



ABS-CBN CORPORATION

Procurement Policies: Vendor Management

General Information	
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Project Owner	Vendor Management Department
Company/ Division	Logistics and Procurement Division
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Section I: OBJECTIVES

- To minimize the risk through controls and improve efficiency
- To formalize standard policies and procedures to enforce compliance

Section II: SCOPE

This documentation covers the following processes:

- Vendor Sourcing
- Vendor Accreditation
 - a) Vendor Performance Review and Evaluation
 - b) Vendor Sanction Screening and Verification
- Supplier Contractor Relations Policy

Section III: DEFINITION OF TERMS

Purchase Requisition (PR) – a document created online by the requisitioning department to request purchase of non-stock or stock items.

Purchase Order (PO) - issued solely by the Procurement Department, in response to an approved

Purchase Requisition (PR) - committing the Company to a purchase transaction from a vendor as specified therein. The PO describes the items/services being ordered and incorporates appropriate terms and conditions governing the transaction.

Vendor Accreditation – this is a system for qualifying prospective vendors on the basis of a set of screening criteria, such as product/service quality, technical competence, adequacy of facilities/resources, financial stability and track record from existing clients

Vendor Master Database – refers to the database being maintained by Accounts Payable comprising all the vendors with whom the company and its subsidiaries have transacted with. Vendors accredited by Vendor Management form part of this database.

Section IV: AREA OF RESPONSIBILITIES

BUYER / PURCHASER

- Helps in ensuring the completeness and accuracy of the documents submitted by the vendors for accreditation
- Creates requests for the inclusion of new vendors in the Vendor Master Database



PROCUREMENT DEPARTMENT HEAD

- Identifies vendors for evaluation and reviews evaluation results

VENDOR MANAGEMENT SPECIALIST

- Identifies vendors for evaluation, facilitate evaluation, and tabulate evaluation results
- Conducts feedback session with vendors based on evaluation results

VENDOR ACCREDITATION SPECIALIST

- Coordinates with vendors in relation to accreditation
- Creates requests for the inclusion of new vendors in the vendor master database
- Creates requests to change/block/unblock specific suppliers in the vendor master database
- Files vendor documents

VENDOR MANAGEMENT HEAD

- Assesses and makes recommendations on the approval of vendors' accreditation
- Reviews completeness of documents filed for accreditation and approves request as necessary

LOGISTICS DIVISION HEAD

- Approves/disapproves vendor accreditation
- Decides whether to revoke accreditation of vendors if needed

3rd PARTY PRE-QUALIFICATION GROUP

- Ensures the completeness and accuracy of the documents submitted by the vendors for accreditation
- Conducts vendor qualification review and evaluation based on the agreed standards and parameters

FINANCE OFFICER / LEGAL / END-USER

- Conducts assessment and evaluation of the vendor's capacity as needed for accreditation

SSC ACCOUNTS PAYABLE SPECIALIST

- Maintains vendor data in the vendor master database

PROJECT PROPONENT

- Recommends prospective vendors, if any
- Conducts pre-bid and site visit, if applicable
- Discusses technical requirements with the vendor/supplier
- Evaluates technical requirements for closed bids of major projects / construction



Section V: STATEMENT OF POLICIES

I. Vendor Sourcing

1. Procurement Department shall source vendors from both accredited and prospective suppliers/contractors or from recommendations of the project proponent, including consultants and affiliate companies. New suppliers are subject to accreditation policies.
2. In case of ABS-CBN Regional areas, Station Managers may source prospective vendors for the following services. However, criteria for determining the appropriate vendor shall be based on the standards set by the respective SMEs.

Service Type	SME
Safety and Security	Corporate Safety and Security Division
Building Construction and Maintenance	Property Management
Equipment Maintenance	TOD/Engineering

The respective SMEs shall conduct an annual assessment of the service/s that the vendors provided, to ensure that the set standards are complied with.

