Supplier analytics playbook

Sustainability, Supplier emission reduction targets, Diversity & Supplier Risk modules

Introducing supplier analytics by Sievo

This playbook introduces Sievo supplier analytics, a group of solutions for combining your internal purchasing data with external data for actionable insights.

This playbook will present you the key functionalities of the solution including our out-of-the-box dashboards.

These dashboards cover the most common analysis needs of modern procurement teams in terms of supplier analytics, but more customized and advanced analysis are available if required by your organization.

Please note that your company terminology, dashboards and charts may vary from this presentation.
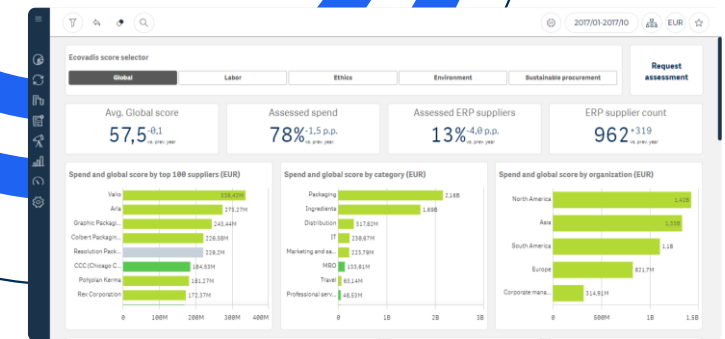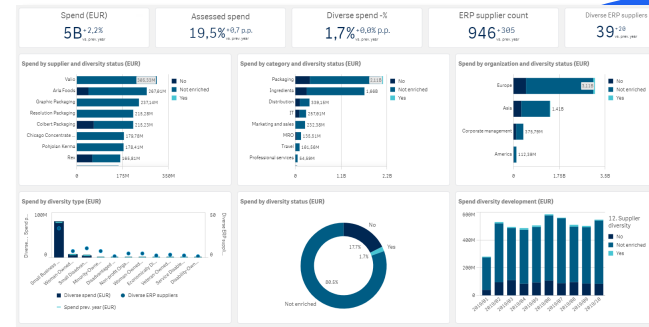
The 4 benefits of out-of-the-box dashboards

All you need in one view
- Completely new way of moving from insights to actions
- Designed by analytics professionals to contain all key data and charts
- Covers the most crucial procurement use cases

Speed
- Quickest way to getting all benefits of analytics and data
- Out-of-the-box dashboards are quick and easy to deploy

Flexibility
- Self-service functionality brings a lot of flexibility
- Best way to get started before creating custom dashboards

Development & training
- Out-of-the-box dashboards are continually developed
- Ready-made training material
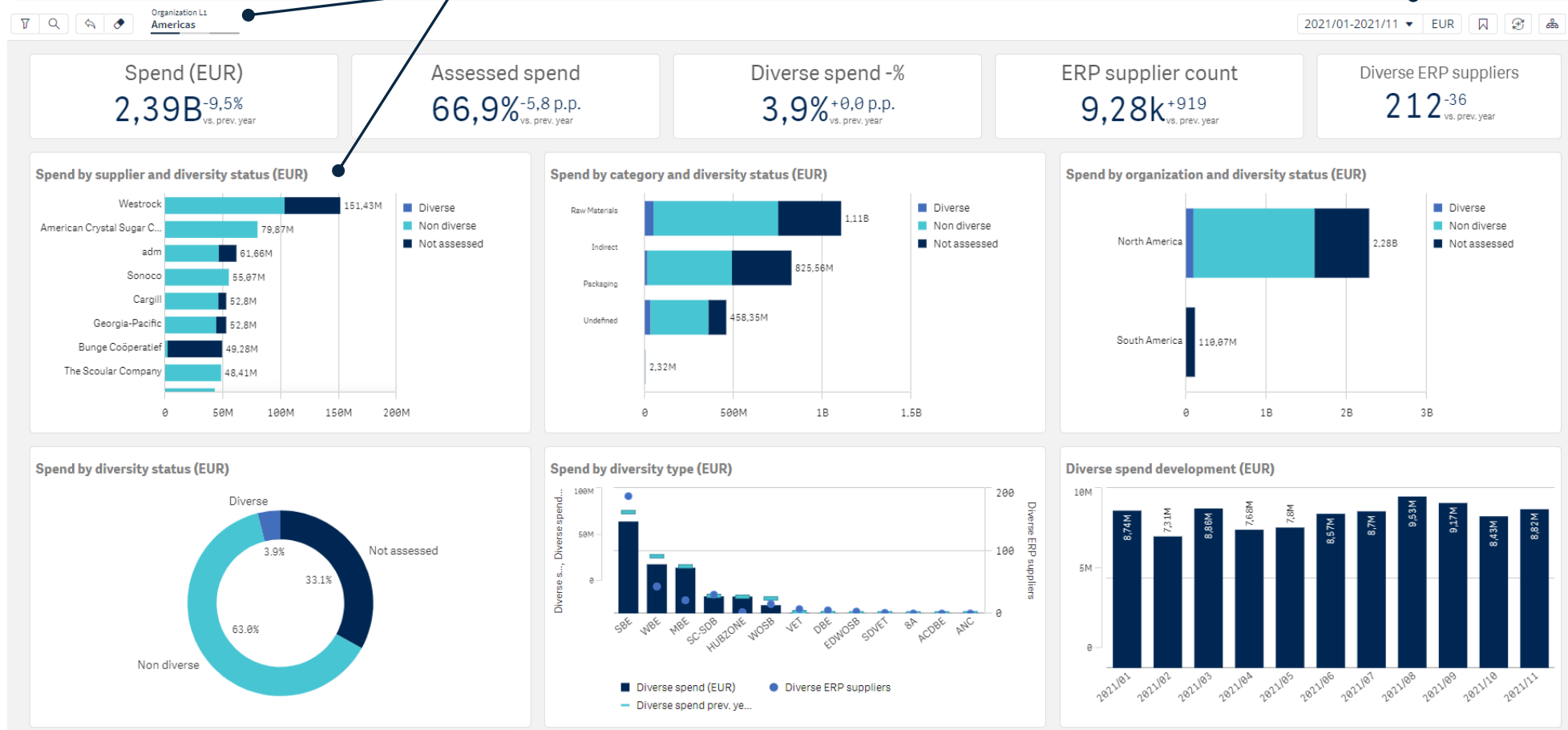
Sievo actionable analytics

Add, clear and manage filters

**Add filter by clicking on the chart**

Filters follow between dashboards

Select time range and currency

Save and share your filters

Organization L1
Americas

2021/01-2021/11   EUR

Spend (EUR)	Assessed spend	Diverse spend -%	ERP supplier count	Diverse ERP suppliers
2,39B -9,5% vs. prev. year	66,9% -5,8 p.p. vs. prev. year	3,9% +0,0 p.p. vs. prev. year	9,28k +919 vs. prev. year	212 -36 vs. prev. year

Spend by supplier and diversity status (EUR)

- Diverse
- Non diverse
- Not assessed

Westrock — 151,43M
American Crystal Sugar C... — 79,87M
adm — 61,66M
Sonoco — 55,07M
Cargill — 52,8M
Georgia-Pacific — 52,8M
Bunge Coöperatief — 49,28M
The Scoular Company — 48,41M

0   50M   100M   150M   200M

Spend by category and diversity status (EUR)

- Diverse
- Non diverse
- Not assessed

Raw Materials — 1,11B
Indirect — 825,56M
Packaging — 458,35M
Undefined — 2,32M

0   500M   1B   1,5B

Spend by organization and diversity status (EUR)

- Diverse
- Non diverse
- Not assessed

North America — 2,28B
South America — 110,07M

0   1B   2B   3B

Spend by diversity status (EUR)

Diverse 3.9%
Not assessed 33.1%
Non diverse 63.0%

Spend by diversity type (EUR)

SBE WBE MBE SC-SDB HUBZONE WOSB VET DBE EDWOSB SDVET 8A ACDBE ANC

- Diverse spend (EUR)
- Diverse spend prev. ye...
- Diverse ERP suppliers

Diverse spend development (EUR)

2021/01 — 8,74M
2021/02 — 7,31M
2021/03 — 8,86M
2021/04 — 7,68M
2021/05 — 7,8M
2021/06 — 8,57M
2021/07 — 8,7M
2021/08 — 9,53M
2021/09 — 9,17M
2021/10 — 8,43M
2021/11 — 8,82M

