



NIGERIAN BOTTLING COMPANY LIMITED.

STANDARD OPERATING PROCEDURE



PALLET MANAGEMENT POLICY



Nigerian Bottling Company Ltd RC 902

(A member of Coca-Cola Hellenic Group)

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Document Control Creation No.	Creation Date	Author	Note
1.0	June 2018	Misan Ilesanmi	Creation
2.0	July 2020	Ismaila Yusuf	Creation
3.0	July 2023	Joseph Adma	Revision

1.0 OBJECTIVE

The objective of this procedure is to have an overview of the Lifecycle of NBC pallets in our operations. It also outlines the processes and procedures for scrapping/writing off bad pallets and the treatment both physically and on SAP.

2.0 POLICY STATEMENT

As a business, controlling the in-flow and out-flow of our assets is an important strategy to ensure governance and accountability in our system, hence, this procedure should be strictly adhered to.

3.0 SCOPE AND APPLICATION

This policy applies to the management of all NBC-owned pallets and covers the process of capturing bad pallet stock, reconciliation, process flow, approval authority and SAP postings of approved bad pallets within NBC Plants and Depot locations.

4.0 GLOSSARY AND ACRONYMS

Scrap Pallet Sign-off Document: This is a document that captures the quantity and cost of bad pallets to be written off. The compulsory signatories of this document are the Security Representative, Warehouse Manager (Plant/DC) or Material Manager and Plant Manager.

ATR Pallet: A pallet is said to be ATR (Available to Repair) when it is unfit for use on any work area and the deck-boards and/or any of the stringers are destroyed due to any cause. However, it can be repaired with another good deck-board and/or stringers.

Bad Pallet: A pallet is bad and unrepairable when it is completely damaged or broken to pieces. This is also known as about to be scrapped pallet.

Good Pallet: A pallet is said to be good if it can be used immediately on the Production line or in the Warehouse.

Certificate of Analysis: This is a document issued by the manufacturer of pallets that confirms that the material meets its product specification. This is applicable for only new 4-way pallets.

Write-off: To physically dispose and totally subtract from inventory stock. This is also known as scrapping.

Non-NBC-owned Pallets: These are single-use pallets utilized by vendors and contractors to dispatch items, e.g., raw materials to plant and depot locations.

Acronyms	Meaning
ATR	Available To Repair
COA	Certificate of Analysis
GRN	Goods Receipts Note
LOM	Logistics Operations Manager
NBC	Nigerian Bottling Company
PM	Plant Manager
RSA	Route Settlement Associate
RSL	Route Settlement Lead
WC	Warehouse Checker/Clerk
WHL/Sp	Warehouse Lead/Specialist
WHM	Warehouse Manager

5.0 Pallet Design Specification

5.1 4 – Way Pallet

Overall, Pallet Dimension = 1200 X 1000 X 140 mm

Total Pallet dimension = 56 ± 1mm

Spaces between Top Deck boards = 20 ± 1 mm

Stringers

Length of Stringers (3/pallet) = 1000 ± 1 mm

Width of Stringers (3/pallet) = 75 ± 1 mm

Total Height of Stringers (3/pallet) = 100 ± 1 mm

Height of Notch on Stringers (3/pallet) = 50 ± 1 mm

Deck Board specification

Top Deck board

Length of Top Deck boards (6/pallet) = 1200 ± 1 mm

Thickness of Top Deck boards (6/pallet) = 20 mm

Width of Top Deck boards (6/pallet) = 120 ± 1 mm

Bottom Deck board

Length of bottom Deck boards (4/pallet) = 1200 ± 1 mm

Thickness of bottom Deck boards (4/pallet) = 20 mm

Width of bottom Deck boards (4/pallet) = 120 ± 2 mm

Pallet Weight: Average pallet weight is 24kg (2-way) and 37kg (4-way) respectively. However, this is subject to a change by the Warehouse Contract Manager.

