Companies management (SYENSQO GAR List and BFC)

- 1. OBJECTIVE AND SCOPE
  - 1.1 SYENSQO GAR List of Companies
    - GAR List export to Gsheet
  - 1.2 BFC SYENSQO Consolidation Scopes
- 2. DEFINITIONS & ACCRONYMS
- 3. RESPONSIBILITIES
  - 3.1 Responsibility
  - 3.2 Overview of Syensqo GAR List's updating cycle
- 4. SYENSQO GAR List of Companies Update
  - 4.1 SYENSQO GAR List of Companies - Add a new Comapny
  - 4.2 GAR List of Companies - End of a Company
  - 4.3 SYENSQO GAR List of Companies - Finance and Accounting contacts of a Company
  - 4.4 SYENSQO GAR List of Companies - Mass changes
  - 4.5 SYENSQO GAR List of Companies - Quarterly KLE (Key Legal Entities) review
- 5. Management of Companies in BFC Structure tables (Dimension builder)
  - 5.1 - Create a Company: Normal and Discop / AHFS ones
  - 5.2 - Update the Consolidation Method
  - 5.3 - Piloting and Reception of Company Updates from BFC_Top_SCO to BFC_Prod_SCO databases
- 6. Scope Management
  - 6.1 Scope Management - Existing scopes and company's events triggering updates
  - 6.2 Scope Management - Creation of Scopes
  - 6.3 Scope Management -Insert a New Company or a Newly Consolidated Company
  - 6.4 Scope Management - End of a company (Divestment / Liquidation / Merger)
    - Divestment / Sale of a Company
    - Merger of a Company
    - Liquidation of a Company
    - Cleaning of scopes
  - 6.5 Scope Management - Piloting and Reception of Scopes Updates from BFC_Top_SCO to BFC_Prod_SCO databases
- 7. Other BFC Actions : Users Access Management
  - 7.1 - BFC Access for New comers
  - 7.2 - Add a New Company to the BFC Users Profile

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1. OBJECTIVE AND SCOPE

1.1 SYENSQO GAR List of Companies

The objective of this procedure is to describe the process and the actions required to update the GAR List of companies.

GAR list is a **critical document used each month to update many dashboards and for/during Finance processes by all Finance stakeholders** as it contains key information on each legal company (GAR list is also called "Legal Entity Card"):

- Closing process in SAP
- Contacts for GAR
- Group Audit process
- Management of authorizations in Finance tools and portals (ServiceOne, Bank Acc. Management...),
- Master Data tables in SAP

This list is **stored in the SYENSQO AODocs library** FINANCE LEGAL ENTITIES MANAGEMENT,

Events triggering the need to update the GAR list may arise from:

- Change in the Syensqo structure of companies
  - Acquisition of new company
  - Change of consolidation method of a company
  - Divestment, liquidation or merger of a Company
  - *Official source for such events usually comes from a communication from Syensqo Group General Secretary and/or an information from Syensqo GAR Consolidation team or BFC Admin manager*
- "On request" changes made by Finance stakeholders to update any other field of the legal entities (Accounting responsible, Address, Tax number)
- CAMS Adhesion review
- KLE review
- CBCR activity review

These updates can be requested either by email or by GAR list syensqo Gform. The GAR List Syensqo Response file must be checked regularly, at least every Friday

Any action (creation / update) in the GAR list of companies can trigger at the same time an update in BFC and this is subject to a systematic check from BFC Admin team. As examples,

- Creation of a new company (whatever its consolidation status) will trigger in BFC:
    1. Set up of this company in the Dimension builder
    2. Integration of this company in the consolidation scopes
    3. Creation and generation of its reporting package
    4. Users accesses updates to include it
- Reorganization in Finance processes & teams will trigger:
    1. in GAR list, the review and update of fields related to Accounting & Finance contacts
    2. in BFC , the review and update of BFC users accesses

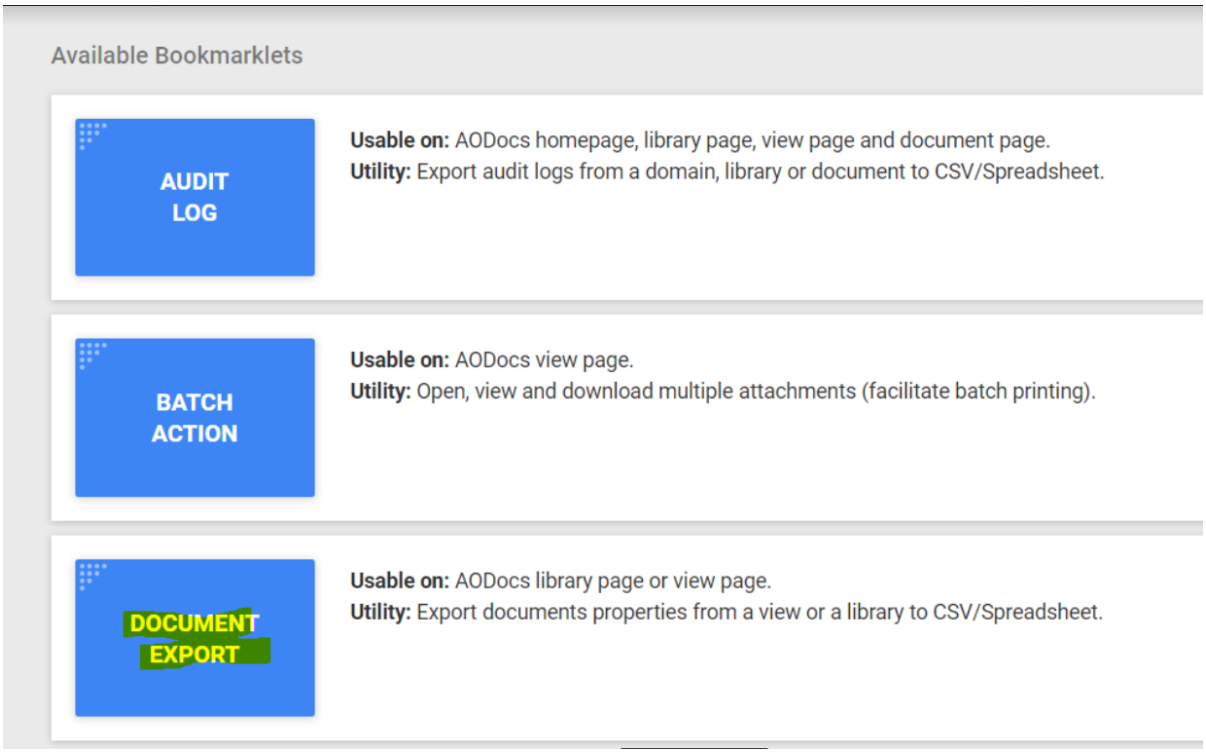
Service Level Agreement validated with GAR team (owner of the GAR list):

- Any required update must be performed **as soon as possible (at least on a weekly basis every Friday)**.
- **Every month end** (last week of the month) before the start of reporting process, BFC Admin must **guarantee the appropriate update of all changes**

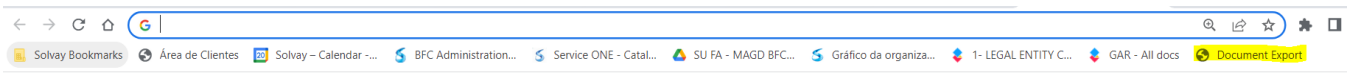
GAR List export to Gsheet

In order to be able to to export the GAR List of companies you should proceed as follow:

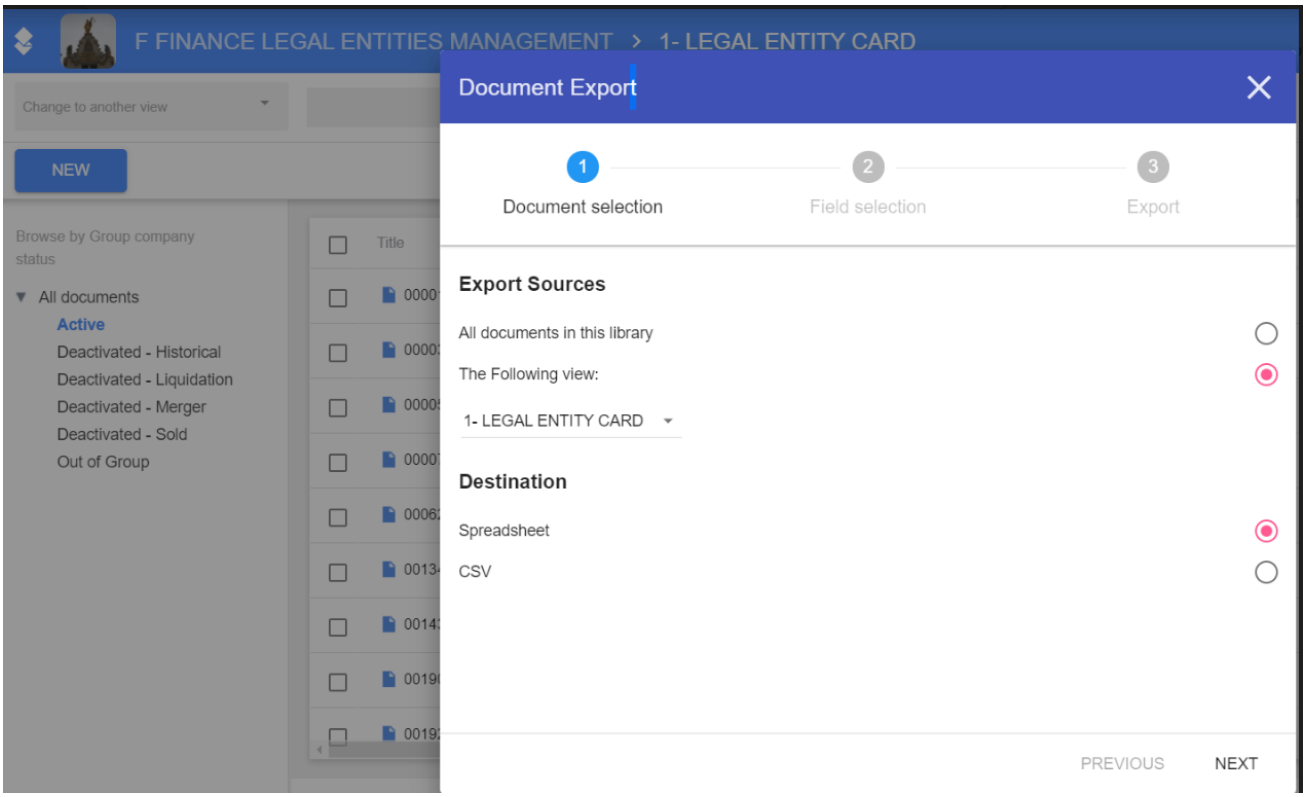
1) access this site to install the **Document Export bookmarklet** **https://bookmarklets.aodocs.com/**



