I. INTRODUCTION

Renner Sayerlack uses raw materials and packaging from external suppliers. The quality and trustworthiness of such materials have a strong weight on the final quality of our products.

This comprehensive concept requires interaction and commitment from both sides, and assumes clear rules and procedures in order to attain the desired level of quality.

It is important that the suppliers take full responsibility for the quality of raw materials and packaging they provide to Renner Sayerlack.

This manual lays down a few rules to clarify Renner Sayerlack thinking and principles, so that our suppliers may become aware of them and we can strike a productive, effective, and efficient partnership.

II. INITIAL QUALIFICATION

Before starting the evaluation process on any raw materials or packaging, an initial sample should be provided along with following documents:

- Technical Report (the sample batch analysis report, whenever possible)
- Safety Data Sheet (GHS) in Portuguese
- Standard sample, in case of pigments

The number of samples must be in accordance with the request or agreement between the parts. These samples should be previously controlled by the Supplier and must be a true representation of its regular production process.

Any changes on the production process after the samples are approved must be reported to our Supply Department or corresponding Laboratory.

The supplier is informed of the final result by the corresponding lab and/or the supply department, after all quality and performance assessment trials have been concluded.

III. PERFORMANCE ASSESSMENT

Qualified suppliers will be assessed upon each provision through the acceptance control of the analyzed batch with regard to its specified properties and limitations, and also during our production process. This is done through our Provision Quality Index (IQF, in Portuguese acronym), which is individually completed for each supplier upon every provision.

Our suppliers will be informed of their IQF index through the purchase order issued by our Supply Department.

The IQF is mathematically represented by the following equation:

IQF = 100 - (D / N)

Where :

D = Sum of the demerits, with twenty (20) points attributed to raw material approved out of specifications, and fifty (50) points attributed to rejected raw material.
N = Number of provisions over a twelve (12) month period.

In addition to providing technical input for the supply department decision-making process, the IQF value is used to rate our suppliers.
Suppliers are rated at three (3) different levels, according to their specific IQF values.
A supplier's level determines how often an analysis are made on each batch of raw material received. We apply the following rating scale:

Level No.	1	IQF	=	100	ISO 9001 certified
	2	IQF	=	100	Not ISO 9001 certified
	3	IQF	<	100	

Any supplier providing an item with an IQF equal to 98% or lower can be disqualified for the provision of that item.

IV. FINAL RATING

Level 1 suppliers will be considered ASSURED QUALITY suppliers, and their raw materials will be inspected every 12 (twelve) months, except for new raw materials, whose first three (3) batches will be analyzed. Other cases will be examined by Renner Sayerlack, and defined through internal procedures and reviewed on a case by case basis.

V. SUPPLIERS RESPONSIBILITY

Renner Sayerlack expects from its suppliers to have a minimum standard of social and environmental responsibility, complying with the legal requirements applicable to their activities. The use of child or forced labor will not be acceptable.

The supplier must maintain Renner Sayerlack S.A. updated with ISO9001 certificate and Safety Data Sheet for all raw materials provided.

VI. CONCLUSION

Our goal is to use raw materials and packaging directly in our production system, without using the traditional quality controls – which is a costly and time-consuming procedure.
We believe that this will only be possible when all of our suppliers are committed to Quality and, to make this possible, we have to use the same language and standardizing specifications and methodologies.