

PAYMENT PRACTICES AND PERFORMANCE

JANUARY - JUNE 2019 DATA

Saint-Gobain UK



CONTENTS

- 03/** Message from Mike Chaldecott
- 05/** Some of our actions over the last period to improve our performance
- 07/** Our eight legal entities
- 09/** Our Data

A message from **Mike Chaldecott**

CEO Saint-Gobain UK & Ireland

“ I’m pleased to welcome you to our third Payment Practices and Performance report. This report covers the reporting period 1st January 2019 to 30th June 2019.

In this report we are now providing data for eight of our legal entities compared to six for the prior period. Two legal entities, Saint-Gobain Isover UK Ltd and Saint-Gobain High Performance Solutions UK Ltd now also meet the threshold to report their data.

We continue to recognise the critical role suppliers pay to our organisation – helping us meet the needs of customers, bring new innovation and advance us towards our mission to create great living places and improve daily lives. With this in mind we want suppliers to work with us in a way that is mutually beneficial.

Since our last report in January 2019 we have continued the trend of making good progress in a number of areas. We are providing better information to our businesses to address issues that occur frequently with certain suppliers – and that has helped us improve our performance in many areas.

I am extremely pleased to report that in all six of our legal entities where we have previously reported we have reduced the percentage of invoices paid outside of agreed terms. In short fewer suppliers are being paid when invoices are overdue. In Jewson Ltd and Saint-Gobain Building Distribution Ltd (two entities representing 94% of our total invoices) we have nearly halved the number of invoices paid outside of agreed terms – from 25% in the last reporting period for Jewson Ltd to 14%; and for Saint-Gobain Building Distribution Ltd from 29% to 15% again when compared to the previous reporting period. This is excellent progress from our businesses and represents a terrific effort from our teams to focus on this important process which helps to ensure that we are easy to do business with for our suppliers.

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?

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). 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. 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 SUMMARY

We've made continued good progress in this reporting period. As mentioned above in all six of our legal entities where we have previously reported, we have reduced the percentage of invoices paid outside of agreed terms. In Jewson Ltd and Saint-Gobain Building Distribution Ltd (two entities representing 94% of our total invoices) we have nearly halved the number of invoices paid outside of agreed terms – from 25% in the last reporting period for Jewson Ltd to 14%; and for Saint-Gobain Building Distribution Ltd from 29% to 15% again, when compared to the previous reporting period.

At this stage, our two new reporting entities (Saint-Gobain Isover UK Ltd and Saint-Gobain High Performance Solutions UK Ltd) show low levels of payments being made to suppliers outside of agreed terms at 18% and 12% respectively.

In terms of the average number of days after invoice date for invoices paid in the period, this has increased for all legal entities who have previously reported. The driving factors behind this change in performance are the efforts we've made to clear invoices that have been unresolved for a long period of time (300days+); and our process improvements to ensure that our suppliers are paid consistently to the terms agreed. This is resulting in more suppliers being paid closer to our standard terms and those agreed with the individual suppliers.

OUR FOCUS

PAYING SUPPLIERS TO AGREED PAYMENT TERMS

As we reported in January 2019 our main focus during this reporting period (January – June 2019) has been on getting a deeper understanding of the root causes behind payments not being made to suppliers within the terms that are agreed with them.

We have done this by working closely with each business to understand the issues that lay behind invoices being paid outside of terms. As a result of this work we have been able to tackle root causes that existed in either processes, or in some cases with specific suppliers' practices. This focus underpins our considerable performance improvements in reducing the percentage of invoices paid outside of agreed terms.

ACTIONS TO CONTINUE TO IMPROVE OUR PERFORMANCE:

Our focus in the period ahead will continue to be on:



- Continued work to understand the root causes that lie behind payments outside of agreed terms.



