

 UGEE CHEMICALS	SNO Warehouse SOP	SOP Standard Operating Procedure
REJECT MANAGEMENT SYSTEM		
SOP #: UCL/IBDWHSE/CD/Q/01.0	Issuance Date: Revision Date:	As at last signature Maximum 2 years from effective date

PURPOSE

- This SOP is designed to provide a standard process for managing off-quality or obsolete FP&RPMs and RPMs rejected by the lines due to run-ability issues to eliminate quality risks of misuse and contamination.
- To implement a tracker for all material moved to blocked status containing reason for block, date of block and next steps and resolution within 90 days.
- To ensure that disposal of FP and/or RPM are done in a manner that will render it unusable to prevent unauthorized use after it has left Company control.

SCOPE

- This SOP applies to all raw and packaging materials rejected in the warehouse and the lines because of quality issues.

RESPONSIBILITIES

Line SAP Key Users/MU Leader:

- Will ensure that the release labels on materials/products being rejected are replaced with the standard on-hold label.
- Will initiate a material defect initial report or technical report for the rejected materials and follow-through for necessary approval (in line with respective operations applicable reject management SOPs).
- Will move the quantity of the rejected material to Blocked status on ERP

MATERIAL SPOC




- Will notify and follow-up on supplier to evacuate materials and issue credit note for materials rejected due to quality issues attributed to the supplier.
- Will notify and follow-up on supplier to issue credit note for rejected materials.

Warehouse QA

- Will block defective, obsolete or phased-out materials/products on ERP based on new initiatives or incidents communication.
- Will inform the reject management system owner of blocked materials/products for disposition.

RPM Warehouse Technicians

- Will ensure all the TPN columns are duly signed by the supplier's representative stating the company name.

SOP OWNER  Babalola Ilesanmi Site Stewardship	QA APPROVAL  Alawode Olujide Date: 01/01/2021	STEWARDSHIP APPROVAL -----NA----- Date:	AUTHORISATION  Owolabi Emmanuel Date: 01/01/2021
--	--	--	---

- Will ensure all return to vendor duly signed TPNs and exit authorization form are sent to the reject management system owner immediately for corresponding postings on ERP.
- Will Move all rejected materials from the line into the warehouse reject storage areas physically and on ERP after receiving duly approved technical report form from line logistics technicians
- Will reconcile (weigh/count) all rejected materials with the duly approved technical report form or RM defect initial report from line logistics technicians.
- Will update the blocked FP&RPM tracking sheet (att.7).
- Will compare the correctness of the prepared TPNs physically (materials code, materials description and the quantity to be returned) and the vendor using the technical report issued by the like Key User.

Reject Management system owner

- Will ensure proper housekeeping of rejected materials and ensure that they carry the red reject labels in the reject storage areas.
- Will ensure blocked stock decisions are made within 90 days, with root cause of damage and next steps documented, and resolution executed within 90 days of decision making.
- Will ensure proper documentation for all returned and disposed materials
- Will update, review and share blocked inventory tracker weekly at the ELT meeting.

Site Waste Management Leader

- Will provide evidence of payment for all rejected RM the same day payment is made
- Will receive the rejected PRM and sign-off TPN at the scrap yard

Security

- Will track the codes, batches and quantities of materials moved out for scrapping.

Warehouse Manager and Plant Manager

- Will review the process and ensure compliance

PROCEDURE

1.0 MATERIALS REJECTED IN THE WAREHOUSE BEFORE QC RELEASE

1.1 After material receipt into the warehouse, QC will carry out necessary checks/tests to ascertain a material's fitness for use and if a material is found defective, QC shall place a reject label on it and move the material from 'Quality Inspection' status to 'Blocked' on ERP.

1.2 The warehouse reject management system owner will run the stock of blocked materials on ERP on weekly basis to confirm the details of the rejected materials, check physically and move the materials into the warehouse reject cage/storage area physically and in the corresponding reject locations on ERP.