5.2 2 – Way Pallet

Overall, Pallet Dimension

Total Pallet dimension = 1200 X 1000 X 120 mm

Spaces between Top Deck boards = 80 ± 1mm

Stringers

Length of Stringers (3/pallet) = 1000 ± 1 mm

Width of Stringers (3/pallet) = 60 ± 1 mm

Total Height of Stringers (3/pallet) = 80 ± 1 mm

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Deck Board specification**Top Deck board**

Length of Top Deck boards (6/pallet)	= 1200 ± 1 mm
Thickness of Top Deck boards (6/pallet)	= 20 mm
Width of Top Deck boards (6/pallet)	= 100 ± 1 mm

Bottom Deck board

Length of bottom Deck boards (6/pallet)	= 1200 ± 1 mm
Thickness of bottom Deck boards (6/pallet)	= 20 mm
Width of bottom Deck boards (6/pallet)	= 100 ± 1 mm

Pallet Weight: Average pallet weight is 24kg (2-way) and 37kg (4-way) respectively. However, this is subject to a change by the Warehouse Contract Manager.

6.0 RECEIPT OF PALLET

Pallet receipt could either be from the Vendor (purchase) or from other NBC locations.

6.1 Pallet Receipt from Vendor**(Purchase) Roles and Responsibilities**

STEPS	OFFICIAL	ACTIVITY
1.	Warehouse Checker	<ul style="list-style-type: none"> Confirms that there is a copy of the COA. accompanying the consignment of 4-way Pallet delivery. Checks and validate quantity of Pallets on truck.
2.	Security Personnel	<ul style="list-style-type: none"> On arrival of the pallet truck, security personnel books the truck at entry. Checks and validates the quantity of Pallets on truck. Documents the transaction in the register. Stamps the waybill out. Opens the gate for the truck to exit
4.	Quality Assurance Personnel	<ul style="list-style-type: none"> Validates the quality of the pallet against what is described in the COA.
5.	Warehouse Lead/Specialist	<ul style="list-style-type: none"> Instructs a Forklift Driver to unload the pallets from truck. If there is any bad pallet, he rejects it and receives only the physically acceptable quantity. Receives the good pallets in SAP. Prints GRN for pallets received and gives this to the driver with a duplicate copy of the waybill.

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6.3 Pallet Receipt from Other NBC Locations

Roles and Responsibilities

STEPS	OFFICIAL	ACTIVITY
1	Security Personnel	<ul style="list-style-type: none"> On arrival of the pallet truck, document truck movement at the check-in gate.
2	Warehouse Checker	<ul style="list-style-type: none"> Checks to confirm the quantity on the truck with what is on the shipment document at Check-in. Presents the waybill to the WHL/Sp and gives feedback on any observation from the above check.
3	Warehouse Lead/Warehouse Specialist	<p>Actions as required from the feedback received from the warehouse checker</p> <p><u>Feedback Actions</u></p> <ul style="list-style-type: none"> -If there is a positive variance between the physical quantity of pallet(s) and that on the shipment document, receive the total quantity on shipment document, communicate the error to the sending location to create addition shipment document for the excess so the receiving location can receive the true quantity of the pallet. - When there is a physical negative variance or a swap of 4way/2way pallet, investigate if the variance is from the sending location or from the driver. If it is from the sending location, the receiving location does a haulage shipment on SAP to return the wrong pallet(s) to the sending location for correction. However, if there is justification that the driver was the reason for the variance, the driver will be debited. Receives the consignment on SAP. The truck is released for other shipment execution.

