



Rhodia Eco Services and Supply Chain Best Practices

Topics:

- Rhodia Eco Services
- Supply Chain Best Practices for reliable supply
- Vendor-Managed Inventory to improve reliability with lower working capital and distribution costs



About Rhodia Eco Services

- Headquartered in the U.S., (while Rhodia is French owned)
- Six main plant locations, servicing the U.S. & Canada.
- Three core business activities
 - Acid Regeneration Services
 - Sulfuric Acid and Sulfur Products
 - Industrial Hazardous Waste Treatment (“Treatment Services”)



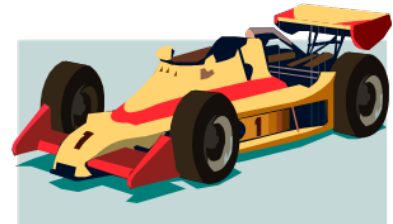
Eco's Core Business is the Regen Acid business

Fresh Sulfuric Acid

Step 1 -
Refineries use the sulfuric acid to make **cleaner burning gasoline**



Cleaner-Burning Gasoline



Step 2 - Regen Plants **recycle spent acid**

Spent Sulfuric Acid

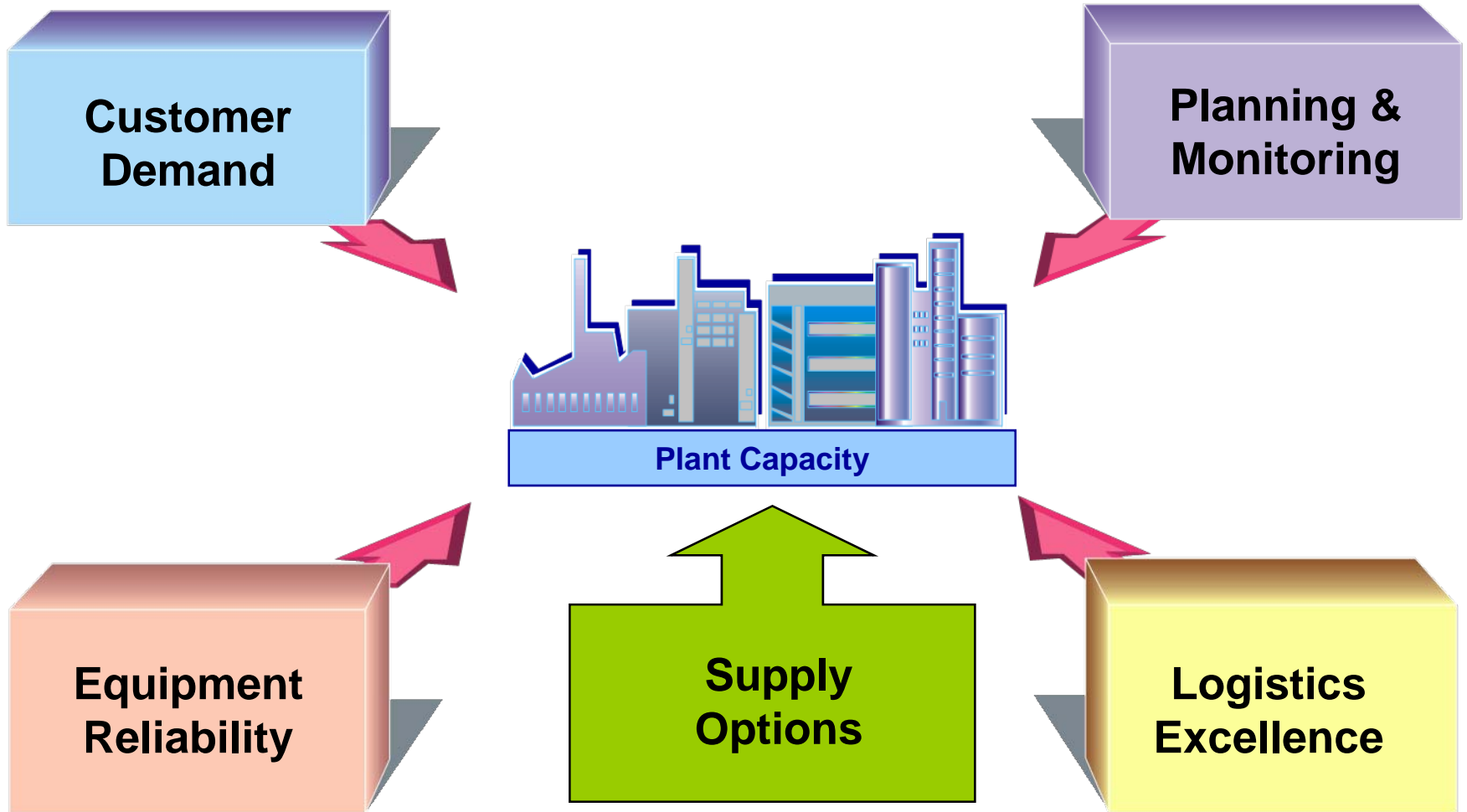


Reliability of supply is the key customer service parameter for Eco...

- With most customers, we are the **sole supplier**.
- Typically, long term **partnership** relationships.
- Our customers depend on our delivering acid for their operations to run.
 - Safely
 - Reliably
 - Meeting their changing demands

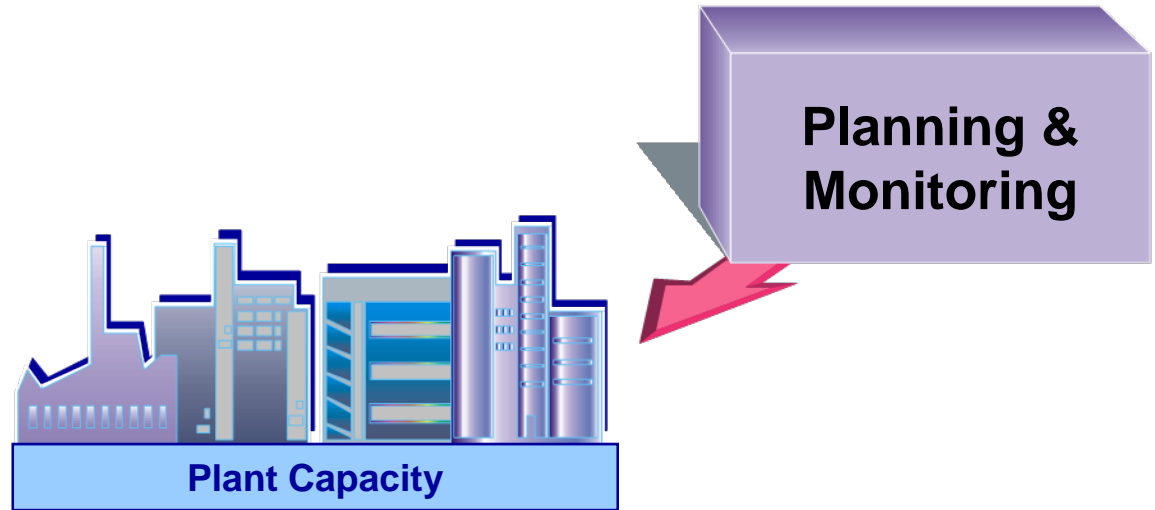


Supply Chain Best Practices are critical to reliable supply...





