

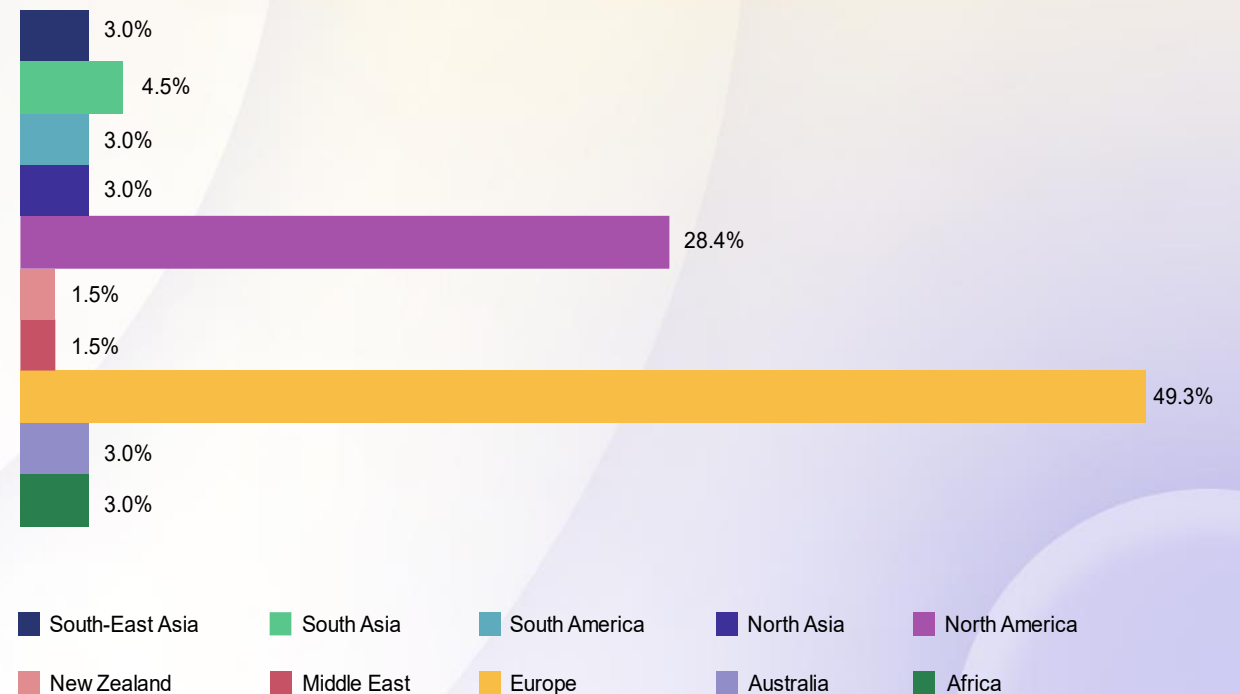
**Beroe Pulse Survey: Procurement
Worried About Energy Shortage
and Recession**

Beroe Survey Findings

Beroe recently ran a survey to figure out the current situation as far as energy and inflation worries are concerned. Procurement professionals from about 70 companies across the globe participated in the survey.

A majority of survey respondents were based in North America and Europe.

