

POLICY STATEMENT

The Company shall purchase only from duly accredited suppliers endorsed by the Business Unit Supplier Accreditation Team (BUSAT) and approved for accreditation by the Corporate Supplier Accreditation Team (CORPSAT).

OBJECTIVES

1. To manage and administer a common system for the accreditation of suppliers.
2. To ensure that the Company's suppliers are capable of providing the highest quality products or services and possess other important measures such as reliability of products and services, competitive prices, financial and technical capabilities.
3. To establish a system of disciplinary action, whether suspension or debarment of suppliers, to protect the Company's interest, to discourage unethical business practices, and to encourage expected performance by the suppliers.

**SCOPE AND
COVERAGE**

1. This document defines the policies and procedures on accreditation and maintenance of suppliers particularly on:
 - 1.1. Supplier Application
 - 1.2. Supplier Appraisal
 - 1.3. Accreditation Approval
 - 1.4. Supplier Maintenance
 - 1.5. Supplier Review and Evaluation
 - 1.6. Suspension
 - 1.7. Debarment
 - 1.8. Appeal Process
 - 1.9. Reinstatement
2. The policy is applicable to suppliers of Robinsons Retail Holdings, Inc. (RRHI), its subsidiaries and affiliates.

GENERAL POLICIES

1. Only accredited suppliers can provide the goods and service requirements of the company. Only those products or services that received accreditation shall be supplied by an accredited supplier.
2. All potential suppliers shall undergo the accreditation process to ensure that only qualified suppliers are selected to supply the goods and services requirements of the company. Inclusion of additional commodity/ies from an existing supplier shall require accreditation.
3. Inspection, evaluation and accreditation of potential suppliers shall be carried out by two (2) Supplier Accreditation Teams, (i.e., the BUSAT and the CORPSAT). The SATs shall be composed of individuals who have the qualifications and capabilities to evaluate the eligibility of the suppliers to be accredited.

4. The BUSAT and CORPSAT shall appraise all suppliers applying for accreditation using a rating system

The rating system shall include both product and company evaluation.
 - 4.1. Supplier rating shall be documented through the Supplier Accreditation Rating Sheet (SARS).
 - 4.2. Supplier with Overall rating equal or above seventy-five (75%) shall qualify for accreditation approval.
 - 4.3. In cases when certain criteria for accreditation is deemed not applicable, the passing requirement of 75% shall be computed based on the **total applicable criteria**.
 - 4.4. A premium or additional five (5%) points shall be added to the rating of supplier who are Sole Distributors of products provided that the Sole Distributorship Certification has been obtained and verified.
 - 4.5. An additional three (3%) points shall be added to the rating of supplier if distributorship of the product is limited to two (2) suppliers only. Certification from the manufacturer on the limited distributorship has to be obtained and verified.
 - 4.6. The Rating System for each accreditation criteria may vary by commodity group and may be customized by the BU according to strategic importance.
 - 4.7. Supplier with a total rating below seventy five percent (75%) may still be recommended for accreditation provided:
 - 4.7.1. The product or service is needed to comply with regulatory requirements
 - 4.7.2. Supplier is a sole distributor; and
 - 4.7.3. Other justified reasons.
5. The Supplier Accreditation Evaluation Sheet (SAES) shall be accomplished to document the results of the rating and assessment of the supplier's capability to deliver the required products or services.
6. The SAES shall be approved by the following authorized approvers:
 - 6.1. BU GM or the Group BU GM for BUSAT
 - 6.2. CORPSAT Chairman for CORPSAT
7. CORPSAT shall inform all BU Purchasing Heads, Treasury Heads, Bills Processing Heads and IT Heads of the suppliers who have been granted accreditation through the CORPSAT Bulletin. The CORPSAT Bulletin shall include all changes in the supplier's accreditation status.
8. All accredited suppliers shall be included and maintained in the supplier information database for easy access and management of supplier information.

The supplier information database shall contain the contact information and product listings of all accredited suppliers where all purchases will be sourced.

