

CONTINUAL IMPROVEMENTS – **Chemical Procurement, Inventory and Storage**

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Reviewed by: Mr.O.K. Kaul, CEO

This document will be reviewed on a half-year basis.

In order to ensure a transparent and organized use of chemicals we keep our storage clearly arranged, which includes a minimum number of chemicals on stock, whilst ensuring no chemical shortages at any time.

Chemical procurement is done based on:

- > Orders on hand
- > Orders that are anticipated
- > Stock orders

We calculate the requirement, place orders to our authorized dealers / manufacturers and replenish the stocks on a weekly basis. To keep the chemical inventory at an optimum level an MSL (Minimum Stock Level) is introduced for each item based on its consumption patterns. Once the stock goes below the MSL it is replenished in a timely manner. Products like Chrome, Formic Acid, Mimosa which are quite vulnerable in terms of price and availability, are stocked in a higher quantity to ensure smooth flow of production and lower a risk of bottleneck.

Chemical Storage

Powders and Liquids are stored separately and according to their nature and compatibility with each other. Certain items which are highly hazardous and flammable are stored at a well-ventilated place with necessary protective precautions. Chemicals are moved from time to time from main storage area to the Dispensing Area.

Storage racks within the chemical storage area are planned, to not only improve the visual appearance, but to avoid congestion enabling a more efficient and effective use of space.



The image shows a handwritten signature in blue ink over a circular purple stamp. The stamp contains the text 'AVANTI LEATHERS LIMITED' around the perimeter and 'Varadaiahpalem' at the bottom. The signature appears to be 'S. K. Kaul'.

In the past, the chemical storage area used to be a pain point for the facility regarding organization and appearance. Further, the occurrence of spillage caused pollution to the environment, increasing the load of the ETP after washing.

To avoid spillage, wastage of chemicals:

- People working in chemical storage are trained and motivated to be attentive towards environment protection.
- A storage system was introduced where bigger containers should contain powder chemicals. Each of them can fit 2 bags of 25 kgs from which the personnel can take the chemical needed without spillage. The container prevents the powder to fall on the floor and it will rather be collected inside the container and recovered completely. The same strategy applied to all our dyes as well.
- In case of liquid chemicals, we have built smaller containment zones so that in case of any spillage, the chemical remains within that small containment zone and can be recovered about 95%. Once the containment zone is cleaned the water goes to our ETP. People handling the liquids are provided with necessary mugs and trays to avoid spillage. This reduces the load on the ETP, the impact on the environment as well as saves cost to the company.

[Handwritten Signature]
Signature / Stamp
VANATHI LEATHERS LIMITED
VADADAIAPALLE

BEFORE:



AFTER:

