The Sovini Group

Procurement Strategy 2026-31

<u>The Sovini Group – Procurement Strategy 2026-31</u>

1.0 Introduction

The Sovini Group's Procurement Strategy 2026–31 outlines a unified, strategic approach to procurement across all entities, including the Group's Community Benefit Societies (CBS) and Commercial subsidiaries. Set within a rapidly changing economic and regulatory landscape, the strategy focuses on leveraging procurement as a key enabler for the Group's growth, internal delivery model, and vision of 'A Better Future.' As the Group expands and adapts, robust procurement governance, Value for Money (VfM), and proactive risk management are prioritised to ensure financial sustainability, regulatory compliance, and high service quality.

The Group Procurement Team plays a pivotal role, delivering professional oversight and assurance for regulated and material procurement activity. By partnering with internal stakeholders, the team ensures outcomes that are transparent, consistent, and commercially sound, supporting the Group's mission of creating opportunities and changing lives.

1.2 Current Position

Within the last four years, The Sovini Group has seen its turnover increase from by 28.4% from £84.3m to £108.2m (as per the 2025/26 reforecast budget) with the business model of internal delivery being central to this success and continued growth. This includes:

- In 2018, One Vision Housing (OVH) and Pine Court Housing Association (PCHA) awarded ten-year Asset Management Contracts, valued at £317 million and procured under Public Contract Regulations 2015 (PCR 2015) regulations, to SPS and Sovini Construction, with break clauses. The contract was later modified to include Sovini Land Acquisition and Amianto Services. By the end of 2025/26, £320m of works has been completed through repairs and maintenance, new build development, and on-going development construction.
    - Due to Covid-19 and following PCR 2015, OVH and PCHA Boards approved an extension of five years and value modification in June 2023, raising its total value to £475m.
    - In June and July 2025, OVH and PCHA Boards approved a contract modification in accordance with PCR 2015 to address external factors, including new housing standards, Awabbs Law, and the real living wage. The contract value was updated to £633.5m.
- OVH Business Plan contains £140.5m of gross development funding 2025/26 to 2029/30 for the delivery of 1,003 homes
- For PCHA, the Business Plan contains £3.7m of gross development funding 2025/26 to 2029/30 for the delivery of 14 homes

- OVH’s Development Strategy focuses on delivering future programmes through Sovini Commercial entities to ensure control, cost transparency, quality, continuity, and sustainable capacity in homes.
- Maintain STS as a core supply chain partner, using Bootle and Speke facilities to drive growth and deliver better VfM for all customers.

Recent external challenges—including inflation, slow economic growth, the Ukraine and Iran conflicts, and ongoing volatility in energy markets—have impacted The Sovini Group’s operations and profitability. Despite this, the Group’s resilient internal delivery model has enabled continued growth and essential service provision.

This strategy prioritises VfM, particularly for CBS entities, through effective procurement, economies of scale, and benchmarking against external suppliers. Collaboration and centralised resources support efficiency savings and reinvestment.

The Group Procurement Team is integral to business transformation, supporting the adoption of Microsoft Dynamics and NEC Housing Management systems. These technologies will drive automation, streamline contract management, and strengthen supplier relationships, further enhancing procurement efficiency and value.

1.2 Risks Identified and Measures

Leveraging the expertise of the Group Procurement Team and the aims outlined in this Strategy, procurement risks will proactively be managed and mitigated through a comprehensive and structured approach. Specifically, our strategy addresses:

- Rigorous cost and quality management of materials utilised across all assets to ensure optimal value and performance.
- Safeguarding supply chain continuity against global economic fluctuations, geopolitical conflicts like those in Iran, inflationary pressures, and their effects on national and local markets—minimising risks such as price escalation, quality degradation, and delivery delays.
- Effectively managing risks associated with rapid business expansion and increased geographic reach.
- Conducting thorough needs analyses to accurately capture business procurement requirements, thereby preventing gaps and inefficiencies.
- Strengthening supply chain and contract management to ensure reliability and resilience.
- Implementing robust controls to prevent fraud, corruption, and bribery throughout procurement activities.
- Ensuring full compliance with all relevant legislative and regulatory frameworks, including HMRC tax and VAT obligations.
- Adhering strictly to Financial Regulations to maintain transparency and accountability.

