



## **Supplier payments policy and action plan - 2022**

Seqirus is committed to maintaining fair payment terms for all suppliers and it is important that we pay our suppliers in compliance with our agreed payment terms.

In the U.K., we have a statutory duty to report payment practices and performance on a six-monthly basis, as prescribed by Department for Business, Energy & Industrial Strategy Reporting Guidance.

**Seqirus has developed a prompt payment action plan which is designed to ensure the company achieves a high level of compliance for payment of supplier invoices within 60 days and to the terms agreed with the supplier.**

The plan is approved by our Finance leadership and signed by the Director of Seqirus UK Limited.

**Plan Objective:** To meet or exceed 95% supplier payments within 60 days

### **Identified Issues & Actions:**

We have assessed our procure to pay processes and identified four issues that can impact the timeliness of supplier payments, as well as mitigations to further improve our performance.

#### **1. Incomplete and incorrect supplier invoices**

Issue – The required information on invoices provided by suppliers to process payments is sometimes missing or is incorrect.

Actions:

- I. We are enhancing our communication to any new supplier about the necessary information we require to process payments.
- II. Additionally, we are proactively contacting existing suppliers to advise them of the information we require in order to pay their invoice promptly.
- III. We are also performing monthly statement reconciliations between supplier's statements and our own records to flag any discrepancies ahead of the due date.

#### **2. Invoices produced ahead of goods being delivered**

Issue – Suppliers systems sometimes automatically send invoices when an order is received before the goods have been delivered. This causes issues with invoices being blocked on our system as there is no goods receipt present to match it against, which causes what is perceived to be a payment delay.



**Actions:**

- I. We are working with our Procurement organisation to ensure all suppliers understand that invoices cannot be issued until goods are received.
- II. We are also identifying suppliers in our system who are systematically sending invoices before goods are received to communicate with them directly about this practice and to begin rejecting these invoices.

**3. Supplier terms in excess of 60 days**

Issue – There are some suppliers with payment terms in excess of 60 days.

Action: No action to take as any payment timelines in excess of 60 days are agreed with the supplier in advance.

**4. Delays in goods receipting**

Issue – We encounter internal delays in receipting goods which can delay payment to the supplier. This can be for a number of reasons:

- 1) In between the time that orders are placed and the goods are received, the person who placed the order may have moved role or left the organisation.
- 2) The person responsible for processing the receipt is on leave, sick or not seeing or overlooking a reminder.
- 3) There is a query on quantity/quality of the goods received and a dispute is raised with the supplier.

Action: We will provide a weekly list of the persons responsible for goods receipts to their line managers so that they have visibility and can advise of an alternative if needed. Supply queries are part of day-to-day business, however the provision of the weekly list will enable line managers to monitor these, validate their veracity and take action accordingly.

**Additional Actions:**

- We are in the process of implementing OpenText, a Vendor Invoice Management system, to facilitate faster invoice processing and greater control over queried invoices, to be in place by 30 June 2023.
- We will increase proactive communications with the supplier via statement reconciliations to ensure all information that is required to pay an invoice promptly is provided, thus reducing processing cycle time.
- We are producing a blocked invoice report on a weekly basis to identify any potential issues in order to take proactive action to resolve these internally.
- We will continuously review the impact of these changes and work towards improving the payment performance further.



## Framework to reporting

The payment performance metrics are reviewed by our Finance leadership and Board of Directors on a regular basis.

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*Sharon McHale*  
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Sharon McHale  
Director of Seqirus UK Limited

Date: 5 April 2022