Sievo Academy

Next level online learning experience including learning paths, best practices and certifications*, found at the bottom of your navigation
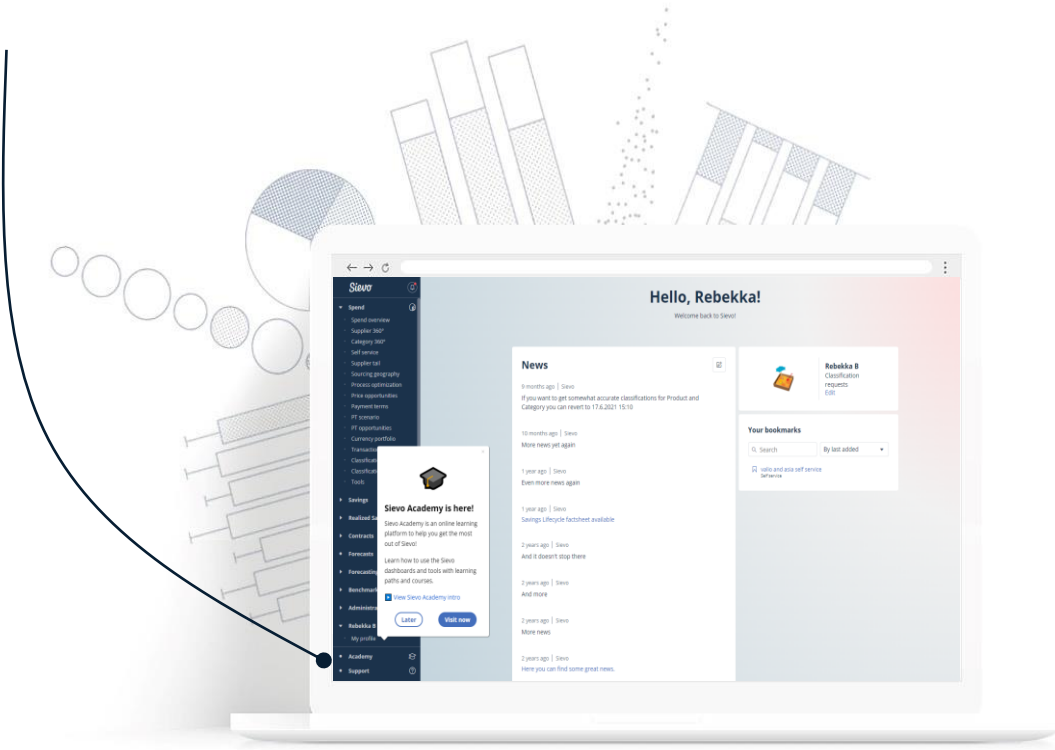
Resources for both new and experienced users, covering all solution areas

- Curated learning paths for easy tool adoption
- FAQ's
- Exercises
- Playbooks
- Certifications*

*Coming soon

Sievo Procurement Information Hub

Combining data for insights

ERPs and procurement solutions

Domain specific data providers

Enable users to take strategic actions

On prem

ORACLE E-Business Suite

basware

EPICOR iScala

Microsoft Dynamics

SAP

Cloud

CONCUR

SirionLabs

ORACLE NETSUITE

coupa

Sievo Data Extractor, Web upload, Azure Data Factory

Invoices, POs, Master data, Contracts, ...

Analytics layer

Sievo

Category

Supplier

Risk, Diversity, Carbon, Sustainability, Commodities.

BUREAU VAN DIJK

RAPIDRATINGS

ecovadis

dun&bradstreet

riskmethods

supplier.io

ecoinvent

Mintec

APIs

Azure   aws   snowflake

Enterprise Data Lakes

Supplier analytics

Supplier risk

Where does my supplier risk lie?

Supplier diversity

How diverse are my suppliers?

Supplier emission reduction targets

Are my suppliers taking action to reduce their emissions?

Supplier sustainability

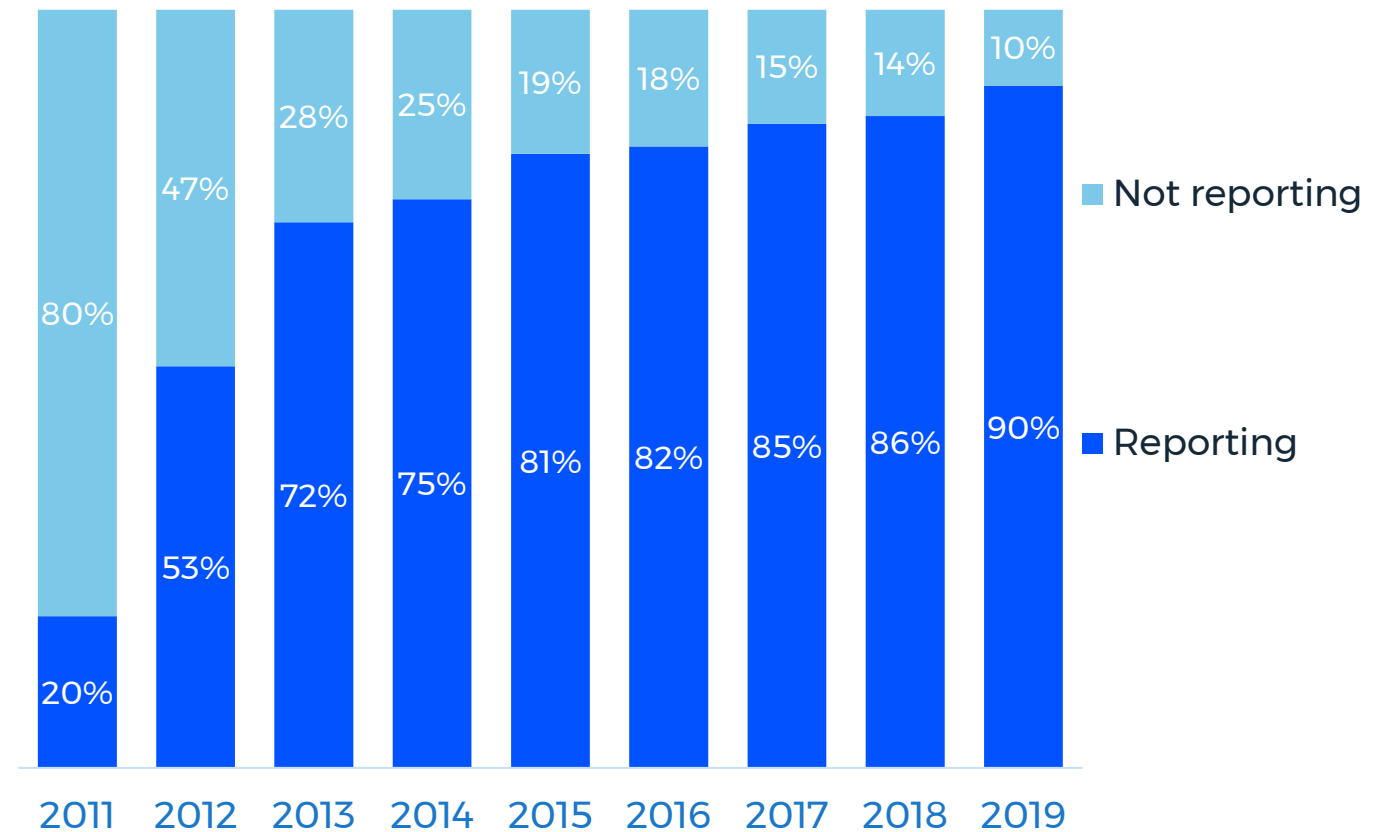How sustainable are my suppliers?

Sustainability analytics

1

Sustainability is no longer a nice-to-have
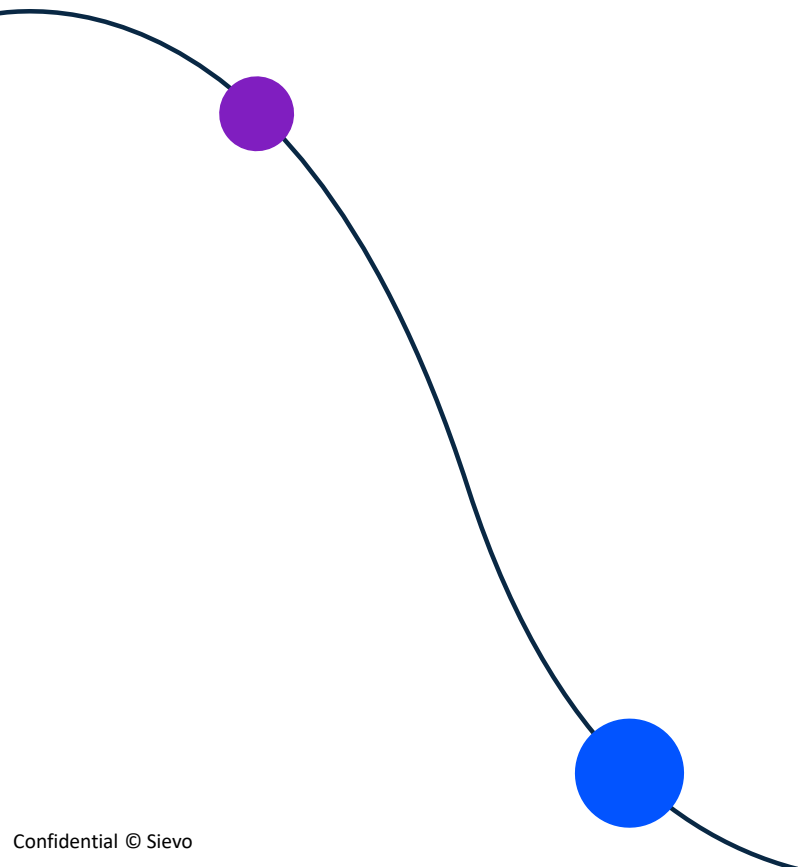
S&P 500 companies' sustainability reporting

Year	Not reporting	Reporting
2011	80%	20%
2012	47%	53%
2013	28%	72%
2014	25%	75%
2015	19%	81%
2016	18%	82%
2017	15%	85%
2018	14%	86%
2019	10%	90%

Source: GA institute 2020

Supplier sustainability

Sievo's Supplier sustainability dashboard matches your suppliers and spend with suppliers' sustainability scores. The color of the dashboard gives you an immediate impression of how your suppliers perform across different themes.