- Complying with the Procurement Act 2023 (PA23), effective from 24/02/2025, and managing legacy contracts under Public Contract Regulations 2015 until their expiry, at which point new legislation will take precedence. This includes oversight of Prior Information Notices (PIN), contracts, live frameworks, and Dynamic Purchasing Systems (DPS).

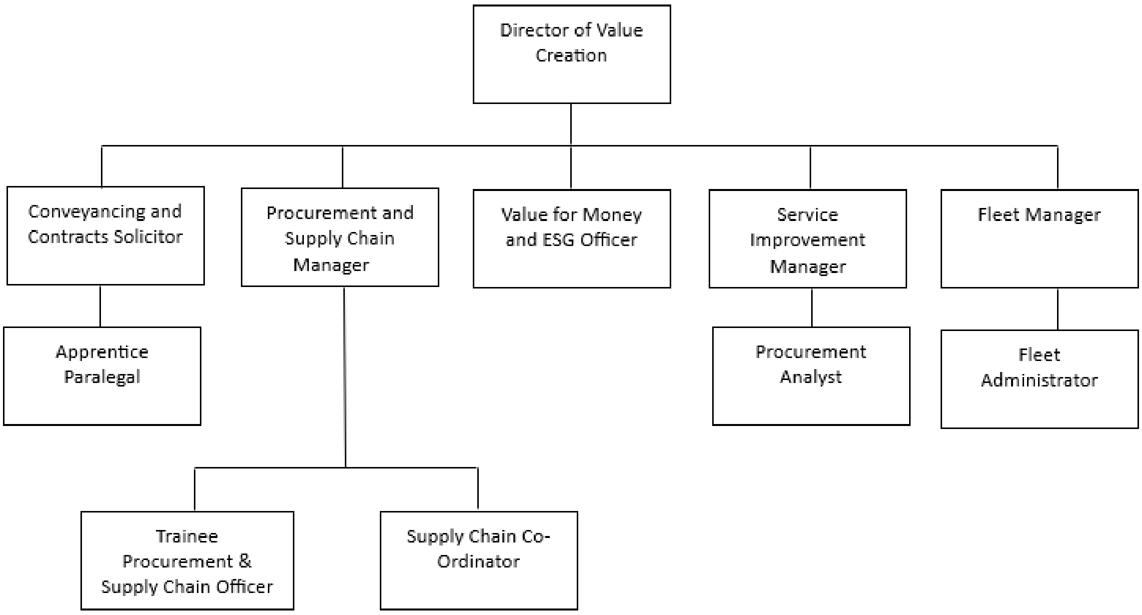
All identified procurement risks will be systematically measured and monitored via the Group's Performance Management System, Pentana, with monthly reporting to provide ongoing risk assessments and capture any emerging changes. Continuous professional development is prioritised, with regular training for the Group Procurement Team through the e-learning platform, Chartered Institute of Procurement and Supply (CIPS), and procurement webinars, ensuring up-to-date knowledge and effective risk management. Engagement in networking and working groups with peer organisations further supports best practice and enhances risk mitigation efforts.

In accordance with financial regulations outlined within the Group's Financial Management Policy (FMP), when internal stakeholders outside of the Group's centralised Procurement Team undertake procurement exercises, close collaboration is mandated to minimise risk exposure. These stakeholders must complete mandatory e-learning courses to uphold compliance and maintain robust protection under financial regulations.

Additionally, comprehensive spend analysis and gap analysis reports are conducted quarterly across the Group, focusing on external expenditure to identify potential concerns, ensure procurement procedures are compliant, and confirm that contracts are in place to mitigate foreseeable risks.

2.0 Where are we now?

To support the Group's accelerated business expansion and evolving requirements, the centralised Group Procurement Team has undergone a strategic restructure. This enhanced organisational approach is designed to maximise value delivery for both Community Benefit Societies (CBS) and Commercial entities, ensuring efficient, compliant, and sustainable procurement across all operations. The updated structure is outlined below and reflects our commitment to robust governance, operational excellence, and continuous improvement throughout the Group.



