CREATING GREAT LIVING PLACES

2018: CORPORATE SOCIAL RESPONSIBILITY: OUR PERFORMANCE AND INDICATORS

Saint-Gobain UK & Ireland



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Connecting with communities and supporting their economic

Saint-Gobain UK & Ireland publishes a full CSR Review every two years, with full details of our strategy, performance, targets and case studies. More information on the previous Reviews can be found on our website:

www.saint-gobain.co.uk/csr

Every other year we produce a Snapshot Review providing an aggregated update on our performance against our indicators and targets across the activities of all our UK and Ireland businesses.

This Saint-Gobain UK and Ireland CSR Review presents the annual performance data for all of our UK & Ireland businesses for the calendar periods 2016 and 2017. Data that falls outside of this scope is annotated as such in the data tables at the end.

Follow us on Twitter, Instagram, Facebook and Linkedin for regular video updates covering CSR





FOCUS 4

Saint-Gobain's CSR strategy is founded on our five Principles of Conduct and our four Principles of Action which guide every employee of Saint-Gobain. It is informed by the external factors and trends affecting society and the 'material' issues described by our stakeholders and our business on page 7. From this we have developed a four pillar strategy which is adopted and embedded in our individual businesses in order to deploy in their area of activities.

www.saint-gobain.co.uk/about-us/values





PRINCIPLES BASED ON RESPONSIBILITY

GENERAL PRINCIPLES OF CONDUCT AND ACTION OF THE SAINT-GOBAIN GROUP



PRINCIPLES OF CONDUCT

1/ PROFESSIONAL COMMITMENT 2/ RESPECT FOR OTHERS **3/** INTEGRITY 4/ LOYALTY 5/ SOLIDARITY



PRINCIPLES OF ACTION 1/ RESPECT THE LAW 2/ CARING FOR THE ENVIRONMENT 3/ WORKER HEALTH AND SAFETY 4/ EMPLOYEE RIGHTS



FOREWORD & INTRODUCTION

Saint-Gobain's mission is to create great living places and improve daily life.

FOCUS 1

Measuring our corporate social responsibility performance is key to furthering this aim and therefore, I am very pleased to introduce our biennial UK and Ireland CSR Review.

Our Corporate Social Responsibility strategy centres on people, prosperity and environmental stewardship and we develop our approach on four distinct pillars:

- 1. Changing how we build, for the better, for the future
- 2. Caring for the environment we operate within
- 3. Supporting and developing our people

4. Connecting with our communities and supporting their economic development

Saint-Gobain UK & Ireland is a broad organisation comprising of 36 businesses. This means we occupy a unique position with the capability to effect real change through our commitments. We aim to operate our business with the highest levels of responsibility underpinned by strong values communicated in our Principles of Conduct & Action. We use this position to help shape an industry that is recognised as responsible, innovative, low-carbon and positively impact on people's wellbeing.

The Saint-Gobain Group has a rich history and I am proud to lead the UK and Ireland Delegation into an exciting future full of potential.

Mike Chaldecott

CEO, Saint-Gobain UK & Ireland

MORE READING... For information regarding Grenfell Tower and our business' involvement please see page 15

CSR DIRECTOR'S WELCOME

I am delighted to introduce our sixth Corporate Social Responsibility Review. This Review highlights our updated performance and data from the calendar year 2017.

Since my appointment as CSR Director for the Saint-Gobain UK and Ireland Delegation in 2014, I have focused on the importance of transparency in our CSR strategy. These updates are important to provide evidence of our performance and allow our stakeholders to take a frank look at the targets we set ourselves and how we are performing. By providing this honest Review, of the good and the not so good, we encourage those with an interest in our business to provide feedback and to ask any questions. Without measurement, transparency and challenge from others, we cannot continue to evolve and improve.

Our goal is long-term, sustainable improvements and as you will see from this Review there are areas where we are making good progress and areas where I believe we can do more. We are making very good progress in customer training - an area where we have a great deal to contribute. Our work on circular economy is progressing - with interesting pilots that will help guide our future actions. We have further reduced landfill waste, CO_2 from electricity we use continues to fall and we working hard on the sustainability of our supply chain. In areas such as water use and direct carbon emissions, we are not making an impact - and as our production increases as does our impact - we have to work harder to decouple these two factors.

I hope you enjoy reading this review. If you'd like more details, our online CSR platform is available 24 hours a day and contains additional information, news and a range of interesting case studies at:

www.saint-gobain.co.uk/CSR

Finally, I would like to thank our External Advisory Panel sincerely. They give their time to work with us to discuss our approach and challenge our progress. Their input is always extremely valuable and insightful. We will, as we have since the establishment of the Panel, publish their unedited feedback in due course.

Feedback is important to us and your thoughts on this Review are welcomed via email to: **Richard.halderthay@saint-gobain.com**

Richard Batley, CSR & HR Director, Saint-Gobain UK and Ireland

ABOUT US

As a large group made up of 36 brands in the UK & Ireland embedding our CSR strategy into day-to-day operations, plans and business culture is fundamental to our success.

Saint-Gobain UK and Ireland is one of 14 worldwide Delegations that extend from our central Group, which is headquartered in Paris. In the UK and Ireland, we operate in three sectors:

CONSTRUCTION PRODUCTS

including gypsum, insulation, mortar, ductile pipes and fittings.

INNOVATIVE MATERIALS

including flat glass and high performance materials.

BUILDING DISTRIBUTION

including general builders and plumbers merchants and a wide variety of specialist materials distributors.

A VISIBLE BUSINESS LOCAL TO EVERY COMMUNITY

Our business spans the UK and Ireland and can be seen in two ways:

⇒A large industrial and manufacturing network in the UK & Ireland with 45 manufacturing sites. Our businesses manufacture high-performance products and solutions that enhance daily life through creating great living places. We serve the construction sector, principally, but also the automotive, industrial, energy, agriculture and healthcare sectors.

⇒A large retail network spanning more than 1,100 retail locations. This network supplies more than 400,000 general and specialist building materials. Saint-Gobain supplied the external glass our Eggborough Plant, in Selby Yorkshir FOCUS 3 FOCUS 4





HOW TO MAKE SENSE OF OUR REPORT

We know documents like this can be complicated. So we've tried to make it as simple as possible by providing all our data with explanatory notes in one table at the end of the Review. We have also provided a high level overview of our progress in 2017 and our key challenges on pages 11 and 12 under 'Our Performance and Key Challenges'.

WHAT YOU NEED TO KNOW TO NAVIGATE OUR REPORT

Our targets are a combination of global targets set by our Group and targets defined by Saint-Gobain UK & Ireland. Footnotes are provided where needed to help you understand information on changes to scope, or to give more information on the target. Unless otherwise stated all data is combined of all of our businesses that comprise Saint-Gobain's operations in the UK & Ireland.

'CONCERNED SITES' - OUR BIGGEST USERS OF RESOURCES

We refer to 'Concerned Sites' for a number of our indicators. In simple terms this means that the data we gather is for our largest industrial sites. Sites where large amounts of water or energy are used. We do this as these sites represent more than 90% of our impact in these areas and we believe that by measuring their progress we can make the biggest impact on reducing our environmental footprint.

HONESTY AND OPENNESS:

We do not believe in sharing only the good news, or shining a light only on issues where we are progressing. The Review contains an honest explanation of where we feel good progress has been made, and where we feel we are not making progress, or our progress is too slow. We also try to explain to you, our reader, what the key challenges are to us making greater progress.

GIVE US YOUR FEEDBACK - NO MATTER WHAT IT IS:

We positively encourage all feedback on this Review, what we are doing, what more you feel we can or should do or anything else you've read in this Review. contact:

Richard.halderthay@saint-gobain.com.

OUR KEY CHALLENGES AND THE EXPECTATIONS OF OUR STAKEHOLDERS

In 2015, we conducted a threestage materiality analysis. This helped to identify our key challenges based on our operations and environment, seeking the input of stakeholders into these challenges and ranking these challenges by comparing them with our own vision.

These priorities, were developed into six clear and accessible priority areas for our business:

CLIMATE CHANGE

BEING A LONG-TERM RESPONSIBLE BUSINESS IN OUR OPERATIONS AND WAYS OF DOING BUSINESS (P20, 27-29)



DIVERSITY (P32)



HEALTH, SAFETY AND WELLBEING (P31 onwards)

CIRCULAR ECONOMY (P17 onwards)



CREATING LOCAL SOCIAL VALUE (P28, 29)

Our vision directly addresses these six key challenges by combining comfort and sustainability to enhance the wellbeing of people everywhere.





KEY CHALLENGES THAT INFLUENCE OUR CSR FOCUS

Climate change, demographic growth and urbanisation have a massive impact on natural resources and heavily shape our CSR focus.

These trends place great pressures on housing availability - which is in chronic shortage - and ability of buildings to play a major role in helping the UK meet its climate change commitments by significantly reducing energy use from buildings. Demographic change, places even further demands on our buildings - to be more flexible, and adaptive. And, all these challenges place a heavy focus on the ability and skill of tradespeople to create, build and renovate our buildings to meet these evolving demands.

As a major manufacturer we have to preserve natural resources and take steps to reduce our carbon footprint. Our materials also play a vital role in helping to reduce the emissions of buildings making them more efficient and comfortable for occupants.

OUR CHANGING WORLD SHAPES OUR STRATEGY

Our CSR approach is developed not in isolation, but with the pace of change from external factors in mind. The way our world is changing affects our stakeholders, our markets and the broader society. We need to respond to these factors, and our purpose and activity is shaped by our need to help meet these challenges. MORE READING...

Read our 2018 Emerging Realities Report for more information on the changing face of the construction industry. www.saint-gobain.co.uk/emerging-realities

SKILLS AND TECHNOLOGY



1 every 77 seconds New construction recruits required to meet 2021 targets for building new houses!



70%

mount each construction roject can be delivered nrough offsite nanufacturing (OSM)^{III}

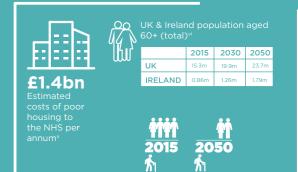
> Reduction in build time for homes manufactured by OSM



Potential decline in available labour force within a decadeⁱⁱ



SOCIAL, DEMOGRAPHIC AND WELLBEING



People of working age per elderly person ratio (Europe)^{vii}

ENVIRONMENTAL

>30%

Circular economy methods can cut construction costs by up to 30% and delivery time by half^{xv}

2M New Jobs

Created through circular economy across Europe^{xvi}

90% reduction

Possible waste savings of offsite construction systems vs. traditional construction^{xvii}



2x natural resource use

World resource use expected to double between 2010-2030^{xii}

Did you know...

The Saint-Gobain name is not a household brand, even though we're one of the longest established companies in the world - having been founded in 1665.

Many of the 36 businesses that makeup Saint-Gobain in the UK & Ireland are among the most respected in the construction industry. They are visible brands, delivering materials to construction sites every day.



We sell 250 million bricks a year - enough to build 90,000 homes - more than half the UK's current annual new build homes



We have 2,734 commercial vehicles and 3,205 cars. We reduced our CO₂ from cars and HGVs in our distribution businesses by 3,154 tonnes. . Read page 23 for a focus on HGV's and cars.



Our products can be found all around us: in schools, hospitals, on the road. Our precision bearings are found in bicycles and hard disk drives, our PTFE coatings are relied on in restaurants for flipping burgers. Our ceramic kiln burners help fire up the energy industry, and our gypsum helps make farming more productive. core markets Our however, are construction helping create great homes, offices, schools or hospitals.

OUR BUSINESS IN 2018-**IN A NUTSHELL**



Products

17,750 Colleagues

14.9m Annual visitors to

our UK & Ireland websites

MORE READING...

Visit 'Climate Commitments' our dedicated CSR website at www.saint-gobain.co.uk/markets/about-us/corporatesocial-responsibility/climate-commitments to read more about how we are helping to address climate change.





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Construction Training Academies

£2m+

Contribution to the Apprenticeship Levy

20,000

Suppliers - 80% from the UK

In 2016, we completed the first Multi Comfort building in the UK. A multi-purposee hall at King's Hawford School in Worcester

Our CSR Strategy aims to provide a clear framework and priorities that guide our businesses and their

FOCUS 3

FOCUS 4

actions. We aim to create value for all our stakeholders and be known as a responsible, ethical business who takes action in all areas of CSR. As a result all our stakeholders see our business as a positive longterm partner. Our strategy has four pillars of activity, which cover all areas of CSR important to our stakeholders and to our business:

FOCUS 2

FOCUS 1

illustrated here:

our-csr-approach

GLOBAL AND LOCAL TARGETS

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Throughout this Review, and in detail on pages **36 and 37** we publish details of our progress. This data is reported on annually and is often set against a set of medium and long term targets. These targets are a combination of global targets for Saint-Gobain and targets we have established in key areas for our business in the UK & Ireland.