3. Prospective vendors sourced by ABS-CBN Regional shall be subject to accreditation and bidding/quotation policies of the Procurement Department.
4. Procurement Department shall facilitate evaluation requirements of vendors through the following process:
 - a. Accreditation Requirements
 - b. Certification Requirements
 - c. Other applicable permits and licenses
 - d. Minimum Commercial Terms of the supplier/contractor such as the following:
 - Milestone payment/Progress Billing
 - Cash on Delivery (COD)
 - Project/Performance Bond
 - Other Terms and Conditions
5. Vendors with expected transactions amounting to Php 200,000 and above (annual) shall go through the pre-qualification process of the third-party partner (see Annex C for the specific requirements per business business/vendor type).



II. Vendor Accreditation

1. Generally, all vendors shall undergo the third-party pre-qualification process and submit the general accreditation requirements (refer to Annex B) prior to engagement.
2. The following vendor conditions are exempt to undergo the D&B prequalification:
 - a. Vendors with transactions below Php 200,000 annually
 - b. New vendors supplying items/services exclusively. In this case, Vendor Management shall review, on an annual basis at the minimum, the list of vendors offering exclusive items/services to determine if there are other vendors offering the same products/services in the market.
 - c. Suppliers of highly-specialized services (e.g., training, consultancy)
 - d. New vendors for emergency purchases (a post-facto accreditation shall be done)
 - e. New vendors assessed to be one-time (non-recurring purchase)
 - f. Long term Property lessors (e.g., Office site rental, Tower Site rental)
 - g. Energy and Utility Industry Vendors (e.g., Power supply, Telecoms, Gasoline)
 - h. Basic commodity and basic commodity brands
3. Suppliers who are exempted from third party pre-qualification are only required to submit the basic business documents (Mayor’s Permit, BIR Registration, Copy of Official Receipt/Collection Receipt/Acknowledgement Receipt and Sales Invoice, and Supplier Information Sheet) to Vendor Management Department for vendor creation (PO-based) or SSC AP (Non-PO based).
4. Additional requirements, apart from the general requirements of the Vendor Management, shall be the responsibility of the requesting party. These requirements shall form part of the agreement with the supplier.
5. Ratings provided by the third-party pre-qualification partner shall be the basis for accrediting a vendor as follows:

Rating	Accredit Vendor?
Low Risk	Yes
Average Risk	Yes
Above Average Risk	Conditional – for review and approval of the Vendor Management Head and the following (as applicable): <ul style="list-style-type: none"> • Procurement’s Finance Officer for Financial-related concerns • ABS-CBN Legal for legal concerns • Project proponent for product/service related concerns
High Average Risk	
With Red Flag/s (regardless of nature; i.e., Financial, legal, etc.)	



- 6. The validity of the vendor’s accreditation shall vary based on the rating the vendor has obtained. The maximum period of validity shall be as follows:

Rating	Validity of Accreditation
Low Risk, with no red flags	3 years
Average Risk, with no red flags	2 years
Above Average Risk**	1 year
Above Average Risk**	1 year
With Red Flag/s (regardless of rating)	1 year
*Note: For vendors required to submit sanitary and safety permits, validity of accreditation is 1 year. **Applicable if vendor has been approved to be accredited	

- 7. Accreditation of vendors with declared/identified relatives (up to 3rd level of consanguinity or affinity) employed by ABS-CBN, its affiliates, or subsidiaries shall be endorsed to ABS-CBN Controller for approval prior to engagement.
- 8. Only vendors that are duly accredited by the Vendor Management must be maintained in the procurement vendor master in SAP.
- 9. A supplier duly accredited by Vendor Management is no longer required to undergo a separate accreditation process should another subsidiary decide to transact with the said supplier.

