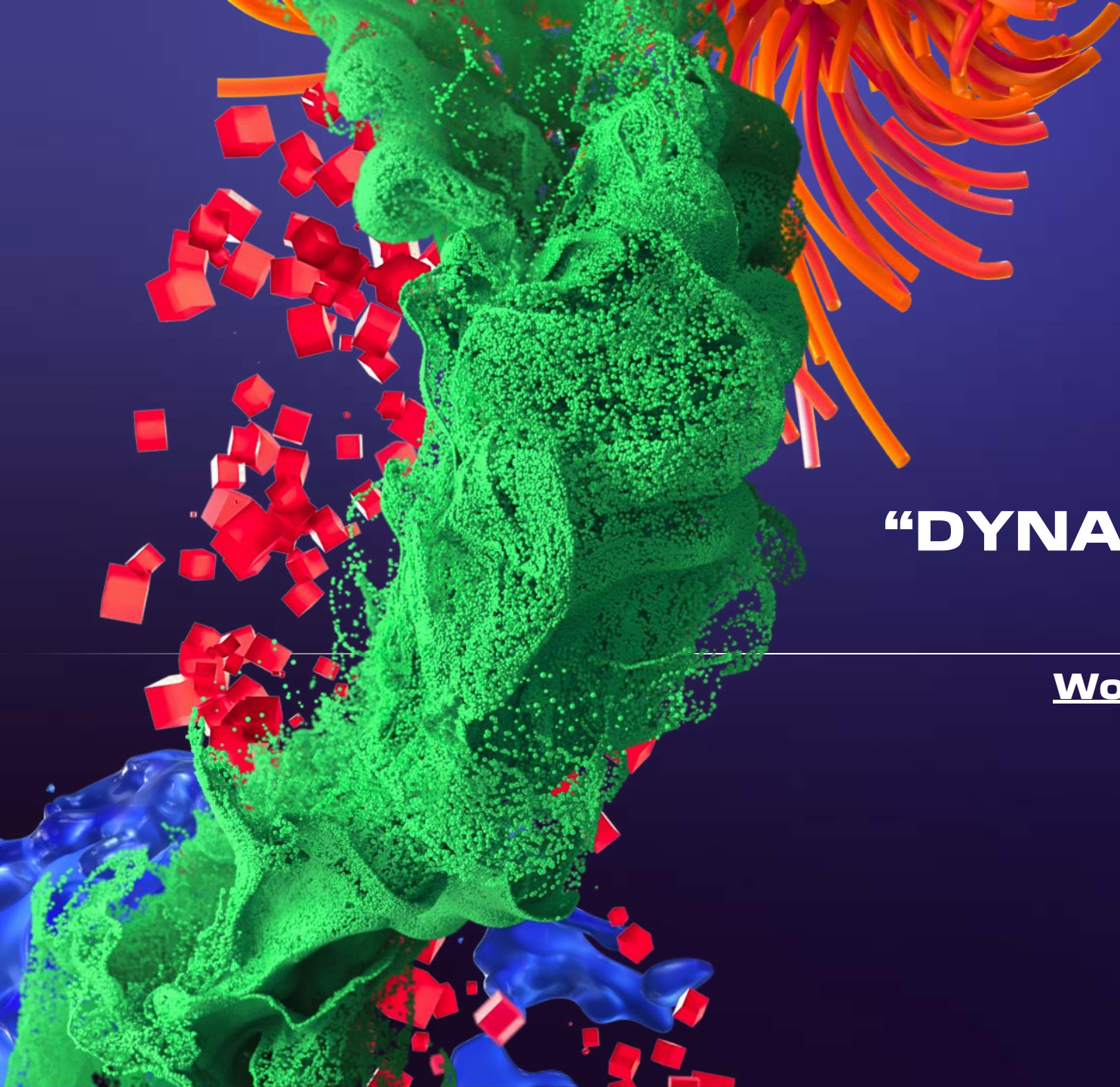




RISK MANAGEMENT “DYNAMIC PROCUREMENT”

Workshop

**Remco Klein
Procurement Director**



DP WORLD

WORKSHOP AGENDA

“Questions as a guidance”

Question 1

- A) What are the main risk areas that we need to consider within Risk Management?
- B) Who is DP World?

Question 2

Which supply chain risks will DP World need to be considering?

Question 3

Within which risk areas can/should Procurement take a leading or supporting role?

Question 4

What actions can Procurement take to mitigate Strategic risks?

Question 5

What actions can Procurement take to mitigate Operational risks?

Question 6

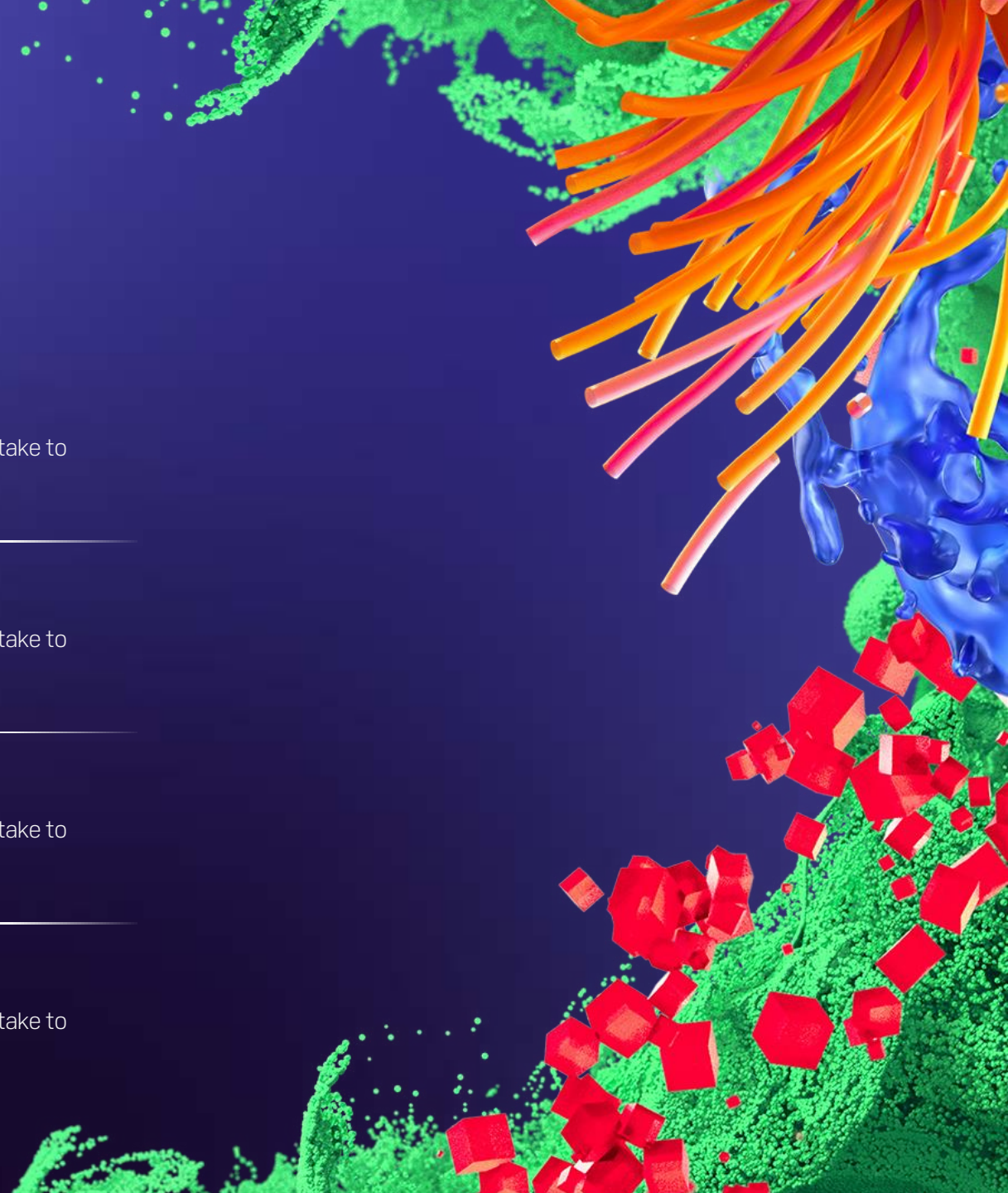
What actions can Procurement take to mitigate Financial risks?

