

Procurement & Supply Policy

Title Supplier Accreditation	Policy Reference No. PAS 2026-01 rev 03	
	Effective Date: Upon Approval	
	Revision No. 03	Number of Pages 18
	Coverage: All employees	

I. Policy Statement

This policy establishes the standard procedures for the evaluation, accreditation, monitoring, suspension, and blacklisting of suppliers to ensure Raslag Corp. engages only with partners who are qualified, financially capable, reliable, and ethical vendors that meet company standards and requirements.

This policy also adopts a risk-based approach in supplier evaluation and management. Supplier-related risks, including operational, financial, environmental, social, and governance (ESG) risks, shall be integrated into the Company's Enterprise Risk Management (ERM) framework and monitored accordingly.

Notes included in this policy are for guidance and clarification only. They do not create obligations, do not amend the policy, and do not override the operative provisions. Accreditation does not guarantee the award of any contract or purchase order.

II. Scope

This policy generally applies to all vendors, suppliers, or service providers (hereinafter collectively called as "vendor/s") currently engaged with Raslag Corp. and to all employees involved in procurement, sourcing, and evaluating accreditation.

Vendors of goods and services with a value of below **₱100,000.00** (One hundred thousand pesos only) and with less than 3 (three) expected transactions in a single calendar year are **exempt** from this policy. However, submission of necessary documents related to tax regulations, e.g. BIR 2303, are still required to be presented prior to purchase or rendering of service.

When an exempt vendor with transactions below ₱100,000.00 reaches 3 transactions in a calendar year, he, she, or the company will be required to go through the accreditation process.

III. Roles, Responsibilities, and Approval Authority

A. Procurement Department

- Conducts initial supplier evaluation which includes verification of completeness, validity and authenticity of submitted documents such as:
 - Mayor's Permit
 - DTI and SEC Registration
- Maintains the official list of accredited suppliers
- Monitors supplier performance
- Classifies vendors based on risk tier together with the Asset & Risk Management Department (ARMD)

B. Accounting & Finance Department

- Reviews the financial capacity of suppliers at certain transaction thresholds (*Kindly refer to Section IV. B*)
- Assists in providing documents and information to counterparties when seeking payment terms.

C. Approval Authority

- Authority is given to the Executive Vice President, Chief Finance Officer, and Accounting Manager to decide on the approval, suspension, blacklisting or risk tier scoring of a vendor's accreditation.
- Kindly refer to Section IV. C for the approval matrix.

D. Asset & Risk Management Department (ARMD)

- Provides guidance on supplier risk classification and alignment with the Company's ERM framework
- Consolidates supplier-related risks into enterprise-level reporting for Management and the Board

IV. Supplier Accreditation Process

A. Accreditation Requirements

Prospective vendors are required to submit all documents listed in the Supplier Accreditation Form together with the Supplier Declaration and Integrity Pledge. Vendors whose accreditation has expired or is subject for renewal shall be required to submit the following documents:

- Mayor's Permit (current year)
- Audited Financial Statement (for the previous year)
- Income Tax Return (for the previous year)
- Supplier Declaration and Integrity Pledge

Tier Two Accreditation Requirements (for when financial review is required):

1. Audited financial statements from the 2 (two) most recent calendar/fiscal years.
2. Annual income tax return from the 2 (two) most recent calendar/fiscal years.

Approval Authorities or Accounting and Finance Department, through the procurement department, may require additional requirements not listed above such as technical reports, accreditations, and other related supporting documents that are necessary to assess the reliability and worthiness of a vendor.

All accreditation-related communications must be documented in writing and maintained by the Procurement Staff for record-keeping and audit purposes.

Note: Kindly refer to Section IV. D. Financial Review.

B. Risk-Based Vendor Classification

Vendors shall be classified based on risk exposure using a standardized scoring methodology considering the following factors:

- Contract Value (Total Annual Expected Purchases)
- Operational Impact
- Substitutability or availability of alternatives
- ESG and regulatory compliance exposure
- Dependency level on the vendor

Based on the total risk score, vendors shall be categorized as:

- Tier 1 – Critical (Can stop plant operations or cause major financial/reputational damage)
- Tier 2 – High (Significant impact but manageable in short term)
- Tier 3 – Medium (Moderate operational or financial impact)
- Tier 4 – Low (Minimal impact, easily replaceable)

The level of due diligence, financial review, performance monitoring, and approval authority shall be proportionate to the assigned risk tier. Refer to Annex C.