2.0 MATERIALS REJECTED AFTER QC RELEASE IN THE WAREHOUSE (BEFORE SUPPLY)

2.1 After a material has been released by QC and then it is found defective inside the warehouse (damaged, affected by rain, contaminated, expired, to be phased-out etc), the originator (warehouse QA, operations, etc) will send the details on a duly signed technical report showing; material code, material name, quantity and reason for rejecting, etc to the warehouse Reject management system owner.

2.2 If the originator is not from the warehouse, he/she will communicate the need to block via mail to the warehouse QA coordinator and reject management system owner and contact them to block the materials both physically and on ERP.

- 2.3 The warehouse reject management system owner will then raise a scrap authorization form, get the necessary approvals and proceed to scrap.
- 2.4 After scrapping the material, the warehouse reject management system owner will then carry-out system adjustment on ERP.

3.0 MATERIALS REJECTED ON THE LINE AFTER SUPPLY FROM THE WAREHOUSE

- 3.1 After a material has been released by QC, supplied to the line and then it is found defective, the line Key user will raise a technical report form and RM defect initial report for the materials; get the necessary approvals based on the site approval matrix and follow-up on Dept QA leader/LQC to replace the approval labels on it with the reject label.
- 3.2 The line key user will then move the material to blocked status on ERP and stretch-wrap the rejected materials and hand them over with the technical report and RM defect initial report to the warehouse reject management system owner or the warehouse RPM technician on shift for evacuation into the warehouse reject cage/storage area.
- 3.3 The warehouse Reject management system owner or the warehouse RPM technician on shift will then evacuate the rejected materials physically into the reject cage/storage area and carry-out the ERP movement immediately.

5.0 DISPOSAL OF MATERIALS REJECTED BECAUSE OF SUPPLIER RELATED QUALITY ISSUES

- 5.1 After moving rejected materials into the reject cage physically and on ERP, the **Material spoc** will notify the supplier and the supplier will come to the site to inspect the materials to confirm the claim..
- 5.3 Once the supplier confirms that the material defect is supplier related, the supplier will arrange to evacuate the material and the **Material spoc** will ensure this happens during next delivery by the supplier.
- 5.4 Once the materials are evacuated by the supplier using a TPN and exit authorization form, the warehouse reject system owner shall proceed to carry-out system transaction on ERP (Return Delivery for material document) within same day and await credit note within 45 days in favor of UGEE
- 5.5 If credit/debit note is not gotten within 45 days, and escalation mail will be sent to the Material SPOC for resolution.
- 5.6 The warehouse reject system owner will update the tracker for supplier related defects to capture the date of return and the date of credit/debit note receipt.

REASONS FOR SCRAPPING:

- Material damages in-transit from the supplier.
- Damaged finished products
- Damages that happen in the plant warehouse.
- Damage from operation that cannot be fixed or reworked.
- Damage from handling and/or transportation to customers
- Dormant materials/products that appear as slow-moving items in the Non-Performing Inventory (NPI).
- Expired materials/products rejected by QA
- Changes in Formula Card (FC) or artwork, phasing out of old products due to new launches.
- Obsolete finished products

- Off quality finished products

WHAT IS SCRAP?

Materials which have been determined to be Obsolete, OOS-out-of-specification; and cannot be used, reworked, reclaimed, blended, sold or donated for its intended use. This definition does not include normal supplier in-process scrap such as overruns, trim waste, tails, regrind, etc. so long as the proprietary nature and functionality of any such scrap no longer exists.

For purposes of this SOP, the term obsolete is used to describe inventories that are over-age, residuals or remnants. All obsolete inventories (material confirmed to be scrapped) must be scrapped within the quarter they were labeled as blocked; in the event this may not happen:

- A business plan must be made on what to do with the Inventory
- Accruals for the cost of scrapping must be made in that quarter by finance for the inventory in question.