IMPROVING PEOPLE'S LIVES BY CREATING COMFORTABLE **BUILDINGS**

OUR FOUR PILLARS OF FOCUS

PERFORMANCE & KEY CHALLENGES

Our first pillar is focused on improving the lives of everyone by creating better buildings and helping provide the skills the industry needs. We have developed an innovative Multi Comfort concept based around different types of comfort including: thermal quality. This standard is a key concept that demonstrates how we can create great living places that improve multicomfort.co.uk

CARING FOR THE ENVIRONMENT WE **OPERATE WITHIN**

In addition to targets to reduce waste, water use and emissions we are committed to long term change that helps to tackle climate change and support the UN's Sustainable Development Goals. We are increasing the recycled content of our materials and are developing a number of programmes to recover waste industry for re-use in our manufacturing process.

CONNECTING WITH OUR COMMUNITIES AND SUPPORTING THEIR ECONOMIC DEVELOPMENT

We encourage our colleagues to get involved in communities. To join partnerships with schools, colleges and universities. to undertake local procurement, support our charity partner and local businesses. We are also focused on supporting entrepreneurs to develop their business and creating partnerships with others to develop construction skills.

users wellbeing, productivity, learning more at:

Read

nore from

P13-18

CSR WORKING GROUPS

safety, wellbeing, sustainable sourcing and customer training, develop policies and programmes

SAINT-GOBAIN GROUP Defines CSR vision, strategy and key 2025 targets

SAINT-GOBAIN



CSR WORKING **GROUP SAINT-GOBAIN UK & IRELAND** board-level responsibility

CSR ADVISORY PANEL independent, external advice

GOVERNANCE

The governance of our CSR Strategy and progress involves a range of internal and some external stakeholders and is

http://www.saint-gobain.co.uk/csr/our-performance/



Staff training and development, health and safety, and wellbeing are prioritised at Saint-Gobain UK and Ireland and we're proud to be again recognised as a Top Employer. We publish data on training, mobility, diversity and employee wellbeing which are important indicators of our progress. To find out more please see:

saint-gobain.co.uk/ csr/our-performance







CHAMPIONS engage colleagues across businesses

PERFORMANCE & KEY CHALLENGES

HOW WE CREATE VALUE FOR OUR STAKEHOLDERS

We aim to create positive value for all our stakeholders. We aim to succeed - not at any cost - but through making positive choices that bring social, environmental and economic benefits to our stakeholders. We want to have positive long-term relationships with all our stakeholders and to be recognised as an example of how business can work in tandem with others to be mutually beneficial.

Aim: To enhance consumers' homes, schools,

hospitals, workplaces and improve their wellbeing

• Our products improve daily life - reducing noise from

neighbours, the outside or even our own children

content and are manufactured in the UK

• We improve home comfort – and have 1,100 retail locations

• We reduce energy bills - so consumers can spend on other

Increasingly our products are created with more recycled

• We help consumers drive innovation into the construction

sector - improve buildings and delivering better homes.

THIS IS HOW WE CREATE VALUE FOR OUR STAKEHOLDERS:

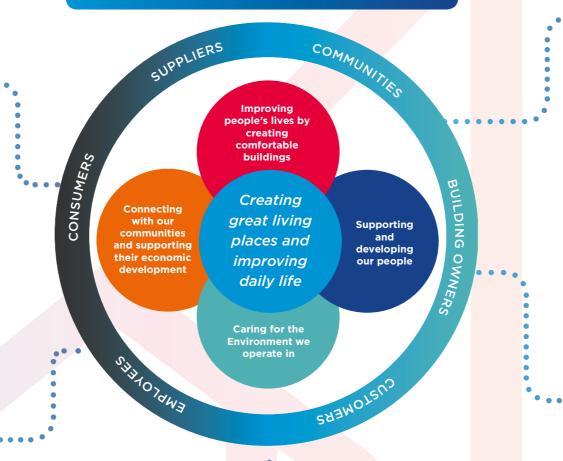
FOR SUPPLIERS

Aim: We develop partnerships and support our suppliers' growth

• We support their development and enter partnerships

• We care about our suppliers' efforts to act responsibly and invest in their business

• We help suppliers develop a sustainable business model and grow their business



FOR EMPLOYEES

FOR CONSUMERS

priorities

Aim: We aim to be the employer of choice for current and prospective employees.

Our number one priority is to keep our employees safe

• We actively support and provide information and tools to improve our colleagues health and wellbeing

• We invest in our colleagues development and learning

• We provide careers that encourage mobility and transfer of skills and knowledge

- We provide a culture for employees to challenge themselves and learn new skills
- We promote a diverse and inclusive culture

• We provide encouragement for colleagues to pursue activities in communities and with external partners and organisations

FOR CUSTOMERS

Aim: Provide our customers solutions locally manufactured and skills to help their business grow

- We provide products and systems to improve performance and occupant's wellbeing
- We provide skills and training to their employees and contractors
- We provide systems and solutions, not just products
- We provide Technical skills, confidence and expertise
- We provide 1,100 retail locations delivering from the closest point to the customer
- We manufacture locally in the UK & Ireland
- We invest in our supply chain to provide confidence to our customers

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MORE READING...



- www.saint-gobain.co.uk/csr/our-performance/
- advisory-panel

FOR COMMUNITIES AND NEIGHBOURS

- Aim: To be the neighbour of choice, investing in the growth and prosperity of our communities
- We provide rewarding careers
- We invest in community groups
- We support local entrepreneurs, schools and colleges providing specialist training and skills for employment
- We minimise environmental impact
- We partner with social enterprises investing in skills, training and marginalised communities and groups

END CLIENTS, BUILDING OWNERS AND SOCIAL LANDLORDS

- Aim: To help them create valuable assets with low operational costs that improve their occupants comfort and wellbeing
- We provide skills to tradesmen to improve building's performance
- We advocate for better performing buildings
- We enhance the value of assets
- We reduce operational costs, maintenance and energy costs
- We improve occupant productivity



Modern Slavery Act. In 2016 we published our Modern Slavery Statement. Read our statement at: www.saint-gobain.co.uk/csr/modernslavery-act

OUR INDUSTRIAL FOOTPRINT

Some of the best known and respected brands are part of the Saint-Gobain family of Construction Products and Innovative Materials Businesses. They include British Gypsum, Isover, Glassolutions, Saint-Gobain Weber, Saint-Gobain Glass, Saint-Gobain PAM, Pasquill, Celotex and Ecophon.

We have over 45 manufacturing sites across the UK and Ireland and we produce and distribute a range of high-performance products and solutions that contribute to a more sustainable built environment:

- Acoustic and thermal insulation
- Energy-efficient glass and glazing solutions
- Industrial and construction mortars, fixings and facades
- High-performing plastics, ceramics and abrasives
- Premier ductile and cast iron pipes



OUR RETAIL NETWORK

Saint-Gobain Building Distribution (SGBD) comprises of around 1,100 retail sites in the UK and Ireland, spanning an unparalleled breadth of general and specialist builders' merchants and distributors. We supply a range of general building materials including; tiling, ground works materials, laminates, flooring, timber and decorative surfaces to building professionals, self-builders, large and small construction companies and the public.





FOCUS 1

FOCUS 2

SAINT-GOBAIN GROUP TRANSFORMATION

On the 26th November 2018 Saint-Gobain launched plans to transform the group. The new plan, entitled 'Transform and Grow', will transform the group's structure to be closer to the customer. The Group's structure has been simplified to enable it to be guicker, and simpler and more focused on customers (either local customers, or global). The group's transformation will focus on digitisation, and developing its products, solutions and services to meet the needs of customers. More information on this will be provided in the next CSR Review.



HOW OUR BRANDS IMPACT OUR KEY CHALLENGE AND OPPORTUNITIES

What lies behind our progress are actions from individuals and teams in our 36 UK and Irish businesses. These businesses can help us to make a significant positive difference - whether by creating social value, helping our work with young care leavers, training our customers or creating better buildings.

Each of our businesses also have varying impacts in terms of our environmental performance – dependent upon the structure and activities of the business.

MORE READING... SAINT-GOBAIN.CO.UK/CSR/ STRATEGIC-APPROACH

SAINT-GOBAIN.CO.UK/MARKETS/ ABOUT-US

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HOW DID WE PERFORM IN 2016 - 2017

In 2017 we made good progress in a number of areas. We also put in place plans and actions in other areas that will help us on our journey to decarbonise our business, reduce our overall environmental footprint, create value for our communities and support our colleagues. It's also important to acknowledge that there are areas where we are not progressing, the pace of progress is too slow or where we are actually going backwards. These areas are naturally causes of concern and in some cases, areas where we need to consider new ways of doing things, increased or different investment choices and cultural change.

IMPROVING DAILY LIFE BY CREATING BETTER BUILDINGS

GOOD PROGRESS IN 2017

Our CEO was appointed to lead the Innovation in Buildings workstream of the Construction Leadership Council

Published research from 3,000 home owners – on the importance of buildings in improving health and wellbeing

Increased our industry training for customers on how to create highperforming building by 50% - a total of 30,745 hours

Beat our target for training students in construction skills - reaching 4,655 in 2017

Launched a new recycling scheme for EPS (Expanded Polystyrene) product to collect customer waste

Launched a national plasterboard recycling scheme in Ireland

Developed closed loop glass pilot schemes - manufacturing a machine capable of separating glass and window frames for reprocessing old windows

CARING FOR THE ENVIRONMENT WE OPERATE IN



CHALLENGES IN 2017'S PERFORMANCE

Our 'Scope 1' CO₂ emissions from production and operations increased by **6.4%**





Our electricity use rose

by **0.3%** and our gas

use rose by 6.3%

PERFORMANCE & KEY CHALL

ENGES

GOOD PROGRESS IN 2017



94.2% of electricity use is now renewable only



Our CO₂ from vehicles reduced by **4.5%** - or **3,194** tonnes less CO₂



CO₂ was reduced from our purchased electricity by **25%**



We invested **£30M** in upgrading HGV's and LGV's to more efficient Euro 6 vehicles



Our waste to landfill was down **9%** to **8,481** tonnes



We discharged **14,499m**³ less water in 2017, a **1.5%** reduction

We continue to use more water in our processes – as our production output increases – we used **5.5%** more water in 2017 than 2016.



FOCUS 1 FOCUS 2

CONNECTING WITH COMMUNITIES AND SUPPORTING THEIR ECONOMIC DEVELOPMENT



GOOD PROGRESS IN 2017

We trained 90% of HR and purchasing professionals in Modern Slavery risks

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We retained the award of 'Three Trees' (3 out of 3) by the WWF for our sourcing of timber

We increased our percentage of timber sold from sustainable sources to 99.3% of all timber

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A further business was awarded BES 6001 Responsible Sourcing certification - six businesses in total have this certification

25 construction entrepreneurs joined our Entrepreneurship Foundation in 2017



We partnered with Barnardo's and began the process of building Gap Homes for young care leavers

A £43,000 grant was awarded from Saint-Gobain's Foundation to the Lewisham Training Centre Academy to develop facilities to train young people

GOOD PROGRESS IN 2017

We were awarded Top Employer status for the 5th year in the UK & the 2nd in Ireland



We reduced our accident rate from 1.7 lost time accidents per million working hours to 1.5



We reduced the 'health age' of our organisation by 2,788 years



We reduced all 14 of our colleagues' key wellbeing risks



We launched our 'Its ok to not be ok' mental health awareness programme



7,815 colleagues were engaged with our wellbeing and health portal – 1,700 more than in 2016



2,016 colleagues moved roles within our business up from 1,987 in 2016

DEVELOPING OUR PEOPLE



CHALLENGES IN 2017'S PERFORMANCE

While we increased the percentage of females in our management population to 16.6% our progress is slower than we would like



FOCUS 1: **IMPROVING PEOPLE'S LIVES BY** HELPING TO CREATE **BETTER BUILDINGS**

The first Multi Comfort building created by Saint-Gobain at King's Hawford School in Worcester. In 2017 monitoring continued to understand the benefits to pupils and teachers of the high performance standards of the building.





