

Corporate overview

Rexam is a global consumer packaging company. We are one of the leading global beverage can makers and a major global player in rigid plastic packaging for healthcare applications. We are business partners to some of the world's most famous and successful consumer brands. Our vision is to be the best global consumer packaging company.

We have 67 manufacturing plants in 24 countries and employ 11,000 people. In 2012 we had a turnover of £4.3 billion. Rexam is a member of the FTSE 100 and its ordinary shares are listed with the UK Listing Authority and trade on the London Stock Exchange under the symbol REX.

Neuenburg Plant

The original Neuenburg site was built in 1961 for the company Leitz. The plant developed its product range through the years and delivered many varied types of plastic packaging such as nasal spray devices, sweetener dispensers and flasks. In 1999 the plant started to focus on the production of pharmaceutical products.

This change in strategy required the creation of clean rooms in order to fulfill the healthcare customers' expectations. The plant underwent its biggest transformation between 1999 and 2009 during which time it expanded from 82 to 375 employees, while the building area rose from 6,300 m² to 20,700 m².

In 2003 the plant became a part of Rexam PLC and started its Lean journey, investing in capacity and Lean practices. In 2012 the Neuenburg Plant delivered more than 175 million finished goods to its 25 customers, with a growing tendency.

Today, Neuenburg operates twenty four hours a day, seven days a week, driving a Lean culture to improve constantly all of our processes and focusing on quality, innovation and sustainability.

Processes and products

Rexam Neuenburg produces a wide range of drug delivery systems with a strong focus on pulmonary and parenteral devices. In 52 years of operation the Plant has developed a strong technical knowledge concerning its three main processes:

- The injection of plastic parts. Billions of parts are produced yearly on the 106 injection molding machines in the plant.
- The printing of plastic parts. 19 printing machines are available to print some key components of the devices.
- The assembly of plastic products. A wide product range can be produced on the 41 dedicated assembly machines. Our most complex product, an inhalator, is made of 27 parts.

Continuous improvement process

Since becoming part of Rexam in 2003, the Neuenburg Plant has been following the Rexam global system of Lean Enterprise, initially focused around building capability in specific lean tools, VSM, 5S, TPM, SMED and Six Sigma. Progress is reviewed annually utilising a Lean Audit and awarding a merit of bronze / silver / gold depending on performance. Since 2009 the best Lean plants can progress to challenge for the "Beyond Gold audit" awarding a merit of emerald / sapphire / diamond.

Challenging these audits Rexam Neuenburg won bronze in 2005 and improved its audit score each year thereafter. Following two consecutive years at Gold level (2009 and 2010) Neuenburg moved to the 'Beyond Gold' audit in 2011 achieving 'Diamond' level at the first attempt (highest level for the Rexam audits) and maintained its ranking in 2012.

Using the whole range of Lean tools to improve business performance, Rexam Neuenburg achieved €1.4m of "Lean savings" in 2012, and forecasts €1.7m of savings in 2013.

Since 2009 more than 400 change requests have been successfully closed. Each of these change requests involve a cross functional team dedicated to optimising our processes by utilising lean tools such as FMEA, SMED, DOE, VSM and TPM and at the same time employing a product validation strategy to protect our

customers from any possible negative impact that could be caused during this change.

Achievements

- 2004-2010: Bronze to Gold status at the Rexam Lean audit
- 2011 & 2012: Beyond Gold Diamond status
- 2012: Nominated in the Rexam Lean awards in both categories “Best Lean plant” and “Most improved Lean plant” (4 plants nominated in each category from 67 plants worldwide).

Safety and environmental

- ISO 14001 certified (environment) since 2011
- ISO 50001 certified (energy management) since 2013
- Annual safety training for all employees
- Behaviour based Safety Program since 2009
- Over 300 Near Misses registered in 2012
- Over 120 Management Safety Visits in 2012 resulting in over 300 improvement actions
- Zero environmental accident for more than 2,200 days
- Historical record of 898 days without LTA
- 2 years in a row without a LTA
- More than One Million hours without a LTAt
- 78 employees of the plant are first aiders.

Quality

- Focus on the end customer with the Rexam Healthcare motto “we put patients first”
- ISO9001 certified (Quality system) since 1991
- ISO13485 certified (Medical devices) since 2005
- ISO15378 certified (Primary packaging) since 2009
- Assured quality through customer audits
- 3 employees certified as Six Sigma Black Belt and 4 as Deign for Six Sigma Green Belt.

The Catch 30 program has been running for more than 5 years with the goal to improve various quality indicators by 30% each year. Indicators include the cost of non-quality (CNQ); time to respond to quality concerns and numbers of customer complaints (NOC). Challenge 10,000 is a metric which combines, Quality, Safety and service, and challenges plants to achieve 100(OTIF), 0(LTAR) and 0(NOC). This is measured every month, Neuenburg has not yet achieved this.

Employee morale

Training possibilities: More than 100 internal training modules covering 54 subjects are available to all employees in 2013. In 2012 393 associates took part in these trainings. In addition the Rexam Business School offers centrally organised training in a wide range of subjects.

Every 3 months the Neuenburg “Lean team of the Quarter” award is made to recognise the best Lean initiatives in the plant.

Yearly Kick-Off days are organised by the departments to discuss achievements, lessons learned, future targets, and matters of local strategy.

Events are organised on a regular basis to celebrate significant landmarks, such as the 50 years jubilee and 300 million insulin pens delivered to our biggest customer.

Delivery performance and cost reductions

- On Time In Full (OTIF) performance has remained consistently above 90% since 2009
- Number of customer quality notifications has reduced 25% between 2011 and 2012
- Waste has been reduced by 26% since 2009
- Energy consumption (kWh/kg) has reduced by 14% since 2009
- Turnover has improved 47% since 2008.

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