

# PAYMENT PRACTICES AND PERFORMANCE

JAN - JUNE 2022 DATA

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Saint-Gobain UK





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# A message from Mike Chaldecott

CEO Saint-Gobain UK & Ireland



Welcome to our eighth Payment Practices and Performance Report. This report covers our performance during the first half of 2022 from the 1st January 2022 – 30th June 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.

I'm very pleased to be able to report that we continue to make progress. This is demonstrated by the long term trends in our business which show fewer invoices are paid when overdue and, to a lesser extent, the average number of days we take to pay invoices is falling.

Thanks in particular to strong performance in our largest legal entity Saint-Gobain Building Distribution Ltd, 150,000 fewer invoices were overdue when paid.

In this report we also discuss the progress of our smallest legal entity - Saint-Gobain Ltd - responsible for just 0.2% of our invoices. In this entity we are not making the progress I would like to see. I am confident that we have a good understanding of the underlying issues and that a plan is in place to make more positive progress than we have in this period.

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. 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.

We work with over 20,000 suppliers and I want to ensure we are working as hard as we can to develop long term mutually beneficial relationships based on trust and respect.

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](mailto:sgukcomms@saint-gobain.com).



**MIKE CHALDECOTT**  
CEO Saint-Gobain UK & Ireland

# WHAT DO WE THINK OF THIS DATA?

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## 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 868,291 invoices during this reporting period: 1st January 2022 – 30th June 2022.

This represents a drop in the total number of invoices processed of 25% attributable mainly to the divestment of a number of Saint-Gobain businesses in our largest legal entity **Saint-Gobain Building Distribution Ltd (SGBD)** which occurred before and during this reporting period.

**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 just over 90% of our total invoice volume with over 783,665 invoices processed.

Our second largest legal entity – **Saint-Gobain Construction Products UK Ltd**, processed more than half of the remaining invoices – 47,434. Our smallest legal entity, **Saint-Gobain Ltd** processed 1,486 invoices during the period – under 0.2% of our total invoices.

## 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 compared to 39 days in 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:** performance remained stable compared to the prior period at an average of 58 days' vs 57 in the prior period.

The most notable adverse change was in **Saint-Gobain Ltd**, where the number of days it took for supplier to be paid increased from 51 to 56 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 cause 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 developing a plan with our colleagues to find ways to improve the process

### **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.

For four of our legal entities there has been notable changes in performance:

• **Artex Ltd:** performance has declined, with overdue payments representing 5% of invoices vs 3% in the last period. Overdue invoices remain at a very low level, and since reporting began remains less than half of the 12% reported in 2018.

• **Saint-Gobain Ltd:** performance has also declined with invoices overdue representing 22% in this period vs 14% in the prior period. The primary causes of this decline are linked to two factors:

• Firstly, re-occurring issues with a small number of vendors where we are experiencing frequent invoice queries, mis-matching and errors. We are developing a plan with our colleagues to find ways to improve the process.

• Secondly, a relatively large number of invoices with payment terms of 7 days. The proportion of invoices overdue with terms of 7 days is much higher at 47%. It remains a significant challenge for the business to be able to process and pay an invoice in this short period of time. We will be working with colleagues who work with suppliers on such terms to

have open discussions with the suppliers about these challenges.

**Saint-Gobain Construction Products UK Ltd:** The performance of this entity has changed during the period - overdue payments have increased from 12% to 18%. This can be attributed to the change in the make up of this entity during the period. Three trading businesses previously forming part of **SGBD Ltd** have moved to Saint-Gobain Construction Products UK Ltd. The inclusion of their data has had a negative effect on the performance of the entity.

- **Saint-Gobain Building Distribution Ltd (SGBD):** performance has improved considerably during the period from 21% in the last period to 12% in this reporting period. This represents 150,000 fewer invoices being paid when overdue and a continuation of the trend in **SGBD** which has seen overdue invoices reduce from 32% in 2018 to 12% in this period.

The continued excellent progress in **SGBD** is as a result of close working with our invoice processing partner and improvements in our electronic data transfer processes. These factors, together with greater colleague focus on invoice accuracy and resolving outstanding/historical issues have all helped underpin continued positive progress in **SGBD**.

In all our legal entities we have seen a significant reduction in the percentage of overdue invoices. 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%.

