Procurement Policy

Operational Policy | Global

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Replace all references to “the Company” with your organisation’s name.

Document Control

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Contents

1. Purpose

This Policy establishes the requirements governing the procurement of goods and services by the Company, from identification of a business need through sourcing, supplier due diligence, contracting, receipt, payment and ongoing supplier management. Its purpose is to ensure that every purchase achieves value for money, is conducted with probity and fair competition, is approved by a person holding the appropriate delegation, and does not expose the Company to legal, financial, operational or reputational risk beyond its appetite.

The Policy embeds procurement within the Company's broader risk management framework. It connects sourcing activity to the Financial Expense Delegations, to financial crime and sanctions controls, to supply-chain human rights due diligence and ESG commitments, and to the operational resilience expectations of the BCBS Principles for Operational Resilience and the FSB third-party risk management toolkit. It defines the boundary between one-off procurement governed by this Policy and the ongoing management of critical third-party arrangements governed by the Outsourcing Policy.

This Policy is approved by the Board of Directors and is owned by the Chief Operating Officer, who is responsible for its implementation, supporting procedures and annual review.

2. Scope

This Policy applies to the Company and all of its controlled entities, and to all directors, employees, contractors and secondees who initiate, approve, or participate in the purchase or leasing of goods or services on the Company's behalf, through any channel and regardless of funding source.

It covers all categories of expenditure on goods and services, including information technology, professional services, consultancy, facilities, marketing, equipment and leases. Thresholds apply to the total contract value of an arrangement over its full term.

The following are excluded from this Policy and governed by other documents:

- Ongoing management of critical third-party arrangements and outsourcing, which is governed by the Outsourcing Policy (the initial sourcing and contracting steps remain subject to this Policy).
- Employment of staff, which is governed by the Human Resources Policy and the Recruitment Policy.
- Treasury, funding and financial-markets transactions, which are governed by the Liquidity Risk Policy and the Market Risk Policy.
- Corporate credit card use for minor expenses, which is governed by the Expense Management Procedure — a separate procedural document that the Company must produce and maintain, owned by the Chief Financial Officer — provided this Policy's threshold and conflicts requirements are still observed.

2.1 Jurisdictional application

This Policy states international best practice for procurement in a banking organisation. The Company must map the requirements of this Policy to the law of each jurisdiction in which it operates — including procurement-related tax rules, supplier payment-terms legislation, supply-chain human rights due diligence law and data protection law — and where applicable local law imposes a stricter or additional requirement, local law prevails.

3. Definitions

Term	Definition
Procurement	The end-to-end process of acquiring goods or services from an external supplier, from identification of need through sourcing, contracting, delivery, payment and contract closure, including leasing arrangements.
Value for Money	The optimal combination of whole-of-life cost, quality, fitness for purpose, delivery timeliness, supplier capability, risk and sustainability outcomes; it does not mean lowest price.
Probity	Demonstrable integrity, impartiality and honesty in a procurement process, such that the process and its outcome can withstand internal and external scrutiny.
Market Approach	Any process by which the Company seeks offers from the market, including a request for quotation, request for information, request for proposal or request for tender.
Request for Tender (RFT)	A formal, documented market approach inviting suppliers to submit binding offers against defined specifications, evaluation criteria and contract terms.
Sole Sourcing	Engagement of a single supplier without a competitive market approach, permitted only with a documented justification approved under this Policy.
Total Contract Value	The aggregate value of a procurement over its full term (excluding recoverable value-added or similar taxes), including supply, freight, installation, implementation, training, licence, support and any extension options.
Purchase Order (PO)	A system-generated commitment document, raised before goods or services are supplied, that records the supplier, description, quantity, price and approval

	of a purchase.
Three-Way Matching	The control that matches supplier invoice, purchase order and evidence of receipt before payment is released.
Contract Register	The Company's central electronic repository recording every executed contract, including the counterparty, value, term, owner, key and renewal dates, risk rating, due diligence status, obligations calendar and the storage location of the signed instrument.
Delegation of Authority	A financial or contractual authority formally conferred on a role under the Financial Expense Delegations approved by the Board.
Sole-Source Justification	A documented rationale for departing from competitive sourcing, addressing market conditions, urgency, uniqueness of supply and value-for-money evidence.
Third Party	An external entity outside the Company's corporate group that provides goods or services to the Company under a contractual or other arrangement, or that accesses, stores, processes or transmits the Company's information assets, including suppliers, service providers, intermediaries and their material subcontractors.
Critical Third-Party Arrangement	An arrangement with a third party on whom the Company relies to deliver a critical operation, or whose failure or disruption could threaten the Company's operational resilience, identified using the criteria in the Outsourcing Policy consistent with the BCBS Principles for Operational Resilience.
Modern Slavery	Conduct including forced labour, debt bondage, human trafficking, servitude and the worst forms of child labour, as characterised by the ILO fundamental conventions and addressed by the UN Guiding Principles on Business and Human Rights.
Supply-Chain Human Rights Due Diligence	The ongoing process of identifying, preventing, mitigating and accounting for adverse human rights impacts in the Company's supply chain, consistent with the UN Guiding Principles on Business and Human Rights and any applicable supply-chain human rights due diligence law.

Conflict of Interest	A situation in which a person's private interests, relationships, financial or family interests, or duties owed to another person or entity, could improperly influence, or could reasonably be perceived to influence, the performance of their duties to the Company or its customers. Conflicts may be actual, potential or perceived.
ESG	Environmental, social and governance factors considered in supplier selection and management, including emissions, waste, labour practices and business ethics.

4. Regulatory Framework

The key legislation, regulations and standards relevant to this document include (as amended from time to time):

Instrument / Standard	Relevance
BCBS Principles for Operational Resilience (2021)	Requires banks to manage dependencies on third parties that support critical operations; this Policy governs the sourcing of goods and services and hands ongoing critical third-party management to the Outsourcing Policy.
BCBS Principles for the Sound Management of Operational Risk (2021)	Requires operational risks arising from procurement and third-party dependencies to be identified, assessed and managed within the Company's operational risk framework and appetite.
FSB — Enhancing Third-Party Risk Management and Oversight: A Toolkit for Financial Institutions and Financial Authorities (2023)	Provides the reference model for third-party lifecycle management — due diligence, contracting, monitoring, concentration risk and exit — applied through this Policy and the Outsourcing Policy.
ISO 37001 (Anti-Bribery Management Systems)	Reference standard for anti-bribery controls in supplier dealings, including bribery risk assessment of engagements, due diligence on intermediaries and controls over gifts and hospitality.
FATF 40 Recommendations and related guidance	Suppliers connected with the Company's regulated financial services must operate consistently with the Company's financial crime programme; supplier screening supports anti-money-laundering and counter-terrorism-financing obligations.

End of preview

This is a preview extract. The complete document continues beyond the pages shown here.

The full document is supplied as a single, fully editable Microsoft Word (.docx) file immediately after purchase — including every remaining section, the definitions, the regulatory framework references and all appendices and templates.

Bracketed prompts such as [30 days] mark the points where your own thresholds, committee names and local regulatory references are inserted.