You can see the scores for individual suppliers as well as the overall score for all the assessed suppliers in your supplier base. The dashboard allows you to compare scores internally between categories and organizational units.

From the supplier details, you can open the scorecard as well as request assessments for unassessed suppliers.

Use the dashboard to...

Compare suppliers holistically

Identify supplier sustainability risks

Benchmark sustainability data internally

Supercharge cross functional communications

Follow your supplier responsibility program

Requires a contract with a sustainability data provider (e.g., Ecovadis)

Sustainability analytics

Examples of 3rd party data providers

ecovadis

Sedex

Bring CSR into existing tools

- Use sustainability ratings as filters across dashboards to get holistic view

- Everyone with a Sievo login can see suppliers' scores with visibility from global KPIs to individual suppliers

- Automatic integration and frequent data refreshes

Track your supplier base's CSR performance

- Compare suppliers more holistically and assess risk in the area

- Benchmark internally by comparing e.g. business unit or region

Communicate impact easily and follow your CSR program

- Communicate about your efforts easily with stakeholders by sharing charts & figures from Sievo

- Follow your sustainability program by tracking coverage and sharing status or requesting new assessments directly from Sievo
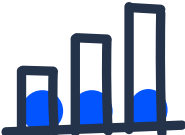
Sievo Sustainability Analytics dashboard example
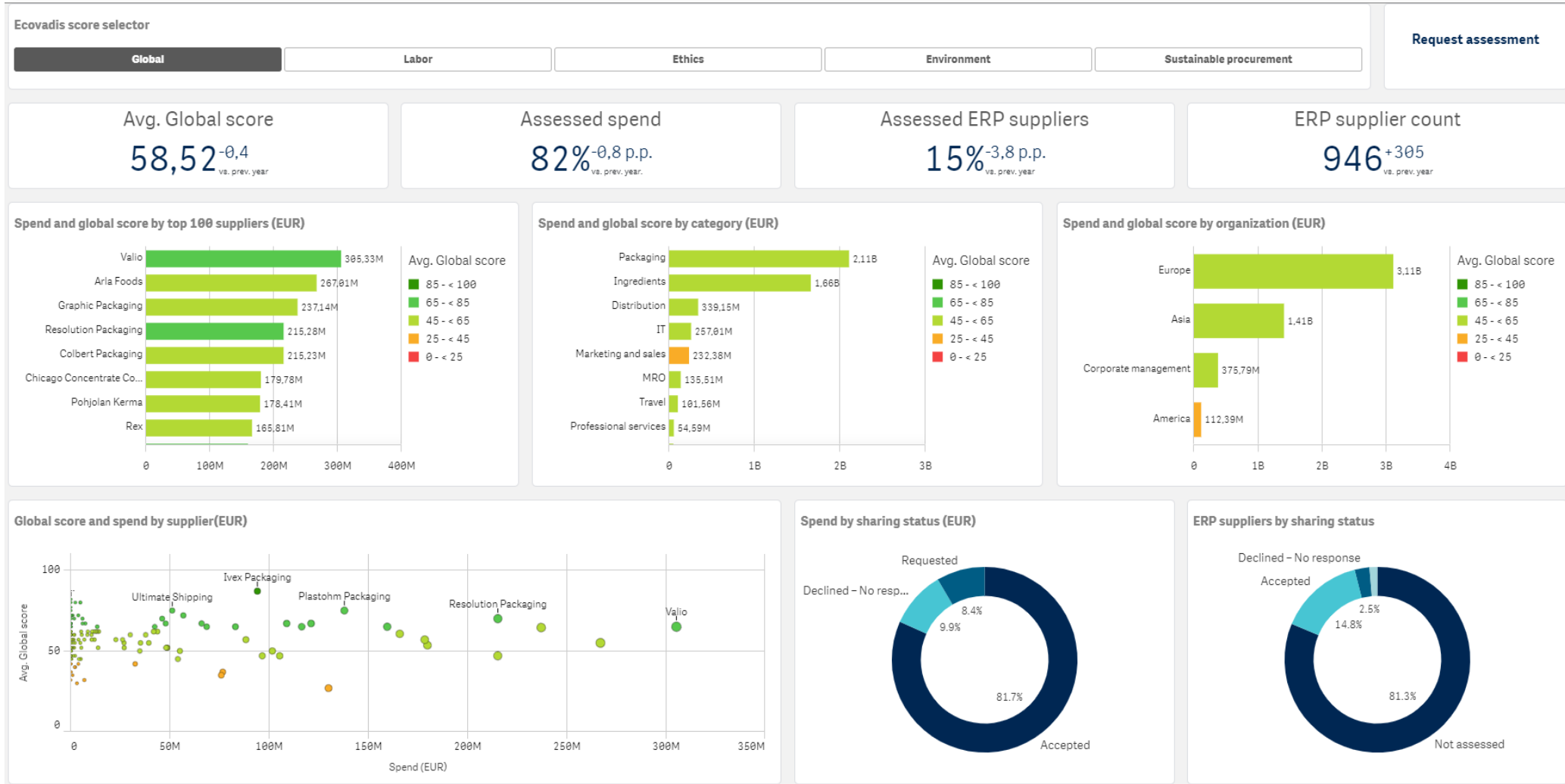
Ecovadis, the world's leading supplier sustainability data provider, is our preferred 3rd party

Please note that also other data providers are possible
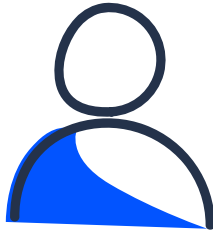
ecovadis scorecards on...

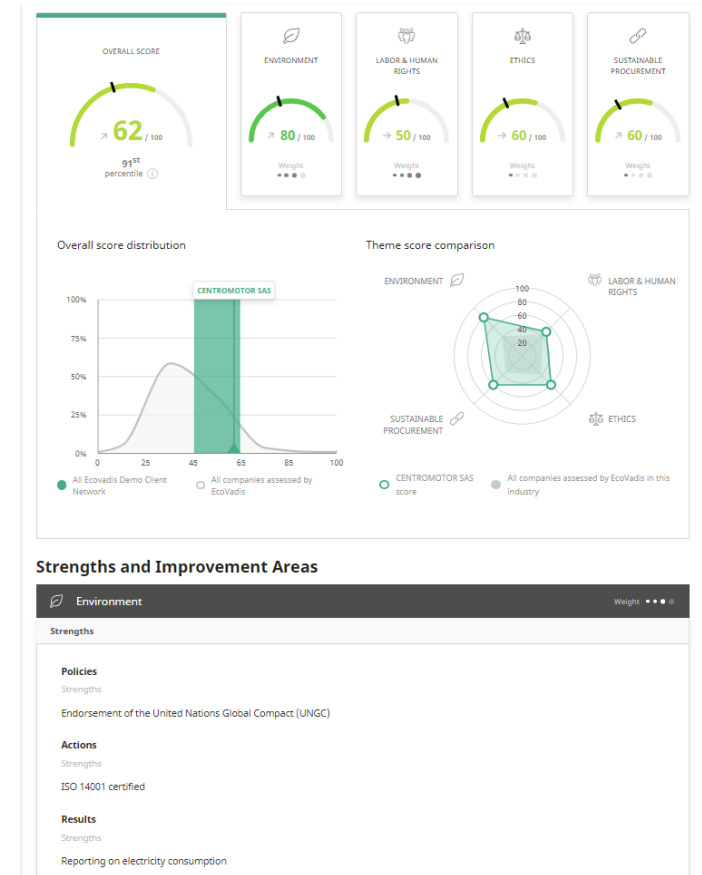| Overall | Environmental | Sustainable procurement | Labor & human rights | Ethics |

Sievo spend data and Ecovadis scorecards linking is perfomed via an API. Coverage of spend assessed in the very beginning may differ, however in general we see a 20-50% coverage, depending on the industry and company. After the initial screening, collaboration together with the suppliers through Ecovadis increases coverage and brings more accurate results.

