

## Payment Performance - Action Plan

|   |                        |
|---|------------------------|
| Organisation                                  | VolkerHighways Limited |
| Company Registration Number                   | 00638559               |
| Date of last Payment Practices Reporting Data | 31 December 2022       |
| % invoices paid within 60 days                | 93%                    |
| % invoices not paid within agreed terms       | 18%                    |

| The primary causes of non-compliance   | Invoices not paid within 60 days (or 30 days) | Invoices not paid within agreed terms | Actions to address each of the causes   | Progress as at 31 December 2022   | Status      |
|--|---|---------------------------------------|---|---|-------------|
| 1. Some of our procure to pay processes include some manual processing which can mean that invoices are processed through the system more slowly | ✓   | ✓                                     | We are implementing a new ERP system with anticipated roll out in 2021/22   | The roll out is now scheduled for 2023  | In progress |
| 2. Reliance on manual processes may mean that a sudden increase in volumes can slow the processing of invoices                                   | ✓   | ✓                                     | We are undertaking a review of the specific areas where manual processing could slow payment of invoices and setting up processes to deal with variable workload in this area | We better understand the key drivers of volume related issues within our existing processes and monitor those closely to ensure and take any necessary action to ensure invoices are processed and paid on a timely basis | In progress |
| 3. A number of our key large suppliers invoice each delivery separately resulting in significant numbers of invoices each month                  | ✓   | ✓                                     | We are investigating the use of consolidated invoices for a number of key suppliers to improve the invoice processing time  | We are currently trialing consolidated invoices with several key suppliers  | In progress |
| 4. A number of our smaller suppliers had payment terms between 31 and 60 days  | ✓   |                                       | Payment terms have been updated for all suppliers with less than 50 employees so there are no longer any payment terms beyond 30 days for such suppliers                      | Changes made for all invoices registered after 1 June 2021  | Closed      |
| 5. Due to our procure to pay process (above) not all small suppliers are paid within 30 days   | ✓   |                                       | We are setting up a task force to focus on further payment improvements to smaller suppliers  | Initiatives include the fast tracking of approvals and provision of daily payment runs to ensure that payment is made within 30 days, along with exceptions analysis  | In progress |