For other NPI, weekly review will be done on them to ensure clear action plan to scrap them

SCRAP PROCESS FOR FP&RPM

- Scrap authorization is initiated by the reject management system owner once the decision to scrap has been made for whse related FP&RPM only. Once a scrap authorization is raised and all the approvals gotten (screen shot of all approvals must be attached), the reject management system owner will notify the site waste management contact and update excel based scrap form.
- For all scrapings, the security personnel at the scrap yard will document details (codes, batches, and quantity) of all materials received for scrapping at the scrap yard.
- After aligning disposition for rejected materials with QA and site waste management contact, the reject management system owner will complete 3 copies of TPN with the details of the materials to be scrapped, get the TPNs signed with team leader, security at the scrap yard and the site waste management contact after which he/she will proceed to post out of the system within one work day.
- The reject management system owner will file the TPN, scrap authorization sheet, and all documents involved in the reject management process accordingly.

End of Procedure

SOP RELATED ATTACHMENTS

- Attachment 1 – Qualification sheet
- Attachment 2 – Scrap authorization
- Attachment 3 – Model Answer
- Attachment 4 – Technical Report form
- Attachment 5 – Blocked inventory tracker format
- Attachment 6– Return to vendor tracker format
- Attachment 7– Blocked RPM Tracker

DEFINITIONS

NPI – Non-performing inventory

RPM – Raw and packaging materials

TPN – Transfer Posting Note

LQC – Line Quality Control

QA – Quality Assurance

F&A – Finance and Accounts

SPOC – Single Point of Contact

RTV – Return to Vendor

FP – Finished Product

RPM – Raw and Pack Material

Uncontrolled If Not Stamped

ATTACHMENT 1

Attachment 1

SOP# UCL/IBDWHSE/CD/Q/01.0



UGEE CHEMICALS

SNO Warehouse

Reject Management System Procedure**Training Qualification Sheet**

Trainee Name:		Trainer Name:	
Training Date:		Qualifier Name:	

Question # 1: Who is responsible for updating the blocked inventory tracker?

Answer # 1: (a) FP&RPM Receiving Technicians (b) Warehouse manager

Question # 2: What Platform is used for scrapping?

Answer # 2: (a) ERP (b) SAMS

Question # 3: GCAS/Code, Description, Quantity and vendor must be compared with technical report before issuance of RTV?

Answer # 3: (a) Yes (b) No

Question # 4: Blocked stocks must be resolved within how many days?

Answer # 4: (a) 90 days (b) 45 days

Question # 5: Scrap Adjustment postings must happen within;

Answer # 5: (a) 1 business day after physical scrapping (b) Any time convenient

Question # 6: Who records the materials moved to the scrap yard?

Answer # 6: (a) Security (b) FP&RPM Receiving Technician

Question # 7: Blocked material/products must be physically segregated and have red labels on them. True or False?

Answer # 7: (a) True (b) False

Question # 8: Credit/debit note not gotten within 45 days, escalation mail will be sent to CBO SPOC for resolution. True/False?

Answer # 8: (a) True (b) False

Question # 9: Return to vendor postings must happen;

Answer # 9: (a) same day of physical evacuation (b) After credit/debit note has been gotten from supplier

Question # 10: A major purposes of this SOP is to implement a tracker for all material/products moved to blocked status. True or False?

Answer # 10: (a) True (b) False




The person is considered passed if he recorded 100 % from the above test.

Training Results: _____ (tick as appropriate below) Succeeded: ☐

Qualifier's Sign/Date: _____

Fill If Regualification is needed

Date of Re-qualification: _____

SOP OWNER  Babalola Ilesanmi Site Stewardship Date: 28/10/22	QA APPROVAL  Alawode Olujide Date: 31/10/22	STEWARDSHIP APPROVAL -----NA----- Date:	AUTHORISATION  Owolabi Emmanuel Date: 07/11/22
--	--	--	---

SCRAP AUTHORIZATION TEMPLATE

Raw MATERIALS		Quantity	UoM	Unit Cost	Reason Code	Total Cost (N)	Total Cost (\$)
S	Description	12,992.716	KG	47	1&4	611,040.94	4,073.61
	Sodium Sulphate 225 micron						
Total Value						611,040.94	4,073.61

es:	1-WH	2- Damage in Production	3- Change FC or Artwork	4- Dormant (Blocked)	6- Samples
om Supplier		8- Damage from Customer	9- Damage from Contractor	10- Damage during transit	11-Other