Access EcoVadis scorecards directly from the dashboard

Request supplier assessments through a simple form directly from Sievo

Track status of rating requests and supplier onboarding

Spend by sharing status (EUR)

- Not assessed — 2.0%
- Declined - No r... — 18.1%
- Requested — 34.2%
- Accepted — 45.8%

ERP suppliers by sharing status

- Declined - No response
- Requested — 8.0%
- Accepted — 12.9%
- Not assessed — 74.6%
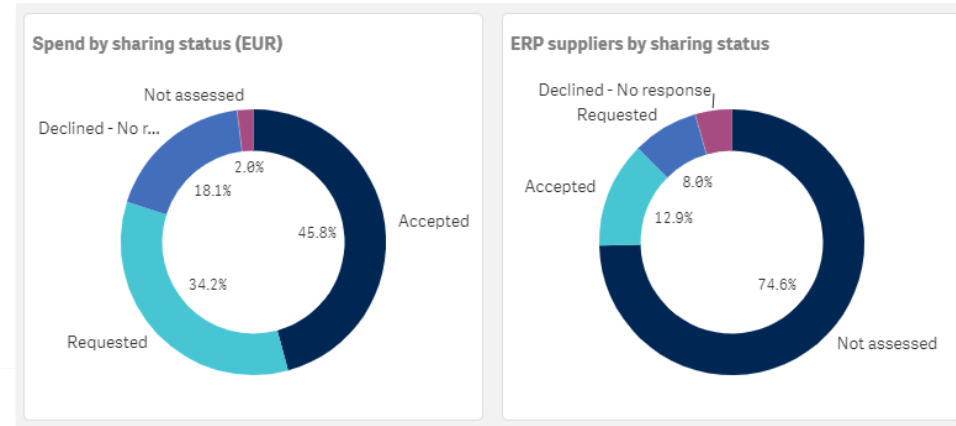
Supplier details

| Scorecard link	Global score	Labor score	Enviro... score	Ethics score	Sustainable procurement score	Category L1	Request assessment	Sharing status	Progress status
Totals									
Open scorecard	66	48	40	96	82	Packaging, Raw Materials	Request assessment	Accepted	Assessed
Open scorecard	70	71	42	86	82	Raw Materials	Request assessment	Accepted	Assessed
Open scorecard	-	-	-	-	-	Packaging	Request assessment	Requested	Not assessed
Open scorecard	-	-	-	-	-	Packaging	Request assessment	Declined - No response	Not assessed
Open scorecard	68	69	41	78	85	Raw Materials	Request assessment	Accepted	Assessed
Open scorecard	-	-	-	-	-	Packaging	Request assessment	Declined - No response	Not assessed
Open scorecard	-	-	-	-	-	Packaging	Request assessment	Requested	Not assessed
Open scorecard	69	72	43	80	81	Raw Materials	Request assessment	Accepted	Assessed
Open scorecard	-	-	-	-	-	Packaging	Request assessment	Requested	Not assessed
Open scorecard	-	-	-	-	-	Packaging	Request assessment	Declined - No response	Not assessed

Example: Improving sustainability scores in the marketing category

Laura, a Category Manager, sees from the Supplier sustainability dashboard that the global sustainability score in the Marketing categories is worse than in other categories. They select the category and identify that one of the key suppliers has a poor Environmental score. They have a good relationship with the supplier, so they encourage the supplier to improve their sustainability practices. Otherwise, Laura would need to consider switching suppliers to meet their own CSR targets.
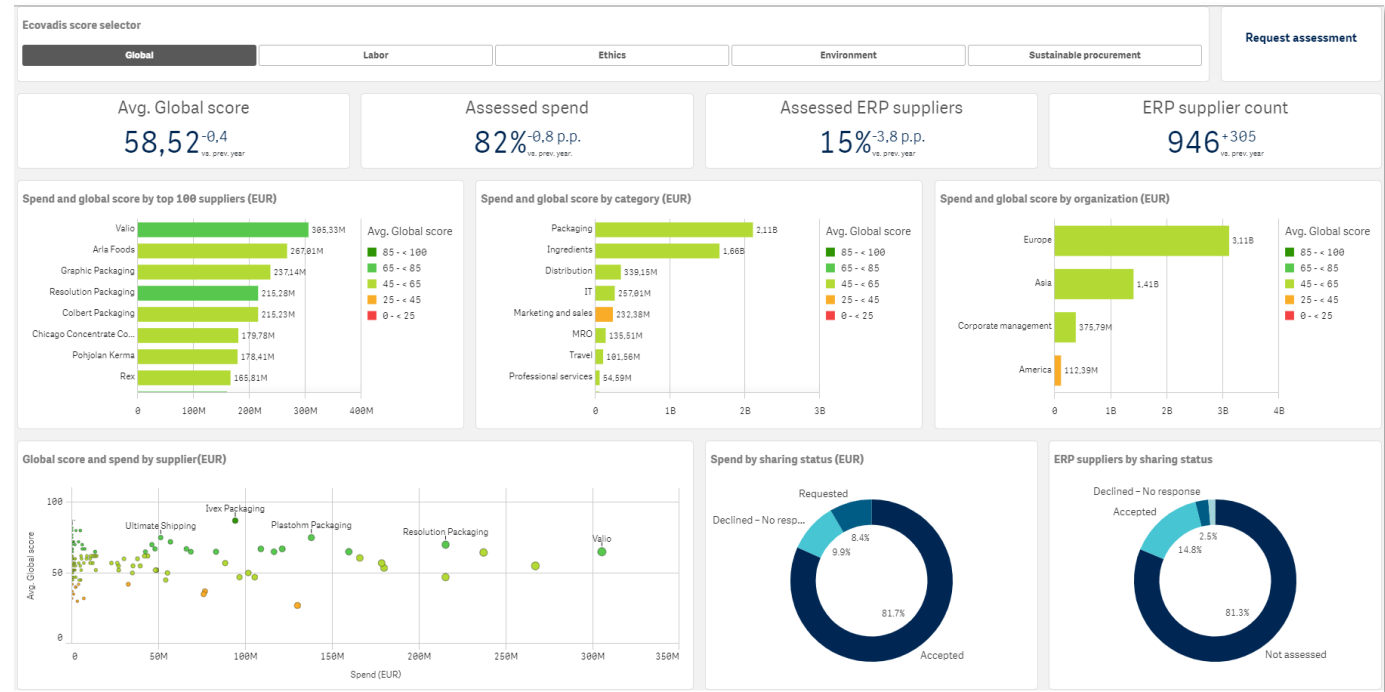
EcoVadis grouping and extrapolation of scorecards

In Sievo, EcoVadis grouping is used to group ERP suppliers that belong to the same supplier and location under the same EcoVadis scorecard. This way Sievo users don't have to request assessments for each ERP supplier separately.

The grouping happens *behind the scenes* and is one of the ways Sievo cleans the data for you, avoiding duplicates on your behalf.

In addition to grouping, extrapolation is used to extrapolate scorecards from one ERP Supplier to other ERP Suppliers within the same Supplier group. Extrapolation happens by default if the extrapolation is enabled and it helps you to reach your baseline more effortlessly and have fewer gaps in your data.

Sievo users with the right permissions can modify the groupings and extrapolations via the Sustainability grouping dashboard.

Colour codes
- ERP supplier reported with own scorecard
- ERP supplier reported with scorecard of another ERP supplier which is part of same supplier and location (Grouping)
- Not assessed

Ecovadis grouping overview ...

ERP supplier	Supplier	ERP supplier location	Ecovadis S name
Sunrise Communications AG	SUNRISE COMMUNICATIONS	Switzerland	-
UNITED SUGARS	American Crystal Sugar Company	United States	UNITED SU
Employee	Employee	Switzerland	-
Taxi Eberhard	Employee	Switzerland	-
Staples Tromsø	Sycamore	Norway	-
DHL EXPRESS (SCHWEIZ) AG	Deutsche Post	Switzerland	DHL
Ernst & Young As	Ernst&Young	Norway	GIVAUDAN
Dhl	Deutsche Post	Sweden	DHL
IMCD Norway AS	Imcd Norway	Norway	-
IMCD Norway AS	Imcd Norway	Norway	-
Boxon Mark	@Levi	Norway	
Fotograf Mark Cabot	@Levi	Norway	

"Sievo's ability to provide sustainability scoring made it possible for us to start driving our conversations on where we should channel our energy."

- Head of Indirect Procurement for CGP company
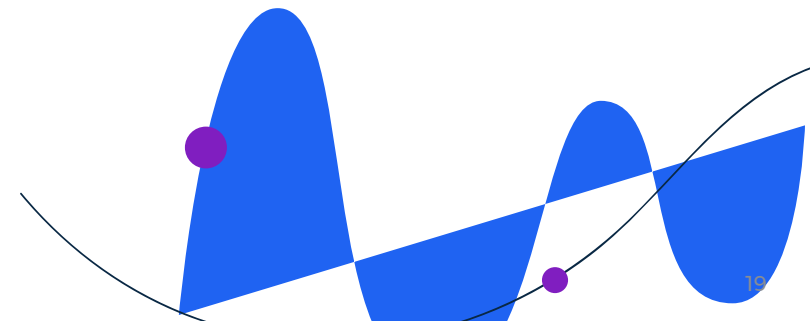
Supplier emission reduction targets

2

Science Based Targets initiative (SBTi)

Over **7 500** companies already involved

More about SBTi: https://sciencebasedtargets.org

Science-Based Targets initiative provides companies with a clearly-defined path to reduce emissions in line with the Paris Agreement goals.