Question 7

What actions can Procurement take to mitigate Compliance risks?

Question 8

What actions can Procurement take to mitigate Reputational risks?



QUESTION 1A

What are the main risk areas that we need to consider within Risk Management?



MAIN RISK AREAS

Risk Management

Risk from poor decisions or external changes that threaten long-term goals, competitiveness, or organizational direction.



Strategic

Risk from failures in internal processes, systems, people, or external events affecting daily operations.



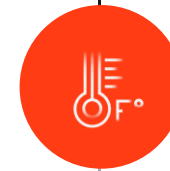
Operational

Risk of financial loss due to market changes, credit issues, liquidity problems, or poor financial controls.



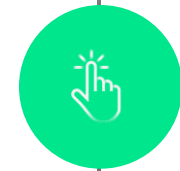
Financial

Risk of legal penalties or reputational damage from violating laws, regulations, or internal policies.



Compliance

Risk of negative public perception harming trust, brand value, or stakeholder relationships.



Reputation

QUESTION 1B

Who is DP World?



FROM PORT OPERATOR TO END-TO-END SOLUTIONS PROVIDER

PORT OPERATOR

1972

DP World's story begins as a local port operator at Port Rashid in Dubai, UAE

1972-2002

2003-2015



GLOBAL & EUROPEAN EXPANSION



2003

Began operations at Constanta, RO



2005

DP World buys CSX World Terminals DP World acquire Germersheim, DE



2006

DP World acquire P&O Ports Acquires stakes in Antwerp, BE and Southampton, UK



2013

Opening of London Gateway Port, UK



2015

Opening of Rotterdam World Gateway, NL_Merger of London Gateway and Southampton in the UK DP World takes control over inland terminals Mannheim, DE & Stuttgart, DE



2016-2019



GROWTH ACROSS GLOBAL SUPPLY CHAIN



2016

Opening of Yarimca, TR port



Opening of London Gateway Logistics Park, UK



2017

Opening of Limassol multipurpose terminal in Cyprus



2018

Acquisition of Unifeeder Group



2019

Acquisition of P&O Ferries and P&O Ferrymasters

2020-PRESENT



END-TO-END SUPPLY CHAIN PROVIDER



2020

Launch of partnership with Swissterminal



Purchase of TIS Multipurpose Terminal in Ukraine



2021

DP World acquires syncreon

DP World relaunches a logistics solution provider



Opening of Rotterdam, NL office



2022

DP World acquires Imperial Logistics



2023

Re-structure of European region to serve customers across the supply chain from end to end

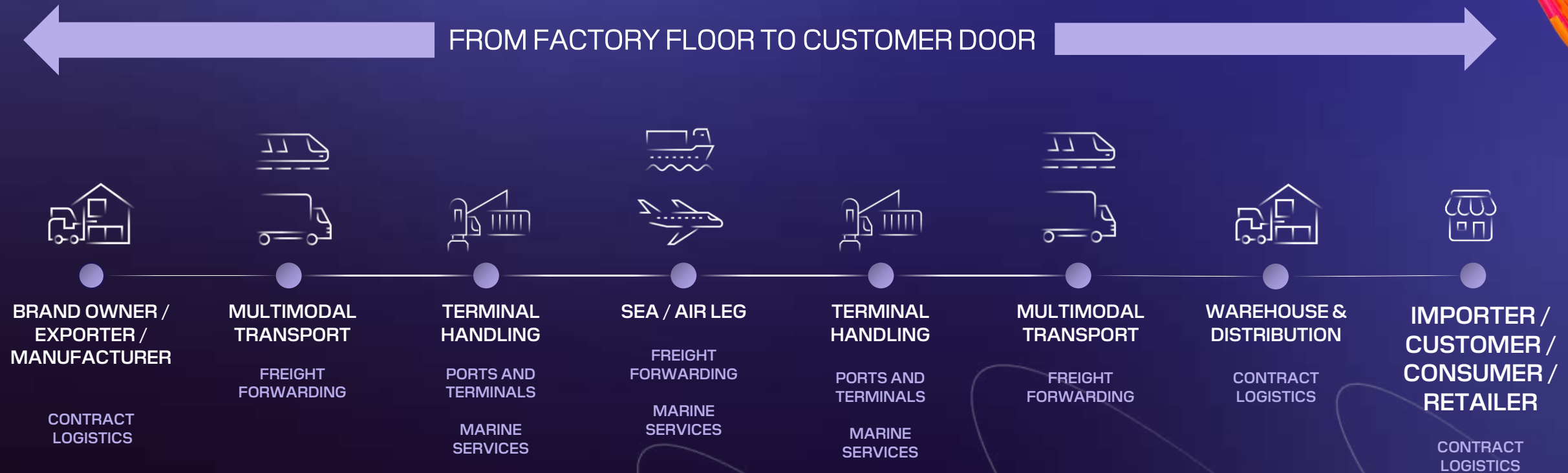
Opens freight forwarding network across Europe