III. Vendor Performance Review and Evaluation

- 1. A vendor engaged in periodic contract shall be evaluated at least three (3) months before the fulfillment of the contract or at the end of the year, whichever comes first.
- 2. The Head of Procurement and Vendor Management shall review the vendors with the highest purchase order amount and most transactions within the year.
- 3. Evaluation shall be conducted per category through the use of the Supplier Rating Sheet. Suppliers shall be rated as: Very Good, Good, Fair or Poor based on the following criteria:
 - a. Quality;
 - b. Price;
 - c. Delivery/Completion; and
 - d. Service/After Sales
- 4. Aside from the annual evaluation, process owners shall monitor suppliers’ performance during the course of their transactions. They may use the evaluation template to escalate incidences during their regular operations.
- 5. Vendor Management team shall be responsible for disseminating the results of the evaluation and assessment to the respective vendors.



6. Vendor Management together with process owner shall conduct a feedback session with any vendor who fails the evaluation. The supplier must address the failing evaluation results and identify areas that can be improved/enhanced. All agreements shall be documented for reference purposes. A reassessment shall be scheduled depending on the items agreed upon.
7. Disciplinary actions are prescribed below, shall be carried out for vendors who fail the reassessment or for vendors who fail on the evaluation done at the end of the contract/engagement.

IV. Vendor Sanction Screening and Verification

1. Depending on the nature of the offense and accompanying circumstances, the company shall impose the applicable disciplinary actions to the supplier; vendor maybe put on hold for future requirements (temporary suspension) or delisted/banned.
2. For vendor blocking, Vendor Accreditation Specialist shall coordinate the blocking of such vendors in relevant systems. A vendor can be suspended from doing any business with ABS-CBN Corporation and its subsidiaries on the basis of receipt of evidence of one or more of the following reasons:

NATURE OF OFFENSE	PENALTY		
	FIRST OFFENSE	SECOND OFFENSE	THIRD OFFENSE
Breach of agreement	Written warning	1 years suspension from the pool of accredited supplier	Deletion from the pool of accredited suppliers
Failure to meet crucial delivery schedules	Written warning	1 years suspension from the pool of accredited supplier	Deletion from the pool of accredited suppliers
Wrong or poor quality specifications	Written warning	1 years suspension from the pool of accredited supplier	Deletion from the pool of accredited suppliers
Collusion or attempt to manipulate bidding procedures	Deletion from the pool of accredited suppliers		
Providing counterfeit/pirated/fake goods	Deletion from the pool of accredited suppliers		
Submission of fake/false/forged documents, certificates, or information or has resorted to unethical, illegal means in getting accredited	Deletion from the pool of accredited suppliers		
Violation to any of the Ethical Standards required for an ABS-CBN supplier indicated in the Supplier Code of Ethics	Deletion from the pool of accredited suppliers		

3. Any of the following Company personnel/department shall be responsible for immediately reporting an offense or vendor misconduct:
 - a. Vendor Management
 - b. Procurement
 - c. Warehouse personnel
 - d. End-users
 - e. Finance and Accounting (payment related)



4. All cases requiring vendor disciplinary action must be submitted to the Vendor Management Team. A Vendor Incident Report (VIR) shall be used in documenting vendor's non-compliance to agreed performance standards (thru memo and email). Vendor Incident Report must be submitted to the Head of Vendor Management within seven (7) working days from the incident date.
5. Investigation shall be carried out by Vendor Management team to validate the reported incident within seven (7) working days from receipt of the VIR.
6. The vendor management team shall issue a show cause notice to the supplier within five (5) working days after the investigation. Supplier will be given seven (7) working days to reply to the notice. Failure of the supplier to respond to the notice within the period will result to an offense.
7. The Supplier, under investigation should submit an explanation letter addressed to the initiating unit for the corrective/preventive possible action. Explanation letter shall address the causes of suspension and stating the corresponding resolution and shall be approved by Head of Logistics.
8. Based on the investigation results and supplier response, Vendor Management team shall prepare necessary recommendation and communicate with legal for consultation. Logistics Division Head shall review the penalty recommendation and give final approval of implementation.
9. Head of Vendor Management shall inform the vendor of the offense committed and the corresponding penalty in writing within five (5) working days.

