

Vendor Document Interchange (VDI)

Frequently Asked Questions (FAQs)

1. What is Electronic Document Interchange (EDI)?

Electronic Data Interchange (EDI) is a system for enabling Procure-to-Pay (PtP) transactions with vendors (suppliers and services providers). An EDI cloud computing platform could span all areas of procurement including, but not limited to:

- *Vendor Discovery/Selection*
- *Request for Information (RFI)*
- *Request for Proposal (RFP)*
- *Request for Quote (RFQ)*
- *Reverse Auctions*
- *RFQs and online negotiations*
- *Purchase Orders (Po's) and Contracts*
- *Payment Discounts*
- *Payments*

2. What is Sasol's EDI strategy?

EDI will become Sasol Supply Chain's preferred method of communication with vendors. Supply Chain has appointed Ariba, a SAP company, to transition vendors from the traditional faxing mechanism onto EDI. The benefits of the new EDI platform are far reaching and will allow Sasol to interact with its vendors in a paperless environment. It will also increase speed and visibility; reduce costs and will make the entire document exchange process more efficient.

3. What has been achieved in EDI thus far (Phases 1 and 2)

After a trial period (Phase 1) EDI was enabled for all Business Units (BU's) on SAP and the following documents were rolled out:

- *Purchase Orders (PO's) to vendors*

Sasol Limited 1979/003231/06
1 Sturdee Avenue Rosebank 2196 PO Box 5486 Johannesburg 2000 South Africa
Telephone +27 (0)11 441 3111 Facsimile +27 (0)11 788 5092 www.sasol.com

Directors: MSV Gantsho (Chairman) DE Constable (President & Chief Executive Officer)(Canadian) C Beggs HG Dijkgraaf (Dutch)
VN Fakude (Executive) NNA Matyumza IN Mkhize ZM Mkhize MJN Njeke B Nqwababa (Executive) PJ Robertson (British and American)
JE Schrempp (German) S Westwell (British)

Company Secretary: VD Kahla

- *Order Response (OR). The vendor's response to POs*
- *Change Orders (CO). Any change to a PO is a Change Order to a vendor*

4. What is Vendor Document Interchange (VDI)?

The term VDI was specifically chosen as the name of the project responsible for the implementation of additional EDI capabilities. It is the third phase of a larger EDI roll-out and is focusing on the following document types:

- *Goods Receipt (GR). A transaction sent to the vendor verifying that SAP GR has been captured.*
- *Service Entry Sheets (SES). These are service entry requests from the Vendor (and it's automatic processing / rejection in SAP)*
- *Service Acceptance (SA). This indicates to vendors that the SES has been approved.*
- *Advanced Shipping Notices (ASN). Notice from vendors that goods are dispatched.*
- *Electronic invoices (INV). Invoice submission from vendors (and it's automatic processing / rejection in SAP) Remittance Advices (RA) to vendors*
- *Credit Memos (CM). Credit Notes from vendors (and it's automatic processing in SAP)*

5. What are the benefits that the VDI project will enable?

- Guaranteed delivery of procurement documents including a complete audit trail on all transactions between parties
- Collaboration between buyers and suppliers - on end-to-end purchasing documents - significantly reduces payment disputes later in the procurement cycle
- A substantial reduction in manual processes and the proactive resolution of discrepancies reduces the average payment cycle
- Most significantly, it provides Sasol with a level of assurance that we are dealing with suppliers who are working with us to enhance transparency and visibility in the procurement process.

6. How will suppliers be approached?

Registration with Ariba

The supplier will be contacted by an Ariba Supplier Enablement Consultant outlining the registration process and supplier fees applicable to your company. Alternatively you may contact Ariba directly on (011) 304-9000.

All **supplier support queries** should to be directed to the Ariba Africa Supplier Support Centre:

- Tel: 0861 787 597 (from inside South Africa)
- Tel: 0800 257 050 (toll-free from inside South Africa)
- Tel: +27 11 304 9107 (from outside South Africa)
- Email: africasuppliersupport@ariba.com