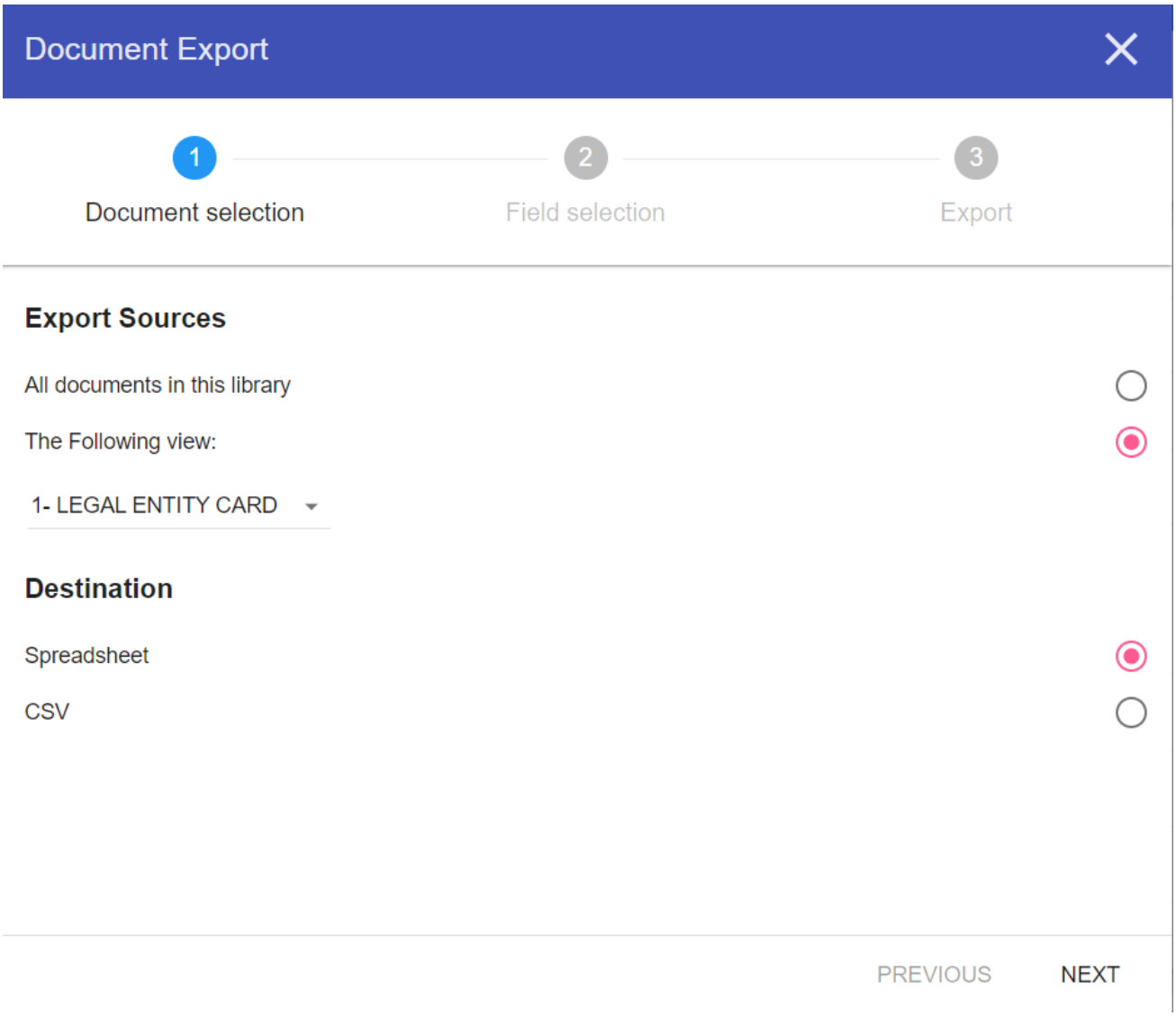
Drag and drop Document Export to your bookmark tab:



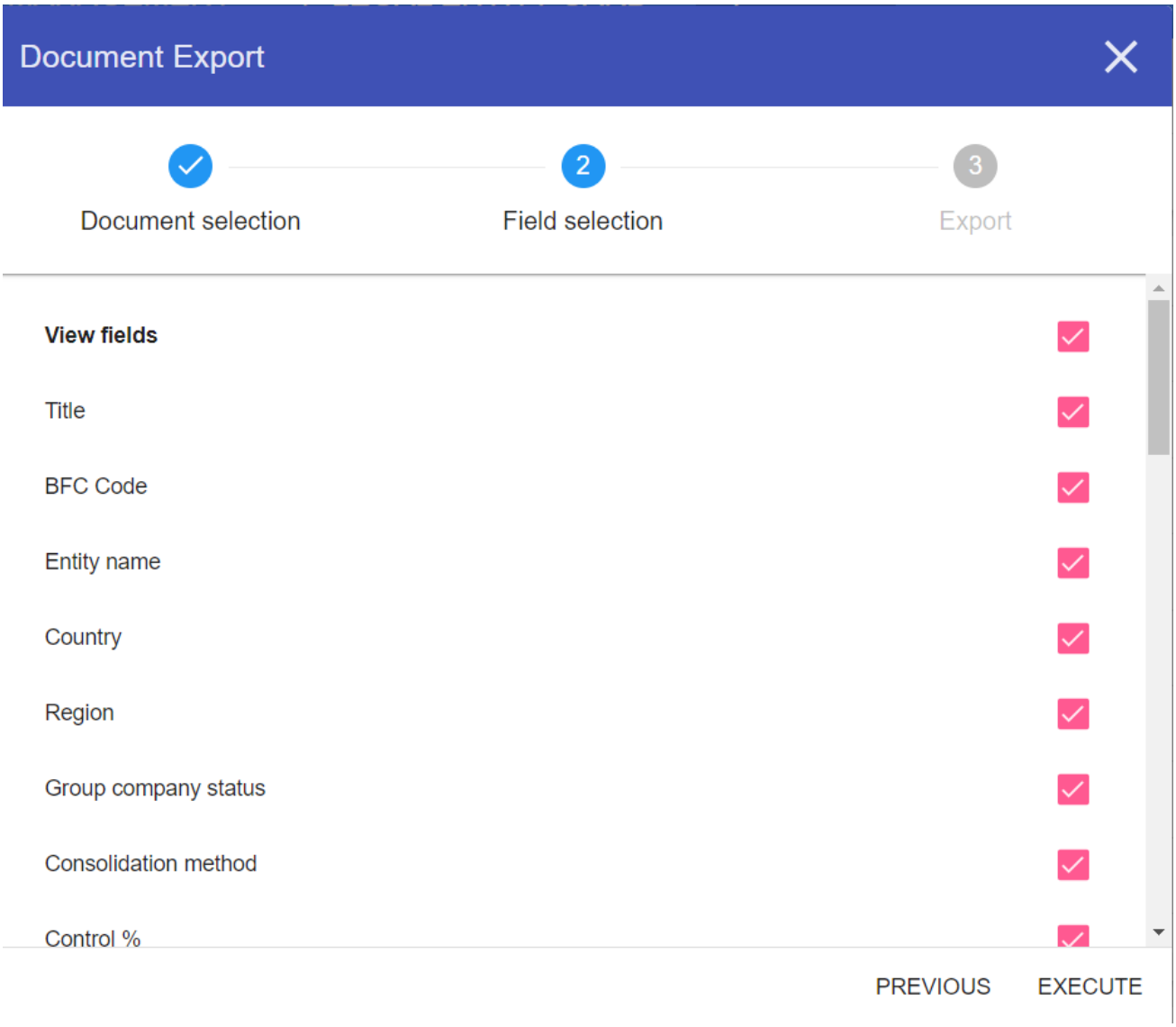
2) Open the Aodocs / Legal Entity Card page and press Document Export in your bookmark tab:

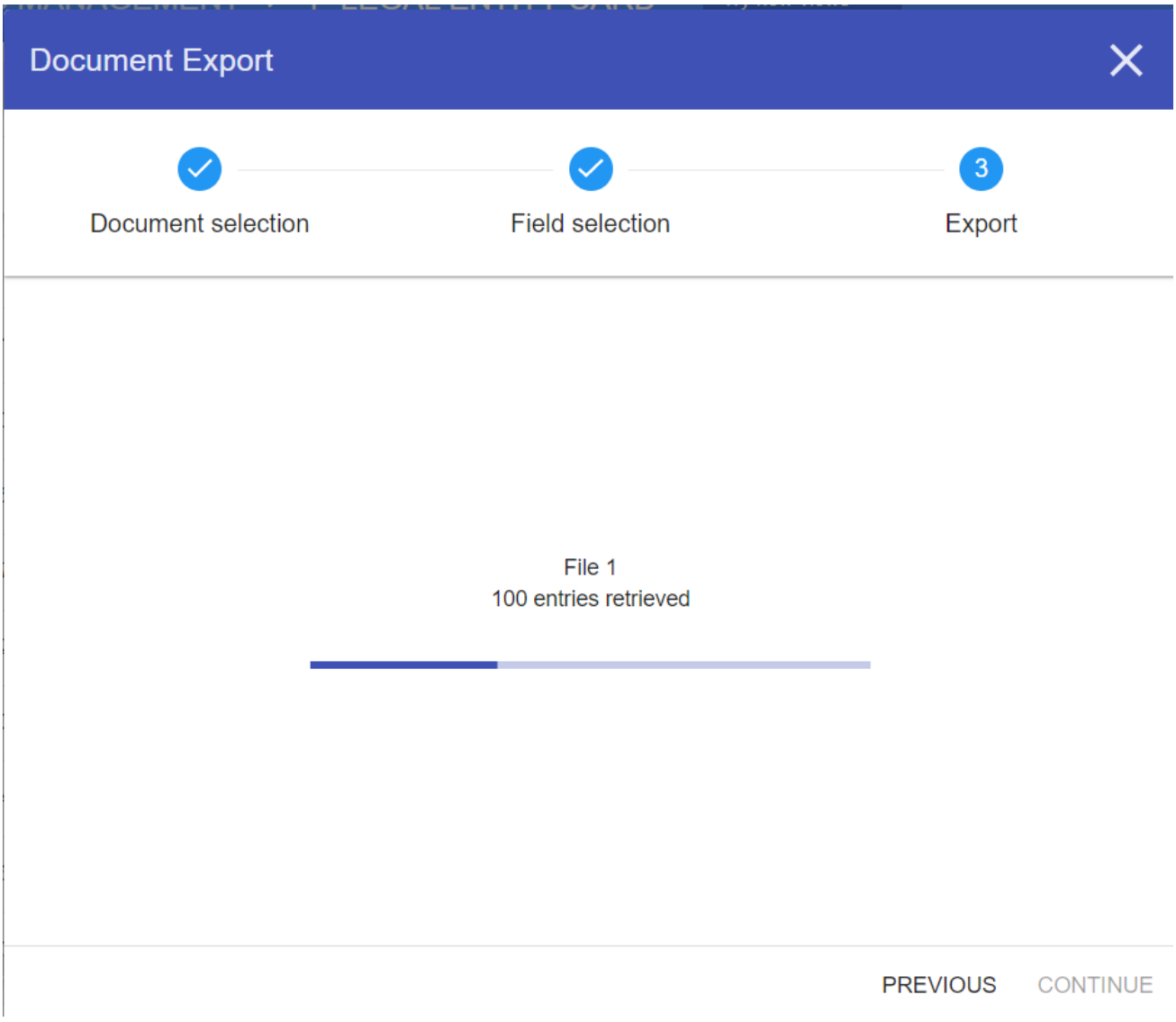


NOTE: **It is not possible to filter by active companies** before the export. You'll need to do it in the Gsheet by filtering on the **Group Company Status field.**



Select all the fields or just the ones needed for your analysis an press EXECUTE:


Document Export
Document selection
2
Field selection
3
Export
View fields
Title
BFC Code
Entity name
Country
Region
Group company status
Consolidation method
Control %
PREVIOUS
EXECUTE



