

Introduction - Company Profile

Corporate overview

Rexam is a leading global consumer packaging company with sales of £4.7 billion in 2011. We have 83 manufacturing sites in 25 countries across the globe and we employ 19,000 people in our continuing operations. Headquartered in London, England, we are an established member of the FTSE 100, a global leader in the manufacturing of beverage cans and one of the world leaders in rigid plastic packaging. We are business partners to some of the world's most famous and successful consumer brands such as Coca-Cola, InBev and PepsiCo, and blue chip global brand owners such as Proctor & Gamble and GlaxoSmithKline.

Our vision to "be the *best* global consumer packaging company" is strongly supported by Rexam's four embedded core values: Continuous Improvement, Trust, Teamwork and Recognition.

We have been committed to a path of Lean Enterprise across all our operations as a way of putting our Values into practice for over ten years. This approach is an essential part of what we call the "Rexam Way".

Extrema plant

In 1996, Rexam Brazil (formerly American National Can) set up this plant in the city of Extrema close to São Paulo in the state of Minas Gerais, with an initial production capacity of 1.5 billion cans a year in a 150,000 sq m facility.

Investing in capacity and Lean practices, the plant now manufactures 2.3 billion cans a year, or 6.8 million cans a day.

Extrema is the largest 12oz facility in the Beverage Can South America (BCSA) sector, with three lines, 110 employees in operations and 14 employees in management, making a total of 124 employees. With strong teamwork and Six Sigma practices, this plant has the lowest manufacturing cost in BCSA.

Extrema is fully dedicated to its customers and operates 24 hours a day, seven days a week, driving a decision-making culture based on Lean tools to improve our manufacturing processes.

We offer more than 120 designs with multiple colours and innovative finishes to add value to the customers' brands, such as matt varnish, tactile varnish, high-definition printing and thermochromic inks. In order to be our customers' preferential supplier, innovation must always be at the front of our mind.

With our ethos of sustainability, we are focused on reducing process waste and other opportunities. Our undertaking of Six Sigma projects has made Extrema a BCSA benchmark in spoilage levels and energy consumption. We are constantly reducing our raw material

usage and energy consumption, which we believe is directly linked to the environment through our CO₂e burden. We are proud to have gone five years without any environmental accident.

In 2010 and 2012, we participated in Rexam's global employee engagement survey, achieving a 100% participation rate with 83% favourable, the best rate in BCSA, where the sector average was 78%. This means we believe we have a good working environment in our plant. However, even with this result, based on continuous improvement, we always think we can do better and we want to be the best workplace for our employees. After the survey in 2010, an action plan was fully implemented and this is being repeated following the 2012 survey.

We believe that development helps retain talent, which is important to sustain improvements and give consistency to the site.

Safety is of paramount importance to us. Internal actions promote a safe environment to work in, and the plant has now been more than 1,490 days without a lost-time accident.

Process and product

To make a beverage can, the key process steps involve stamping, ironing and drawing aluminium discs from rolled stock to form a can shape. The cans are then washed before being designed using in-line screen printers. This plant was designed with a quality guarantee concept at every stage of the production process, without the need for final inspection of quality. Speed and quality are the key drivers of process performance and our QAS (Quality Assurance System), RSVIEW (Rockwell Process Monitoring) system and RSBizWare (Rockwell Database System) provide real-time production data and process monitoring capability.

Continuous improvement process

Rexam has operated a global system of Lean Enterprise since 2003, structured around building capability in specific tool sets of Culture, VSM, 5S, TPM, SMED and Six Sigma. Progress is reviewed annually and awarded a merit of bronze, silver or gold depending on performance levels. Extrema achieved gold level at their first assessment in 2003 and consecutively up to 2008.

In 2009, Extrema was invited to participate in a more sophisticated assessment known as "Beyond Gold", where the implementation of a Lean system is appraised. Again, a system of merit is used to recognise achievements starting at emerald, then sapphire, and finally diamond. Extrema was awarded diamond in 2009 and 2010.