The improved resources and skillset enable the team to offer the following functionality to the Group:

Community Benefit Societies:

- All procurement of goods, works, and services is delivered in full compliance with relevant financial regulations and UK procurement legislation, ensuring governance and VfM is consistently maintained.
- Tendering is managed through established digital platforms for contracts above set thresholds, with robust processes to guarantee transparency, openness, and active support for local SMEs.
- Procurement activities are strategically focused on fairness, VfM, and the delivery of tangible efficiency savings/ cost mitigation.
- Strengthened supplier due diligence and robust contract management underpin enhanced performance, uphold ethical and compliant standards, and advance equality, social value and Environmental, Social and Governance (ESG) goals for greater community impact.
- Pre-Market engagement to gain greater market condition knowledge, informing strategic procurement decision, innovations, and continuous improvement.
- Embedded Lifecycle costing to optimise value and quality, reducing long-term costs while maintaining performance standards.
- All procurement and partnership agreements are aligned with organisational missions, objectives, and codes of governance, supporting purposeful and compliant operations.

- In-house legal expertise underpins strong contract governance, providing legal assurance across specific areas within the Group, ensuring greater robust risk mitigation factors are in place.
- A dedicated in-house legal expertise, which strengthens contract governance and delivers comprehensive legal assurance across key operational areas including Developments, ensuring greater risk mitigation factors are in place.
- A culture of continuous improvement drives operational efficiency and sustained regulatory compliance across all procurement functions.

Commercials Entities

- Centralise Group-wide procurement and purchasing to reduce indirect spend and comply with Sovini Commercial Financial Regulations.
- Optimise procurement to increase margins, drive cost efficiencies, and deliver both cashable and non-cashable savings.
- Proactively manage the supply chain to drive VfM, operational consistency, and enhanced social value and ESG outcomes.
- Standardise specifications and implement value engineering to ensure compliance and best practice.
- Identify and pursue external tendering opportunities to drive commercial growth.
- Champion continuous improvement and innovative, energy-efficient sourcing solutions.
- Deliver expert fleet management, including O Licence operations, compliance audits, and regulatory adherence.
- Maintain transparent procurement activities and robust supplier relationships, supporting contract owners with financial and ethical governance, health and safety, equality, performance monitoring, and social value obligations.
- Provide comprehensive legal support, leveraging in-house and external expertise as required.

The Procurement Team deliver an annual Procurement Service Delivery Plan (SDP) that is monitored via Group Performance Management System, Pentana.

Procurement projects and contracts for specialist services, such as accounting software for CBS entities, are tracked through mid-year and year-end reporting aligned with the OVH and The Sovini Group’s VfM Strategy Action Plans.

The Group follows a best practice procurement model to promote consistency, control, and realise both immediate and long-term savings. The steps are outlined below:

- **Step One – Visibility**
  Improving visibility of all procurement activity to maximise efficiency, effectiveness and eliminate maverick spending
- **Step Two – Control**

Centralising purchasing and wider procurement activity through adoption of automated processes and fit for purpose I.T. systems and application of negotiated rates with suppliers

- **Step Three – Efficiencies**
  Speeding-up and simplifying end-to-end process from ordering to delivery through automated approval processes
- **Step Four – Savings**
  Achieved through developing mature supplier relationships and partnership approach with mutual benefits
- **Step Five – Create Value**
  Combining the above activities to improve cash flow, achieve cashable savings (one off and recurring) and optimisation of resources

The CBS entities are committed to maximising procurement efficiency across The Sovini Group by leveraging its collaborative Group model. This is achieved through regular independent benchmarking of the Asset Management contract delivered by internal partners, ensuring competitiveness, VfM, high performance, added value, and operational efficiencies.

The Group Procurement Team has secured intra-Group material supply agreements and implemented standardised specifications for new developments and house types. This approach guarantees supply continuity, optimises VfM, and retains expenditure within the Group.

The Procurement Team offer additional benefits focusing on:

- Robust measures for fraud prevention and rigorous oversight of Modern Slavery Act compliance throughout the supply chain, alongside adherence to the Criminal Finances Act, Economic Crime, and Corporate Transparency Act.
- Comprehensive tracking of materials from purchase through to the completion of each job, ensuring transparency and accountability.
- Effective control of specifications to enhance environmental performance and sustainability.
- Minimisation of waste through improved processes and resource management.
- Enhanced operational efficiency across procurement and delivery activities.
- Focused initiatives to drive value and maximise return on investment across all procurement activities.