2023-01-20 - Documents Export

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Title	BFC Code	Entity name	Country	Region	Group company	Consolidation m	Control %	Functional Curre	PO2	Accounting ERP	SAP company c	PRS company c	CAMS Adhesion	CAD Country Ac	Accounting
00001 = Solvay	1	Solvay SA - Cor	BE-Belgium	EMEA	Active	Fully consolidate	100	EUR		ERP Solvay PF1	1	1	AR & AP	hugues.frisque@	hugues.frisc
00003 = Solvay	3	Solvay Participat	BE-Belgium	EMEA	Active	Fully consolidate	100	EUR		ERP Solvay PF1	3	3	AR & AP	hugues.frisque@	olivier.gaspa
00005 = Solvay	5	Solvay Chemical	BE-Belgium	EMEA	Active	Fully consolidate	100	EUR		ERP Solvay PF1	5	5	AR & AP	hugues.frisque@	hugues.frisc
00007 = Hestia S	7	Hestia SA, Brux	BE-Belgium	EMEA	Active	Not consolidated	100	EUR		ERP Solvay PF1	7	7	AR & AP	hugues.frisque@	hugues.frisc
00012 = Solvay	12	Solvay Holding N	NL-Netherlands	EMEA	Deactivated - Me	Not applicable	0	EUR		ERP Solvay PF1	12	12	N/A		
00013 = Polvom	13	Polvom BV, Wee	NL-Netherlands	EMEA	Deactivated - His	Not applicable	0	EUR		ERP Solvay PF1	13	13	N/A		
00014 = Terlin B	14	Terlin BV, Amste	NL-Netherlands	EMEA	Deactivated - His	Not applicable	0	EUR		ERP Solvay PF1	14	14	N/A		
00016 = Soviller	16	Soviller SAS	FR-France	EMEA	Deactivated - Me	Not consolidated	100	EUR		ERP Solvay PF1	16	16	N/A	cecile.kiecken@	cecile.kieck
00020 = Solvay	20	Solvay Finance I	FR-France	EMEA	Deactivated - Me	Not applicable	0	EUR		ERP Solvay PF1	20	20	N/A	cecile.kiecken@	regis.conve
00062 = Solvay	62	Solvay Vinyls Ho	CH-Switzerland	EMEA	Active	Fully consolidate	100	CHF		ERP Solvay PF1	62	62	AR & AP	michel.berger@s	klaus.henke
00125 = Sodi Inc	125	Sodi Industriepa	CH-Switzerland	EMEA	Deactivated - So	Fully consolidate	0	CHF		ERP Solvay PF1	125	125	AR & AP	michel.berger@s	klaus.henke
00128 = Solvay	128	Solvay Interox -	PT-Portugal	EMEA	Deactivated - Me	Not applicable	0	EUR		ERP Solvay PF1	128	128	N/A		
00134 = Peroxid	134	Peroxidos do Bra	BR-Brazil	LAM	Active	Equity method (I	69.4	BRL		ERP Solvay PF1	134	134	N/A	caio.morgon@sc	claudio.ribei
00143 = Solvay	143	Solvay Chemical	FI-Finland	EMEA	Active	Fully consolidate	100	EUR		ERP Solvay PF1	143	143	AR & AP	michel.berger@s	michel.berg
00144 = Nationa	144	National Peroxid	IN-India	APAC	Deactivated - So	Not applicable	0	INR		Local Non-ERP	144	144	N/A		
00170 = Solvay	170	Solvay Finance I	NL-Netherlands	EMEA	Deactivated - His	Not applicable	0	EUR		ERP Solvay PF1	170	170	N/A		
00190 = Produto	190	Produtos Quimic	BR-Brazil	LAM	Active	Equity method (I	40	BRL		Local Non-ERP	190	190	N/A	caio.morgon@sc	claudio.ribei
00192 = Solvay	192	Solvay Interox P	AU-Australia	APAC	Active	Fully consolidate	100	AUD		ERP Solvay WP	192	192	AP Only	kimswee.lim@sc	simon.west(
00210 = Solvay	210	Solvay Bario e D	IT-Italy	EMEA	Deactivated - Me	Not applicable	0	EUR		ERP Solvay PF1	210	210	N/A		
00212 = Salzgev	212	Salzgewinnungs	DE-Germany	EMEA	Active	Fully consolidate	65	EUR		ERP Solvay PF1	212	212	AR & AP	michel.berger@s	klaus.henke
00224 = Belinka	224	Belinka Perkemi	SI-Slovenia	EMEA	Active	Not consolidated	20	EUR		Local Non-ERP	224	224	N/A		

1.2 BFC SYENSQO Consolidation Scopes

On a monthly basis, it is required for each Reporting and Consolidation process to create Consolidation Scopes in BFC.

Several scopes are maintained in BFC, depending on the SYENSQO Consolidation needs:

1. The main and monthly one is **SYENSQO** (including IG/IP/ME entities, excluding NC companies) that is used by GAR team to build Syensqo IFRS Consolidated Financial Statements (ACTUAL2, ACTUAL1, ACTUAL3, ACT1-TAX categories)
2. Scopes dedicated to local US consolidation purposes:
    a. **IFRS-FS-INC** : IFRS Financial statements of Solvay USA Inc & its subsidiaries provided to external users who lease products to Solvay USA Inc (quarterly and contractual obligations). Scope also used when request for US Group valuation from Corporate
    b. **IFRS-FS-RHI**: IFRS Financial statements of Solvay Holding Inc, information to Governmental authorities on both quarterly and annual basis, as the company is required by law. Scope also used when request for US Group valuation from Corporate
3. Every quarter for shareholding consolidation purposes (ACTUAL0 category) - dedicated scopes :
    a. **SYENFULL** : All IP IG MEQ NC @ 100%
    b. **SYENCONSO**: IG @ 100 % / ME IP NC in IP method at their % of interests
4. For Business Controlling purposes (RSB and PREV categories) - dedicated scopes
    a. **RSBSYENSQO**: includes both legal companies (from SYENSQO scope) and fictive ones per Business (used to manage structure effects in RSB)
    b. **PREVSYENSQO**: includes fictive reporting companies per Business to report GBU's forecast

Each time there is a change in the structure of Syensqo legal entities, **scopes must be checked and updated**:

- Divestment, liquidation or merger of a company - exclude the company from the scope
- New Consolidated company - add the company into the scope
- Change in the consolidation method - add the company when it becomes consolidated, or exclude when the opposite occurs

In case of **doubts, BFC Admin must always refer to Syensqo GAR team** to validate the required changes before to proceed. *Note: for controlling scopes (PREV, RSBSOL), BFC Admin must refer to Syensqo Corporate Controlling team.*

Service Level Agreement validated with GAR and Corporate Controlling:

- **Before the start of closing period**, update of BFC scopes must be performed **by WD2**
- **During closing period**, any **late change required** by GAR must be performed **within 30 minute**s

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2. DEFINITIONS & ACCRONYMS

BFC-Admin - BFC Administration Team (team in charge for the Functional Administration of the BFC

GAR - Group Consolidation Team

CAM - Company Accounting Manager

CAD - Companies Accounting Director

IG - Full Consolidated

IP - Proportional Integration consolidation

ME - Equity Method consolidation

NC - Not Consolidated

BFC SYENSQO - Business Financial Consolidation (Syensqo's Group Consolidation Tool)

BFC_Prod_SCO - Production database of BFC dedicated to Consolidation and Reporting cycles

BFC_Top_SCO - Customizing database of BFC (companies - scopes - category scenarios - exchange rates - reports...) to the sole usage of BFC Admin team. Updates of customizing subject to piloting to BFC_Prod_SCO once finalized.

PRS - SAP Production Reference System

ERP - SAP systems from Syensqo

WD - Working Day

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3. RESPONSIBILITIES

3.1 Responsibility

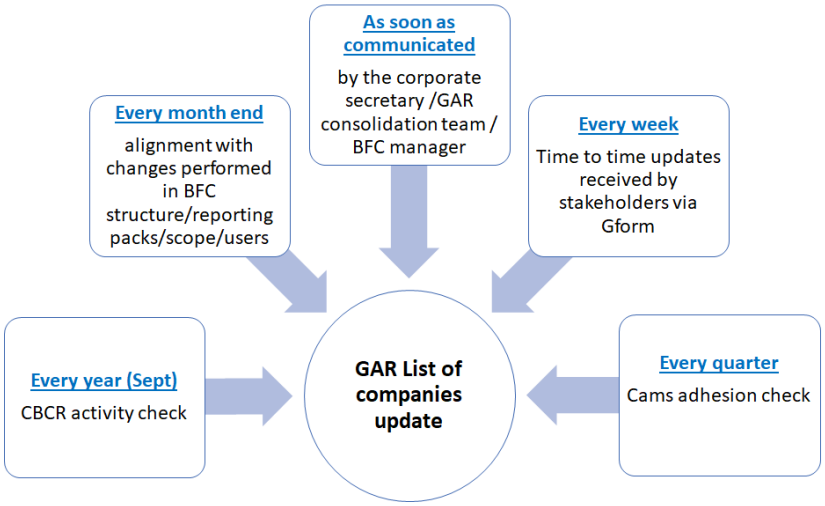
The **BFC-Admin** is responsible to perform any update in the SYENSQO GAR List of Companies and in BFC customizing modules (scopes, structure tables, users accesses, reporting openings...).

The **Group General Secretary** is responsible to maintain the PRS System and then communicate any changes.

The **GAR Consolidation Team** is responsible to update the Syensqo Structure file (GAR team site in AODOC).

3.2 Overview of Syensqo GAR List's updating cycle

The following graphic describes when the GAR List of companies should be updated:



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4. SYENSQO GAR List of Companies Update

The need to create a new company or to update the consolidation method of a company is **driven by the changes occurring in the Syensqo Structure of Legal companies.** These changes are officially communicated in the following ways:

1. OPERATIONS COMMUNICATED BY THE GROUP GENERAL SECRETARY

When there is a **change in the Syensqo structure of legal companies**, it is always **communicated first to the Group General Secretary** who will update in the PRS system (SAP system managing companies master data and then distributing them to the other ERP's).

GAR team will transfer to SCo-$BFC-Admin communication from General Group Secretary to SCO_PRS community

Critical changes such as new company created-sold-merged-liquidated should be updated immediately whether they are communicated by Group General Secretary or by GAR or BFC Admin manager, even if not all the detailed fields are known.

At the same time BFC Admin should **get in touch with Finance stakeholders** (CAD, Acc Platforms, TSU for cams adhesion) **to complete the other detailed fields**.

Special cases - new company code while company is not yet legally created: In some cases (carve out projects...), PRS codes are selected in advance and communicated by General Group Secretary while the legal company is not yet legally created. In such cases, the GAR list and the BFC Structure **MUST NOT BE UPDATED** for the following reasons:

- if not yet legally registered, the new company has no legal existence, has not received any investment from its mothers which have then no investment yet to report in their Balance Sheet
- if the new company has been legally registered, it means its mothers have made an investment to contribute it and thus own shares booked in their balance sheet => mothers need to declare such investments in their ACTUAL2

2. OPERATIONS COMMUNICATED BY THE GAR CONSOLIDATION TEAM

After the email of the Group General Secretary, GAR team will update the **Syensqo Structure File** in the GAR AODOCs Library, mentioning the consolidation method used for the new company, type of operation, and any additional information necessary to update in BFC.

Every month end (last week of the month), BFC Admin should guarantee an appropriate review of all changes in order to assure they are aligned with changes performed in parallel in BFC structure/reporting packs/scope/users.

Other updates also under the responsibility of BFC Admin team are as follow:

"On request changes" - Finance stakeholders can also request the update of some fields at any time via a **dedicated Google form GAR List Syensqo form .** The form responses file GAR list requests (Responses) should be checked **every week (on Friday)** and GAR list should be updated.

Once updates done in GAR list, we must update the 1st column filling the date to indicate that it has been done.