Based on the value stream map, gap analysis and strategy of the company, a hopper list is defined at the start of each year with projects, actions and goals. In 2012 Extrema has 253 improvement implementations based on SMED, Six Sigma and Kaizen methods reaching savings of

US\$3.4m to date. Our value stream maps and plant goals are revised twice a year with the gap analysis resulting in a revised hopper list.

Achievements

- 2002 and 2010 – Quality in Work by SESI (local workplace quality evaluation).
- 2003 – named The Best Place to Work by *Exame* magazine, a recognised national award.
- Lean Enterprise achievements:
 - ✓ 2003 & 2004 – awarded ‘Best Lean Business’
 - ✓ Gold status 2003–2008, becoming the first Rexam plant ever to achieve gold status
- 2004 – recognised by the Great Place To Work Institute, Brazil – 100 best companies to work for, Latin America.
- 2008 – awarded “Best Trainee Program in Minas Gerais State” by FIEMG (Industry Federation).
- 2009 & 2010 – Beyond Gold diamond status.
- Rexam awards for “Excellence in Performance” in 2010 and “Guarantee the Future” in 2011 with a successful energy reduction project.

Safety & environmental

- 2002 – ISO 14001 certified (environment).
- 2004 – OSHAS 18001 certified (safety).
- Annual safety training for all employees.
- Monthly safety visits by management covering all areas of operations, warehousing and administration.
- Rexam Risk Management Best Practice Award 2003–2005 – EHS, Fire & Property Protection.
- Risk Elimination programme since 2006 has identified and treated more than 7,000 potential accidents and unsafe conditions.
- Historical record of more than 1,490 days without lost-time accidents.
- Behaviour-Based Safety Programme begun in 2010, achieving over 90% engagement.
- Zero environmental accidents since 2006.
- 30% of plant’s headcount are part of the site’s fire brigade.

Quality

- ISO 9001 certified: 2001.
- ISO 22000 certified (food safety): 2012.
- Assured quality through annual customer audits.
- Regional Manager Black Belt and 13 Green Belts.
- In 2012 we plan to certify 1 BB and 2 GB’s.
- QAS (quality assurance systems) and QAS Minitab real time SPC process monitoring covers 100% of production.

Employee morale

- We are dedicated not only to our people’s quality of life, through a consolidated wellbeing programme, but also to their career and personal development. All 124 employees at the Extrema plant engage in twice yearly performance appraisals and objective setting, and

100% of our people have personal development plans.

- 90% of our employees were engaged in at least one Lean activity in 2011.
- Technical Operational Training Programme: four events involving over 45% of our employees. Plant participates in improving deep technical process knowledge.
- Every month, our in-house programme, “Extrema In Action”, recognises the best employees for their engagement in safety and Lean activities. Risks identified and eliminated, Kaizen events and SMED participation are examples of activities recognised by local Human Resources along with the “Extrema In Action” managers.
- Our Good Day programme donates money to help social institutions whenever safety, quality and production records are achieved. 19 Good Days to date.
- Quarterly events are held for all employees to discuss targets, process improvements, suggestions, best manufacturing and administrative practices, and to set up working groups to discuss matters of strategy.
- We stimulate two-way open communication between employees and the leadership team through constant alignment meetings and a communication programme called “Open Channel”.
- 12% of our employees are part of a permanent committee that deals continually with all issues related to safety, which annually promotes a full week given over to raising awareness about the environment, health and safety at the plant.
- 59% internal promotion rate in 2011.
- Absenteeism rate consistently around 1%.

Delivery performance and cost reductions

- BCSA plant with the lowest manufacturing cost.
- Spoilage down 19% since 2007.
- 2006–10 internal benchmark for inside spray coating consumption.
- Use of energy for heating has fallen by 8% since 2006.
- Electricity consumption has fallen 20% since 2006 and is now the benchmark.
- Repair and maintenance costs have been cut by 10% since 2006.
- Inventory turnover has improved 13% since 2008.
- Washer chemical consumption has fallen 38% since 2006.

For more information contact:

Jon Alder
Director, Group Lean Enterprise
Direct Line +44 (0)20 7227 4197
Mobile +44 (0)7786 197474
Email: jon.alder@rexam.com