



Payment Performance Action Plan

July 2024

Summary

The Carey Group are committed to paying all our suppliers to agreed terms and within 60 days. Our payment performance varies across subcontractors, SME's and large businesses.

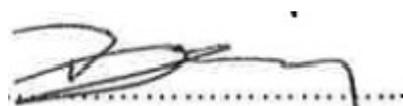
The payment practice reporting data does not differentiate, however. For our last two six-month reporting periods our overall percentage has averaged 85%.

The main reason for not achieving the 95% benchmark is due to payments to larger suppliers. Our Purchase to Pay (P2P) team has reviewed our processes and data to understand the reasons for missing the benchmark. The main causes and actions being taken to address them are outlined in the table below.

| Root causes of non-conformance | Actions and improvements to address each of the root causes |
|---|---|
| <p>Lost/missing and third-party delivery tickets have caused problems with our goods receipting process.</p> <p>This has led to goods not being receipted in our system in a timely manner which has meant the PO, GRN and Invoice 3-way match is incomplete, and invoices are not paid in time.</p> | <p>Re-training of our site staff/project support teams to understand the importance of timely "GRN-ing" on site. Process changes to our P2P process and a clarity over responsibility/ownership.</p> <p>Introduction of consolidated invoicing and GRN'ing.</p> |
| <p>Processing payments involves significant manual intervention that has increased timescales and led to delays.</p> | <p>In November, we are launching a Market Place module within our ERP System, COINS, which will significantly increase the volume of low value/high volume transactions that can be processed via a two-way match removing the need for GRN'ing.</p> |
| <p>Invoice queries require actioning by internal teams and interaction with suppliers and this has led to invoices not being matched and ready for payment within 60 days.</p> <p>For example, inaccurate information prevents line matching and creates system holds which prevents/delays payment until the invoices are corrected or re-submitted.</p> | <p>Refocused P2P resources to increase supply chain dialogue, prioritising dispute resolutions and shortening the timescales to resolve queries. Our Invoice Workflow Approval process gives improved visibility of why and where invoice queries are within our business and monitors time to resolve them.</p> <p>We are having dialogue with our suppliers at point of order and on an ongoing basis to ensure they are aware of the information required to ensure a first-time pass on the three-way matching process.</p> |
| <p>A small number of suppliers have mutually agreed payment terms of 60 days from end of month.</p> | <p>Change outstanding supplier terms to 60 days from date of invoice, or 30days from end of month.</p> |

Our P2P team has a regular reporting routine to monitor progress against the above and to ensure that we improve the visibility and the promptness of payments to our Supply Chain.

We have implemented regular reporting to the leadership team on payment performance to ensure any issues are escalated and actions taken to resolve them. Progress on our payment performance is reported to our senior leadership team on a quarterly basis.



Tommy Carey
Director of Operations