

PAYMENT PRACTICES AND PERFORMANCE

1ST JANUARY 2024 – 30TH JUNE 2024

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 twelfth Payment Practices and Performance Report. This report covers our performance during the first half of 2024 from 1st January 2024 to the 30th June 2024.

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 third time they appear in our report. I'm extremely pleased to see the excellent progress they have made as we have worked closely together to introduce new processes into how they pay suppliers. This has significantly improved how many invoices are paid on time. Their performance is now much more in line with other Saint-Gobain businesses and as a result, suppliers will receive a better service from Saint-Gobain, in terms of invoice payment. We will continue to work with the business to further increase its performance.

I want to congratulate all of our teams on this progress; our finance teams, our managers and all those involved in dealing with suppliers, procuring goods and services, and in dealing with payments. Many colleagues right across the business have a role to play in ensuring that how our suppliers are paid is as effective and efficient as possible. The considerable progress we have made in the last five years in this area is the result of a tremendous amount of hard work, collaboration and open discussion and I feel very proud of the whole team for the performance they have achieved.

We know there is more we can do and our teams will continue to work closely with our suppliers, who are so critical to our business, to improve our performance further.

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. There has been no change to the number of legal entities we report on, or any substantive change to the structure of those entities.

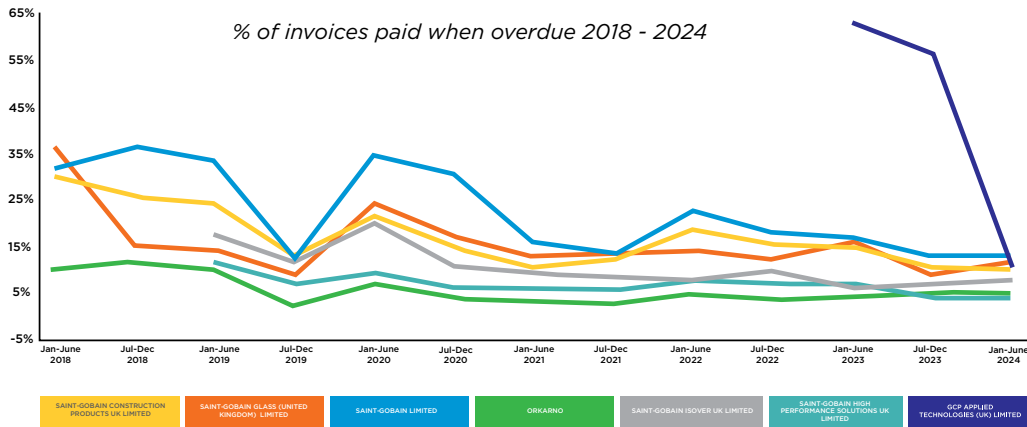
Our largest legal entity – ***Saint-Gobain Construction Products UK Limited***, processed 58% of our total invoices in scope of the reporting period – a total of 51,744 invoices. During the period they improved their performance by a further 1% – reducing their invoices paid outside of agreed terms from 11% in the second half of 2023 to 10% in this reporting period, the first half of 2024. This progress is excellent and continues their gradual improvements 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 third time in this report. For this entity the proportion of invoices paid outside of agreed terms was 63% at the beginning of 2023 in this first reporting period, 56% in the second half of 2023 and, in this report has improved considerably, with 11% of invoices paid outside of agreed terms. GCP was acquired by Saint-Gobain in 2022 and following the introduction of a new payment process to improve adherence to payment terms the business has improved its performance significantly, in a short period of time.

In ***Saint-Gobain Glass (United Kingdom) Limited*** performance went backwards with 12% of invoices paid outside of terms compared to 9% in the prior period. We are investigating the reasons behind this.

We are investigating the detailed reasons behind this relate to a small number of issues with some specific supplier invoicing processes. We are working with the local team to improve the position moving forward.

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 below.



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:

This area is largely characterised by relatively smaller changes in our average number of payment days. 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.

In most legal entities the average number of payment days remained static. Of note in this area are the following:

In **Saint-Gobain Isover UK Ltd** average payment days reduced from 66 to 60. In **Saint-Gobain Ltd**, our smallest entity which processes less than 2% of our invoices payment days reduced from 58 days to 51 days. In **Saint-Gobain Glass (United Kingdom) Limited**, payment days increased from 53 days in the last reporting period to 58 days in this period. We are investigating the specific issues that lie behind this increase and will be working hard to resolve any issues we may find.

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 15% of invoices paid when overdue.