2024

DPW Merger with Evyap Group

WE HAVE SOLUTIONS FOR EVERY PART OF THE SUPPLY CHAIN



DP WORLD EUROPE



25,000+
colleagues across Europe



350+
LOCATIONS
in 32+ countries



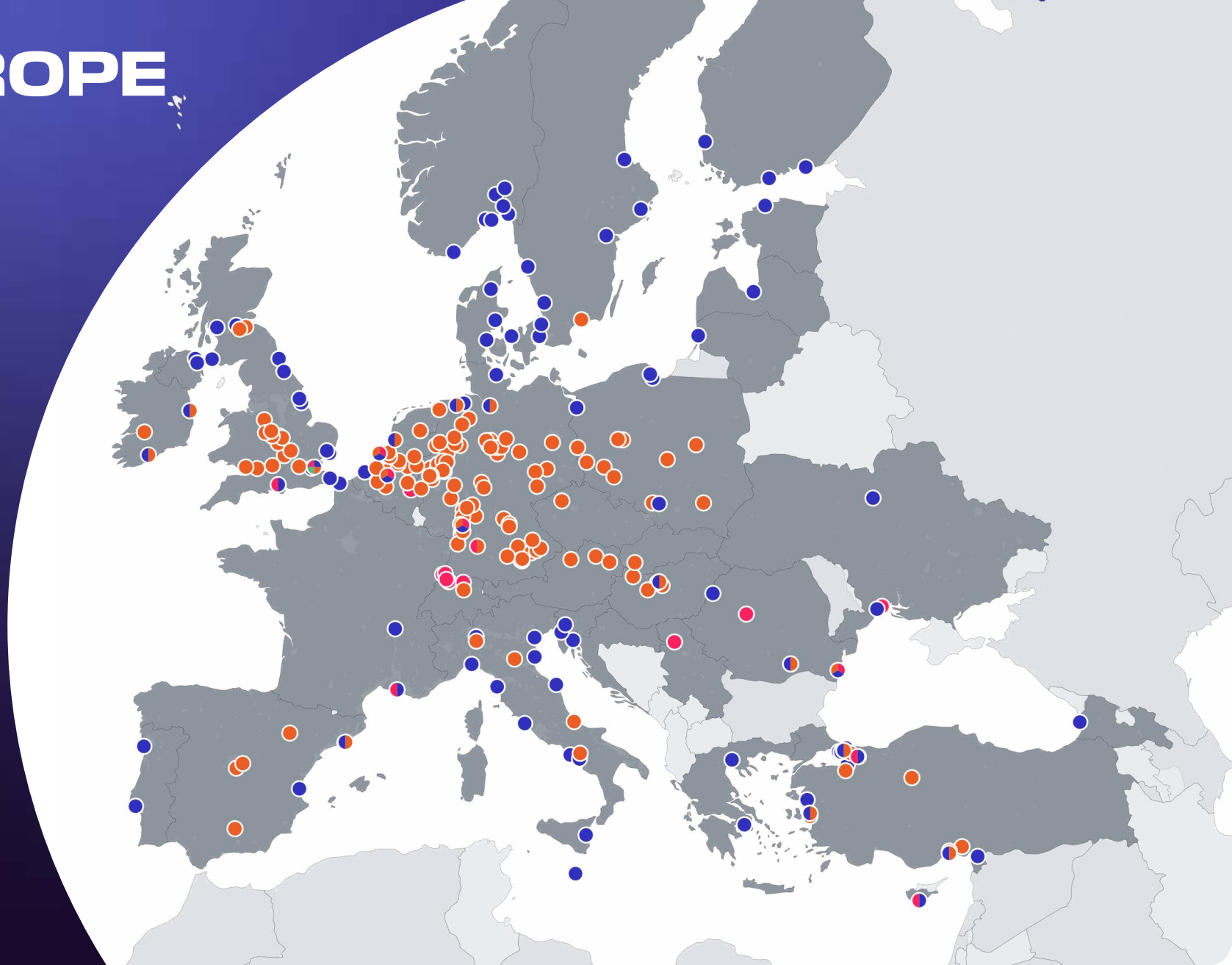
150+
WAREHOUSES
across our logistics business



90 LOCATIONS
connected through our feeding
and shortsea network



**10 DEEPSEA
TERMINALS**
in 8 countries



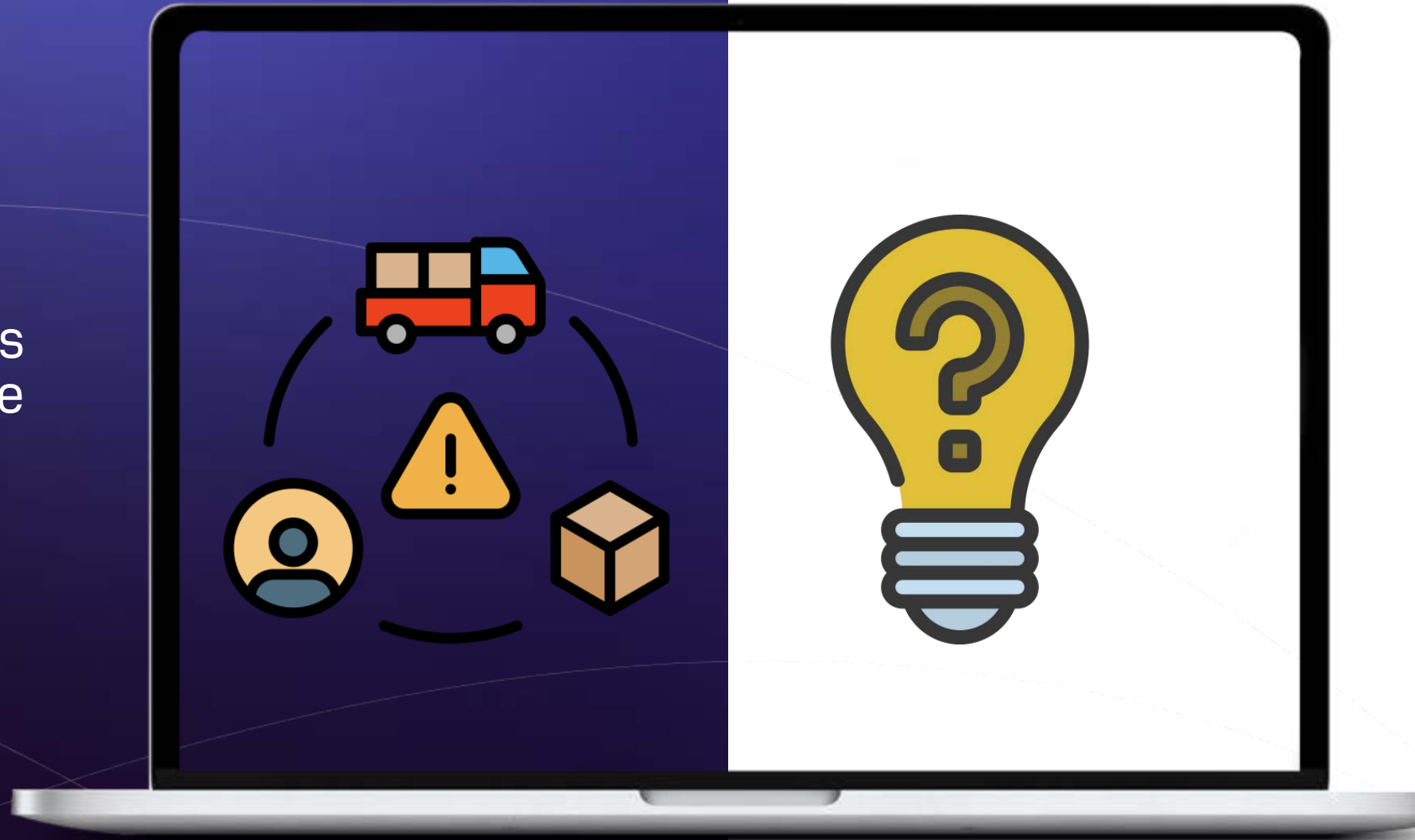
● LOGISTICS

● PORTS & TERMINALS

● MARINE SERVICES

QUESTION 2

Which supply chain risks will DP World need to be considering?





