



PAYMENT PRACTICES REPORTING

vital energi information for a sustainable future



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.

Were there any changes to the standard payment terms in the reporting period?
No

Any other information about payment terms: We remain committed to building a robust and sustainable supply chain, with prompt and fair payment practices at its core. We continuously improve our processes and partner with our suppliers for ongoing success.

Average time taken to pay invoices: **37 days**. Invoices paid:



were within **30 days**



were in **61 days or more**



were in **31 to 60 days**



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)**

CURRENT INITIATIVES

Automated Accounts Payable: We have recently launched an automated system to streamline invoice processing and significantly reduce wait times. While the system is live, we are still optimising it to achieve the full efficiency gains we expect.

Web-Based Goods Receipting: A new online system allows us to submit goods receipts electronically, further accelerating payment turnaround. This is starting to show some real benefits.

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.

DISPUTE RESOLUTION PROCESS

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).

OTHER PAYMENT INFORMATION

Has this business signed up to a code

of conduct or standards on payment practices? If so, which? For example, signatories to The Prompt Payment Code must commit to paying 95% of their invoices within 60 days. No

Does this business offer e-invoicing in relation to qualifying contracts? This is where suppliers can electronically submit and track invoices. It's not just allowing suppliers to email them an invoice. No

Does this business offer supply chain finance? This is where a supplier who has submitted an invoice can be paid by a third-party finance provider earlier than the agreed payment date. The business would then pay the finance provider the invoiced sum. No

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? No

During the reporting period, did the business deduct sums from payments as a charge for remaining on a supplier list? No

Cecile Parker
Group CFO, 15th July 2024