Saint-Gobain Construction Products UK Limited, responsible for processing the largest number of invoices, continues to progress with overdue payments at the lowest level since 2018 and now reporting 10% invoices paid when 'overdue' compared to 30% in 2018. Significant sustained progress.

In **Saint-Gobain High Performance Solutions UK Limited** excellent progress was made. They paid only 4% of invoices when overdue. This is excellent performance in an entity that pays the second highest number of invoices at over 15,000 invoices in the period. Of the 15,162 invoices paid in the period only 665 were paid when overdue.

In **GCP Applied Technologies (UK) Limited**, as referenced above their performance was far higher than than the average for our Saint-Gobain businesses at 56% a reduction from 63%. As a new business to Saint-Gobain we have worked with them to improve and change payment processes. These changes have resulted in significant progress as the business adopts processes more in line with a Saint-Gobain business. This entity reported 10% of invoices paid when overdue in this period.

Where performance has declined slightly, such as in **Saint-Gobain Glass (United Kingdom) Limited** where the entity's performance went backwards (12% paid when overdue vs 9% in the prior period) we are confident these relate to specific issues with a small number of suppliers. We are investigating this and will put in place actions to address these issues quickly.

The improvements our entities have delivered over the last five years of reporting has been considerable and we offer our sincere thanks to all those involved in achieving this.

- **Saint-Gobain Construction Products UK Limited:** from 30% (in 2018) to 10% this period.
- **Saint-Gobain Glass (United Kingdom) Limited:** from 36% (in 2018) to 12% this period
- **Okarno Limited:** from 10% (in 2018) to 4%
- **Saint-Gobain Limited:** from 32% (in 2018) to 13%
- **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 8% 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.

ABOUT THIS REPORT

This report provides information on the payment terms and performance for seven of our legal entities for the period 1st January 2024 to 30th June 2024.


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 (UK) LIMITED

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. These businesses manufacture plaster and plasterboard products, technical mortars, high performance insulation and other products and solutions for the construction industry.

3,027 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.

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, Digital & 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 Limited manufactures glasswool insulation for thermal, acoustic and fire performance in new build, renovation and industrial buildings.

99 colleagues¹  **ISOVER**
SAINT-GOBAIN

OKARNO LIMITED

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

69 colleagues¹  **OKARNO**

¹ Data as of 1st January 2024 to the 30th June 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 January 2024 to 30th June 2024.

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 (UNITED KINGDOM) LIMITED	65	95	102	NO	
SAINT-GOBAIN LIMITED	65	95	95	NO	
OKARNO 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 2024 - 30th June 2024.



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			PERCENTAGE OF PAYMENTS DUE IN THE PERIOD WHICH WERE NOT PAID WITHIN THE AGREED PAYMENT PERIOD
		IN 30 DAYS OR FEWER	BETWEEN 31-60 DAYS	IN 61 DAYS OR LONGER	
GCP APPLIED TECHNOLOGIES (UK) LIMITED	46	36%	48%	16%	11%
SAINT-GOBAIN CONSTRUCTION PRODUCTS UK LIMITED	54	23%	43.6%	33.4%	10%
SAINT-GOBAIN GLASS (UNITED KINGDOM) LIMITED	58	24%	45%	31%	12%
SAINT-GOBAIN LIMITED	51	32%	45%	23%	13%
OKARNO LIMITED	52	7%	72%	21%	4%
SAINT-GOBAIN ISOVER UK LIMITED	60	11%	47%	42%	8%
SAINT-GOBAIN HIGH PERFORMANCE SOLUTIONS UK LIMITED	34	62%	26%	12%	4%

