

# CAPITA

## CAPITA PLC

## PROCUREMENT POLICY

<b>Classification</b>	<b>Public</b>
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## Public

## 1 GROUP PROCUREMENT POLICY

### 1.1 POLICY STATEMENT

Capita has an annual expenditure on goods and services in excess of £1.5bn. The way Capita manages procurement activity is increasingly important to Capita's profitability, reputation, risk management and Corporate Responsibility (CR) objectives. Further, good procurement practice can directly enhance business performance by securing best value goods and services against favourable commercial and contractual terms.

This Policy sets out Capita's strategic approach and the key principles and priorities that apply to all Capita's procurement activity. Compliance with the Procurement Policy is mandatory and must be read in conjunction with the **Procurement Standards and Supplier Requirement Standards**.

- The **Procurement Standard** set out the approach that Capita personnel will employ when procuring; this includes information on Roles and Responsibilities, Approval Thresholds, Procurement Procedures and Audit Obligations.
- The **Supplier Requirements Standard** set out the expectation of suppliers who wish to enter into agreements with Capita.

Further information on Capita's CR objectives can be found at:

- <http://www.capita.com/responsibility>

This Policy is owned by the Procurement Director - Capita Group and the Group Financial Controller.

### 1.2 Purpose

The purpose of the Policy is to set out principles and priorities for procurement and set standards that must be complied with.

The drivers for this Policy are to:

- Improve the financial performance of Capita by paying the right price for goods and services procured from suppliers
- Improve Capita's control over its external expenditure
- Ensure Capita and its suppliers comply with the changing regulatory and legal landscape in which it operates
- Work with suppliers to ensure Capita adapts to the needs of its clients
- Ensure effective management of supply chain risks
- Encourage realisation of Capita growth and profit opportunities through strategic supplier alignment
- Encourage continuous improvement by embedding best practice and enabling efficient procurement processes

### 1.3 SCOPE

The Policy and Standards apply to transactions with ALL suppliers, external and internal, goods and services globally.

The Policy and Standards apply to all employees, contractors and agency staff including those employed in wholly owned subsidiaries and joint ventures. This updated Capita Procurement Policy replaces the Outsourcing and Responsible Sourcing Policies.

The context of procurement covers all transactions with suppliers including outsourcing.

**Public****1.4 CAPITA PROCUREMENT PRINCIPLES AND PRIORITIES**

Capita is committed to conducting its procurement activities in a manner that:

- Maximises spending power by leveraging demand and establishing Group-wide contracts and framework agreements wherever possible
- Delivers the best value in terms of price, quality, specification of products and services for both internal and external customers
- Promotes and maximises the use of Capita businesses i.e. (Capita First), internal service providers and Group Framework contracts
- Meets Capita's ethical standards, security requirements, environmental, CR, equality and diversity objectives, and complying with relevant legislation, best practice and Capita Policies
- Assesses suppliers to ensure that they are fit for purpose and sustainable
- Continues to build understanding of which suppliers to buy from and their capability, in order to identify opportunities to support the growth of small and medium enterprises (SME's)
- Allows for accurate reporting of 3<sup>rd</sup> party spend and savings analysis, as well as supplier information to ensure that corporate, financial and objectives can be met
- Complies with approval and system governance
- Meets internal and external audit requirements

**1.5 EXCEPTIONS TO POLICY**

This Policy is mandatory. Exceptions will only be granted in extreme cases and must be approved firstly by the relevant Divisional Finance Director and then the Procurement Director – Capita Group.

**Public**

**2 DOCUMENT CONTROL**

**2.1 DOCUMENT REFERENCES**

Related documents
Corporate Responsibility Policy
Procurement Standards

**2.2 DOCUMENT CONTROL**

**Document history**

Issue	Date	Purpose	Author
1.0	November 2016	Final version-published	Sarah Roughan and Rosella Tait

**Product approval**

Name	Organisation	Role	Signature	Date
Nick Greatorex	Capita	Group Finance Director		November 2016
Clare Waters	Capita	Group Financial Controller		November 2016
Ian Galloway	Capita	Group Procurement Director		November 2016
Chris Terry	Capita	Group Risk and Compliance Director		November 2016

**Product reviewed**

Name	Organisation	Role	Signature	Date
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