

PAYMENT PRACTICES AND PERFORMANCE

1ST JULY 2022 – 31ST DECEMBER 2022
DATA

Saint-Gobain UK





CONTENTS

- 03/ Message from Mike Chaldecott
- 04/ Some of our actions over the last period to improve our performance
- 08/ Our seven legal entities
- 10/ Our data

A message from **Mike Chaldecott**

CEO Saint-Gobain UK & Ireland

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Welcome to our ninth Payment Practices and Performance Report. This report covers our performance during the second half of 2022 from the 1st July 2022 – 31st December 2022.

At Saint-Gobain our purpose is to **Make The World A Better Home**. Fulfilling this can't be achieved without the engagement and support of our suppliers. We recognise that how we pay our suppliers is an important aspect of the positive relationships we aim to have with suppliers.

In this report we present the performance data for seven of our legal entities – unchanged since our last report – for the first half of 2022.

Notably during the period, we have acquired the business of GCP Applied Technologies UK Ltd – which will be required to report in future reports. We have also reached a binding agreement to divest Saint-Gobain Building Distribution Ltd – the entity which receives and pays more than 87% of our current invoice volume.

I'm very pleased with the long-term progress we are making in this important area. We are spurred on by the spotlight that reporting our progress regularly brings. The long-term trend, particularly in the number of invoices paid when overdue is extremely positive – with all entities showing large decreases in the proportion of invoices paid when overdue.

Once again I want to thank and recognise the efforts of all our colleagues who are involved in managing our relationships with suppliers, whether collaborating directly with suppliers or those involved in the process of ensuring they are paid on time. Suppliers are a critical part of our business and we are only able to be successful with their support and efforts. We are continuing to focus on tackling issues where they exist, and making improvements to ensure our processes are smoother and quicker for our suppliers and colleagues alike.

Please take time to read our report and understand the performance we are reporting. If you have any questions, please get in touch with your Saint-Gobain contact or email us directly at sgukcomms@saint-gobain.com.



MIKE CHALDECOTT
CEO Saint-Gobain UK & Ireland

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WHAT DO WE THINK OF THIS DATA?

ABOUT OUR SUPPLIERS:

As a complex, national business with multiple legal entities, and over 34 operating businesses, we have a large number of suppliers (over 20,000). Our suppliers range from small, local businesses who provide us with goods and services, to large international groups who supply us with raw materials or goods for resale. This complexity means that our suppliers have considerably varying needs and expectations that require management. Our approach is to work with our suppliers to agree specific payment terms that most suit the nature of our supplier/customer relationship.

OUR PERFORMANCE

Overview of our reporting

During the period there were no changes to the legal entities on which we are required to report. There remain seven legal entities who together processed more than 850,000 invoices, a small 4% reduction in invoices, during this reporting period: 1st July 2022 – 31st December 2022.

Saint-Gobain Building Distribution Ltd continues to be our largest legal entity responsible for processing the overwhelming majority of our invoices. During the period they accounted for 87% of our total invoice volume with over 740,000 invoices processed.

Our second largest legal entity – **Saint-Gobain Construction Products UK Ltd**, processed more than half of the remaining invoices – 72,485 – a 16% increase since the prior period.

Scope change:

During the period there were two transactions that will affect future reporting. The acquisition of GCP Applied Technologies UK Ltd and the agreement to divest International Timber (Part of Saint-Gobain Construction Products UK Ltd) and Saint-Gobain Building Distribution Ltd – a transaction that will complete in Quarter 1 of 2023. As GCP meets two of the reporting criteria we will report on payment performance in future periods. We will also cease to report on Saint-Gobain Building Distribution Ltd once this transaction completes.

OUR REPORTING DATA

Our core reporting data is split into two specific areas:

- The average number of days it takes our entities to pay suppliers; and
- The proportion of suppliers paid outside of agreed terms / these are 'overdue' invoices

We also provide data on what proportion of suppliers are paid in less than 30 days, 31-60 days or 61 days or longer.