C. Accreditation Approval Matrix

Final approval of vendor accreditation, suspension, cancellation, and blacklisting shall be based on the Approval Matrix Below. The monetary value for the purpose of the said matrix is the Total Annual Expected Purchases (TAEP) from the vendor in a single calendar year. The matrix is also applicable to initial accreditation of previously exempt vendors when they meet the criteria of needing accreditation. If the TAEP is undeterminable or cannot be reliably estimated, the initial purchase value may be used to assess against the approval matrix.

Category	Total Annual Expected Purchases (TAEP)	Approval Rule		Finance		Operations
		Recommending Approval (RA)	Final Approval (FA)	Accounting Manager	CFO	EVP
Consumables (Office/IT)	₱100,000.00 -500,000.00	1 Finance	1 Finance	✓	✓	-
Consumables (Office/IT)	₱500,000.01 -1,000,000.00	1 Finance	1 Ops	-	✓	✓
Consumables (Office/IT)	₱1,000,000.0 and above	2 Finance	1 Ops	✓	✓	✓
Plant-site (Spare Parts/Equipment)	₱100,000.00 -500,000.00	1 Finance	1 Finance	✓	✓	-

Plant-site (Spare Parts/Equipment)	₱500,000.01 -1,000,000.00	1 Finance	1 Ops	-	✓	✓
Plant-site (Spare Parts/Equipment)	₱1,000,000.0 and above	2 Finance	1 Ops	✓	✓	✓

D. Financial Review

Financial review is required for TAEP above ₱500,000.00 or those classified as Tier 1 (Critical) or Tier 2 (High) regardless of the contract value. Assessment may include the review of audited financial statements and tax returns to determine the financial capacity of vendors to fulfill their obligations.

The depth of this review shall be proportionate to the risk tier:

- **Tier 1 & 2:** Full analysis of 2-year Audited Financial Statements (AFS) and solvency ratios.
- **Tier 3:** Basic review of current AFS and BIR tax filings.
- **Tier 4:** Financial review is generally waived unless requested by the Approving Authority

The assessment of finance documents received from the vendor shall be forwarded to the Accounting Supervisor whose role is to conduct the initial financial analysis and checking. Results of the Supervisor's review shall be forwarded to the Accounting Manager or Chief Finance Officer, depending on the TAEP. Results of the review shall be given to the Procurement Department not more than 3 working days from the receipt of the Accounting Supervisor of the complete financial documentary requirements from the vendor or purchasing staff.

In cases of incomplete submissions or complexity of financial assessment, the review period may be extended with proper justification from the Accounting Supervisor, subject to approval of the Accounting Manager or Chief Finance Officer.

E. Business Continuity Requirement

For critical and high-risk vendors, the Company may require submission of Business Continuity Plans (BCP) and contingency arrangements specific to the awarded service, to ensure continuity of operations in case of disruption.

F. Sole Proprietorship Engagement Rule

As a general rule, sole proprietor vendors cannot engage in supply or contracting engagements with the company for purchase orders (PO) or contracts exceeding ₱1,000,000.00. Purchasing personnel and requesting departments are prohibited from splitting purchase requests or contract terms to reduce PO or contract amount.

Exceptions may be granted in certain cases, e.g. need for proprietary technology only the sole proprietor possesses and purchase of land. Such explanations require documented evidence and must align to the Accreditation Approval Matrix.

G. Post Review, Approval, or Rejection

Approved Accreditation Applications

- Vendors that have complied and met the Company's accreditation will be registered in the List of Accredited Suppliers maintained by the Procurement Department.
- Newly accredited or newly-renewed accredited vendors shall be issued a Certificate of Accreditation that is valid for two (2) years.

Rejected Accreditation Applications

- Vendors who fail to meet accreditation standards shall be issued a Notice of Non-Accreditation, specifying the reason(s) for disapproval and the vendor shall be temporarily removed from the list of accredited suppliers.
- Non-response to the Notice of Non-Accreditation within seven (7) calendar days from the receipt of the vendor renders the non-accreditation final and executory from the side of Raslag Corp.
- Vendors who have received a Notice of Non-Accreditation may submit a written letter requesting reconsideration of their application.
- The reconsideration request shall be reviewed and decided upon by the final approver of supplier accreditation, as defined in the Approval and Accreditation section.