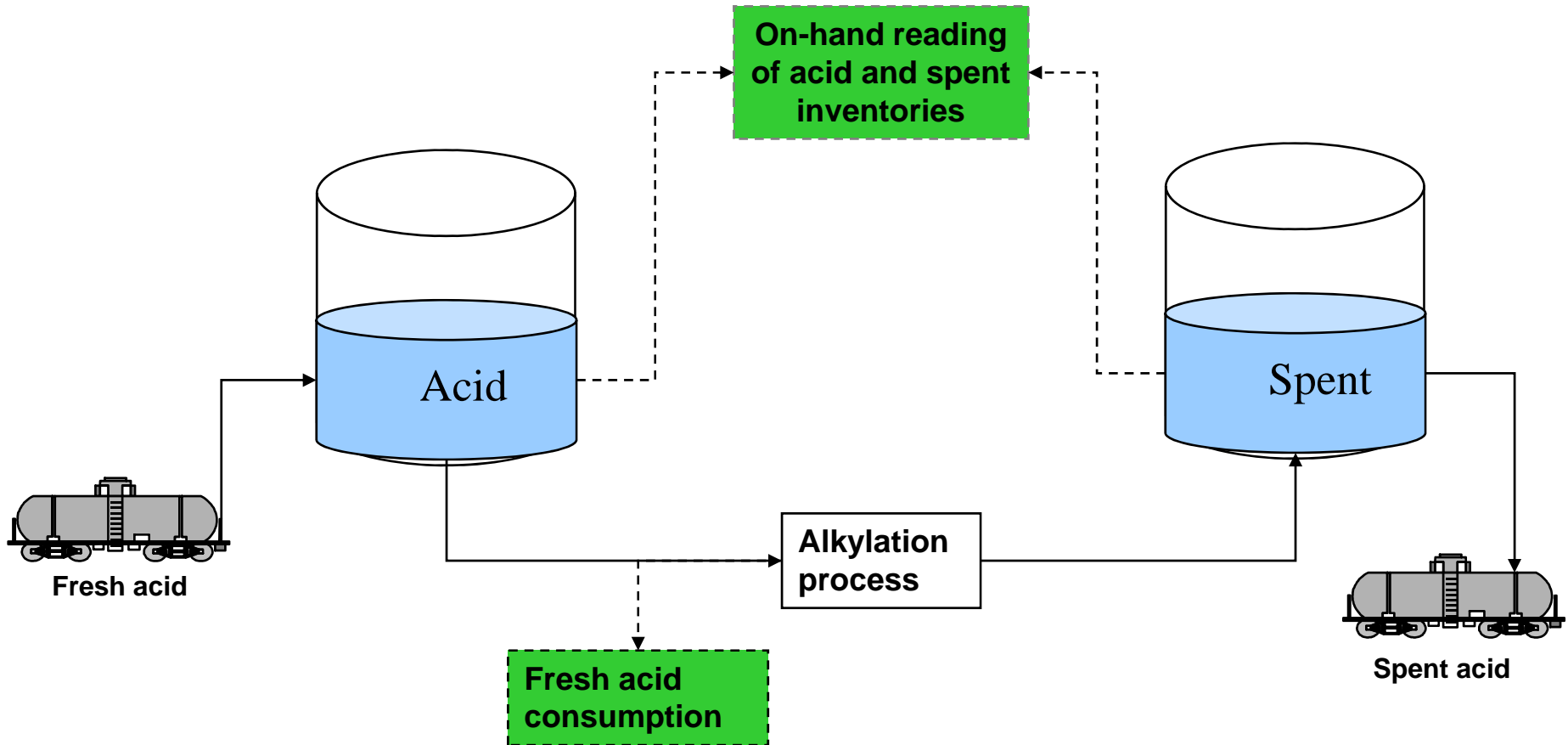
Supply Chain Monitoring is a key best practice.



- Good Tactical Planning and S&OP Processes
- Supply Chain Monitoring
- Supply Chain Networking