AVERAGE PAYMENT DAYS:

In the majority of our legal entities the average number of days we paid suppliers in the period remained stable and similar to the last period of reporting. This is largely reflective of our entities having a stable supplier base, where in many legal entities suppliers are providing raw material goods for the manufacturing processes of our entities.

Our two largest entities:

• Saint-Gobain Building Distribution Ltd (SGBD):

- The average payment days continued to reduce in **SGBD**. Average payments took 37 days to be received by suppliers the same as the prior period. Since the first reporting period (January – June 2018) the average number of days **SGBD** took to pay suppliers has reduced from 55 days to 37 days in this most recent period. Given **SGBD's** significance in terms of the total number of invoices processed this continued performance improvement is a testament to the hard work and focus of colleagues on improving our processes for the benefit of suppliers.

• Saint-Gobain Construction Products UK Ltd:

- Our performance remained stable compared to the prior period at an average of 56 days' vs 58 in the prior period. A moderate improvement. Overall, since reporting began the average number of payment days has changed slightly reduced from 60 to 56 days as reported in this period.

We continue to monitor all of our entities performance closely. In **Saint-Gobain Ltd**, where the number of days it took for suppliers to be paid increased again from 56 to 59 days. As previously noted, this is our smallest legal entity and, as a result, a relatively small number of issues can have a larger impact on our performance. We have identified the root causes of the increase in payment days which can be attributed to a small number of suppliers for whom we are experiencing frequent invoice queries, mis-matching and errors. We are continuing to work on our plan to find ways to improve the process.

It is worth noting the significant progress of **Saint-Gobain Glass UK Ltd** where performance has improved from 67 days for the average payment in January – June 2018 to 53 days in this recent period.

OVERDUE PAYMENTS:

Our performance in terms of Overdue Payments follows a very similar trend to that which we have seen during this reporting period for the Average Payment Days.

Many entities have performed consistently with performance for the prior reporting period stable and at very similar levels. In all our legal entities we have seen a significant reduction in the percentage of invoices paid when overdue. In most cases entities have reduced their proportion of overdue invoices by between 50-65%. In **Saint-Gobain Ltd**, which has seen the smallest reduction, the percentage of overdue invoices has still reduced by more than 30%.

The improvements our entities have delivered over the last five years of reporting can be seen below:

- **Saint-Gobain Construction Products UK Ltd:-** from 30% (in 2018) to 16% this period
- **Saint-Gobain Glass UK Ltd: -** from 32% (in 2018) to 12% this period
- **Artex Ltd: -** from 10% (in 2018) to 4%
- **Saint-Gobain Ltd: -** from 32% (in 2018) to 18%
- **Saint-Gobain High Performance Solutions UK Ltd: -** from 12% (in 2019) to 7% in this period
- **Saint-Gobain Isover UK Ltd: -** from 18% (in 2019) to 9% in this period
- **Saint-Gobain Building Distribution Ltd: -** from 32% (in 2018) to 18% in this period

Overall, since reporting began we believe significant progress has been made. The spotlight that reporting on our progress brings has led to changes in our approach, processes and our work in this area. It has helped us to have a greater focus on resolving issues in a timely way and addressing underlying causes and it has also changed practices that would have taken place at times in the past such as deferring payments. Such deferments only take place following discussion and agreement being reached with suppliers.

Almost all of our entities are reporting stable performance in comparison to the prior reporting period.

We would note the following for two of our entities:

• **Saint-Gobain Ltd:-** Performance has improved since the last period but remains higher than at the beginning of 2021. The entity represents a small proportion of our invoices, however we are working on improving the businesses performance. The primary cause of this performance is linked to re-occurring issues with a small number of vendors (less than 10) where we are experiencing frequent invoice queries, mis-matching and errors. We are implementing a plan with our colleagues to find ways to improve the process.