V. Supplier/Contractor Relations

1. ABS-CBN Corporation Supplier and Contractor Policy upholds accountability, integrity, fairness and transparency in its business dealings with suppliers and contractors in the procurement of goods and services. It shall seek the best value for money without compromising the quality standards and business ethics set by the Company.
2. ABS-CBN Corporation quality policy for procurement activities ensure competitive sourcing and pricing of highest quality of goods and services to support the ABS-CBN Corporation objectives. It shall assess, select and evaluate suppliers and contractors based on the standards of quality, expertise, track record, competitive pricing, delivery timeframe and customer service.
3. ABS-CBN Corporation has integrated 'green' initiatives and sustainable practices in its accreditation procedures. Suppliers are screened using environmental criteria such as waste management, environmental and/or regulatory compliance certificates; labor practices in supply chain covering child labor, forced labor; and human rights criteria. It shall favor suppliers and contractors that observe and respect the ABS-CBN Corporation Code of Conduct.



ANNEXES

Annex A: GENERAL ACCREDITATION REQUIREMENTS CHECKLIST

1. Duly Accomplished Supplier's Information Sheet
2. Company Profile with the following:
 - a. List of Board of Directors and Key Officers / Owners
 - b. List of product lines and price lists / services offered
 - c. Client listing (w/contact persons / telephone nos. / summary of projects)
 - d. Secretary's Certificate, indicating the authorized signatory and representative of the company to transact business with ABS-CBN (fix the indents)
 - e. List of tools and equipment and its respective acquisition dates (if applicable)
 - f. Certificate of Exclusive Distributorship, if principal is foreign
3. Permits and Licenses:
 - a. Bureau of Internal Revenue Registration (BIR Form No. 2303)
 - b. Sample Copy of Official Receipt and Sales Invoice.
 - c. Business Permit / Mayor's Permit
 - d. Certificate of Registration - Department of Trade and Industry (D.T.I.)
 - e. Certificate of Incorporation - Securities and Exchange Commission (S.E.C.)
4. Latest Audited Financial Statement (for the past 3 years)
5. Duly signed and notarized Certificate of Disclosure - list of relatives (up to 3rd level of consanguinity or affinity) employed by ABS-CBN, its affiliates, or subsidiaries.
6. Duly acknowledged and signed Supplier Code of Ethics



SPECIFIC ACCREDITATION REQUIREMENTS CHECKLIST

INSURANCE / ASSURANCE	
Regulatory	Mandatory
1. Certificate from Insurance Commission	

Travel Agencies	
Regulatory	Mandatory
Photocopy of certificates from the following: <ol style="list-style-type: none"> 1. Department of Foreign Affairs 2. National Statistics Office 3. Bureau of Immigrations 4. International Air Transport Association (IATA) 	

FORWARDERS	
Regulatory	Mandatory
<ol style="list-style-type: none"> 1. List of Vehicles – for domestic, with plate number and date of acquisition <ol style="list-style-type: none"> a. Owned – minimum of 5 trucks 6 wheeler in size or above b. Leased – copy of contract with 3rd party for exclusive use of vehicles 2. Warehouse Facility – minimum of 1,000 sqm owned or lease (copy of contract) 3. Proof of Direct Loading Arrangement with Major Carrier (e.g. Carrier Loading Agreement, Accreditation as Forwarding Agent, Bill of Lading, etc.) 4. Accreditation Certificate for the following: <ol style="list-style-type: none"> a. <i>Domestic</i> <ol style="list-style-type: none"> i. Civil Aeronautics Board (CAB) b. <i>International</i> <ol style="list-style-type: none"> i. International Air Transport Association (IATA Cargo) ii. BOC Certificate of Registration iii. Broker Requirements: <ol style="list-style-type: none"> 1. PRC ID 2. AMO Certificate of Accreditation 3. BOC Certificate of Registration c. Fair Trade Enforcement Bureau (FTEB) (Formerly PSB) 	
<p>Note to Dun & Bradstreet</p> <p><u>Brokers will not be accredited separately. The Forwarder will be the one to provide the requirements needed for the brokers that they use.</u></p> <p>Accreditation Categories: Domestic – if only domestic requirements were submitted; International - if only international requirements were submitted; Domestic/International – if all requirements were submitted</p>	