Q1: I am based in

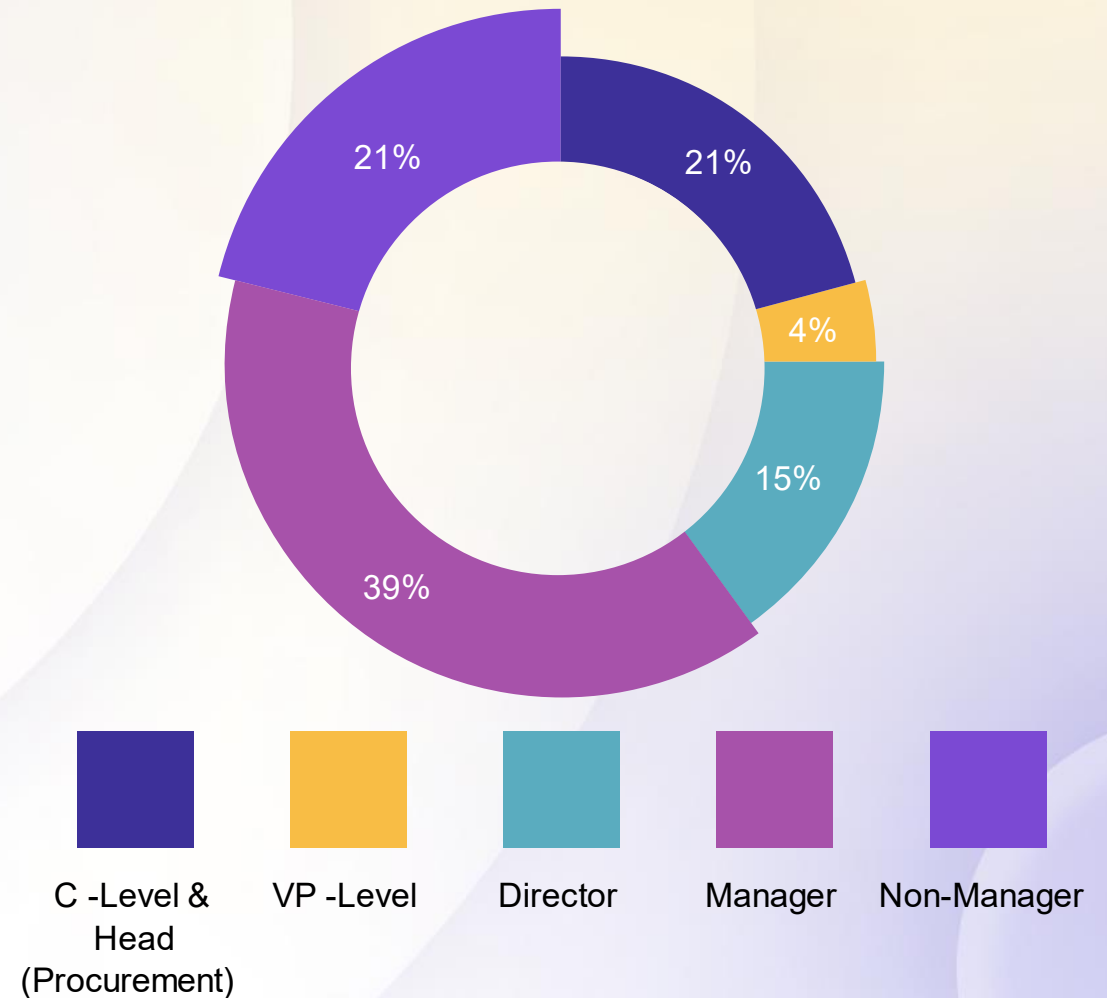


Beroe Survey Findings

One in five respondents were C-Level and Head of Procurement.

Majority of the survey respondents are managers

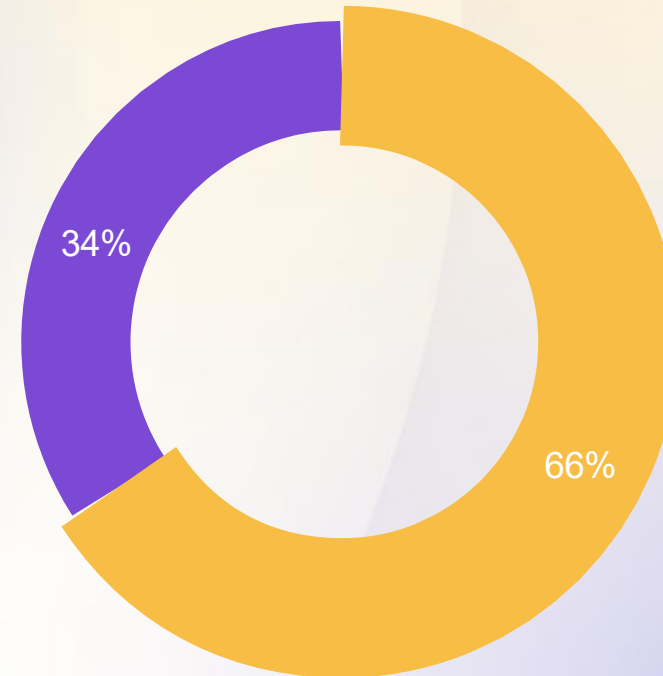
Q2: Managerial Level



Beroe Survey Findings

Most respondents said they are worried about energy security this winter, and a shortage can potentially affect business operations. This is interesting because despite the data which shows Europe is well positioned this winter in terms of energy supply, people are still worried about shortages and disruptions.