• **Saint-Gobain Building Distribution Ltd (SGBD):-** Performance has got worse since the last period with the proportion of invoices paid when overdue increasing from 12% to 15%. This, while overall fewer invoices were paid by the entity. We are closely monitoring this performance but as this report is published, and as noted, this entity will be divested in Quarter One of 2023.

ABOUT THIS REPORT

This report provides information on the payment terms and performance for seven of our legal entities for the period 1st July 2022 to 31st December 2022.

Saint-Gobain in the UK is a large and complex organisation, employing more than 17,000 colleagues across 34 separate businesses.



OUR 7

LEGAL ENTITIES

SAINT-GOBAIN BUILDING DISTRIBUTION LIMITED

Including the following businesses and departments: Jewson, one of the UK's largest timber and builders' merchants and many other general and specialist construction materials suppliers such as: Calders & Grandidge, Chadwicks, Frazer, George Boyd, Gibbs & Dandy, International Timber, Minster and Pasquill. This entity also includes Shared Service departments and has more than 950 branches across the UK.

8,307 colleagues¹



SAINT-GOBAIN CONSTRUCTION PRODUCTS UK LIMITED

Including the following businesses:

Celotex, British Gypsum, Formula, Weber, Ecophon, PAM, Kaimann, Pasquill, Roofspace Solutions and International Timber – these businesses represent some of the most trusted and respected in the construction sector manufacturing plaster and plasterboard products, technical mortars and high performance insulation.

3,471 colleagues¹



SAINT-GOBAIN GLASS (UNITED KINGDOM) LIMITED

SGGUK manufactures flat coated and laminated glass. Glassolutions transforms and processes flat glass. Swisspacer manufacture warm edge spacer bars to insulate the edges of an energy efficient sealed glass unit.

455 colleagues¹



SAINT-GOBAIN LIMITED

Saint-Gobain Limited represents Saint-Gobain in the UK and provides a management service to the Saint-Gobain UK businesses.

It comprises of Shared Service and Head Office functions including: Finance, IT, HR, Communications, Legal and other professional services.

647 colleagues¹



SAINT-GOBAIN HIGH PERFORMANCE SOLUTIONS UK LIMITED

Including the following businesses:


Saint-Gobain Abrasives, Saint-Gobain Industrial Ceramics and Saint-Gobain Performance Plastics Corby. Together they manufacture a wide range of abrasive materials, coated PTFE fabrics, polymer products for multiple applications and high-performing ceramic materials.

417 colleagues¹




SAINT-GOBAIN ISOVER UK LTD

Saint-Gobain Isover UK Ltd manufactures glasswool insulation for thermal, acoustic and fire performance in new build, renovation and industrial buildings.

93 colleagues¹  **Isover**
SAINT-GOBAIN

ARTEX LIMITED

Artex Limited is a leading distributor of construction products for repair, maintenance and improvement projects, including plasters, fillers, plasterboards and tools.

63 colleagues¹  **Artex**

¹ Updated as of 31st January 2023



OUR DATA

In this section we present the data for our seven legal entities both in relation to payment terms and payment performance. Our aim is to provide this data in an easy-to-digest way.

When we have calculated the data we have included the time that payments take to reach the supplier, not the date at which payment is made – as payments can sometimes take three or four days to reach a supplier. This method has been used in calculating our payment performance, but not our overdue payments. The period for which we report on is the 1st July 2022 – 31st December 2022.

Where data is presented on the % of payments which were not paid to the agreed payment terms – we define agreed payment terms as, the payment terms agreed between the customer and the supplier – whatever those terms may be.



OUR DATA

PAYMENT TERMS

In this section we provide details of the standard payment terms for our seven reporting legal entities, the maximum length of time for a supplier to be paid and how disputes between our legal entities and suppliers are resolved.

There has been no change to the information provided below during the period of this report.

