

# CSL Seqirus

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## Supplier payments policy and action plan – 2024

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 a 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:**

- We are enhancing our communication to any new supplier about the necessary information we require to process payments. – **As part of the procurement process, when creating or onboarding vendors we set clear expectations regarding the provision of necessary and accurate information to facilitate prompt payment.**

- Additionally, we are proactively contacting existing suppliers to advise them of the information we require to pay their invoice promptly. - **A periodic QRG (Quick reference guide) for Invoice submission process will be shared to the vendor by the business.**

- We are also performing monthly statement reconciliations between supplier's statements and our own records to flag any discrepancies ahead of the due date – **We have implemented a vendor statement reconciliation process for our vendors. Our team proactively engages with suppliers and business stakeholders to resolve any exceptions or missing information, ensuring timely payment of invoices.**

## 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:

- We are working with our Procurement organisation to ensure all suppliers understand that invoices cannot be issued until goods are received.
- 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.

**Additionally, a process has been established to send a weekly file of open items to our Seqirus users. We are currently developing the reports, and every week, a mass email will be sent to all requestors, updating them on their pending items and emphasizing the importance of clearing them before the due date.**

## 3. Supplier terms in excess of 60 days

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

Action: Whilst payment terms in excess of 60 days have been agreed with the vendor, we will continue to work with our Procurement colleagues to review payment terms with our vendors.

## 4. Delays in goods receipting

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

- **A vendor invoice management system (VIM) has been introduced to the Seqirus business in February 2024. System notifications and reminders are being sent through VIM to ensure discrepancies are handled in a timely manner and resolutions are provided promptly to pay the invoices on time.**

- We are producing a blocked invoice report on a weekly basis to identify any potential issues 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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*James Smith*

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Signed by James Smith

Director – Seqirus UK Limited