PROCUREMENT OUR JOURNEY

...SO FAR



DP WORLD

PROCUREMENT EUROPE OVERVIEW

Value delivery from customer bid to implementation & running business

Total Spend
2024

€2.4B

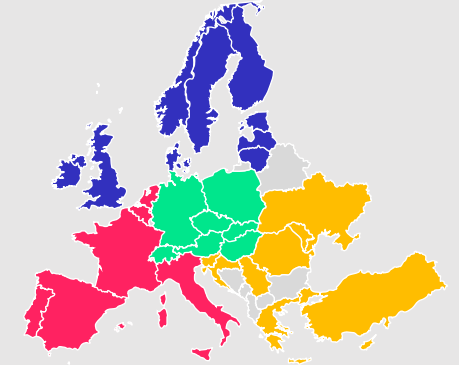
Value creation
2024



€13M

Presence

**32+ Countries
4 Clusters**



Team
Members



85

Nationalities

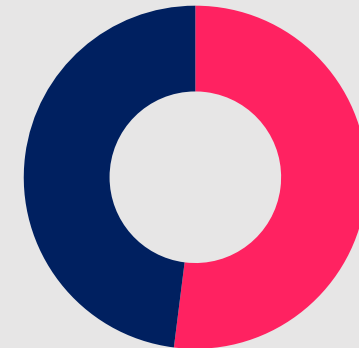


19



Gender
Parity

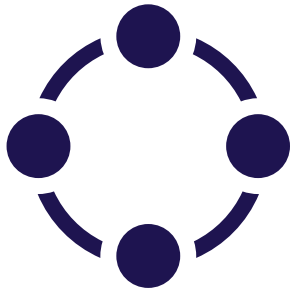
Female
48%



Male
52%

PROCUREMENT TRANSFORMED TOWARDS A CENTER-LED ORGANIZATION TO GET THE BEST OF BOTH WORLD

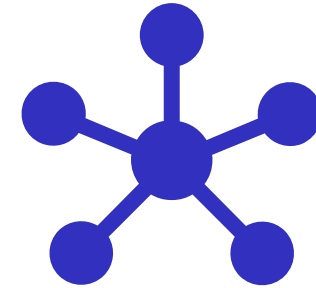
Decentralized



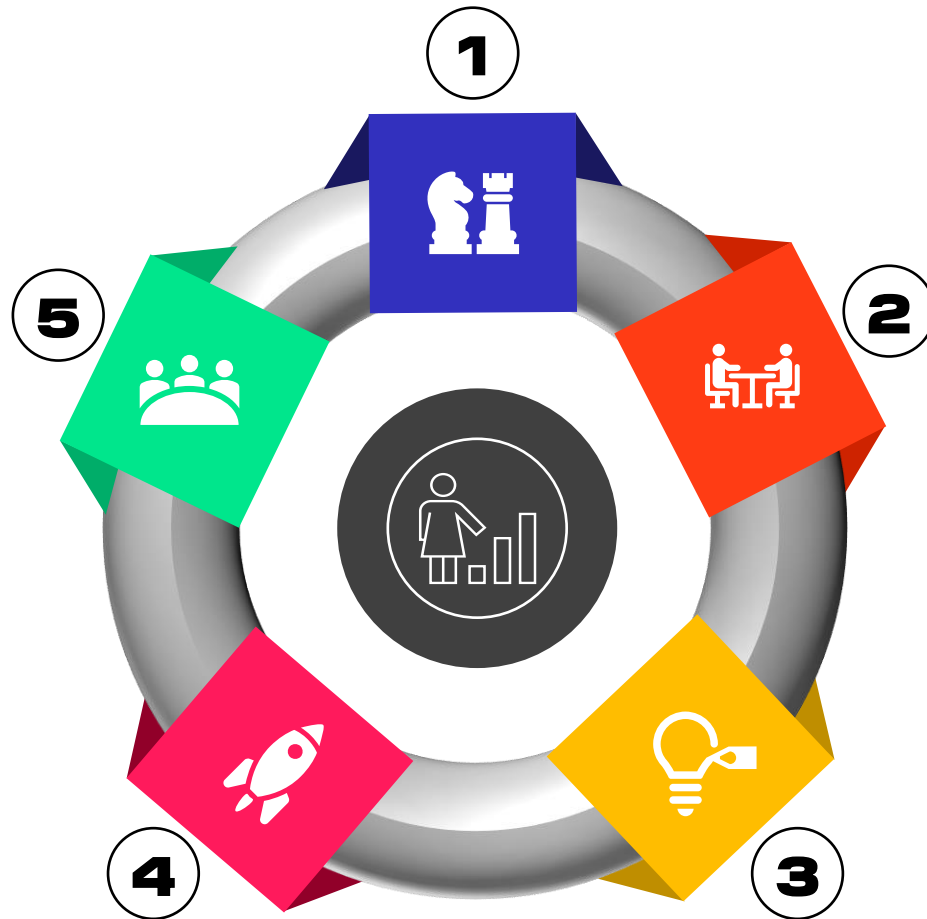
Center-led



Centralized

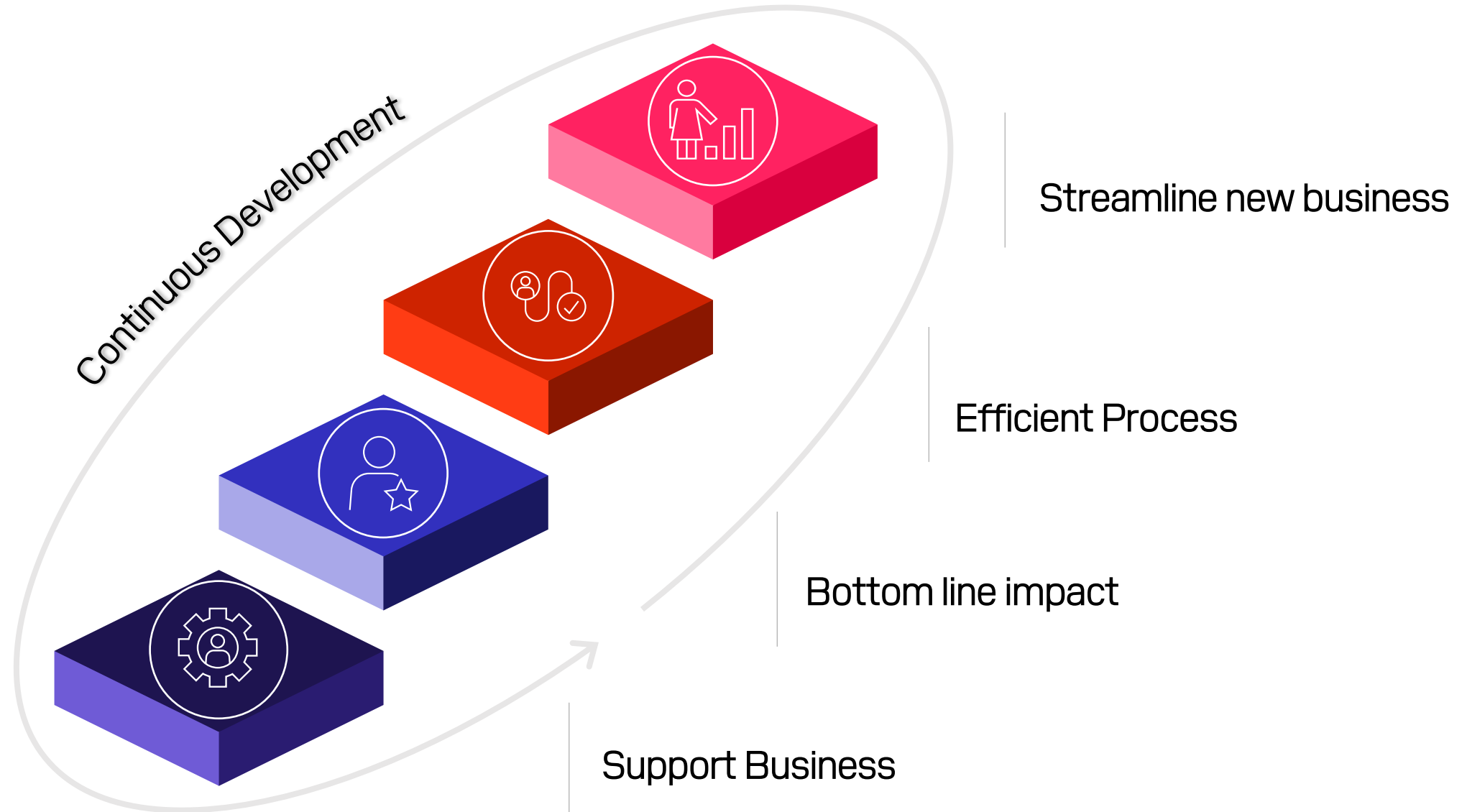


...AND BUILDING THE PATH TO A CENTER-LED STRUCTURE SUPPORTED BY 5 MAIN DOMAINS



1	CATEGORY PROCUREMENT Centralized expertise	expert knowledge procurement commodities strategic sourcing
2	BUSINESS PROCUREMENT Local execution	business partner local requirements mitigate risk
3	PROCUREMENT EXCELLENCE Process efficiency	end-to end procure to pay process Shared Service Centre Governance growth
4	COMMERCIAL PROCUREMENT Commercial delivery	customer requirements coordination on time & in budget
5	PROCUREMENT PROGRAM MANAGEMENT Project Management	overall view internal coordination project delivery

FOCUSING ON FOUR KEY BUILDING BLOCKS TO TURN OUR ORGANIZATION INTO REALITY



QUESTION 3

Within which risk areas
can/should Procurement
take a leading or
supporting role?





