

To: All Suntory Oceania Employees and Suppliers

Date: 9th October 2023

Subject: No PO NO Pay Policy

Dear suppliers, We would like to thank you for your strong commitment to our business. We at Suntory Oceania would like to express our sincere appreciation for your support and we look forward to your continued support in helping to make Suntory Oceania maintain its position as a leading Australasian drinks company, and the market leader in energy drinks in Australia & New Zealand.

The purpose of this correspondence is threefold:

1. To communicate **“Our Standard of Integrity, Our Way of Doing Business”**.
2. To ensure all of our Suppliers are aware of the next phase of our **“No PO-No Pay” Policy**.
3. To ensure consistent compliance to our Suntory Oceania **Procurement Policy** framework.

Why is this important?

In order to continue to earn the trust of our consumers and customers, we must conduct all of our business with integrity and in accordance the ethical standards of Suntory Oceania.

What You Need to Know

Purchase Order (PO) compliance is a critical component to on-time Purchase Orders processing and Invoice Payment. Lately we have detected a significant number of blocked invoices due to price variances between Purchase Order price and invoice price. We at Suntory Oceania request the support of our Suppliers to strictly review and ensure all **PO's** received are in alignment with your latest quotation and our Supply Agreement/s.

Should you detect any pricing error, you must inform your Suntory Oceania ‘Buyer’ contact to ensure Suntory Oceania is able to review and make any agreed amendment/s to PO's immediately. This is necessary to ensure the correct price is established prior to the delivery of all goods and services, and before an invoice is issued.

Secondly, in accordance to Suntory Oceania Procurement Policy prescribes that all purchases of goods and services are to be covered by a **Purchase Order/Contract** and that Procurement function will lead our purchasing efforts in collaboration with business units and other functions. We therefore request all our Suppliers to strictly adopt a **“No PO-No Pay”** policy across our business units. In accordance with this policy, all of our Suppliers must have a valid Purchase Order prior to delivering any goods or performing any services.

Suntory Oceania

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Why are we doing it and how does it benefit you?

The move to adapt the **“No PO-No Pay”** policy and ensuring all PO prices are valid and corrected prior to delivery is one of many steps we are taking to improve the efficiency and effectiveness of our overall “Procure to Pay” process. This will enhance our ability to ensure we are able to release payments to our Suppliers on time. It is expected that all agreed terms and conditions are captured in the purchase order thus eliminating discrepancies that may lead to delay in payment.

What does this mean for you?

1. If you are working on any goods and/or service order for Suntory Oceania without a formal Purchase Order, please get in touch with your procurement contact as soon as possible to obtain a valid Purchase Order.
2. If you have submitted an invoice for which you did not have a formal Suntory Oceania PO, please get in touch with your procurement contact as soon as possible to obtain a valid Purchase Order.
3. For all future transactions, to ensure you have a valid Purchase Order prior to supplying any goods or performing any service.

Are there any exceptions to the rule?

Emergency Situations are the only exception to the policy. An **“emergency situation”** is defined as any condition that would result in a work stoppage, health, safety or environmental emergency requiring immediate supplier support. This must be communicated to our Suppliers in writing and documented as an **“Emergency Purchase”** originating from an authorized Plant/Procurement officer. The Purchase Order must be created in a timely fashion to ensure compliance to policy.

Who should I contact if I need more information?

Should you have any questions in relation to this change, please discuss this with a category manager aligned with your function. Suntory Oceania Procurement Organization chat is available [HERE](#).

Andrea Gregory Head of Procurement, ANZ

Robyn Ainsworth Financial Controller, ANZ

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