✓ Facilitates strategic decision-making and supplier selection

✓ Enhances supplier transparency and accountability

✓ Access commitments, near-term and net-zero targets, and temperature alignment disclosed by companies and validated by SBTi

Supplier emission reduction targets

Track your suppliers' commitment and progress towards emission reduction targets they've set

Benchmark your suppliers' targets against other similar suppliers reporting to the SBTi

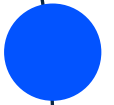Explore alternative suppliers within the SBTi network

Identify suppliers that have not set any targets or have not made any significant progress

✓ Curated data provided via Sievo Supplier Service

✓ Available for shared Sievo Supplier Groups

✓ Weekly data refresh for up-to-date insights

SCIENCE BASED TARGETS

Supplier emission reduction targets

Sievo's Supplier emission reduction target dashboard helps you to follow the climate actions taken by your supplier base and get an understanding of the trajectory of your Scope 3 emissions.

Your suppliers and spend are matched with suppliers' targets and commitments they've shared with the Science Based Targets initiative (SBTi). The dashboard gives you an overview of the coverage of your suppliers with an active SBTi record, as well as the coverage for near-term and net-zero targets they've set.

You have access to the data of all companies within SBTi allowing you to compare commitments between suppliers and discover new suppliers outside your existing ones. Target details allows you to dive deeper into the targets and commitments of individual suppliers for informed decision-making.

Use the dashboard to...

Track your suppliers' commitment and progress towards emission reduction targets they've set

Benchmark your suppliers' targets against other similar suppliers reporting to the SBTi
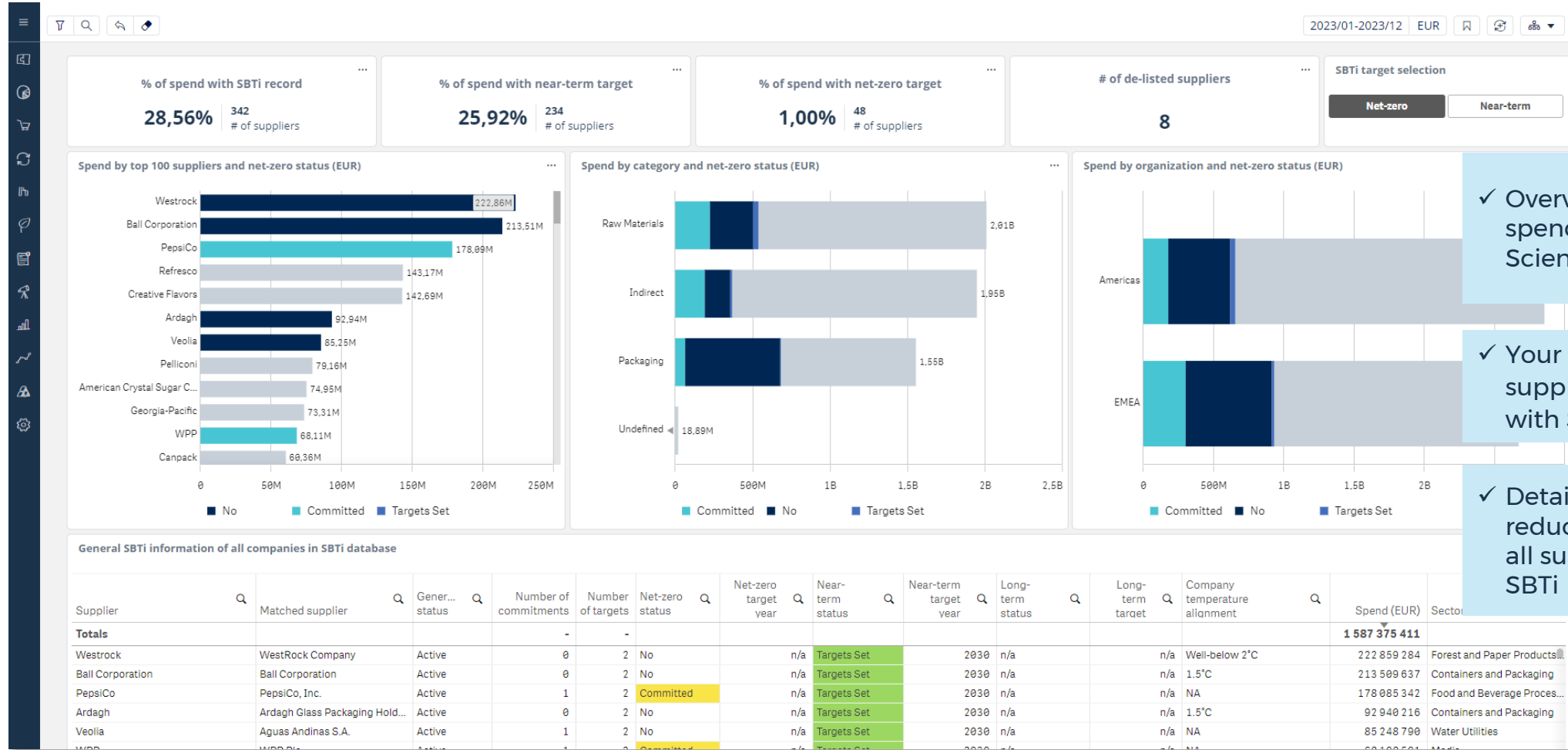
Identify suppliers that have not set any targets or have not made any significant progress

Discover alternative suppliers among all the companies within SBTi

Curated data provided via Sievo Supplier Service available for shared Sievo Supplier Groups. Data refreshes weekly for up-to-date insights

Sievo SBTi data dashboard

- ✓ Overview of your spend covered by Science based targets
- ✓ Your spend and suppliers matched with SBTi targets
- ✓ Detailed emission reduction targets of all suppliers' within SBTi

Diversity analytics

3

Definition of a diverse supplier

A business owned and operated by an underrepresented group (over 51% ownership)

- *Minority owned*

- *Woman owned*

- *LGBT-owned*

- *Veteran owned*

.....

A supplier is considered diverse if one or more of the conditions are met

Diverse suppliers needed for three main reasons

As expectations and pressures increase, tracking diverse suppliers is more important than ever before

Sales: Comply with customer expectations and regulatory diversity mandates

Comply with customer expectations or regulatory diversity mandates

Corporate culture: Relieve the pressure on your brand

Support positive company reputation, as employees and external stakeholders are increasingly holding companies to higher standards

Business strategy: Drive resilience, savings, flexibility, and widen the pool of potential suppliers

Widen the pool of potential suppliers and promote competition in your supply base

Supplier diversity

The Supplier diversity dashboard enables you to continuously monitor the diversity status of your supplier base, your diverse spend and see the diversity types and certificates related to diverse suppliers.

Supplier diversity refers to small businesses or e.g. women- or minority-owned businesses that have historically been underrepresented.

To improve diversity status, you can easily identify the non-diverse and diverse suppliers in different categories. The development of diverse spend month over month helps keep track of improvements.

Requires a contract with a diversity data provider (e.g., Supplier.IO)

Use the dashboard to...

Follow the development of diverse spend over time

Identify diverse and non-diverse suppliers and opportunities for more diversification

Benchmark diversity data internally

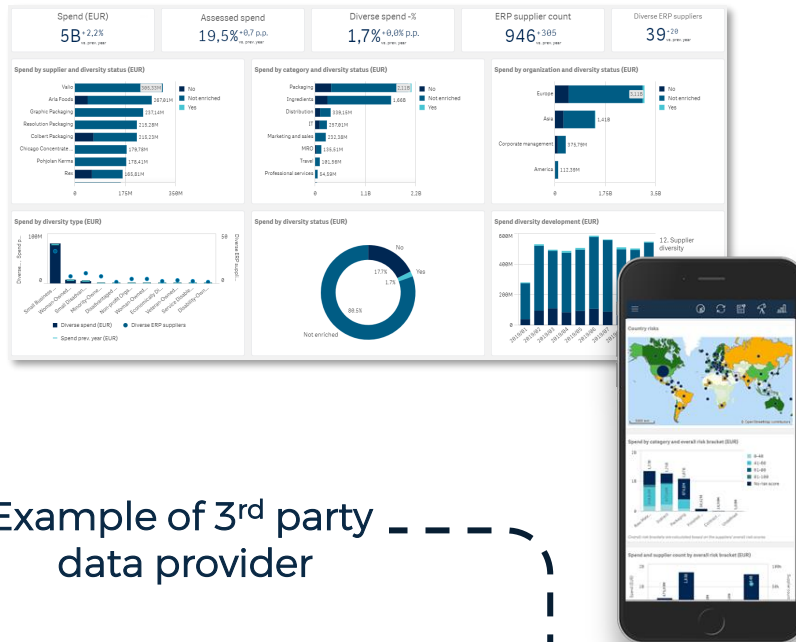Supercharge cross functional communications

Report the diversity status of your supplier base to meet goals or mandates

Follow your supplier diversity program

Diversity analytics

Example of 3rd party data provider

supplier.io

Bring diversity ratings into existing tools

- Use diversity statuses as filters across dashboards to get holistic view

- Everyone with a Sievo login can see suppliers' diversity with visibility from global KPIs to individual suppliers

