

Corporate overview

Rexam is a global consumer packaging company with a turnover of £4.9 billion in 2010. We employ some 22,000 people in more than 90 manufacturing facilities and offices across 20 countries. Headquartered in London, England, we are an established member of the FTSE 100 and known as a global leader in the manufacture of beverage cans, and one of the global 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 and Pepsi, and blue chip global brand owners such as Procter & Gamble and GlaxoSmithKline.

Our vision to 'be the *best* consumer packaging company' is strongly supported by Rexam's four embedded core values of Continuous Improvement, Trust, Teamwork and Recognition. We have been committed to a path of Lean Enterprise consistently across all of our operations as a way of living our values for more than 10 years. This approach is an integral part of what we call the "Rexam Way".

Continuous improvement process

Rexam has operated a global system of Lean Enterprise since 2005. It is structured around building capability in specific tool sets of Culture, VSM, 5S, TPM, SMED and Six Sigma. Internal assessors review progress annually and award a merit of bronze, silver or gold depending on performance levels. Jundiai achieved bronze at their first assessment in 2005 followed by silver in 2006 and consecutive gold in 2007 and 2008.

In 2008 our best plants were invited to participate in a more sophisticated assessment known as "Beyond Gold", where the implementation of lean *systems* was appraised. Again a system of merit is used to recognise achievement starting at *emerald*, then *sapphire*, and finally *diamond*. Jundiai demonstrated a diamond level of performance at the first time of asking in 2009 and once again in 2010.

Their demonstrable commitment to continuous improvement through Lean Enterprise has led them to be the first site in the Rexam Plastic Packaging sector globally to apply for the Shingo Prize.

The Jundiai facility

The Jundiai facility based near São Paulo, Brazil since 1998 is part of our manufacturing sector known as Plastic Packaging Americas.

Of the 534 people on site, there are 484 people concerned with factory operations and 50 people concerned with administrative areas. The 137,755 sq ft facility has three manufacturing areas: Make Up, Closures and Dispensing, moulding plastic packaging products for cosmetic customers such as Natura, O Boticário, Jequití, Avon, Yanbal and other premier consumer brands.

The factory operates 24 hours a day for 6 days per week.

OEE performance has improved from 82.46% in 2007 to 85.72% in 2010.

The Jundiai facility has been at the forefront of our Lean Enterprise success for many years now and is seen as a north star for other Rexam Plastic Packaging sites to follow.

Product and process

The site is capable of producing compacts, lipsticks, pumps, closures and bottles, resulting in many decorated customer options. The ability to continuously improve changeover times to meet requirements for smaller lot sizes and faster deliveries is a necessity to maintain competitive advantage.

Jundiai achievements

- Awarded best supplier at Natura award ceremony in 2007
- Awarded supplier level of "GOLD" at O Boticário award ceremony in 2010
- Lean Enterprise achievements:
 - Gold status 2007-2008
 - Beyond Gold Diamond status 2009-2010
 - Named top 10 finalist for Rexam's Best Lean Plant in 2010
- Awarded *Feras da embalagem* award for best cosmetic plastic packaging in 2010.

REXAM

Plastic Packaging Jundiai

Safety & Environmental

- LTAR rate has reduced from 1.37 in 2005 to 0.3 in 2010
- Corporate safety audit achievement of 95% in 2010 resulted in "best practice" status.
- The DuPont STOP Safety Programme was implemented in 2009 for all Plant leaders
- Our ongoing Ergonomic Programme implemented in 2005 includes a daily physical stretching session to better prepare people to work without strains.

Quality

- 3 Black Belts (Quality Manager, Production Supervisor, Quality Leader)
- 16 process Green Belts – (DMAIC)
- 5 design Green Belts – (DFSS)
- Full SPC process monitoring on Monaco bottle line
- Customer claims reduced from 10.2 average per month in 2004 to 1.3 average per month in 2010
- Increased FPY (first pass yield) from 89% in 2004 to 99.19% in 2010
- Each customer complaint is reviewed through a consistent approach including 5 Whys and Ishikawa with the Plant Manager to establish root cause corrective actions.

Employee morale

- Absenteeism has reduced from 1.9% in 2004 to 0.94% in 2010
- Rexam runs regular employee engagement surveys and did so again in 2010. Jundiai an Engagement Index of 69% favourable against a global Plastic Packaging sector index in Rexam of 55% and Rexam overall index of 62%
- Employee focus groups have been established to address issues such as social responsibility
- Annual team building events occur for all employees
- Internal talent pool has been established to improve the number of vacancies filled by internal promotions.

Delivery performance

- OTIF performance has remained consistently above 90% since 2006, averaging greater than 94.9%.

Cost reductions

- Lean savings total US \$4m since 2008
- Scrap rate has reduced from 5.64% in 2005 to 0.97% in 2010
- Inventory as % of sales has reduced 11.6% in 2006 to 6.50% in 2010.

People

Rexam, globally, sees its employees as its main asset. We are therefore dedicated to not only their wellbeing but also to their development and education. Jundiai is no exception. All 534 employees in the facility are engaged in twice yearly appraisals and objective setting, and over 42% of people currently have personal development plans. Succession planning is managed effectively both within the facility and across Rexam by means of our local and global talent pool concept.

To be competitive in the plastic packaging market, a highly qualified and engaged workforce is key to achieving success. Our people are responsible for a high level of invested capital and are directly responsible for the quality our customers perceive, so it is critical to the success of the site that our people are skilled, engaged and capable of working autonomously.

So in 2008 we introduced the APU (autonomous production unit) concept which has given us opportunity to develop our employees PDCA skills, the understanding of how their process works, how to improve their process, and what lean tools to use and how to measure their improvements. Thus, a lean culture becomes part of each employee's daily responsibility for improvement and problem solving. Lean training is offered to all new employees as part of their induction programme.

Each month the APU that has best delivered on all KPI's celebrates their achievement in a variety of ways such as a Barbeque, motivational shirts, or an activity of their choice.

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