



PAYMENT PRACTICES REPORTING

vital energi information for a sustainable future



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Supporting Our Supply Chain Partners in Uncertain Times: Vital Energi recognises the critical role our SME suppliers play in our success. During these times of economic uncertainty, we remain committed to fostering strong, supportive relationships

DEMONSTRATING OUR COMMITMENT

Flexible Payment Terms: We understand the importance of cash flow, and where appropriate, we have actively reduced payment terms for specific suppliers.

Tailored Financial Support: In certain cases, we have provided direct financial assistance to alleviate challenges faced by valued partners.

Collaborative Problem-Solving: We believe in working alongside our suppliers to find solutions that overcome obstacles and ensure mutual success.

BEYOND PAYMENT TERMS

Open Communication: We maintain regular communication with our suppliers, keeping them informed on developments and fostering transparency.

Innovation & Collaboration: We actively promote an environment of innovation and collaboration, where ideas are shared and partnerships flourish.

INVESTING IN FASTER PAYMENTS

30-Day Standard Terms: Our standard payment terms remain at 30 days, but we are open to negotiating for specific needs.

Ad-Hoc Immediate Payments: For urgent or time-sensitive orders, we offer immediate payment options.

Continuous Improvement: We are constantly reviewing and optimising our processes to expedite invoice processing and shorten payment cycles.

Vital Energi is confident that these measures will help its suppliers to weather the current economical challenges and continue to provide the high-quality services that the company needs. We are committed to building a robust and sustainable supply chain, and we believe that prompt and fair payment practices are fundamental to achieving this goal. We continually seek to improve our processes and partner with our suppliers for ongoing success.

CURRENT INITIATIVES

Automated Accounts Payable: We are

Average time taken to pay invoices: **36 days**. Invoices paid:

46%

were within **30 days**

5%

were in **61 days or more**

49%

were in **31 to 60 days**

36%

Invoices due but not paid **within agreed terms**

Payment terms:

Our shortest standard payment period was **1 day** whilst our longest standard payment period was **60 days (our maximum period agreed)**

implementing a new automated system to streamline invoice processing and significantly reduce wait times.

Web-Based Goods Receipting: A new online system will allow suppliers to submit goods receipts electronically, further accelerating payment turnaround.

Staff Training: Dedicated training on these new systems ensures efficient and effective utilisation for faster payments.

Vital Energi is committed to paying its suppliers on time and in full. The company understands that the timely payment of invoices is essential for suppliers to maintain their financial health and continue to provide the services that Vital Energi needs.

FREQUENTLY ASKED QUESTIONS

Were there any changes to the standard payment terms in the reporting period?

Payment terms are broadly in line with our previous reporting period and the company is constantly reviewing options to improve these further.

What is the dispute resolution process?

We prioritise open dialogue to resolve any issues. In most cases, payment disputes are amicably settled through this approach. Additionally, our construction-related subcontracts strictly adhere to the Housing Grants, Construction and Regeneration Act 1996 (as amended).

Has this business signed up to a code of conduct or standards on payment practices? If so, which? Currently, we haven't subscribed to any specific code of conduct. However, ethical and responsible payment practices are ingrained in our company values.

Does this business offer e-invoicing in relation to qualifying contracts? While not currently offered, we're exploring future implementation of e-invoicing for qualifying contracts to further accelerate payment cycles.

Does this business offer supply chain finance? We don't currently offer supply chain finance programs.

Under its payment practices and policies, can this business deduct sums from payments under qualifying contracts as a charge for remaining on a supplier list?

Our policies do not include deductions from supplier payments for remaining on our supplier list.

During the reporting period, did the business deduct sums from payments as a charge for remaining on a supplier list?

No sums were deducted.

Cecile Parker

Group CFO, January 2024