ENTITY	SHORTEST STANDARD PAYMENT PERIOD IN DAYS FOR PAYMENT OF INVOICES	LONGEST STANDARD PAYMENT PERIOD IN DAYS FOR PAYMENT OF INVOICES	MAXIMUM LENGTH OF TIME FOR PAYMENT TO ANY SUPPLIER	WERE CHANGES MADE TO STANDARD TERMS DURING THE PERIOD	HOW THE ENTITY RESOLVES ISSUES AND DISPUTES
SAINT-GOBAIN BUILDING DISTRIBUTION LIMITED	65	95	120	NO	<p>The Company has a dedicated National Payment Centre (NPC), contactable via electronic written communication. Vendors with invoice queries are required to contact them regarding non-payment of invoices. The NPC will endeavour to resolve the query and will contact the originator of the purchase to resolve the issue.</p> <p>The Company has a dedicated Finance Shared Service Centre (SSC), contactable by phone or e-mail, as noted on the Purchase Order. Vendors with invoice queries are required to contact them regarding non-payment of invoices. The SSC will endeavour to resolve the query on the telephone and will contact the originator of the purchase to resolve the issue.</p>
SAINT-GOBAIN CONSTRUCTION PRODUCTS UK LIMITED	65	95	95	NO	
SAINT-GOBAIN GLASS (UNITED KINGDOM) LIMITED	65	95	102	NO	
SAINT-GOBAIN LIMITED	65	95	95	NO	
ARTEX LIMITED	65	95	95	NO	
SAINT-GOBAIN ISOVER UK LIMITED	65	95	95	NO	
SAINT-GOBAIN HIGH PERFORMANCE SOLUTIONS UK LIMITED	60	91	120	NO	

NB: Period of reporting is: 1st July 2022 – 31st December 2022.



OUR DATA

PAYMENT PERFORMANCE

In this section we present data for our seven reporting legal entities on, the average number of payments in the reporting period, when payments were made to suppliers in less than 30 days, between 31-60 days or 61 days or longer and the percentage of payments that were not paid within the terms agreed with the supplier.

The data presented for the percentage of payments made in the period is based on the number of payments not the value of those payments.

