

Payment Performance Action Plan 2025

BAM Construction



**Delivering timely
and transparent
payments across
our supply chain.**



Introduction

This statement outlines the steps taken by BAM in 2024 to strengthen our payment performance and sets out our objectives for continuous improvement in 2025.

We remain fully committed to fair, prompt and responsible payment practices across all projects and supply chains. These commitments are embedded in our core values: Reliable, Collaborative, Sustainable and Inclusive.

Throughout 2024, in BAM's first Payment Performance Action Plan, we continued to invest in systems, processes and engagement to support timely payment. These efforts reflect our commitment to meeting our contractual obligations and complying with all relevant legislation, including the Procurement Act 2023 and Reporting on Payment Practices and Performance Regulations.

Our supply chain and commitment

BAM Construction's large scale supply chain includes over 3,500 businesses and plays critically to the delivery of our projects. In 2024, BAM Construction Ltd processed a total of 41,078 payments. We recognise that delayed or inconsistent payments can significantly impact the financial health and operational stability and sustainability of our partners.

To support our commitment to prompt and transparent payment, we have implemented structured procurement and contract management processes. These will ensure that supplier payment terms are clearly defined, applied and monitored actively.

During 2025, we will communicate payment expectations, dispute resolution procedures, and invoicing requirements at the outset of every supplier engagement to create collaborative and fair working relationships.

What we did in 2024 and what we plan to do in 2025

During 2024, we made meaningful progress on our 2024 payment performance objectives. BAM's Prompt Payment Action Plan in 2024 had been effective in supporting the achievement of our average days to pay to 38 days. This momentum will support the success of achieving the 2025 milestones for the Procurement Act 2023 and BAM's client KPIs.

In 2025, our second action plan focuses on addressing the primary causes of delayed or non-compliant payments. These include:

- ➔ Compliance and modernisation
- ➔ Education and awareness

By tackling these core issues, invoice processing accuracy and the governance of payment performance across all levels of the organisation will be improved and with future-ready and resilient.

Full details of our 2024 successes and our objectives for 2025 are as follows:

Compliance and modernisation

Our ongoing upgrade of our Enterprise Resource Planning (ERP) system, a digital environment housing multiple systems to manage end to end business processes, including programmes such as SAP is a central pillar of our 2025 improvement strategy. Our ERP system underpins every stage of our payment process, from invoice receipt and matching to approvals, forecasting and performance reporting.

As part of this transformation, we are enhancing integration with platforms such as Tradex and Alusta to automate invoice matching and reduce manual intervention. The ERP improvements are designed to increase processing speed, reduce errors and deliver greater consistency across our projects and business. This data-led approach strengthens accountability and ensures issues are identified and addressed proactively.

2024	2025
<ul style="list-style-type: none"> ➔ Improved utilisation of SAP Materials Management (MM), providing real-time visibility of procurement activity and payment status. ➔ Introduced invoice matching via Causeway Tradex and Alusta (Basware) platforms, significantly improving the efficiency and accuracy of invoice processing. ➔ Published our Payment Action Plan, setting out known causes of delay and reinforcing our commitment to continuous improvement. ➔ Assured payment term accuracy through order requisition checkpoints in BAM's internal order process. 	<ul style="list-style-type: none"> ➔ Further embed payment performance data into BAM's internal project financial reports, to improve tracking, forecasting and dispute resolution. ➔ As part of BAM's ERP upgrade programme, we will design an electronic subcontract payment application process to improve accuracy, automation and compliance. ➔ Ensure that 30-day payment terms from due date are included in all qualifying supply chain contracts for publicly funded projects, in line with Procurement Act 2023 obligations.

Education and awareness

At BAM, we are embedding prompt payment principles into our organisational culture. We recognise that industry expectations are evolving, and we are committed to continuously adapting our practices. We identified a key impact on our payment days was through interacting with infrequent suppliers, which has informed our 2025 strategy. Through ongoing training, we are equipping our teams to support supply chain health and resilience. Our investment in people, internally and externally, is central to delivering consistent and timely payments across all our projects.

2024	2025
<ul style="list-style-type: none"> ➔ Delivered refresher training to commercial and procurement teams on three-way matching procedures, reinforcing correct system usage and reducing manual errors. ➔ Produced detailed monthly reporting to highlight underperforming projects and support targeted accountability measures. ➔ Continued to utilise a network of internal Payment Performance Champions who promote awareness and drive cultural change across the business. ➔ Developed and issued clear, practical invoice submission guidance for supply chain partners, helping reduce processing errors and delays. 	<ul style="list-style-type: none"> ➔ Expand internal training through new SAPMM e-learning modules, ensuring consistent understanding and capability across teams. ➔ Publish updated supplier guidance packs, focusing on the most common invoice errors and how to avoid them. ➔ Provide onboarding support for one-time or infrequent suppliers using the Tradex platform, to increase familiarity with BAM's invoicing processes and systems. ➔ Update and share clear, dispute resolution procedures, to help suppliers understand how to resolve invoicing issues promptly and collaboratively.



Action Plan Summary

We are implementing a targeted strategy to address the primary causes of delayed payments and strengthen compliance with our contractual and statutory obligations:

- ➔ System Alignment: Leveraging our ERP systems to improve invoice processing accuracy, including staff training and vendor data validation to support three-way matching.
- ➔ Supplier Support: Issuing clear, accessible guidance on invoicing requirements and enhancing onboarding support for one-time and infrequent suppliers.
- ➔ Performance Monitoring: Producing and distributing monthly payment performance reports, including league tables by project and supplier, to promote accountability and visibility.
- ➔ Leadership Oversight: Reviewing action plan performance and corrective measures on a quarterly basis through our accountable directors serving as the governance body equivalent to an Audit Committee.

Summary

- ➔ BAM is fully committed to improving payment performance and upholding fair, transparent practices across our supply chain. Our approach combines investment in systems, training and governance to deliver measurable, sustainable change.
- ➔ This action plan is fully endorsed by our Directors, who oversee its implementation and ensure alignment with our broader commitment to responsible business. We recognise the critical role prompt payment plays in maintaining a resilient, ethical and high-performing construction industry.

Statement from BAM Construction Financial Director, David Kyriacos:

“ At BAM we recognise the vital role that prompt and fair payment plays in sustaining a healthy and resilient supply chain.

In 2025, we are investing significantly into our ERP systems, governance structures and supply chain engagement to ensure we meet our responsibilities under the Procurement Act 2023 and beyond.

We are committed to transparency, accountability and ongoing improvement in our approach to supplier payments. This action plan reflects that commitment and has the full support of BAM Construction's leadership. ”

David Kyriacos



Dean Bryant
Commercial Director,
BAM Construction Ltd



David Kyriacos
Financial Director,
BAM Construction Ltd

6 May 2025

We're collaborating across the industry to improve payment performance, together.

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**Making
Possible**