RISK MITIGATION EXAMPLES

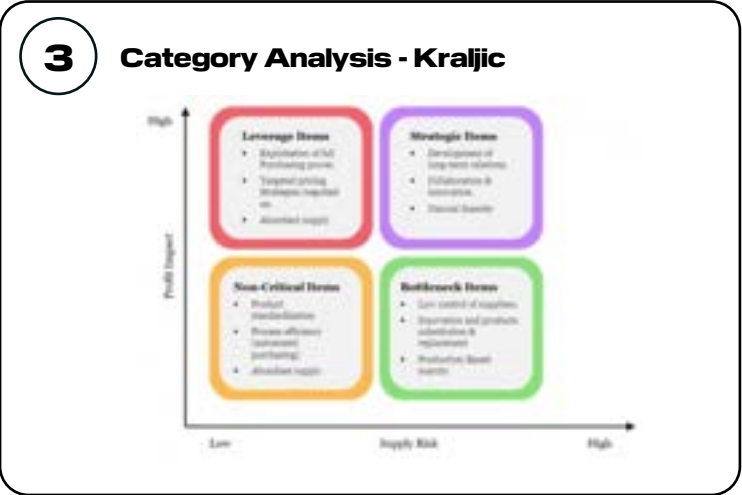
QUESTION 4

What actions can
Procurement take to
mitigate **Strategic** risks?



CATEGORY STRATEGY IS KEY TO POSITION OURSELVES IN THE MARKET AND WE DEVELOP IT WITH A 5 STEPS FRAMEWORK

EXAMPLE



I28 IS THE ENGINE THAT ENABLES REGION EUROPE TO DOUBLE SIZE OF BUSINESS BY 2028

EXAMPLE

Deliver **x2 growth** over 5 yrs, a combination of **organic** growth and small to medium sized **M&A** is required to deliver strategy



QUESTION 5

What actions can
Procurement take to
mitigate **Operational**
risks?



OUR FOCUS ON IMPROVING CURRENT PROCESS WHILE PREPARING A HEAD FOR THE NEXT ERP

EXAMPLE

From...

To...

Initial context



Heterogenous purchasing processes in EU region



Heterogenous ERP setup in EU region (SAP, Oracle, No ERP...)



Highly repetitive **manual admin** tasks that delay PO and Invoices approval process



Non-audit proof P2P process

Pilot Phase



Definition of a **P2P blueprint** standard for EU Region to be **tested in Germany**

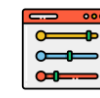


Deployment of an **SSC in Romania** to support on admin tasks in P2P Process



Improvement and value capture of **280K€** in the first 6 months, **AP approval time** reduced **to half**

To be configuration



Fine tune P2P **blueprint**, aligning to **Oracle** EU Deployment



Improve legacy P2P (3 way match, parked invoices, process awareness...)



New P2P deployments in new legal entities and JVs (based in SAP)