IN THIS SECTION

- **14/** IMPROVING PEOPLE'S LIVES BY HELPING TO CREATE BETTER BUILDINGS
- **15/** WORKING WITH STAKEHOLDERS TO PROMOTE BETTER PERFORMING BUILDINGS
- 15/ GRENFELL TOWER, BUILDING REGULATIONS REVIEW

- **17/** HOW ARE WE FOCUSSING EFFORTS IN 2017 AND BEYOND?
- 17/ WE MEASURE PROGRESS IN TWO KEY AREAS TO HELP US UNDERSTAND OUR PROGRESS:





14/ HOW OUR PRODUCTS AND SOLUTIONS HELP CREATE BETTER BUILDINGS

- 14/ CREATING HIGH-PERFORMING WHOLE-HOUSE BUILDINGS AND BUILDING PACKAGES
- **15/** INFORMING ATTITUDES THAT INFORM REGULATIONS AND IMPROVE BUILDINGS
- **16/** SUPPORTING SKILLS FOR THOSE WORKING IN CONSTRUCTION
- **16/** TRAINING THAT MEETS THE NEEDS OF THE ECONOMY
- **16/** INVESTING IN SKILLS AND KNOWLEDGE TO CREATE BETTER BUILDINGS
- **16/** PIPELINE OF SKILLS FOR UK CONSTRUCTION

18/ 100% OF PRODUCTS WITH VERIFIED ENVIRONMENTAL PRODUCT DECLARATIONS

FOCUS 3 FOCUS 4

HOW OUR PRODUCTS AND SOLUTIONS HELP CREATE BETTER BUILDINGS:



GLASS:

As well as allowing natural light into a building high performing glass can reduce glare and internal and external noise. Glass can also reduce reflect and retain heat, minimising energy bills and making a building more efficient. All of these benefits improve occupant wellbeing.



GYPSUM PRODUCTS:

Gypsum products insulate a building helping to reduce bills. They also help keep noise out and stop it transferring from room to room. Our specialist boards can reduce Volatile Organic Compounds in the air - improving health and wellbeing.



INSULATION PRODUCTS:

Our external and internal insulation systems improve the efficiency of a building helping to maintain a comfortable temperature and avoiding wasted energy. Insulation products can also improve a buildings acoustics.



TIMBER AND STEEL FRAME BUILDING KITS

Our manufactured timber, steel frame buildings and wall solutions (for new homes and low rise buildings) improve the performance of a building. These solutions improve heat retention, avoid wasted energy and reduce noise from outside. They also significantly reduce the time it takes to build.

IMPROVING PEOPLE'S LIVES BY HELPING TO CREATE BETTER BUILDINGS

We help to improve daily lives by creating, designing and advocating for and designing solutions that focus on improving the performance and comfort of buildings. We do this through collaboration with partners to create new products and systems to meet our customers' and societies needs.

This is founded on our research and a strong belief that better performing buildings enhance people's sense of wellbeing, improve educational results, help people heal better in healthcare settings and make those using buildings more productive and efficient.





CREATING HIGH-PERFORMING WHOLE-HOUSE BUILDINGS AND BUILDING PACKAGES

A growing population places greater demands on our ability to build homes quickly. Advances in technology also mean we can pre-manufacture building parts or whole buildings more and more. This growth in offsite manufacturing in construction is an important focus for Saint-Gobain. In 2017 our General Delegate, Mike Chaldecott, was appointed to lead the Innovation in buildings workstream of the **Construction Leadership Council** (a Government and industry collaboration). Mike is heavily involved in driving the uptake of innovative building techniques to help us more quickly build homes that are better performing, and more cost effective by adopting a greater use of offsite manufacturing and digital technologies i.e. Smart Construction

In 2017 we continued to grow the Saint-Gobain Steel Framing system. This system combines products from four Group companies (Isover, British Gypsum, Weber and Celotex) to create a better performing fabric, and is delivered and installed on site as prefabricated panels - made in a factory by our partner Hadley Group. This approach saves time and money for customers as it requires less labour and delivers a more comfortable and consistently high-performing external fabric resulting in a reduction in noise from the outside. In 2017 we delivered 1.5 Million sq m² of the system to customers.

Importantly, in 2017 we also made an acquisition of Scotframe, one of Scotland's largest manufacturers of whole-house kits made from high-performing timber panels. This acquisition will help us to further accelerate our ability to provide high-performing buildings, made offsite and delivered to building sites, to meet the needs of self-builders and house builders in the UK. Such buildings can reduce the time to build a home by six months and reduce costs by 20%.

www.constructionleadershipccouncil.co.uk

MORE READING...

Read about our approach to creating comfortable and high-performing buildings at: www.multicomfort.co.uk



GRENFELL TOWER, BUILDING REGULATIONS REVIEW

In the wake of the tragedy of the Grenfell Tower in June 2017 a review of building regulations, building testing and standards is currently underway. We offer our full support and co-operation both for this wholescale review and the Public Inquiry. One of our businesses, Celotex, supplied materials to the refurbishment of Grenfell Tower in 2014/2015. Celotex has applied for, and been granted Core Participant status in relation to this Inquiry.

Since confirming its involvement in the tower's refurbishment Celotex has made a number of important public statements regarding its products, processes and product testing. The current management team of Celotex is conducting a review of its systems, processes and approach to product testing. The business continues to offer its full and open co-operation with the Public Inquiry.



Thermally insulating render and insulation systems for the buildings exterior.

weber

Insulating plasterboard from British Gypsum

insulating glazing from

Glassolutions

GLASSOLUTIONS

British Gypsum

INFORMING ATTITUDES THAT INFORM REGULATIONS AND IMPROVE **BUILDINGS**

In 2017 we progressed a number of initiatives in order to help inform attitudes to wellbeing and building performance that we hope play a role in helping to inform regulation around building performance. They included:

1/ Publishing research from 3,000 renters and homeowners on their views on their homes and living environment. This research showed that 90% of respondents were concerned about the impact their home would have on their health and wellbeing. (See Fig 1, Fig 2)

2/ Worked with the All Party Parliamentary Group (APPG) on Healthy Homes and Buildings. Through this group we have worked closely with others to produce a Green paper Setting out recommendations on how government policy can support healthy buildings. We have also worked with others to produce and gather evidence that better buildings, and better renovations can improve occupants wellbeing.

3/ Worked as part of the Construction Leadership Council to remove barriers to innovation, increasing the use of technology and offsite manufacturing techniques - 'Smart Construction' to house building. The ultimate aim of this is to help improve the performance and accelerate the number of new homes built in the UK each year.

4/ Participated in a Social Value Task Group, formed by the UK Green Building Council to better understand what a quality sustainable development is and how it can help generate jobs and prosperity for an area, improve health, wellbeing and the environment and strengthen communities. The outcome of the work of this Task Group can be seen here.

(www.ukgbc.org/wp-content/uploads/2018/03/Social-Value.pdf)

WORKING WITH STAKEHOLDERS TO PROMOTE BETTER PERFORMING BUILDINGS

In 2017, we continue to develop our systems approach to designing buildings and highlighting the essential need for a high-performing building fabric. We aligned our Multi Comfort building standard to the BRE's Home Quality Mark and the WELL Building Standard. This will help building owners and developers understand how they can achieve the very best recognisable standards by designing using the Multi Comfort building concept. We continue to plan for further Multi Comfort buildings in future years.

ADVOCATING FOR BETTER BUILDINGS TO IMPROVE DAILY LIFE

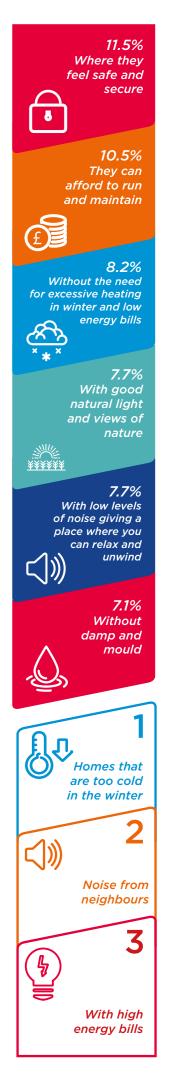
We believe we have a strong role to play in helping the industry to shape future policy with the aim of having improved formal standards or regulation that prioritises creating better performing buildings that bring improved comfort for their occupants. Our approach to advocacy is founded on principles of: collaborating with others, building partnerships, respecting different points of views and being transparent in our views. We always seek to act in accordance with our principles of respect of the law, respect for health and safety, professionalism and integrity.



15/ SAINT-GOBAIN CSR 2018

of their ideal home, a home: features (ost value à **Fig 2:** When asked to select homeowners and renters mc

> wellbeing issues in their existing to change, were: **Fig 1: TOP 3:** Health & homes they would like



100

FOCUS 1

FOCUS 2



We continue to invest in training for professionals, SME's and young people. We do this to provide them with skills and accreditations to be able to construct high performing buildings, develop successful businesses and build fulfilling careers in the industry.

PIPELINE OF SKILLS FOR UK CONSTRUCTION

In 2017 we continued to place focus on our role in training customers in creating high performing buildings. This training, which is delivered from eight centres across the UK & Ireland increased by 50% to 30,745 hours - we are ontrack to meet our 2020 target. This training is delivered by our businesses and is an essential part of building skills in specific trades or products and creating an understanding of the role tradespeople have to play in creating efficient buildings.

We also met our target to train 4,000 students or apprentices each year. In 2017 we trained 4,655 through our extensive Thistle Partnership with more than 85 colleges in the UK & Ireland. We want to help the industry reach young people, and inform and excite them about the wide variety of careers in the industry and provide them with essential skills and gualifications.

How we work with schools and colleges is underpinned by the aim to provide training that is relevant to the industry and required by employers so the path from education into employment is as quick and easy.





Over the next few years our focus is to build on our existing relationships with colleges to develop a deeper level of partnership with them based on providing a wide range of additional value through their partnership with Saint-Gobain,



- specialist training, career talks.

02 Staff support. Including

- Digital theory-based online learning, industry aligned work experience, workshop design
- assistance.

03 Resources. Including: Starter toolkits, materials, calendar of events with Saint-Gobain specialist suppliers.

SUPPORTING SKILLS FOR THOSE WORKING IN CONSTRUCTION

Critical to creating better buildings, and essential for the future of our industry is improving the skills of those working in construction, and encouraging a new generation of trained, digitally aware, diverse young people to enter the industry.

We have a passion for improving the training and support available to the industry. We want skilled tradespeople with the know-how to create high-performing buildings, using modern methods of construction that improve comfort, wellbeing and daily life for occupants.

TRAINING THAT MEETS THE NEEDS OF THE ECONOMY

We believe more can be done to attract young people to the construction industry and to provide skilled careers with a greater focus on accredited training and professional development. We devote time to working in the industry and with government to lend our support and active commitment to this topic. In 2017, we took up positions on the Cross Construction Apprenticeship Task Force - set up by the Skills Minister, the CBI Employment and Skills Steering group and the Career Colleges for Construction Board - initiated by Lord Barker to ensure colleges deliver career focused training that meets the needs of industry and employers.



PERFORMANCE & KEY CHALLENGES

FOCUS 3 FOCUS 4

CIRCULAR **ECONOMY** MOVING AWAY FROM TAKE-MAKE-USE-DISPOSE

The building sector produces one third of solid waste each year, and consumes half of Europe's natural culture of take-use-dispose is one of the biggest challenges construction opportunities. To embrace a circular economy in construction action particular:

1/ Focussing on deconstruction not demolition

2/ Encouraging selective sorting of waste streams

3/ Moving away from landfill including government legislation to make landfilling waste the least attractive option

4/ Training and education of contractors and other construction professionals

5/ Make much greater use of secondary resources

We are active in all these areas and are committed to playing a very active role in helping the industry make the shift to a circular economy, but we also recognise that to do so is a significant challenge and making changes quickly is not easy. To show our commitment we are active in advocating for a clear target of 'nearly zero' construction and demolition waste to landfill by 2025 at EU level.

Andy Turner, Purchasing Director, Saint-Gobain UK & Ireland

"

HOW ARE WE FOCUSSING EFFORTS IN 2017 AND **BEYOND?**

We believe that the efficient use of resources should be a priority and that waste should be seen as a strategic resource to be used as a secondary raw material in construction products. This belief drives some of our actions - to recover more 'waste' for re-use, to reduce our landfilled waste and to help customers do the same.

We know that increasing the amount of recycled material in our manufactured construction products has a number of benefits. It reduces waste to landfill, reduces the amount of primary raw materials needed and can reduce energy use and carbon emissions. For example, at our building glass plant in Yorkshire, for every 1,000 tonnes of waste glass (cullet) we use, we save 1,200 tonnes of natural raw materials, 322,000 kWh energy and 246 tonnes CO₂.

We continue to invest in recycling services for our customers, including our building glass recovery scheme providing cullet for recycling at both our building glass and our glass wool insulation plants, and our plasterboard recycling scheme which was established several years ago in the UK. In May 2017 we were delighted to launch a similar plasterboard recycling scheme nationally in Ireland.

In our Weber business we launched a new EPS recycling scheme for customers in conjunction with our EPS supplier - EPS is a solid insulation product used to insulate the exterior of buildings before applying one of our Weber render products.