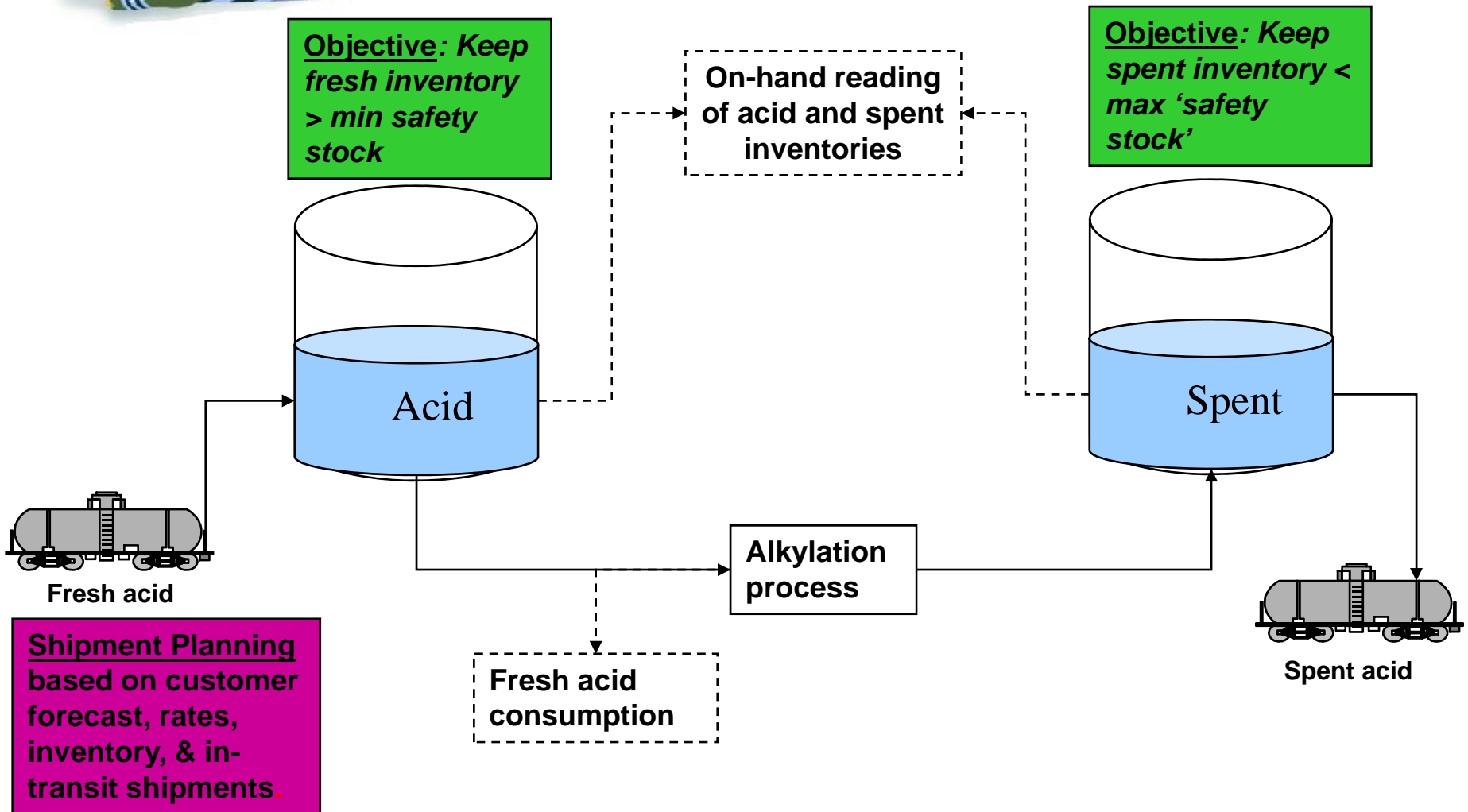


With VMI through Elemica, we monitor customer inventory levels & demand.





VMI helps as a shorter-term planning tool (Pull System).





Benefits of the visibility (and improved lead time) includes...

- **Reliability of supply**
- **Higher asset utilization**
 - Of logistics equipment (rail/truck)
 - Of plant facilities
- **Lower overall inventory levels**
 - At customer sites
 - At our sites
- **Lower distribution costs with less expediting**
- **Also, efficiency in transactional work**



In the present economy, this translates into...

- Lower inventories across supply chains to match lower demand
- Cost reduction –
 - Less logistics equipment
 - Lower freight rates

→ *Objective is to maintain our reliable performance (customer service levels)*

→ *We should come out of this in a strong position as the economy takes off.*