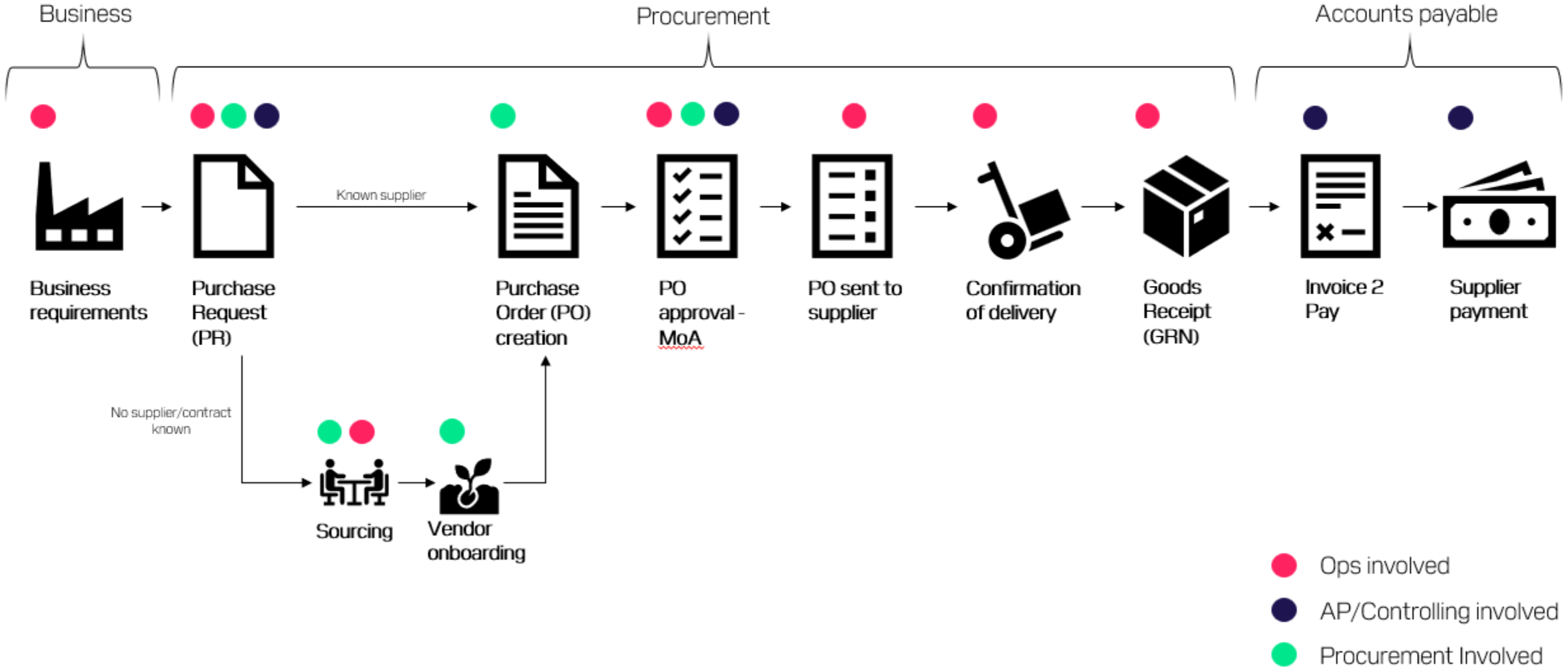


Increase scope and range of our **SSC** in Romania

P2P PROCESS

High level process flow

EXAMPLE



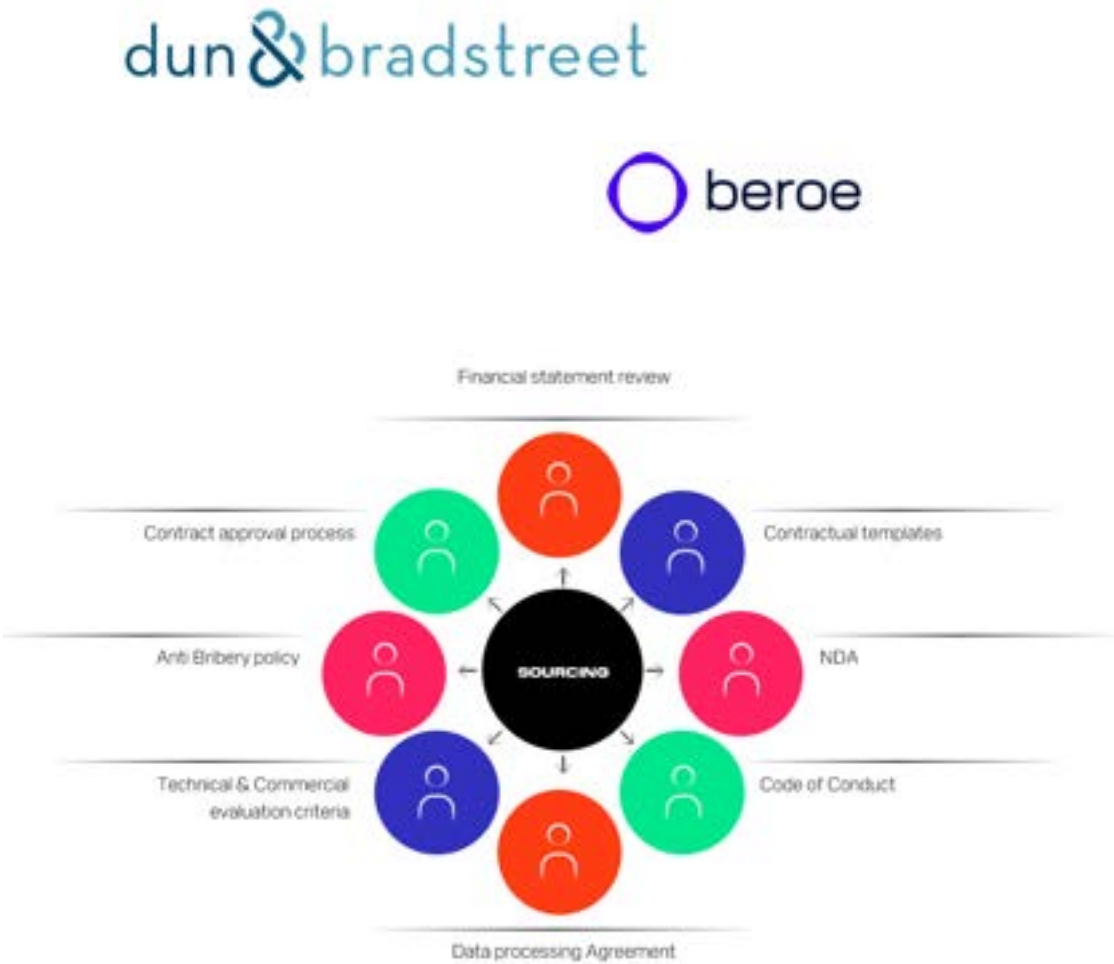
QUESTION 6

What actions can
Procurement take to
mitigate **Financial** risks?



VENDOR ONBOARDING & CREDIT CHECKS

EXAMPLE



Complete	Activity
Documents:	
☐	Vendor details required on Letter Head include the below:
☐	Company Name
☐	Address
☐	Telephone number
☐	E-mail address
☐	VAT # or Local Tax #
☐	Banking Details required on Vendor Letter Head - include the below:
☐	Account #
☐	IBAN #
☐	Bank Key
☐	Account holder
☐	Swift Code
☐	Billing Currency
☐	DP World invoicing letter:
☐	Bottom of page 1 filled in and signed
☐	Bottom of page 2 signature and name
☐	Bottom of page 3 signature and name
☐	Save under vendor name and return to DP World
☐	Non Disclosure agreement: (if applicable)
☐	Fill in top section of NDA where applicable
☐	Drop down in top section choose country where the law exists under
☐	Section 11. Governing Law; Disputes - choose country where the laws are under construed
☐	Bottom section 15. (Page 4) Filing, date and sign under contracting party
☐	Supplier code of conduct:
☐	Please read
☐	Print name and sign at the bottom of page 16
☐	Save under vendor name and return to DP World
☐	Return filled in and signed to DP World: (where applicable)
☐	DP World invoicing letter
☐	Banking details
☐	Non-Disclosure agreement (if applicable)
☐	Supplier code of conduct