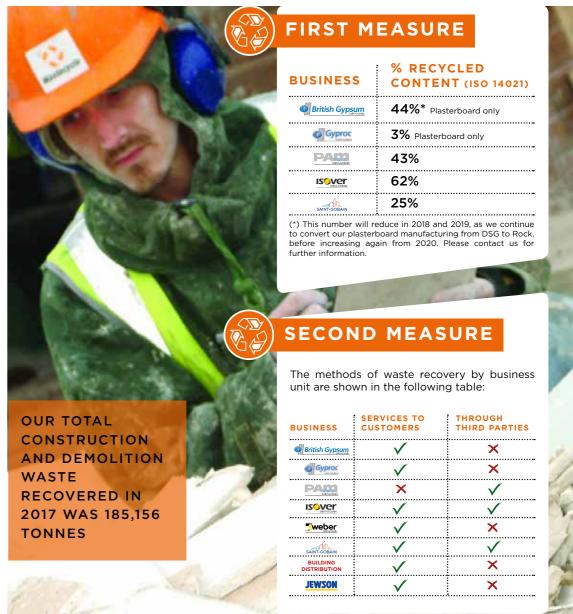
In 2017 we developed and launched a builders recycling centre collecting construction and demolition waste from our customers at our Gibbs and Dandy branch in Luton. This pilot project enables customers collecting their construction materials to also dispose of their waste at the same time, saving time and reducing vehicle miles. The waste recovered is sorted and recycled including within our own manufacturing businesses. During 2018 we will evaluate this pilot and draw lessons on how we can continue to invest in helping customers to recycle their waste.

During 2017 we have also continued with glass closed loop pilots. During these pilots we have developed a machine capable of separating window glass from the sealed glazing units removed from window frames during building refurbishment projects. This enables the glass to be reprocessed and then recycled into new building glass. This machine has been deployed to our Glassolutions site in Glasgow and we will use the learnings to invest in further equipment and machinery, and commercialise our approach with selected companies who are capable of supporting us in developing such pilots for a wider roll-out.



WE MEASURE PROGRESS IN TWO KEY AREAS TO **HELP US UNDERSTAND OUR PROGRESS:**

Our first measure is the recycled content of our products reported in accordance with ISO 14021 as shown in the following table for 2017:



The second measure is the total amount of Construction and Demolition Waste we recover, either directly as services for our customers, or by acquisition via third parties, which is then used in our own manufacturing processes or recycled by our suppliers.

In the future we will be exploring the potential for processes to enable us to measure and report on our performance in waste recovery split by pre-consumer (i.e. waste created in the construction of the building) and post-consumer (i.e. end of life/demolition/ refurbishment waste). This is important because we believe we have made good progress with many pre-consumer waste streams and to fully realise our ambitions we will need to tackle the opportunity presented by the more challenging and fragmented post-consumer material streams.

FOCUS 1

FOCUS 2

100% OF PRODUCTS WITH VERIFIED ENVIRONMENTAL PRODUCT DECLARATIONS

To measure how a construction product performs when it comes to resource efficiency, **Life Cycle Assessment** (LCA) is the only tool that provides a comprehensive approach. LCA results of construction products are published under the **Environmental Product Declarations** (EPDs) format and then can be used to calculate the LCA of the building and measure its overall environmental impact, including resource consumption and waste generation.

Therefore, at Saint-Gobain we believe that measuring and communicating the impact through LCA and EPDs will help to support the industry towards a more resource efficient approach.

Our ambition is to have 100% of our UK & Ireland manufactured construction products with verified EPD's by 2025. We will establish our road map next year and report back in 2019.

OUR AMBITION

To have 100% of our UK & Ireland manufactured construction products with verified EPD's by 2025. We will establish our road map next year and report back in 2019.

KEY AREAS OF FUTURE FOCUS

Among the key features that will improve how the construction industry can move to a circular economy, are:

- 1/ The durability of products
- 2/ The functionality of products
- 3/ The upgradability and modularity of buildings
- 4/ Buildings being designed for deconstruction
- 5/ Improved jobsite waste management
- 6/ The recyclability of building elements at the end of the buildings' life (following dismantling and separation of components)

WHAT IS A CIRCULAR ECONOMY?

An economy that reuses and recycles resources to keep them in play for as long as possible. This produces 'loops' of products - in use, recycled, reprocessed, re-used. By doing this the use of primary (virgin) resources is reduced.



FOCUS 2 CARING FOR THE ENVIRONMENT WE OPERATE IN

Our aim is to preserve the environment from all potential impacts of our processes and services throughout their life cycle.

In addition to targets to reduce waste, water use and emissions we are committed to long term change that helps to tackle climate change and support the UN's Sustainable Development Goals (SDG's).

IN THIS SECTION

- 20/ CARBON AND ENERGY TWO AREAS OF FOCUS
- 20/ INTERNAL CARBON PRICING A KEY LEVER TO DE-CARBONISING OUR PRODUCTION
- **20/** CARBON AND ENERGY TWO AREAS OF FOCUS
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- 21/ OUR SOLUTIONS REDUCE BUILDINGS ENERGY CONSUMPTION AND HELP THE UK ECONOMY DECARBONISE
- 21/ CARBON EMISSIONS OUR PERFORMANCE
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- 22/ THE IMPACT OF LED LIGHTING AND BEHAVIOURAL CHANGE ON ENERGY USAGE
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- 24/ PROGRESS TOWARDS ELIMINATING OUR WASTE
- 24/ PLASTICS HOW WE'RE TACKLING PLASTIC WASTE
- **25/** WATER: A KEY INGREDIENT IN OUR BUSINESS



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FOCUS 2

Did you know...



The energy savings generated by our 100 times greater than the greenhouse gas emissions used to manufacture the



Three months on average - that's the period of use needed for our insulation solutions to offset the emissions associated with their production.



In 2016 we switched our entire UK electricity supply from traditional grid supply to renewable-only sourced supply. This has cut our CO₂ emissions from our electricity supply from 180,330 tonnes in 2015 to 10,137 tonnes in 2017.

ENERGY AND CARBON - OUR PERFORMANCE OVERVIEW



We purchase up to **94.2%** of renewable energy



Total renewable electricity consumption up in line with oroduction increase



2017 CO₂ emissions up from activities and operations by car. HGV and vans

INTERNAL CARBON PRICING - A KEY LEVER TO **DE-CARBONISING OUR PRODUCTION**

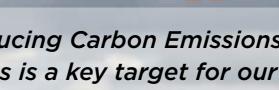
We have introduced a 'shadow' carbon price into our business. This enables us to fully evaluate the potential of future investments (e.g investments in technology or renewables) based on also factoring in the cost of carbon. This is an important lever in assessing the payback of initiatives that help reduce our carbon footprint as investment decisions will fully consider the cost of carbon to the economy and environment.

CARBON AND ENERGY - TWO AREAS OF FOCUS

Climate change is one of the major threats to the current and future generations. The role of individuals, organisations and government's in today's generation is critical to halting climate change, and limiting sea temperature level rises. If we do not halt these rises the potential impact on communities across the world could be devastating.

1/ Firstly, we have an important role to play in helping to reduce carbon emissions which come from buildings, in particular as they are used. It is currently estimated that between 35-40% of total UK & Irish greenhouse gas emissions come from buildings.

2/ Secondly, in reducing our own direct and indirect emissions which come from our operational footprint and activities.





WHERE DO OUR EMISSIONS COME FROM

We recognise that we are currently a large energy user and as such a large producer of greenhouse gases. We do not believe we are 'locked in' to this and have clear targets to reduce our emissions. Our operational emissions come from our 45 manufacturing plants, particularly in our manufacture of glass, plasterboard, mineral and PIR insulation. Our network of 1,100 retail sites also contributes to our operational emissions. Running our large fleet of delivery vehicles, our car fleet and delivering our goods to customers also causes significant direct and indirect emissions.

ISO 50001 - EXPANDING THE FOUNDATIONS FOR REDUCING ENERGY AND CARBON

Setting the foundations of how we manage energy responsibly and efficiently is an essential part of our energy and carbon strategy. Energy efficiency reduces our impact on the environment, supports a lower carbon economy and tackles climate change. Our focus in this area is in continuing to embed the ISO 50001 (International Energy Management System Standard) into our businesses. In 2017 we continued to focus on ensuring our most energy intensive businesses were certified to this standard. We increased the proportion of our total energy covered by this certification from 78.76% in 2016 to 82.4%. Most notably, in 2017 we increased the coverage of ISO 50001 certification in our gypsum businesses. Our Irish-based business PDM was also certified to ISO 50001.



ISO 50001 provides the foundation for our businesses to have a comprehensive system to manage energy efficiently and understand the opportunities for each business to save energy throughout its operations. This network of certifications across our businesses is managed through professionals in our businesses who have also formed an Energy Reduction Group and work collaboratively to share knowledge, expertise and best practice in energy reduction and management.

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We continue to be

committed to our long

term targets of 15%

reduction of energy use

and CO, reduction

FOCUS 1

FOCUS 2

FOCUS 3 FOCUS 4

OUR SOLUTIONS REDUCE BUILDINGS ENERGY CONSUMPTION AND HELP THE UK ECONOMY DECARBONISE

OUR PERFORMANCE

ENERGY CONSUMPTION

During 2017 our businesses continued to increase the amount of goods and products they produced and sold. As a result of this, in 2017, our gas consumption (a key source of energy for our production) rose by 6.3%, a similar level to our production output. Our electricity use was a very similar level to 2016, rising only slightly by 0.3%. We continue to be committed to a yearly reduction of 2% in our consumption and to our long term targets of a 15% reduction by 2025 compared to 2010 levels.

We recognise that we are falling behind our targets and failing at this stage to decouple our production from our energy consumption. This is why we continue to see a trend of increasing energy use. To make an impact in this area will require more capital investment, and to decarbonise the energy mix that is used in our production.

We strongly believe we have an important role to play in being part of the solution to combat climate change. We participated in global discussions on climate change at COP23 and are one of the 100 Climate Champions of the Caring for Climate - a Global Compact Initiative which brings together companies committed to a shadow carbon price.

CARBON EMISSIONS - OUR PERFORMANCE

Since 2010 we have reduced our main greenhouse gas emissions - from our large manufacturing sites - by 32.16%. This has mainly been achieved through our decision to switch our purchased electricity to renewable-only sources and a reduction in production volumes since 2010. As a result of our purchase of renewable-only electricity we continue to reduce the volume of CO₂ that comes from our purchased electricity. Compared to 2016, in 2017 we reduced this by 25% to 10,137 tonnes.

In 2017 our main greenhouse gas emissions rose. These emissions are rising in parallel to our increase in production output although on a per unit of production basis our emissions are static.

FUTURE ACTIONS TO DECARBONISE:

The scale of the challenge for our business is significant and in 2017 we have made some progress particularly in areas such as: fleet carbon reductions, electricity supply and ISO 50001 implementation. Our focus over the next year will be on the following areas in order to continue to lay the right foundations:

1/ Continued expansion of ISO 50001 across our main consumption businesses - to identify and implement energy efficiency measures – with all manufacturing businesses covered by 2019.

2/ The continued purchase of renewable electricity – and the roll-out of this across our Irish Gypsum activities at Kingscourt and our Irish Performance Plastics manufacturing site in Kilrush.

3/ The development of an on-site generation and renewables policy.

4/ The continued roll-out of efficient LED lighting across more of our estate.

5/ Investigate options for zero carbon gas.

A KEY COMPONENT IN REDUCING BUILDING'S CARBON FOOTPRINT

Given that building's account for around 40%¹ of the UK's greenhouse gas emissions we are a key component in helping the UK economy to decarbonise. We do this in a number of ways including:

1/ Supporting the construction industry to create more efficient buildings through a focus on creating products and solutions to enhance a building fabric's performance;

2/ Advocating for supporting legislation and standards that focus on better performing buildings and by:

3/ Manufacturing products that help buildings become more efficient. The use of thermal insulation by Celotex and Isover, insulating plasterboard from British Gypsum and insulating glazing from Glassolutions has been shown to help the built environment reduce its CO₂ emissions. On average, these solutions offset the emissions attributable to their production after three months' use. Beyond this, the savings continue to accumulate².

¹ https://www.ukgbc.org/climate-change/ ²Source: Act for the Climate 2015, Saint-Gobain - http://www.saint-gobain.co.uk/media/18063/saint-gobainact-for-the-climate-2015.pdf [P.9]

The City Academy in Norwich. Saint-Gobain businesses helped create a comfortable learning environment, that enhanced speech intelligibility.

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LED lighting fitted.

FOCUS 1 FOCUS 2

P.I

SCOPE 1 : EMISSIONS



+ 6.3%

376,561 Tonnes CO Direct emissions from larger manufacturing sites and retail sites



- 4.5%



67,183 Tonnes CO Direct emissions from car and HGV/van fleet in our Building Distribution businesses and retail operations

- 25.2%

10,137 Tonnes CO, Market based emissions -Indirect emissions from the for our business by our



- 13.6%

149,186 Tonnes CO Location based emissions -Indirect emissions had we purchased our electricity directly from the grid.



Figures are presented comparing 2017 with 2016 performance.

