

PAYMENT PRACTICES AND PERFORMANCE

1ST JULY 2023 – 31ST DECEMBER 2023 DATA

SAINT-GOBAIN UK



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A message from **Mike Chaldecott**

CEO Saint-Gobain UK & Ireland



Welcome to our eleventh Payment Practices and Performance Report. This report covers our performance during the second half of 2023 from the 1st July 2023 – 31st December 2023.

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.

As noted in our prior report we acquired the business of **GCP Applied Technologies (UK) Limited** in September 2022 – this is the second time they appear in our report. It's pleasing to see that we are starting to see progress in the right direction as we integrate the business more into Saint-Gobain, our processes, procedures and behaviours. We will continue to work with the business to further increase its performance.

As you will see from the following information our businesses continue to make steady progress in regard to payment performance with trends overall continuing to show an improving picture. This has been a long-term trend with all entities showing large decreases in the proportion of invoices paid when overdue since reporting began in 2018. In particular I would like to congratulate colleagues in our largest entity **Saint-Gobain Construction Products (UK) Limited** where there was excellent performance in reducing the overdue payments, in Saint-Gobain where again excellent work has been done to resolve issues and considerably improve their performance and in **Saint-Gobain High Performance Solutions (UK) Limited** where the proportion of invoices paid was at its lowest since reporting began at 4% - this is a third of the number since they began reporting when overdue invoices were 12%.

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.

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



WHAT DO WE THINK OF THIS DATA?

ABOUT OUR SUPPLIERS:

As a complex, national business with multiple legal entities, and over 19 operating businesses, we have a large number of suppliers (over 10,000). 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

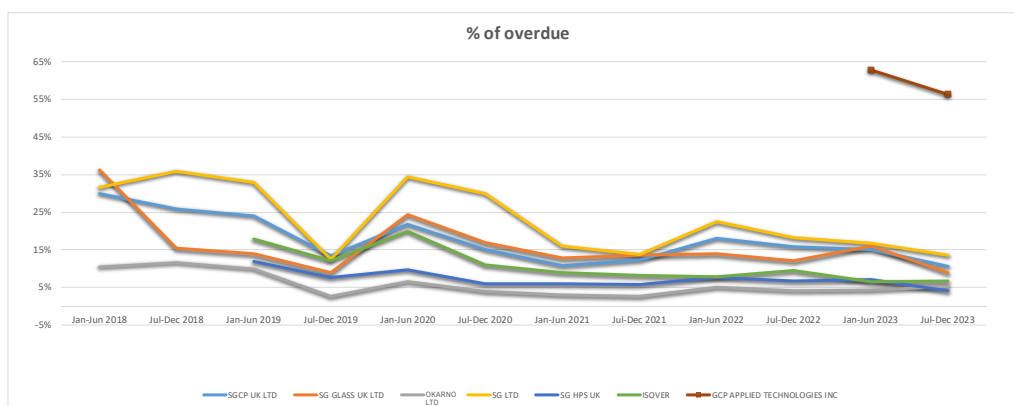
We continue to report on the performance of seven legal entities all passing the requisite threshold for reporting. This report includes for the second time **GCP Applied Technologies (UK) Limited** following their acquisition by Saint-Gobain in September 2022. This will enable us to assess their performance as their integration in the group continues.

One other change in this reporting period is the inclusion of Okarno Ltd. This is the new name for **Artex Ltd. Artex Ltd** have been included in previous reports.

Our largest legal entity – **Saint-Gobain Construction Products (UK) Limited**, processed nearly 60% of our total invoices in the reporting period at total of 52,283 invoices. During the period they improved their performance by a further 4% - reducing their invoices paid outside of agreed terms from 15% in the first half of 2023 to 11% in this reporting period, the second half of 2023. This progress is excellent and continues their progression since we began to report in 2018 when the proportion of invoices paid when overdue was 30%.

Our newest reporting entity, **GCP Applied Technologies (UK) Limited** reports for the second time in this report. For this entity the proportion of invoices paid outside of agreed terms was 56% compared to 63% in the first reporting period. This is good progress in a short period of time and we're pleased this is beginning to move in the right direction and we are seeing the business' behaviours in this important area align with Saint-Gobain standards.

We continue to be pleased with core progress across our entities. Progress has been steady, sustained and in all our entities we have seen the proportion of invoices paid when overdue reduce as illustrated by the graph on the next page:



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:

Across all our entities, except **GCP Applied Technologies (UK) Limited**, there was a small decrease in the average number of days in which suppliers were paid.

The most significant change was in **Saint-Gobain Isover (UK) Limited** where increase we say in average payment days in the first half of the year was largely reversed with the average days reducing from 77 to 66 days. This has been largely as a result of clearing aged invoices.