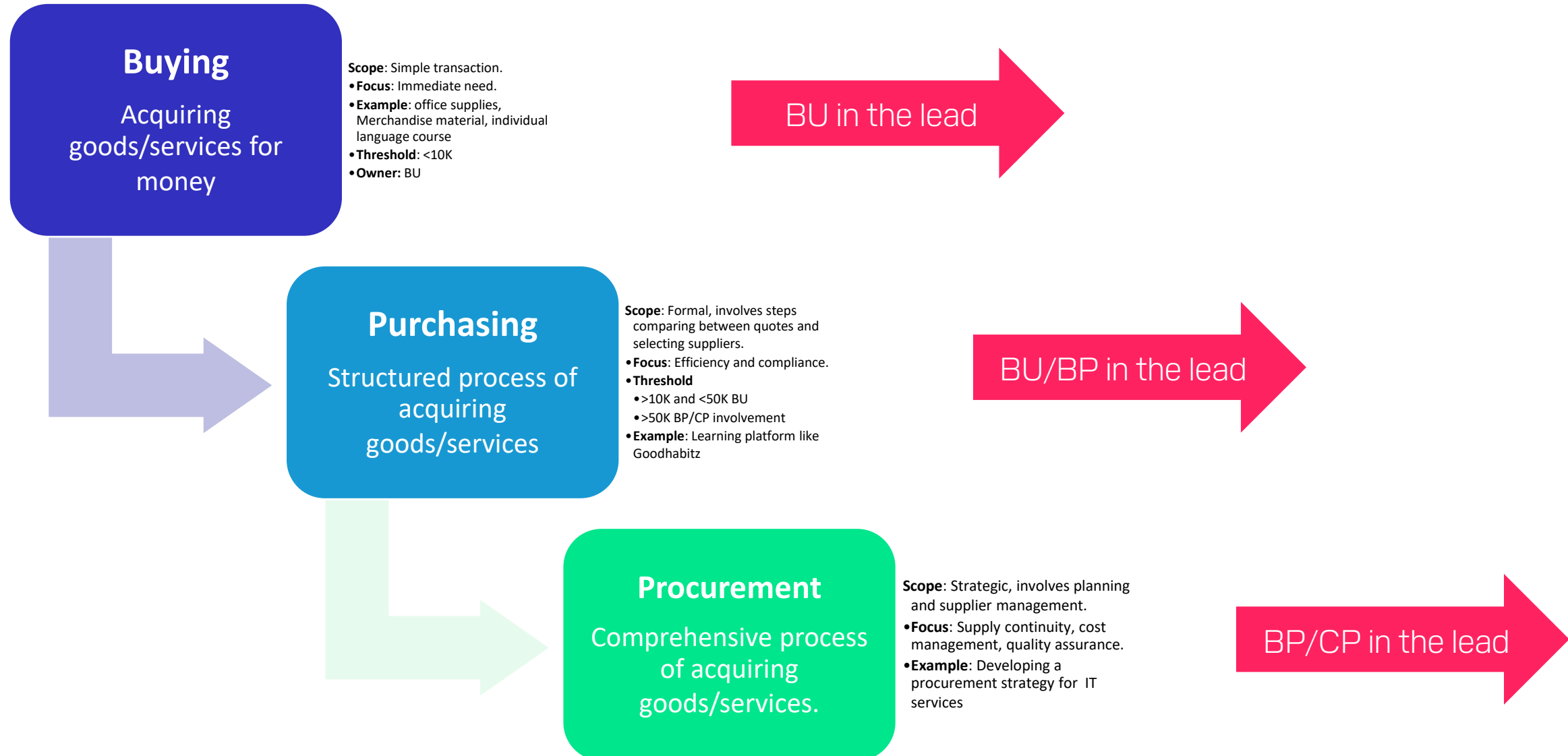
QUESTION 7

What actions can
Procurement take to
mitigate **Compliance**
risks?

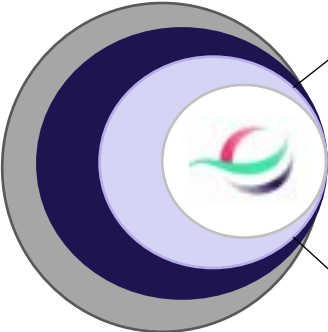


PROCUREMENT POLICY

EXAMPLE



DRIVING MEANINGFUL CHANGE BEYOND SANCTIONS THROUGH INSIGHTS, REVIEWABLE PROCESS & ROADMAP



Supplier Engagement Program



CS3D (EU Corporate Sustainability Due Diligence Directive)

Engage E2E campaigns for **regulatory compliance** on human rights. Maintain a **strong corporate commitment & reputation**



UK Modern Slavery Act

Engage E2E **Supply chain free** of **human trafficking, corruption, bribery** or any other action of the same nature



SCOPE 3 Emissions

Comprehend full up and down streams **emissions**
Build an **ambitious reduction strategy** based on **data**
Guide & Support **suppliers** to **onboard** in the **Program**

Scope 3 ~ **90%**



Energy/Fuel



Equipment



Purchased goods & Services



Quick Sustainable Procurement Initiative

Set best practice **foundations** for **decarbonization** journey by upadating policies, template and processes

Initiate & **Engage suppliers** on **early stages** based on current knowledge

Objectives



Scope 3: **28%** 
Timeline: **2030**



Net Zero by **2050**



Robust **Compliance Program**



Media highlight for DP World Sustainable Supplier Program (**End of 2024**)



67% of engaged supplier with **SBTi** or equivalent (**H2 2025**)

EXAMPLE

THE PROCUREMENT ACADEMY ENSURES OUR COMMUNITY HAS THE RIGHT SKILLS MATCHING TO DP WORLD NEEDS



ACADEMY USER JOURNEY

Resources Provided



CIPS membership and pilot Digital Academy



DP World trainings and Goodhabitiz



Procurement Academy Connexions: one-stop-shop for all learnings



Soft and hard skills assessments



70-20-10 learning model

EXAMPLE

QUESTION 8

What actions can
Procurement take to
mitigate **Reputational**
risks?