In total, the focus on behavioural change resulted in a saving of 3,804,695 kWh in 2017. This approach will now be rolled-out across Jewson's nationwide stores.

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CTD branch in Coventry has more efficient

CASE STUDY

THE IMPACT OF LED LIGHTING AND BEHAVIOURAL CHANGE ON ENERGY USAGE

inspire

you with

1000's of

In 2017 a trial was implemented to install LED lighting in 22 of our sites within our retail network. These sites were chosen as being representative sites across our business in order to assess the potential impact of wholescale LED lighting installation across our 1,100 retail sites. During the pilot 1,800 MWh of electricity was saved with an average reduction in consumption of 37%. During 2018 -2020 we intend to implement a wider programme of installation.

Our partnership with Ignite Energy focused on the usage of energy at our retail sites during 'out of hours' times. With the use of data interrogation and visibility sites were able to understand the usage of energy at times with the site was unoccupied. An energy savings guide was produced and training was undertaken. The primary issues discovered during the assessment related to warehouse and yard lighting and failed lighting. In some cases out of hours usage accounted for over 65% of usage. A further focus was given to the issue in Jewson's North and Scotland region. This focus saw a saving of 590,484kWh of electricity and 310 tonnes of carbon. In total, the focus on behavioural change resulted in a saving of 3,804,695 kWh in 2017. This approach will now be rolled out across Jewson's nationwide stores.



WHAT WE DID IN 2017

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IN 2017 WE FOCUSED ON A NUMBER OF KEY AREAS:

1/ We invested more than £30 millon in replacing more than 600 HGV's and LGV's (vans) with newer Euro 6 engine HGV's and more efficient vans. This was the largest investment we have made in a single year. Euro 6 vehicles are the cleanest vehicles available to us for our required use.

2/ We Installed a light bar on the dashboards of our HGV's - giving drivers a clear indication (via a green/amber/red indicator) as to how they are driving - measuring factors such as: braking, turning and acceleration. Using this data we produce a league table of the most efficient drivers. We are exploring how we can build on this more to incentivise drivers to drive as efficiently as possible.

3/ We overhauled the way in which our customers receive deliveries from our retail network of branches so that deliveries are made to the customer from the closest point where the right stock and vehicle is available. This is a complete culture change for our organisation and has already had a significant impact on the carbon from our HGV/van fleet. This has resulted in the fleet consuming £1.2 million fewer litres of diesel than in 2016. We reinforced the importance of this change by ensuring our managers were financially incentivised to reduce the amount of fuel used by our business.

CHALLENGES

FOCUS 2

FOCUS 1

The key challenges for us are twofold:

to new ways of working - so that we are able to make our deliveries as efficiently as possible whilst also meeting customers' needs for more complex and immediate logistical

2/ Investing in the right technology to decarbonise our fleet of HGVs - currently the equipment and technology we require to operate our business with hybrid and electric vehicles are not in the market.

" nvested £30 million in replacing more than 600 HGV's and vans with more efficient and cleaner models

REDUCING VEHICLE EMISSIONS & PREPARING FOR A LOW CARBON CAR FLEET

OVERVIEW

Our customers rely on us to deliver their materials on time, quickly and safely. Communities want our vehicles to be efficient reducing their impact on air quality, especially in towns and cities. The efficiency of our deliveries also has an impact on the overall life-cycle carbon footprint of the products we deliver, so progress in making our fleet of 2,370 HGV's and 2,406 cars more efficient and cleaner is essential.

In 2017 we made good progress in reducing the Scope 1 CO, emissions from our own fleet of HGV's and cars; reducing CO₂ from 70,377 tonnes in 2017 to 66,500 tonnes in 2016 - a 4.5% reduction*.

* This figure does not include emissions from third party hauliers with whom we have contracts to distribute many of our manufactured construction materials. It remains our long term goal to also report on these emissions and we continue to work with our partners to make this data available.

CASE STUDY

ducina CO sions by 3.194



ELECTRIC AND HYBRID CAR AND LORRY TRIALS

During 2017 we held trials with hybrid and electric vehicles and learnt that in the right scenario hybrid and electric vehicles are good options for the Company, and for the individual driver. However, we also learnt that for the wrong type of driver (those undertaking long, regular, motorway journeys) the current hybrid/electric vehicles will result in higher CO, than non-hybrid/electric vehicles. We are committed to make rapid changes to our vehicle fleet, and to get ourselves ready to do so when we believe the technology enables us to and we have comprehensive insight and understanding. We are widening these trials in 2018 with 60 volunteer participants from across the business trialling hybrid cars and plans for hybrid commercial vehicle

FUTURE FOCUS 2018 - 2020

Our focus over the next three years is on:

2/ Incentivising our drivers to adopt as efficient as possible driving techniques.

3/ Put in place a process to be able to gather, track and report the data on our third-party haulage fleet for our heavy goods vehicles and vans.

in the Group.

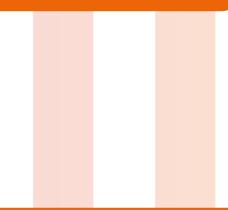
and fuel used.

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1/ Continuing to embed a new delivery model - into all of our retail businesses. Ensuring the most efficient deliveries for customers reducing our CO, emissions

4/ Investing in further electric car and commercial vehicle trials and rolling out an electric charging infrastructure across our key sites with the aim of having a network of more than 10 charging locations

5/ Investing in new commercial vehicles so our fleet is the most efficient it can be to operate our business.





of 48%.

use.

FOCUS 1

PROGRESS TOWARDS

ELIMINATING OUR WASTE

Our aim is to have zero waste going to landfill by 2020.

While we have continued to make progress towards

this goal. It is slower than we would like. In 2016 we reduced the waste we sent to landfill by 11%, in 2017 we

reduced this by a further 9% to a total of 8,481 tonnes.

Since 2010 our landfilled waste has reduced by a total

Our progress needs to happen at a quicker pace. In particular, this needs to happen in our PAM, ISOVER

and Celotex businesses who contribute the largest

share of this waste to landfill. We have developed plans in collaboration with these businesses to address

their key waste issues. We also need to make quicker

progress in tackling the issue of pallet waste and re-

To make quicker progress we need to address some of

the barriers of progress. This includes the prioritisation of waste projects compared to other environmental

projects and awareness and understanding of the value

To help us on our journey, in 2017 we invested in a

waste exchange tool to give colleagues operating in

Environmental and Operational roles an electronic

platform to share resources that are no longer needed

in their business with those in others. We also appointed

a new UK & Ireland Sustainable Resources and Waste Champion, Heidi Barnard and developed a roadmap for sustainable resources across our organisation.

of landfilled resources to the business.

FOCUS 2

CASE STUDY

WASTE SCORECARDS IN DISTRIBUTION BRANDS



In 2017, we implemented a new waste scorecard across 16 Distribution brands to highlight which businesses were performing well in terms of waste recovery and recycling. With an average recycling rate of 55% across these businesses a grading of A to E was assigned to each business based on recycling rates, tonnes of waste to landfill and the cost of landfill waste. These grades and each businesses performance was made visible on a monthly basis to encourage action and competition.

PASQUILL - RECYCLING ROUTES EXPANDED



In 2017, Pasquill, our Timber Truss manufacturing business significantly increased its recycling rate to 94%. This was done by introducing process design changes which reduced the volume of waste and by increasing the number of ways in which timber could be recycled. The business came up with new recycling avenues including turning waste timber into chipboard for future use, donated to local charities, re-processed into animal bedding and turned into fire kindling.

JEWSON RYTON BRANCH - RECYCLING TRANSFORMED

JEWSON

The Jewson branch in Ryton transformed its recycling performance in 2017 from 18% to 87%. This was achieved by installing dry mixed recycling bins, making waste and energy management a focus at team meetings and ensuring training was given on how using correct bins and recycling saves money which helps the branch. Inert and Wood recycling skips were also installed to ensure there was an easy route to recycle rather than using a general waste skip.



Key target: zero

2017 waste to

landfill down 9%

to 8,481 tonnes

2020

waste to landfill by

Over the last ten years we have worked with suppliers to reduce plastics packaging waste. Our performance in reducing waste to landfill, by 48% since 2010, has in part been as a result of reducing packaging waste.

In 2018 we will establish a small working group to focus on plastic packaging waste. The group will assess opportunities and specific projects that would support reducing plastics waste in our four big areas:

1/ Incoming products 2/ Use of stretch wrap 3/ Incoming raw materials 4/ Bags and buckets

In 2019 we will report more on our plans and progress made during 2018 in identifying projects, targets and actions in this important area.



FOCUS 1

FOCUS 2



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WATER: A KEY INGREDIENT IN OUR BUSINESS

Water is a key and finite natural resource and, in the most densely populated parts of the UK, water can be in short supply. Water forms an essential part of our manufacturing operations - as an ingredient in our Gypsum products and in our Pipes manufacturing process, where water is used in the cooling process. Our long-term aim is to reduce the amount of water we use and the amount we discharge by 80% (based on 2010 data). Therefore it is a priority for us to design our manufacturing processes to re-use water in a circular way.

We have not made any progress in our aim to decrease actual volumes of water used which increased by 5.5% to over 2.32 million m².

We know we have particular challenges in reducing the volume of water we actually use. We need to decouple growth in our business from continual increases in the water we use. We believe some of the key factors that affect our progress are: awareness of the importance of investing in water saving processes, prioritising investments in water initiatives over carbon reduction initiatives and challenges arising from the UK's water market reform. Our Saint-Gobain water policy for industrial sites and our Water Standard will guide how we prioritise future improvements and enables each site to methodically address gaps between operation / activities and our standards.

In 2017 our actions to improve our performance in terms of water use and discharge have included:

1/ Developing a water roadmap to support clear actions to achieving our long-term targets

 \bigcirc

2/ Undertaking a gap analysis for all of our businesses to understand where there are opportunities to improve our performance

in order to be able to re-use water in a circular way. Our Water Roadmap, developed in 2017, underpins our need to ensure our operations manage water efficiently, and without unnecessary waste.

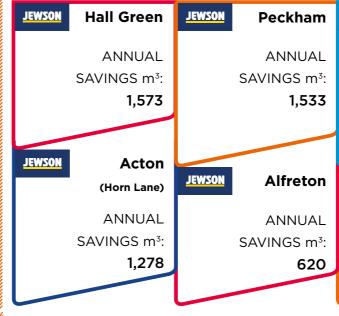


CASE STUDY

TRIAL SITE WATER AUDITS IN OUR RETAIL NETWORK:

Our 1,100 retail branches are a source of water use in their general operations, including the use of kitchens, toilets, and vehicle cleaning facilities. In 2017, eight high usage branches were selected to carry out initial water audits including inspecting all water using equipment, checking all pipework and metering and recommending actions to reduce water use. A range of issues were discovered including faulty toilet valves, urinal cisterns on constant flush/fill cycles and leaking taps. The below diagram shows the impact of these trials on water savings during 2017.

IMPACT OF TRIALS ON WATER SAVINGS DURING 2017:



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<u>JEWSON</u>	Croydon (Lower Addiscombe Rd)	<u>JEWSON</u>	Newbury (Hambridge Rd)
	ANNUAL SAVINGS m ³ :		ANNUAL SAVINGS m ³ : 1,927
JEWSON	712 Kings Norton	JEWSON	Battersea (Silverthorne Rd)
	ANNUAL SAVINGS m ³ : 734		ANNUAL SAVINGS m ³ : 1,398

FOCUS 3 CONNECTING WITH COMMUNITIES AND SUPPORTING THEIR ECONOMIC DEVELOPMENT

umary Supporting Partna EWSON

IN THIS SECTION

- 27/ MODERN SLAVERY OUR APPROACH AND ACTIONS
- TIMBER 28/
- 28/ BES 6001 THE STANDARD FOR SUSTAINABLY SOURCED CONSTRUCTION PRODUCTS
- **28/** CONSTRUCTION PRODUCTS
- 28/ PROVIDING DIRECT SUPPORT FOR ENTREPRENEURIAL LOCAL CONSTRUCTION BUSINESSES
- 29/ PROVIDING INMATES AT HIGHPOINT PRISON WITH SPECIALIST TRAINING
- 29/ SUPPORTING RECYCLING LIVES AND THE LONG-TERM UNEMPLOYED
- 29/ PARTNERING WITH BARNARDO'S TO PROVIDE HOMES AND SKILLS FOR CARE LEAVERS

Colleagues from across our business are encouraged to get involved with our national or local charities, or with local community groups o support their development.

Primary Supporting Partner

JEWSON



JEWSON



PERFORMANCE & KEY CHALLENGES

FOCUS 1 FOCUS 2



BEING A LONG-TERM PARTNER

We encourage our colleagues to get involved in communities. To join partnerships with schools, colleges and universities, to undertake local procurement, support our charity partner and local businesses. We are also focused on supporting entrepreneurs to develop their business and creating partnerships with others to develop construction skills as a route to providing much needed skilled jobs in our industry- a key focus for our business.