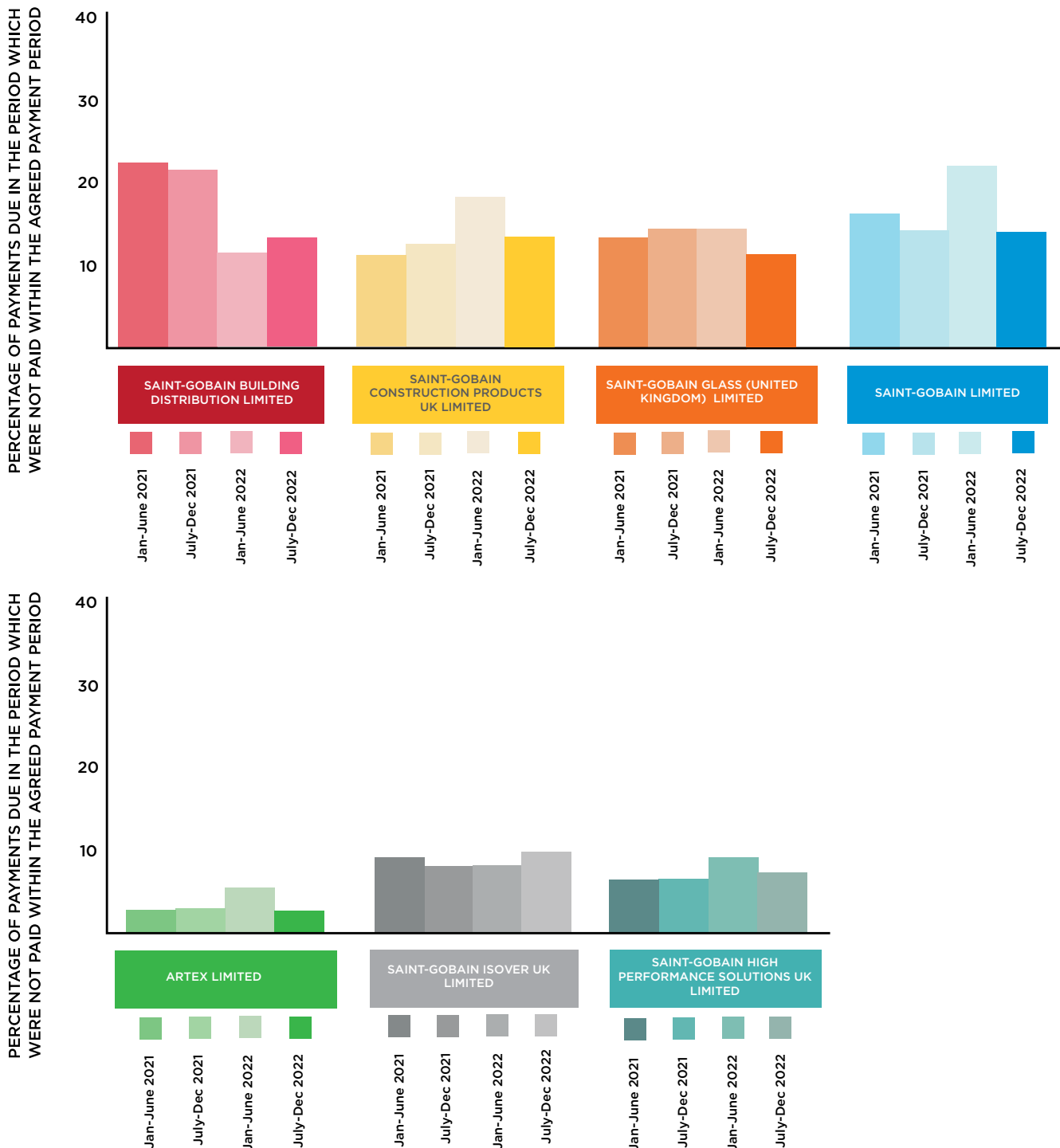
ENTITY	AVERAGE NUMBER OF DAYS TAKEN TO MAKE PAYMENT IN THE PERIOD ¹	PERCENTAGE OF PAYMENTS MADE IN THE PERIOD			
		IN 30 DAYS OR FEWER	BETWEEN 31-60 DAYS	IN 61 DAYS OR LONGER	PERCENTAGE OF PAYMENTS DUE IN THE PERIOD WHICH WERE NOT PAID WITHIN THE AGREED PAYMENT PERIOD
SAINT-GOBAIN BUILDING DISTRIBUTION LIMITED	37	37%	31%	32%	15%
SAINT-GOBAIN CONSTRUCTION PRODUCTS UK LIMITED	55	18.7%	44.3%	37%	16%
SAINT-GOBAIN GLASS (UNITED KINGDOM) LIMITED	53	25%	46%	28%	12%
SAINT-GOBAIN LIMITED	58	30%	41%	30%	18%
ARTEX LIMITED	55	7%	65%	28%	4%
SAINT-GOBAIN ISOVER UK LIMITED	62	7%	46%	47%	9%
SAINT-GOBAIN HIGH PERFORMANCE SOLUTIONS UK LIMITED	33	60%	28%	12%	7%

¹From the date of receipt of the invoice or other notice.
NB: Period of reporting is: 1st July 2022 – 31st December 2022.



