SAP® Ariba® Spot Buy Catalog:
Three-Tier Supplier Vetting

OUR COMMITMENT

SAP® Ariba® solutions are trusted by many of the world’s largest and most respected organizations. To maintain that trust, we partner with suppliers and marketplace providers that share our values and commitment to upholding ethical principles and purpose-driven objectives.

An example of this is our supplier diversity program, which was developed to build strong relationships with certified women- and minority-owned businesses and historically disadvantaged firms. This remains an important focus, and where possible, we continue to identify diversity status within a supplier’s detailed catalog item descriptions. The result is the SAP Ariba Spot Buy Catalog solution, which enables our customers to achieve their diversity goals by directing spend to these kinds of organizations at the time of purchase.

In addition to a diverse supply base for SAP Ariba Spot Buy Catalog, we also provide a three-tiered supplier vetting process to help ensure SAP Ariba Spot Buy Catalog meets our customers’ vetting and compliance standards. Every supplier in Ariba Network must pass our three-tier vetting process to be part of SAP Ariba Spot Buy Catalog (see Figure 1).

Figure 1: SAP Ariba Spot Buy Catalog – Three-Tiered Supplier Vetting Process

| Tier 1 | Qualification |
| Tier 2 | Risk assessment |
| Tier 3 | Custom vetting |

- Foundational supplier qualification
  - Support process and logistics
  - Conform to requirements
  - Adhere to standard terms and conditions

- Global watch list monitoring
  - Include Ariba Network suppliers monitored by Global Risk Management Solutions (GRMS)
  - Apply similar vetting process used by marketplace partners

- Customer-applied vetting
  - Enforce policies for users, suppliers, commodities, and price
  - Apply your own vetting process and standards
  - Create a custom list of vetted suppliers

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About SAP® Ariba® Spot Buy Catalog

The SAP® Ariba® Spot Buy Catalog solution enables a business-to-business marketplace where you can more easily find and buy nonsourced goods with competitive price and delivery options. The preenabled content from the globally vetted supply from SAP Ariba Spot Buy Catalog accelerates user adoption and satisfaction. Because of its ease of use and customizable controls, SAP Ariba Spot Buy Catalog allows your procurement organization to improve buying compliance and savings.
About SAP® Ariba® Solutions

With SAP® Ariba® solutions, companies connect to get business done. On Ariba Network, buyers and suppliers from millions of companies and 190 countries discover new opportunities, collaborate on transactions, and grow their relationships. Buyers can manage the entire purchasing process while controlling spending, finding new sources of savings, and building a healthy supply chain. And suppliers can connect with profitable customers and efficiently scale existing relationships – simplifying sales cycles and improving cash control along the way. The result is a dynamic, digital marketplace, where more than US$2 trillion in commerce gets done every year. To learn more about SAP Ariba solutions and the transformation they are driving, visit www.ariba.com.

The supplier vetting process includes the following steps:

**Tier 1: Qualification**

- Suppliers must have significant coverage in the business categories that our customers demand.
- Suppliers must map their items to United Nations Standard Products and Services Code commodity classifications.
- Suppliers must support the SAP Ariba Spot Buy Catalog transaction processes, including order receipt, order confirmation, and advanced ship notice.
- Suppliers must adhere to the following ethical requirements:
  - Child labor: Suppliers may not use child labor. Under no circumstances should workers be employed under the age of 15, even if permitted by applicable law.
  - Involuntary labor: Employment must be voluntary. A supplier may not use forced, bonded, or slave labor, or labor subject to any form of coercion.
  - Discrimination: Employment should be based solely on the person’s ability and not personal characteristics such as race, gender, age, sexual orientation, or religious beliefs.
  - Environment: Suppliers must comply with all applicable environmental regulations as set forth by government regulators.
  - Prohibition of corruption: Suppliers must demonstrate abidance to local and regional regulations as well as bribery and anticorruption laws.
- Suppliers must support service-level performance, including:
  - Best-in-class logistics
  - Consistent terms and conditions
  - Quality catalog content
  - History of effective communication and sustainable relationships

**Tier 2: Risk Assessment**

- Each supplier is monitored by 1,500 sources, from the likes of the Office of Foreign Assets Control, the Anti-Money-Laundering International Database, and the U.S. Department of Homeland Security, among others.
- Risk assessment is provided by our partnership with Global Risk Management Solutions (GRMS). You can learn more at www.globalrms.com/saparibaspotbuy.
- Our marketplace partners offer a similar vetting process. Please visit their Web sites for details:
  - eBay – ari.ba/ebay
  - Mercateo Shop – ari.ba/mercateo
  - Mercado Libre – ari.ba/mercadoslibre

**Tier 3: Custom Vetting**

Companies that require the application of their own supplier vetting process can create a custom list of vetted SAP Ariba Spot Buy Catalog suppliers. Only content from this approved vetted list is included in their SAP Ariba Spot Buy Catalog search marketplace.

With SAP Ariba Spot Buy Catalog, you do more than simplify and control the purchase of nonsourced goods. Now you can also customize your business-to-business marketplace and reduce your supply chain risk.

**LEARN MORE**

For more information, visit us on the Web at www.ariba.com/go/spotbuy.