

PAYMENT PRACTICES AND PERFORMANCE

JANUARY – JUNE 2023 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



Welcome to our tenth Payment Practices and Performance Report. This report covers our performance during first half of 2023 from the 1st January 2023 – 30th June 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.

The significant change in this reporting period, compared to the previous periods has been that we will no longer be presenting data for Saint-Gobain Building Distribution Ltd which previously accounted for 87% of our invoices paid. This business was divested on the 28th February 2023.

As noted in our prior report (period 1st July – 31st December 2022) we acquired the business of GCP Applied Technologies (UK) Ltd in September 2022. This business meets the threshold for reporting and is therefore included in this report.

As you will see from the following information our businesses continue to make steady progress in relation 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.

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



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. During the period the significant change to the reporting landscape for our business was the divestment of **Saint-Gobain Building Distribution Ltd** (divested in February 2023). This entity is no longer presented in our data. For the first time GCP Applied Technologies (UK) Ltd are included following their acquisition by Saint-Gobain in September 2022.

Our largest legal entity - **Saint-Gobain Construction Products UK Ltd**, processed more than half of the invoices in the reporting period with a total of 54,861 invoices. During the period they improved their performance by 1% - a total of 15% of invoices were paid outside of agreed terms. While we continue to focus on how we can improve this performance, the business continues to steadily improve when compared to the 30% paid outside of agreed terms in our first report in 2018.

Our newest reporting entity, **GCP Applied Technologies (UK) Ltd** reports for the first time in this report. For this entity the proportion of invoices paid outside of agreed terms was 63%. The vast majority of these are late by only a few days as shown by the average payment days being the quickest that we report at 45 days. GCP will be transitioning to Saint-Gobain standards over the months ahead so we hope to see this performance improve a great deal in future reports.

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

AVERAGE PAYMENT DAYS:

The picture across our entities in this area is a mixed one. In some entities the average payment days increased by a few days and in others it decreased.

The most significant change was in **Saint-Gobain Isover UK Ltd** where the average days increased from 62 to 77 days. This is due to the identification of several aged invoices dating back to 2021 and earlier. These 64 invoices were mainly paid to other Saint-Gobain companies in France and so do not reflect the payment performance to UK non-group suppliers. If those invoices were excluded from the numbers, the average payment days would have been 64, which is a more reasonable expectation for the payments which affect external suppliers.

In our newest entity **GCP Applied Technologies (UK) Ltd** their average payment days reported is 45. This is the lowest number of days reported by any of our entities.

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 Ltd**, where the number of days it took for suppliers to be paid increased again from 58 to 60 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.

OVERDUE PAYMENTS:

In all our legal entities except for one the performance in terms of Overdue Payments has improved, continuing the long term trend. All entities are below 20% paid when overdue and three entities are below 10%.

In **GCP Applied Technologies (UK) Ltd**, as referenced above their performance was far higher than we have reported before at 63%. We will be working with them closely to improve this.

Our **Saint-Gobain Glass United Kingdom Ltd** entity's performance also worsened moving from 12% to 16%. The reasons behind this have been identified as being with two suppliers and their invoicing processes and with some minor issues with the implementation of a new system. We expect these will be addressed by the next period.

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 15% this period.
- **Saint-Gobain Glass United Kingdom Ltd:** from 36% (in 2018) to 16% this period
- **Artex Ltd:** from 10% (in 2018) to 4%
- **Saint-Gobain Ltd:** from 32% (in 2018) to 17%
- **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 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.

ABOUT THIS REPORT

This report provides information on the payment terms and performance for seven of our legal entities for the period **1st January 2023 to 30th June 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



SAINT-GOBAIN



SAINT-GOBAIN

SAINT-GOBAIN CONSTRUCTION PRODUCTS UK LIMITED

Including the following businesses:

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

2,487 colleagues¹



SAINT-GOBAIN



SAINT-GOBAIN

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.

568 colleagues¹



SAINT-GOBAIN

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

397 colleagues¹



SAINT-GOBAIN

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.

