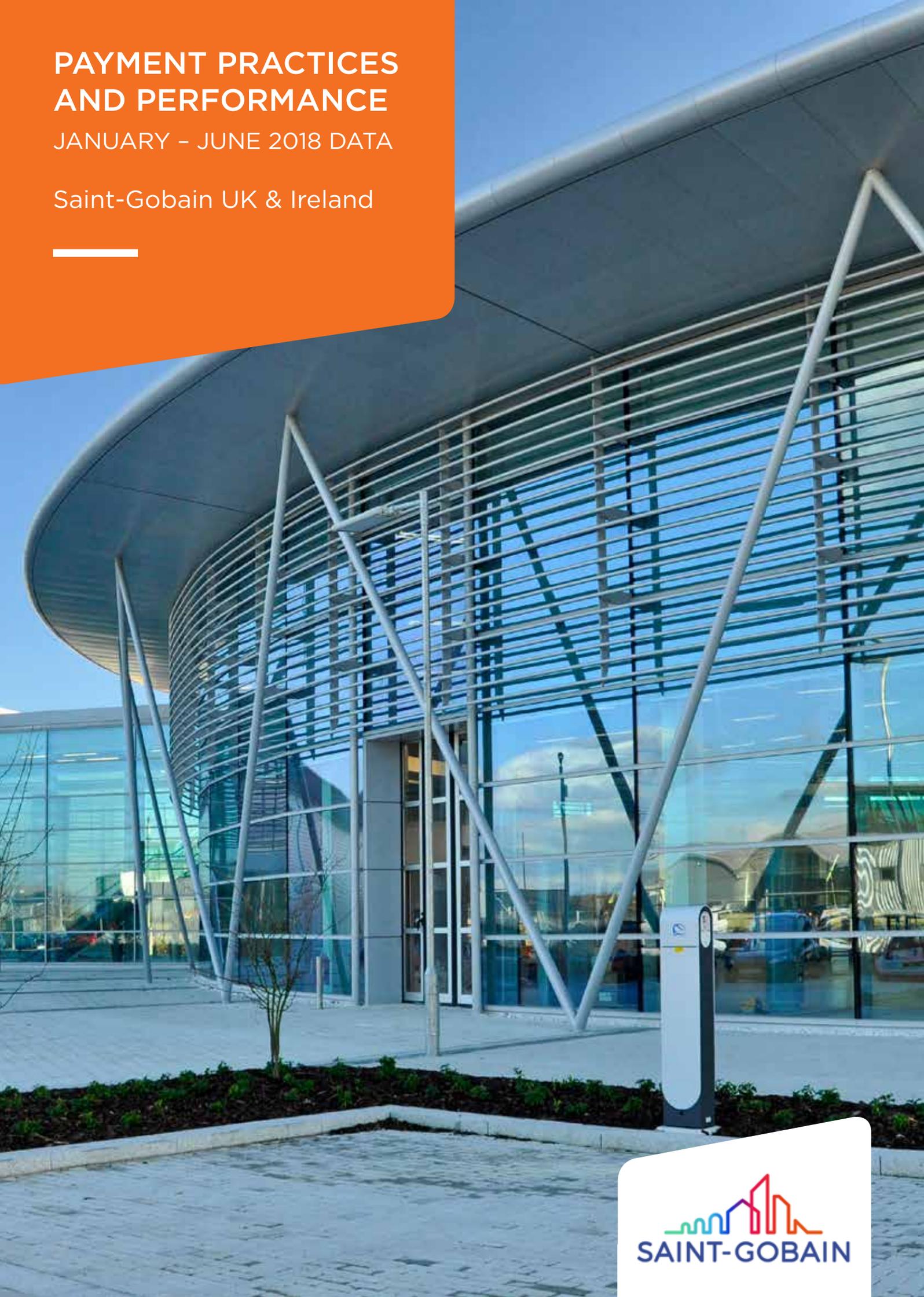


# PAYMENT PRACTICES AND PERFORMANCE

JANUARY - JUNE 2018 DATA

Saint-Gobain UK & Ireland

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# A message from **Mike Chaldecott** General Delegate of Saint-Gobain in the UK & Ireland

“ I’m pleased to welcome you to our first Payment Practices and Performance report. This report covers the reporting period 1st January 2018 to 30th June 2018. In this report we provide data for six of our legal entities – all of whom meet the threshold to report their data.

Suppliers are critical to our organisation and we want suppliers to work with us in a way that is mutually beneficial. Our suppliers help us serve the changing needs of our customers, bring innovation and help us create competitive advantage. Together these things advance us towards our mission to create great living places and improve daily lives.

We want to work with suppliers who share similar goals to us, and have a strong desire to operate with the highest ethical standards. With this in mind – we ask all of our suppliers to commit to upholding high ethical and responsible standards by signing our Supplier Charter.

Our supply chain is extremely varied, with more than 20,000 suppliers – from small local businesses supplying goods and services to large multi-national corporations supplying raw materials from around the world. Each relationship is important. And, as well as standards, quality and service, the way in which we structure our payment practices to our suppliers is of course critical.

Having reviewed the data in this report in detail, it is clear to me that we need to work more with our suppliers to make sure they are paid on time – according to the payment terms we have agreed. This will be a key area of focus going forwards.



I hope you find this report interesting and easy to read, as well as being open and transparent about our progress.

*Mike Chaldecott*

”

# WHAT DO WE THINK OF THIS DATA?

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As a complex, national business with multiple legal entities, and over 30 operating businesses, we have a large number of suppliers [over 20,000]. These suppliers range from small, local businesses providing goods and services, to large international groups – supplying raw materials to our manufacturing businesses and goods for resale – through our distribution businesses. This complexity means that our suppliers have considerably varying needs and expectations that require management.