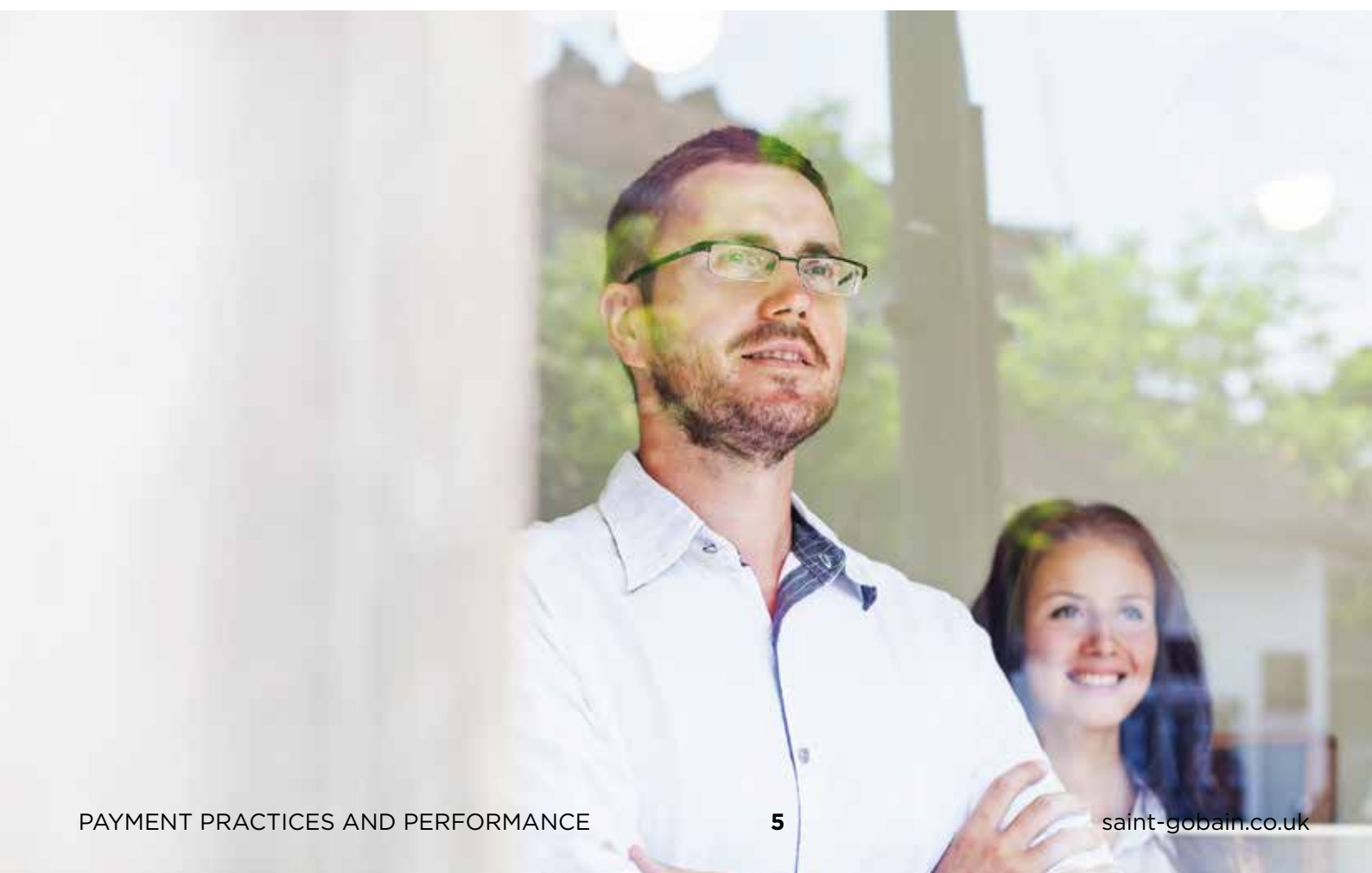
- Providing enhanced information and analysis to highlight particular areas of poor performance in terms of creating purchase orders late in the payment process – which can lead to unnecessary delays in payments being made.