COURIER	
Regulatory	Mandatory
1. DOTC/DICT Permit/ Courier's License	



SECURITY SERVICES	
Regulatory	Mandatory
<ol style="list-style-type: none"> 1. Certificate of Registration pursuant to Department Order No. 174 2. PNP SAGSD License to Operate (Security Services) 	

SERVICE CONTRACTORS	
Regulatory	Mandatory
<ol style="list-style-type: none"> 1. Certificate of Registration pursuant to Department Order No. 174 2. Contractor's License, if applicable 3. Fair Trade Enforcement Bureau (FTEB) , if applicable 	

MANPOWER SERVICES/AGENCIES	
Regulatory	Mandatory
<ol style="list-style-type: none"> 1. Certificate of Registration pursuant to Department Order No. 174 2. SSS Registration /Latest Remittances 3. PAG-IBIG Registration/Latest Remittances 4. PhilHealth Registration / Latest Remittances 	<ol style="list-style-type: none"> 1. Health Card 2. Life Insurance

FINANCING	
Regulatory	Mandatory
<ol style="list-style-type: none"> 1. Corporate Governance and Finance 2. Department (CGFD) Clearance 	

TREATER/RECYCLER	
Regulatory	Mandatory
<ol style="list-style-type: none"> 1. Environmental Compliance Certificate (ECC) 2. Transporter Registration Certificate (TRC) 3. Treatment, Storage and Disposal (TSD) 4. Permit to Operate (PTO) 5. Discharge Permit (DP) 6. Certificate of Non-Coverage (CNC) 	

SPECIAL EFFECTS	
Regulatory	Mandatory
<ol style="list-style-type: none"> 1. BFE-FED Certificate (for Pyrotechnic & Firearms Effects supplier) 2. Firearms License & Permit to Carry Firearms (for Firearms Effects supplier) 3. Material Safety Data Sheet (MSDS) (applicable to suppliers using pyro and firearms) 4. Firearms Registration (Certificate or Card) 5. For Airsoft - Certificate of Registration 6. License to Own and Possess Firearms (LTOPF) 7. Permit to Carry Firearms Outside Residence 	Copy of Insurance Policy (Commercial General Liability)



PRODUCTION DESIGN	
Regulatory	Mandatory
<ol style="list-style-type: none">1. PCAB2. COSH Certificate of Safety Officer (SO1 / SO2)3. Certificate of TESDA Skilled Worker/s (i.e Scaffolder, Gas Welding)	

PPE SUPPLIER	
Regulatory	Mandatory
<ol style="list-style-type: none">1. FDA Certification	

HEALTH CARE	
Regulatory	Mandatory
<ol style="list-style-type: none">1. FDA Certification2. License to Operate from DOH (LTO)	<ol style="list-style-type: none">1. Proficiency Test Result from DOH and RITM

WATER REFILLING STATIONS	
Regulatory	Mandatory
<ol style="list-style-type: none">1. Quality Test Result from DOH accredited laboratory company	



ANNEX B: CODE OF ETHICS FOR SUPPLIERS

CODE OF ETHICS FOR SUPPLIERS

PURPOSE:

This Code of Ethics (the "Code") is an extension of the values of ABS-CBN Corporation and its subsidiaries and affiliates and reflects ABS-CBN's commitment to sound ethical business practices. It is meant to communicate ABS-CBN's expectations from its Suppliers in all transactions to ensure that procurement ethics are followed.

As used in this Code, the term "ABS-CBN" shall refer to ABS-CBN Corporation and its subsidiaries and affiliates.

