

 UGEE CHEMICALS		SNO Warehouse SOP		SOP Standard Operating Procedure	
<u>MATERIAL SUPPLY & LINE-RETURN EVACUATION</u> <u>PROCEDURE</u>					
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PURPOSE

To establish a system for requesting, identifying and supplying operations' material needs for daily production and define a process for the management of line-returns. The intent is to achieve:

- Standardization and effective management of the space available in the material staging areas on the production lines and eliminate risk of materials expiring in storage by following FIFO.
- Accountability and work process simplification by making the storekeeper responsible for the needs of the production lines.
- On-time posting (within shift and closing of back-logs within 1 business day in case of any issue) of supplied material using the comment/details on the green/yellow (internally generated) label for the quantity.

SCOPE

- This procedure covers the system for determining, supplying and posting of Raw and Packaging materials needed for shift/daily production, the requirements for the movement of line-returns to the warehouse and the required documentation.




RESPONSIBILITIES

WAREHOUSE MANAGER is responsible to:

- Ensure this system is fully implemented, provide feedback on the system and participate in system improvements of the system using SIP and CSA as needed.
- Serve as a resource to the team to ensure the procedure is followed to execution.
- Provide resources like loading/unloading equipment like trucks, forklifts, pallet trucks, logbook etc to aid R&PMs supplies and line-returns evacuation.

RPM SUPPLY TECHNICIAN is responsible to:

- Use this system to identify and supply R&PMs for all the production lines' usage.
- Enter all material issuances/returns into ERP immediately after supplies/evacuation.
- Own the system by proactively flagging any issues/flaws, requesting and getting customers feedbacks and leading corrective plans from audits or customers' feedbacks.
- Managing R&PM supplies/line return and postings to ensure it is done in a timely and professional way according to this SOP.

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- Use the system to move material returns from the line to the warehouse and ensure zero follow –up from line personnel.

RPM INVENTORY RECORD ACCURACY OWNER:

- Makes sure there is balance between system record and physical stock by organizing periodic counts and daily reconciliation versus ERP figures.
- Provide feedback on the system and participate in system improvements as needed.

POTENTIAL RISKS

- Leg hit against racks or pallets while locating materials

PPE REQUIRED

- Safety shoes

PROCEDURE

1.0 GENERAL

- 1.0.1 Materials will be supplied for production per shift/need/request (in line with the staging area available space) based on a daily request from the operation lines.
- 1.0.2 Materials will be supplied to the nearest possible whole whenever supplying the exact quantity required by the line could lead to splitting of units.
- 1.0.3 Warehouse will manage the supply of materials to ensure zero-downtime to the lines, with effective space optimization of the staging areas.
- 1.0.4 Only materials released by QA will be supplied for operations' use i.e. materials under 'unrestricted' status on ERP and with Quarantine + approval, green Fast receipt label or green line return label physically.
- 1.0.5 Posting will be done immediately after material supplied and closing of back-logs within 1 business day in case of any issue),using the comment/details on the green/yellow (internally generated label) for the quantity.

2.0 IDENTIFYING MATERIALS TO SUPPLY FOR PRODUCTION

- 2.0.1 All R&PMs to be supplied for production shall be identified with the following:
 - Material CODE number,
 - Material ERP batch number;
 - Supplier batch and;
 - The standard quarantine and approval labels or Fast Receipt Label.

3.0 SUPPLYING MATERIALS FOR PRODUCTION

- 3.0.1 Upon resumption of duty in the warehouse, the warehouse material supply technician will get a material request form from the lines
- 3.0.2 The material supply technician will check-out for materials quantities by code required by each of the lines to produce.

3.0.3 Still on the 'IM PICKLIST', the warehouse material supply technician will check to select the next ERP batch of the material to be supplied based on the first one listed in the arrangement of such material (under unrestricted status) available in the warehouse. This is to ensure FIFO and prevent mix-ups in material batches. **Materials may also be supplied on FEFO or PIPO whenever a later received material batch is to expire before earlier ones or a material is being phased-out on a new initiative respectively.**

3.0.4 The warehouse material supply technician will then write down the material quantity, code and ERP batch and will take this to the warehouse to locate the material. The material supply technician will locate the material in the warehouse by comparing code numbers and EAP batch (es) gotten from the system with the physical labels (supplier + Quarantine + approval or fast receipt).

3.0.6 The RPM supply technician will then conduct physical checks on the material(s) based on the quality checks in the raw and pack material log-book.

3.0.7 The warehouse material supply technician will then notify the receiving contractor from the line of the supply.

3.0.8 He will then proceed with the physical supply of the material(s) to the line making use of the right equipment (forklift/pallet truck) and as defined in applicable warehouse safety SOPs.

3.0.9 The RPM supply technician will track the quantity of the material (using the comment/details on the green/yellow (internally generated label) for the quantity) and record it with the code and description in the material supply logbook and does a reconciliation with the security personnel in charge and the line receiving personnel, if there is any conflict the troubleshooting need to done immediately and closed out. He will then go back to the ERP to post the materials supplied to the lines by inserting the quantity supplied.

3.1.0 Upon completion of the transaction, the material supply technician will note-down the document number into the log-book after the confirmation. He will then sign-it off and give it to security personnel and the line receiving personnel in charge to also sign as a confirmation of the materials quantity.

No material shall be supplied to the line without the Quarantine and Approval labels, Fast Receipt labels or green line return labels pasted on them (as applicable).

No contractor should sign off the log-book.

4.0 LINE-RETURN EVACUATION INTO THE WAREHOUSE

5.0.1 After every line size or brand change-over, the line logistics technicians will completely stretch-wrap, label (line return containing the quantity and Quarantine + Approval or Fast Receipt) and segregate materials of the previous SKU for the warehouse material supply team to evacuate to the warehouse.

5.0.2 The lines logistics technician will initiate the process by printing out two copies of TPN stating all the materials code, materials description and the quantity to be returned, the line logistics technician would then complete the signature blocks and then inform the material supply technician about the materials to be returned.

5.0.3 The materials to be evacuated from the line must meet-up the following standard before taken them into the warehouse.

- The materials must be well arranged on pallet.
- The materials must be well stretch-wrapped.
- The materials must be on a good pallet.

- The materials must have all the corresponding label on it (i.e. green line return label)

5.0.4 The warehouse material supply technician will weigh/count the received materials to confirm correctness and post the materials from the lines to the warehouse location on ERP and note-down the ERP generated document number, the material code, description and the quantity into RPM log-book and the transfer posting note generated by the line logistics.

5.0.5 The warehouse material supply technician will then sign off both the log-book and the TPN, and proceed by handing it over to the security personnel in charge to also sign it as a proof of transaction.

End Of Procedure

<u>SOP RELATED ATTACHMENTS</u>

Attachment 1 – Qualification Sheet

Attachment 2 – Model Answers

Attachment 3 – Sample of a standard quarantine/yellow label showing quantity/comment column.

Attachment 4 – Sample of a standard line return label.

ABBREVIATIONS

LSPK – Line Staging Packing (HHC)

LSMK – Line Staging Making (HHC)

IPRP – Ibadan Plant RPM Storage Location

RPM or R&PM – Raw and Packaging Material