During 2025/26, The Procurement Team secured the following key contracts focusing on cost, quality, and VfM:

Contract Title	**Sovini Entity**
Energy Procurement - Gas Renewals for Communal Areas	OVH

Energy Procurement - Gas Renewals for Communal Areas	PCHA
Digital Telecare Equipment Upgrade	OVH
Compliance Audits	OVH
EPC Consultancy Services	OVH
Architectural Services	OVH
SHDF Wave 3 Funding -Retrofit Assessments and Works	OVH
Leasehold and Commercial Legal Services	Sovini
Data Protection Officer Service	Sovini

3.0 Where do we want to be?

Over the course of this strategy and beyond The Sovini Group and its entities aim to continue to build on the firm foundations of best procurement practice to continue to deliver VfM through the key drivers of economy, efficiency, and effectiveness.

To drive continuous improvement in the procurement, service the CBS entities and the Group Procurement Team will, over the course of this strategy, strive to achieve the following high-level aims:

3.1 – VfM and Commercial Excellence

Aligned with Group's model, the Procurement Team is committed to maximising efficiency and achieving VfM by prioritising internal procurement of goods, services, and works where available within the Group. This approach supports the Group's self-delivery model and fosters commercial excellence across all entities.

The Procurement Team will collaborate closely with the commercial companies within Sovini to ensure the delivery of goods and services on CBS contracts consistently achieves VfM. This will be accomplished through rigorous assessment and optimisation of supply chains, leveraging benchmarking, value engineering, and opportunities for standardisation to drive commercial excellence.

3.2 – Compliance, Governance and Risk Management

The Group Procurement Team will maintain full compliance with all applicable and emerging legislation relevant to procurement, alongside recognised Codes of Practice and regulatory guidance, operating ahead of minimum compliance and industry standards. This proactive approach ensures that procurement activity continues to support strong governance, accountability, and best practice across The Sovini Group.

Over the next 12 months, procurement policies, procedures, and processes will be reviewed and adapted in line with updates and guidance issued by Government Procurement Services. The implementation of the Procurement Act 2023 will continue to underpin this activity, driving greater flexibility, transparency, and improved access for small and mediumsized enterprises (SMEs). These changes directly support The Sovini Group's strategic objectives by maximising VfM, increasing operational efficiency, and safeguarding public expenditure and mitigate risk.

The Procurement Team will ensure continued compliance with internal Financial Regulations, maintaining robust controls over procurement expenditure through clearly defined approval limits aligned to roles and seniority. All procurement activity above internal financial thresholds will be undertaken through the Group's approved e-procurement system, the Delta eSourcing Portal, providing transparency, auditability, and consistent application of procurement controls.

Through collaboration, streamlined processes, and the effective use of data analytics, the Procurement Team will actively pursue economies of scale and continually review external spend. This approach will enable the elimination of duplication, identification of savings opportunities, and delivery of procurement efficiencies across the Groups operations, delivering tangible benefits to both the organisation and the communities it serves.

From 2026/27, all new procurement activity and contracts will be supported by a new Contract Management Framework throughout the contract lifecycle. The framework will strengthen governance by clearly defining internal stakeholder responsibilities, improving risk management, and reinforcing effective working relationships with suppliers. It will provide practical guidance, standard templates, and consistent documentation to support professional contract management from contract award through to expiry or closure, ensuring clarity of Contract Manager roles and responsibilities and driving improved performance and outcomes

3.3 Modernisation, increased automation, and data-driven Procurements

Building on established internal controls for the procurement of goods and services, the Group has progressed the implementation of a modernised Procure-to-Pay (P2P) model, through the phased rollout of Microsoft Business Central as the Group's core finance system.

The introduction of Business Central, alongside enhanced P2P functionality, is significantly strengthening visibility and control over procurement activity and organisational spend. This includes clearer and auditable approval workflows, strengthened financial controls, and more consistent, reliable management information. Collectively, these improvements reduce the risk of noncompliant or maverick purchasing, support the use of preferred supplier arrangements, and provide a scalable digital platform capable of supporting future growth, integration, and transformation across the Group.

These changes are also delivering measurable VfM and operational efficiencies through the reduction of paper-based processes, the removal of duplicate data entry, and the introduction of faster, more standardised approval routes. Improved integration between procurement, finance, and operational systems enhances control over payment processes, strengthens assurance, and supports compliance with IR35 (off payroll working) requirements.