Reporting on our progress has led to changes in our approach and processes. It has helped to provide 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 deferrals only take place following discussion and agreement being reached with suppliers.

# ABOUT THIS REPORT

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This report provides information on the payment terms and performance for seven of our legal entities for the period 1st Jan 2022 to 30th June 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

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### 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.

12,176 colleagues<sup>1</sup>



### SAINT-GOBAIN CONSTRUCTION PRODUCTS UK LIMITED

Including the following businesses:

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

2,487 colleagues<sup>1</sup>



### 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 colleagues<sup>1</sup>



### 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 colleagues<sup>1</sup>



### 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 colleagues<sup>1</sup>




### **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 colleagues<sup>1</sup>  **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.

65 colleagues<sup>1</sup>  **Artex**

*<sup>1</sup> Updated as of 31st July 2022*



# OUR DATA

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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 2022 – 30th June 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 January 2022 – 30th June 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.

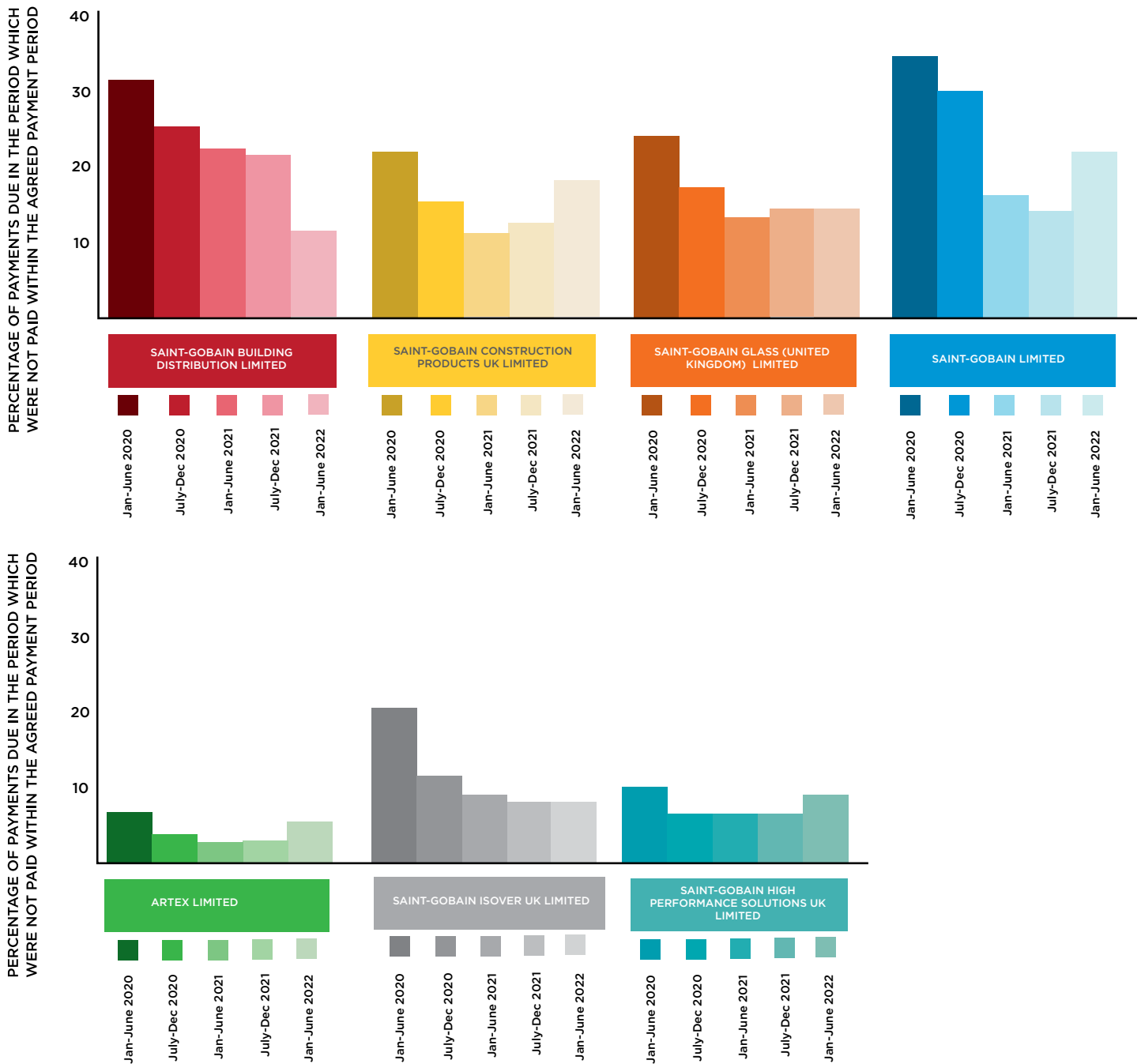
ENTITY	AVERAGE NUMBER OF DAYS TAKEN TO MAKE PAYMENT IN THE PERIOD <sup>1</sup>	PERCENTAGE OF PAYMENTS MADE IN THE PERIOD			
		IN 30 DAYS OR FEWER	BETWEEN 31-60 DAYS	IN 61 DAYS OR LONGER	PERCENTAGE OF PAYMENTS DUE IN THE PERIOD WHICH WERE NOT PAID WITHIN THE AGREED PAYMENT PERIOD
SAINT-GOBAIN BUILDING DISTRIBUTION LIMITED	37	49%	24%	27%	12%
SAINT-GOBAIN CONSTRUCTION PRODUCTS UK LIMITED	58	18.8%	43.4%	37.7%	18%
SAINT-GOBAIN GLASS (UNITED KINGDOM) LIMITED	54	25%	42%	33%	14%
SAINT-GOBAIN LIMITED	56	28%	43%	29%	22%
ARTEX LIMITED	52	7%	73%	21%	5%
SAINT-GOBAIN ISOVER UK LIMITED	63	8%	46%	46%	8%
SAINT-GOBAIN HIGH PERFORMANCE SOLUTIONS UK LIMITED	36	60%	28%	13%	8%