H. Accreditation Validity & Renewal

- Vendor accreditation shall be valid for two (2) years, unless otherwise specified. Approvers may grant a shorter or longer validity based on facts and circumstances but shall never exceed three (3) years.
- The company is not obliged to give notification of pending accreditation expiration. The vendor is responsible for monitoring the validity period of their accreditation. However, the relevant procurement personnel is required to regularly monitor the list of the accredited suppliers.
- Expiration of the accreditation of the vendor without a pending renewal application automatically removes their account from the list of accredited suppliers.
- Vendors whose accreditations have expired but applied for renewal prior to expiration but have not received any response from the Procurement Department shall have a grace period of two (2) weeks from the date of their accreditation expiration to continue with their supply or service and their account be kept in the list of accredited suppliers.

I. Performance Monitoring & Reevaluation

Performance Monitoring

- The Procurement Staff, with the assistance of the End-User Department, shall implement regular vendor performance evaluations at least annually to assess compliance, quality of service, and overall reliability. once
- For projects or contracts with transaction values above ₱1,000,000.00, vendor performance evaluation shall be done at the end of the project or contract regardless whether the vendor's accreditation is due for evaluation or not.
- The Vendor Performance Evaluation Form is in Annex B.

V. Ethics & Conflicts of Interest

- Vendors shall comply with all applicable laws, regulations, and the Company's Code of Conduct.
- The Company maintains a zero-tolerance policy regarding the use of child labor and unfair labor practices. Raslag Corp. will not engage in business or maintain accreditation of any company found to be in violation of international labor standards or local labor laws.
- All vendors shall disclose any actual or potential conflict of interest via the Supplier Declaration and Integrity Pledge. Vendors that are found to be non-compliant to the disclosure for conflicts of interest shall have their application automatically rejected.
- Employees with a conflict of interest shall not participate in the evaluation, selection, or approval of the affected vendor.
- Non-compliance with the conflict-of-interest disclosure by the employee shall be covered by the code of conduct and procedures of the company.
- Vendors shall comply with applicable environmental laws and are expected to adopt sustainable practices aligned with the Company's renewable energy objectives.
- The Supplier Declaration and Integrity Pledge is in Annex A.

VI. Suspension, Cancellation, and Blacklisting

A. Definitions

- Suspension- refers to the temporary revocation of a vendor's accredited status, during which the vendor is not allowed to participate in new procurement activities (e.g., bidding, contracting, or purchase orders), but may be allowed to complete existing contractual obligations, in accordance with the policy's approval authorities. *Refer to Section III. C.*
- Cancellation- refers to the formal termination of a supplier's accredited status, resulting in the removal of the supplier from the accredited suppliers list. Herein, the vendor is not allowed to participate in new procurement activities and existing contractual obligations may be referred for arbitration or legal remedies.

- Blacklisting- refers to the permanent or long-term prohibition of a vendor from participating in any procurement activities of the Company.

B. Grounds

A vendor's accreditation may be suspended, cancelled, or blacklisted for:

- Failure to consistently meet the terms and conditions submitted in the proposal, including but not limited to quality specifications, delivery schedules, and pricing agreements.
- Repeated delivery of products or services that fail to meet the specified quality standards or requirements.
- Significant deterioration in product or service quality that is not addressed in a timely or satisfactory manner.
- Engagement in unethical practices, including but not limited to corruption, bribery, labor rights violations (specifically the use of child labor, forced labor, and unfair labor practices), and environmental neglect.
- Providing false, misleading, or inaccurate information during the accreditation process or during the period of the agreement. Failure to maintain required risk controls, including financial, operational, or where applicable.

