



SAINT-GOBAIN IN
THE UK AND IRELAND
**PUTTING OUR
SUSTAINABILITY
COMMITMENTS
INTO PRACTICE**

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MESSAGE FROM THE GENERAL DELEGATE



The age of thinking passively about sustainability has passed.

The business leaders of today are actively seeking more responsible ways of carrying out their operations, and encouraging customers to think sustainably too. "Eco-buildings" are no longer seen as a futuristic concept, solar panels and energy-efficient lighting are becoming commonplace and initiatives such as the Green Deal and Passive House are gaining momentum.

At Saint-Gobain, we have long been preparing for this new era of sustainable construction. On the following pages we review some of the progress we have made during 2011 across our businesses in the UK and Ireland. We also introduce our new sustainability roadmap, which will become an important framework for how we create a more sustainable future. It is no small ambition, but the leadership team recognises there is no alternative – either for building a clear competitive advantage in this area, or in adhering to ever more demanding regulation.

Our main market – the habitat and construction industry – is an area with critical sustainable development challenges. Providing homes and buildings that are energy efficient, healthy and comfortable fulfils an essential need. Saint-Gobain's habitat strategy – which embraces energy-saving innovation and environment protection – is just one of the many ways in which we are ensuring we can respond to our stakeholders' needs and offer market-leading solutions.

We must also continue to be irreproachable in the way we operate. There is currently a huge amount of work taking place across our businesses on programmes to reduce waste, increase the sustainability of our transport fleet, and use less and greener energy. As a diversified company, it is important that we cultivate the skills and knowledge needed to create an organisation that can meet the challenges of sustainable development. This means attracting and retaining a diverse and innovative workforce that is empowered to integrate social, economic and environmental issues in the way they do business.

In short, we are focused on putting our sustainability commitments into practice.



Peter Hindle MBE
General Delegate
for Saint-Gobain in the
UK, Ireland & South Africa



Saint Gobain is proud to be a Gold Leaf member of the UK Green Building Council (UK-GBC). It demonstrates our commitment to the UK-GBC and our desire to play a clear and leading role in the campaign for a sustainable built environment.

RESOURCES

OUR BUSINESS AT A GLANCE

OPERATIONS

MARKETPLACE

As a world leader in the habitat and construction markets, we design, manufacture and distribute building materials, providing innovative solutions to meet growing demand for energy efficiency and environmental protection.

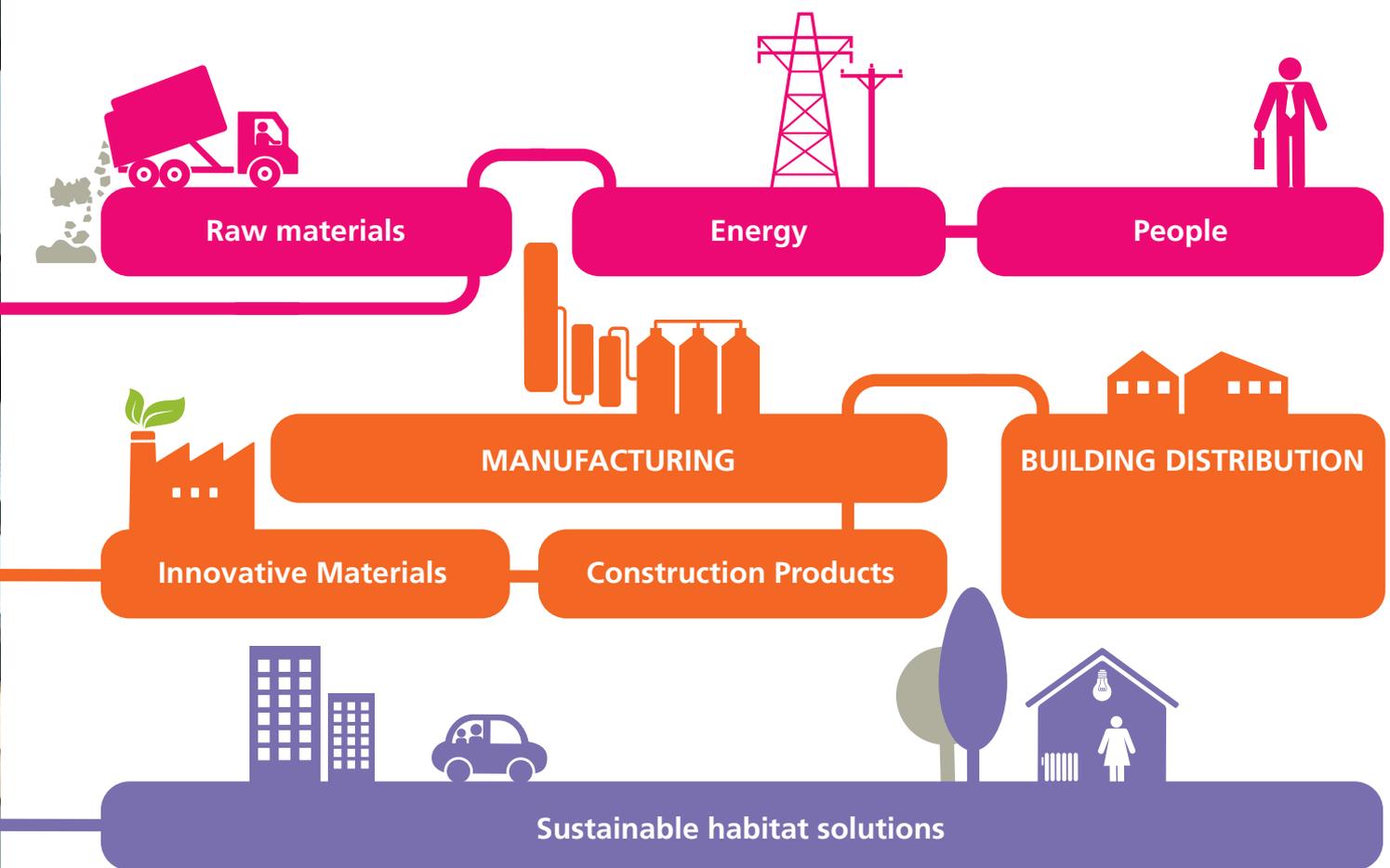
Our operations in the UK and Ireland are divided into three sectors:

The **CONSTRUCTION PRODUCTS** Sector offers insulation products, wall facings, roofing products, piping and interior and exterior building solutions that deliver a wide range of thermal and acoustic benefits. The main brands in the UK and Ireland include British Gypsum, Gyproc, Ecophon, Isover, PAM and Weber.

Our **INNOVATIVE MATERIALS** Sector, comprising Flat Glass and High-Performance Materials, spearheads Saint-Gobain's advance into new technologies and embodies our innovation-oriented culture. The main brands in the UK and Ireland include Rencol, Saint-Gobain Abrasives, Saint-Gobain Glass, Saint-Gobain Performance Plastics and Glassolutions.

Our **BUILDING DISTRIBUTION** Sector includes general and specialist merchants and gives customers access to over 400,000 products and precisely tailored logistics. The main brands in the UK and Ireland include Jewson, Graham, International Timber, International Decorative Surfaces, Minster, CTD, Pasquill, Gibbs & Dandy, JP Corry and Greenworks.

Heslington East campus development, York University



RESOURCES

Our businesses use a wide range of natural resources including water, timber, glass, gypsum and cast iron. Obtaining and using natural resources can involve social and environmental impacts, which it is our responsibility to manage and minimise. We can achieve this by making our processes more efficient, using more recycled materials, developing new and innovative materials that have less impact and, where there is no viable alternative, extracting or sourcing raw materials in a more responsible way. **ENVIRONMENT p12**

Some of our businesses rely on energy-intensive industrial processes, making us a relatively large user of energy. Our approach to energy use is centred on reducing our total consumption, 'greening' the energy we use and 'buying better' through longer-term Power Purchase Agreements. **ECONOMIC p18**

Where we do not extract or source materials directly, we rely on an extensive supply chain. We exert our influence to encourage our supply chain to meet the same social, environmental and economic standards. **ECONOMIC p18**

Our most valuable resource is our people. In the UK and Ireland we employ more than 17,000 people, and recognise that we must strive to have a positive impact on the lives of current, past and future employees **SOCIAL p24**

OPERATIONS

Saint-Gobain is perhaps unique in having such a diverse range of operations and businesses. The ways in which these businesses can develop more sustainably are equally diverse.