- Automatic integration and frequent data refreshes

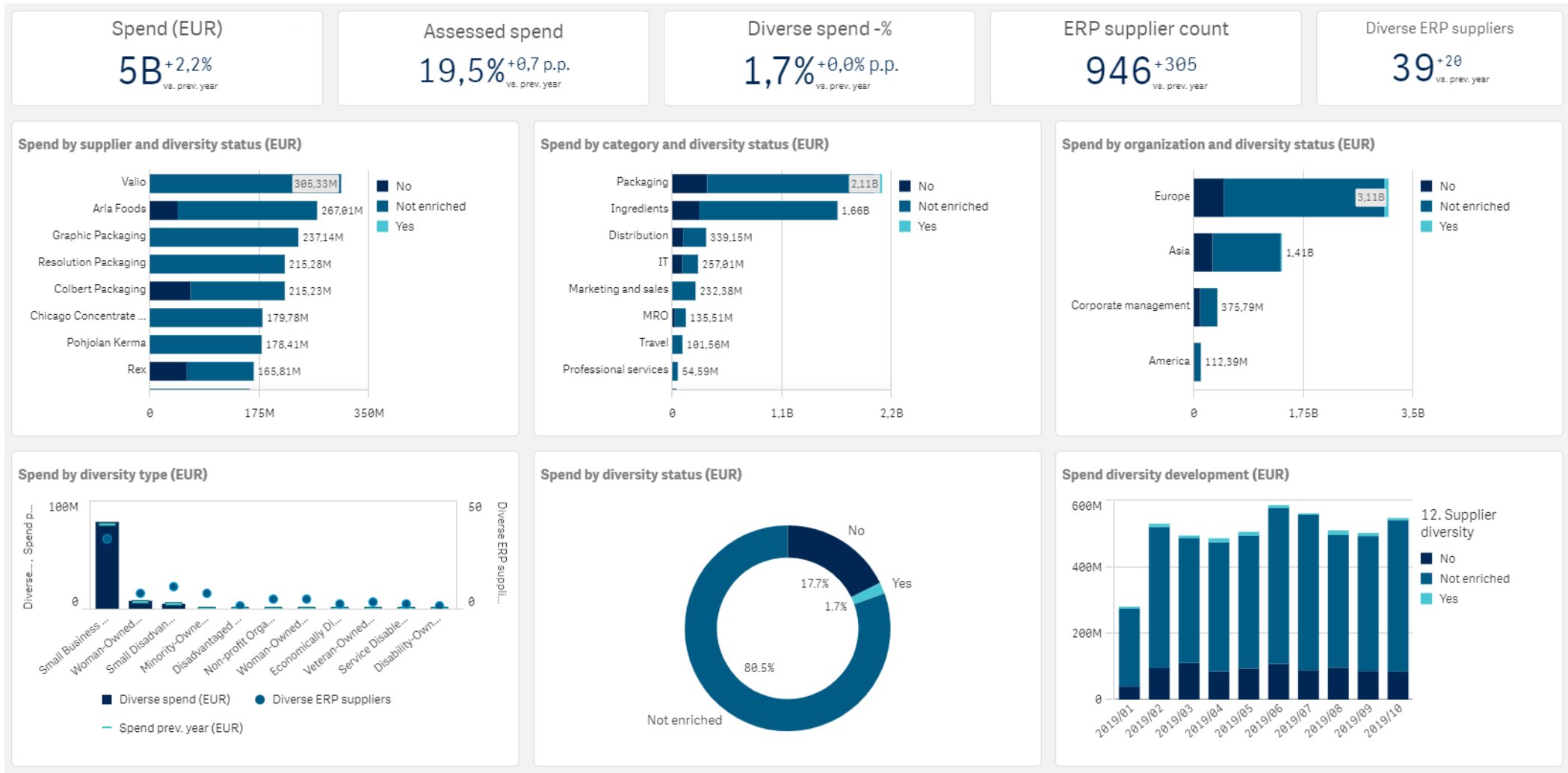## Identify diverse and non-diverse suppliers

- Identify opportunities for more diversification

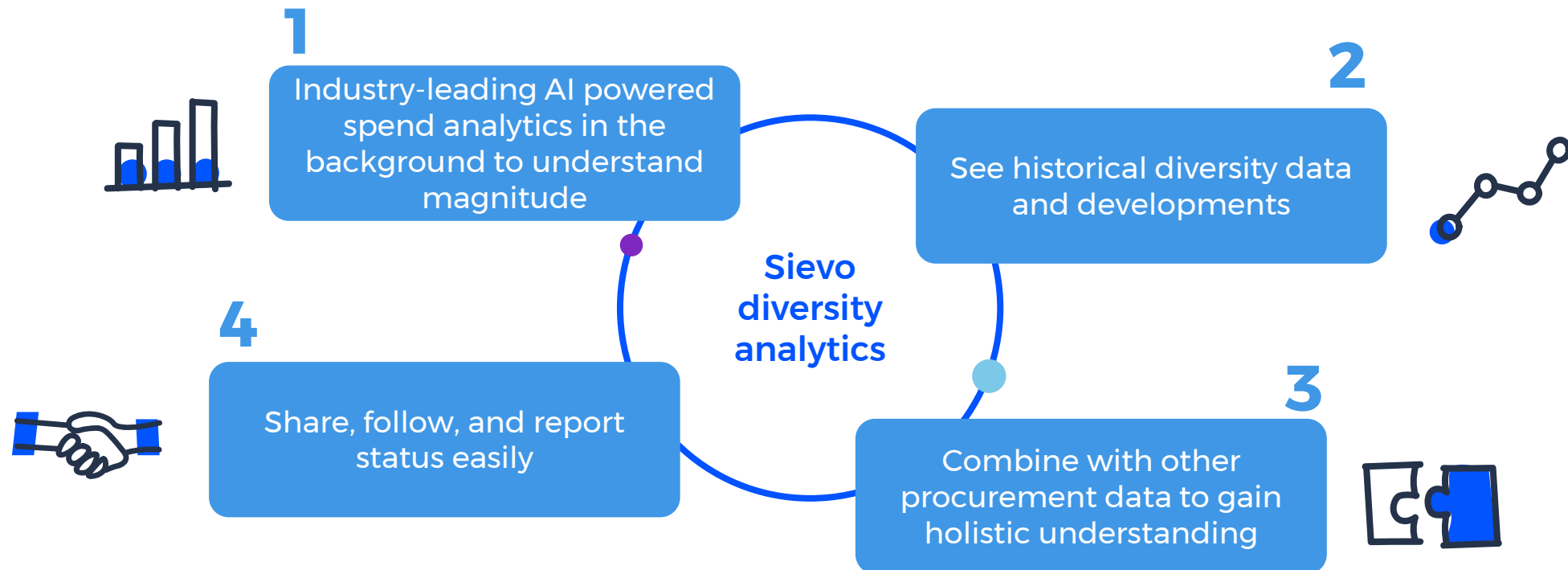- Benchmark internally by comparing e.g., business unit or region

Communicate impact easily and follow your CSR program

- Communicate about your diversity status easily to meet goals and mandates by sharing charts & figures from Sievo

- Follow your diversity program by tracking coverage over time

Sievo Diversity Analytics dashboard example

Spend (EUR)
5B +2,2% vs. prev. year

Assessed spend
19,5% +0,7 p.p. vs. prev. year

Diverse spend -%
1,7% +0,0% p.p. vs. prev. year

ERP supplier count
946 +305 vs. prev. year

Diverse ERP suppliers
39 +20 vs. prev. year

Spend by supplier and diversity status (EUR)

Valio	305,33M
Arla Foods	267,01M
Graphic Packaging	237,14M
Resolution Packaging	215,28M
Colbert Packaging	215,23M
Chicago Concentrate ...	179,78M
Pohjolan Kerma	178,41M
Rex	165,81M

Legend: No, Not enriched, Yes
0 — 175M — 350M

Spend by category and diversity status (EUR)

Packaging	2,11B
Ingredients	1,66B
Distribution	339,15M
IT	257,01M
Marketing and sales	232,38M
MRO	135,51M
Travel	101,56M
Professional services	54,59M

Legend: No, Not enriched, Yes
0 — 1,1B — 2,2B

Spend by organization and diversity status (EUR)

Europe	3,11B
Asia	1,41B
Corporate management	375,79M
America	112,39M

Legend: No, Not enriched, Yes
0 — 1,75B — 3,5B

Spend by diversity type (EUR)

Categories: Small Business..., Woman-Owned..., Small Disadvan..., Minority-Owne..., Disadvantaged..., Non-profit Orga..., Woman-Owned..., Economically Di..., Veteran-Owned..., Service Disable..., Disability-Own...