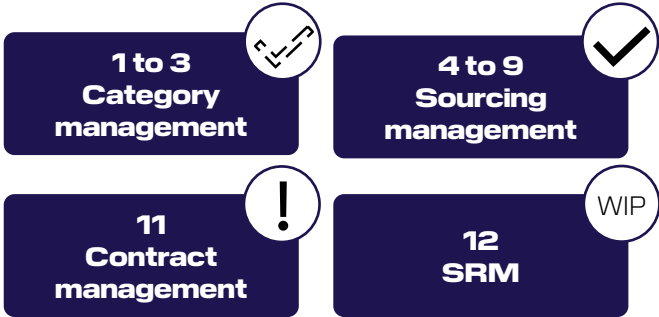
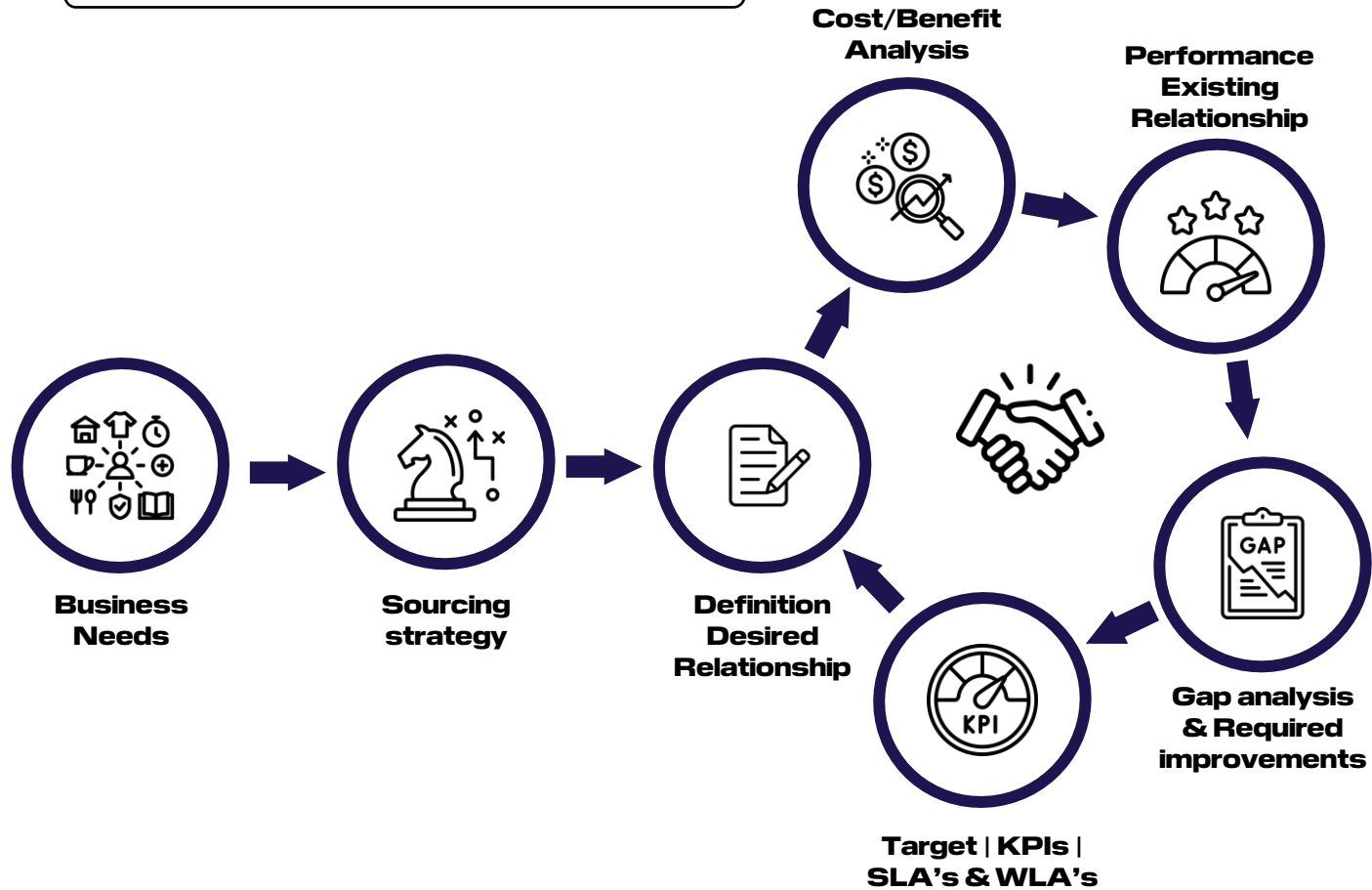


WE CANNOT FORGET SRM, THAT WE HAVE DESIGNED BASED ON CIPS CYCLE

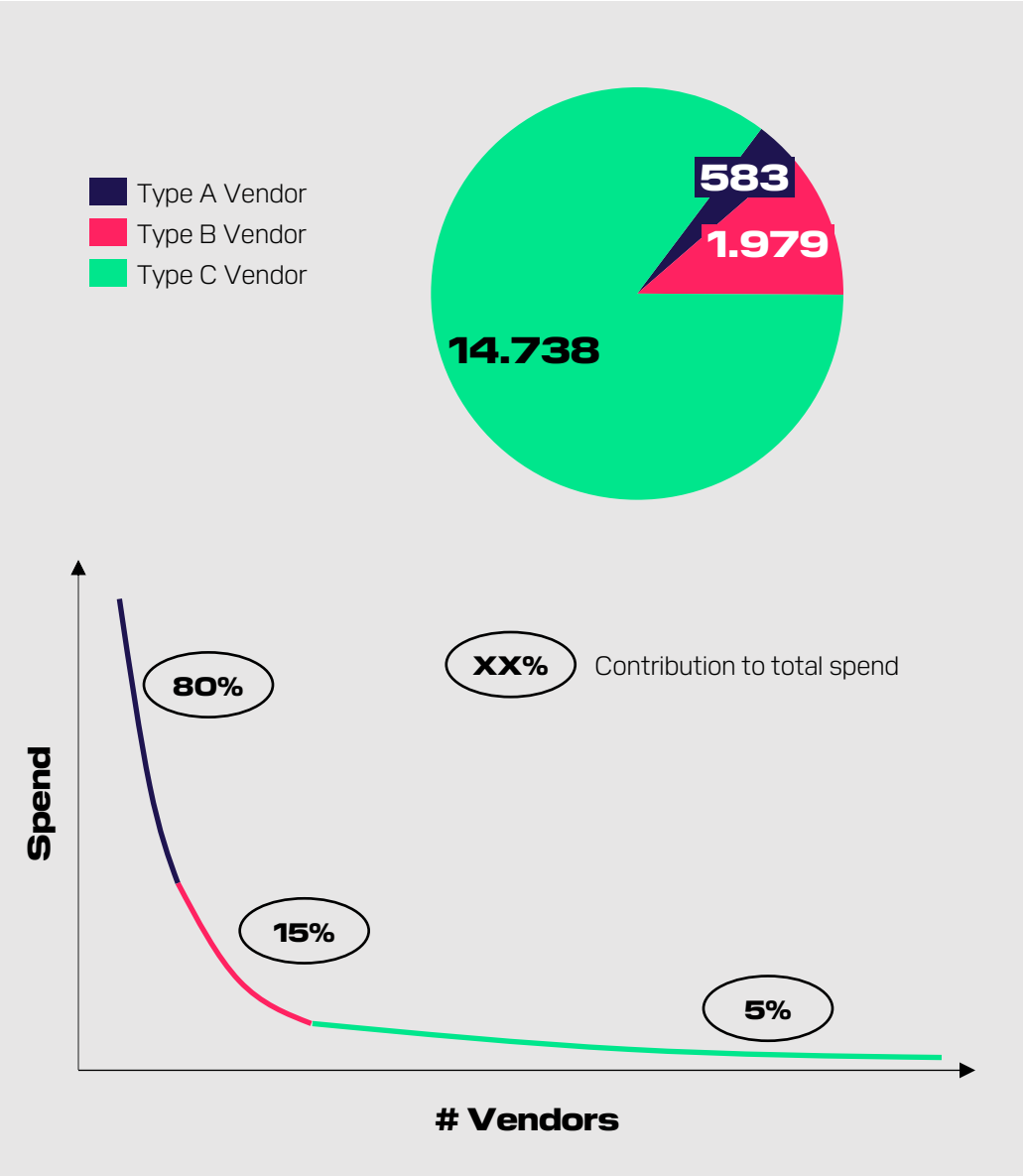
EXAMPLE



SRM: Step 12 of CIP Cycle



TAILSPEND MANAGEMENT REQUIRE AND IT SOLUTION TO EFFICIENTLY MANAGE VOLUME



85%

Vendors contribute to less than the 5% of total spend

“Long tail” vendors have the same impact that the “Head tails” vendors in terms of compliance

EXAMPLE

Currently all **vendor info** is registered in our systems **before** official **Procurement** Vendor onboarding approval

Risk Mitigation



Supplier rationalization to be **supported** with **e-sourcing** solution



Supplier portal to **strengthen** procurement **governance**



Overall compliance with **Procurement policy** required for tender management, contract management and supplier onboarding



DP WORLD