Some of our manufacturing businesses (Construction Products and Innovative Materials Sectors) operate manufacturing plants, which have the potential to create significant negative environmental impacts. Our Building Distribution Sector relies on a nationwide network of vehicles and sales outlets, which inevitably consume fuel and add traffic to the roads. **ENVIRONMENT p12**

The fact that we have design, manufacturing, distribution and sales outlets means that we are ideally placed to understand and reduce the life cycle impacts of our products and solutions. **ECONOMIC p18**

Many of our operations involve hazardous processes, meaning that the health and safety of our employees must always be of paramount importance. **SOCIAL p24**

In the UK and Ireland we operate from over 1,000 sites, giving us the ability to have a positive impact on many local communities. **SOCIAL p24**

MARKETPLACE

Our manufacturing businesses provide the building materials that are used in construction projects across the country. We can facilitate sustainable construction by providing innovative solutions to meet growing demand for energy efficiency and for environmental protection. **ECONOMIC p18**

Our Building Distribution business works closely with customers, ranging from contractors and house-builders to tradespeople and self-builders, to provide advice, support and solutions to create more sustainable buildings. It has the ability to influence the extent to which a range of buildings incorporate new technologies and solutions. **ECONOMIC p18**

As we move towards tighter building standards, our businesses also play a key role in helping contractors embrace new techniques and materials, helping train the construction professionals of tomorrow with the skills they require to deliver sustainable buildings. **ECONOMIC p18**



OUR SUSTAINABLE DEVELOPMENT STRATEGY

Sustainable development is an integral part of our business. Our approach is shaped by the expectations placed upon us by different stakeholder groups in relation to the sustainable development issues that face our businesses at global and local levels.



ECONOMIC GROWTH

A SOLUTIONS PROVIDER THAT...

...contributes to customers' performance,

A RESPONSIBLE BUSINESS ACTOR THAT...

...invests locally,

A SOCIO-ECONOMIC STAKEHOLDER THAT...

...contributes to global economic growth,

In line with the Saint-Gobain Group level approach, this means we are committed to being:

- A solutions provider that contributes to its customers' business performance, helps to improve the environment and enhances users' comfort and well-being;
- A responsible business actor that invests locally, designs, manufactures and distributes in an environmentally respectful way, and takes care of its employees;
- A socio-economic stakeholder that contributes to global economic growth, is committed to meeting the major environmental challenges of its time and takes on today's social challenges.



ENVIRONMENTAL CHALLENGES

...helps to improve the environment,

...designs, manufactures and distributes in respect of the environment,

...is committed to the major environmental challenges,



SOCIAL COMMITMENT

...enhances users' comfort and well-being.

...takes care of its employees.

...takes on social challenges.

OUR SUSTAINABLE DEVELOPMENT STRATEGY

Underpinning our sustainable development strategy is a set of values that inform our daily actions. These values are embodied in our shared Principles of Conduct and Action, which all our employees are expected to follow as members of our corporate community.

5 principles of conduct:

- professional commitment;
- respect for others;
- integrity;
- loyalty;
- solidarity.

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

4 principles of action:

- respect for the law;
- caring for the environment;
- worker health and safety;
- employee rights that guide the actions of all corporate leaders and employees in the performance of their duties.

A global Sustainable Habitat Mission, set up in October 2010, accompanies the implementation of the Group's Sustainable Habitat strategy. Its three priorities are developing policies for:

As a Group, we have set ourselves the ambitious goal of becoming the reference in sustainable habitat and construction solutions. This means developing products and services that make buildings more energy efficient and environmentally friendly, while providing even greater comfort and quality of life. It also means walking the talk in the business, environmental, social and societal aspects of sustainable development.

In practice, Saint-Gobain's ambition can be broken down into six clear objectives:



- INCREASE** the portion of our sales generated by energy-saving, environmentally sound solutions to 38% in 2015 from 33% at present
- CONTINUE** to reduce the environmental footprint of our sites and to deploy cross-functional policies on water use, forests, biodiversity, eco-design and waste management
- FURTHER** enhance safety and the integration of health and industrial hygiene across the value chain
- PROMOTE** openness and diversity, social dialogue and professional development, in the area of human resources
- ADOPT** a responsible approach while doing business and develop local territories
- IMPLEMENT** societal programmes that are aligned with our strategic positioning

- 1** Eco-labels
- 2** Jobsite waste management
- 3** Eco-innovation

For each of these priorities, the Mission has identified current practices within the Group and made recommendations to promote a shared vision, common tools and a coherent strategic framework between businesses.

Eco-innovation is the specific term chosen by Saint-Gobain to designate its policy to take into account environmental impacts in product

and service development. The objective of eco-innovation is to bring value to our markets by developing innovative products and solutions that help reduce the environmental impacts of buildings. This includes products and solutions that have reduced environmental impacts over their life cycle and/or contribute towards reducing the operational use of energy and water in buildings.



OUR SUSTAINABILITY ROADMAP

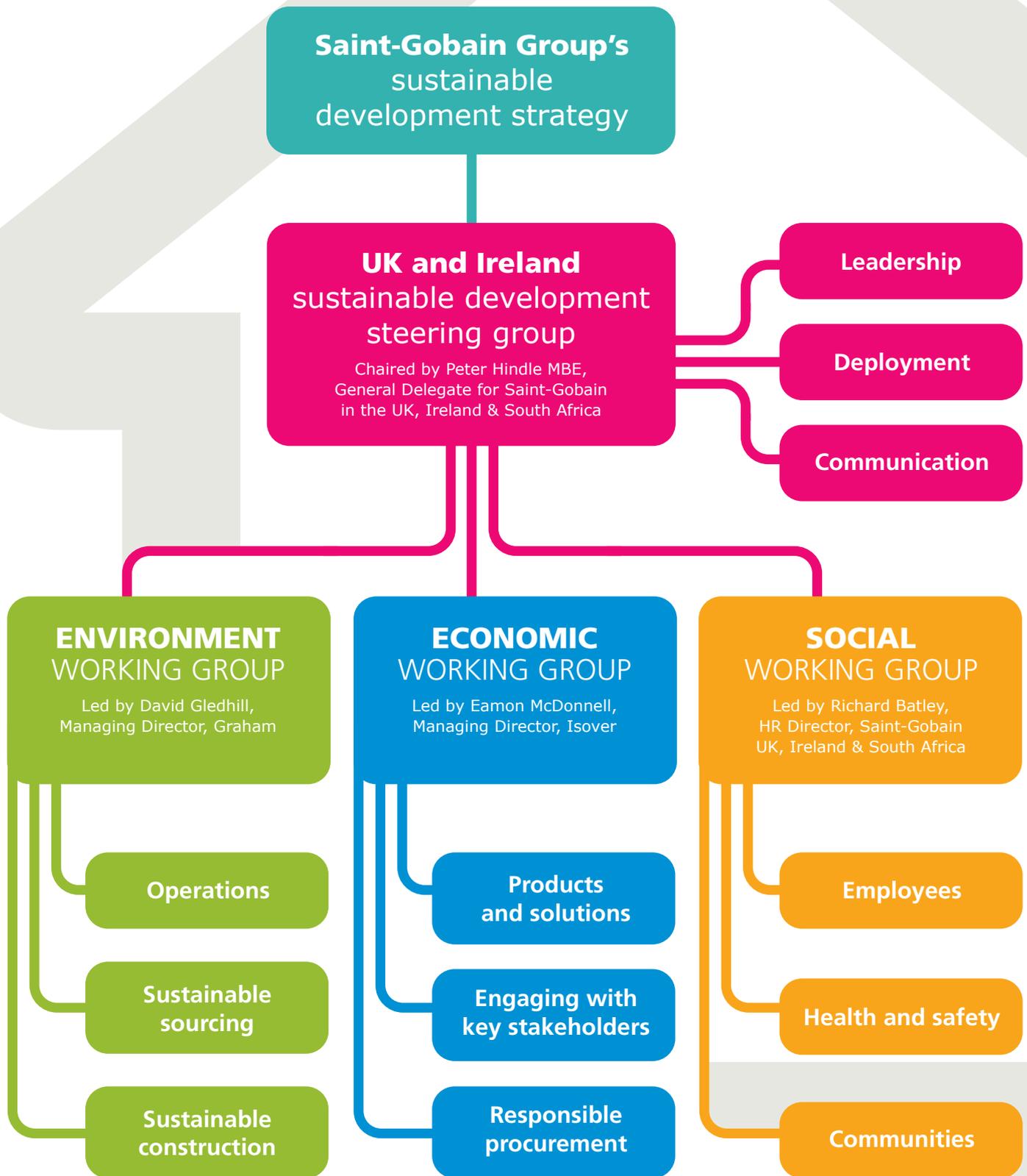
For our sustainability roadmap, we have aligned our approach with the framework for sustainable development that is used by Saint-Gobain Group: Economic growth (or 'Profit'); Environmental challenges (or 'Planet'); and Social commitment (or 'People'). This provides a simple yet robust context for understanding what sustainable development means to Saint-Gobain and our businesses in the UK and Ireland.