C. Suspension, Cancellation, and Blacklisting Procedure

- Upon discovery of occurrence of any of the grounds for the suspension, cancellation, or blacklisting of a vendor, the procurement department along with the requesting department shall furnish a report of the infractions and circulate it to the authorized approvers within five (5) business days.
- After receiving concurrence from the approvers, the vendor shall be given written notice of the potential cancellation, including detailed reasons and documentation of the failures or breaches.
- Vendors shall have the opportunity to respond to the allegations within ten (10) business days from receipt of the notice, providing explanations and, where applicable, proposing corrective actions. These responses will be reviewed by the procurement team and end-user, and subject to approval by the authorized approvers.
- If appropriate, a transition period may be provided to minimize disruptions to the supply chain, allowing time to source alternative suppliers.
- Suspended vendors are barred from joining new engagements but may continue to serve existing contracts or orders, with the approval of the authorized approvers.
- Suspensions may range from one (1) month to twelve (12) months depending on the severity of the infraction. The suspension count shall start from the lapse of the ten (10) day allowance for response by the vendor or the final decision date by the approvers on the reconsideration request, whichever comes later.

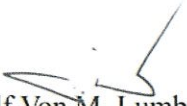
- Cancellation of accreditation removes the vendor from the list of accredited suppliers and automatically bars the vendor from further engagements with the company. Existing obligations of the vendor are referred to the company's legal counsel for potential liquidated damages or calls on the performance bond, if any.
- A cool-off period of a minimum six (6) months to a maximum of twelve (12) months from the finality of the cancellation before a vendor may re-apply for accreditation.
- Blacklisting of an accreditation removes the vendor from the list of accredited suppliers and automatically bars the vendor from further engagements with the company. Existing obligations of the vendor are referred to the company's legal counsel for potential liquidated damages or calls on the performance bond, if any.
- Blacklisting shall be imposed for a minimum period of one (1) year and may extend beyond one (1) year, subject for approval by the Authorized Approvers.

VII. Documentation and Record Retention

All supplier accreditation records, evaluations, decisions, and communications shall be retained for a minimum of five (5) years and shall be made available for internal and external audit.

VIII. Policy Review and Amendments

This Policy shall be reviewed periodically and amended as necessary, subject to approval by Management.



Rudolf Von M. Lumberio
HR & Administrative Manager



Epifania B. Moral
Accounting Manager



Reyland Benjamin B. Nepomuceno
Chief Strategy Officer



Engr. Angelo Paolo L. Usi
Chief Risk Officer



Karl Geo D. Origeneza
Chief Finance Officer



Engr. Mary Sheena Pineda-Manalang
Executive Vice President

Approved by:



Robert Gerard B. Nepomuceno
President & CEO

Annex A Supplier Declaration and Integrity Pledge

Notes and Instructions:

Please complete this form to disclose any relationships with Raslag Corp.'s employees, officers, management, or directors. Submission of this disclosure form is required under the Supplier Accreditation Policy to ensure transparency and compliance with Raslag Corp.'s standards.

I. Vendor Information

- Supplier Name: _____
- Authorized Representative: _____
- Position/Title: _____
- Email Address: _____
- Contact Number: _____

II. Compliance Certification

By signing this declaration, the Vendor hereby certifies that:

1. **Authenticity:** All documents submitted for accreditation are authentic, complete, and the information provided is true and correct.
2. **Labor Standards:** The Vendor strictly complies with all existing labor laws. Specifically, the Vendor **does not use child labor** (as defined by RA 9231) and does not engage in **unfair labor practices** or forced labor.
3. **Environmental Compliance:** The Vendor complies with all applicable environmental laws and is committed to adopting sustainable practices that align with Raslag Corp.'s renewable energy mission.
4. **Non-Blacklisting:** The Vendor is not currently blacklisted or barred from doing business by the government or any private entity.
5. **Anti-Corruption:** The Vendor has not offered any gifts, commissions, or bribes to any Raslag Corp. employee to influence the accreditation process.

III. Related Party Disclosure (Conflict of Interest)

I/We hereby declare that:



1. ☐ I/We have no related party relationships with any employees, officers, management, or directors of Raslag Corp.
2. ☐ I/We have the following related party relationships to disclose:
 - Name of Related Party: _____
 - Relationship: _____
 - Position in Raslag Corp: _____
 - Nature of Interest: _____

IV. Acknowledgement and Signature

By signing below, I confirm that I am authorized to sign on behalf of the Vendor. I understand that any false statement or failure to disclose relevant information may result in the immediate disqualification, suspension, or blacklisting of the Vendor.

Signatories

Vendor's Authorized Representative:

Name: _____

Signature: _____

Date: _____

(For Raslag Corp.'s Representative)

Acknowledge by:

Name: _____

Signature: _____

Date: _____