Wherever Saint-Gobain operates, we want to ensure that value creation is shared locally. We want to be considered a long-term partner for communities, a good neighbour. We also want to be a business known for being responsible and ethical – be that in our sourcing of products, our employment practices or through open dialogue with community groups or authorities.

OUR SUPPLY CHAIN - FUNDAMENTAL TO OUR RESPONSIBILITY

Our key challenge is the size and breadth of our supply chain - with 36 businesses and a mix of local, national and international suppliers.

KEY FACTS:



15,000

non goods for re-sale suppliers





- from **40**
 - countries

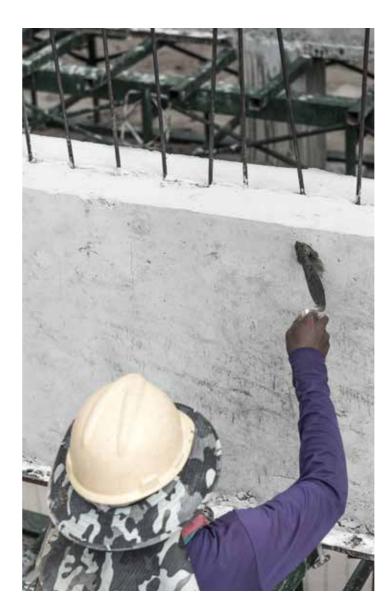
KNOWING OUR SOURCING HOTSPOTS AND ACTING

Having transparency of our supply is ever more important. In 2017 we developed a framework for a new Supplier Development Team to support our suppliers to develop and give us greater resource to focus on this important issue. In 2017 we focused on two key areas of supply where we believed we had risks that required action. These were: bulk bags for heavy building materials and MICA (a quarried or mined mineral that is a raw ingredient in our Gypsum activities). We have audited through the tiers of supply in relation to our supply of MICA and two suppliers of bulk bags. These audits, carried out by a thirdparty led to improved supplier performance, in terms of their health and safety, employment conditions and staff welfare.

MODERN SLAVERY -OUR APPROACH AND ACTIONS

Modern Slavery and the responsibility of our supply chain is an increasingly important area for us, and our stakeholders. We published our Modern Slavery Statement on our website. We are particularly focused on three areas: our industry, internal training and high risk areas.

In 2017 we worked with the charity **Stronger Together** whose aim is to reduce Modern Slavery, particularly hidden forced labour, labour trafficking and other hidden third party exploitation of workers. In 2017 we have supported the activity of the charity to develop tools, resources, best practices and training aids for businesses in the sector to understand the risks of modern slavery and how to work to understand and address supply chain risks.



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MORE READING...

Read our latest and archive of Modern Slavery Statements at **www.saint-gobain.co.uk/csr**



We have trained 90% of our HR & Purchasing teams in Modern Slavery and are focused on the categories within our supply chain we believe pose most risk: Cleaning and janitorial services, security, temporary labour and drivers and waste management in these four categories we have 900 UK & Ireland suppliers.



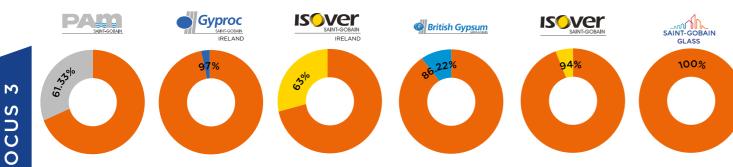
TIMBER

Our aim is for 100% of our timber to be sustainably sourced by 2020 – via an accredited scheme – PEFC or FSC. We continue to work with the WWF's Forest Trade Network, reporting annually on our timber sourcing as we have since 1998. In 2017 we retained the award of 'Three Trees' (3 out of 3) by the WWF for our sourcing of timber. Our approach is founded on assessing the species, source and certification of timber and having robust systems of due diligence regarding timber sources. In 2017 99% of timber was sourced responsibly under either PEFC or FSC accredited schemes.

BES 6001 - THE STANDARD FOR SUSTAINABLY SOURCED CONSTRUCTION PRODUCTS

The BRE standard BES 6001 guides manufacture of construction products such as Saint-Gobain in how to ensure and prove that products have been made with materials that have been responsibly sourced. Independent, third party assessments and certification means we can provide confidence to customers that we have an effective system for ensuring responsible sourcing. In 2017 a further business received certification under BES 6001 meaning five are now certified: Gyproc, British Gypsum, Isover, Saint-Gobain Glass and PAM.

Not all products are covered by the BES 6001 standard, some ranges from these brands are excluded. Below is an indication of the percentage of sales of these businesses that are covered by BES 6001. In 2018-2020 we plan to continue to encourage our businesses to pursue certification.



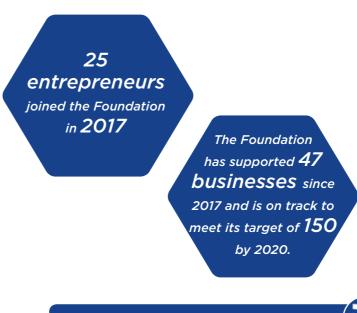


PROVIDING DIRECT SUPPORT FOR ENTREPRENEURIAL LOCAL CONSTRUCTION BUSINESSES

We continue to invest in supporting small local construction businesses and entrepreneurs via our Entrepreneurship Foundation launched in 2015. In 2017 we developed a new partnership with the Institute of Enterprise and Entrepreneurs (IOEE), to combine with our partnership with the Construction Industry Training Board to develop the programme for the Foundation. Those who join our Foundation, which is free to join and fully funded by Saint-Gobain now receive a years accredited business training and a Professional Diploma in Managing a Small Business from the IOEE. Additional benefits to those participating in the Foundation are:

1/ Mentoring

- 2/ Linking with a network of 18 Saint-Gobain businesses
- 3/ Modules in marketing, work / life balance, finance, customer service and many more
- 4/ A 2.5 days fully-funded residential training course
- 5/ Access to the full library of IOEE online courses.



MORE READING...

To read more about the Entrepreneurship Foundation visit: www.saint-gobain.co.uk/entrepreneurship-foundation



Accelerating business growth

Some of the 47 local entrepreneurs the Foundation has supported and helped develop

WITH SPECIALIST TRAINING

PROVIDING INMATES AT HIGHPOINT PRISON

In 2017 we deepened our working relationship with

MAC's plastering in their work with HMP Highpoint to

provide specialist training in dry lining to prisoners.

We supplied free of charge materials to the courses

and supported the running of the speciality training.

47% of UK prisoners have no qualifications, so these

programmes provide much needed training in

specialist skills that are in demand in the construction

opportunities for inmates on release. Two of the 2017

trainee inmates have secured roles in the industry

since release. In 2018 we will extend our involvement

in both HMP Highpoint and HMP Olney with

multiple intakes of prisoners and an evolved training

programme to provide those who have completed the training with a CSCS card to enable them to start

work on a construction site straight away.

helping to provide employment

FOCUS 2



Recycling Lives are Award-Winning Recyclers, and provide accommodation, education, training and work experience to homeless and long-term unemployed individuals, with the aim of helping them back into full-time work and finding them a place to call home. As a social enterprise we have developed our relationship with the charity since 2015 and are working more closely with them in supporting their work. From donating a fork lift truck in 2015 to support their FareShare Lancashire and Cumbria food distribution centre in 2017.

PARTNERING WITH BARNARDO'S - TO PROVIDE HOMES AND SKILLS FOR CARE LEAVERS

Our long-standing Together partnership continues to underpin our charity work. In 2017, following an employee vote, we launched a new partnership with Barnardo's. The aims of the partnership have been developed to underpin both organisations aims and

CASE STUDY

industry -

JP CORRY & BASSETTS - MAKING A DIFFERENCE IN THEIR LOCAL COMMUNITIES

Colleagues from Northern Ireland brands JP Corry and Bassetts believe there are enormous benefits of being active in their local community. Not just for charities, schools and voluntary organisations, but for their staff too. The benefits for staff have included fewer accidents, improved wellbeing of colleagues with fewer sick days, a reduction in staff turnover and an increase in productivity and engagement. Local schools have been welcomed into the business, colleagues have worked at a homeless shelter on the Falls Road in Belfast, volunteered at War on Want in Coleraine and supported 150 pupils in Belfast in 'Spaghetti Marshmallow Challenge' workshops, designed to get young people thinking about a STEM career in a creative way.

COMMUNITY DONATIONS:

In 2017 we donated a total of £606,811.44, an increase from £440,790 in 2016. We donated to more than 50 organisations and community groups during the year with our official charity partner Barnardo's being the largest recipient. Macmillan Cancer Support and CRASH the construction industry charity which focusses on homelessness and hospice care.

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focus on helping care leavers through: investing in training facilities to provide employment based skills and to develop high-performing homes for young care leavers to live in as a step towards independence. In 2017 colleagues across the UK, raised a total of £606,811.44, of which more than £220,000 was raised for Barnardo's helping to fully fund two homes in Paisley, Scotland and raise funds for a new training centre in Lewisham, South London. A £43,000 grant was also awarded from Saint-Gobain's Foundation, to the Lewisham training centre to develop the facilities.

www.saint-gobain.co.uk/markets/about-us/ corporate-social-responsibility/saint-gobaininitiatives-foundation/

MORE READING...

Read about our Building Better Communities Programme - which donates £250,000 to community programmes every year.



FOCUS 4 SUPPORTING AND DEVELOPING OUR PEOPLE

32/ COLLEAGUE EXPERIENCE MAPPING **34/** IT'S OK TO NOT BE OK

Dalston Lane development in London, is the world's largest building made with cross-laminated timber panels. An example of embracing new innovation and delivering quality housing quicker.



- **31/** CREATING A LEARNING CULTURE
- **31/** APPRENTICESHIP INFRASTRUCTURE
- **31/** HEALTH, WELLBEING AND RESILIENCE TRAINING
- 32/ ENGAGED COLLEAGUES AND A CULTURE OF CAREER CHANGE
- 32/ CREATING A DIVERSE AND INCLUSIVE ORGANISATION
- **33/** SAFETY & HEALTH A CORE VALUE BUSINESS-WIDE
- **34/** SUPPORTING COLLEAGUES TO IMPROVE THEIR HEALTH AND WELLBEING
- 35/ JP CORRY: A HEALTH AND WELLBEING CULTURE CASE STUDY
- 35/ WEBER HEALTH AGE CHALLENGE REAPS CHANGES CASE STUDY

STRATEGY OUR PILLARS

CREATING A LEARNING CULTURE

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2018

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2018

OVERVIEW OF OUR PERFORMANCE

knowledge, skills, and attitudes.

PERFORMANCE & KEY CHALLENGES

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We continue to be heavily focused on the ongoing development of colleagues in order to better serve our

customers, run our organisation more efficiently, innovate more and develop our products and services

and improve our manufacturing capability. This focus helped us to retain Top Employer status in 2017, a 5th

consecutive year in the UK and 2nd in Ireland. We aim to create a true learning and development culture -

where colleagues are supported to exceed their potential and know they will be supported to develop their

FOCUS 2 FOCUS 3

FOCUS 1

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FOCUS 4

Historically we have not made a significant impact on bringing apprentices into our business. Apprentice roles have been recruited within individual businesses, often focused on engineering roles. During 2017 we have put in place a new apprenticeship infrastructure, and built our understanding of how we can transform our approach to apprentices. This has been driven largely by the Apprenticeship Levy, which provides a £2 million opportunity of funding we can spend on creating apprenticeship development opportunities for colleagues new and existing. Our focus from 2018 - 20 will be to deliver more apprentices focusing on Engineering, Customer Services, General Management and Administration, Finance, HR & Merchanting - and higher levels of apprenticeship training.

HEALTH, WELLBEING AND RESILIENCE **TRAINING:**

In 2017 we rolled out our bespoke management training on health, wellbeing and resilience (Fit 2 Lead) into our senior team in our Building Distribution businesses. In total 32 colleagues undertook the four month programme. This population is now key to embedding health and wellbeing principles deeper into the culture of our business. This programme has begun to increase engagement with our Health Gateway, and we have seen a greater focus on active meetings, workstation assessments, hydration and an increased preparedness in how to deal with colleagues who may come forward with mental wellness issues. We know this programme has touched a small number so far. 2018-20 will see us roll this out deeper into the organisation - with an emphasis on the alumni of the programme championing change. Read more about some personal examples of how our Health Gateway has helped colleagues on their own personal journeys.



KEY CHALLENGES WE FACE: We do face challenges and risks in this area that we should acknowledge. In June 2017 we faced a cyber-attack which impacted access to digital training and happened in the middle of Learnfest - impacting also on its success. We know that to widen access to training we have to make training engaging, exciting, entertaining and keep up with digital technologies such as AR and VR. There is a risk of getting left behind unless we embrace these technological opportunities.