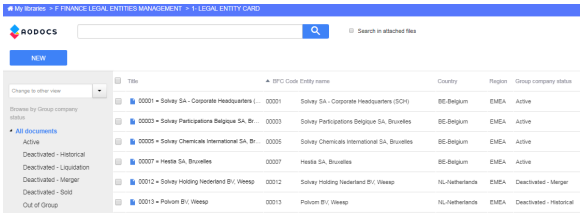
A	B	C	D	E	F	G	H	I	J	K
Uploaded date:	Timestamp	BFC Code	Entity name	Country	Reg	Group company stat	Consolidation me	Contrc	Functional Curr	Account
2022-02-14	2/14/2022 0:49:44	06405	9T LABS AG	CH-Switzerland	EMEA	Active		3.68	CHF	
2022-02-18	2/15/2022 1:23:33	07774								
2022-02-18	2/15/2022 2:12:12	06034								
2022-02-18	2/15/2022 2:34:10	00192								
2022-02-18	2/15/2022 2:56:46	06027								
2022-02-18	2/15/2022 3:07:19	00366								
2022-02-18	2/18/2022 2:00:52	06411	SOFINNOVA INDUSTRIAL BIOTECI	FR-France	EMEA	Active			EUR	
	3/22/2022 6:06:56	06019	RusVinyl, LLC, Moscow	RU-Russia	EMEA	Active	Equity method (ME)		RUB	Local No
	3/23/2022 6:58:43	06412	SAMBRINVEST SA	BE-Belgium	EMEA	Active			EUR	

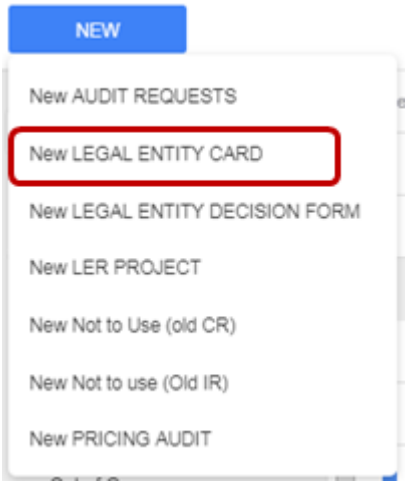
- **CAMS Adhesion review** - Update of this field is requested by Syensqo Tools & BAM team using GAR List GForm *(new process agreed in March 2024)*
- **KLE review - Key Legal Entities** are defined by GAR and the auditors and are communicated each quarter, by GAR, in Closing instructions. In order to ensure that GAR list is updated, a comparison between both lists should be done.
- **CBCR activity review** - Country By Country Report is required by OCDE. In order to update the main business carried out by each legal entity, a **yearly September review** (by GBS FSL) **and update** (by BFC Admin) should be done.

The following topics describe how to update the List of Companies according to each type of operation, as soon as they are communicated.

4.1 SYENSQO GAR List of Companies - Add a new Comapny

In the List of Companies, click on **NEW**, and choose the option **New LEGAL ENTITY CARD**.



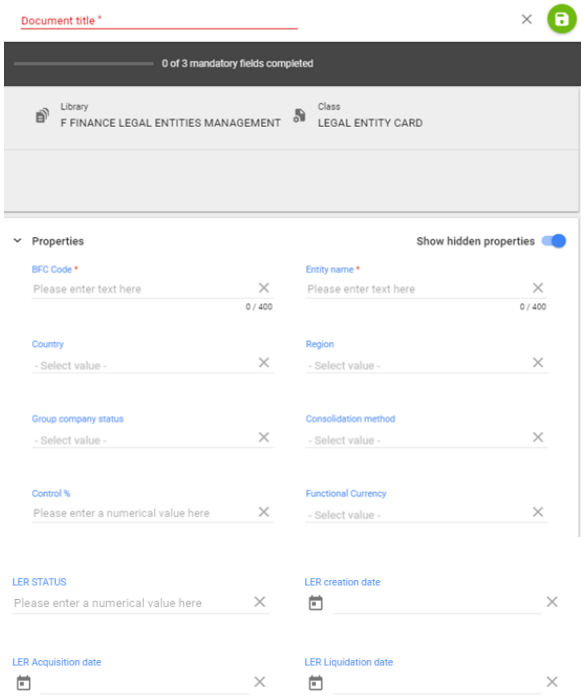


Then, fill the fields according to information received.

The only fields that are **mandatory** to create a new item in the GAR list of companies are the **BFC Code** and **Entity Name**, but note that there are some important information to enter:

- Document title, which is the combination of BFC Code and Company name
- BFC code
- Country
- Region
- Consolidation method and % of Control
- Functional currency
- PO2 allocation: must be SCO (Syensqo) from Jan 2024 (after spinoff date)
- PRS Code
- LER Acquisition/ Creation Date

After enter all the information **save** the new item, clicking on the icon .



4.2 GAR List of Companies - End of a Company

There are **three situations** for the End of a Company:

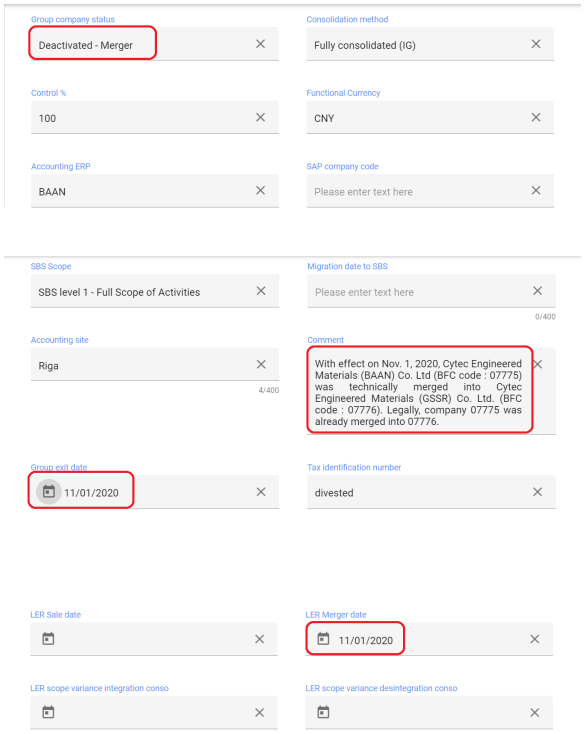
- The company is **merged** into another Solvay's company
- The company is **sold** to another Group
- The company is **liquidated**

When the information of these types of operations is received, the GAR list of companies must be updated accordingly. The following fields have to be updated:

- **Group company status** - Deactivate + Reason (Liquidation/ Merger/ Sold)
- **Group exit date** - The operation date (MM-DD-YYYY)
- **Comment** -Details about the exit (Date, reason, buyer if any, etc)
- **LER Sale/ Liquidation/ Merger date** - Indicating the same date as in the Group Exit Date, but in the dedicated field according to the operation

Important: Latest known consolidation method and **control % MUST be kept** in order not to loose its historical existence in Syensqo Group.

** As example on the right, the company 07775 was merged into another company but its last consolidation method was kept*



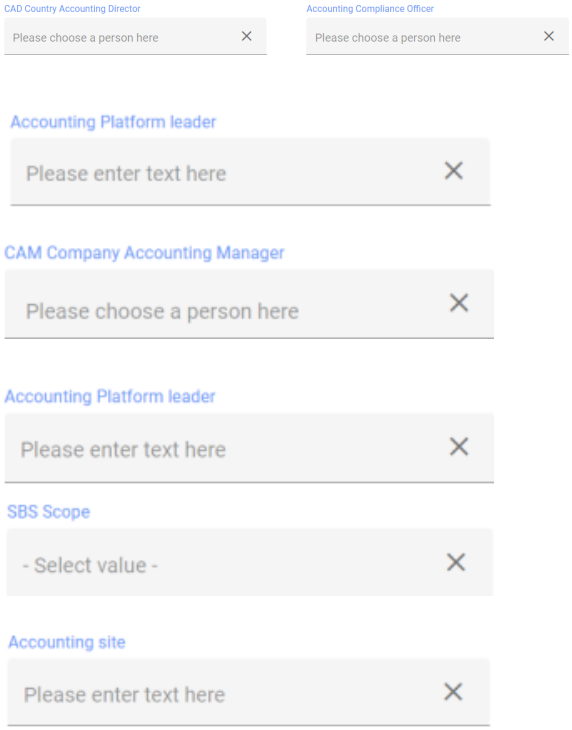
4.3 SYENSQO GAR List of Companies - Finance and Accounting contacts of a Company

Since **GAR list is the reference** for all Finance stakeholders, it is important to have duly updated the main Accounting and Finance Contacts of a company, as:

- **CAD Company Accounting Director** - is the accounting contact responsible for a country
- **Accounting Compliance Officer** - is the accountable people for compliance matters
- **CAM - Company Accounting Manager** - is the front line contact for any questions related to the company
- **ACP Team Leader** - Accounting Platform team leader

- **GBS scope -** Scope of accounting services provided by GBS Finance Service Line

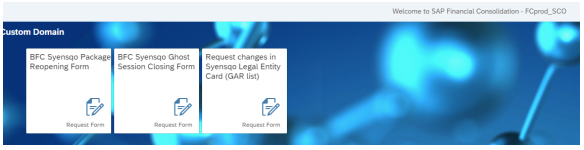
- **Accounting Site -** Lisbon, Curitiba or Bangkok



The information to update a contact can be received at any time from the **Google Form GAR List Syensqo available in BFC SCO Production web** or from a direct mail from Finance stakeholders.

When it is necessary to **update CAD/CAM contacts**, it has to be **granted that their BFC user access on companies is updated as the same time !**

How to access to **Google Form** to request GAR List changes? Available in the **Home Screen of BFC Syensqo Production database.** See on the right side.

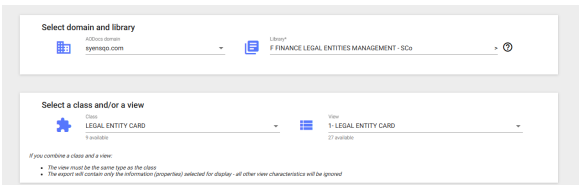


4.4 SYENSQO GAR List of Companies - Mass changes

Mass maintenance is required when we need to change certain data fields for a significant number of companies.

Mass changes in Aodocs are done with **Bulk Updater** tool.

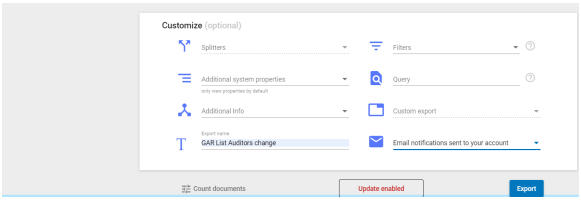
Access **Bulk Updater** at this link https://bulk-updater.aodocs.com/



Chose the library, class and view as follow:

- **Library -** F FINANCE LEGAL ENTITIES MANAGEMENT
- **Class -** LEGAL ENTITY CARD
- **View -** 1- LEGAL ENTITY CARD

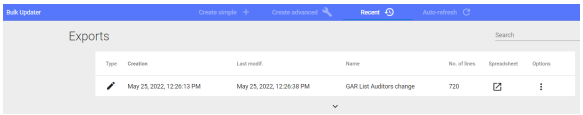
Give the name you want to the export /update file and select your email account to receive the notification once updates have been run.



- **Export Name -** GAR List Auditors change
- **Email notifications sent to your account**

Click on **Export.**

When the export finishes we are redirected to the list of our recent exports.



Access the exported data trough the Spreadsheet icon .

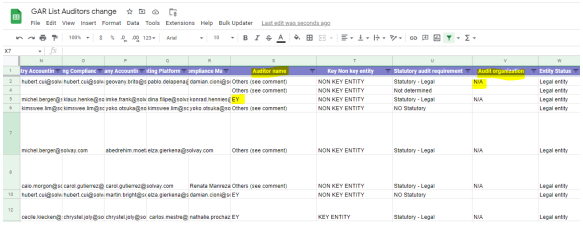
We must work on the changes we want to do directly in this file.

In this example we'll change 2 fields: Audit Organization and Auditor Name.

1st - Filter the data by Active companies (because we want to update only active cies).

