DarwinGroup®

SUPPLIER ACTION PLAN

We have developed an action plan to enable us to continue to work with our suppliers across the Portakabin Group to further optimise their experience of our purchasing processes.

Specifically, this includes an identification of the primary causes of supply chain invoices being paid after more than 60 days together with the actions being taken to address each of these. These actions are primarily to enhance the processes covering: purchase ordering, goods receipting, payment approvals and dispute resolution and include:

1. Identification of the primary causes of failure to pay: 95% of all supply chain invoices within 60 days
   - Instances of untimely goods receipting
   - Instances of inaccurate POs being raised leading to pricing mismatches
   - Instances of items being held up within automated workflows before being resolved.
2. Actions to address each of these causes
   - Close working between the Purchase Ledger and Procurement teams to ensure price queries are actioned in a timely way, and new price contracts are uploaded into the system.
   - Continue to work with our suppliers to resolve any recurring issues that cause delays in payment processing (eg. obtaining POs)
   - Internal training around goods receipting and raising of POs
   - Review of the feasibility of an upgrade to the existing invoice scanning solution to further optimise processing workflow efficiencies
3. A mechanism for and commitment to regular reporting on progress to the supplier's audit committee (or equivalent)
   - Currently, the submission of Payment Practices statistics is reported to the Board.
   - Summary progress on this plan is reported at the same time (6-monthly).
4. Plan signed off by director.