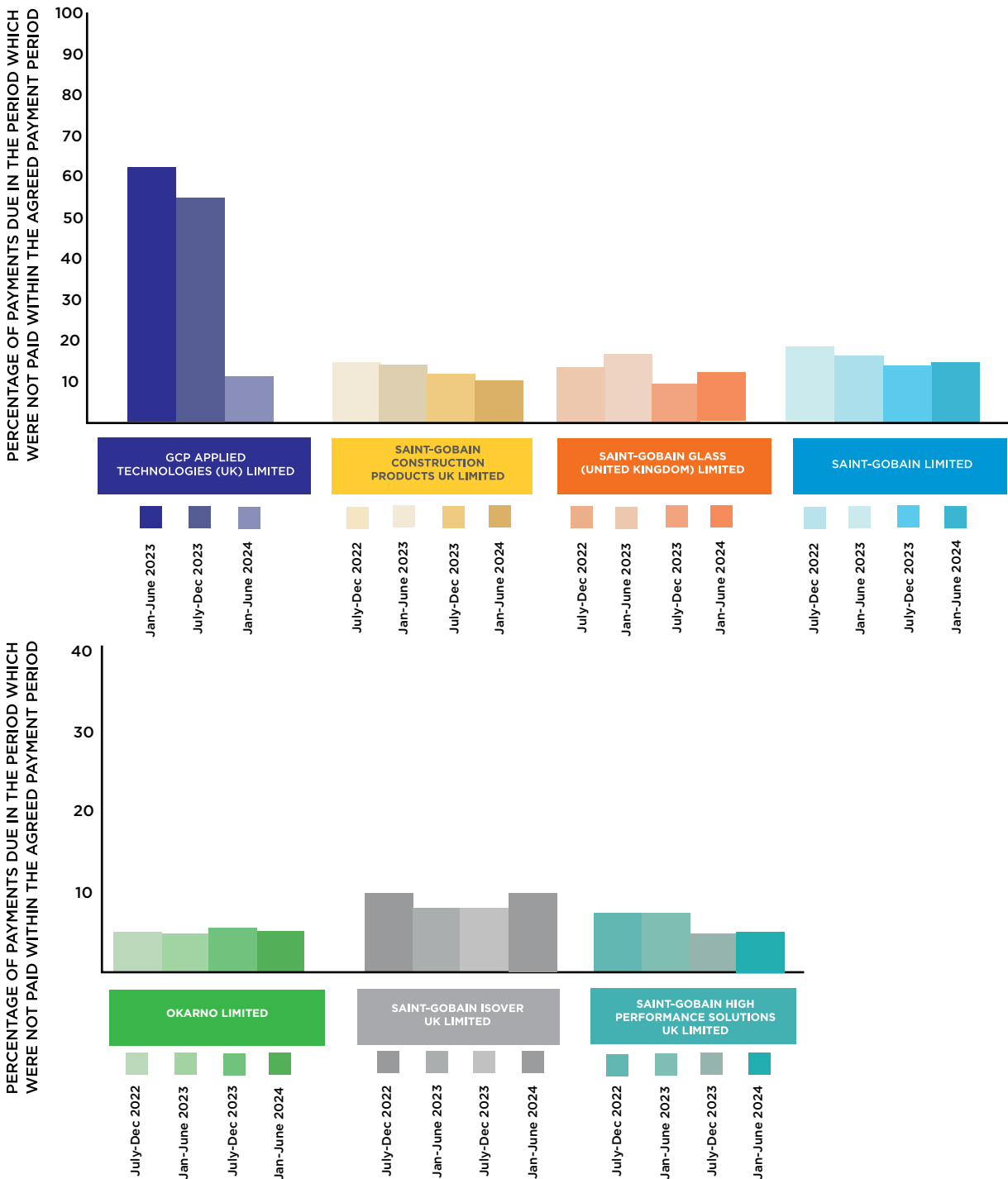
¹From the date of receipt of the invoice or other notice.

NB: Period of reporting is: 1st January 2024 – 30th June 2024.