As further phases of Business Central are deployed, the P2P operating model will continue to support tighter financial control, improved data quality, and demonstrable efficiency gains. This will provide a robust foundation for increased automation, enhanced reporting, and more informed strategic decision-making, reinforcing procurement's role as an enabler of governance, VfM, and long-term organisational resilience across the Group.

3.4 Sustainability and Social Responsible Procurements

The Group Procurement Team will continue to embed sustainability and social responsibility principles throughout all procurement activity. Supplier environmental credentials, management arrangements, and ongoing performance will be considered as part of supplier selection, approval, and contract management processes. This will align with recognised environmental management frameworks (such as ISO 14001), the Group's ambition to achieve Net Zero carbon operations, and wider ESG reporting requirements.

Sustainability will also be considered through the promotion of a diverse, resilient, and inclusive supply chain. This includes improving access and opportunities for local and SME's alongside ensuring continuity of supply, quality outcomes, and long-term value.

While compliance with the Fair Payment Code is not a mandatory requirement for the Group, operating in line with its principles supports strong supplier relationships and reinforces the Group's reputation as a responsible and ethical customer. Where practicable, the Group will aim to pay SMEs within 30 days, recognising that timely payment supports supplier cash flow, resilience, and long-term sustainability, particularly for organisations operating on tight margins.

As part of the continued drive for efficiency and assurance within procurement, the central Procurement Team will develop a detailed understanding of the Fair Payment Code, including its requirements and potential impacts on the Group and its supply chain. This assessment will inform a strategic decision during the life of this strategy on the extent to which the Group adopts and formalises the practices associated with the Code.

The Group Procurement Team will evaluate the social value commitments proposed by prospective contractors and suppliers across the Sovini Group supply chain. This will specifically include consideration of:

- Skills, training, and employment opportunities
- Benefits to local and regional economies
- Contributions to charitable causes supported by The Sovini Group or initiatives that directly benefit Sovini Registered Provider customers

Social Value will be actively promoted and embedded within procurement activity in alignment with The Sovini Group's VfM Strategy, with a clear focus on maximising measurable outcomes. These outcomes will inform the Group's annual Social Value reporting and provide assurance against ESG objectives, supporting transparent reporting to Executive Teams and Boards.

From the 2026/27, the Procurement Team will implement the Sovini Social Standard across the supply chain to strengthen, standardise, and enhance the delivery of social value. All tender processes will require successful suppliers to adopt and adhere to the principles defined within the Sovini Social Standard. For tenders exceeding the £100,000 threshold for CBS entities, suppliers will be required to submit a comprehensive response addressing Social Value and ESG objectives, supporting the Group and its entities in meeting their corporate, community, and social responsibilities.

3.5 Capability, Capacity and Culture

The Group Procurement Team will continue to operate as a strategic business partner, providing expert procurement advice and consultancy support across The Sovini Group to drive value and improve outcomes. This approach is designed to embed robust, procurement principles at the earliest stages of decision-making and throughout the lifecycle.

In practice, this will include active procurement involvement in:

- Project development and project management activity
- Annual budget setting, forecasting, and in year budget reviews
- The review and challenge of Service Delivery Plans
- The development and circulation of annual procurement plan with key stakeholders to support effective forward planning and market engagement

This business partnering approach will be underpinned by an agreed and consistent framework for metrics and data collection, enabling each entity to clearly record, monitor, and evidence VfM savings, efficiencies, and wider benefits delivered through procurement activity.

The Procurement Team will continue to invest in professional development and sector expertise to support continuous improvement across the Group. This includes maintaining up-to-date knowledge of procurement legislation, policy, and best practice, alongside increasing professional accreditation through CIPS qualifications. Strengthening professional capability will enhance the team’s capacity to respond to emerging external challenges and opportunities, whilst providing high-quality, trusted advice to stakeholders.

The Group Procurement Team will also remain central to the agile ways of working adopted across The Sovini Group, supporting the organisation’s digital and data led ambitions. This includes playing a key role in the procurement and implementation of enabling systems and platforms, such as the recently implemented Microsoft Business Central system, to improve integration, insight, and operational effectiveness.

3.6 Successful delivery of Planned Procurement Projects

The Group Procurement Team will continue to deliver the full range of procurement functions and responsibilities, supported by a detailed annual SDP to ensure planned, effective, and accountable delivery.