2017: WHAT DID WE DO?

In 2017 we have been focused on the following areas, where good progress has been made:

1/ Widening and increasing access to learning and development: - through the promotion of our digital training platform BOOST. We have made BOOST compatible with smart phones and we continue to promote new digital learning courses, including the Digital Passport - with editions 1 and 2 being launched in 2017. Digital learning now forms an important part of programmes of learning and development that blend digital with traditional learning techniques. This focus impacted on the amount of training our colleagues did in 2017.

For the first time in 2017 we had a two-week long focus on learning - Learnfest. Colleagues were encouraged to learn a new skill and share their experience with others - no matter what they chose to learn. From new languages to sports, DIY skills, to life-saving skills - colleagues shared their plans. We will be continuing this annual 'FEST' into 2018.

le plan to ransform our approach to apprenticeships through our **£2M** Apprenticeship funding pot

We also found that in pursuing our apprenticeship work the speed of adoption of apprenticeship frameworks and protocols by Government was slower than we thought. This, together with changing the perceptions of apprenticeships in our business - so they are the first thing people think of it terms of career development - remain risks to our progress in the next two years.

OVERVIEW - OUR FUTURE FOCUS 2018 - 2020

Further roll-out of our health and wellbeing development programme - into our Construction Products businesses in 2018

Deliver apprenticeship programmes in priority areas – developing the next level of Level 5 & 6 apprenticeships

Improve our capability in digital learning - to enable new digital learning techniques to be developed

FOCUS 1

STRATEGY PERFORMANCE & KEY CHALLENGES FOCUS 2 athrooms | showers | tile ay - Friday 10am to 6pm 10am to 5pm 1pm to 5pm 66 8655 nline.com 93% of our businesses had an employee engagement score greater than 75%. (15 businesses who undertook surveys in 2017)

ENGAGED COLLEAGUES AND A CULTURE OF **CAREER CHANGE**

Colleagues happy and fulfilled in their roles in Saint-Gobain are more productive, make better decisions and serve our customers and communities better. We encourage the personal development of all colleagues and promote a culture of continual learning. We measure feedback on working in our companies through regular employee surveys; these detailed surveys provide insight into how we can improve our workplaces - and understand the key issues we should focus on to do that. We report in this Review on the number of businesses who undertook a survey in 2017 and have a target to have zero businesses with an employee engagement score of less than 75%. In 2017 only 1 of the 15 who undertook surveys had a score of less than 75%.

COLLEAGUE EXPERIENCE MAPPING

Our goal in Saint-Gobain is to encourage colleague mobility around our business and provide hiring managers with a great pool of internal candidates for roles. We've continued to show strong performance in this area with 2,016 colleagues moving jobs in 2017 - either to a new business / function, gaining promotion or making a step change in their careers. This is a steady increase from 2016 when 1,986 of our colleagues experienced the same mobility.

In 2017, we mapped the journeys of those who had moved internally to understand what the experience was like for them - and where opportunities were to improve the experience. We developed a new mobility framework, guidance for 'incoming' and 'outgoing' line managers and HR professionals to follow. This guidance, is especially critical for the line manager who has a particular impact on our colleague's experience. We have also made additional changes such as introducing a new IT policy (IT being critical in the journey for colleagues), a dedicated case worker and a benefit comparison tool.

Read or listen to interviews with four colleagues who've recently moved roles visit: www.saint-gobain.co.uk/csr



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Craig Dodsworth



Rosie Carr E-commerce Trading Manager, Saint-Gobain



Emma Swaffe Territory Sales Manager, Saint-Gobain Abrasives



Process Improvement Engineer, Formula

CREATING A DIVERSE AND INCLUSIVE ORGANISATION

We aim to be recognised as an open and engaging organisation where difference is valued, people are able to be their best and collaboration is fostered to benefit ourselves, our customers and our communities.

In 2017 we established a cross-brand, cross-function Steering Group who worked to develop a clear and detailed roadmap of our priorities based on four key areas: Leadership, Career Progress, Attracting the Best and the Employee Journey. We know we have a lot of work to do across these areas to achieve our aim and will be focusing in 2018 on developing detailed action plans, and raising awareness with all colleagues to explain why it is important to our business and to help us achieve our goals in terms of being a diverse and inclusive organisation.

CREATING A GENDER **DIVERSE BUSINESS**

FOCUS 4

FOCUS 3

CHALLENGES:

We face particular challenges in terms of creating a gender diverse business - where there is an underrepresentation of women, particularly within senior roles. While we have made progress with 63% of our businesses now having female senior leadership team members and a number of our businesses having more than one senior female leader. This continues to be an important area of focus for us. Alongside this challenge, we see differences in the work done by a majority of women compared to work done by a majority of men across many of our businesses and challenges in recruiting a diverse talent pool into our business. Like other businesses we need to help change people's perceptions of our industry and highlighting the great career opportunities available are key challenges.

SUCCESS:

Our involvement with BITC Business Class, STEMnet and the SPRINT programme at Warwick University, are ways in which we hope to break down stereotypes. We have made good progress in recruiting talented individuals from a diverse range of backgrounds into entry-level schemes, including apprenticeships, graduates and management development programmes (the most recent intake of Management Trainees in Jewson comprised 46% women and 54% men). We are also pleased with feedback from colleagues through our annual workplace surveys. Specifically the positive results we have received in areas such as: work-life balance, the company's support for flexible working and its care for colleagues' health and wellbeing. In these areas colleagues recognise the positive progress being made in entities such as Saint-Gobain Limited where 91% of colleagues recognise improvements in flexible working in 2017 versus 72% in 2012.

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We have been successful in bringing new talent into the business with a wide range of graduates joining our businesses - into marketing, sales and operational roles.

THE BOTTOM LINE

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Good health and safety is good business. Healthy and safe workplaces, designed to protect and promote safety, health and wellbeing, are key to preventing illness and injury arising in the first place. Good health and safety improves an individual's quality of life and work experience and can add value to our organisation by increasing motivation and therefore reducing the costs of absence or poor performance. This approach is a differentiator for our businesses, and adds value to customers who we know want to work with an organisation that is committed to health, safety and wellbeing.

OUR VISION

No one should be harmed when working or coming into contact with our operations. We care about each other, our suppliers, our customers and the communities in which we do business.

SAFETY & HEALTH - A CORE VALUE BUSINESS-WIDE

Saint-Gobain businesses adopt a holistic approach to managing health and safety risk through our 'EHS2025' roadmap. We continuously evolve the direction we take to balance between compliance with systems and the behavioural opportunities that exist through promoting engagement, leadership and skills to help deliver a world class health and safety culture.

Our vision is set out in our EHS2025 roadmap. At the centre of our approach is the belief that 'no one should be harmed when working or coming into contact with our operations' proving that 'We care about each other, our suppliers, our customers and the communities in which we do business.' We have established a series of lagging and leading indicators to support EHS2025 that enable us to measure and improve our performance by implementing a range of solutions in the short, medium and longer term.

OUR JOURNEY SO FAR

Over the long term, we have made considerable progress in reducing accidents in our business. In 2010 our lost time indicator (TF1) was double our current rate and our total recordable incident rate (TF2) was: 13.59 - nearly five times higher than in 2017. As our safety culture has matured our rate of incident reduction has decreased, therefore our focus, in 2017, has been on raising awareness of the importance of having positive personal conversations with colleagues. These conversations focus on individual's attitudes, behaviours and risks related to health and safety in their workplace - these positive conversations will help to further embed our culture. We have also prioritised communication, the development and skills of colleagues with safety leadership or responsibilities and on the further planning for how we will deliver our goals embodied in our EHS2025 Roadmap which sets out our ultimate aim of do no harm.

TF1: Measures the number of safety incidents occurring which resulted in a colleague not being able to attend work the following day per million man hours.

TF2: Measures the total number of safety incidents occurring per million man hours.

33/ SAINT-GOBAIN CSR 2018



2017 SAFETY PERFORMANCE

In 2017 our TF1 rate reduced from 1.72 in 2016 to 1.47. This was a good safety performance and continues our long term trend of reducing safety incidents. Our TF2 rate remained stable in 2017 compared to 2016 at 2.82. While we are pleased with this performance we know we must never lose sight of the fact that underlying these statistics are more than 90 colleagues who suffered a TF1 or TF2 in 2017. Our key risks remain those related to moving vehicles on site – particularly fork lift trucks – together with accidents occurring related to slips, trips and falls.

MORE READING...

Our EHS2025 roadmap and strategy can be viewed on our website in full at: www.saint-gobain.co.uk/news/literature-industry-reports

SUPPORTING COLLEAGUES TO IMPROVE THEIR HEALTH AND WELLBEING

OVERVIEW OF OUR PERFORMANCE:

We are committed to protecting and improving the long-term physical and mental health and wellbeing of our employees. Like all progressive employers we want to see our colleagues enjoy long, varied and challenging careers, reach their full potential and help them to be productive. Healthy and engaged colleagues deliver great service to customers, build stronger teams, make better decisions in meeting customers' needs and will help us deliver our innovation and digital strategies.

In 2017 we continued to focus on promoting health and wellbeing across the organisation, invested in more training to develop leadership teams with the knowledge and skills to help colleagues improve their health and wellbeing. We continue to focus on our dedicated health and wellbeing digital platform 'Fit4Life/Fit4Work'. This platform has helped us reduce the health age of our organisation, specific organisational health risks and understand better the wellbeing issues our colleagues face.

2017: WHAT DID WE DO?

REDUCE COLLEAGUE'S RISKS

We continued to focus on the data from our Fit4Life/ Fit4Work gateway provided us on the health and wellbeing our colleagues had self-declared. This provides us with insight into how we can best support colleagues and reduce the risks our colleagues are experiencing. The gateway also provides us with clear evidence of the impact our ongoing work has in our business ultimately will benefit our stakeholders. In 2017 we have reduced the risks in two of the three most important areas: Physiological risks (down a further 0.2% - a 15.3% reduction since 2015) and Alcohol Consumption (down a further 7.1% - a 17.5% since 2015). The third risk, diet, did not reduce further and changed from a total 11.5% reduction in 2016 to a 10.8% reduction since 2015. Across a range of 14 health risk categories our programme has seen reductions to risk in all categories.

MORE READING...

Read about our Fit2Lead development programme in the above section on 'A learning and development culture'

9

CREATE A YOUNGER ORGANISATION

We continue to promote health age calculations across the business. These online assessments allow colleagues to assess their health age and compare this to their actual age – based on a range of selfdeclared lifestyle questions. Colleagues are then able to understand, and make different lifestyle decisions and see the improvement, over time, in their health age. Our initial target, set in 2016, to reduce the health age of our organisation by 2020 years, by 2020 has been exceeded. In 2017 colleagues had reduced their health age by 2,788 years – a change from 1,360 years in 2016. We have stretched our 2020 target to 4040 as a result of this success.

ENGAGE MORE COLLEAGUES IN HEALTH AND WELLBEING

We want colleagues to take care of themselves and their wellbeing. Access to and engagement with our health and wellbeing gateway is key to this. During 2017 we have focused on promoting the benefits of the gateway and enabling easier access for colleagues – at home or work. Our 2020 target is to see 10,000 colleagues actively engaged in our gateway - in 2017 we continued to make good progress towards this – with 7,815 colleagues engaged versus 6,123 in 2016.

PERFORMANCE OVERVIEW:

Colleagues' health age reduced by 2,788 years – **105% increase** from 2016.

2/

3/

1/

27.6% increase in number of colleagues engaged in health & wellbeing platform.

14 / 14 organisational health and wellbeing risks reduced – average reduction 7% since 2015.

CASE STUDY

FIT 4

FOCUS 4

IT'S OK TO NOT BE OK:

In 2017 we ran two pilots of a new learning and development programme based on 'It's ok to not be ok'. The aim of the programme was to focus on mental health awareness for managers. The development programme, which was held with two groups of 30 Managing Directors and Operational Managers across our businesses, was designed to help them identify signs of colleagues who may be suffering from mental health issues. To prepare them for sympathetic conversations about mental health issues and to ensure they are confident in signposting colleagues to the support and services available to help them. The pilots gathered feedback on how to improve the programme which is being rolledout to front line managers in 2018.

RACHAEL LILLEY MY PERSONAL STORY:

work in the Property department at Saint-Gobain based in Brighouse. Our department decided to use the Health Gateway to do individual health assessments. It was frightening - particularly the results of my blood pressure, cholesterol and I knew my weight would be an issue. Over the course of the last year, following our assessments I've lost 4st 6lbs. Everyone comments that I'm totally different now to what I was. When I was larger I was just really unhappy - and I think that comes across at work as I was probably not giving everything that I could have. My health needed addressing and I'm so glad that I was provided with the opportunity to help me. It's made such a difference to my life - I'm happier, more confident and can do so much more than I could before. The gateway helps me keep on track on eating habits, exercise and suggests things, even just little things that when added up can make a big difference. I love it and I tell all my colleagues to give it a go and take control of their health.