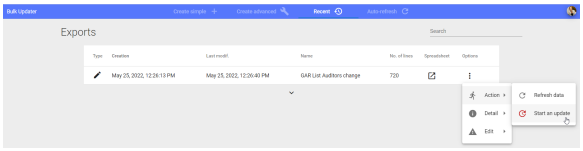
2nd - In Audit Organization field, replace current content by N/A

3rd - In Auditor Name field, replace DEL OITTE by EY

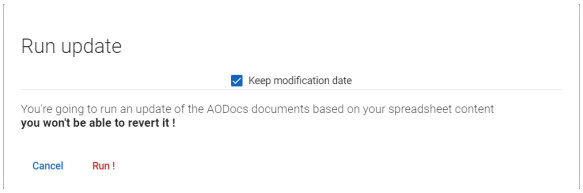


Once all changes have been made in the file, we can run the update.

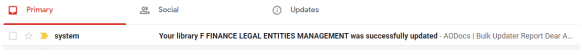
In **Options**, select **Action Start an update**



Click on **Run!**

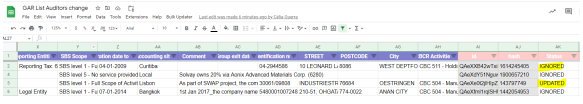


Once the updates are finished we receive the notification in our mailbox and we can consult the status of the update for each record in the file.



The status can be:

IGNORED - means that we didn't change anything in this record



UPDATED - changes have been updated in GAR list

ERROR - changes have NOT been updated in GAR list

4.5 SYENSQO GAR List of Companies - Quarterly KLE (Key Legal Entities) review

Every quarter, the list of **KLE (Key Legal Entities)** is **disclosed in the GAR Closing instructions**.

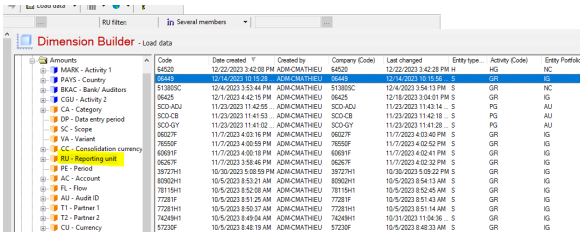
This list should be compared with the existing KLE in the GAR list in order to check if any update is missing in the GAR list.

The comparison should be done looking at each list side by side.

5. Management of Companies in BFC Structure tables (Dimension builder)

Customizing of companies is done in BFC_Top_SCO database, then transferred to the BFCProd_SCO.

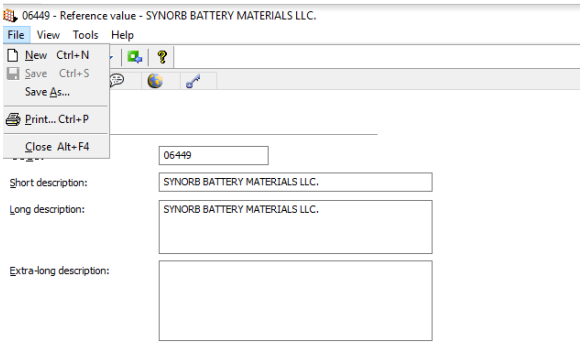
The companies can be accessed in the **Dimension Builder** module, through the option **RU - Reporting Unit**.



5.1 - Create a Company: Normal and Discop / AHFS ones

The creation of a new Company can be done **from scratch or through Save As** from another company.

** To create with reference to another company select another one that has the same definitions (Country, Consolidation Method...) than the company to be created. In this example to create the company 63270 it was takes as reference the company 60624.*



Special cases - DISCOP & AHFS companies:

Those companies are **fictive ones** (no legal existence), **used by GAR team** to manage **"Discontinued Operations (Discop)/ Assets Held For Sale (AHFS)"postings in Group FS.**

Triggering event: when a **scope of legal companies or Business is subject to an M&A divestment with a sufficient probability to occur and reaching certain thresholds, GAR team can decide to classify this scope under AHFS and (if applicable) under DISCOP:**

- **AHFS treatment in IFRS (balance Sheet impact):** all the balance Sheet items of the scope are removed and their sums are reclassified under specific headings A46120 "Assets held for sale" / L47120 Liabilities associated with assets held for sale"
- **Discop treatment in IFRS (P&L impact):** all the P&L items of the scope are removed and their sum is reclassified under specific heading R85100"gain/losses from discontinued operations"
- *Note that depending on its size, a scope subject to divestment can be recognized as AHFS in BS, while not recognized as Discop in the P&L*

There are 2 types of Discop companies:

- **codes starting with Dxxxyymm - used for both AHFS and (if applicable) Discop recognition:**
  - where xxxx stands for the M&A related project code and yy stands for the year and mm for the reporting month from which the Discop/AHFS treatment was decided
- **codes starting with 9xxx(x) - used to post the write back of depreciation in both BS and P&L**
  - where xxx(x) stands for the M&A related project

Example: DODYS2009 and 9ODYS - fictive companies associated to Odyssey M&A divestment recognized under AHFS and Discop in Solvay Group FS from September 2020 - final divestment occurred in April 2021

As such, they **never appear in "GAR list" or in "Syensqo structure file".** They only exist in BFC.

They are **only integrated in scopes**, but **never in package organizer** as **only used through top entries** from GAR Consolidation team.

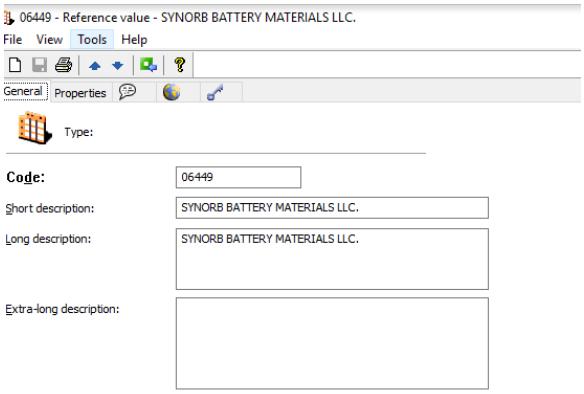
Request to create such DISCOP companies comes **from GAR team** (Dxxxyyyy companies) and **from Corporate Controlling** (9xxx(x) companies).

Special instructions for creation of DISCOP companies:

- to be **created from save as of the last similar company** created (either Dxxxyyyy or 9xxx(x))
- **check very carefully each of the characteristics** (GAR must always give country / currency / legacy)
  - Dxxxyyyy: "Entity type" value MUST always be T "Technical"
  - 9xxx(x) companies: Entity type MUST always be S "Legal company"
- put in comment date of creation and why created (ie reference to the M&A deal related to Discop classification)
- after creation **check filter CF017** - Dxxxyyyy newly created must be excluded
- after creation **check filter CF027** - Dxxxyyyy and 9xxx newly created must be included - note: this filter is used by Corp Controlling
- when 9xxx fictive created, **update filter TX0001** to add the newly created 9xxx fictive in the list of companies to be excluded

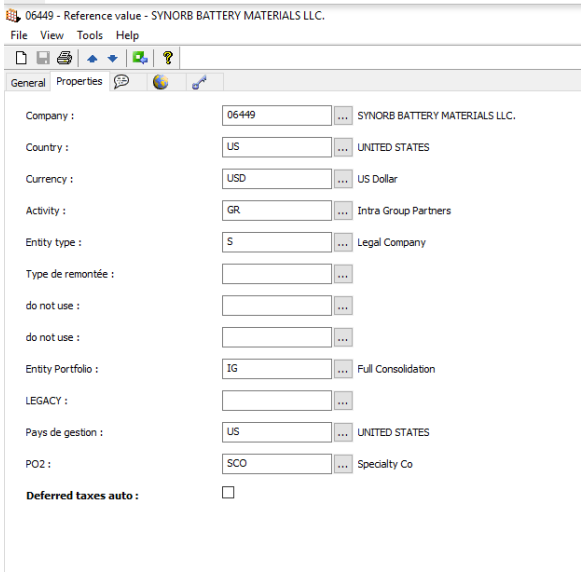
In the tab **General** enter the following information:

- The code
- The short description
- The long description



in the tab **Properties** enter the following information:

- **Company** - The new BFC company code
- **Country** - Country Code
- **Currency** - Currency Code
- **Activity** - is linked with the consolidation method of the new company, There are four activities used in Solvay's definitions:
  - **GR** *(Intra Group Partners):* for consolidated companies (Fully Conso or Proportional Integration). The company will be considered in the scope of consolidation
  - **HG** *(Out Of Group Partners):* for non-

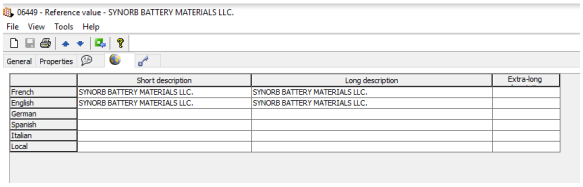


consolidated companies. The company will not be considered in the scope of consolidation
- **ME** *(Equity Partners):* for companies with Equity method (when Solvay does not hold fully the control of the company). T he company will be considered in the scope of consolidation
- **MI** *(External Mother of IP Companies):* This is a very specific situation. When one entity is owned by 50%, the mother company will be considered as an “External mother” and not as a “Partner HG”

- **Entity Type** - is linked with the consolidation method of the new company. There are three types:
  - **S** (Legal Company) - for consolidated companies
  - **H** (Third Parties) - for non-consolidated companies
  - **T** (Technical) - each time a DISCOP ("Discontinued Operation" cases) company has to be created upon GAR request. Refer to special instructions listed above in this section

- **TYPEREM** - There is only one type used in Solvay, the **STAT** *(Statutory)*
- **Entity Portfolio** -
  - IG (Full Consolidation) - for full consolidated companies
  - IP (Proportional Consolidation) - for proportional consolidated companies , according to the percentage of shares held by SOLVAY on the company
  - ME (Equity Method) - for companies with Equity method, when Solvay does not hold the control of the company
  - NC (Not Consolidated) - for non-consolidated companies
- **Legacy** - Keep empty
- **PGESTION** - This field is related to the "Management Country" of the company
  - for Controlling purposes, the "Management Country" for some companies, may be considered on a different Country than the one where the company is located
  - by default select the same value than the one selected on "Country" property. Any request to select adifferent value must be approved by Corporate Controlling team.
- **PO2 -** This field was created in the context of Solvay spinoff project to allocate legal companies between ECO (Solvay) and SCO (future Syensqo Group after spinoff)
  - 2 possible values : ECO (Solvay) / SCO (Syensqo)
  - From 2024, it is expected that any creation of company will be allocated to SCO (Syensqo) as Syensqo has its own BFC since spinoff in Dec 2023
- **Deferred Tax -** never flagged
  - No automatism activated in Solvay Group
  - Tax headings and dedicated schedules are subject to manual collection

In the tab **Translation**, update the short, long and extra-long description for both **French and English** languages.

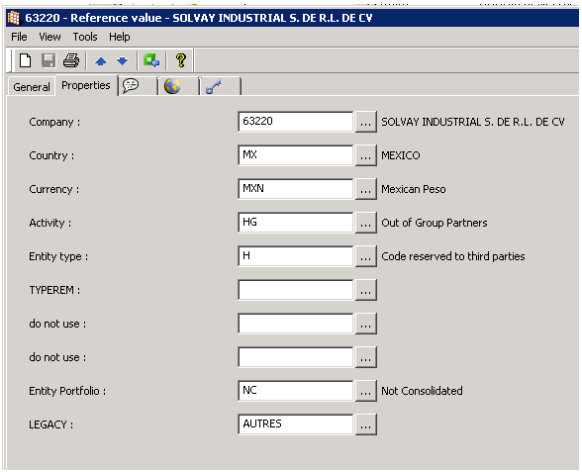


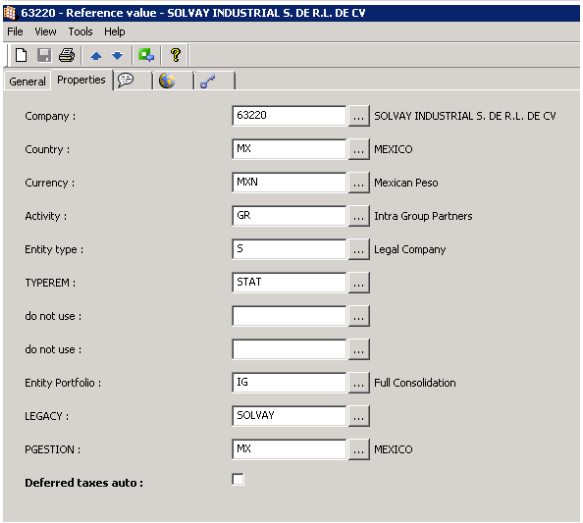
5.2 - Update the Consolidation Method

When there is a change in the Consolidation Method of a Company, its information has to be updated in BFC.