Development of the roadmap has been overseen by a sustainable development steering group, formed during 2010 and chaired by Peter Hindle MBE, General Delegate for Saint-Gobain in the UK, Ireland & South Africa.

The steering group has been supported during 2011 by three cross-business working groups, each with a specific focus; economic growth (Profit), environmental challenges (Planet) and our social commitment (People). They are comprised of representatives from across our businesses, and focus on the development and implementation of specific initiatives which support the achievement of our aims in each pillar. The three pillar leaders are members of, and report to, the steering group.

The steering group is responsible for ensuring that sustainability is consistently embedded across the business. This means it is responsible for various 'over-arching' issues such as leadership, deployment and communications.

It is critical that the steering group provides clear leadership and direction for our UK and Ireland businesses, explaining why sustainable development is important, how it is aligned with Group objectives and how it can provide us with competitive advantage. The steering group will oversee development and deployment of the roadmap, ensuring that individual businesses implement changes and report on their progress in a consistent manner. It will also oversee communications, facilitating two-way dialogue between Group activities and our businesses in the UK and Ireland, and communicating the roadmap and our progress to internal and external audiences.



During 2011, each working group confirmed three priorities within their pillar, on which we believe it is vital that we focus our attention in the UK and Ireland. For each priority, the pillar working groups have established factors in which it is critical that we succeed if we are to meet the Group's ambition to become the reference in sustainable

habitat and construction solutions. For these 'critical success factors', we intend to establish minimum expectations for our operations in the UK and Ireland as a whole.

We recognise that 'success' means different things to our diverse businesses, depending on the activities

they perform and the markets they serve. With this in mind, we are asking each of them to prioritise and nominate those 'critical success factors' that are most relevant to their specific operations. It is in these areas where we will ask them to focus their attention and for which we believe they can become established as market leaders.

ENVIRONMENT

We are guided by our Group's ambition to become the reference in sustainable habitat and construction solutions. This aim goes beyond developing products and services that make buildings more energy efficient, environmentally friendly and comfortable. It means we have an obligation to be above reproach in the way we conduct our own business. In other words, as a responsible business, we must "walk the talk" and ensure that any negative environmental impacts of our business are fully understood and minimised. This includes the direct impacts of our operations and processes, the way in which we source raw materials, and the environmental performance of our own buildings.

OUR ENVIRONMENT PRIORITIES

OPERATIONS

- Energy and carbon
- Waste
- Local environmental impacts
- Water
- Transport
- Packaging
- Biodiversity

SUSTAINABLE SOURCING

- Resource and product stewardship

SUSTAINABLE CONSTRUCTION

- Our buildings

KEY ACHIEVEMENTS IN 2011

Between 2010 and 2011, we reduced our industrial sites' production **waste by 6%**

91% of timber we sold in 2011 was certified as being from **legal and sustainable sources**

During 2011 we completed Energy Performance Certificate assessments for **12** of our buildings

For the Environment working group, we wanted to make sure there was a cross-sectoral group of individuals, including environmental professionals as well as staff with functional and operational experience. This ensured we had a balanced view of the issues, reflecting technical knowledge as well as input from the frontline.

OPERATIONS

As a business, our operations are central to what we do and it's critical that we look at them from different perspectives. Attempting to understand and reduce our environmental impact is becoming more established in some parts of the business but not yet in them all, meaning it is vital that we start to embed a consistent environmental outlook into everything that we do.

Challenges will arise in line with global environment and economic issues, so targets and standards will need to be continually reviewed. For example, water shortage is an increasing problem worldwide and, therefore, for Saint-Gobain. In response, the Group has produced a water policy setting out our measures for limiting usage and discharge. However, equally we need to recognise that some issues have much greater importance for certain parts of our business. Water use, for instance, is less of a critical factor for our Building Distribution businesses than it is for most of our manufacturing businesses. We can't simply assume that there will be a 'one size fits all' solution.

SUSTAINABLE SOURCING

Timber and timber products form a significant part of our Building Distribution activities, and it has been imperative that we take an

"The aspiration is that all materials that we use, manufacture, and distribute will have achieved a sustainable sourcing standard"

informed approach to responsible timber procurement and sales. We are immensely proud of our progress. Our policy to purchase from well-managed forest sources, positively participating in the protection of biodiversity of forest lands and the habitats of forest-reliant communities, has undeniably made us a market leader for certified timber. It has also contributed towards use of certified timber becoming the norm in the construction industry.

We are firmly committed to continuously increasing the volume of timber we procure from certified sources, and where this is not available, purchasing from known and legal sources. This will enable us to comply with the EU timber regulation to prevent trade in illegal timber which comes into full effect in March 2013. Our activity and association with leading organisations

such as WWF's Global Forest and Trade Network (as participants of GFTN-UK) is also an integral part of our programme of continuous improvement.

Moving forward, the issue of certified timber is much wider than just the wood that we sell. We use timber in a wide variety of ways across all of our businesses, in applications ranging from packaging to furniture. Extending our commitment to embrace all the wood we purchase is our next challenge.

Looking ahead, sustainable sourcing isn't just about timber. Instead, we are committed to applying the experience we've gained and the lessons we've learnt to other construction materials that we source and sell. We are aiming to reach a point where we are using sustainable sourcing standards widely across our businesses.

SUSTAINABLE CONSTRUCTION

CARE:4® is our mission to reduce the energy consumption and carbon emissions of our own buildings. With over 1,000 sites in the UK and Ireland, there is much work to do to apply this standard across all of our relevant estate. However, as an internal programme, CARE:4® is not necessarily known about or understood by the outside world. So perhaps our biggest challenge is to develop a way of communicating our progress in a way that the general public and our stakeholders in the UK and Ireland understand, and which is applicable to local regulations and best practice.



David Gledhill

Environment working group lead and Managing Director for Graham

"We need to adopt an approach that promotes the importance of specific issues in some parts of the business, but which is generic enough that it applies to everyone"

"If we want to be a sustainable leader, these messages need to be heard and acted upon by everyone across the business and by our suppliers. We are now at the point where we are starting to work out how we communicate and consult with all employees to ensure this happens."

"Aligning to the company's sustainability and carbon reduction strategies, and verification of the company's operational footprint, recognises the actions of Saint-Gobain PAM UK to measure our greenhouse gas emissions, understand our carbon liabilities and put in place management plans to reduce emissions in our organisation."

Paul Minchin
Managing Director of Saint-Gobain PAM UK



Investing in environmental improvements

gases. The energy regained by the heat exchanger is used to re-heat input air to the furnace, which will result in an annual saving of 2,200 tonnes of CO₂.

The company's overall commitment to reducing its greenhouse gas emissions was formalised in 2011 with the award of the ISO-accredited CEMARS standard by the Achilles carbon reduction programme. Certification to CEMARS demonstrates the company's commitment to measuring, managing and reducing greenhouse gas emissions in a robust and credible way.

Leading on carbon disclosure

For the second year running, Saint-Gobain Group was included in the Global 500 Carbon Disclosure Leadership Index, as named by the 2011 Carbon Disclosure Project (CDP). The Group's score of 94/100 was the fourth highest in the 'Industrials' sector, and was an improvement on our 2010 score of 89/100. Only the top 10% of companies, based on their CDP disclosure score, are named on the Leadership Index, reflecting that we have assumed a leading role in understanding the business issues related to climate change, and are building climate-related risks and opportunities into our core business.

ENVIRONMENT



Extending Chain of Custody certification to every Jewson branch

As the largest importer of timber and panel products into the UK, it is crucial that our supply chain is sustainable. To this end, Jewson has taken the lead in offering customers an end-to-end Chain of Custody audit trail across its entire branch network.

Chain of Custody is a process that, using independent auditing, tracks and documents timber through each stage of the supply chain – from forest and logging through sawmill, factory and distributor, to the point of sale.

As a result of this certification, all Jewson branches are now able to supply timber that complies with CPET and the Government's timber procurement policy. We are also members of the WWF Global Forest and Trade network, and all our purchase records are submitted for scrutiny on an annual basis to demonstrate that we continue to procure responsibly.

We already work closely with many of the national housebuilders and local authorities to ensure compliance with their own purchasing policies. Our expertise in this area contributed towards the decision of Bellway Homes in 2011 to partner with Jewson, as one of its major suppliers for Chain of Custody approved timber and timber products.

"At Bellway Homes we have long championed the need to build homes that meet the needs of a sustainable environment and it was essential that we partnered with a supplier that shared these values"

Julian Kenyon
Group PR Manager, Bellway Homes



"Jewson customers have the knowledge that every certified product can be traced from their local branch back to the forest source confirming it was procured in a responsible way"

Sarah Broadley
Chain of Custody Manager for Jewson

Auditing our own buildings

Although our non-production buildings account for a relatively small proportion of our total greenhouse emissions, we believe it is crucial that we lead by example and put into practice our expertise in sustainable construction.