712 colleagues¹



SAINT-GOBAIN

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



ARTEX LIMITED

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

65 colleagues¹



GCP APPLIED TECHNOLOGIES (UK) LIMITED

GCP's portfolio of construction products includes concrete and cement additives, building materials and technologies that ensure specified quality and enhance business productivity. The world's most successful architects, producers, builders and contractors insist on GCP brands and solutions for their construction projects.

With products that last longer and make construction — and the manufacturing of its materials — more energy efficient and less wasteful, GCP makes a tangible difference on the carbon footprint of our planet.

123 colleagues¹

¹ Updated as of 31st July 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 January 2023 to 30th June 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	60	100	100	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 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 January 2023 – 30th June 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	45	13%	61%	26%	63%
SAINT-GOBAIN CONSTRUCTION PRODUCTS UK LIMITED	56	21%	45%	35%	15%
SAINT-GOBAIN GLASS (UNITED KINGDOM) LIMITED	57	21%	44%	34%	16%
SAINT-GOBAIN LIMITED	60	33%	40%	27%	18%
ARTEX LIMITED	51	8%	74%	18%	4%
SAINT-GOBAIN ISOVER UK LIMITED	77	8%	46%	46%	7%
SAINT-GOBAIN HIGH PERFORMANCE SOLUTIONS UK LIMITED	37	58%	29%	13%	7%

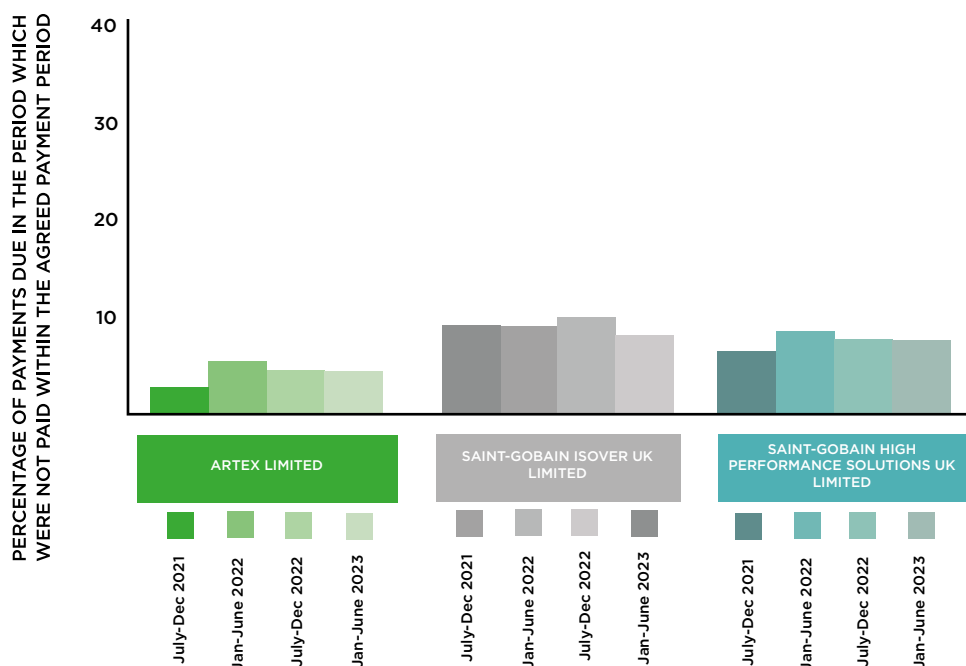
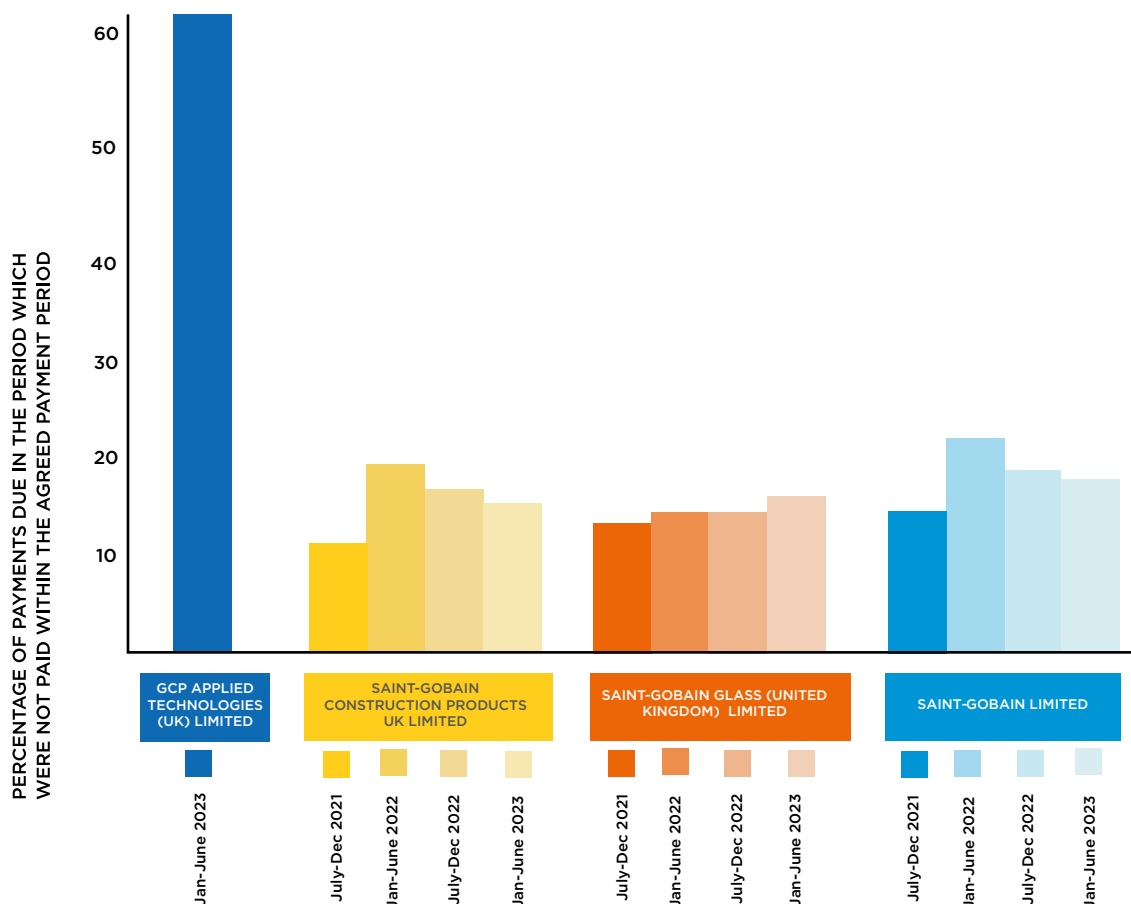
¹From the date of receipt of the invoice or other notice.