In general terms this area is largely characterised by relatively smaller changes. Terms are agreed between Saint-Gobain and the supplier and the small changes we see here are 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.

However, we continue to monitor all of our entities performance closely and look at individual cases where invoices are taking longer to be settled to understand the root causes and address specific issues with particular suppliers' invoices or processes. These can include mismatching, errors, invoices sent without Purchase Orders etc. We are continuing to work on our plan to find ways to improve the process.

Where there is a smaller number of invoices being paid, such as in **Saint-Gobain Limited**, where the number of days it took for suppliers to be paid reduced from 60 to 58 days, a relatively small number of issues can have a larger impact on our performance and the result can be affected by the mix of invoices and their respective terms during the reporting period.

Since reporting began in 2018 the trend across our entities has been a small reduction in the average payment days. In our largest entity, **Saint-Gobain Construction Products (UK) Limited**, average payment days has reduced from 60 to 53. In **Saint-Gobain Glass UK Ltd** from 67 to 53 days and in **Saint-Gobain High Performance Solutions** from 38 to 34 days.

OVERDUE PAYMENTS:

In five of the seven legal entities we report data for Overdue Payments has improved, continuing the long term trend already mentioned. All entities are below 20% of invoices paid when overdue and four (one more than previously reported) entities are below 10%.

Saint-Gobain Construction Products (UK) Limited made excellent progress reducing invoices paid when overdue from 15% to 11% the lowest they have reported and aided by the focus on clearing invoices linked to the Celotex brand, which was part of the entity and was preparing for the completion of its divestment from ***Saint-Gobain Construction Products (UK) Limited*** (Completed early in January 2024).

In ***Saint-Gobain High Performance Solutions UK*** excellent progress was also made. They paid only 4% of invoices when overdue. This is excellent performance in an entity that pays the second highest number of invoices in the period. Of the 15,479 invoices paid in the period only 751 were paid late.

In ***GCP Applied Technologies (UK) Limited***, as referenced above their performance was far higher than the Saint-Gobain expectations at 56% a reduction from 63%. This is progress in the right direction and we will be continuing to work with them closely to improve this in a sustainable way.

Our ***Saint-Gobain Glass United Kingdom Limited*** entity's performance improved considerably improving from 16% in the first half of 2023 to 9% in this reporting period. This performance is attributable to resolving issues with two suppliers and their invoicing processes and with some minor issues with the implementation of a new system. We're pleased these have been resolved quickly.

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

- ***Saint-Gobain Construction Products (UK) Limited***: from 30% (in 2018) to 11% this period.
- ***Saint-Gobain Glass United Kingdom Limited***: from 36% (in 2018) to 9% this period
- ***Okarno Ltd***: from 10% (in 2018) to 5%
- ***Saint-Gobain Ltd***: from 32% (in 2018) to 14%
- ***Saint-Gobain High Performance Solutions (UK) Limited***: from 12% (in 2019) to 4% in this period
- ***Saint-Gobain Isover (UK) Limited***: from 18% (in 2019) to 7% 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.

ABOUT THIS REPORT

This report provides information on the payment terms and performance for seven of our legal entities for the period 1st July 2023 to 31st December 2023.

Saint-Gobain in the UK is a large and complex organisation, employing more than 5,500 colleagues across 19 separate businesses.



OUR 7

LEGAL ENTITIES

GCP APPLIED TECHNOLOGIES

GCP Applied Technologies (UK) Limited has over 50 years of industry expertise and a portfolio of construction products that includes concrete and cement additives, building materials and technologies that ensure specified quality and enhance business productivity.

136 colleagues¹



SAINT-GOBAIN CONSTRUCTION PRODUCTS (UK) LIMITED

Including the following businesses:

British Gypsum, Formula, Weber, Ecophon, PAM, Kaimann, Pasquill and Roofspace Solutions – 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.

3,027 colleagues¹



SAINT-GOBAIN GLASS (UK) 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.

414 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.

348 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.

227 colleagues¹




SAINT-GOBAIN ISOVER (UK) LIMITED

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

99 colleagues¹  SAINT-GOBAIN

OKARNO LTD

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

69 colleagues¹ 

¹ Data as of 30th January 2024



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 2023 to 31st December 2023.

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
GCP APPLIED TECHNOLOGIES (UK) LIMITED	65	95	120	NO	GCP operate an offshore payment service centre. The payment centre works with the originator of the purchase to resolve any issues that occur.
SAINT-GOBAIN CONSTRUCTION PRODUCTS (UK) LIMITED	65	95	95	NO	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.
SAINT-GOBAIN GLASS (UK) LIMITED	65	95	102	NO	
SAINT-GOBAIN LIMITED	65	95	95	NO	
OKARNO	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 2023 – 31st December 2023.