- Amending terms for particular suppliers to reflect the reality of the payment relationship (for example where terms were significantly out of line with how payments were made to the supplier which cause continual inaccurate reporting of payment performance).



- Conducting deeper analysis to understand specifically how we perform in payment terms with small suppliers with annual spend of less than £50,000 per annum.



ABOUT THIS REPORT

This report provides information on the payment terms and performance for eight of our legal entities for the period 1st January 2019 - 30th June 2019.

Saint-Gobain in the UK and Ireland is a large and complex organisation, employing more than 17,000 colleagues across 34 separate businesses. We have eight legal entities that fall within the scope for reporting their payment practices and performance.



OUR 8

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 and our Shared Services departments are also included within this legal entity. This entity has in excess of 750 branches across the country.

8,859 colleagues¹  

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.

3,463 colleagues¹   

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.

2,274 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.

637 colleagues¹  

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.

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

393 colleagues¹ 

SAINT-GOBAIN HIGH PERFORMANCE SOLUTIONS UK LIMITED


Including the following businesses:

Saint-Gobain Abrasives, Saint-Gobain Tygaflor, 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.

262 colleagues¹ 


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.

117 colleagues¹ 

ARTEX LIMITED

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

72 colleagues¹ 

¹ Numbers at 26th July 2019



OUR DATA

UNDERSTANDING OUR DATA

In this section we present the data for our eight 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 2019 to 30th June 2019.

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 eight 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 | <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 BUILDING DISTRIBUTION LIMITED | 65 | 95 | 120 | NO | |
| 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 2019 - 30th June 2019.



OUR DATA

PAYMENT PERFORMANCE

In this section we present data for our eight 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 | |
| JEWSON LIMITED | 61 | 27% | 33% | 40% | 14% |
| SAINT-GOBAIN BUILDING DISTRIBUTION LIMITED | 57 | 25% | 40% | 35% | 15% |
| SAINT-GOBAIN CONSTRUCTION PRODUCTS UK LIMITED | 61 | 11% | 46% | 43% | 24% |
| SAINT-GOBAIN GLASS (UNITED KINGDOM) LIMITED | 64 | 21% | 42% | 37% | 14% |
| SAINT-GOBAIN LIMITED | 57 | 33% | 39% | 28% | 33% |
| ARTEX LIMITED | 55 | 4% | 71% | 25% | 10% |
| SAINT-GOBAIN ISOVER UK LIMITED | 61 | 10% | 46% | 44% | 18% |
| SAINT-GOBAIN HIGH PERFORMANCE SOLUTIONS UK LIMITED | 39 | 45% | 40% | 15% | 12% |

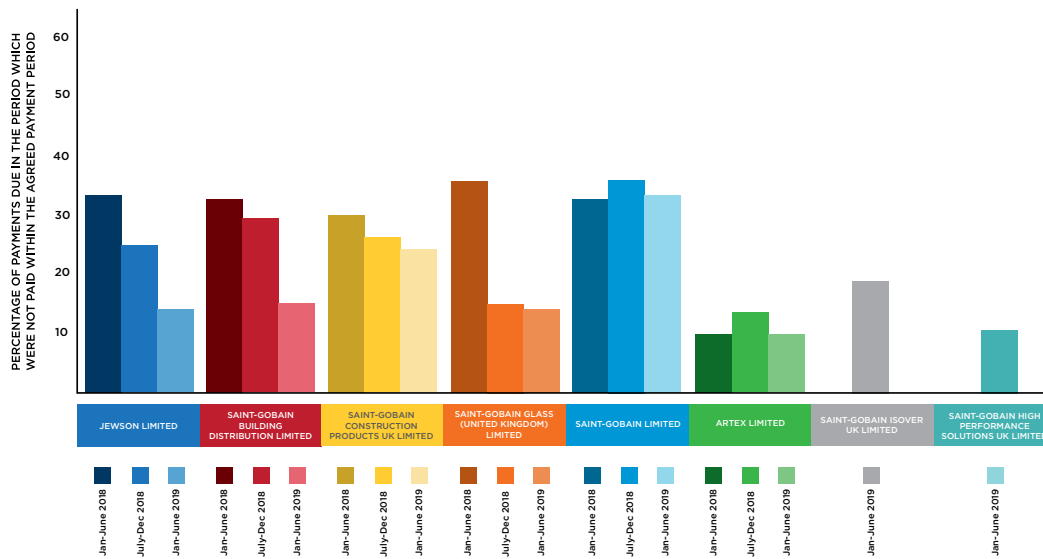
¹From the date of receipt of the invoice or other notice.

