

Capsugel's Journey*



Capsugel, a global leader in delivering high-quality, innovative dosage forms and solutions to its customers in the health care industry, completed an assessment of its sourcing practices with KKR and BSR in early 2012. The assessment examined four critical elements of basic supply chain sustainability: Leadership and Vision; Designing and Measuring Performance; Establishing Expectations; Engaging with Suppliers. Since its initial assessment, Capsugel has made significant strides in all four categories.

On a four-point scale, Capsugel has improved its overall score from 1.75 in August 2012 to 3.5 at the end of 2013. Key actions include:

- Integrating responsible sourcing efforts cross-functionally in Procurement, Production, Quality, EH&S, and Supply Chain
- Appointing a global, cross-functional team to oversee these efforts
- Developing a Capsugel Supplier Code of Conduct
- Embedding Responsible Sourcing requirements in Global Procurement Corporate Policies
- Defining “critical suppliers” and asking them to participate in a “Responsible Sourcing Self-Assessment Survey” (93 percent response)

Moving forward, Capsugel aims to maintain its commitment to best practices in global sourcing, focusing on continuous improvement and transparency.

* Capsugel is the only North American portfolio company that completed a corrective action plan in 2013 as part of RSI. The specific portfolio company referenced is not representative of all investments made by KKR Funds, and it should not be assumed that any investment in the company identified was or will be profitable.