	UGEE CHEMICALS SNO Warehouse SOP	SOP Standard Operating Procedure
R&PM RECEIVING PROCEDURE		
SOP #: UCL/BDWHSE/CD/Q/02.1	Issuance Date: Revision Date:	As at Last Signature Maximum 2 years from Effective Date
	Effective Date:	20 days from issuance date.
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PURPOSE

This SOP establishes a system for receiving Raw and Packing materials to achieve:

- Process standardization and simplification.
- Documented reference for daily use and a training tool.
- Ensure FIFO is applied during receiving into ERP.
- Ensure Internal Control rules (24 hours GR, quality checks, actual quantity checks) are strictly adhered to.

SCOPE

This procedure outlines all the steps and process for receiving Raw and Packing materials into the warehouse and the corrective steps to be taken if there is any outage in executing the process.



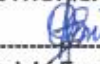
RESPONSIBILITIES

RPM Planner/Logistics Manager

- Is responsible to ensure that valid PO is created before ordering of material.
- Ensure that PO is written on the supplier waybill.
- Ensure that all materials to be received have been properly maintained on ERP and updated on ASL.
- Follow-up on supplier for systemic resolution on any escalation by the receiving team on quantity discrepancy observed during material receipt.

Receiver is responsible to:

- Use this system for receiving all Raw and Packing materials on ERP in the different locations.
- Perform physical Good Receipt using **attachment 4** and system receipt on ERP within the shift of material unloading.
- Create batch cards and print corresponding labels and paste within the shift of material Good Receipt on ERP.
- Escalate to the RPM Planner for any discrepancy between weighed quantity vs supplier label quantity.
- He/She is responsible for the physical receiving of all R&PM into his/her warehouse
- He/She is responsible to check both the quality and quantity of materials he/she receives into his warehouse and ensure they match the quantities on the delivery documents with physical.
- He is responsible for pasting the corresponding labels on all materials in the warehouse

SOP OWNER  Babalola Ilesanmi Site Stewardship Date: 22/03/23	QA APPROVAL  Alawode Olujide Date: 22/03/2023	STEWARDSHIP APPROVAL -----NA----- Date:	AUTHORISATION  Owolabi Emmanuel Date: 27/03/23
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- Will Create the space and allocate each material to the right location based on recommended storage requirements.
- Will compare the materials CODE, supplier lot number, date of production and expiry on the material versus the CoA.
- Will check materials CODE, supplier, and supplier location versus Approved Supplier List (ASL).

PROCEDURE

1.0 GENERAL

- 1.1 Materials will be received per supplier lot number per waybill day (i.e., **one MRN Number per supplier lot/waybill**)
- 1.2 Materials will be unloaded 24hrs per 7days.
- 1.3 Actual R&PM quantities received shall be indicated on the waybills and booked on Tally.

2.0 PREPARATION TO RECEIVE MATERIALS

- 2.1 Local Import Planner will send all shipping documents to the Receiving technicians and RPM Leader.
- 2.2 The Local Import Planner **will issue a monthly or weekly delivery plan** for all expected deliveries to the Receiving Technician by the Wednesday of each week.
- 2.3 Upon receipt of the delivery plan, the Receiving technician will prepare the following to receive the expected consignments:
 - 2.4.1 **Space**: Adequate warehouse storage space and locations for each consignment.
 - 2.4.2 **Labour**: If manual off-loading is required when receiving, the adequate number of people and funds must be prepared in advance to ensure the off-loading begins on time with no risk of demurrage.
 - 2.4.3 **Equipment**: Arrangements for additional equipment (e.g., pallet movers, forklifts, cranes etc.) must also be made available in advance.

3.0 ARRIVAL OF DELIVERIES AT WAREHOUSE AND THE R&PM RECEIVING PROCESS

- 3.1 When a consignment arrives at the warehouse gate, the delivery document will be logged and the arrival time will be put on the waybill by the security personnel.
- 3.2 Security personnel will inform the Receiving technician of the consignment.
- 3.3 The Receiving technician will check the delivery plan for foreign materials as per information received to confirm if he/she is responsible for the consignment that just arrived.
- 3.4 The materials will be received into the staging area in the warehouse; arranged on pallets.

DISCRETE MATERIALS (kg or m2)

- 3.5 Confirm and track the received quantity vs the documents through material quantity label on the pallets.
- 3.6 All materials under this category will be weighed in and out.
- 3.7 Compare the net weight on the UGEE weighing bridge ticket with the supplier's net weight.
- 3.8 If discrepancy outside of +/-5% exists between the UGEE weighed quantity versus delivery documents, escalate to the corresponding RM SPOC for onward communication with the supplier via mail.
- 3.9 The Receiving technician creates MRN using the net weight on UGEE weighing bridge ticket.
- 3.10 If within the tolerance of +/-5%, the Receiving technician creates MRN using the total label quantity tracked on the receiving document.