Our CARE:4® (Company Actions for the Reduction of Energy by four) global program for office buildings was introduced in 2008. It requires all our office and service buildings to demonstrate a fourfold reduction in overall energy consumption and greenhouse gas emissions by 2040, starting with an energy audit at all relevant sites.

In the UK, ten full CARE:4® audits have been undertaken since the start of 2011. A further 168 reduced CARE:4® surveys have been conducted, covering around half of all Jewson branches.

Although not (yet) a requirement for commercial buildings in the UK, we have also used this opportunity to voluntarily complete Energy Performance Certificates (EPCs) for 12 Saint-Gobain buildings. These buildings now have an EPC certificate displayed, and action plans have been developed to identify ways of reducing energy use.



Enhancing biodiversity

British Gypsum was a runner up in the Nottinghamshire Wildlife Trust's Green Guardians Awards for our work with Gotham Parish and the former mine workings SSSI site.

The award, judged by botanist and environmental campaigner David Bellamy OBE, recognises the contribution that businesses can make to sustainability through either core business activities or support for community-based environmental initiatives.

The company was shortlisted for its work with Nottinghamshire Wildlife Trust and the local authority to transform the site into a managed nature reserve, leased back to the local community. The project will improve community access to a local

wildlife haven, and will allow the site to be developed for its education potential for local schools.

Work will commence in 2012 to improve the site's ecological value. The scheme has generated considerable local interest, with around 80 stakeholders attending a recent public liaison meeting at which British Gypsum presented its proposals alongside the Wildlife Trust, the Parish council, Rushcliffe Borough Council and Natural England.



The SSSI at Gotham Village

"Bringing a very important SSSI back to life"

Streamlining our logistics

The impact of our logistics operations is being managed and reduced through two internal projects, Retriever and Lynx.

Retriever is our strategy for delivering improvements in the sustainability, as well as health and safety, service and cost, of our logistics. As part of the programme, the carbon footprint of our transport fleet across all businesses will be recorded, reduction targets established and methods for reducing emissions implemented.

British Gypsum tested teardrop trailers on some of its HGVs in 2011. Early results suggest a five per cent reduction in fuel consumption and carbon emissions, and the additional capacity of the teardrop trailers also lowers the cost of delivery.

Lynx is being used within our Building Distribution business to improve the efficiency of its deliveries. It takes a more intelligent approach, encompassing the way we manage our stock, our vehicles and our deliveries. This benefits our customers – who get access to a broader product range and a more transparent 'on time in full' delivery service with SMS notification – and reduces the environmental impact of our deliveries.

Jewson branches that trialled the new system in 2011 reported a seven per cent reduction in delivery miles and CO2 emissions, a reduction in delivery costs relative to sales and increased year-on-year sales.





Reducing the environmental impact of Building Distribution

Our Building Distribution Sector has been making great progress in the way in which it manages waste. Standing skips – which necessitated a dedicated lorry journey per skip – have been replaced by covered containers at all Building Distribution branches. Like domestic refuse, these are emptied into scheduled waste collection services and compacted upon collection.

Two smaller waste containers are now provided at each branch; one for recyclable waste and one for waste to landfill. Many everyday decisions – such as what type of cups to use in hot drinks machines – are now made with consideration for how much and what type of waste will result.

The new waste disposal arrangements, and the

behavioural change that has resulted, meant that 32% of all waste was recycled in 2011, an increase of 8% since 2010 and up from only 8% in 2006. The new waste disposal arrangements have also had significant financial benefits, saving our business an estimated £3.7 million in 2011, had the waste arrangements in place in 2006 not changed.

Also in 2011, gas control systems were installed in the 50 branches with the highest gas consumption. These systems automate the heating system, for example by ensuring that all heating is turned off at night. They also allow the real-time gas use of the branches to be monitored and controlled from its head office. Since installation, the branches have reported a 51% reduction in gas use.

ENVIRONMENT

Reducing our water impact

Our new Group-wide water policy provides further evidence of our commitment to reducing the impact of our activities on the world's water resources, in terms of both water extracted and discharged. The policy will contribute to Saint-Gobain's global response to sustainable development, and is part of the efforts already being made by the Group in this area.

The aim of the policy is to extract minimum resources and to work towards "zero discharge" of industrial process water in liquid form, while avoiding the creation of new impacts on other environments or stakeholders.

To support the rollout of this policy, the Group will launch an evaluation grid – to assess affected sites' awareness of the issues – and to establish action plans. A "water" EHS standard will then be put in place to form a basis for improving the sites' water management performance, and their mitigation of water stress, water pollution, and flooding risks.

In the UK and Ireland, we are working to evaluate and communicate the impact of this new policy and the associated new tools and standard across our business activities.



ECONOMIC

Our main market - the habitat and construction industry - is an area with critical sustainable development challenges. To meet demand, we need to build more, build better and, most importantly, renovate the buildings we live in today. Yet the regulations for building performance and environmental protection are becoming increasingly stringent, and require new building materials and technologies. We will meet this challenge by developing innovative products and solutions, engaging with our key stakeholders to progress sustainable construction and demonstrating leadership in the way we manage our supply chain.

KEY ACHIEVEMENTS IN 2011

Our Group's global R&D budget rose from €402 million in 2010 to €431 million in 2011, an increase of **7%**

33% of our global sales in 2010 derived from solutions to save energy, produce energy or **protect the environment**

26% of the energy we used in the UK and Ireland in 2011 was from **renewable sources**

OUR ECONOMIC PRIORITIES

PRODUCTS AND SOLUTIONS

- Innovation
- Environmental labels
- Eco-design
- Enabling sustainable construction

ENGAGING WITH KEY STAKEHOLDERS

- Advocacy
- Training and skills development
- Raising awareness and education

RESPONSIBLE PROCUREMENT

- Energy
- Supplier selection
- Supplier performance

The new Museum of Transport, Glasgow

The Economic working group has focussed on the way in which developing and delivering sustainable construction solutions can provide real opportunities for innovation and growth in the new build and refurbishment markets.

We are responding to a real demand and a genuine market need, which is being driven by new regulations and the urgent need for greener approaches in the construction sector.

Eamon McDonnell

Economic working group lead and Managing Director for Saint-Gobain Isover



PRODUCTS AND SOLUTIONS

Our products and solutions must anticipate emerging needs. The environmental impact in their manufacture and their performance in use both need to be clearly understood, and they must be incorporated into buildings using a new set of skills and techniques. Collectively our products and solutions will contribute to lowering the environmental impact of the structures they are going into, so it is essential that we adopt a lead position in how product development is managed.

Saint-Gobain Group is currently defining an eco-design policy and establishing position statements for the environmental labelling of construction products and buildings. We must make sure that we take advantage of the knowledge and innovation that already exists within the Group, and adapt it to products and solutions to meet the local markets in the UK and Ireland in a way that meets our Group objectives.

We must also help all our businesses facilitate collaboration and knowledge-sharing between different activities. For example, with environmental labelling, Isover is working with the Group to help develop a framework which all our other businesses will be able to use and benefit from.

ENGAGING WITH KEY STAKEHOLDERS

Advocacy is becoming increasingly important for us. The challenges of sustainable construction require the major players in the construction

sector to play their part in offering solutions and helping develop regulations and standards. This means having dedicated resources and being seen publically as a stronger voice in mainstream sustainability and the built environment arenas.

Skills and development are also crucial. The development of the Saint-Gobain Technical Academies and Greenworks Training Academy give us facilities to provide tailored training on the new building products that will be needed to meet the increasingly stringent building regulations and energy efficiency targets, and which will be integral to the UK Government's Green Deal.

“There is a rapidly changing requirement for both specifiers and end users, with different skills being needed that are focussed more on in situ performance; not just on what the product is, but how it is installed and its contribution to the overall performance of the building.”

“The challenge is about focussing the resources properly in the right place to ensure that that knowledge is shared between different businesses, so that they can all progress quickly and maintain a leadership position”.

“It is about taking a broader, more responsible approach to procurement, and to the behaviour of our supply chains. We must make sure that we are taking other factors into account, such as how those companies are operating and their approach to sustainability, and not just what we pay for their products or services.”

RESPONSIBLE PROCUREMENT

We are strongly focussed on reducing our energy consumption, and sourcing energy from green sources. We must also ensure that we select suppliers with consideration of environmental, social and other criteria, and that we take into account emerging British standards such as BES 6001. Given the size of our supply base, this represents a big challenge and we know that we have to do more in terms of raising awareness about the choices that are available and giving more weight to other factors in procurement decisions.

Innovating new products and solutions

Our UK and Ireland businesses are continually bringing to market new products and solutions that meet increasingly demanding sustainability standards, yet which are faster to build and have lower whole life costs. Some of the new products launched in 2011 include:

Isover's '**Round The House Roll**' can be used in external and separating masonry cavity walls, and achieves up to four credits towards the Code for Sustainable Homes, with airborne sound insulation levels that are higher than building regulations.