Legend: Diverse spend (EUR), Diverse ERP suppliers, Spend prev. year (EUR)

Spend by diversity status (EUR)

No 17.7%
Yes 1.7%
Not enriched 80.5%

Spend diversity development (EUR)

12. Supplier diversity
Legend: No, Not enriched, Yes

2019/01, 2019/02, 2019/03, 2019/04, 2019/05, 2019/06, 2019/07, 2019/08, 2019/09, 2019/10

4 things you can't do yourself but can with Sievo Diversity analytics

1

Industry-leading AI powered spend analytics in the background to understand magnitude

2

See historical diversity data and developments

Sievo diversity analytics

4

Share, follow, and report status easily

3

Combine with other procurement data to gain holistic understanding

Supplier.IO, the #1 supplier diversity data provider, is our preferred 3rd party

Please note that also other data providers are possible

supplier.io gives information on whether your supplier has a certification for being...
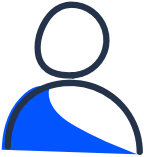
Minority-owned
(MBEs)
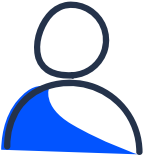
Woman-owned
(WBEs)
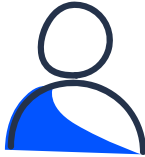
LGBT-owned
(LGBTEs)
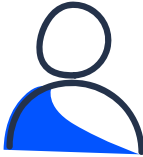
Disabled-owned
(DOBEs)

Veteran-owned
(VOBs)

A small business
enterprise (SBEs)

A HUBZone business

# Example: Reporting the diversity status

Simon, the CPO, needs to report the diverse spend of their global procurement organization for their US manufacturing function. They go to the Supplier diversity dashboard and immediately see the amount of diverse suppliers and the share of spend purchased from diverse suppliers.
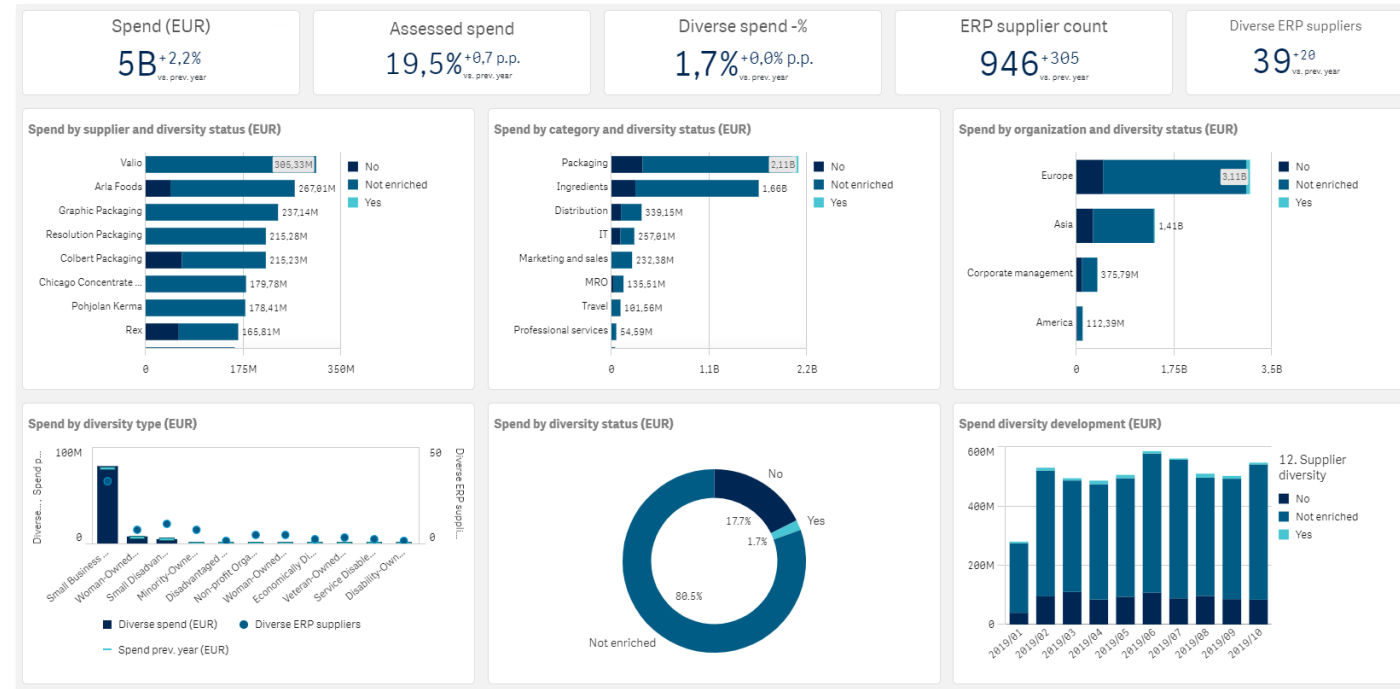
"Sievo's spend diversity reporting serves as the core of our supplier diversity program, enabling us to create monthly dashboards that give our business stakeholders and other individuals insights into our efforts and the results we are achieving"

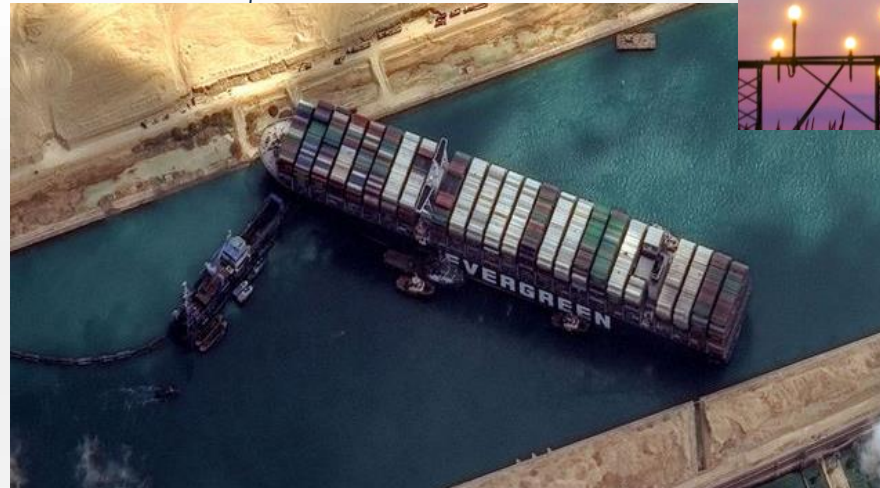- Senior manager supplier value optimization, Citrix
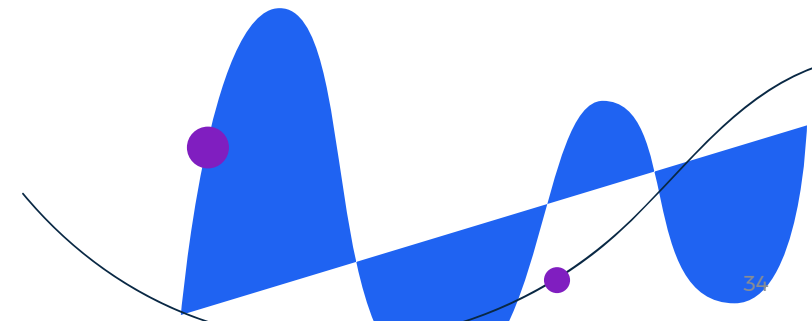
Supplier risk analytics

4

Two key reasons for risk analytics

Pre-emptive mitigation: need to monitor ongoing risk beyond initial due diligence

Prioritizing suppliers: partnering with suppliers you can trust

Spend analysis already offers ways to identify sources of risk

Single sourcing

supply or cost risks related to single source supply

Process compliance

maverick purchases without purchase order, or purchase order issued only after receiving invoice

Price outliers

opportunities to tame price fragmentation across suppliers - both locally and globally

Geographic turmoil

identification of suppliers in turbulent regions

Payment terms and patterns

possible dissatisfaction among suppliers due to continuous late payments

Strategic supplier compliance

using strategic suppliers instead of transactional or newly introduced suppliers

Risk data providers monitor news and other external sources for signals of increased risk

Financial risk

changes in ownership, decreasing credit scores or inconsistent payment patterns

Natural disaster risk

earthquakes, floods, pandemics or other events impacting manufacturing site of the supply chain

Reputational risk

regulator fines due to health, safety and ethics violations

Geopolitical risk

sanctions, tariffs or other regulations hindering the supply chain operations, terrorism, corruption

Man-made risk

personnel changes at executive level, relocating or divesting operations

Cyber & privacy risk

data breaches, viruses, and threats to the privacy of employees or customers

Risk data without context only takes you so far

" What spend amounts are we even talking about? What categories? Should I care at all?

" When does my contractual commitment end?

" Are these risky vendors the same entities with which I've contracted?

" Am I single-sourcing from this vendor? Do I have alternative vendors?

" Is my supply chain in trouble?

Supplier risk

Sievo's Supplier risk solution matches spend with the suppliers' risk scores. The risk brackets allow you to assess the risk profile of your suppliers with a glance. You can also evaluate your suppliers' risk across different risk groups such as viability or delivery related risks.

You can see the scores for individual suppliers as well as the overall score for all the assessed suppliers in your supplier base. The dashboard allows you to compare scores internally between categories and organizational units. When selecting a single supplier, the dashboard suggests alternative suppliers in your supplier base sharing same categories and country as the selected supplier.

Use the dashboard to...