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
GCP APPLIED TECHNOLOGIES (UK) LIMITED	46	14%	62%	24%	56%
SAINT-GOBAIN CONSTRUCTION PRODUCTS (UK) LIMITED	53	22.4%	46.4%	31.3%	11%
SAINT-GOBAIN GLASS (UK) LIMITED	53	23%	49%	28%	9%
SAINT-GOBAIN LIMITED	58	39%	36%	25%	14%
OKARNO	52	7%	72%	21%	5%
SAINT-GOBAIN ISOVER (UK) LIMITED	66	9%	47%	44%	7%
SAINT-GOBAIN HIGH PERFORMANCE SOLUTIONS (UK) LIMITED	34	62%	28%	10%	4%

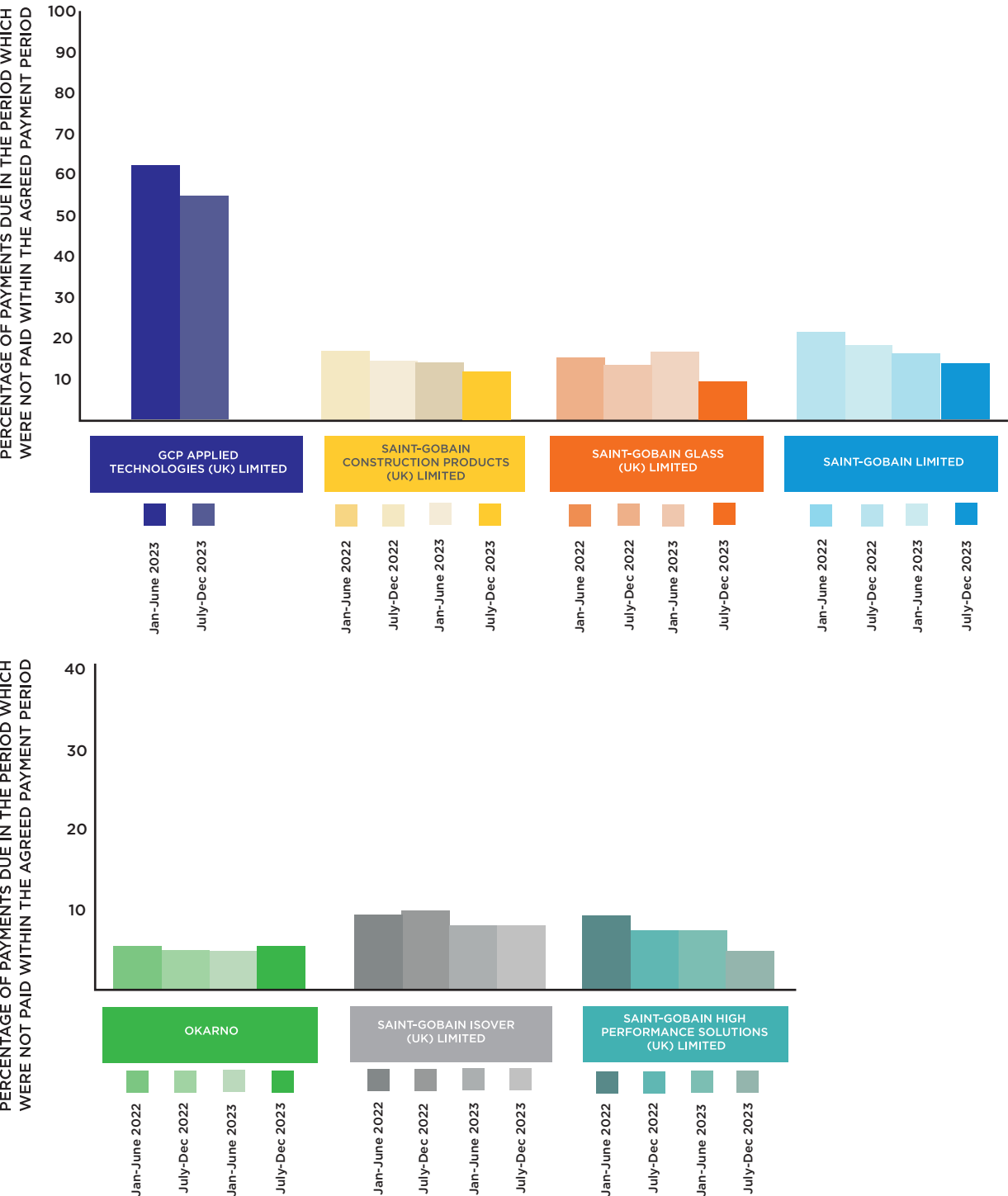
¹From the date of receipt of the invoice or other notice.