Glasroc H TILEBACKER from British Gypsum utilises innovative eGRG (enhanced Glass Reinforced Gypsum) technology to create a new water resistant backing board for tiles. Up to 20kg lighter per board than the average competitor alternative, it is also easily cut resulting in less waste and fewer re-cuts.

The expansion of Saint-Gobain Solar into the UK market in 2011 increases the availability of its three market-leading PV modules – **SG Solar Suneka®**, **SG Solar Sunlap®** and **Powermax** – to UK and Ireland customers.

International Timber has expanded its joinery range with **Accoya Redwood Component**, produced from sustainably sourced, fast growing wood and offering a high performance, cost effective solution that can be expected to last twice as long as engineered softwood alternatives.

Saint-Gobain Weber has introduced **Low Dust Technology** to its popular weber.floor flex levelling compound range. The company's manufacturing site at Flitwick, Bedfordshire, is one of the few factories in Europe with the capacity to manufacture low dust fibre modified products.

"Our launch into the UK and Ireland is a natural progression for Saint-Gobain Solar. Solar energy has an increasingly important role to play as we seek to deliver significant energy savings and reduce the levels of CO2 generated by our buildings. Our presence in UK and Ireland will give people access to a range of proven on-roof and in-roof (BiPV) PV systems that are economical, reliable and highly efficient, backed by the financial stability of the Saint-Gobain Group."

Budhi Chilkoti

General manager, Saint-Gobain Solar, UK & Ireland

ECONOMIC

Supporting Passive House and multi-comfort House concepts

We have continued to support and promote Passive House principles during 2011. It is embodied in our own Multi-Comfort House concept – which builds on Passive House standards – and incorporates thermal and acoustic comfort, high indoor air quality, exceptional environmental and energy efficiency benefits and air tightness.

Now in its eighth year, Isover's 2012 Student Architectural Design Competition was launched at the 2011 UK Passive House Conference in London. Entry is open to students of all architectural universities offering RIBA accredited degree or masters courses.

The 2011 competition required students to design a high-rise tower for the Greenwich South district of Lower Manhattan, New York which met Isover Multi-Comfort House

and Passive House performance levels. For the 2012 competition, entrants must design a sustainable development for around 12 to 15 families, located in Nottingham's Trent Basin, which must be designed in accordance with Saint-Gobain Multi-Comfort principles. Shortlisted UK finalists will be invited to showcase their work at Ecobuild 2012, with the winners progressing to the international final in Bratislava.

Isover is also sponsoring three new courses in Passive House design from the Association for Environment Conscious Building (AECB). Technical Development Manager, Mark Allen, took part in a pilot course, making him a fully certified Passive House Designer and one of a small number of people in the UK who are able to advise on constructing Passive House

"By demonstrating that Passive House design isn't as complicated as many believe it to be, we can increase the number of buildings being constructed in the UK to Passive House standard and ultimately help improve occupants' quality of life and wellbeing."

Mark Allen

Technical development manager, Saint-Gobain Isover



SG Solar Sunlap®

Recognising young construction talent at WorldSkills 2011

As global industry partners to WorldSkills International, we reinforced our commitment to industry training and skills development at WorldSkills 2011, the largest ever international skills competition. The four-day event was held at ExCeL in London, and attracted more than 1,200 competitors from over 50 countries as well as 200,000 visitors.

Saint-Gobain companies British Gypsum, International Timber and Weber provided support for individual categories, including more than £50,000 of training by British Gypsum for the UK's drylining and plastering squad.

UK plastering and drywall systems entrant Jamie Fineran received a Medallion of Excellence for his outstanding efforts. The category, which was rescued by British Gypsum after funding was withdrawn, saw 10 dryliners from around the world showing off their skills. British Gypsum also provided Jamie with additional training worth almost £50,000, in the run-up to the competition ensuring he was fully prepared for the challenge he would be facing.

“Our hope is that events like WorldSkills London 2011 and our support of them will raise awareness of the importance of vocational skills in the construction industry and other sectors, while serving as a springboard for individual competitors to progress their careers.”

Richard Batley
HR Director, Saint-Gobain UK, Ireland & South Africa

“We were pleased to see so many young people keen to find out more about a career in construction. This was particularly encouraging as there is a skills shortage within the industry but by engaging with people when they are deciding on their career path, we can help reduce this shortage.”

Dave Hall
Technical academy manager, British Gypsum



“We recognise that educating the next generation of architects on the benefits of a Passive House or Multi-Comfort approach to construction will play a vital role in achieving a low carbon future”

Tom Cox
Innovation manager, Saint-Gobain Isover



Filling the skills gap

Many of the products and systems we need for sustainable building and refurbishment already exist. Yet, many professionals have a lack of understanding about the sustainable building agenda and a lack of practical 'know-how' when it comes to specifying and installing appropriate solutions. Improving the skills of the construction sector workforce at all levels of the supply chain is therefore essential.

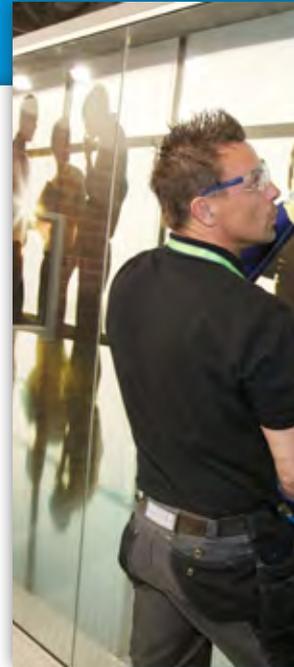
To help address the knowledge and skills gap facing the construction industry, we made significant investments in training during 2011. We opened our first two Technical Academies in the UK in Leicestershire and Bristol. These facilities bring

together expertise from across our UK manufacturing businesses to give customers access to information and training on a wide range of products and systems that will enable them to meet the requirements of the sustainable building agenda.

It represents the start of a national roll-out of facilities, which will include company-specific facilities across the UK, a purpose-built Technical Academy in Ireland covering the Gyproc, Weber and Isover brands, and our Greenworks Training Academy in Birmingham.

Our training offer was further enhanced in 2011 with the launch of the new Greenworks website and Learning Gateway. The Greenworks

website provides our Building Distribution Sector customers with even easier access to essential information and training on renewable energy and sustainable building products. The Greenworks Learning Gateway is a free online learning facility – developed to complement the Training Academy – to help customers understand new legislation and the market opportunities available to them.



“Teambuild 2011 enabled us to support the development of emerging talent within the construction industry, equipping tomorrow’s aspiring construction leaders with practical expertise and knowledge that will help them further their careers within the sector.”

Lindsey Walker

Strategic marketing leader, Saint-Gobain UK & Ireland

Supporting young construction talent at Teambuild 2011

To further enhance our commitment to improving skills and industry training, we sponsored 'Teambuild 2011', an annual competition which saw sixty of the UK construction industry's most talented young professionals complete a series of real-life construction challenges.

The nine competing teams were required to deal with hypothetical challenges that might be faced on a current construction site – the North West Bicester Eco Town. The challenges covered a range of skills and techniques, from master planning and outline design through to procurement strategy, detailed design and construction. The teams were also required to incorporate key Saint-Gobain products into the solutions they developed, and we sponsored an additional prize for their most innovative use.

Competitors from a number of major companies across the industry were represented, and it was judged by representatives from sponsoring companies and industry bodies, including Saint-Gobain, RIBA (Royal Institute of British Architects) and IMechE (Institute of Mechanical Engineers).

“Teambuild offers young construction industry professionals the chance to showcase their talent. It provides a unique training experience for entrants who will gain a valuable insight into the running of large-scale development projects”

Richard Rooley

Teambuild chairman

ECONOMIC



MediaCityUK, Manchester



“We simply don’t currently have enough trained practitioners in the UK to meet the likely demand over the next few years. As a leading designer, manufacturer and distributor of construction materials, we are uniquely placed to provide expert advice and practical training on a wide range of skills, and the courses will enable attendees to tap in to this extensive knowledge.”

Peter Hindle MBE
General Delegate for Saint-Gobain
in the UK, Ireland & South Africa



Signing our first Power Purchase Agreement

At the end of 2011, we were in final discussions with a leading UK renewable energy generation company to establish our first Power Purchase Agreement. Three anaerobic digestion plants are planned, which generate energy as microorganisms break down biodegradable waste material. A three year contract will be signed in early 2012, meaning that renewable energy will be generated exclusively for Saint-Gobain, meeting around 10% of our total electricity demand.