7.0 Usage and Maintenance of Pallet

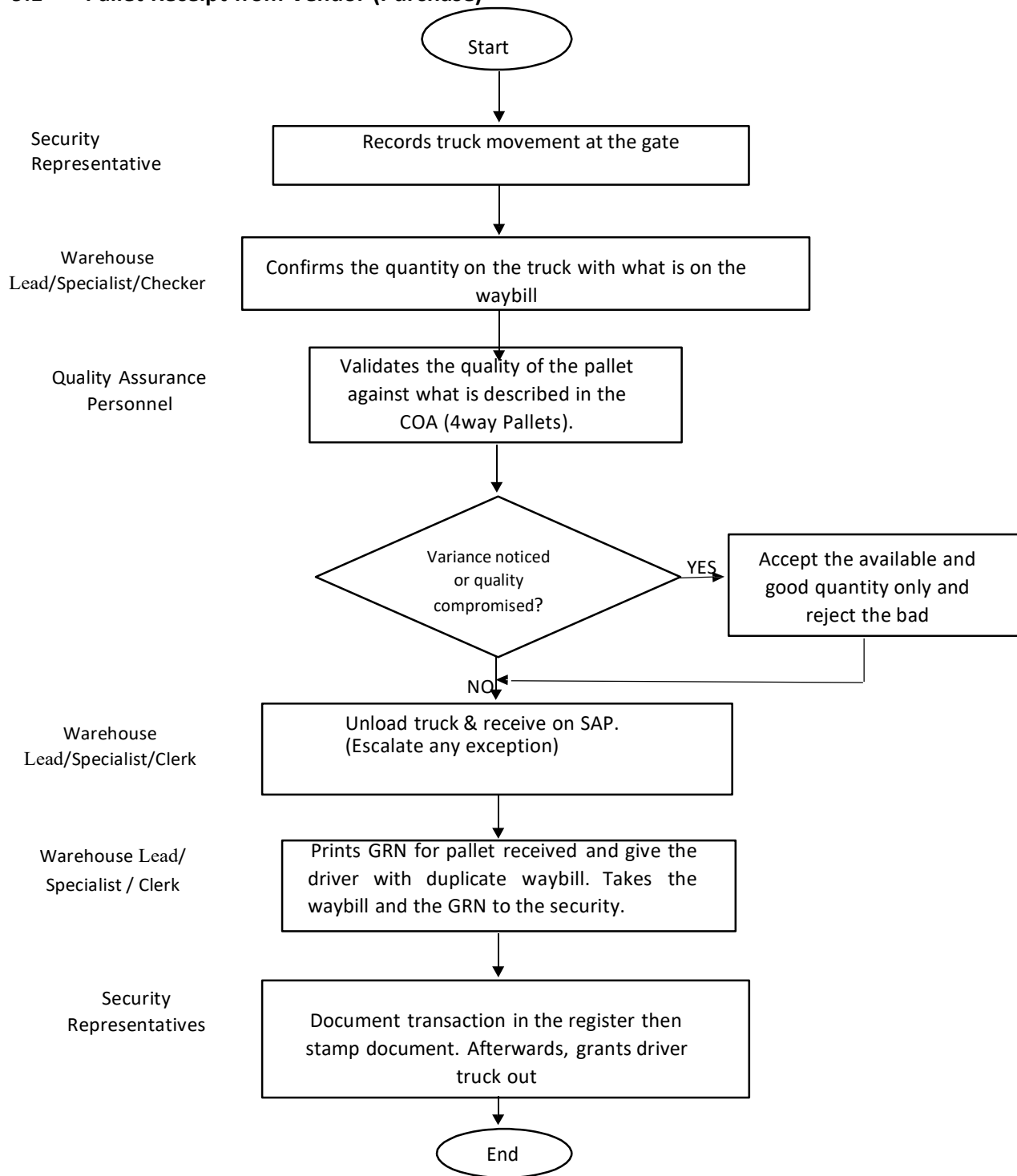
Warehouse Lead/Specialist/Checker

- Issues only good pallet to the line for Finished Goods carriage only and ensure the production lines do not run out of pallet.
- Pallet should be strictly used only for NBC-related material/items or activities.
- On receipt of pallet from sales and haulage, Warehouse Lead/Specialist should identify a convenient place and where pallets are segregated into Good and ATR.
- ATR pallets should be moved to the pallet repair area for repairs after segregation.
- Block sorted ATR & bad pallet in SAP.
- Unblock all repaired pallets in SAP and move from pallet repair area for further use.
- Ensure that stockpile of pallet is covered or stored under covered shed where practicable.
- All excess pallets in the Depot should be transported to plants where they will be put to further use.
- Free pallets should not be abused. It must be handled with utmost care and not dragged, stand/sat upon, or thrown down. It should not be used for carriage of any material that can cause damage to the pallet.
- On stock count days, after all first trip load has trucked out, Warehouse Manager (Plant/Distribution centre) must print out from SAP and file pallets-on-route stock using transaction code ZCOCI_NWM (Route Stock of Pallet) for accountability and reference purpose.

