

# Procurement Risk Management

## Procurement Risk Management

### Managing the Procurement Risk at Syensqo

Risk Procurement process aims to preserve Syensqo interests based on 4 pillars.

| Internal customers not being served                                                                                                                                                    |                                                                                                                                                                                    |                                                                                                   |                                                                           |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------|
| Syensqo ambitions and values not respected                                                                                                                                             |                                                                                                                                                                                    |                                                                                                   |                                                                           |
| Syensqo reputation impacted                                                                                                                                                            |                                                                                                                                                                                    |                                                                                                   |                                                                           |
| Supply/service discrepancies                                                                                                                                                           | Supplier capabilities & performances                                                                                                                                               | Source to Pay performance                                                                         | Syensqo reputation & interests                                            |
| Supplier's reputation/ sanction                                                                                                                                                        | Supplier qualification & selection (capacity, capabilities, structure, to perform the contract to manage risk, Part of Syensqo business in the total of supplier's turnover, etc.) | Working under standards (processes & governance)                                                  | Financial statement (cash & working capital preservation, cost reduction) |
| Events on supplier's site (incident, strack, flood, etc.)                                                                                                                              |                                                                                                                                                                                    | Procurement service level (right category strategy, escalation support, etc.)                     | Syensqo's interest (legal and insurance coverage)                         |
| Economical and political events                                                                                                                                                        | Supplier service level                                                                                                                                                             | Training procurement community                                                                    | Syensqo commitment (ambitions and values)                                 |
| Supplier bankruptcy                                                                                                                                                                    |                                                                                                                                                                                    | Training internal customers on Procurement role and process (internal customer, onboarding, etc.) | Syensqo ESG commitment (incl. SOP, legal/regulation compliance)           |
| Market events & evolution                                                                                                                                                              |                                                                                                                                                                                    | IT system and digital tools (incl. Buying channel, SAP, Data Management, etc.)                    | Supply Chain ESG risks                                                    |
| <div>!!!! Events on the logistics chain (weather, incident, etc.) are not a direct procurement risk. It is a supply chain risk to which procurement supports the risk mitigation</div> |                                                                                                                                                                                    | PSL performance (provisioning, invoicing, IC training, support, etc.)                             | Legal (incl. supplier dependency, new regulations, etc.)*                 |

### Managing the Supply/Service Risk Discrepancies at Syensqo

The ultimate goal of supply risk management is to ensure there will never be a shutdown or a slow down at a plant due to a supply issue.

To do so, you need to have a systematic approach based on 4 steps.



## Our Procurement team ambition for 2024

Our ambition is to build a robust Procurement Risk Management Process across all Procurement BSA teams. It will help us to act as **ONE TEAM** and to build a **RISK CULTURE**. To support this ambition, we will collaborate together on:

- Building standard documentation for risk identification, risk impact assessment and mitigation action plans,
- Build a central repository available to all the Procurement BSA,
- Set up a governance
- Be proactive within the risk identification (it includes to conduct some assessments based on scenarios)
- Intensify the cooperation with the Syensqo Group Risks team
- Use a real time risk monitoring tool: currently not available - expected to launch with SyWay project

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[Risk Management video](#)

[Latest Annual Integrated Report for Scenario - COMING SOON](#)

[For Critical Goods and services Identification - COMING SOON](#)

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