OUR PERFORMANCE OVER TIME

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

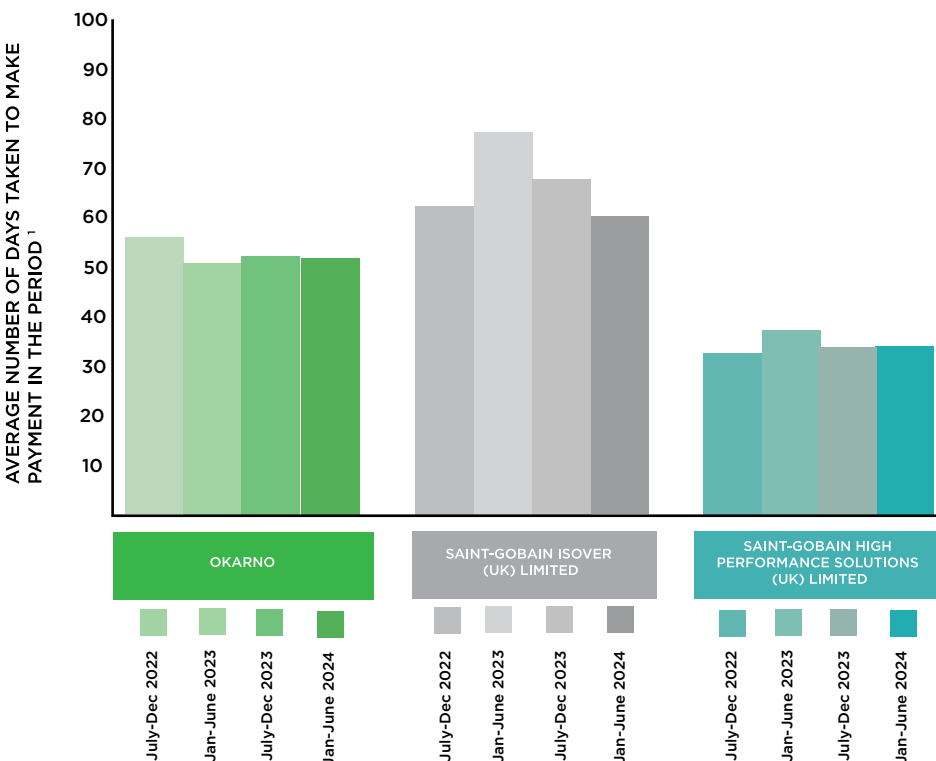
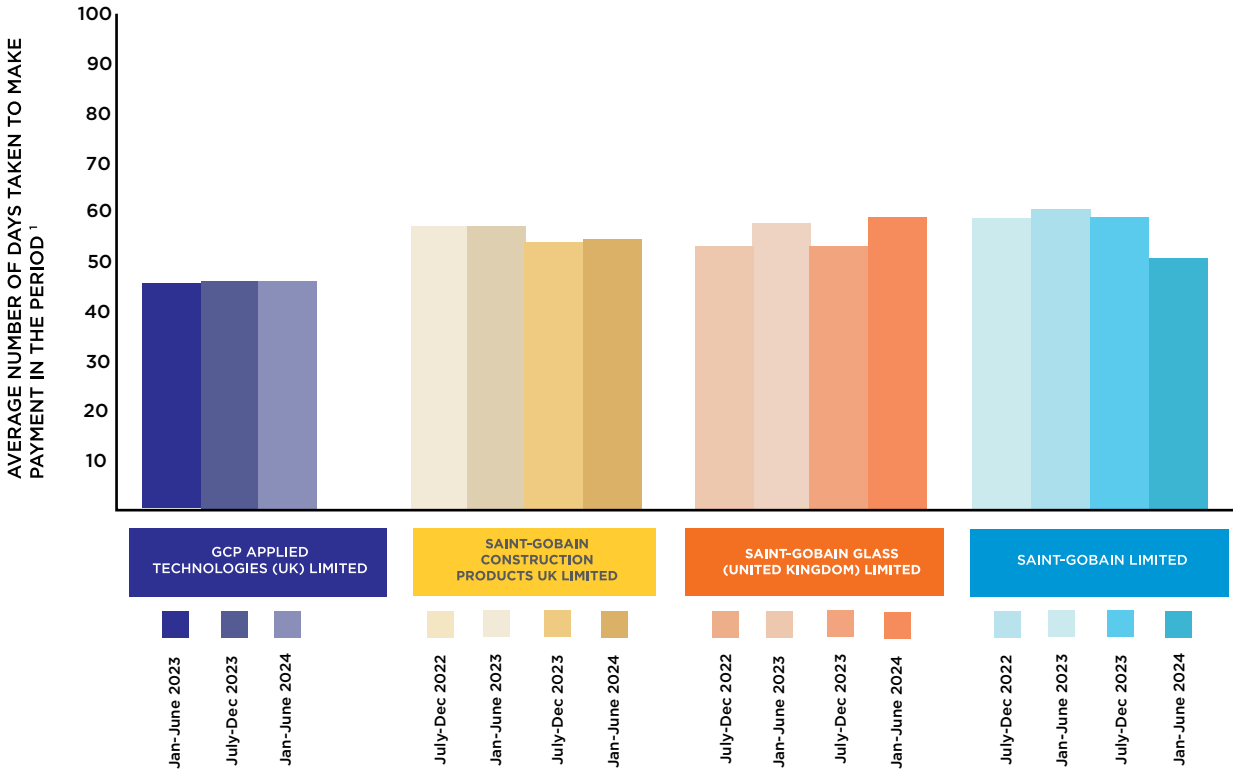


¹From the date of receipt of the invoice or other notice.
 NB: Period of reporting is: 1st January 2024 - 30th June 2024.



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 2024 - 30th June 2024.



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
OKARNO 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 2024 will be reported by the 31st 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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