



THE CATEGORY MANAGEMENT RFX PROCESS

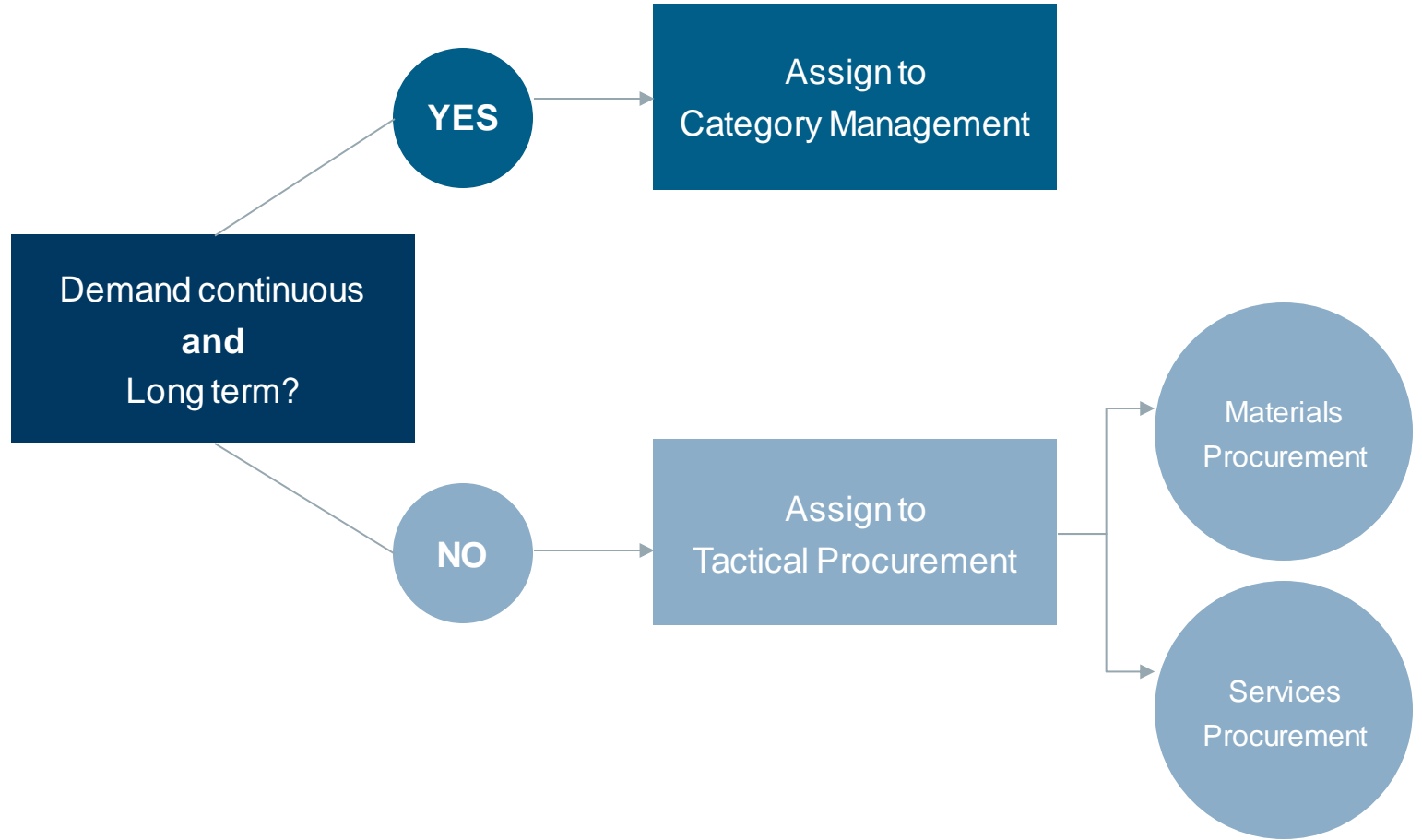
Background



Sasol differentiates between **Term-contracts** and **“Once Off” procurement**.

The objective of **Category Management** is to establish long-term agreements

Whereas the focus of **Tactical Procurement** is based on short-term, low supply risk, once-off procurement.