DECISION AUTHORITY FOR SCRAP AUTHORIZATION				SIGN OFF TYPE
SIGN OFF LIMIT(\$)*	MANAGEMENT LEVEL			
All Amount	Plant manager			Approval
All Amount	Plant Warehouse Manager.			Approval
NA	Plant Finance Manager for concurrence			Concurrence
All Amount	Site HR Manager			Approval

SOP OWNER	QA APPROVAL	STEWARDSHIP APPROVAL	AUTHORISATION
Alola Ilesanmi Stewardship 8/10/22	Alawode Olujide Date: 31/10/22	NA Date:	Owolabi Emmanuel Date: 8/11/22

08

ATTACHMENT 3



UGEE CHEMICALS

SNO Warehouse

Reject Management System Procedure**Model Answers Sheet**

Trainee Name:		Trainer Name:	
Training Date:		Qualifier Name:	

Question # 1: Who is responsible for updating the blocked inventory tracker?

Answer # 1: (a) FP&RPM Receiving Technicians (b) Warehouse manager

Question # 2: What platform is used for scrapping?

Answer # 2: (a) ERP (b) SAMS

Question # 3: GCAS/Code, Description, Quantity and vendor must be compared with technical report before issuance of RTV?

Answer # 3: (a) Yes (b) No

Question # 4: Blocked stocks must be resolved within how many days?

Answer # 4: (a) 90 days (b) 45 days

Question # 5: Scrap Adjustment postings must happen within;

Answer # 5: (a) 1 business day after physical scrapping (b) Any time convenient

Question # 6: Who records the materials moved to the scrap yard?

Answer # 6: (a) Security (b) FP&RPM Receiving Technician

Question # 7: Blocked material/products must be physically segregated and have red labels on them. True or False?

Answer # 7: (a) True (b) False

Question # 8: Credit/debit note not gotten within 45 days, escalation mail will be sent to CBO SPOC for resolution. True/False?

Answer # 8: (a) True (b) False

Question # 9: Return to vendor postings must happen;

Answer # 9: (a) same day of physical evacuation (b) After credit/debit note has been gotten from supplier

False?

Answer # 10: (a) True (b) False

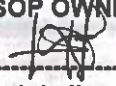


The person is considered passed if he recorded 100 % from the above test.

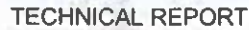
Training Results: _____ (tick as appropriate below) Succeeded: ☐

Qualifier's Sign/Date: _____

Fill If Requalification is needed

Date of Re-qualification: _____

SOP OWNER	QA APPROVAL	STEWARDSHIP APPROVAL	AUTHORISATION
		-----NA-----	
Babalola Ilesanmi Site Stewardship	Alawode Olujide		Owolabi Emmanuel
Date: 28/10/22	Date: 31/10/22	Date:	Date: 02/11/22





DATE:

Note:
**All required signatories must be complete




OK

[illegible]

SOP OWNER  Babalola Ife sanmi Site Stewardship Date: 28/10/2022	QA APPROVAL  Alawode Olujide Date: 31/10/2022	STEWARDSHIP APPROVAL -----NA----- Date:	AUTHORISATION  Owolabi Emmanuel Date: 14/11/22
--	--	---	---

RETURN TO VENDOR TRACKER

[illegible]

SOP OWNER	QA APPROVAL	STEWARDSHIP APPROVAL	AUTHORISATION
 ----- Babalola Ilesanmi Site Stewardship Date: 21/06/22	 ----- Alawode Olujiade Date: 31/06/22	----- NA ----- Date:	 ----- Owolabi Emmanuel Date: 22/06/22

30

BLOCKED RPM TRACKER

[illegible]

SOP OWNER ----- Babalola Ilesanmi Site/Stewardship	QA APPROVAL ----- Alawode Olufide Date: 21/11/2023	STEWARDSHIP APPROVAL -----NA----- Date:	AUTHORISATION ----- Owolabi Emmanuel Date: 22/11/2023
--	--	--	---

OK