NB: Period of reporting is: 1st January 2023 – 30th June 2023.



OUR PERFORMANCE OVER TIME

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

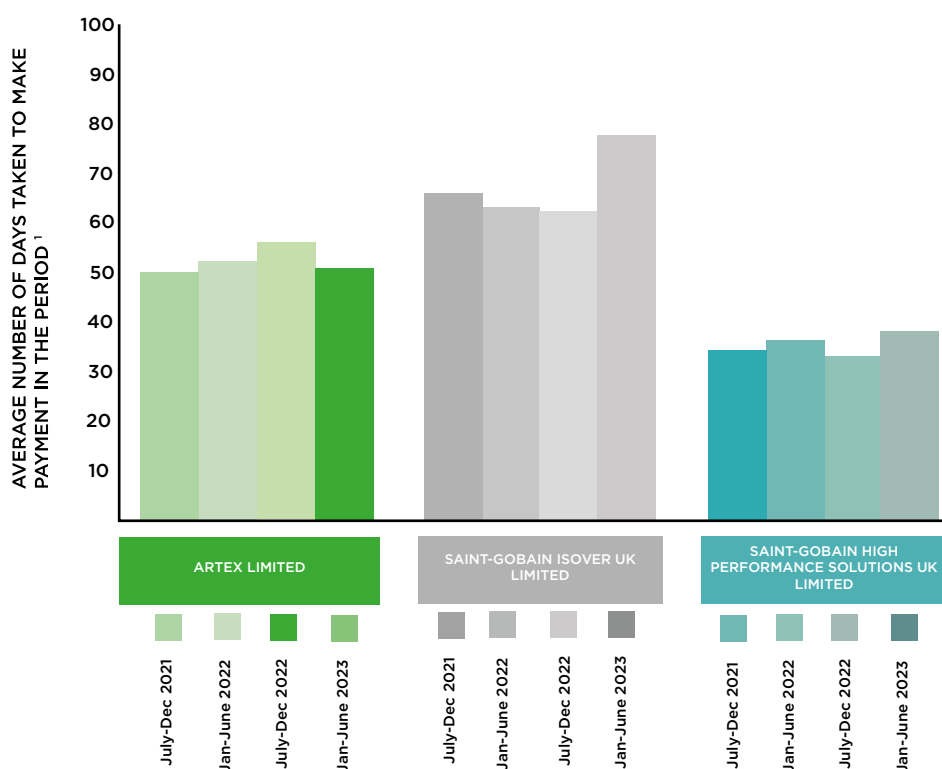
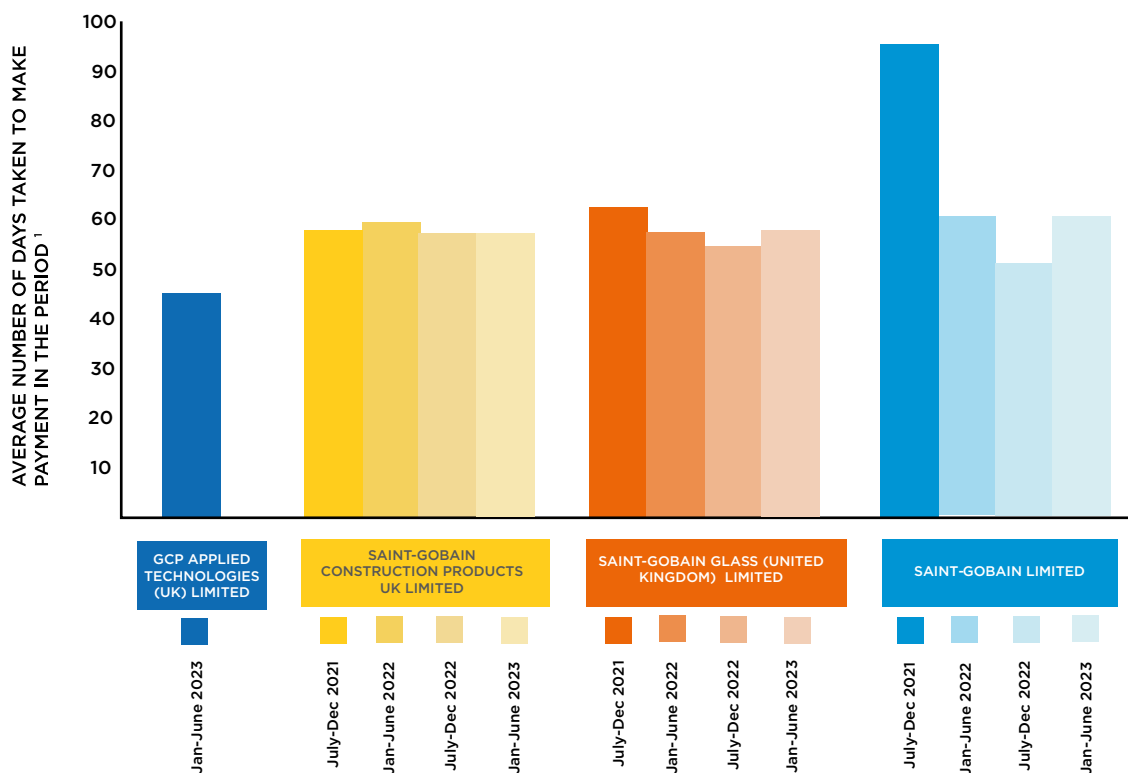


¹From the date of receipt of the invoice or other notice. NB: Period of reporting is: 1st January 2023 – 30th June 2023.



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 January 2023 – 30th June 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 (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 July – 31st December 2023 will be reported by the 30th January 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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