



► Nedbank Group Procurement

# Supplier selection criteria

The Nedbank Group (the Group) places significant emphasis on ensuring fair supplier selection processes in all our procurement activities. At a high-level, our selection process involves the following:

1. Approval is sought from the relevant governance forum for a category or commodity to tender out a particular service or product.
2. A Value Team (VT) is appointed and approved by the respective governance forum – the team consists of subject matter experts, business representatives, procurement representatives, and an ethics officer for tenders with special requirements or circumstances.
3. A list of bidders is compiled and approved by the VT. It is important to note that the Group is not required to publish planned tender processes in the media.
4. Proposals are evaluated by the VT based on the following criteria:
  - a. total cost of ownership (price of the product is not the only consideration),
  - b. capacity of the bidder to deliver products and services when and where required,
  - c. fit-for-purpose quality of products of services based on specifications that are appropriate,
  - d. the bidders' B-BBEE credentials [the Group places a stronger emphasis on supporting previously disadvantaged organisations as well as small and medium enterprises (SMEs)],
  - e. support of the local economy including job creation or retention,
  - f. environmental, social and governance (ESG) considerations, and
  - g. reciprocal business relationships may sometimes be considered over and above the above criteria.
5. The weighting of the above criteria is determined by the VT, taking the Group's strategy into consideration.
6. The VT will make a recommendation to the relevant governance forum/s and depending on certain thresholds, additional governance forums. Should the relevant governance forum/s approve the outcome and recommendation by the VT, the bidders will be advised accordingly.
7. Bidders are subject to due diligence checks as determined by tools, policies, and frameworks.
8. All tenders are executed via the Group's online systems with built-in security and controls to ensure fairness and confidentiality. A comprehensive set of tender guidelines have been drafted to guide the tender process. The tender is administered by an independent department that ensures that the Group's policies, frameworks, and guidelines are applied.
9. The Ethics Officer will sign-off a tender process as fair and in accordance with the Group's ethics policies where required.
10. The Group reserves the right to make tender decisions, renewal of contracts, and appointments at its own discretion subject to the required approvals.

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