Note: The payment period refers to the period 1st January 2019 - 30th June 2019



OUR PERFORMANCE OVER TIME

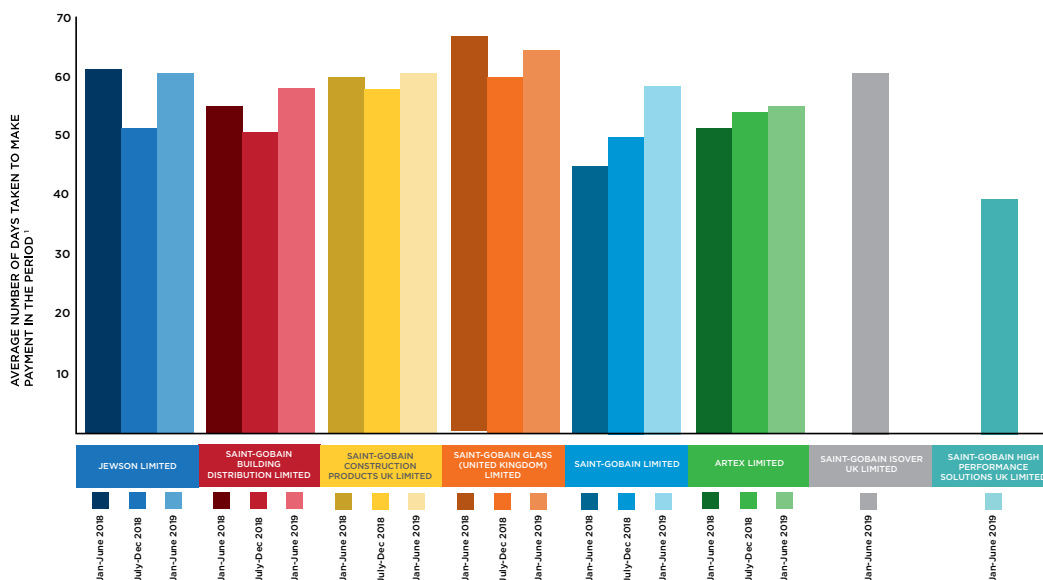
PERCENTAGE OF PAYMENTS DUE IN THE PERIOD WHICH WERE NOT PAID WITHIN THE AGREED PAYMENT PERIOD



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

Note: The payment period refers to the period 1st January 2019 - 30th June 2019

AVERAGE NUMBER OF DAYS TAKEN TO MAKE PAYMENT IN THE PERIOD¹



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

Note: The payment period refers to the period 1st January 2019 - 30th June 2019



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 eight 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 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 |
| 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 2019 - 31st December 2019 will be reported by the 30th January 2020.

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](#)




Saint-Gobain UK and Ireland
Saint-Gobain House,
Binley Business Park,
Coventry CV3 2TT

Tel: +44 (0)24 7656 0700

 @SaintGobainUK

 SaintGobainUKandI

 Saint-Gobain UK & Ireland

 saintgobainuk

www.saint-gobain.co.uk

© 2019