Understand your risk across your supplier base

Benchmark risk data internally between categories and business units

Supercharge cross functional communications

Find alternative suppliers with lower risk scores from existing supplier base

Risk score: spend weighted average score of all assessed suppliers

Requires a contract with a risk data provider (e.g., Riskmethods)

Supplier risk analytics

Examples of 3rd party data providers

Supplier risk data linked to your global spend

- Visibility from global KPIs to individual suppliers

- Analyze your risk position by supplier, category, business unit and more

- Use supplier risk data as a filter across your Spend dashboards

Effortless data updates, no manual work needed

- Sievo takes care of data enrichment, updating suppliers' risk scores, and matching them to your spend

- Dashboard links to supplier scorecards where you can see more details and begin mitigation plans
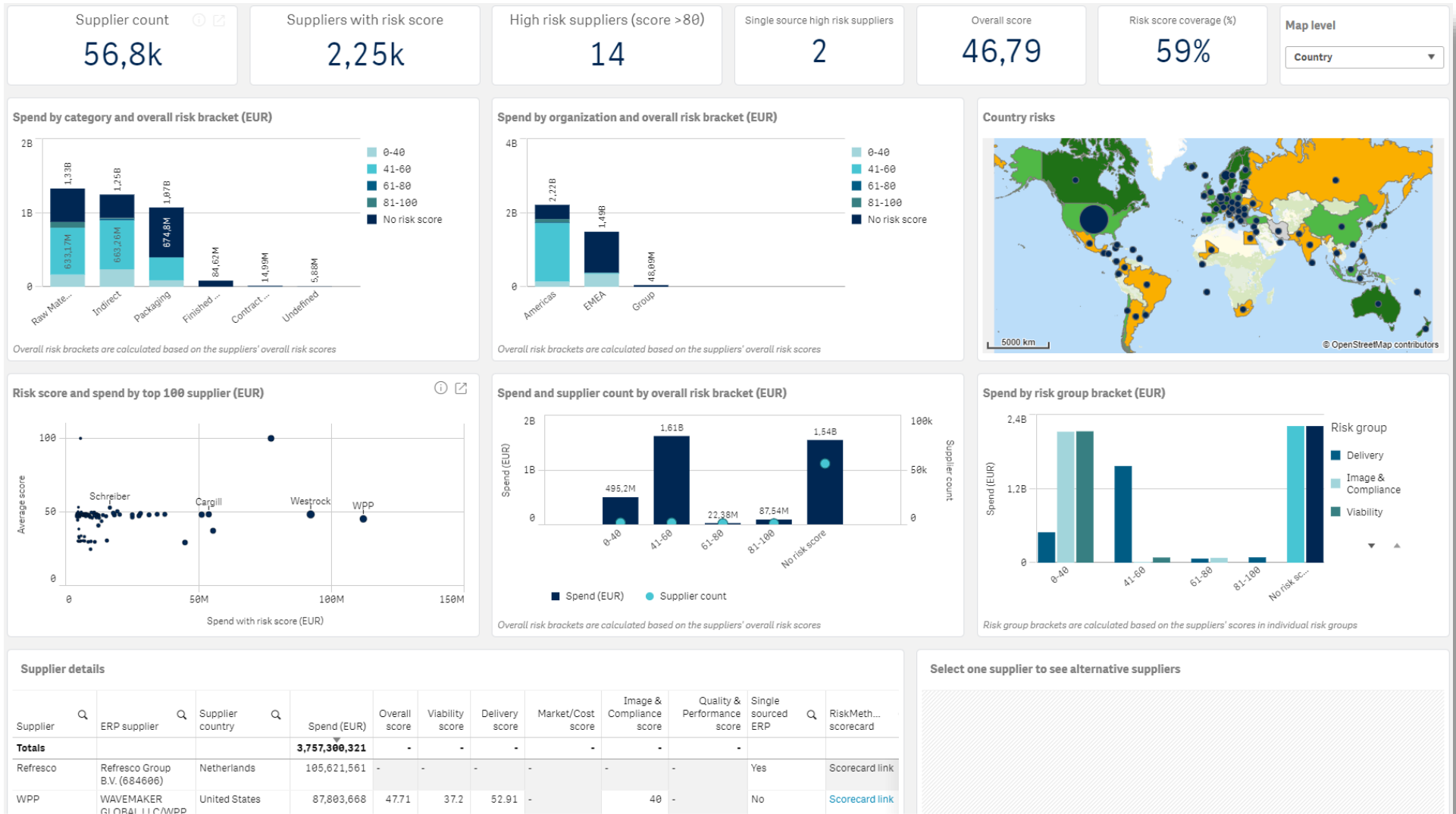
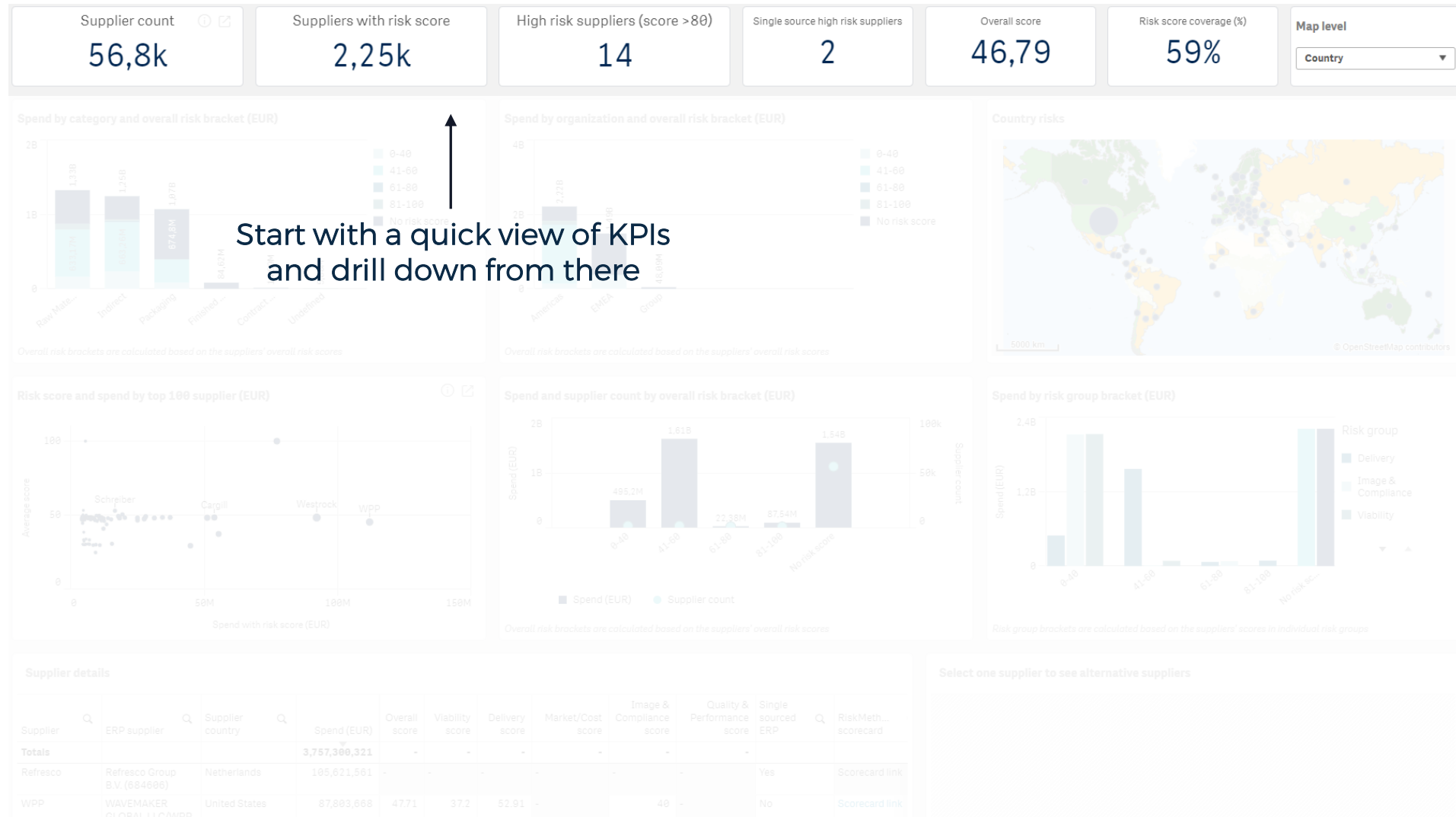## Easy filtering for custom reporting needs

- Full support for user-specific filtering and chart building to allow fast response to specific reporting requirements

- Easily save custom charts and share your risk data with other stakeholders within Sievo or by data exports

Supplier Risk Analytics dashboard example

Dashboard gives holistic view of risk in the supply chain

Start with a quick view of KPIs
and drill down from there

Dashboard gives holistic view of risk in the supply chain

Understand supplier risks and their operational implications by looking at risk by category, risk level, and spend

Dashboard gives holistic view of risk in the supply chain

Find alternative suppliers in your supplier base

Example: Getting a high-level picture of the risk distribution

John, a Category Manager, notices that one of their single source suppliers has a critical risk score of 100. The supplier scorecard highlights that due to a disaster at the supplier's location, the deliveries are endangered. John selects the supplier and finds alternative suppliers with more favourable risk scores that Sievo can recommend based on their existing supplier base.

Now,
it's your turn