Example: a company that changed from Not Consolidated (NC) to Full Consolidated (IG), the information to be changed in the tab **Properties** are:

Field	From	To
Activity	HG	GR
Entity Type	H	S
TYPEREM		STAT
Entity Portfolio	NC	IG





Special case - Companies moving from "NC - Non Consolidated" to "MEQ - Equity method" consolidation status:

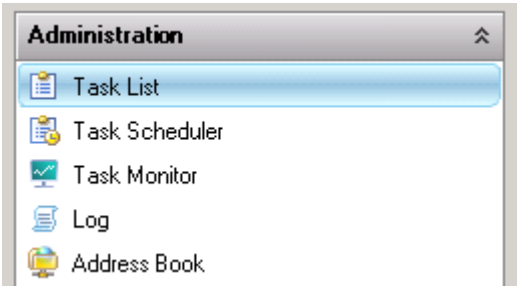
2 cases for Equity methods - the case applicable has **always to be validated with GAR**:

- **Case 1: Equity method reports itself in BFC** submitting a special (=simplified) MEQ package:
  - For such companies, in dimension builder RU: **characteristics Activity = GR / Entity portfolio = ME**
  - Note that the Equity method treatment (generating in Consolidated FS in the P&L the portion of net result (R75000 heading) and in the Balance Sheet the investment (A24000 heading) is managed by consolidation rules
- **Case 2: Equity method not reporting a package, but declared directly in the pack of its mother**:
  - For such companies, in dimension builder RU: **characteristics Activity = ME / Entity portfolio = NC**
  - Note that mothers will declare directly in their package the P&L portion of net result (R75000 heading) and in the Balance Sheet the investment they owned (A24000 heading)

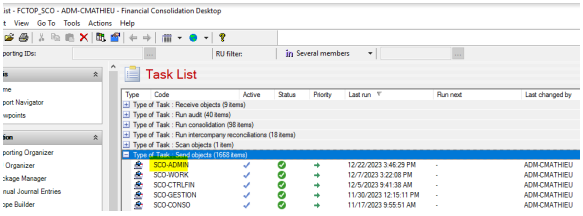
5.3 - Piloting and Reception of Company Updates from BFC_Top_SCO to BFC_Prod_SCO databases

Connect to **BFC Top_SCO** database

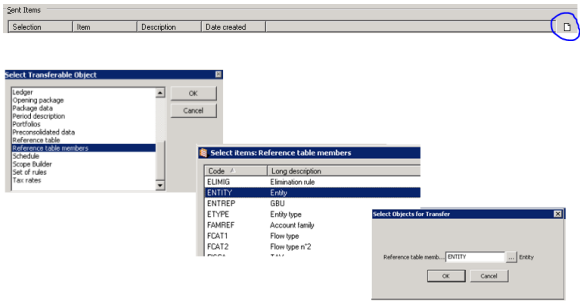
Go to the **Task List** module within the **Administration** domain.



As the creation of a new company comes from Consolidation team, select the task list type of **SCO-ADMIN**.



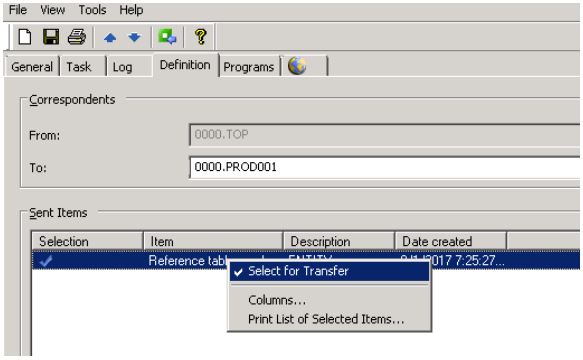
Click on the icon **New Transferable Object**, select the option "**Reference table members**" then the item **Entity**.



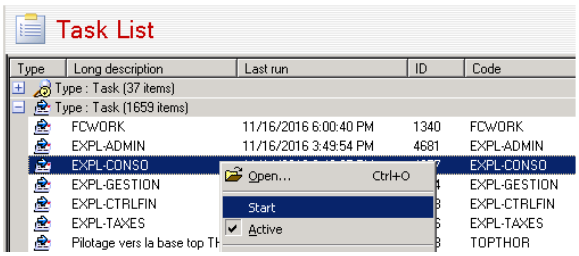
Ensure that the **Entity** is the only object **Selected for Transfer**.

To select or deselect an object, choose the option "**Select for Transfer**" with right click on the object.

Then **Save** the selection and close this window.

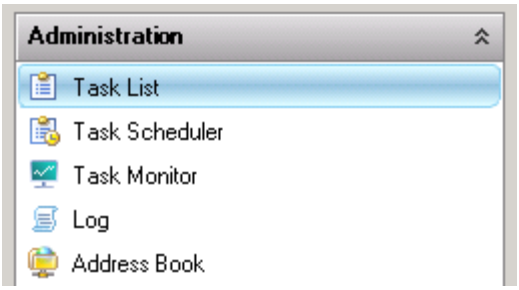


In the Task List select the task and click on **Start**, to begin the transfer process.

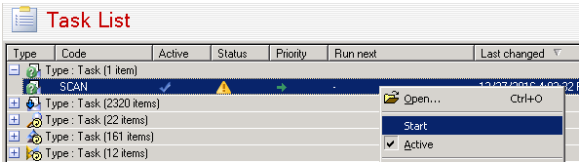


Connect to **BFC Prod_SCO database**

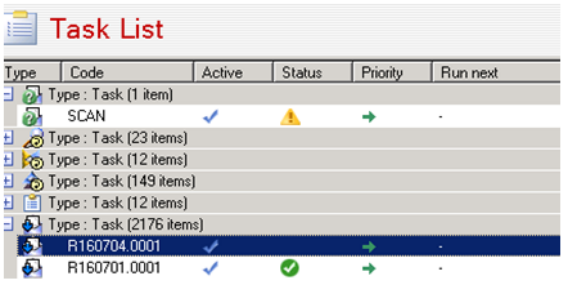
Go to the module “**Task List**” within the domain "**Administration**".



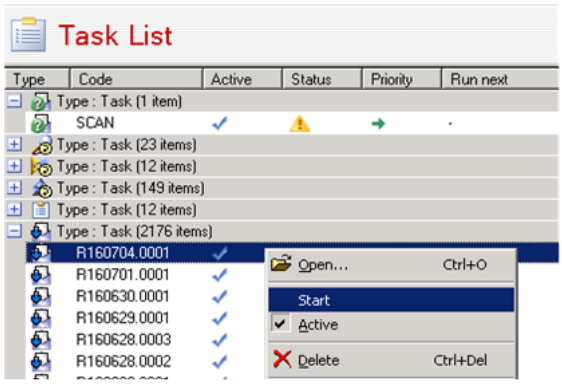
First, launch the **Scan** of tasks, by clicking on "**Start**" option.



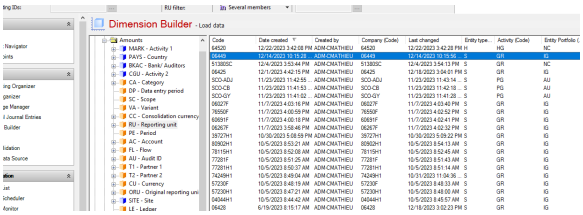
The task transferred from BFC_Top will appear in the list type "**Task**".



Then click on **Start** on the task, to initiate the **Reception** process.



After the task has finished the process, **check** if the company was properly transferred in the **Structure tables**



6. Scope Management

6.1 Scope Management - Existing scopes and company's events triggering updates

The update must be performed **in accordance to the changes recorded in the "Syensqo Structure" file** directly maintained by GAR team in AODOC

Depending on the changes there are 3 updates to perform:

- **New company:** the company must be included in the scope of the Group.
- **Change of Consolidation method**: if the company became consolidated, the company must be added to the scope.
- **End of company**: the consolidation method must be updated to "Not Consolidated"

As explained before in this procedure, **several scopes are maintained in BFC** and **must then be checked** to determine which one (s) have to be updated:

- **SYENSQO** :
  - **New company:** to be added if its consolidation is either: Fully conso or IP or Equity method *(not to be added if Non Consolidated)*
  - **Change of Consolidation method**: if the company becomes consolidated (Fully conso or IP or Equity method), the company must be added to the scope.
  - **End of company**: if the company was previously either Fully conso or IP or Equity method, its consolidation method must be updated to "Not Consolidated" - Important note : need for activation of options "Acquiring company" and / or "Intermediate package" has to be checked with GAR team

- **IFRS-FS-INC**
  - **Preliminary condition:** the company must be a US one and must belong to the scope of US companies considered in IFRS-FS-INC scope (IFRS Financial statements of Solvay USA Inc & its subsidiaries) - *in case of doubt, confirmation can be requested to Accounting network in US*
  - **New company:** to be added if its consolidation is either: Fully conso or IP or Equity method *(not to be added if Non Consolidated)*
  - **Change of Consolidation method**: if the company becomes consolidated (Fully conso or IP or Equity method), the company must be added to the scope.
  - **End of company**: if the company was previously either Fully conso or IP or Equity method, its consolidation method must be updated to "Not Consolidated" - Important note : need for activation of options "Acquiring company" and / or "Intermediate package" has to be checked with GAR team

- **IFRS-FS-RHI**
  - **Preliminary condition:** the company must be a US one and must belong to the scope of US companies considered in IFRS-FS-RHI scope (IFRS Financial statements of Solvay Holding Inc) - *in case of doubt, confirmation can be requested to Accounting network in US*
  - **New company:** to be added if its consolidation is either: Fully conso or IP or Equity method *(not to be added if Non Consolidated)*
  - **Change of Consolidation method**: if the company becomes consolidated (Fully conso or IP or Equity method), the company must be added to the scope.
  - **End of company**: if the company was previously either Fully conso or IP or Equity method, its consolidation method must be updated to "Not Consolidated" - Important note : need for activation of options "Acquiring company" and / or "Intermediate package" has to be checked with GAR team

- **SYENFULL**
  - **New company:** to be added whatever its consolidation method (Fully conso or IP or Equity method or Non consolidated) as 100% consolidated - Note: Fictive companies (such as DISCOP) have not to be added in this scope as it only includes legal companies
  - **Change of Consolidation method**: no impact as in this scope, all companies are considered as 100% consolidated (as if they were all IG)
  - **End of company**: whatever its previous consolidation method, its consolidation method must be updated to "Not Consolidated" - Note : no need to activate options "acquiring company" or "Intermediate package" in ACTUAL0 scopes