NB: Period of reporting is: 1st July 2023 – 31st December 2023.



OUR PERFORMANCE OVER TIME

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

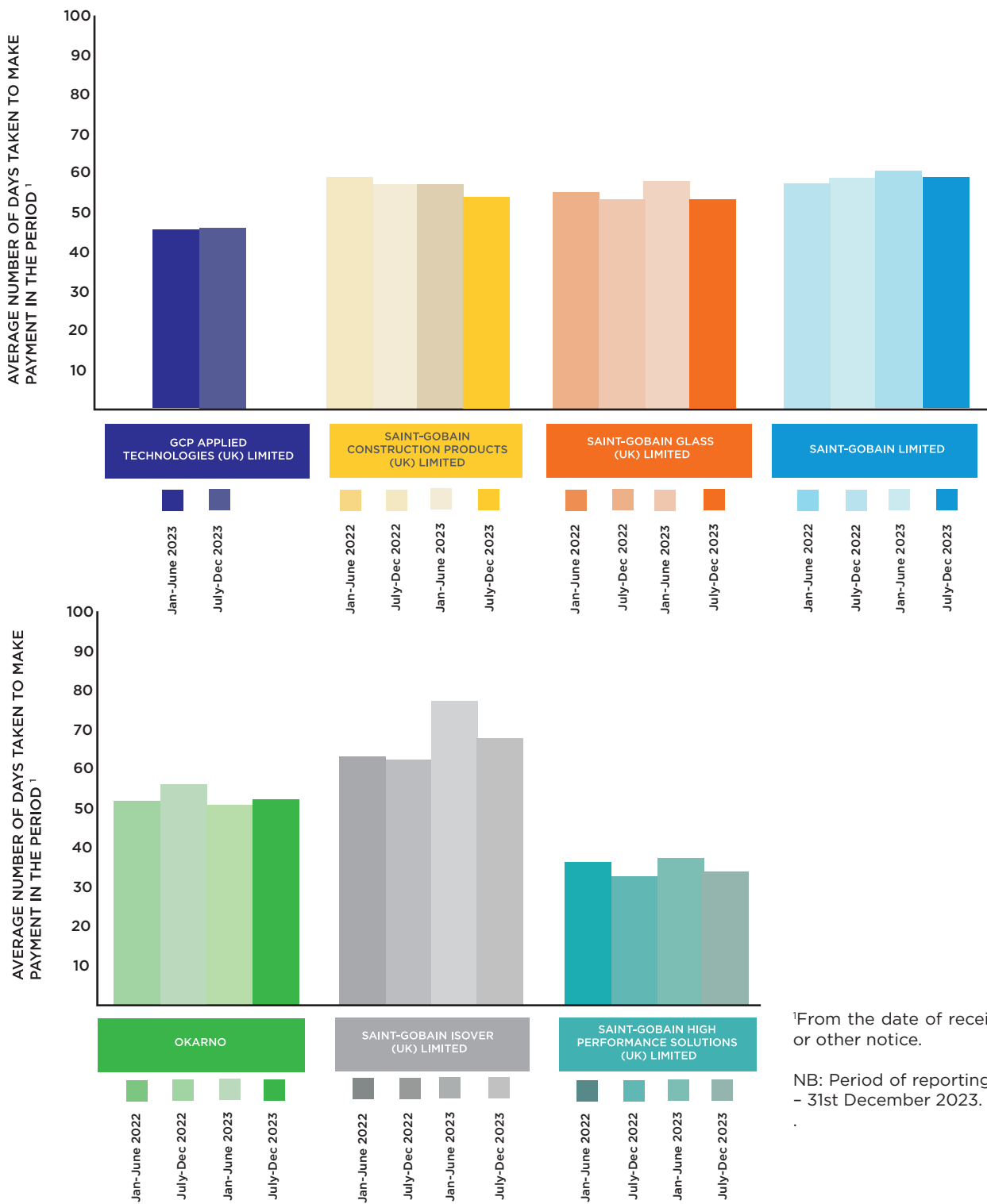


¹From the date of receipt of the invoice or other notice.
NB: Period of reporting is: 1st July 2023 – 31st December 2023.



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 2023 – 31st December 2023.



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?
GCP APPLIED TECHNOLOGIES (UK) LIMITED	NO	NO	NO	NO
SAINT-GOBAIN CONSTRUCTION PRODUCTS (UK) LIMITED	NO	NO	NO	NO
SAINT-GOBAIN GLASS (UK) LIMITED	NO	NO	NO	NO
SAINT-GOBAIN LIMITED	NO	NO	NO	NO
OKARNO	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 2024 will be reported by the 30th July 2024.

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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