9. CORPSAT and BUSAT shall update the Accredited Suppliers List (ASL) based on the weekly bulletins issued/received.
 - 9.1. BUSAT shall maintain the BU ASL. Certain suppliers may be present in two or more BU ASL.
 - 9.2. CORPSAT shall maintain the Corporate ASL.
 - 9.3. The ASL shall be used to determine suppliers for the solicitation of Invitations to Bid, Requests for Proposal, and Invitations to Negotiate.
 - 9.4. The ASL shall be made available to the BU Procurement and Treasury Departments.
10. An updated Accredited Suppliers Masterlist (ASM) shall be provided by CORPSAT to the BUSAT thirty days after the end of each quarter.
 - 10.1. The ASM shall have a version number and revision date to guide users in determining most recent updates.
 - 10.2. Accredited suppliers in the ASM shall be categorized by products and services, and then by supplier groups.
11. CORPSAT shall maintain and provide the BUSAT with the Open List that contains the commodity groups or services that are not required to undergo accreditation.
 - 11.1. CORPSAT has the prerogative to add or delete commodity/ies, commodity groups, or services in the Open List. BUSAT may recommend the addition or deletions of commodity/ies, commodity groups, or services in the Open List.
 - 11.2. CORPSAT shall distribute to all BUSATs an updated Open List in case of any approved changes.
 - 11.3. The Open List shall always have a version number or date/time of update to guide copy distribution lists of the most recent listing implemented.
12. On a periodic basis, the BUSAT and CORPSAT shall conduct a complete re-assessment of the supplier similar to the initial accreditation conducted or based on a supplier performance evaluation system.
 - 12.1. Key performance metrics may be used to evaluate the performance of an accredited supplier
 - 12.2. CORPSAT may impose re-assessment of certain suppliers as the need arises
13. BUSAT has the primary responsibility for tracking supplier performance for the BU. BUSAT shall inform CORPSAT through a complaint report of any problem encountered by the BU with the accredited suppliers and recommend disposition of suppliers who failed to deliver as required and/or comply with the standards.
14. The BUSAT shall inform all accredited suppliers of company's Code of Business Conduct, the policy on Conflict of Interest (COI) and the Policy on Supplier Conduct.

15. In cases of violations by the supplier, the BU concerned shall prepare an Incident Report and submit to the BUSAT for initial investigation.
16. If a case is warranted based on the initial investigation, the BUSAT shall prepare a Case Report to be noted by the BU GM and submitted to CORPSAT for deliberation and disposition.
 - 16.1. The CORPSAT shall form an Investigation Team that shall assess the Case Report filed by the BU.
 - 16.2. CORPSAT may use the assistance of other departments (e.g., Corporate Audit Department, Corporate Legal Department, etc.) who will act as experts and consultants to the case being presented.
 - 16.3. Administrative hearing shall be called by CORPSAT if duly warranted, to assess the explanations of the parties concerned.
17. CORPSAT shall inform the BUs regarding its decision. Application of suspension of a particular supplier shall cover enterprise-wide.
 - 17.1. A suspended supplier shall be duly categorized in the ASM and shall not be given any procurement transactions by the BU.
 - 17.2. The suspension of the supplier shall be for an indefinite period of time until the suspended supplier formally requests reinstatement through the BUSAT.
18. CORPSAT may reinstate a suspended supplier only when it has demonstrated that the cause for the suspension has been resolved, subject to the required documentation and processes for accreditation.
19. The BUSAT shall request for debarment of a particular supplier if such have not met the required standards during evaluation.
 - 19.1. The debarred supplier shall also be delisted in the ASM and shall not be included in all solicitation mailing lists and any bid proposals by the supplier shall not be considered.
 - 19.2. The debarment of a supplier shall be for an indefinite period of time. It shall be the responsibility of the supplier to apply for re-accreditation, provided that the cause of debarment has been sufficiently resolved.
20. Suppliers may request for reinstatement coursed through the BUSAT, if they have already satisfactorily resolve the cause of the initial suspension.
21. The supplier shall submit an explanation for the request, indicate the cause of suspension and the actions rendered in order to resolve the incident.
22. The supplier shall be required to submit necessary documents to substantiate resolution. BUSAT shall conduct an initial assessment of the request prior to endorsement to CORPSAT.
23. CORPSAT shall set a date for the conduct of a deliberation conference after the supplier's request has been received.

24. Based on the submitted documents, CORPSAT may rescind the suspension and reinstate the supplier or affirm the suspension.

This Policy shall take effect and shall continue to be in full force unless superseded by new polices and guidelines.

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