Enabling sustainable construction

Over the past 12 months, our companies have supplied integrated construction products and solutions to many exciting and award-winning projects:

MediaCityUK, Manchester

This landmark development is Europe’s biggest dedicated media centre. Several Saint-Gobain businesses were involved in supplying materials, providing solutions that would meet the high acoustic standards required.

Museum of Transport, Glasgow

The Riverside Museum is perhaps one of the UK’s most innovative sustainable new-build projects in recent years. The use of the very latest building materials and systems was required, and our businesses played a key part in its delivery. British Gypsum supplied all internal plasterboard walls and plaster, Solaglas met all the building’s glazing needs,

Isover provided wall insulation and Artex which supplied access panels.

Perivale Primary School – Multiple Saint-Gobain solutions have been integrated in a new £10m primary school and children’s centre in West London. Ecophon’s acoustic ceiling systems and Weber’s external wall insulation system were used to enhance the new buildings’ acoustic and thermal performance,

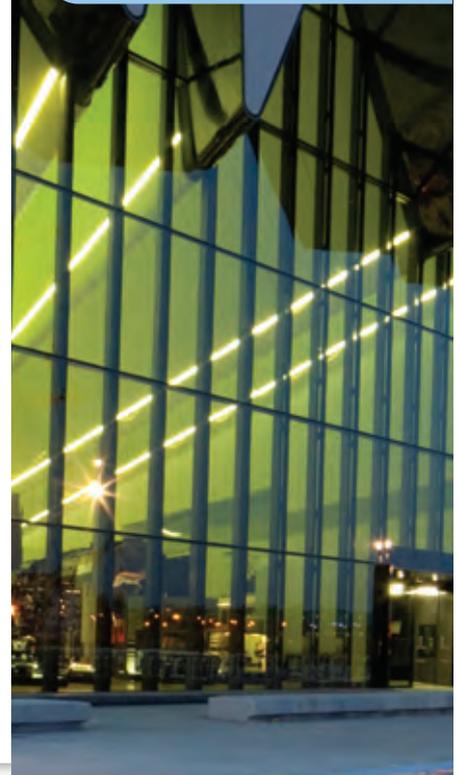
respectively. British Gypsum’s drylining systems, incorporating Isover insulation, were used for partition walls, and Solaglas’s installation business glazed the distinctive steel entrance canopy.

York University – The University of York’s new £750-million Heslington East campus development included a mix of timber, steel and concrete-frame construction. With British Gypsum’s advice, the original specifications were standardised into three different partition systems to help cut costs and simplify site management.

Huntingdonshire District Council’s Green House

Saint-Gobain Weber supplied external wall insulation to this innovative project, carried out with the Building Research Establishment (BRE) as part of their ‘Rethinking Refurbishment’ campaign. It refurbished a typical 1960’s two bedroom family detached house in Cambridgeshire to demonstrate how refurbishment can be both sustainable and affordable.

Grange Lough, County Wexford – This development of passive houses in Rosslare, County Wexford, adopted existing European technologies to suit an Irish marketplace and environment. The design used Isover Metac Insulation to achieve Certified Passive House standards, and won first prize at the inaugural Isover Energy Efficiency Awards in Dublin.



SOCIAL

To deliver our ambition of becoming the reference in sustainable habitat and construction solutions, we must harness the skills, knowledge, relationships, commitment and motivation of all our people. A truly sustainable business is one that not only achieves financial results, but does so in a way that generates trust, credibility and loyalty. By putting our Principles of Conduct and Action at the centre of how we approach the challenge of sustainable development, we can create a business that is capable of sustaining performance over the long term and that creates shared value for our stakeholders. This includes how we value and develop our employees, what we do to keep them healthy and safe, and our contribution to the communities in which we operate.

KEY ACHIEVEMENTS IN 2011

Following our success in the "Ethics and Exemplarity" category, our Group were awarded the overall Human Capital Trophy at the **2011 Human Equity Awards** in France.

Between 2008 and 2011, the number of lost-time accidents per million hours worked has more than halved, while the number of 'Millionaire Club' sites has increased from 6 to **19**

Our 'together' partnership between the Building Distribution Sector and Help the Hospices **raised £338,000** for the charity between 2009 and 2011.

OUR SOCIAL PRIORITIES

EMPLOYEES

- Diversity and career mobility
- Talent, knowledge and skills
- Brand values
- Leadership
- Engagement, measurement and improvement
- Reward

HEALTH AND SAFETY

- World class safety performance
- Health and wellbeing
- Flexible working practices

COMMUNITY

- Charity partnerships
- Investing time and resources locally

The Social working group has concentrated on developing our approach to becoming a sustainable organisation, one that can achieve and sustain success for the longer term and deliver our Sustainable Habitat strategy.

Our ultimate aim is to produce a sustainable organisation that succeeds over the long term – and that people want to work for, stay with and do their best for and, in return, have rewarding and fulfilling careers.



Richard Batley

Social working group lead and HR Director for Saint-Gobain UK, Ireland & South Africa

EMPLOYEES

Our ambition to create a sustainable organisation covers a range of interconnected topics. We need to understand and cultivate the skills and knowledge needed for the future success of our business. We must recognise how leadership must change to create a sustainable organisation able to meet the challenges of sustainable development. We should strive to create the best blend of talent to drive innovation through our businesses by enhancing career mobility and diversity of teams. And we must recognise the value added by a diverse workforce, and ensure we continue to attract a diverse range of talent in the future.

“Without addressing our internal capabilities, we will not be able to respond to the risks and challenges or take advantage of the opportunities presented by the sustainable development agenda.”

HEALTH AND SAFETY

The safety of our employees is paramount and at the core of how we operate; it is one of our inviolable principles of Conduct and Action for all managers and employees of Saint-Gobain. We are always striving to do better and to improve our performance so our people are safe and as result able to concentrate on serving our customers and producing high quality products.

Challenges for 2012 include continuing to develop our Occupational Health project, and actively exploring more flexible ways of working to help people balance commitments to work and life.

COMMUNITIES

We recognise that our success is also judged in terms of our impact on those who live around us. Are we a good neighbour? Do people in communities want to work for us? Do we play a positive and active part in communities?

Many parts of our business already have a track record of positive engagement in community and charitable work, for example through our longstanding ‘together’ partnership. We want to build on this with more active local liaison and giving more of our staff time to contribute to local community activities.

“A recent survey of our employees across the UK and Ireland produced a very positive endorsement of this, with over 95% replying positively to the question that Saint-Gobain takes Health and Safety seriously. Our survey also revealed that only 60% of our staff felt we did as good a job in encouraging their health and well-being, something we must improve upon over the coming years”.

“We recognise though that supporting our people to get involved in communities is beneficial, so they gain from the experience and so do the communities. The challenge is how to release people when we have such high demands placed upon them?”

Welcoming new members into our 'Millionaire Club'

Eight more of our UK and Ireland sites have been awarded 'Millionaire Club status' during 2011. The Millionaire Club award is made to any Saint-Gobain manufacturing site worldwide which has achieved a 1,000,000 man-hours record with no lost-time accident or a five-year period without a lost-time accident. This means that 19 of our sites in the UK and Ireland had received this internal health and safety accolade by the end of 2011.

Weber's Ballyclare site received the award in October. Its excellent safety record is built not only on an improvement of basic conditions, but also on its behavioural safety programme which has helped change the attitudes and reinforce the responsibilities of everybody on site. Going forward, Ballyclare is on track to successfully achieve a five-year incident-free period in which neither lost time or medical treatment has been incurred.

British Gypsum's site at Kirkby Thore reached the milestone in December, helped by the introduction of additional health and safety training and a cross-company dedication to excellence. It has also been supported through FOILE (Field Operations Directive in their Interventions in Large Employers), a four-year partnership with the Health and Safety Executive.



Peter Hindle MBE presents colleagues at Weber Ballyclare with their Millionaire Award

"I'm incredibly proud of all of our employees for helping us achieve this massive milestone. It was only met because of their dedication and commitment to safety. As a result safe working practices have become truly embedded into the everyday behaviour of staff across all our sites."

Chris Britton
Kirkby Thore plant manager, British Gypsum

"Career coaching has helped me formulate a plan to research other career opportunities within Saint Gobain. This is something I would not have done in such a structured way (or at all) without this coaching."

Career coaching participant

"For me personally, it was useful to have a coach who understood my desire to have a work/life balance with a young family and who has personal experience of part time working and family commitments."

Career coaching participant

SOCIAL

Developing careers

Our Executive Development Programme was launched in 2011 to provide identified talent within Saint-Gobain UK with customised development solutions that help realise their potential and develop their capability in line with Group needs. The programme, developed with associates of Cranfield University, is intended to develop a pool of individuals who are able to work at executive level in any Saint-Gobain business in the medium term and enable the organisation to fulfil succession requirements for executive positions internally.