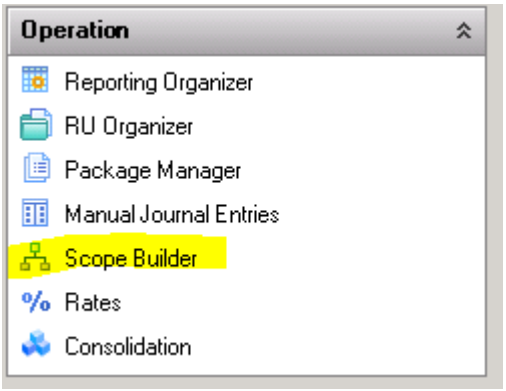
- **SYENCONSO**
  - **New company:** to be added whatever its consolidation method (Fully conso or IP or Equity method or Non consolidated) : IG companies consolidated at 100% / IP MEQ and NC consolidated as IP at their % of interests - Note: Fictive companies (such as DISCOP) have not to be added in this scope as it only includes legal companies
  - **Change of Consolidation method**: adapt the consolidation method according to the new status of the company : IG companies consolidated at 100% / IP MEQ and NC consolidated as IP at their % of interests
  - **End of company**: whatever its previous consolidation method, its consolidation method must be updated to "Not Consolidated" - Note : no need to activate options "acquiring company" or "Intermediate package" in ACTUAL0 scopes

- **RSBSYENSQO (scope dedicated to Controlling category)**
  - Note that this scope includes both legal companies (from SYENSQO scope) and fictive ones per Business (used to manage structure effects in RSB)
  - **New company:** to be added if its consolidation is either: Fully conso or IP or Equity method *(not to be added if Non Consolidated)*
  - **Change of Consolidation method**: if the company becomes consolidated (Fully conso or IP or Equity method), the company must be added to the scope.
  - **End of company**: no action to be taken as RSB scope includes companies consolidated at opening even if sold or merged during the year in ACTUAL2 scope - this is through the RSB consolidation rules or Controlling top entries that the deconsolidation will be proceeded

- **PREVSYENSQO**
  - Important note: this scope includes only fictive reporting companies per Business to report GBU's forecasts
  - **New company:** not to be added except if fictive company requested by Corporate Controlling
  - **Change of Consolidation method**: no impact as fictive companies used in PREV are always 100% conso
  - **End of company**: no impact as fictive companies used in PREV are always 100% conso (no management of deconsolidation effects in PREV)

6.2 Scope Management - Creation of Scopes

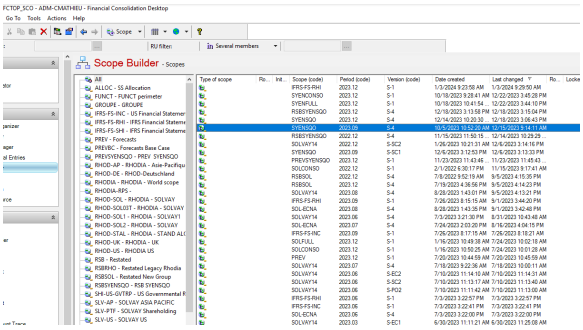
In the BFCTop Select the **Scope Builder** module within the **Operation** do main.



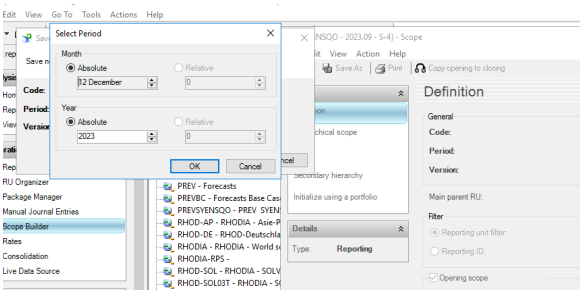
The scopes can be created from the last version available, through the **Save As** option.

For this, go to the **Scope Builder** modul e, select the last version of the Scope to be used as reference to create the new one.

** In this instance it will be created the scope SYENSQO 2023.12, thus it should be selected the scope SYENSQO 2023.09 (latest one created).*

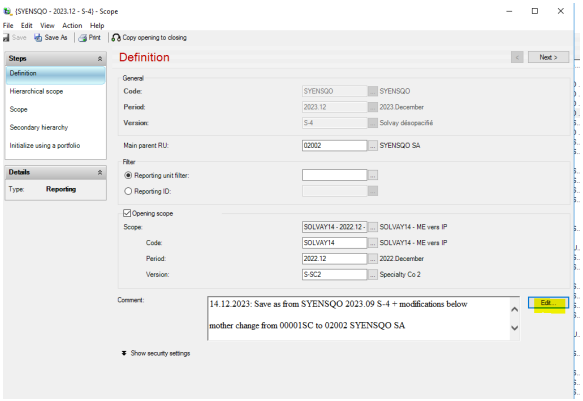


Open it, choose **Save As,** enter the **Peri od** and then click on **OK.**

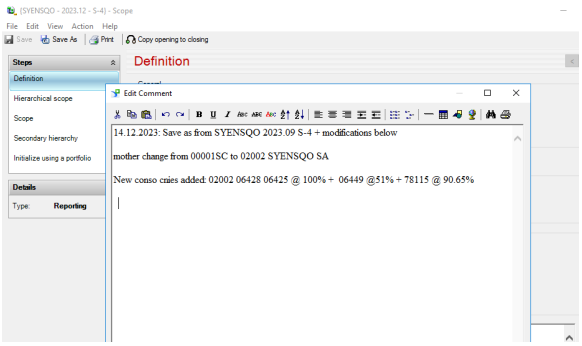


In order to facilitate the understanding of the updates during the year, we should **keep a record of the changes in the comments field.**

In the **Comments** area click in **Edit.**

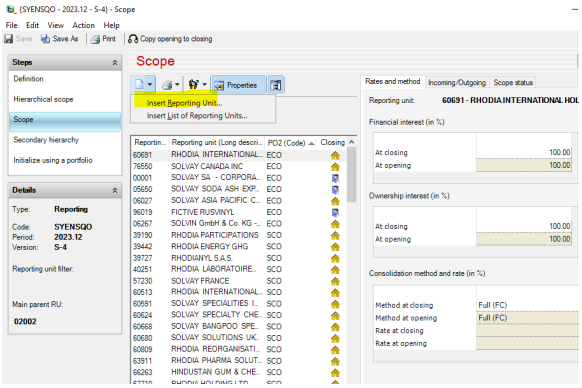


Add a short text informing which companies are being updated in the scope version being created.



6.3 Scope Management -Insert a New Company or a Newly Consolidated Company

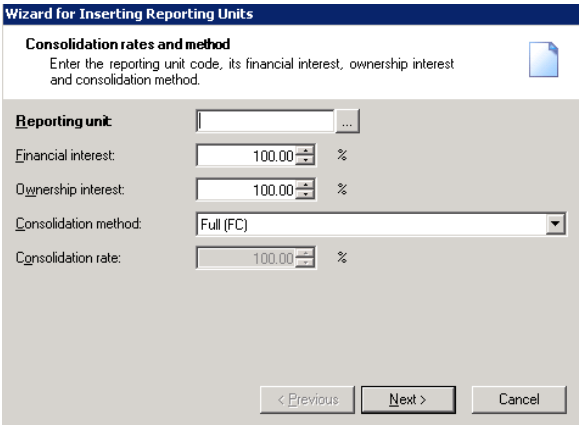
Within the Step **Scope**, click on the button to **Insert Reporting Unit**.



Indicate the **BFC code** of the company to be inserted and fill **the consolidation method** of this company according to the information received from the GAR:

- Financial interest %
- Ownership interest %
- Consolidation method

And click on **Next**.



When the **Consolidation Method changes from Not Consolidated (NC) to Fully Consolidated (IG) or Equity Method (ME) or Proportional integration (IG),** the Company has to be **added to the scope, the same way** than a new company.

Link between % of Ownership and Consolidation method:

When the % of Ownership Interest is modified, the system changes the consolidation method automatically according to the range set for each consolidation method, thus it should be payed attention whether the consolidation method should be updated or not, otherwise it has to be amended manually to the correct method.

BFC is considering the following ranges for each consolidation method:

From	To	Method
0,00%	19,99%	Not Consolidated (NC)
20,00%	29,99%	Equity Method (EM)
30,00%	49,99%	Proportional Consolidation (PC)
50,00%	100,00%	Full Consolidation (FC)

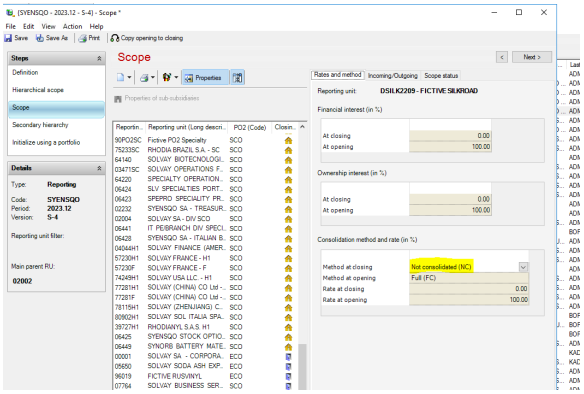
6.4 Scope Management - End of a company (Divestment / Liquidation / Merger)

Divestment / Sale of a Company

The company sold will have **to be excluded** from the scope of consolidation. **Decision about timing to exclude it has to be obtained from GAR.**

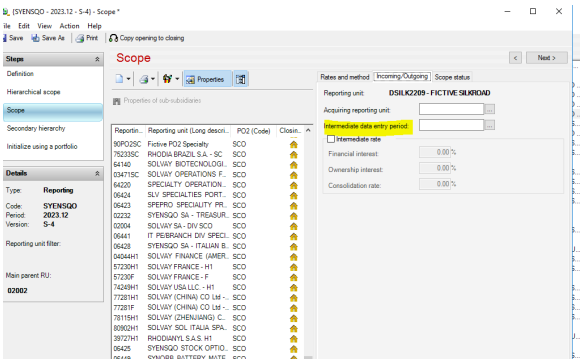
An **"Intermediate" package** will be defined **to activate the generation of divestment postings in Balance Sheet** (through consolidation treatments - F98 flow in Balance Sheet) while copying the past cumulative P&L till the end of the Year.

In the step Scope select the company and updated the consolidation method to **"Not consolidated (NC)".**



In the tab **Incoming/Outgoing** inform:

- In the **Intermediate data entry period -** the reporting period being the previous month (M-1) versus month (M) of divestment - **period to be chosen must always be validated with GAR** (some exceptions to this M-1 rule can happen)



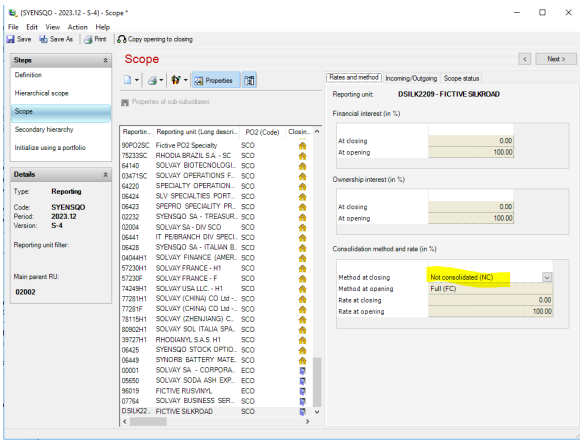
Merger of a Company

There are **2 types** of mergers:

- **With retroactive effect**: Balance Sheet variations since January 1st and P&L from January 1st of the merged company are fully transferred line by line to the absorbing company.
- **With NO retroactive effect**: Closing Balance Sheet (closing balance M-1) and corresponding P&L result (L12000) of the merged company are directly transferred to the absorbing company.

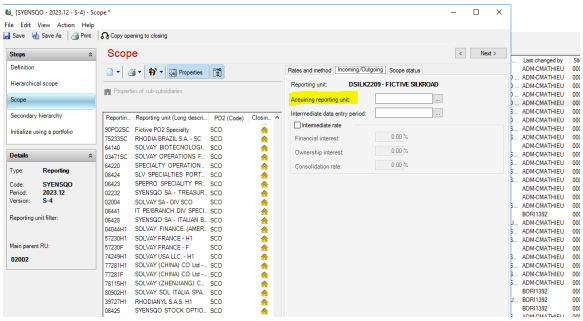
Merger with retroactive effect

In the step **Scope** select the company and change the consolidation method to **"Not consolidated (NC)".**



In the tab Incoming/Outgoing inform:

- In the **Acquiring reporting unit** - the reporting unit of the absorbing company.



