

Memo

To: Leadership Team
From: CEO
cc: Supervisory and Executive Board
Date: Today
Re: Answers

In our recent board meeting we discussed progress against commitments made to shareholders, customers and regulators. We put a Supplier Management framework in place but it is the feeling of the Exec that we have a number of risks in our supply chain and in simple terms – “we don’t know what’s going on”. Given the scrutiny we are under, this is not sustainable.

For the avoidance of doubt all of the below are priorities, but I have helped you prioritize. We have bought in the Catalytics solution to help us in this space. I want to see the results.

10 questions....

Immediate priorities for the top tier

1. How many of our Top tier arrangements and trading partners are covered by an approved business continuity plan in the event of supplier failure? (or regulator audit)
2. How many tier one suppliers with systems access are fully compliant against Infosec and Policies and standards? How many of these have had an audit in the last 12 months?
3. Our annual CSR audit is due next quarter. Last year was poor and caused significant disruption. Where are we? What can we say about Modern Slavery? Is our contact Centre provider compliant now?
4. Where do we currently see the most risks against our supplier management framework? What are we good at and not good at? Are there any patterns?

Secondary priorities

5. We pay our suppliers a lot of money, to deliver on their objectives. Are our suppliers meeting their contracted obligations and what is the ongoing trend?

6. We have committed significant innovation and efficiency targets to our shareholders. How much is being driven by post contract efficiencies? By whom? And on what?
7. We committed in the annual report the being a good customer. Where do our suppliers rate us and where could we do better? How are our relationships?
8. How many current open complaints do we have against our top tier suppliers, how many of these are external customer impacting and flagged red, i.e. serious?
9. How are supply chain risks tracking. How many open risks are we tracking? What is our closure rate and is this improving?
10. How is supplier aggregated performance trending? Which are our good vs bad performers in the top tiers?

Thank you for your cooperation. The board would like an update on immediate priority issues by the end of this week and an update on the secondary priorities within 3 weeks with full supporting data.