

SUPPLIER QUALIFICATION AND EVALUATION

1. PURPOSE

1.1. To ensure that all suppliers with a direct implication on the quality of our products and services are appropriately qualified. To ensure a systematic qualification methodology for suppliers. To maintain updated records on the evaluation of suppliers' deliveries.

2. SCOPE

2.1. It applies to all suppliers of the RNM Group, namely in the following companies: RNM-Produtos Químicos, RNM-Transportes Químicos, TCC, Limsa, e Blue Chem.

3. DESCRIPTION AND CONFIGURATION OF THE PROCEDURE

3.1. EVALUATION METHODOLOGY

The Procurement & Purchasing Department evaluates all raw material suppliers and subcontractors (transport providers and providers of services with impact on quality, environmental management, and health and safety).

This evaluation is based on the implementation of demerits associated with complaints towards the existing suppliers throughout the year. Each supplier will start with a base score of 100 points, which will decrease throughout the year according to the number of demerits attributed to it.

The Procurement & Purchasing Department issues, annually, a list of qualified suppliers based on the evaluations carried out in the past year.

3.2. EVOLUTION BY DEMERITS

Demerits are applied according to the type of occurrence:

TYPE OF OCCURRENCE	DESCRIPTION	DEMERITS
Non-serious failure	The failure does not jeopardize the company's performance and services.	-1
Serious failure	The failure jeopardizes the company's performance and services.	-3
Very serious failure	The failure impedes the company's performance and services.	-5

3.3. CLASSIFICATION OF THE SUPPLIERS

According to the evaluation performed, suppliers can be classified as:

CLASSIFICATION	DESCRIPTION	SCORE
A	Supplier to be maintained.	91 - 100
B	Supplier to be maintained with the possibility of introducing corrective actions.	71 - 90
C	Supplier to be maintained with the requirement of introducing corrective actions.	51 - 70
D	Supplier to exclude.	0 - 50

3.4. SUPPLIER QUALIFICATION AND COMMUNICATION

The PPM presents the report to the Administration so that they can decide on the results of the evaluation.

The Administration analyzes the proposal presented by the PPM, in the Evaluation Report, and approves it, or decides otherwise for reasons of business impact, justifying its decision in writing in the report itself.

If the Administration decides to keep a supplier proposed for exclusion by the PPM on the list, this decision must include the definition of preventive actions for the monitoring process of the purchase.

Suppliers, classified in Class B or C, are informed annually of their evolution in order to improve their performance.

4. RESTRICTIONS

Not applicable.

5. DOCUMENTS REFERENCED AND/OR ASSOCIATED WITH THE PROCEDURE

PR04 – Treatment of Nonconformities.

D181 – List of Qualified/Approved Suppliers.

6. ATTACHMENTS



Not applicable.