Merger with NO retroactive effect

Nothing to change in the scope.

The absorbed company **will continue to report** until the end of the year:

- its cumulative and frozen P&L from January 1st till the date of merger
- its Balance Sheet with 0 closing (F99) balances (Assets and Liabilities transferred to the absorbing company using F70 flow)

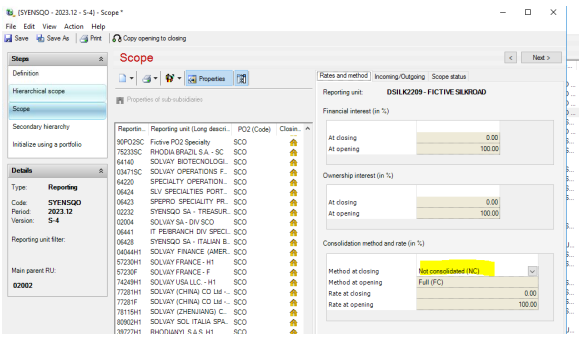
To facilitate Accounting work, **BFC Admin will centrally copy the last package** (month of the merger) until the end of the year.

Liquidation of a Company

In the **month of the Liquidation** the company **remains in the Scope**, and the **packages are generated normally**.

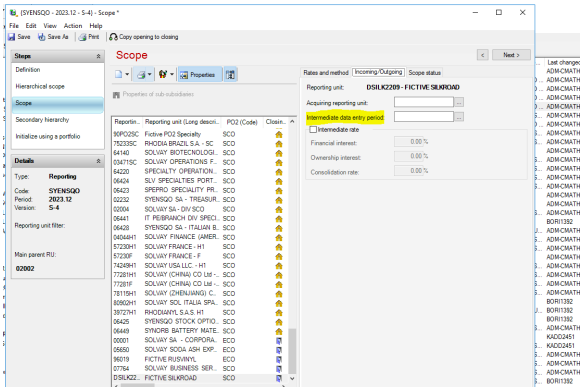
In the **reporting periods following the month of liquidation** and till the end of the year, it will be necessary to **exclude the company from the scope using an "intermediate" package** (same as for the divestment/sale of a company).

In the step Scope select the company and change the consolidation method to **"Not consolidated (NC)".**



In the tab **Incoming/Outgoing** inform:

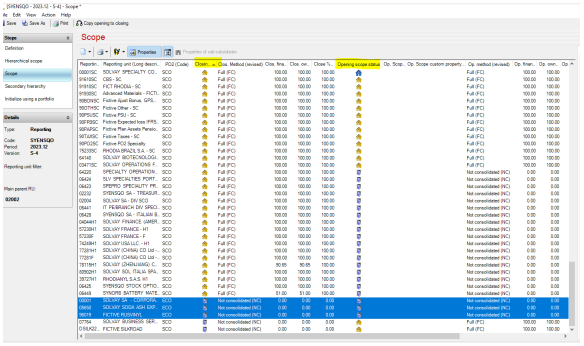
- In the **Intermediate data entry period -** the reporting period correspondent to the previous month (M-1) versus month (M) of liquidation - **period to be chosen must always be validated with GAR** (some exceptions to this rule can happen)



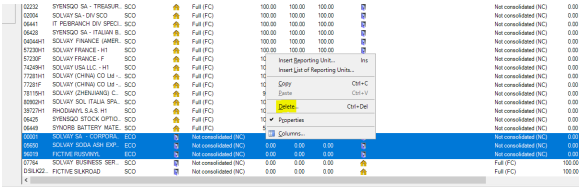
Cleaning of scopes

When creating the **first scope of the year**, January for SYENSQO scope, March for the other ACTUAL0 and ACTUAL2 scopes, a cleaning of the entities sold, liquidated or merged in the previous year must be done.

Entities to be cleaned can be easily identified in the scopes by looking at **Opening and Closing method**. The entities for which both methods are **Not Consolidated (NC)** should be deleted from the scope.



Choose the option "**Delete**" with right click on the entity.

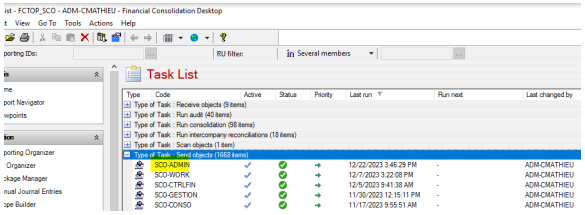


6.5 Scope Management - Piloting and Reception of Scopes Updates from BFC_Top_SCO to BFC_Prod_SCO databases

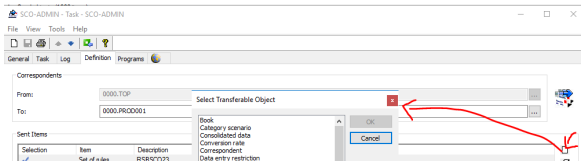
Connect to **BFC Top_SCO database**

After the scope is duly created and validated in the FBFC Top it should be transferred to the BFC Prod.

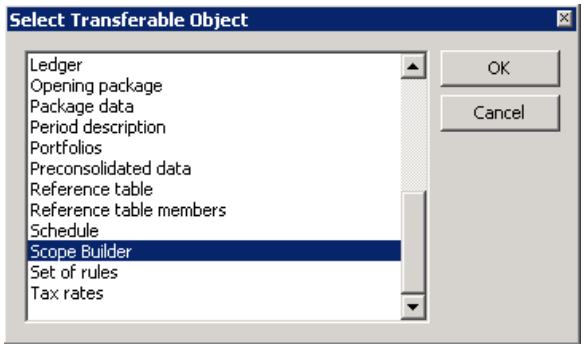
Go to **Task List** module within the Administration domain, and select the Object **SCO-ADMIN.**



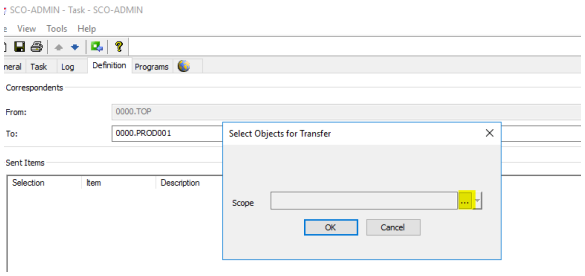
Open it and in the Definition tab select **New transferable object** icon.

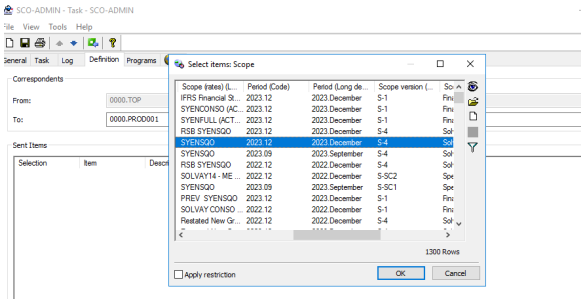


Choose the option **Scope Builder**.

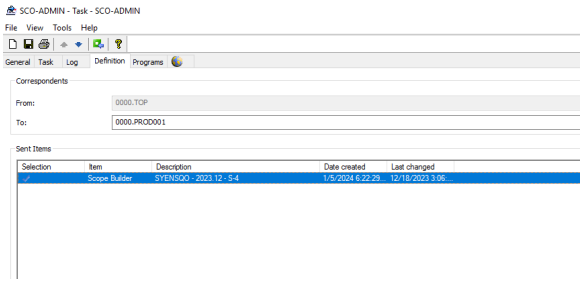


Open the list of available scopes and select the one to be transferred.

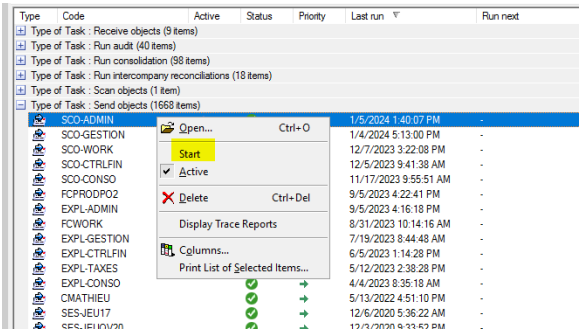




Then **Save** the definitions set.

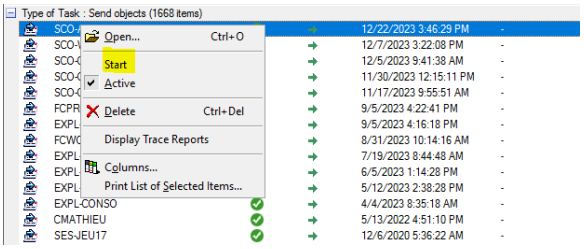


With right click on the object select the **Start** option.

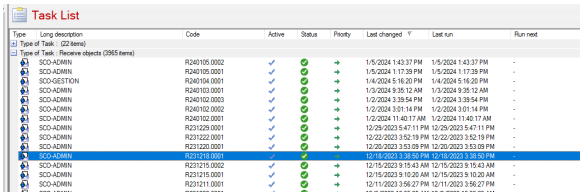


Connect to **BFC Prod database**

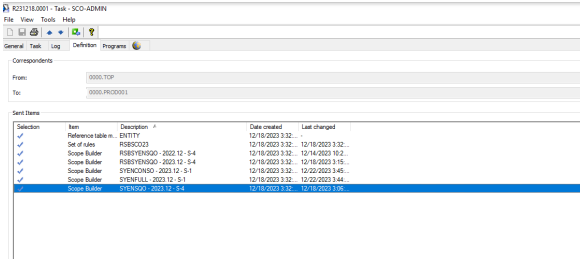
Go to the Task list module, select the **S CAN** object and **Start**, to initiate the process.



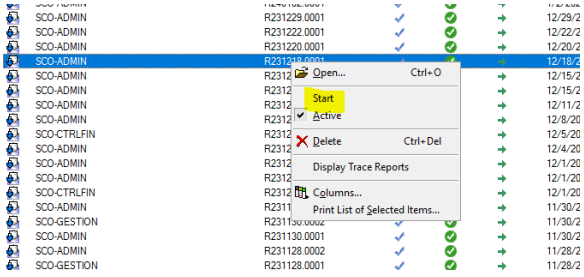
Press F5 to refresh, then the object will be available in the subgroup **Receive objects**, it will be first object available, in the column Last Run it should be empty.



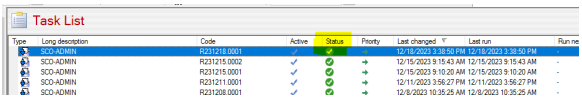
To make sure this is the correct object, open it and in **Definition** tab check the item.



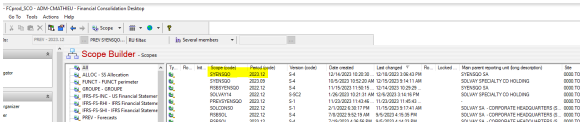
By right click on the received object, choose the option **Start**.



Press F5 to refresh, the **column Status shows a green flag** meaning that the transference is completed with no errors.



Confirm in the **Scope Builder** module that the scope was properly transferred.



7. Other BFC Actions : Users Access Management

When **new comers in Finance community** (CAD, CAM, Accounting platforms, Service Units,...),

When a **company is added in the Syensqo GAR list or/and created in BFC,**

BFC Admin team must:

- Confirm if it is necessary to **grant access to the BFC to a new Finance comer**
- **Add the new company to the filters of companies** of the people that will be in charge for it

7.1 - BFC Access for New comers

Refer to the procedure related to Users access Management in BFC SYENSQO

7.2 - Add a New Company to the BFC Users Profile

Refer to the procedure related to Users access Management in BFC SYENSQO

END OF THE PROCEDURE.