OUR PERFORMANCE OVER TIME

PERCENTAGE OF PAYMENTS DUE IN THE PERIOD WHICH WERE NOT PAID WITHIN THE AGREED PAYMENT PERIOD

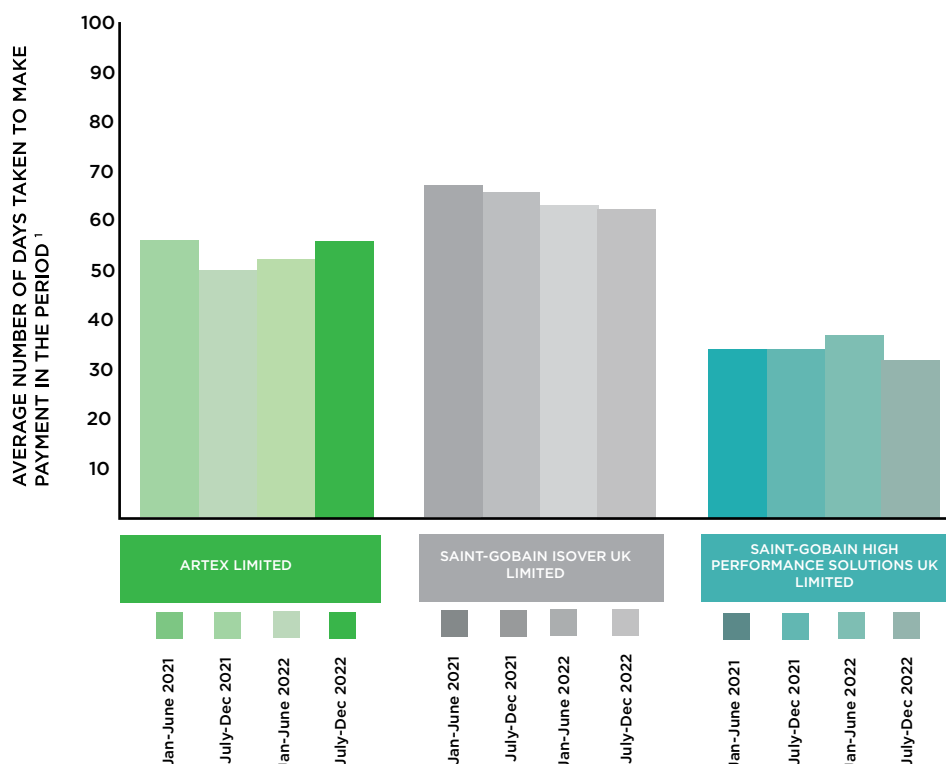
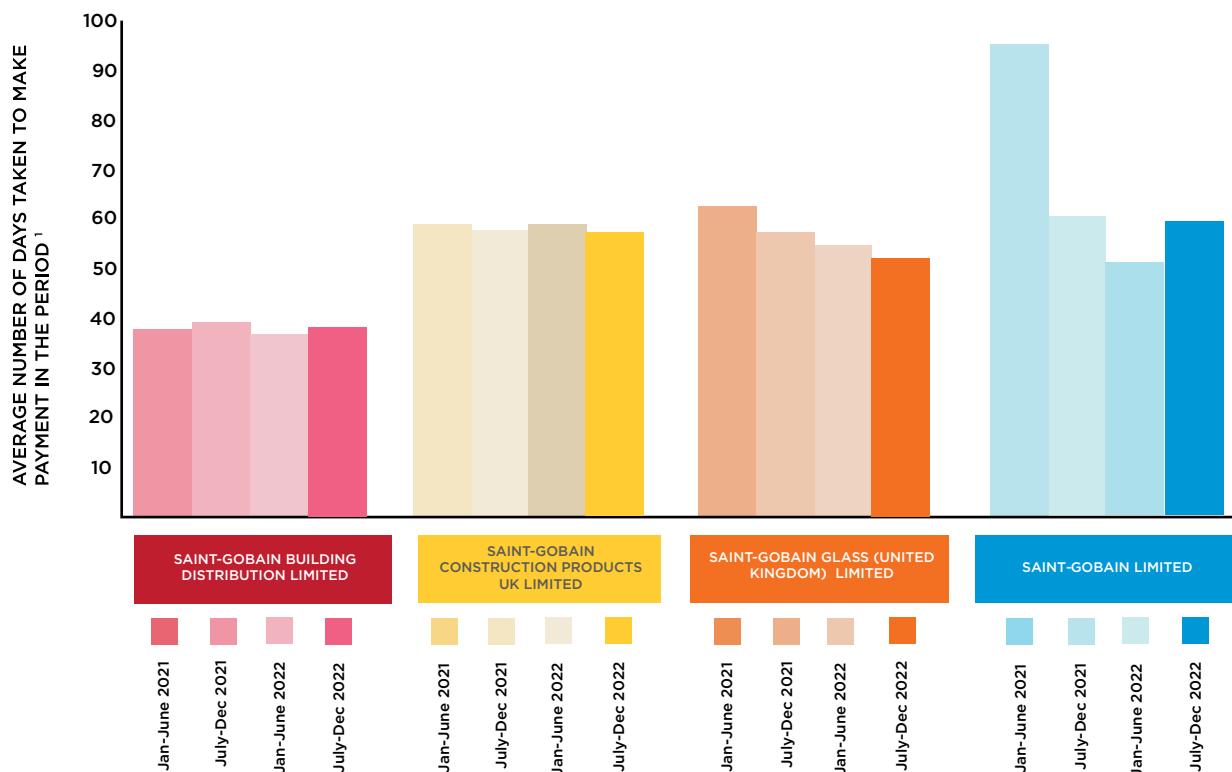