OUR PILLARS

PERFORMANCE & KEY CHALLENGES

FOCUS 1 FOCUS 2





Neil Lawrence, Managing Director, Gibbs & Dandy



CASE STUDY JP CORRY: A HEALTH AND WELLBEING CULTURE

WEBER - HEALTH AGE CHALLENGE REAPS CHANGES:

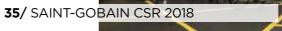
OUR FUTURE FOCUS: 2018 - 2020

3/ Promote organisational health and wellbeing success stories to inspire colleagues

4/ Make our organisation 4040 years younger to help colleagues be fit for the future

4

FOCUS



In 2017 JP Corry developed its Health and Wellbeing framework designed to transform the culture in its business of 17 branches of builder's merchants in Northern Ireland. It aims to create a healthy, safe work and learning environment which brings positive benefits to employees, their families as well as the business, the broader community and its customers. They focused on how to create a healthy, active and positive workforce by providing improved health awareness and knowledge, and a healthier workplace culture.

In 2017 the Weber management team underwent a programme of team development focused on health and wellbeing - as part of our Fit2Lead programme. The impact of this programme was the roll-out of a health and wellbeing programme in Weber - with the aim of encouraging colleagues to assess their health age and, ultimately adopt healthier lifestyles. By the end of the 2017 programme colleagues in the Weber business had reduced their health age by a collective of 146 years! The winner of the health age competition, Emma Conniff reduced her health age by 13 years. Other colleagues Mark Owens and Louise Williams reduced theirs by 12 years each and a colleague, Katy Prutton discovered an undiagnosed heart condition as a result of her voluntary assessment.

1/ Rolling-out our 'It's ok to not be ok' mental health awareness and development programme

2/ Provide greater access to health and wellbeing gateway - via a new integrated colleague mobile APP

THE DETAIL

1

Head I

For those who would like to know the detail. We've included full details of our targets and indicators below. This shows our performance trends and any information you need to know about the scope of the data.

	TITLE	OUR TARGETS AND INDICATORS	2017	2016	2015	TARGET DATE	
	1.1 Multi Comfort Buildings	New build and renovation reference exemplars developed in residential and non-residential sectors	N/A	1 complete 2 in planning	2 under way	2020	
	1.2 Sustainable construction leader	To have a 55%+ score for 'leadership in sustainable construction by 2020	48%	35%	35%	2025	
		Sustainable Leadership: Data is recorded every three years via interviews with 900 external stakeholders. In 2017 900 interviews were undertaken as part of our brand journey.					
	1.3 Customer training in sustainable buildings	Annual progress	30,745	20,130	N/A	2020	
		Aggregate accumulated hours training delivered since 2013	111,188	80,443	N/A	2020	
	Training: We have decided to re-base this indicator to include only customers trained by our business. Previously published data included some training of internal colleagues. Data for all years is now reformulated to include only customers.						
	1.4 Construction apprentices and student training	To have delivered 250,000 hours (aggregate) of customer training between 2013-2020				2020	
		To have trained 4,000 students / apprentices each year via Thistle College Partnership	4,655	4,727	3,800	2020	
	1.5 Circular Economy	% of recycled content in Saint-Gobain UK & Ireland Manufactured product [Scope: Only Saint-Gobain UK & Ireland Construction Products Manufactured Product]	For detailed data on this indicator, see pages 17				
¢		Services provided to customers for C&D waste streams (tonnes).	For detailed data on this indicator, see pages 17				
	2.1 Environmental management systems	100% of sites ISO 14001 certified					
1		Concerned sites	100%	100%	97.7%		
Y		Retail sites	73%	73%			

TITLE	OUR TARGETS AND INDICATORS	2017	2016	2015	TARGET DA		
2.2 Raw Materials	To supply 100% responsibly timber by 2020	99%	99.3%	98%	2020		
	FSC certified	71%	64.2%	66%	N/A		
	PEFC / controlled wood sources	28%	35.1%	32%	N/A		
	Due diligence, legally verified	1%	0.8%	1%	N/A		
	Reclaimed / recycled	0%	0%	0%	N/A		
	Limited knowledge	0%	0%	0%	N/A		
2.3 Waste	To have zero production waste going to landfill by 2020				2020		
	Total landfill (tonnes)* (Scope: Concerned sites only)	8,481	9.319	10,493	2020		
2.4 Water	To reduce water use by 15% (2010 baseline)	+33.97%	N/A	N/A	N/A		
	Total water withdrawn (excl mines) (m3)* (Scope: Concerned sites only)	2,328,166	2,197,700	2,119,796	N/A		
	Total water discharged (m3)* (Scope: Concerned sites only)	935,300	949,799	947,954	2025		
	The water we discharge is all discharged within our existing site permits and licenses.						
2.5 Energy & Carbon	A total reduction in energy use of 15% by 2025 [Based o	on 2010 ISO Production]			2025		
	Total energy use (MWh) [Note: An important scope change took place in 2016. See note for an explanation.]	2,468,172	2,345,999	2,193,979	2025		
	Total energy use: In 2016 there was a change of scope for total consu SGBD UK scope and accounted for approx 20,000 MWh additional ga		A {internal Saint-G	obain system} dat	a. This changed the		
	Electricity consumption (MWh)	420,042	418,795	381633	2025		
	To have 80% renewable electricity sources by 2030 [Sco	ope: LIK only]			2030		
		per or only]			2030		
	Conventional grid	5.8%	7.7%	35%	N/A		
	Renewable energy	94.2%	92.3%	65%	N/A		
	To reduce our CO2 emissions by 20% by 2025 (2010 bas	seline)		N/A	2025		
	Scope 1 direct: Emissions from concerned sites and SGBD sites (Tonnes CO ₂)	376,561	354,013	346,251	2025		
	Scope 1: SGBD Car and Commercial fleet (Tonnes)	67,183	70,377	66,500 ¹	2025		
	Scope 2 indirect: Purchased electricity [tonnes]				N/A		
	Location based [Tonnes CO2]	149,186	172,835	180,330	N/A		
	Location based emissions: The location based emissions redefined by the grid.	the Carbon Disclosure Project. These are	the emissions had v	we purchased our	electricity directly fr		
	Market based [Tonnes CO2] [NB: This figure represents our 2016 indirect purchased electricity.	10,137	13,560	N/A	N/A		
	Market based emissions: The market based emissions are defined by the Carbon Disclosure Project. These are the actual emissions from the generators from who we did purchase electricity in the period. This figure represents our actual scope 2 indirect purchased electricity emissions.						
	Scope 3 emissions: 2015 was a baseline for the data on Scope 3 emissi Proportion of energy covered by ISO50001 certifications	ions. 82.4%	78.76%	N/A	N/A		
	Scope 3: SGBD UK & Ireland	N/A	N/A	N/A	N/A		
	SGBD UK & Ireland: This refers to all businesses that comprise our Bui Jewson, Gibbs & Dandy, Graham the Plumbers Merchant etc.]	ilding Distribution Sector and distribute ge	neral or specialist p				
2.6 Environmental	To have zero EVE 1 by 2020 / To have zero EVE 2 by 2025						
	EVE 1	0	2	0	2020		
	EVE 2	48	61	58	2025		
events		48 68.57					
	EVE 2	68.57	95.7	N/A	N/A		
	EVE 2 T2E (YTD) [Scope: 12 month rolling figure] T2E indicator: Saint-Gobain Group now uses the T2E measure for report	68.57	95.7	N/A	N/A		

EVE

· Formal demand for action by the authorities or a statutory proceeding that requires

Action by the plant or business.
 Environmental impact outside the activity areas of the site that requires the deployment of an existing emergency plan or that causes a major* pollution or contamination.

Scope 1 emissions are the greenhouse gases produced directly from sources that are owned or controlled by your company – for example, from the combustion of fuel in boilers and furnaces.

Statutory nonconformity requiring a declaration to the authorities.
 Environmental impact outside the activity areas of the site that does not require

the deployment of an existing emergency plan and that does not cause major* pollution or contamination

Scope 2 emissions are the indirect greenhouse gases resulting from the generation of electricity, heating and cooling, and steam off site but purchased by the entity.

	TITLE	OUR TARGETS AND INDICATORS	2017	2016	2015	TARGET DATE	
	3.1 Top employer	Top employer recognition					
		To have 0 businesses with an employee engagement score <75	YES 1/15	YES 3/8	YES 2/15	2020 2020	
		Employee engagement: The figures presented represent the number of l	businesses who undertook employ	vee engagement survevs	in that calendar vear.		
		To have an absence rate of <2% by 2020	1.9%	1.88%	2.12%	2020	
	3.2 Diversity	Gender diversity				2020	
	3.2 Diversity	Gender pay: In 2018 we will publish further details regarding gender b.	acad any				
		Management male	83.4%	84.6%	85%	2020	
		Management female - Target: To have 25% female management by 2025	16.6%	15.4%	15%	2025	
		Non management male	81.7%	81.9%	82%	N/A	
		Non management female	18.3%	18.1%	18%	N/A	
		Employees under 26	9%	9.24%	11%	N/A	
		Employees over 50+	35.3%	34.9%	N/A	N/A	
		Employees recruited during the year 50+	13.8%	14.1%	N/A	N/A	
		Number of employees working beyond normal retirement age	331 (1.8%)	1032 (615 FTE)	N/A	N/A	
		BITC Diversity Index: We did not participate in 2016. We will again in 2018 following the launch of our Strategic Development Diversity Roadmap					
	3.3 Safety	Zero lost time injury rate (TF1)	1.47	1.72	1.51	2020	
		Zero lost time injury rate (TF2)	2.82	2.86	2.95	2020	
	3.4 Wellbeing	To have reduced our top three organisational health risks by 2020 - NEW TARGET For full details related to our performance in this area please visit our performance data hub at: www.saint-gobain.co.uk/CSR 2020					
		Reduce the health age (fitness) of our organisation by 4040 years	2,788	1,360	N/A	2020	
		In 2017 we beat our 2020 target to make our organisation 2020 years	s younger b 2020. We have now	increased our target to	0 4040 by 2020		
		10,000 employees actively engaging with the Employee Health and Wellbeing online portal	7,815	6,123	4,295	2020	
	3.5 Training and career development	Employees undertaking training during the year	16,550	18,548	8,132	N/A	
		Employees undertaking training: During 2016 we have seen significan Total training hours of all employees	t growth of digital training for co 157,181	145,227.9	155,264	N/A	
		Average training hours per employee					
			9.49	7.83	9.19	N/A	
		Total career moves	2,016	1987 (NEW SCOPE)	306	N/A	
		Total career moves: This includes a new scope for the 2016 data taking account of Functional mobility, Cross business mobility, Promotions and Step Progressions					
~		To have at least 6 university partnerships in key business areas by 2020	8	8	10	2020	
X		University partnerships: We have partnerships with the following unive Cranfield, Birmingham City and Exeter (Camborne School of Mines)	ersities based on key skill areas:	Warwick, DMU, Loughb	orough University, Leed	ls University,	
S	3.6 Academic Partnerships	An active community partnership with schools or colleges in each brand.	6	6	7	2020	
	4.1 Supply chain	Number of BES 6001 Responsible Sourcing Certifications	5	4	3	N/A	
	The five businesses with	five businesses with BES 6001 Responsible Sourcing Certification are: Gyproc , British Gypsum, Isover, Saint-Gobain Glass, Saint-Gobain, PAM.					
	4.2 Entrepreneurship Foundation	To directly support 150 SMEs by 2020 (period 2015 - 2020)	25 (CULMATIVE 47)	0	22	2020	
孠	4.3 Charity and community	Total charitable donations	£606,811.44	£441,790.68	£597,627	N/A	

Data is based on ISO-Production. This means results are published using comparable production consumption and are recalculated based on 2013 production. We term this ISO-Production

Modern Slavery Act: saint-gobain.co.uk/csr/ modern-slavery-act/

policies/

FOCUS ON ANTI-BRIBERY AND COMPLIANCE TRAINING THROUGH PROGRAMS SUCH ADHERE, COMPLY AND ACT

Saint-Gobain has a strong culture of compliance - we build on this regularly through inductions of new employees, which focus on anti-bribery and compliance training through programs such Adhere, Comply and Act. We publish an annual statement relating to our approach to the Modern Slavery Act and a range of other policies on our website including related to Timber purchasing, EHS, Health and Wellbeing and working with suppliers. In 2017 we also had a Compliance Day on the 10th October which involved all employees and focused on: bribery, corruption, modern slavery, embargoes and competition law.

Policies: saint-gobain.co.uk/news/saint-gobain-



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