Q3: I am worried about energy security this winter, and a shortage can potentially impact business operations:



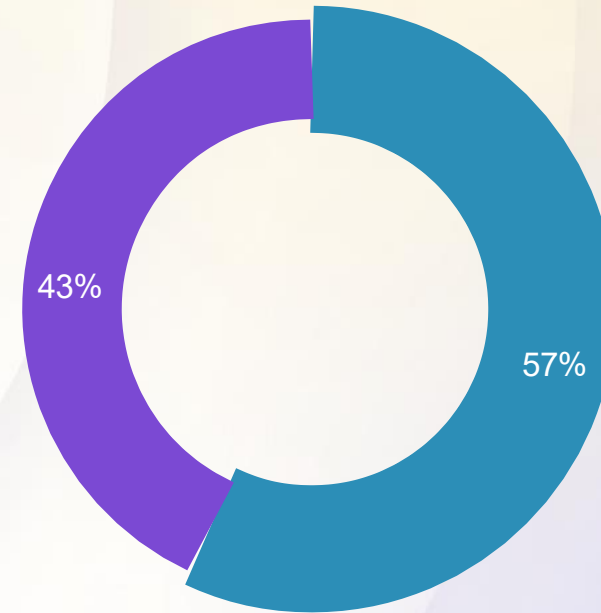
	North America	Europe
Yes	66.7%	71.9%
No	33.3%	28.1%





Beroe Survey Findings

People said they are **more worried about recession than price and cost inflation.** This shows that planning becomes crucial to encounter the economic storm.

Q4: I am more worried about recession than about current price and cost inflation:



 Yes, I am worried about recession in the near future

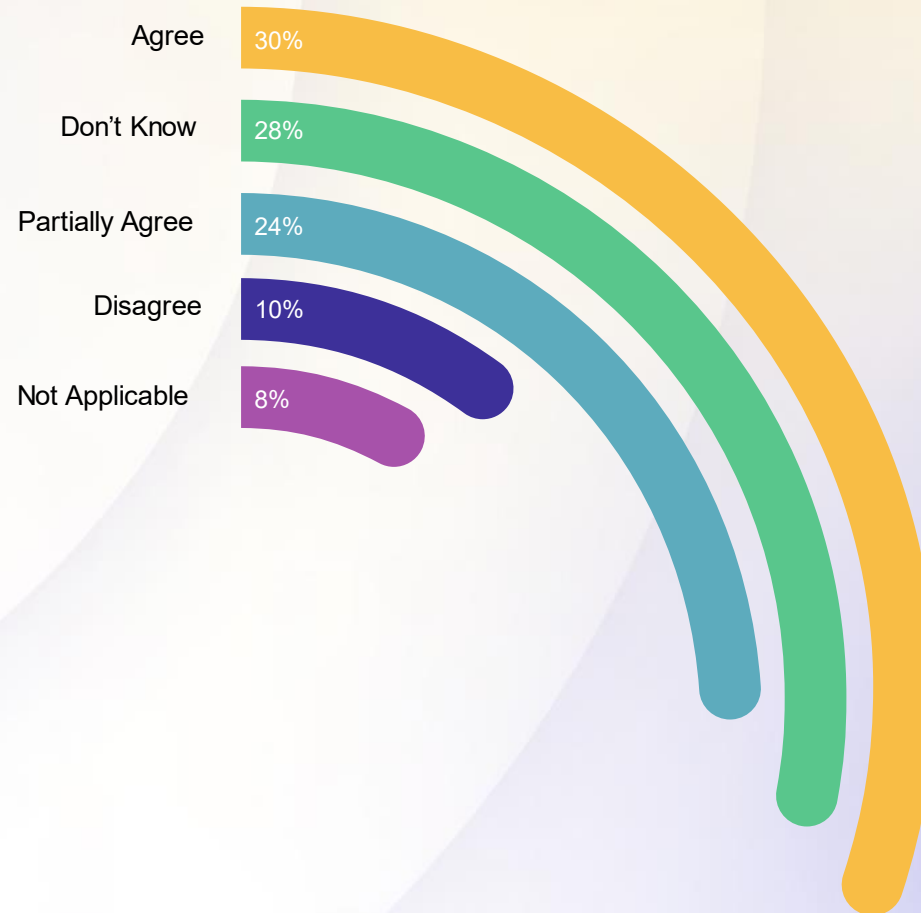
 No, as of now price and cost inflation is the primary focus

Beroe Survey Findings

Most respondents agreed that their company is **rolling out a business plan to tackle potential gas and electricity shortages this winter.**

Q5: We are rolling out a business plan to tackle potential gas and electricity shortages this winter:

