

**Strategic Report
for the year ended 31 December 2020**

PRINCIPAL RISKS AND UNCERTAINTIES - continued

The company is funded through the Treasury function of Saint-Gobain Limited. The company also owes £40m to a subsidiary. The intention is that this balance will only be repaid when the subsidiary is placed into members' voluntary liquidation, at which point the balance will immediately revert to the company as the 100% shareholder.

The group risks to which Compagnie de Saint-Gobain is exposed are discussed in Compagnie de Saint-Gobain's Annual Report which does not form part of this report.

The company is exposed to risks from environmental considerations within its operations, particularly in the float glass operation. In particular, climate change could lead to changes in regulations and adoption of best practices which increase costs and reduce output. The Saint-Gobain group has also pledged globally to reach net zero carbon emissions by 2050. The group has already reduced scope 1 & 2 (page 6) CO2 emissions by 14.5% since 2010 at continuing production levels and 70% of group sales are in sustainable solutions which contribute to energy and environmental transition or to final users' and installers' well-being and comfort, including a substantial part of the company's revenue.

SECTION 172(1) STATEMENT

The company's sole member is Saint-Gobain Limited, which is 100% owned by Compagnie de Saint-Gobain. The directors consider that their duty to promote the success of the company for the benefit of its members as a whole means that they should fully support Compagnie de Saint-Gobain in its purpose of "Making the world a better home".

In 2020, Saint-Gobain established its purpose, "Making the world a better home". It was the result of a process conducted with its stakeholders: nearly 15,000 in-house contributions, over 600 workshops worldwide and contributions from external stakeholders such as investors, NGOs, partners and opinion leaders.

With this purpose, Saint-Gobain is taking on its ambition to improve everyone's lives by making the planet a fairer, more harmonious and sustainable living space. Through its business model generally and with its solutions specifically, Saint-Gobain has a tangible impact on the life of each individual, their environment and their way of working, caring for themselves and getting around.

The Group's purpose is the link between the infinitely small unit of each person's living space and the infinitely large one of our shared home: the planet.

"MAKING THE WORLD A BETTER HOME"

Our purpose sets the course for our common future. Together with and for our customers, we design, manufacture and distribute materials and solutions that have a positive impact on everyone's life and provide well-being, quality of life and performance, while caring for the planet.

Our purpose reflects who we are. Our 350 years of history, our collective strength and our leadership empower us to pursue our development, by addressing the major challenges facing humanity, namely, climate change, resource protection and the fight against inequality. We are both an international and multi-local company, fully integrated into the territories where we operate to support their vitality and help build a fairer and more sustainable, open and engaging world.

Our purpose is a call to action. Our approach is clearly focused on the future. Together with our customers, partners and all our stakeholders, it guides our action to unleash individual and collective aspirations, and enable everyone to live better in the world. It calls on us to innovate openly, with the ever-renewed ambition of better uniting humanity and nature for the common good.

Our purpose is based on values that guide us. We carry out our business in compliance with the principles of conduct and action and the humanist values that permeate our corporate culture. Listening, dialogue, care, solidarity, trust and respect for difference are central to our commitment.

This is the profound ambition of our purpose: to act every day to make the world a more beautiful and sustainable place to live.

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SAFETY, ETHICS AND ENVIRONMENT - continued

Global GHG emissions and energy use data for the year ended 31 December 2020:

	2020
Energy consumption relating to gas, electricity and transport fuel (kWh) ²	475,520,038
Emissions from activities for which the company own or control including combustion of fuel & operation of facilities (Scope 1) tonnes CO ₂ e1	78,236
Emissions from purchase of electricity, heat, steam and cooling purchased for own use (Scope 2) tonnes CO ₂ e1	12,246
Total gross Scope 1 & Scope 2 emissions tonnes CO₂e1	90,482
Intensity	-
Emissions from scope 1 and 2 sources per £m of sales	

1. Scope 1 and 2 emissions are calculated using the UK Government Conversion Factors for 2020.
2. 14% of data used to calculate the 2020 carbon emissions is estimated.

Carbon

The Company is committed to becoming carbon neutral by 2050.

In doing so, the Company pursues a range of methods to reduce direct emissions on sites and from road fuel used for distribution (scope 1), and indirect emissions mainly linked to the use of electricity (scope 2).

These methods include product design and new composition of materials, making industrial processes more energy efficient and moving our energy mix towards low-carbon and renewable sources.

There are a number of ongoing projects aimed at reducing emissions from the Company's vehicle fleet;
Mechanical handling equipment - the majority of new equipment runs on LPG, replacing the existing diesel equipment.
Cars - replacement of the existing fleet will be with low emission hybrid or all electric cars.
Vans - following a successful trial, diesel vans will eventually be replaced with electric or hybrid vans.
Commercial vehicles - trials are currently underway to introduce lower emission Hydrotreated Vegetable Oil (HVO) fuel.

In the future, the Company intends to adapt methods to reduce emissions as new technologies, solutions and challenges emerge.

Environmental & Site Risk Policy Statement

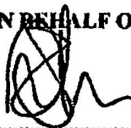
The directors of the company believe that the effective management of environmental issues is essential to the on-going success of the business. All functions contribute to the company's environmental performance; consequently, this policy applies equally throughout the company. The directors of the company recognise that they are ultimately responsible for environmental performance and compliance.

To ensure that the company's objectives are achieved, environmental management systems are employed at each operational site, and wherever appropriate in other business functions. The scope and detail of these systems must be appropriate to the risks identified during environmental and site risk assessments. Operating procedures and controls will be developed and implemented to reduce risks to an acceptable level. An audit and inspection programme is used to monitor standards of environmental and site risk management, and adherence to the law, company standards and site procedures.

To achieve our objective, each site will develop and implement an environmental improvement plan, using World Class Management tools and techniques. The plan will be regularly reviewed to ensure that continual improvement in performance is achieved and sustained.

Each employee, and others working on our sites, has a responsibility to carry out their tasks giving due regard to any environmental implications. The company will provide sufficient training, information and guidance to enable employees and others to work in accordance with this policy.

ON BEHALF OF THE BOARD:



A S Sandhu - Director

Date: 02/12/2021