



SAINT-GOBAIN
CORPORATION

August 31, 2010

Timothy L. Feagans
Senior Vice President, General Counsel
& Secretary

VIA E-MAIL

Arvind Ganesan
Director
Business and Human Rights Division
Human Rights Watch
1630 Connecticut Avenue, N.W.
Suite 500
Washington, DC 20009

Dear Mr. Ganesan:

Your August 30, 2010 e-mail to Saint-Gobain containing a link to Human Rights Watch's report that is scheduled to be publicly released on September 2, 2010 has been referred to me. Thank you for providing Saint-Gobain with an opportunity to review an advance copy of the report. While the Company certainly disagrees with the conclusions in the report and maintains that its actions in no way demonstrate any violations of its workers' freedom of association, I write to point a number of factual errors and misrepresentations concerning Saint-Gobain that are contained in the report with the expectation that they will be corrected before the final report is issued to the public.

In the section of the report titled "Worcester, Massachusetts," it states that the Company made a change in the hours of work of certain employees in January 2002 "shortly after bargaining began" with the UAW. However, as the Company previously informed you in its July 27, 2010 letter, this change occurred *before* Saint-Gobain had even received notification from the NLRB of the final certification of the union and therefore occurred before bargaining began with the UAW. Once the Company received a copy of the Board's decision certifying the UAW as the employee bargaining representative on January 7, 2002 and began negotiations with the UAW shortly thereafter, no further reduction of employee hours ever occurred.

Second, in the next paragraph, the report states that "Saint-Gobain defied the NLRB's remedial orders," forcing the Board "to go to federal court to seek enforcement of its decision." This is incorrect. Saint-Gobain did not "defy" the NLRB's remedial order, but rather challenged the remedy entered by the NLRB on appeal to the United States Court of Appeals for the First Circuit, as was the Company's legal right to do so. Indeed, the First Circuit explicitly stated in its opinion that "[i]n this venue, Saint-Gobain concedes its liability for the charged unfair labor practice and contests only the remedial portion of the Board's order. It claims that the remedy is punitive and contravenes the tenets undergirding the NLRA." *NLRB v. Saint-Gobain Abrasives, Inc.*, 426 F.3d 455, 458 (2005) In fact, as the Company noted in its reply brief filed in the Court of Appeals, the Company had been engaged in ongoing discussions with the Compliance

Saint-Gobain Corporation

750 E. Swedesford Road • PO Box 860 • Valley Forge, PA 19482-0105 • USA • Tel: (610) 341-7108 • Fax: (610) 341-7865
e-mail: tim.l.feagans@saint-gobain.com • www.saint-gobain-corporation.com



Mixed Sources
Product group from well-managed
forests, controlled sources and
recycled wood or fiber
Cert no. SW-COC-007340
www.fsc.org
© 1996 Forest Stewardship Council

Division of Region One of the NLRB concerning how to effectuate the NLRB's order. It is therefore simply not accurate to state that Saint-Gobain "defied" the NLRB's order.

Third, the report falsely states on a number of occasions that the Company hired permanent replacements in response to the UAW's strike in November 2003, a particularly significant error, given Human Right Watch's condemnation of that practice throughout the report. In the section of the report entitled "The Decertification Move at Saint-Gobain," it states that, in response to the UAW's strike in November 2003, "the company advertised for replacement workers and began hiring them, effectively breaking the strike." The report goes on to state that "[i]n January 2005, 53 percent of Saint-Gobain's 700 workers – *including replacement workers* – voted to decertify the UAW." (emphasis added). In addition, in footnote 171, the report states that the Company had hired temporary workers during the November 2003 strike, erroneously suggesting that the Company had permanently replaced striking employees with temporary employees.

As the newspaper articles cited in footnote 162 of your report explicitly state, the Company *never* hired any replacement workers during the strike. Therefore, hiring replacement workers could not have had any role in "breaking the strike," as the report erroneously states. Instead, it appears that the strike was unsuccessful because, by the Company's estimates, approximately two-thirds of employees chose not to honor the strike and instead crossed the picket lines to report to work. This fact was not noted in the report, even though it is the subject of one of the newspaper articles cited in footnote 162.

Furthermore, the November 2003 strike was characterized by the UAW as an unfair labor practice strike, *not* an economic strike (as the report incorrectly suggests), and therefore the Company could not (and did not) hire any permanent replacements. Rather, once the union and the striking employees made an unconditional offer to return to work, the Company accepted all bargaining unit employees back at the workplace and not a single employee was permanently replaced.

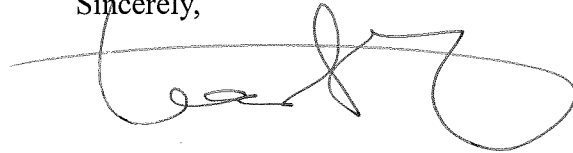
Next, in the section of the report entitled "The Saint-Gobain OECD Complaint," the report quotes a portion of the final statement issued by the U.S. National Contact Point ("NCP"), but fails to include the full quotation, resulting in an inaccurate and misleading description of the Company's position. The report notes that the UAW responded favorably to the U.S. NCP's encouragement that the parties consider reengaging the Federal Mediation and Conciliation Service's mediation process, but that the Company stated that "it preferred to pursue the issues exclusively through the NLRB...." If the quotation from the U.S. NCP's final statement had not been cut off, it would have gone on to state that the Company "further explained that process afforded the equivalent of mediation, noting the parties' mediation before the Associate Chief Administrative Law Judge for the NLRB." If the report had used the full quotation, it would be clear that the reason the Company did not agree to *another* mediation with the UAW was because it had *just completed* an unsuccessful mediation with the UAW, not because of any unwillingness on its part to resolve the dispute, as the report currently suggests.

Arvind Ganesan
August 31, 2010
Page 3

Finally, in your July 9, 2010 letter to Pierre-André de Chalendar requesting final comment from the Company, you listed the matters that Human Rights Watch planned to address concerning Saint-Gobain, but did not mention the UAW's OECD complaint and the fact that the U.S. NCP ultimately decided not to take any action with respect to the complaint. As a result, the Company assumed that this omission meant that Human Rights Watch was unaware of the OECD complaint's existence, and thus brought this complaint your attention in the Company's July 27, 2010 letter. However, in reviewing your report, we now see in footnote 185 that Human Rights Watch interviewed Steve Beckman of the UAW in August 5, 2009 concerning the OECD complaint, nearly a year before your July 9, 2010 letter. It is disconcerting to the Company that Human Rights Watch apparently knew about the union's unsuccessful OECD complaint, but was not planning to disclose that fact until the matter was raised by the Company. The Company would like to know why Human Rights Watch did not mention the OECD complaint in its earlier correspondence with the Company.

We believe that the corrections listed above are important for the factual accuracy and integrity of the Human Rights Watch report and it is imperative that these edits are made before the final report is issued to the public. Please contact us if you have any questions or need any further information.

Sincerely,

A handwritten signature in black ink, appearing to read 'Timothy L. Feagans', written over a horizontal line.

Timothy L. Feagans
Senior Vice President and General Counsel
Saint-Gobain Corporation

cc: M. Gilles Colas
M. Pierre-André de Chalendar
Mme. Dominique Elineau