GENERAL RESPONSIBILITIES:

This Code sets forth ABS-CBN's minimum requirements from its Suppliers, and Suppliers' personnel. Suppliers are required to conduct their business/es ethically and responsibly, and in full compliance with both the letter and the spirit of the law, this Code, and any other ABS-CBN policy and procedure that may be applicable. It is expected and assumed that all Suppliers shall educate their respective employees, representatives, agents, and subcontractors of this Code of Ethics and ensure compliance.

STANDARDS:

Non-compliance, directly or indirectly, with any directive, rules, or regulation stated in this Code constitutes breach of contract and shall result in immediate termination of the business relationship, and ABS-CBN shall seek any available remedies at law or in equity for such violation.

Below are standards that each Supplier shall be required to comply with:

Business Integrity

The highest standards of integrity shall be upheld in all business transactions. All forms of illegal or inappropriate activity, including, but not limited to, corruption, misrepresentation, extortion, embezzlement or bribery, whether committed or intended to be committed, directly or indirectly, are strictly prohibited.

Supplier shall comply with all rules, regulations, policies, and requirements relating to providing goods, products, and/or services to ABS-CBN. The Supplier shall ensure that it possesses the necessary capabilities and equipment, including sufficient capitalization as required under the law, related to the goods, products, and/or services being supplied to ABS-CBN. Supplier shall ensure its status as a legitimate, valid service provider, duly accredited and/or registered with the appropriate government agencies and/or societies or associations related to the goods, products or services to be supplied. Supplier shall ensure that all registrations and/or accreditations obtained to enable it to provide goods, products, and/or services to ABS-CBN are maintained for the duration of Supplier Agreement(s) with ABS-CBN. Supplier shall ensure it is a member in good standing of these associations or societies. Suppliers shall further warrant that it will only supply goods, products, and/or services of superior quality.

Supplier shall ensure that all records prepared for ABS-CBN, including records of work time and expenses, are accurate, complete, correct, current and consistent with the standards and requirements of the industry to which the Supplier belongs and of ABS-CBN.

Supplier shall not act in concert or engage in anti-competitive conduct with other suppliers or agents, or with any officers, employees, personnel or representatives of ABS-CBN, when participating in any bidding by ABS-CBN for goods, products or services.



Conflict of Interest

ABS-CBN expects Supplier to exercise reasonable care and diligence to prevent any action or condition which may result in a conflict with ABS-CBN's interests, or which may compromise the exercise of independent judgment of ABS-CBN personnel during the delivery of goods or products or execution of work for ABS-CBN. As such, Supplier is required to immediately disclose a conflict of interest or a potential conflict of interest situation and to prevent such a situation from arising.

Close Personal Relationships:

Close personal relationships between Supplier personnel and ABS-CBN employees responsible for monitoring Supplier's performance shall be prohibited in order not to compromise the exercise of independent judgment, or lead to claims of a conflict of interest.

To avoid these problems and foster a positive work environment, Supplier shall ensure that the data indicated in the Supplier Certificate of Disclosure are complete, accurate, and current.

Business Courtesies:

A Supplier is expected to compete solely on the quality and merit of its goods, products, and services. As such, a Supplier, as well as its employees, **shall avoid giving or offering** any business courtesies that may constitute, or could reasonably be perceived as to constitute, unfair and improper business inducements regardless of whether or not that would violate the law, regulations, or policies of ABS-CBN, would cause embarrassment, or reflect negatively on ABS-CBN's goodwill or its employees and personnel's reputation or work principles. Business courtesies includes gifts, meals, refreshments, entertainment, and other benefits of any kind or form, from any Supplier or its personnel, employees, or consultants.