Alongside the day-to-day management of procurement activity, the Procurement Team will play a pivotal role in the planning, governance, and delivery of major procurement exercises during 2026/27. These activities will be undertaken in full compliance with internal Financial Regulations and will provide strategic support to the Group and its entities in managing risk, securing VfM, and achieving successful commercial outcomes. This includes;

Goods/Service Provided	Group Entity
Inbound and Outbound Digital Postal Room	OVH
Provision of Electricity - OVH - Metered Supplies	OVH
Provision of Electricity - PCHA - Metered Supplies	PCHA
Lift Preventative Maintenance	OVH
Electronic Payment Solutions	OVH
Provision of Gas - OVH - Metered Supplies	OVH
Provision of Gas - PCHA - Metered Supplies	PCHA
Asbestos Surveys, Sampling and Associated Consultancy Services	OVH
Telephony - Unified Communications and Contact Centre	Sovini
Credit Rating System	Sovini
Office 365 Licences	Sovini
Leasing of Multifunction Devices	Sovini
Employers Agent Services across New Build Development Sites	OVH
Mobile Device and Mobile Network Connectivity	Sovini
Housing Brixx Software	Sovini
The Sovini Group Employee App	Sovini
Performance and Risk Management System	Sovini
Legal Framework 2023 - 2027	Sovini
HR & Payroll System	Sovini
Gas & Electrical Audits	OVH
Anti-Virus Software	Sovini
Treasury Management Services	Sovini
GIS Mapping, Consultancy Services and Software	OVH

4.0 How are we going to get there?

This Strategy is supported by a detailed procurement Service Delivery Plan that is monitored through the Sovini Group Performance Management System. This ensures all actions contribute to the achievement of wider Sovini Group aims and objectives.

Listed below are the high-level procurement actions we will look to achieve over the course of this Strategy and that form the basis of the more detailed SDP.

Strategic Aim	Actions / Objectives	Targets
VfM and Commercial Excellence	• Implement robust best practices procurement processes to maximise value and drive cost efficiency. • Maintain ongoing self-delivery assurance by the Procurement Team identifying any opportunities for purchasing goods or services to remain within the Group to drive VfM, efficiencies and aiding towards the Group's financial sustainability • Continue to implement whole-life costing to assess long-term value and costs of purchases, including value engineering to identify cost saving opportunities without compromising quality. • Conduct regular benchmarking to compare performance and pricing against industry standards. • Promote standardisation of goods, services, and processes across the Group. • Maintain ongoing commercial assurance of internal delivery arrangements to ensure continued demonstration of VfM and support for financial sustainability.	2026-31 2026-31 2026-31 2026-31 2026-31 2026-31
Compliance, Governance and Risk Management	• Apply the appropriate procurement and financial regulatory framework for each procurement exercise, considering its nature, value, and timing. • Ensure compliance with the Procurement Act 2023, the Public Contracts Regulations 2015 where applicable, internal Financial Regulations, and all relevant legislative and regulatory requirements. • Manage strategic procurement risks using established governance, assurance, and reporting arrangements. • Escalate procurement risks to Executive Management, Boards, and Committees when appropriate. • The Group Procurement Team will work closely with the Sovini Regulatory Compliance Team to 'horizon scan' parliamentary schedules and industry publications for all planned legislation impacting on procurement activity • Ensure that all necessary Check Employment Status for Tax (CEST) assessments are completed to maintain full IR35 compliance, in line with the tax regulations updated in April 2026. Additionally, continue to refresh and deliver annual IR35 training for staff through the E-Learning Platform	2026-31 2026-31 2026-31 2026-31 2026-31 2026-31