Our processes are governed by the principles defined in our **Supply Chain Governance Framework**

Sasol uses an RFX process



As a general principle, we do not publish RFX's for public participation

Our governance



1	<p>Competitive bidding must be applied in all commercial undertakings (unless explicitly excluded in terms of approved and directive exceptions)</p>	7	<p>Where relevant site meetings are held to ensure a clear understanding of the scope of work.</p> <p>Bid clarification and post-bid clarification meetings are held to clarify any matters relating to the bid submission.</p>
2	<p>Sasol follows a Sealed Bid Process. Bidders are invited to participate in a RFX process. As a private company we are not required to publish our RFX's for public participation.</p>	8	<p>Bid evaluation is performed based on a set of predefined bid evaluation criteria, as signed off in the Sourcing Plan.</p>
3	<p>Category Management uses Coupa Sourcing Optimisation (CSO) as its electronic bidding platform. Effective from 1 July 2021, all RFX's are issued via CSO.</p>	9	<p>The technical bid evaluation is performed independently from the commercial evaluation.</p>
4	<p>For term contracts, RFX's are issued based on an agreed mandate, i.e. a Sourcing Plan. An approved bidders list forms part of the signed Sourcing Plan. For procurement the principle of "three bids and a buy" applies.</p>	10	<p>Sealed bid evaluations are supported by a written recommendation and approved formally.</p>
5	<p>For local procurement opportunities, our Enterprise and Supplier Development Team (ESD) assists with the sourcing/ development of suitable local suppliers to participate in the RFX process through the Linkage platform and other interventions.</p>	11	<p>Successful suppliers are required to undergo the relevant Safety and Technical Accreditation prior to contract award.</p>
6	<p>For every Sourcing Plan, Preferential Procurement opportunities shall be explored. The full PP scorecard shall form part of the evaluation at all times. As part of our business objectives, Sasol endeavors to identify and implement opportunities for local EME and QSE suppliers.</p>	12	<p><i>Where a supplier is not yet an approved Sasol Vendor:</i></p> <p>Prior to contract signature and/or purchase order award, the supplier is required to register on SAP Ariba and to undergo the relevant application and accreditation process to acquire a Sasol Vendor number.</p>

Our high level process

Business need/ Opportunity/
Sourcing Plan



This is a high level process. For Once-off Procurement the process is not as detailed as for complex contracting/term contracts



<ul style="list-style-type: none"> Confirm scope, specifications, legal compliance requirements, safety requirements etc. Conduct market analysis Develop the sourcing strategy Agree pre-qualification criteria Compile the bidders list Agree bid evaluation criteria 	<ul style="list-style-type: none"> Issue the Request for Quotation via CSO Conduct site meetings where relevant Bidders submit responses via CSO 	<ul style="list-style-type: none"> Bid-clarification meetings are conducted to address matters that need to be clarified Bid-clarification meetings are held with all the bidders 	<ul style="list-style-type: none"> Once a bidder has submitted a quotation, bidders are not permitted to adjust their prices, unless ALL bidders are requested to re-evaluate and re-submit their bids as part of the final negotiation process Post bid clarification meetings are held to clarify matters such as incomplete information or deviations from the agreed scope 	<ul style="list-style-type: none"> Bid evaluation is done based on the pre-agreed bid evaluation criteria. Such criteria includes for example the BBEE score Following completion of the bid evaluation, a formal recommendation is prepared and approved. The successful bidder must undergo the relevant safety and technical accreditation prior to contract award. A supplier must have a Sasol Vendor number to receive a purchase order/ contract
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Linkage

- Linkage is a digital platform that connects corporates and SMME's. The platform will allow Sasol **to find credible SMMEs from whom to procure** and **support ESD with a pool of SMMEs to develop** towards procurement readiness.
- Linkage will create visibility of upcoming sourcing events.
- Prospective suppliers can indicate their interest to participate.
- Should the supplier meet the relevant pre-qualification criteria, such supplier will be invited by Sasol to participate in the RFX via the CSO platform.



Opportunity Pipeline