¹From the date of receipt of the invoice or other notice.
NB: Period of reporting is: 1st July 2022 – 31st December 2022.



OUR PERFORMANCE OVER TIME

AVERAGE NUMBER OF DAYS TAKEN TO MAKE PAYMENT IN THE PERIOD¹



¹From the date of receipt of the invoice or other notice.

NB: Period of reporting is: 1st July 2022 – 31st December 2022.



OUR DATA

OUR PRACTICES AND POLICIES

In this section we provide answers to specific questions asked by the Regulations about our payment practices.

In summary, none of our seven legal entities charge suppliers for remaining on our suppliers list, offer supplier finance, e-invoicing or participate in specific payment codes.

There has been no change to the information presented below for the period of this report.

ENTITY	ARE SUPPLIERS OFFERED E-INVOICING?	IS SUPPLY CHAIN FINANCE AVAILABLE TO SUPPLIERS?	DO BUSINESS' PRACTICES AND POLICIES COVER DEDUCTING SUMS FROM PAYMENTS AS A CHARGE FOR REMAINING ON A SUPPLIER'S LIST?	IS THE BUSINESS A MEMBER OF A PAYMENT CODE?
SAINT-GOBAIN BUILDING DISTRIBUTION LIMITED	NO	NO	NO	NO
SAINT-GOBAIN CONSTRUCTION PRODUCTS UK LIMITED	NO	NO	NO	NO
SAINT-GOBAIN GLASS (UNITED KINGDOM) LIMITED	NO	NO	NO	NO
SAINT-GOBAIN LIMITED	NO	NO	NO	NO
ARTEX LIMITED	NO	NO	NO	NO
SAINT-GOBAIN ISOVER UK LIMITED	NO	NO	NO	NO
SAINT-GOBAIN HIGH PERFORMANCE SOLUTIONS UK LIMITED	NO	NO	NO	NO



FUTURE REPORTING:

Data for the period 1st January – 30th June 2023 will be reported by the 30th July 2023.

All data is submitted onto the Government website which can be found at:

<https://www.gov.uk/check-when-businesses-pay-invoices>

MORE INFORMATION:

We provide more information on subjects related to our supply chain on our website. Please visit the following pages on our website for more information:

1/ Supplier Charter

For details on our Supplier Charter that we ask all our suppliers to sign up to:

[Click Here](#)

2/ Principles of Conduct & Action

For details of the principles we apply to how we manage our business including relationships with suppliers:

[Click Here](#)

3/ Corporate Social Responsibility

Including how we create social value in our communities and with our supply chain:

[Click Here](#)




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