A business courtesy as part of prevalent business practice, may be accepted only if it is occasional and is of nominal value (**not more than \$50 or its Philippine Peso equivalent**). Consequently, a Supplier may, for legitimate business purposes, offer a business courtesy provided that they conform to all of the following criteria:

- It is unsolicited
- It is not a bribe, commission, rebate, or other illegal/illicit payment
- It is not lavish or excessive, not frequent, and does not reflect a pattern of acceptance of business courtesies from the same person or entity
- It is not given in exchange for any business consideration
- It would not embarrass ABS-CBN if disclosed publicly
- It is not intended, nor likely to be perceived by others, to improperly influence business decisions
- It does not create the appearance (or an actual or implied obligation) that the gift giver is entitled to preferential treatment, an award of business, better prices, or improved terms.

In addition, Suppliers may give or offer business courtesies, which should be limited to:

- Gifts of nominal value/simple promotional items and tokens (e.g. calendars, pens, mugs, caps, t-shirts).
- Flowers, food and drinks, gift baskets, and other modest presents that commemorate a special occasion or during holidays.
- Small gifts of nominal value presented during, and invitations extended to ABS-CBN employees or personnel to attend, official business events such as inaugurations, trade fairs, product launches, and exhibits, provided that the immediate superior of said ABS-CBN employee or personnel has been properly and officially notified.



- Infrequent official business lunches or dinners with ABS-CBN employees or personnel, provided that the latter's immediate superior is properly and officially notified.

The following business courtesies are prohibited under this Code, regardless of amount:

- Cash, gift cards, lines of credit, instruments of ownership (e.g. stock certificates) or any other thing of value redeemable for cash
- Jewelry
- Holiday trips, whether for ABS-CBN employees, or any of their family members
- Food and drinks for company sponsored excursions or personal/family use
- Use of service vehicles and/or venue for excursions
- Hospitalization assistance
- Loan/cash advance
- Invitation to act as sponsor in wedding/baptism unless the employee is related to the Supplier-sponsor.
- Other analogous or similar acts

A Supplier shall use good judgment, discretion, and moderation when offering business courtesies to ABS-CBN employees. Except as specified in this Code, employees and personnel of ABS-CBN are prohibited from accepting gifts, favors or invitations for themselves or on behalf of others. As such, Suppliers shall not offer or attempt to offer, bribes, commissions, rebates, goods, or services and/or any other incentive to an ABS-CBN employee to obtain improper advantage or retain business and do or perform any act which contravenes this policy.

Environment, Health and Safety:

Supplier shall provide a safe and healthy working environment for all its employees that includes all necessary and appropriate controls, safety procedures, preventative maintenance, and protective equipment. All business practices shall comply with all relevant local and national laws, codes and regulations. ABS-CBN expects its Suppliers and the Suppliers hereby undertake to continually look for ways to minimize waste, emissions and discharge in their operations, products and services and to establish and maintain a management system or program that encourages continual improvement in environmental, health and safety performance.

Labor / Human Rights / Human Resources/Child Labor:

Suppliers shall only employ workers who meet the applicable minimum legal age requirement. Suppliers shall comply with all other applicable child labor laws. ABS-CBN is committed to the elimination of the "worst forms of child labor," as defined by Republic Act No. 9231. ABS-CBN expects its Suppliers and the Suppliers hereby undertake to support and participate in industry efforts aimed at the elimination of such practices wherever they exist in the supply chain.

Forced Labor:

Suppliers shall not utilize or benefit in any way from forced or compulsory labor, nor utilize factories or subcontractors that force unpaid labor. Suppliers shall support and respect the protection of internationally proclaimed human rights and not willingly or knowingly assist in any violation of human rights, nor benefit from human rights abuses committed by another party, nor remain silent when human rights violations are being committed.



Wages and Hours:

Suppliers shall provide wages at least equal to the applicable legal minimum wage and any associated statutory benefits. If there is no legal minimum wage, Suppliers shall ensure that wages are at least comparable to those at similar companies in the local area or to prevailing industry norms. Working hours should reflect the applicable number of hours prescribed by all applicable laws norms and overtime hours should be paid at the legally mandated rate or at least at the same rate as regular hours worked if there is no mandated rate.