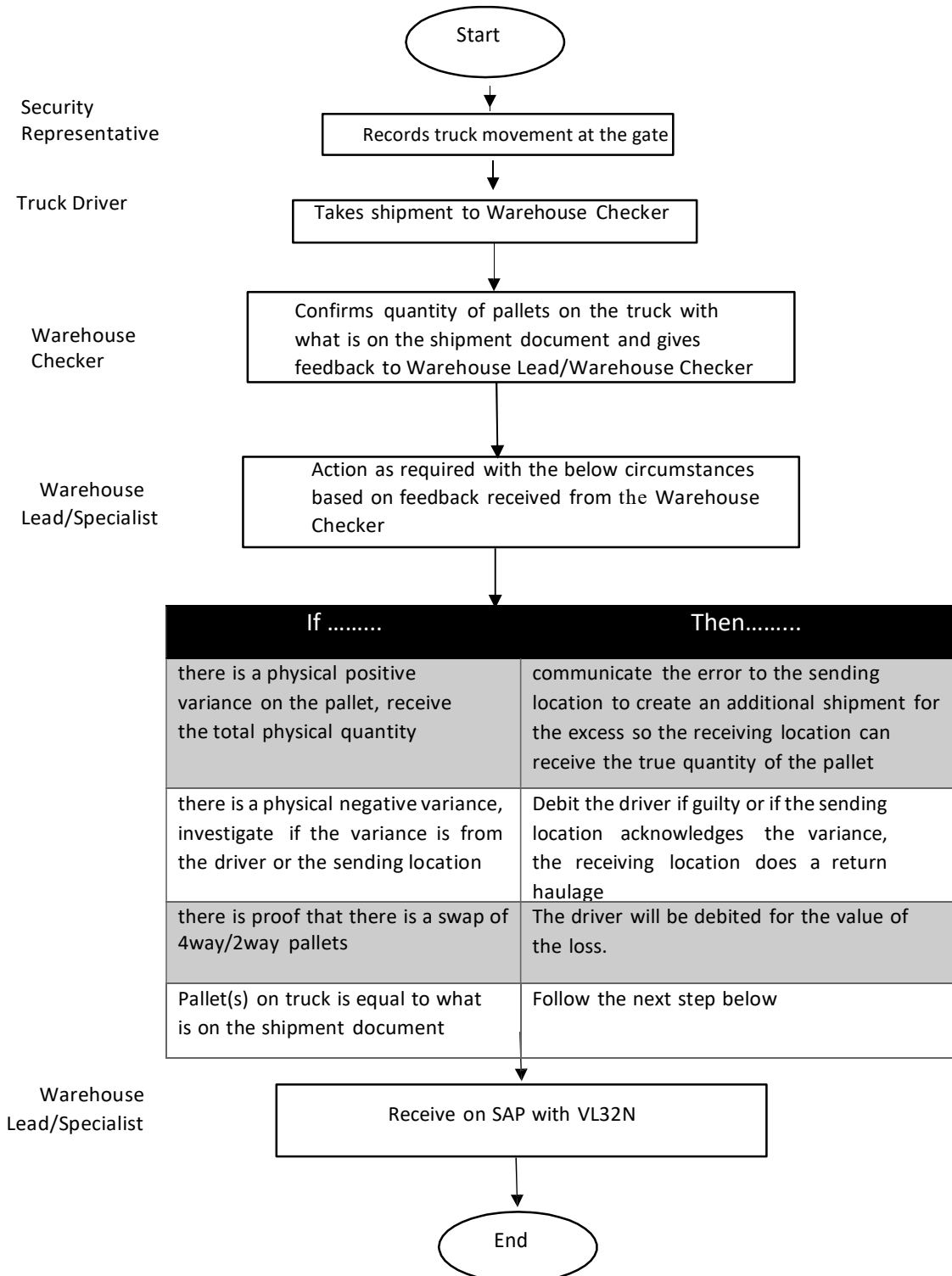
8.0 Pallet Write-off

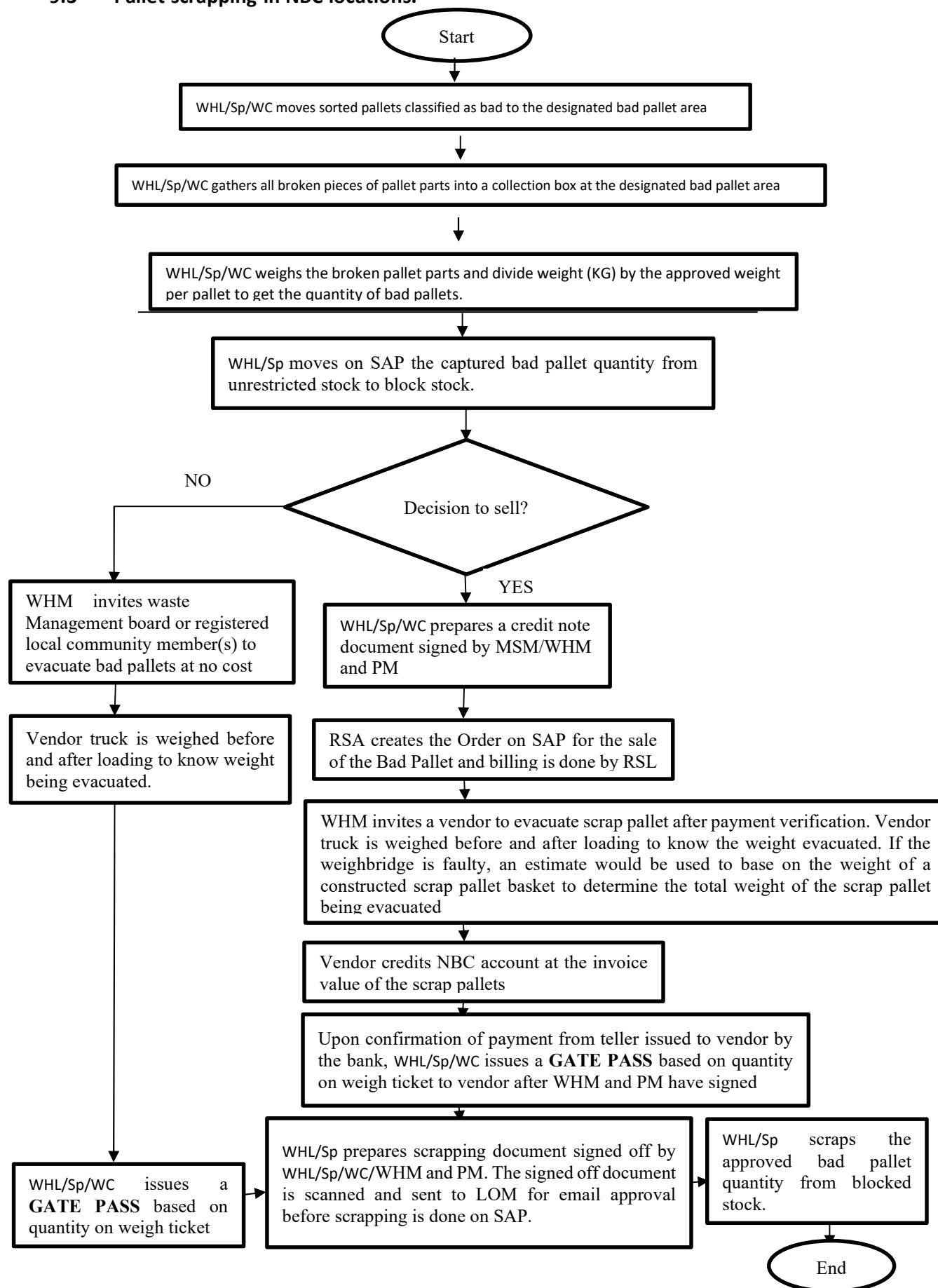
Roles and Responsibilities

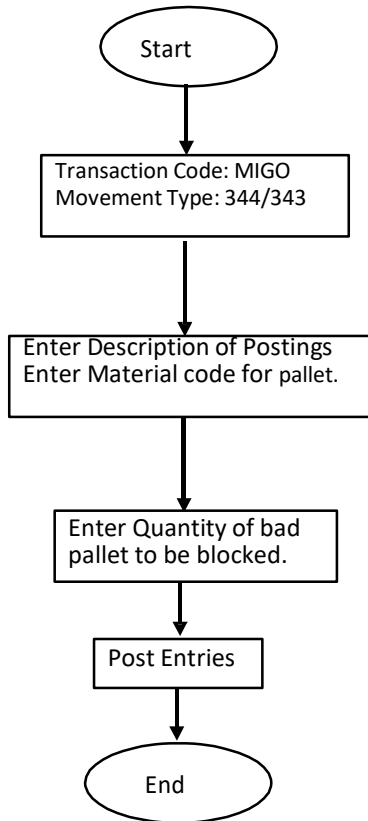
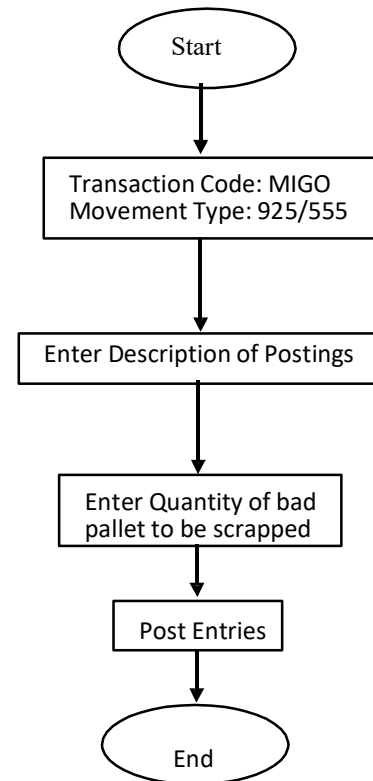
S/N	OFFICIAL	RESPONSIBILITY
1.	Warehouse Specialist/Warehouse Checker	<ul style="list-style-type: none"> Sorts, separates, and counts pallets daily. Update the SAP system and register with the outcome i.e., good, ATR and bad, both at the Plant and Depot.
2.	Warehouse Manager (Distribution Centre)	<ul style="list-style-type: none"> Ensure that all bad and ATR pallets are returned to the parent producing plant at least once a week subject to the availability of truck.
3.	Warehouse Lead/Warehouse Specialist	<ul style="list-style-type: none"> Prepares a scrap pallet sign-off document and submits it to Warehouse Manager and Plant Manager for sign-off. This denotes their approval to write off bad pallet. Supervises the weighing of broken unrepairable pallet parts that do not make up a whole pallet. The established weight of a bad pallet will be used as a numerator and the average weight of a pallet will be the denominator to ascertain the quantity (Refer to Section 5). Scraps bad pallets after acquiring all necessary approvals. Should there be an exception to this, it should be documented. Note: Bad pallet requests should be based on actual bad pallets evacuated from site.
4.	Warehouse Manager	<ul style="list-style-type: none"> Seeks for final approval via mail from LOM to write off unrepairable pallets weekly. Supervises the entire bad pallet scrapping process and ensures that the process is strictly followed.
5.	Plant Manager	<ul style="list-style-type: none"> Approves write-off of unrepairable pallet generated by signing off on pallet scrapping document
6.	Logistics Operations Manager	<ul style="list-style-type: none"> Approves unrepairable pallets generated and ready to be scrapped. This is the final approval, and it is done electronically via e-mail.

