this basis, leaving the Group well-placed to meet its 2025 target. The reduction targets for 2030 reflect how the Group is accelerating and enhancing its efforts. After having validated Saint-Gobain’s 2025 ambition in 2019, the SBT initiative has now validated the Group’s targets for 2030, recognizing how the Group has accelerated and deepened its ambitions in line with its target to become carbon neutral by 2050.

**New 2030 targets**
- Reduction in its direct and indirect CO₂ emissions (scope 1 + 2) to 9 million tons, i.e., of 33%² in absolute terms compared with 2017;
- Reduction in its scope 3 CO₂ emissions of 16% in absolute terms, for all relevant categories for Saint-Gobain³, compared to 2017.

**Levers for action**
In order to reduce its CO₂ emissions and achieve carbon neutrality, the Group is focusing its efforts on four key levers:

1) **Optimization and reduction of its energy use:**
   - Installation of equipment and digital tools to adjust energy consumption as closely as possible to requirements: launch of a large-scale Group program combining the installation of sensors, the use of algorithms in production chains and the training of engineers;
   - Increase the proportion of lost heat re-used, reduction of standby losses, improved insulation and extension of heat recovery systems.

2) **Innovation in its processes, both industrial and product design:**
   - Development of detailed roadmaps for each industrial process, supplemented by action plans developed and implemented by each country, based on knowledge of the local market and regulatory environment;
   - Product design: lighter products, products made using low-carbon raw materials, products with high recycled content.

3) **Transition towards carbon-free energy:**
   - Substitution of high carbon-based energies by zero or lower carbon-based energies: green electricity, replacement of heavy fuel with natural gas, replacement of natural gas by biogas;
   - Substitution of carbon-based energy with decarbonized energy requiring substantial modification of our processes (post-2030): direct electrification or green hydrogen.

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² Reduction of 30% in absolute terms compared to actual emissions in 2017, and of 33% compared to 2017 emissions as adjusted for acquisitions made between 2017 and the date on which the targets were validated.
³ Purchased goods and services, energy-related activities, upstream and downstream transport and distribution, business travel, and end-of-life treatment of products sold (categories validated by the SBT).
4) Mobilization of suppliers and new initiatives in transport:
   - For suppliers: comparison of their performance on the basis of CO\textsubscript{2} emissions criteria both in terms of their operations and for the products concerned, signature of our Responsible Purchasing Charter, collection of detailed information on their commitments in terms of sustainable development, encouraging large emitters to adopt an SBT approach;
   - For transport: optimized logistics, fuel efficiency improvements, use of decarbonized fuels, replacement of road transport by rail & water, working alongside logistics suppliers.

For any residual emissions the Group intends to investigate carbon capture and sequestration solutions.

**Intensified commitment**
The Group is rolling out measures to support its roadmap towards to carbon neutrality.

CSR objectives now represent a larger share of long-term management incentive criteria: their weighting is raised from 15% to 20%, with CO\textsubscript{2} objectives increasing from 5% to 10%.

In addition, two internal carbon prices are used: €30 per ton for industrial investments and €100 per ton for R&D investment in breakthrough technology.

Finally, the Group will allocate a budget of around €100 million per year until 2030 to targeted capital expenditure and R&D investments in order to achieve its targets.

**Pierre-André de Chalendar, Chairman and Chief Executive Officer of Saint-Gobain, commented:**
“*Our commitment to carbon neutrality guides our actions and our decisions at all levels of the organization. The long-term approach needed is aligned with that of our stakeholders. We have an important responsibility as a major industrial group and committed actor, and finding solutions to environmental challenges has been at the heart of our strategy for many years now. In addition to working towards its own carbon neutrality, Saint-Gobain makes a very significant positive contribution to our environment and our markets through products, solutions and services that help our customers transition to a low-carbon economy. Our insulating solutions sold in one year enable the avoidance of over 100 times the Group’s greenhouse gas emissions, which represents the prevention of over 1,200 million tons CO\textsubscript{2} equivalent over their lifespan.*”

**Benoit Bazin, Chief Operating Officer, added:**
“*For businesses like ours, achieving carbon neutrality in 2050 means taking action today. 2030 is just around the corner and the decade ahead of us is crucial. In addition to ongoing improvement and operational excellence programs, we deploy R&D efforts and make targeted investments which will enable us to further accelerate our action thanks to disruptive innovations. Our employees are fully committed to the cause and more than ready to take on this challenge.*"
Our CO₂ roadmap is embedded in our environmental strategy

These CO₂ targets reflect an acceleration and expansion in the Group’s scope of action compared to its 2025 goals. They are part of a series of new commitments for 2030 in other key areas of its environmental strategy:

- Natural resources and circular economy: 80% reduction in non-recovered production waste⁴; 30% increase in virgin raw materials avoided⁵;
- Water: 50% reduction in industrial water withdrawal⁶, zero discharge in drought areas⁷;
- Packaging: 100% recyclable packaging, containing more than 30% recycled or biosourced materials;
- Product portfolio: third-party verified Environmental Product Declarations (EPD), based on Life Cycle Analysis (LCA) for 100% of our product ranges⁸.

The Group’s extensive exposure to the renovation market means it is ideally placed to play a decisive role in national and European stimulus plans focused on the energy transition, which should support Saint-Gobain’s structural growth.

Saint-Gobain’s medium and long-term outlook is robust thanks to its successful strategic and organizational choices: sustainability – thanks to our solutions to protect our planet while offering comfort and wellbeing – and enhanced customer performance. This strategy is perfectly in tune with the Group’s purpose: “Making the world a better home”.

A presentation on Saint-Gobain’s roadmap to carbon neutrality is available on our website. To find out more about the Group’s commitments and its path to carbon neutrality, visit https://www.saint-gobain.com/en/net-zero-carbon.

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⁴ Compared to 2017.
⁵ In absolute terms, compared to 2017.
⁶ For all sites, compared to 2017.
⁷ Compared to 2017. Aqueduct’s tools map water risks such as floods, droughts, and stress, using open-source, peer reviewed data. https://www.wri.org/aqueduct/about
⁸ Compared to 2017.
ABOUT SAINT-GOBAIN
Saint-Gobain designs, manufactures and distributes materials and solutions which are key ingredients in the wellbeing of each of us and the future of all. They can be found everywhere in our living places and our daily life: in buildings, transportation, infrastructure and in many industrial applications. They provide comfort, performance and safety while addressing the challenges of sustainable construction, resource efficiency and climate change.

€42.6 billion in sales in 2019
Operates in 70 countries
More than 170,000 employees

For more information about Saint-Gobain
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