	North America	Europe
Agree	16.7%	34.5%
Partially Agree	16.7%	27.6%
Disagree	16.7%	6.9%
Don't Know	38.9%	31.0%
Not Applicable	11.1%	-



Beroe Survey Findings

Select comments from respondents

-- *“We are working with our sites and our suppliers to understand risk, plan mitigation activities and determine potential impacts”.*

-- *“Have already identified areas of risk and, where risks exist (where gas is used) pre-emptively instructed key locations purchase for example, electric heaters or other equipment in anticipation of this issue”.*

-- *“Have already contracted last year and hedged the remaining earlier this year with minimal impact”.*

-- *“Inventory and request that our 3PLs have implemented necessary measures and BCPs”.*

-- *“All our products are manufactured by Contract Manufacturers. However, we discuss this topic in the regular Business Review Meetings”.*

-- *“We are aiming to fix prices, and where possible procure in advance”.*

-- *“We are taking aggressive steps to mitigate energy risks to European operations”.*

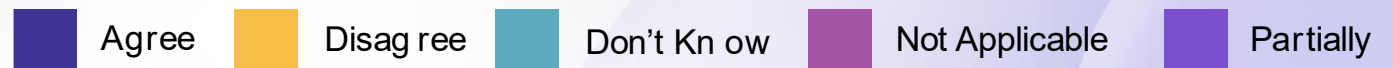
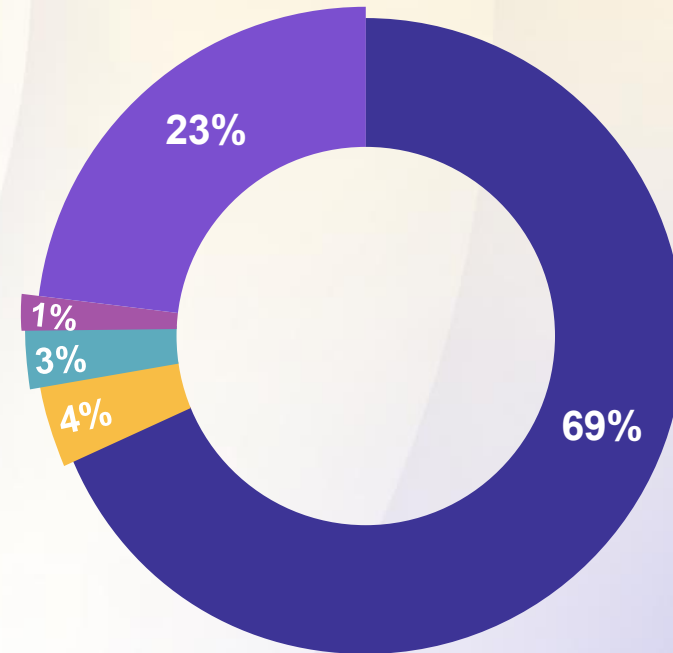
Beroe Survey Findings

Majority of respondents told Beroe that **suppliers have increased prices citing inflation and energy shortages**. It will be interesting to note how this dynamic will change when recession hits home.

Select comments from respondents

- *“Yes it’s becoming a constant issue, takes me back to the 80s”.*
- *“Logistics shortages are a key issue, especially the availability of ship cargo prepared to go to the Asia Pacific region when shorter voyages can be more profitable”.*
- *“Our Natural Gas price is indexed to Suppliers' formula as per contract”.*
- *“Primarily in Europe, however capacity shutdowns in Europe due to high energy prices are now impacting prices in North America as trade flows reverse on some commodity chemicals”.*