9.0 PROCESS FLOWCHART**9.1 Pallet Receipt from Vendor (Purchase)**

9.2 Pallet Receipt from Other NBC locations



9.3 Pallet scrapping in NBC locations.

9.4 SAP PROCESS FLOW FOR BLOCKING AND SCRAPPING OF BAD PALLETS**BLOCKING/UNBLOCKING****SCRAPPING**

10.0 PURCHASE & PAYMENT 'MODUS OPERANDI'

The Head office team prepares a weekly pallet planning report once a week considering production and sales plan for the week and draws up plans to cover identified gap(s). The Head office team reviews the usage and stock position daily and follows up plans to support production and avoid Out of Stock of good pallet.

Requests for pallet or pallet deck-board from vendors are made centrally at Head Office by the Warehouse Contract team or any other person appointed by the Country Logistics Director.

GRN is generated for new pallet purchased by the plant team while SES is generated for Deck boards and haulage of same centrally by Warehouse Contracts Team. The Vendor submits invoice via mail after SES has been issued.

Pallet repair payment should be made at least monthly within the communicated timeframe using the agreed unit rate as advised by procurement and agreed with the Vendor.

11.0 POLICY ADMINISTRATION

The Warehouse Manager shall be responsible for the administration and enforcement of this Policy.

12.0 EXCEPTIONS

This policy does not cover the treatment of non-NBC-owned pallets.


13.0 EFFECTIVE DATE

This policy is effective upon approval by the Country General Manager.


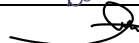

14.0 ACKNOWLEDGEMENT AND APPROVALS

By signing off, I confirm that I am aware of the process and main requirements of this Procedure and that the statements of the Procedure are acceptable. Furthermore, I agree to use the given authority according to the requirements, determined by this Procedure.

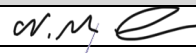

POLICY & PROCEDURE CODIFIED BY:

Name	Position	Signature	Approval Date
Joseph Adma	Warehouse Contract Manager		20.07.2023

POLICY & PROCEDURE REVIEWED BY:

Name	Position	Signature	Approval Date
Opeyemi Awodire	Finance Business Partner - SC		24.07.2023
Ismaila Yusuf	Country Logistics Director		25.07.2023
Niyi Giwa	BSO Alliance Manager		24.07.2023

APPROVED BY:

Name	Position	Signature	Approval Date
Neil Spickett	Supply Chain Director		31/7/23
Goran Sladic	Country General Manager		2.08.2023

15.0 APPENDIX

BAD AND BROKEN WOODEN PALLETS SCRAPPING DOCUMENT

BAD AND BROKEN WOODEN PALLETS SCRAPPING DOCUMENT							
						Approved Weight (KG):	
						Approved Cost/KG	
SN	DATE	VEHICLE NO	PASS NO	NET WEIGHT	QTY/KG	VALUE	
1							
2							
3							
4							
5							
6							
7							
8							
9							
10							
11							
12							
13							
14							
				TOTAL	0	0	
WAREHOUSE LEAD/SPECIALIST				SECURITY REP			
Sign/Date				Sign/Date			
WAREHOUSE MANAGER				PLANT MANAGER			
Sign/Date				Sign/Date			