COUNTABLE MATERIALS (ea)

- 3.11 Confirm and track the received quantity vs the documents through material quantity label on the pallets.
- 3.12 Perform random count of 3 bundles per shipper pallet using physical count and comparing versus what is specified in the delivery documents and material labels
- 3.13 For Polywovens, count the total bundles for all deliveries and compare with the quantity in the delivery documents and material labels. For PVC tapes, track quantity on material labels.
- 3.14 If any discrepancy exists between quantities tracked/counted on material labels versus delivery documents, escalate to the corresponding PM planner for onward discussion with the supplier.
- 3.15 The Receiving technician creates MRN using the total label quantity tracked on the receiving document.

BULK MATERIAL RECEIVING HANDLING.

- 3.16 Bulk material (i.e., Active HLAS, Caustic Soda and Sodium Silicate) physical receipt shall be done in accordance with the Tank Truck Chemical Unloading procedure.
- 3.17 Perform physical truck weighing on the weighing bridge.
- 3.18 Compare the net weight on the UGEE weighing bridge ticket with the supplier's net weight.
- 3.19 The receiving technician creates MRN on ERP using the quantity on UGEE weighing bridge ticket.

4.0 SYSTEM RECEIPT AND DOCUMENTATION FOR R&PMs

- 4.1 The Following documents must be present at the commencement of system R&PM receipt:
 - I. Certificate of Analysis
 - II. Packing List
 - III. Invoice (Foreign Material) with PO number on it
 - IV. Way Bill (PO number must be written on it for all local deliveries)
 - V. Bill of Lading (Foreign Material)
- 4.2 Only the Receiving technician shall create MRN for materials on ERP.
- 4.3 The Receiving technician will raise the MRN and create a batch card for each material lot on the shared drive and give a copy of the CoA to the Quality Assurance department to process material release for QM materials.
- 4.7 The Receiving technician shall then print-out internally generated labels from the batch-cards.
- 4.8 The Receiving technician will paste the labels. Label shall be pasted based on label pasting SOP.

5.0 HANDLING OF DISCREPANCIES AND DAMAGES DURING SYSTEM GOOD RECEIPT (Discrete and Countable materials)

- 5.1 In the case where the discrepancies are out of the tolerant zone (i.e. +/-5% of the individual supplier's weight), the difference will be communicated to the supplier via the material planners.
- 5.2 If the short/over delivery re-occurred within a month, MRN for the material will be performed based on 100% weighing process till the supplier re-validate the individual pallet quantities.
- 5.3 Materials that are damaged on receipt will be rejected on the spot and return to the supplier via same truck that brought the material.

6.0 MATERIAL COVERAGE MANAGEMENT

6.1 FG Planner /RPM Leader

- Ensure that production is planned and communicated at least **one week in advance (26th of the preceding month)** to the RPM leader.
- RPM leader compares the available inventory per material versus the requirement for the month (on top of the safety stock maintained per material).
- RMP leader communicate the gap on inventory to the logistics manager for delivery and follow-through.
- RPM leader schedules the delivery of the materials based on space availability.

6.2 Logistics Manager

- Ensure the delivery schedule is strictly adhere to by the material suppliers

7.0 MATERIAL COVERAGE ESCALATION CHANNEL

7.1 At 15DFC per material (Material Replenishment Trigger)

- RPM leader will send an email to the Logistics Manager, copying the Plant Manager calling out the inventory levels for onward replenishment

7.2 At 10DFC per material (Escalation to Logistics Director)

- RPM leader will send first escalation to the Logistics Director, copying the Logistics Manager and Plant Manager

7.3 At 5DFC per material (Escalation to CEO)

- RMP leader will send an escalation to the CEO, copying the Logistics Director, Logistics Manager and the Plant Manager.

8.0 EXCEPTION FOR MRN NOT DONE WITHIN THE SHIFT

If MRN cannot be created within the shift of material receipt due to unavoidable reasons; the receiving technician will seek the approval of the Warehouse Manager in writing within the time frame stating the reason why MRN cannot be done.

REASON FOR UPDATE:

Version 1: To include big bags lifting straps in the checklist

End Of Procedure
<u>SOP RELATED ATTACHMENTS</u>
Attachment 1 – Qualification Sheet
Attachment 2 – Model Answers
Attachment 3 – Weighing Sheet
Attachment 4 – Receiving Checklist

DEFINITIONS

ECoA – Electronic Certificate of Analysis

SPOC – Specific Point of Contact

PO – Purchase Order

WH – Warehouse

EA – Each

M2– Meter square

QM – Quality Manage

DFC – Days of Forward Coverage