We also introduced a Career Coaching programme, using an internal network of professional and accredited Career Coaches. It is available to any referred manager to help develop clarity around their strengths, interests and motivations and improved narrative around their career plans. It is normally a five-stage collaborative process – complimentary to the regular appraisal process – which is tailored to each individual. Since June 2011, we have had 50 referrals, and have received excellent feedback from our coachees.

We believe that investing time and resources to understand and develop the careers of our people in this way has multiple benefits: enhanced career development and mobility; higher levels of internal promotions with reduced need for external recruitment at senior levels; and, by helping our staff to feel valued, increased loyalty to Saint-Gobain.



Enhancing our employees' health and well-being

Occupational Health (OH) has the potential to support our business and employees in many ways. More than just screening for industrial hazards and diseases, we see OH as an opportunity to promote proactive health topics and advise employees on a range of lifestyle topics (e.g. nutrition, exercise, dealing with stress).

British Gypsum currently has an in-house OH team, which also covers our Artex, Formula, Gypsum technical and Isover businesses.

Over the past year, we have identified the opportunity to widen the team's remit to cover our other Construction Products and Innovative Materials businesses.

The immediate benefit of an increased in-house OH offering is demonstrated through lower absenteeism, meaning fewer interruptions to the production process. Financially, it means we can deliver a more comprehensive and cheaper service, in comparison to external OH provision. There are also several less tangible but equally important benefits. Demonstrating that we care about our people's wellbeing will have a positive impact on motivation, safety and productivity, and by using OH advice to discuss ways of managing and incorporating employees with differing needs into the workplace, it will support our promotion of a more diverse workforce.

Our main challenge for 2012 is to identify an OH model that fits our Building Distribution businesses. The programme currently covers businesses that operate from a small number of medium-sized sites. By contrast, our Building Distribution businesses operate hundreds of small sites over a vast geographical area, requiring a different approach.

"Ultimately, we're looking to have an OH team covering all of Saint-Gobain in the UK, promoting a healthier and safer workplace, higher motivation and commitment, lower levels of absenteeism, sharing best practice and opening up new networks."

James Wallace
Head of HR, Saint-Gobain Abrasives and Industrial Ceramics



Recognising achievement within our business

The Saint-Gobain UK & Ireland Pride Awards ceremony was held in November at the Celtic Manor Resort Hotel in Newport, South Wales.

At the heart of any successful company are high performing, dedicated people and the same is true for Saint-Gobain. The people within Saint-Gobain bring the Principles of Conduct & Action to life and put the values and strategy into practice every day. To recognise and celebrate their contribution to our success Saint-Gobain launched the Saint-Gobain UK & Ireland Pride Awards earlier this year.

The six categories recognised achievement in key business areas which had an amazing response during the inaugural year of the Awards, receiving in total over 120 entries from 24 businesses including Building Distribution, Construction Products, Innovative Materials and the Delegation. The seven winners and 24 shortlisted entries were announced during an evening ceremony at the Saint-Gobain UK & Ireland Management Conference.



"The Saint-Gobain Pride Awards have been a real highlight. Launched this year, we've been overwhelmed with entries really demonstrating how strong our Principles of Conduct and Action are on the ground."

Peter Hindle MBE
General Delegate for Saint-Gobain in the UK, Ireland & South Africa



“As part of our commitment to sustainable development, Saint-Gobain has a long and well established tradition of supporting many local community projects and charities. Our staff are incredibly enthusiastic about our new partnership with Barnardo’s and have already started planning some truly inspiring fundraising events and activities with our customers and suppliers.”

Peter Hindle MBE

General Delegate for Saint-Gobain in the UK, Ireland & South Africa



Partnering with charities

We believe that companies have a responsibility to be a good corporate citizen, and supporting charities is one way to help make a positive difference to the communities of which they are a part.

In June, we announced the launch of our new two year ‘together’ charity partnership with childrens’ charity Barnardo’s. The new partnership covers our Building Distribution Sector businesses and, for the first time, our central teams across the UK & Ireland. It offers great opportunities for our 11,000 employees based at 1,000 sites across the UK and Ireland to volunteer their time and skills.

Working with charities provides tangible benefits to us too. It helps our businesses stand out as good employers and providing our employees with new opportunities for personal development and team building. Barnardo’s innovative ‘Store Wars’ saw 14 teams from across our different businesses take over a Barnardo’s store for a day to see who could achieve the greatest increase in sales and footfall. The winning team, from Jewson, raised almost £9,000 and collectively the teams raised over £50,000 for the charity.

Our ‘together’ partnership with Help the Hospices, which came to an end in 2011, raised £338,000 for the charity since 2009. The partnership saw over 500 of our Building Distribution branches twinned with 170 hospices around the UK, and allowed staff, customers and suppliers the chance to make a real difference at the heart of their local communities. Key fundraising events included the Tour de Jewson, a long distance bike ride, and a Charity Gala Dinner.



One of our Store Wars teams

SOCIAL

Reinforcing our Principles

One of Saint-Gobain’s fundamental principles is to conduct our business according to the highest ethical and legal standards. Our shared Principles of Conduct & Action guide the behaviour of all employees across the Group and also underpin how we approach the challenges of sustainable development.

To help make all employees more aware of the Principles, their meaning and their impact on daily life at work, Saint-Gobain launched an International Principles of Conduct & Action Day. Taking place on Tuesday 29th November 2011, the day focused on communicating Saint-Gobain’s values to all employees through activities common to all sites.

These included a film from Saint-Gobain Chairman and CEO, Pierre-André de Chalendar and the Executive Management Team and a short message from our General Delegate, Peter Hindle MBE, regarding the importance of the Principles for our Delegation. It also included a presentation of the nine Principles in the context of the Group and a video workshop which used nine short



Fauld Mine briefing

scenarios to highlight good and bad practice around the application of the Principles. This built on e-learning that had been developed and implemented across the business explaining and re-enforcing the Principles across the businesses.



Launching our 'together' partnership with Barnardo's

Equipping our leaders to drive change

Over the course of 2011, we have organised various programmes and initiatives to help equip leaders at all levels in our business with the skills and knowledge required to meet the challenges of sustainable development.

Many of our senior management staff participated in the Saint-Gobain Sustainability Leadership Programme, a customised two-day course run by the Cambridge University Programme for Sustainable Leadership (CPSL) in conjunction with the UK Green Building Council. It was designed to help our managing directors to equip themselves with the knowledge and skills they need to integrate sustainability into their operations in ways that give them competitive advantage. Armed with this knowledge, our new sustainability "leaders" have been tasked with inspiring and empowering their teams and

others in the business to drive transformational change.

Our Team Leadership Development programme is aimed at team leaders who have not had any formal leadership training. It aims to develop understanding of the Team Leader role in today's business environment, with a focus on the development of people and personal skills and the ability to successfully manage the performance of teams. Ninety of our people have participated in the programme in the past 18 months, with a further 24 signed up for 2012.

Our Project Leadership programme has been developed to help our employees to successfully lead multi-disciplinary projects through the deployment of effective project leadership skills. Thirty-two delegates attended the programme in 2011, with a further 26 to attend in the first half of 2012.

"Sending 24 of your most senior team members to the programme shows real leadership in this area and has given Saint-Gobain huge opportunities to influence the future direction of the organisation. By taking action now, there is an opportunity to develop individual legacies and shape the future of Saint-Gobain for the long-term."

Paul Begley

Director of Customised Programmes,
Cambridge Programme for Sustainability Leadership

Listening to our staff

Our 2011 'tell us what you think' staff survey asked all cadre employees for their views about working as a senior manager for Saint-Gobain in the UK and Ireland. Overall the results were very encouraging with particularly high scores relating to our commitment to safety and the environment, awareness of our strategic direction and the Principles of Conduct and Action.

However, the survey also highlighted several opportunities for improvement, including raising awareness of career progression and development opportunities available to senior managers, working together more effectively across businesses and improving our focus on health and wellbeing.

We are already developing plans to address these issues in 2012. We are investigating new ways of encouraging cross-business working and developing initiatives to encourage movement between businesses. These will build existing schemes, such as Career Coaching, Career Pathways, Development Centres and Explore days, which are designed to broaden awareness of career opportunities across the Delegation and the Group.

Individual businesses will also be putting in place action plans to address any specific issues highlighted by their employees in the survey.