COMPLIANCE:

A Supplier is required to familiarize itself with this Code, to ensure successful business and working relations with ABS-CBN. It is the responsibility of the Supplier to ensure that its employees, agents, representatives, and subcontractors understand and strictly comply with this Code.

Compliance with this Code may be subject to an audit at ABS-CBN’s discretion. By becoming an ABS-CBN supplier, vendors or suppliers agree to comply with this Code and to be subjected to audit. Failure to comply with this Code may result in the suspension and/or permanent revocation of a Supplier’s accreditation (including the accreditation of its subsidiaries or affiliates) with ABS-CBN, without prejudice to any right, benefit or remedy which may have accrued in favor of ABS-CBN prior to the effectivity of the termination or suspension of accreditation.

Existing laws, statutes, ordinances, rules or regulations of the Republic of the Philippines shall be supplementary to this Code, and any violation thereof shall be subject to sanctions in accordance with said laws, statutes, ordinances, rules or regulations, and ABS-CBN’s policies.

The ethical standards required of an ABS-CBN Supplier include compliance the following laws and all other existing laws, statutes, ordinance and rule and regulation of the Republic of the Philippines:

ETHICAL STANDARDS	SPECIFIC LAW, RULES OR REGULATION
1. Anti-Bribery (Government)	<ul style="list-style-type: none"> • Republic Act No. 3019, as Amended – Anti-Graft and Corrupt Practices Act
2. Anti-Discrimination Policy	<ul style="list-style-type: none"> • Republic Act No. 10911 – Anti-Age Discrimination in Employment Act
3. Compliance with Environmental Laws	<ul style="list-style-type: none"> • Presidential Decree 1586 – Philippine Environment Impact Statement System • Republic Act No. 8749 – Philippine Clean Air Act of 1999 • Republic Act No. 9275 – Philippine Clean Water Act of 2004 • Republic Act No. 6969 – Toxic Substances and Hazardous and Nuclear Wastes Control Act of 1990 • Republic Act No. 9003 – Ecological Solid Waste Management Act of 2000 • Republic Act No. 9729 – Climate Change Act of 2009
4. Compliance with Labor Laws 5. Recognition of the Existence of Labor Unions, Collective Bargaining and Freedom of Association of employees	<ul style="list-style-type: none"> • Presidential Decree No. 442, as Amended – The Labor Code of the Philippines



6. Machinery For Employee Grievances	
7. Policy on Health and Safety of Employees	
8. Dangerous Drugs Law	<ul style="list-style-type: none"> • Republic Act No. 9165 – Comprehensive Dangerous Drugs Act of 2002
9. Data Privacy / Confidentiality	<ul style="list-style-type: none"> • Republic Act No. 10173 – Data Privacy Act Of 2012
10. Solicitation of donations and voluntary contributions	<ul style="list-style-type: none"> • Presidential Decree No. 1564 - Solicitation Permit Law
11. Refraining from the Use of Child Labor	<ul style="list-style-type: none"> • Republic Act No. 7610, as Amended by Republic Act No. 9231 – Special Protection of Children Against Abuse, Exploitation, And Discrimination Act,
12. Refraining from the Use of Forced Labor	<ul style="list-style-type: none"> • Republic Act No. 9208 – Anti-Trafficking In Persons Act Of 2003

ACKNOWLEDGEMENT AND ACCEPTANCE

This is to certify that I have read and understood ABS-CBN’s Code of Ethics for Suppliers. I hereby commit myself and the Company to which I belong, to fully comply with the principles, provisions and requirements of ABS-CBN’s Code of Ethics.

I also certify that I am authorized by my Company to sign and accept this document in its behalf.

Supplier/Company Name: _____

Address: _____

Name of Representative: _____

Designation: _____

Signature: _____

Date: _____

Please return SIGNED copy to ABS-CBN CORPORATION. Thank you.



ANNEX C: VENDOR ACCREDITATION MEMO