We work closely with our suppliers to agree payment terms and in the future we need to meet those terms or work with our suppliers to change them. Our focus will be to improve our performance in terms of paying our suppliers on time, to the payment terms agreed with each supplier.

Delays to payments can be legitimate and can be caused by errors, delays, or inefficient processes within our organisation or with our suppliers. Our immediate priority is to conduct a detailed analysis to understand why suppliers are often not being paid to the agreed terms. After conducting this analysis we will be focusing on how we can improve our processes to reduce the percentage of invoices paid outside of agreed payment terms and how we can work with suppliers if there are errors occurring within their processes.



# ABOUT THIS REPORT

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This report provides information on the payment terms and performance for six of our legal entities for the period 1st January 2018 – 30th June 2018.

Saint-Gobain in the UK and Ireland is a large and complex organisation, employing more than 17,000 colleagues across 35 separate businesses. We have six legal entities that fall within the scope for reporting their payment practices and performance. To help you to follow the report easily we have provided the data in a consistent order with data presented starting with our largest entity (Jewson Limited) to our smallest (Artex Limited).



# OUR 6

## LEGAL ENTITIES

### JEWSON LIMITED

Including the following businesses and departments:

Jewson, one of the UK's largest sustainable timber and builders' merchant, Graham, Minster, George Boyd, Neville Lumb, Priority Plumbing and our Shared Services departments are also included within this legal entity. This entity has in excess of 750 branches across the country.

9,183 colleagues<sup>1</sup>   

### SAINT-GOBAIN BUILDING DISTRIBUTION LIMITED

Including the following businesses:

Calders & Grandidge, Chadwicks, CTD, Frazer, Gibbs & Dandy, Ideal Bathrooms, IDS, International Timber & Pasquill. This entity has in excess of 200 branches across the country.

3,457 colleagues<sup>1</sup>   

### SAINT-GOBAIN CONSTRUCTION PRODUCTS UK LIMITED

Including the following businesses:

British Gypsum, Weber, Celotex, Saint-Gobain PAM, Formula and Ecophon - 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.

2,336 colleagues<sup>1</sup>   

### SAINT-GOBAIN GLASS(UNITED KINGDOM) LIMITED

SGGUK manufactures flat coated and laminated glass. Glassolutions transforms and processes flat glass and installs, repairs and refurbishes flat glass products in commercial and domestic properties. Swisspacer manufacture warm edge spacer bars to insulate the edges of an energy efficient sealed glass unit.

1,992 colleagues<sup>1</sup>  

### SAINT-GOBAIN LIMITED

Saint-Gobain Limited's represents Saint-Gobain in the UK and Ireland and provides a management services to the Saint-Gobain UK & Ireland businesses.

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

306 colleagues<sup>1</sup> 

### ARTEX LIMITED

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

80 colleagues<sup>1</sup> 

<sup>1</sup> Numbers at 20th July 2018



# OUR DATA

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## UNDERSTANDING OUR DATA

In this section we present the data for six 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.

The period for which we report on is the 1st January 2018 to 30th June 2018.

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 six 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.

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
JEWSON LIMITED	65	95	120	NO	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.
SAINT-GOBAIN BUILDING DISTRIBUTION LIMITED	65	95	120	NO	
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	
ARTEX LIMITED	65	95	95	NO	

NB: Period of reporting is: 1st January 2018 to 30th June 2018.



# OUR DATA

## PAYMENT PERFORMANCE

In this section we share data for our six reporting legal entities on, the average number of payments in the reporting period, when payments were made to suppliers 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			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	
JEWSON LIMITED	62	21%	38%	41%	33%
SAINT-GOBAIN BUILDING DISTRIBUTION LIMITED	55	23%	38%	39%	32%
SAINT-GOBAIN CONSTRUCTION PRODUCTS UK LIMITED	60	12%	44%	44%	30%
SAINT-GOBAIN GLASS (UNITED KINGDOM) LIMITED	67	14%	37%	49%	36%
SAINT-GOBAIN LIMITED	45	43%	41%	16%	32%
ARTEX LIMITED	52	5%	74%	21%	10%

<sup>1</sup>From the date of receipt of the invoice or other notice.

Note: The payment period refers to the period 1st January 2108 to 30th June 2018.



# 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 six legal entities charge suppliers for remaining on our suppliers list, offer supplier finance, e-invoicing or participate in specific payment codes.

ENTITY	ARE SUPPLIERS OFFERED E-INVOICING?	IS SUPPLY CHAIN FINANCE IS 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?
JEWSON LIMITED	NO	NO	NO	NO
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



## **FUTURE REPORTING:**

Data for the period 1st July 2018 to 31st December 2018 will be reported by the 31st January 2019.

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:  
[www.saint-gobain.co.uk/news/saint-gobain-policies/](http://www.saint-gobain.co.uk/news/saint-gobain-policies/)

### **2/ Principles of Conduct & Action**

For details of the principles we apply to how we manage our business including relationships with suppliers:  
[www.saint-gobain.co.uk/media/17798/principles-of-conduct-and-action.pdf](http://www.saint-gobain.co.uk/media/17798/principles-of-conduct-and-action.pdf)

### **3/ Corporate Social Responsibility**

Including how we create social value in our communities and with our supply chain:  
[www.saint-gobain.co.uk/CSR](http://www.saint-gobain.co.uk/CSR)



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