Modernisation, increased automation, and Data-Driven procurement	• Support the integration of the Microsoft Dynamics Finance system within Sovini Group's procurement processes by embedding 'procure to pay' principles. This will enhance control and visibility over expenditure and negotiated supplier rates are maximised • Advance the rollout of a new Fleet Management System to enhance transparency and operational oversight across all Sovini Commercial entities. • Continued facilitation of digital 'supplier onboarding' process via SharePoint providing automation of supplier certification notifications and self-assessment updates • Drive innovation by adopting advanced data-driven, digital solutions and automation to streamline procurement processes, ensuring greater efficiency and enhanced control across the organisation. • Development of Supply Chain and Spend Power BI reports to increase transparency, enhance financial control and improvements, along with supporting strategic decision-making procurement data and analytics. • Improve contract management through automated and data-enabled processes	2026/27 2026/27 2026-30 2026-30 2026/27 2026/27
Sustainable and Socially Responsible Procurement	• Integrate sustainability, ethical standards, and social value into all sourcing, contract management, and supply chain engagement activities. • Implement the Sovini Social Standard throughout the supply chain to support Social Value, Equality, Diversity, and Inclusion (EDI) and ESG goals. • Drive CO_2 reduction throughout operations by leveraging the Group's Net Carbon System; deliver the Electric Vehicle (EV) Roadmap; source net-carbon products and materials; and proactively pursue energy initiatives to lower customers' carbon footprints and alleviate fuel poverty. • Continue to support Sovini Commercial compliance to Energy Savings Opportunity Scheme (ESOS) through • actions • Maintain a strong commitment to comprehensive Financial Regulation training for all employees with procurement or supply chain responsibilities, ensuring ongoing professional development and compliance across the organisation • Aim to operate within the 'Fair Payment Code' to provide fair payment terms for all suppliers and encourage participation in the supply chain by local SME's where possible	2026-31 2026/27 2026-31 2026/27 2026-31 2026-31

Capability, Capacity and Culture	• Continue to operate as a trusted business partner across the Group • Encourage proactive involvement in procurement activities to maximise outcomes and achieve greater VfM success. • Empower informed decision-making by providing expert guidance and support. This includes actively involving employees in supplier and contractor performance reviews to ensure comprehensive 360° feedback. • Promote the consistent implementation of procurement principles across the Group, ensuring that every procurement activity upholds the highest ethical standards and fully complies with all regulatory requirements. • Strengthen and advance team capabilities by investing in targeted skills development, including supporting team members in achieving CIPS qualifications. • Support Sovini entities in accurately capturing and monitoring procurement and VfM benefits across financial, social, and environmental dimensions. • Champion a culture of continuous improvement within the Group Procurement Team and throughout the wider Group • Continue to communicate quarterly Procurement Team updates via the Group's intranet; Our Space focused on procurement delivery, changes, and achievements to promote positive procurement culture	2026-30 2026/27 2026-30 2026-31 2026-31 2026-31 2026-31 2026-31
Successful delivery of Planned Procurement Projects	• All planned procurement projects are delivered on time, to budgets and to the quality standards expected in contracts and agreed service standards • All projects meet internal and external compliance requirements • Deliver a 5% Cost Saving/Mitigation based on the annual SDP Value for the RP's and the Group	2026-31 2026-31 2026/27

5.0 How are we going to measure it?

The Sovini Group Procurement Strategy is closely aligned to the OVH VfM Strategy, recognising OVH as the Group's largest CBS entity. As a result of this alignment, several key procurement initiatives are embedded within the OVH VfM scorecard and reported to the RAC and the OVH Board at both midyear and year-end, providing transparent oversight of delivery and outcomes.

The aims and objectives of this strategy are further supported through the detailed annual SDP for the Group Procurement Team, which is monitored through the Group's Performance Management System. This ensures that all procurement projects and activities are clearly defined, consistently monitored, and aligned to strategic priorities across the Group.

All procurement initiatives within the SDP are assigned to named individuals and managed against SMART objectives (Specific, Measurable, Achievable, Realistic, and Timebound). Progress is tracked against agreed milestones, with any identified slippage addressed through timely corrective actions. The Director of Value Creation retains overall accountability for the delivery, performance, and governance of the SDP.

During the 2026/27, the Group Procurement Team will introduce a set of defined performance indicators to demonstrate delivery and impact. These will include, but are not limited to, achieving a fully compliant supply chain and delivering a minimum of 5% savings or cost avoidance through the procurement SDP. Performance against these indicators will contribute to wider VfM assurance and reporting.

The Group Procurement Team's role in ensuring legal and regulatory compliance will also be monitored through exception reporting to entity Boards and the Risk and Audit Committee, in the unlikely event of any identified compliance breaches, ensuring transparency and prompt remediation.

Stakeholder satisfaction with the procurement service provided to The Sovini Group and its entities will be measured annually through the Corporate Services Staff Survey. Feedback from this process will inform continuous improvement and service development, reinforcing procurement's role as a trusted and effective business partner across the Group.