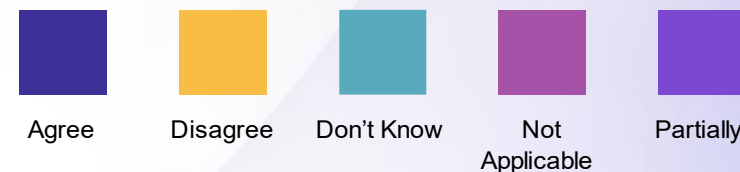
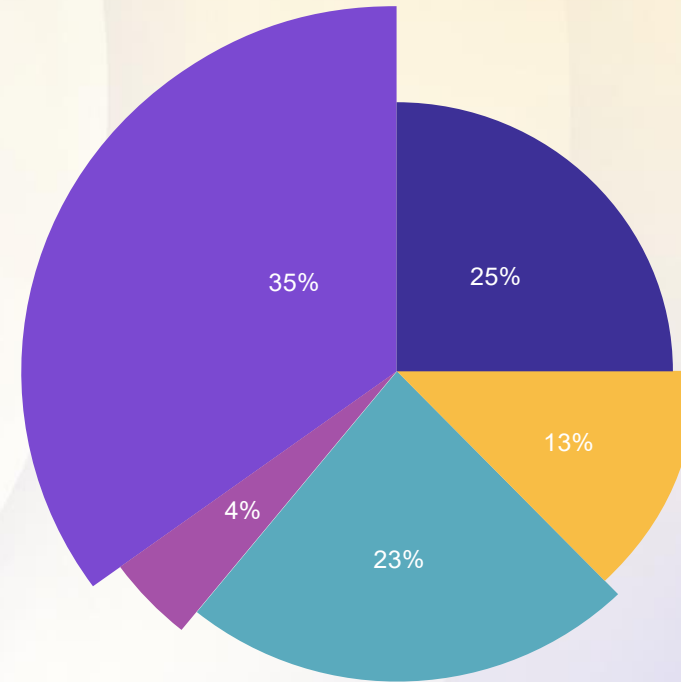
Q6: Suppliers are increasing their prices citing energy shortages and inflation:



Beroe Survey Findings

Suppliers who are running a hard bargain must take a step back for now because most respondents told Beroe that they are **planning a budget cut or budget freeze next year to tackle any potential recessionary impact.**

Q7: We are planning budget cuts/budget freeze next year to tackle any recessionary impact:



Beroe Survey Findings

Cost Saving, Supplier Relationship Management, and Contract Renegotiation are the top three Procurement priorities if the global economy enters a recessionary period.

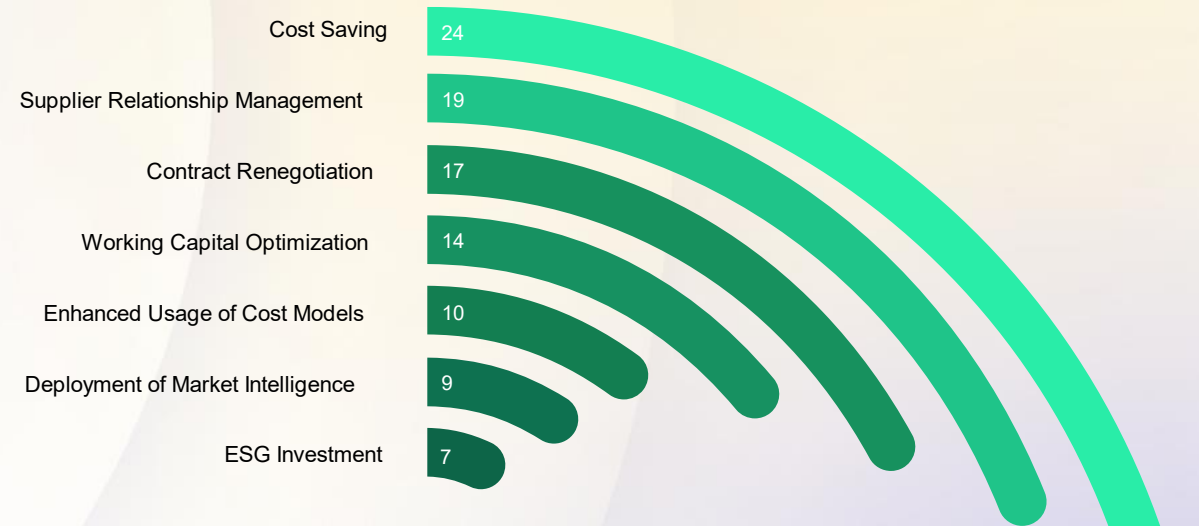
Select comments from respondents

-- *“Shorter cycles between RFPs to quickly capture falling rates”.*

-- *“Strong supplier relationships have carried us through the last two years and will be even more critical in the looming supply environment”.*

-- *“This is already affecting us downstream”.*

Q8: Top Areas of Focus for Procurement if the global economy enters recessionary period:



	North America	Europe
Supplier Relationship Management	23.3%	16.5%
Enhanced usage of Cost Models	6.7%	12.6%
ESG Investment	5.0%	9.7%

The logo for BEROE, featuring the word "BEROE" in a bold, black, sans-serif font. The letter "O" is significantly larger than the other letters and is a solid black circle.

Advantage Procurement

For any queries, please write to contactus@beroe-inc.com