PROGRESS AGAINST OUR 2011 TARGETS

Operations in the UK and Ireland as a whole

2011 TARGETS	PROGRESS STATEMENT
Sustainability Committee and Working Groups to establish new reporting framework	The sustainability steering group and working groups met on a quarterly basis during 2011 to develop our sustainability roadmap.
Define sustainable development policies and guidelines for UK and Ireland companies and brands	Implementation of our sustainability roadmap has started, with our UK and Ireland businesses expected to prioritise those issues that have the most relevance to them.
Continued development of Delegation's energy policy	The proportion of 'green' energy we purchased in the UK increased from 14% in 2010 to 26% in 2011. We moved towards signing our First Power Purchase Agreement, which will happen in early 2012.
Commence audits of all existing office and service buildings in the framework of CARE:4® program service buildings	We have undertaken 10 full CARE:4® audits since the start of 2011, with reduced surveys carried out at a further 168 sites.
Launch the Executive Development Programme	Our Executive Development Programme, developed with associates of Cranfield University, was launched in 2011 to provide those identified as talent with customised development solutions.
Implement Career Coaching & Mentoring	Our Career Coaching programme was launched in June 2011, and we have had 50 referrals to date and received excellent feedback from our coaches.
Design a programme to promote diversity	We are seeking to increase the diversity of our teams to drive innovation. In 2011 we increased mobility across our businesses by over 50%. In 2012, we are focussing on gender diversity. Currently women make up 14% of our management and professional group and we want to increase this through a new active career coaching program and by ensuring greater participation in leadership development.
Introduce monitoring of frequency rate for lost time accidents (TF1) for agency employees	Our lost time injury rate (work stoppages greater than 24 hours; TF1) included temporary workers from 1st January 2011.
Increase the number of '20 steps' audits by 10%	A combination of site closures and internal reorganisation resulted in a slightly disjointed '20 steps' audit requirement in 2011 – and resulted in a reduced number of audits being carried out (2011: 14; 2010: 19). However, these annual totals are somewhat misleading. All entities are audited on a three year rolling programme, unless there is concern over their performance in which case more frequent audits take place. The '20 steps' integrated Environmental, Health and Safety (EHS) audit ensures the requirements of the Saint-Gobain EHS Management System are met at our manufacturing sites. We also carried out 141 'ESPR' audits; the equivalent audit for our Building Distribution businesses.
Increase SMAT observations by 10%	Almost 21,000 SMAT observations were carried out by our managers in 2011, a decrease of 2% on the previous year (2011: 20,873; 2010: 21,320). This has been largely as a result of a major reorganisation within our glass businesses which impacted on our ability to undertake SMAT audits. Not including our glass businesses, the number of SMATs increased by 5%. SMAT - our Senior Management Audit Tool - helps us to identify unsafe acts and conditions in the workplace. Our managers conduct SMAT observations when they visit sites and premises; generally involving 10-15 minutes of on-site observation and interaction with staff on their safety behaviour.
Implement the Environment, Health and Safety (EHS) Training Programme	In 2011, we established a working group to review the effectiveness of, and identify synergies between, the many EHS training programmes that in place across our different businesses. In 2012, we will look to implement a new and consistent high-level EHS training programme across the Delegation.
10% reduction in the lost time injury rate (work stoppages greater than 24 hours; TF1) of Saint-Gobain employees per million hours worked	Our lost time injury rate fell by 40% between 2010 and 2011 (2011: 1.91, 2010: 3.17).
10% reduction in the total recordable incident rate (TF2) of Saint-Gobain employees per million hours worked	We achieved a 28% reduction in our total recordable incident rate (more than 24 hours' lost time; TF2) (2011: 9.58; 2010: 13.38).
10% reduction in the number of days lost due to injury (SR) by Saint-Gobain employees per 1,000 hours worked	The number of days lost due to injury dropped by 25% (2011: 0.09; 2010: 0.12), and by the end of 2011 we had 19 'Millionaire Club' sites. The Millionaire Club award is made to any Saint-Gobain manufacturing site worldwide that has achieved 1,000,000 man-hours with no lost-time accident or a five-year period without a lost-time accident.

Industrial sites operated by our Construction Products and Innovative Materials Sectors

2011 TARGETS	PROGRESS STATEMENT
On track to achieve 6% reduction in emissions related to energy and processes from Concerned Sites by between 2011 and 2013	CO ₂ emissions from our Concerned Sites increased by 2% (2011: 347,000 tonnes; 2010: 342,000 tonnes), based on the 2010 production baseline. We will adopt a new 2011 production baseline for measuring progress towards achieving a 6% reduction by 2013. Concerned Sites are those that report annual energy consumption greater than 10,000 MWh or annual water consumption greater than 10,000 m ³ . We operate 18 Concerned Sites in the UK and Ireland; sales outlets are outside of the Concerned Sites definition, but our British Gypsum quarry at Barrow and our Solaglas facilities are included.
On track to achieve 6% reduction in the total of water consumption of Concerned Sites between 2011 and 2013	Water consumption at Concerned Sites was 2.00 million m ³ in 2011. This is not comparable with our 2010 total as water discharged from mines (i.e. pumped water) is now excluded from our calculations. The 2011 total becomes our new baseline for measuring progress towards achieving a 6% reduction by 2013.
On track to achieve 6% reduction in non-recovered waste from Concerned Sites between 2011 and 2013	The total non-recovered waste arising from our Concerned Sites decreased by 6% (2011: 69,900 tonnes; 2010: 74,300 tonnes), based on the 2010 production baseline. We will adopt a new 2011 production baseline for measuring progress towards achieving a 6% reduction by 2013.

Building Distribution Sector

2011 TARGETS	PROGRESS STATEMENT
Set a baseline for electricity usage Building Distribution	This is now being monitored with a target reduction for all Jewson Branches with smart meters.
Continue introducing "smart metering" for electricity and gas Actively introduce latest technology solutions to enable energy reduction	Our programme of installing smart electricity meters progressed during 2011, and gas control systems were fitted to the 50 branches with highest gas use.
On track to achieve reduction in electricity use, gas use, diesel use and CO ₂ emissions of 2.5% between 2008 and 2012	CO ₂ emissions (in tonnes per £ million turnover) from our Building Distribution businesses have reduced by 3% since 2008, meaning we have already exceeded our target for 2012 (2011: 42.9; 2008: 44.2)
On track to achieve targeted fuel use of 1.7% of delivered sales by 2012	Fuel use by our Building Distribution businesses was 1.8% of delivered sales in 2011, slightly above our 1.7% target. This largely reflects the increasing cost of fuel.
On track to reduce water usage by 5% between 2008 and 2012	Total water consumption (m ³ per £ million total sales) by our Building Distribution businesses have reduced by 5% since 2008, meaning we have met our target for 2012 (2011: 108.5; 2008: 114.1).
On track to increase certified solid timber and panels to 85% by 2012	91% of timber sold by our Building Distribution businesses in 2011 was certified.
On track to reduce the level of "unknown timber" to 22.5% by 2012	*
On track to reduce waste to landfill by 50% by 2012) between 2008 and 2012	The waste sent to landfill (tonnes) by our Building Distribution business has reduced by 58% since 2008 (2011: 9,020; 2008: 21,310). This means we have exceeded our commitment to halve waste to landfill one year ahead of target.
On track to reduce supplier packaging by 20% between 2008 and 2012	*
Work with the Sustainable Procurement Group to improve supply chain policies and efficiencies	Work is progressing.

Once validated, a full table of key indicators for 2011 will be provided online at www.saint-gobain.co.uk/sustainability.aspx

* Available from April 2012 from www.saint-gobain.co.uk

OUR GROUP EHS TARGETS FOR 2011 TO 2013

ENVIRONMENTAL

Reduce CO₂ at concerned sites by 6%

Deploy CARE:4[®] action plans (renovation, etc.) in each Sector.

Reduce water withdrawals at concerned sites by 6%

Deploy a comprehensive Group policy on water

Reduce landfill waste at concerned sites by 6%

Obtain ISO 14001 certification for more than 90% of concerned sites

Deploy the environmental policy on wood at all sites, including those in the industrial Sectors.

Conduct LCAs for all construction and solar product lines

HEALTH

Deploy a program to reduce MSDs in coordination with the Delegations

Implement an action plan to reduce noise exposure at concerned sites

Ensure more reliable noise reporting in Gaia

Deploy SAFHEAR across the Group

Ensure that the silica indicator is reliable and reduce exposure (target defined by business)

Implement annual individual measuring of exposure and reduce exposure (target defined by business)

Deploy a training module on the Stage Gate procedure to analyse EHS hazards and impacts among R&D project managers

SAFETY

Reduce the incident frequency rate for employees and temporary staff as follows:

- LTIR of 5 for Building Distribution
- TRIR of less than 6 for the industrial Sectors
- Overall LTIR of less than 2.8

Deploy SMAT standards at all new sites within three years of joining the Group

Have the Delegations implement the EHS training matrix in liaison with the Sectors

Saint-Gobain

Saint-Gobain House
Binley Business Park
Coventry CV3 2TT

Tel: +44 (0)24 7656 0700

Fax: +44 (0)24 7656 0705

Email: sustainability@saint-gobain.co.uk

www.saint-gobain.co.uk

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