<sup>1</sup>From the date of receipt of the invoice or other notice.  
NB: Period of reporting is: 1st January 2022 – 30th June 2022.



# OUR PERFORMANCE OVER TIME

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

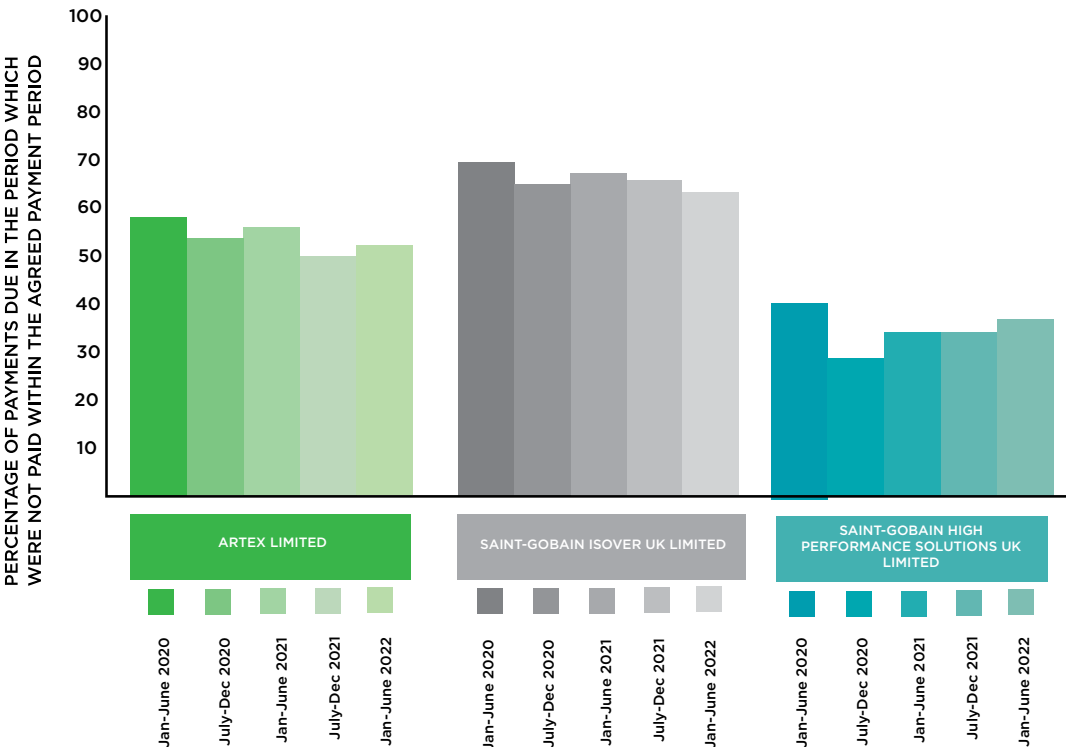
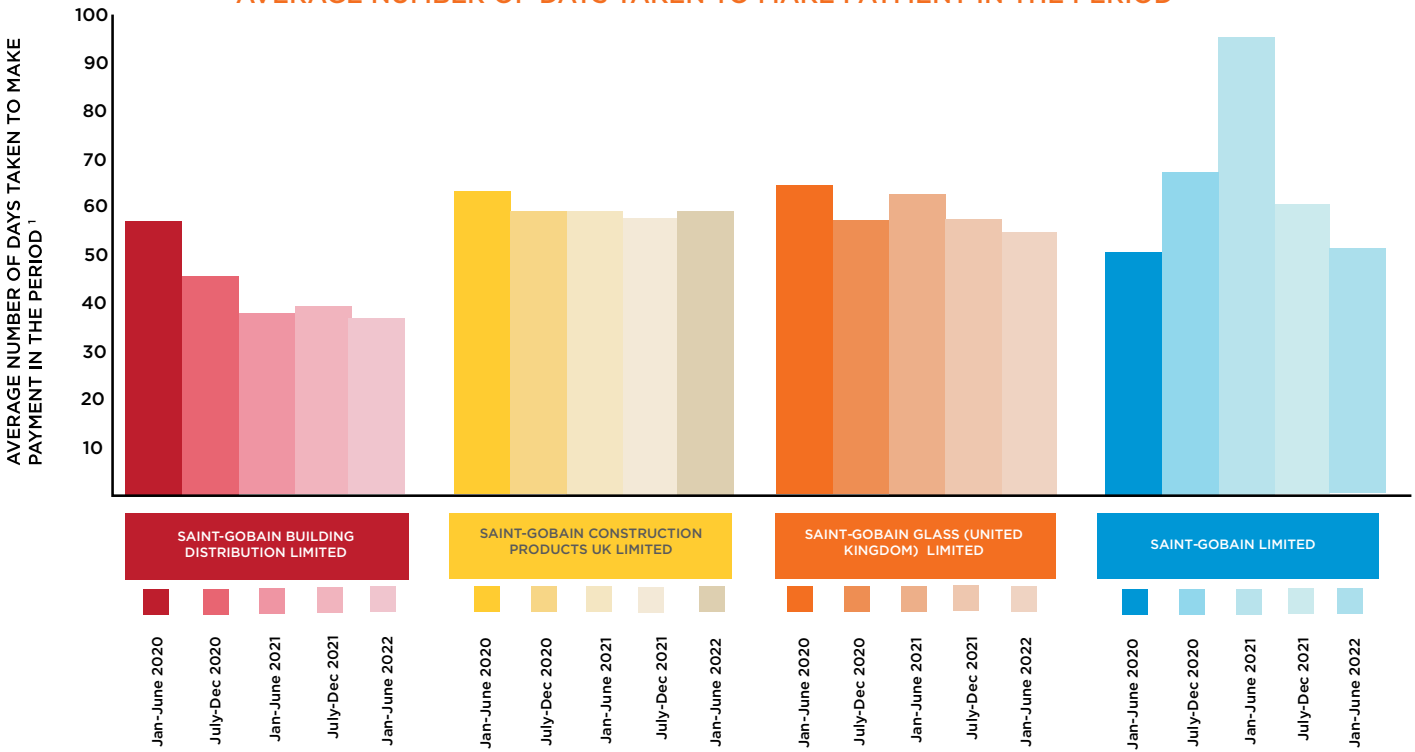


<sup>1</sup>From the date of receipt of the invoice or other notice.  
NB: Period of reporting is: 1st January 2022 - 30th June 2022.



# OUR PERFORMANCE OVER TIME

AVERAGE NUMBER OF DAYS TAKEN TO MAKE PAYMENT IN THE PERIOD<sup>1</sup>



<sup>1</sup>From the date of receipt of the invoice or other notice.  
NB: Period of reporting is: 1st January 2022 - 30th June 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 July – 31st December 2022 will be reported by the 31st January 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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