



Beverage Can South America - Headquarters

Corporate Overview

Rexam is a leading global beverage can maker. We are business partners to some of the world's most famous and successful consumer brands.

We have 55 can making plants in more than 20 countries and employ around 8,000 people. In 2013 our sales were £3.9 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

Our vision to "be the best beverage can maker in the world" 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".

BCSA Headquarters (HQ)

In 2003, Rexam became one of the leading global beverage can manufacturers with the acquisition of Latasa, the leading producer and supplier of aluminium beverage cans in Brazil, Argentina and Chile.

In 2004, Rexam established its headquarters in Rio de Janeiro to support its operations in South America, which at that time included seven can plants and one end plant, with a total of 917 employees.

In 2013, Rexam BCSA employs 1,740 people, of which 160 are based at the headquarters and the remaining at one of the company's 13 manufacturing plants.

Process : BSC and Value Stream Oriented

Rexam BCSA has been using Balanced Scorecard (BSC) as a system to interpret and execute its strategy since 2007. Strategic goals are translated into KPIs and deployed to the operational level with the help of our process of Hoshin planning where specific actions, targets, baselines, benchmarks and the ownership of responsible people is established.

Strategic alignment and performance targets are used to prioritise the order of which HQ process take priority and by systematically using the VSM tool we identify opportunities for improvement using a PDCA approach.

Products & Services

The headquarters in Rio reports into the Group PLC office in London, England, and operates as a service centre, coordinating the order fulfilment activity of 13 manufacturing plants. Our BCSA plants produce a wide variety of can sizes mainly for the beer, carbonated soft drink, tea, energy drink and juice markets.

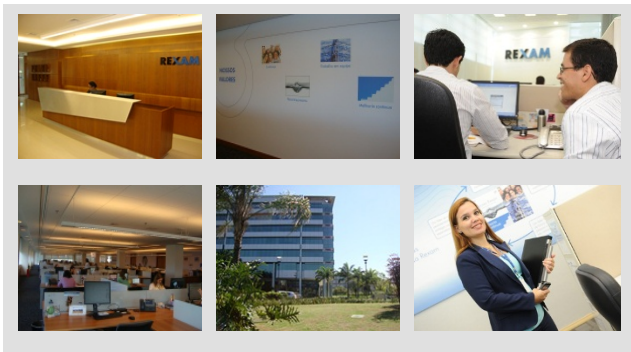
The HQ supports the plants' manufacturing demands in the following areas: Commercial and Sales looking after customer requirements, Logistics, Lean, EHS, Quality, Supply Chain, HR, Communications, Tax, Financial Operations, Accounting, Treasury and Financial Planning, Information Management, Legal, and Import & Export.

Continuous Improvement Process

The implementation of Lean practices in the company's administrative areas was a natural step driven by the successful deployment of lean manufacturing principles in all of our production facilities.

We began applying 'lean thinking' in our non-manufacturing and administrative processes in 2006. In 2008, the scope of the plants' internal Lean audits changed to include lean enterprise as a management system applicable to both manufacturing and non-manufacturing processes.

In 2009, the Lean philosophy began to be formally and officially disseminated across BCSA's headquarters. The application began with Lean being deployed as a management model in three areas: Human Resources & Communications, Treasury, and Logistics, and a specific protocol developed by the Lean Enterprise department to



assess the progress and effectiveness of the use of lean approach by the administrative areas.

In 2010, the implementation process continued to include the Supply Chain, Marketing and Accounting areas. In 2011, another five areas were included: Tax, EHS, Lean, Commercial and Financial Planning. In 2012, the implementation process was completed in the remaining HQ areas.

The deployment of Lean in the HQ areas is based on the BSC and includes the development of systems and use of several Lean practices, such as 5S, VSM, Kaizen, SMED, A3, Hoshin Planning and Six Sigma.

Achievements

Lean Enterprise Achievements

- 2010 – Operational Excellence – Rexam Annual Award: this category was awarded to the BCSA Sector for its performance across the full scope of Operational Excellence, including great commercial achievements, improvements in safety and good Lean performance.
- 2011 – five areas achieved Diamond level and a further five Sapphire level at the internal Lean Audit system.
- 2011 – an important external recognition was achieved with the Best Lean Six Sigma Corporate Programme Award - IQPC Latin America.
- 2011 – Best Lean Six Sigma Project for Services and Transactions Award - IQPC.
- 2012 – eight areas achieved Diamond level at the Lean Enterprise internal audit process.
- 2012 – the HQ received recognition as the Rexam Group's Lean site showing the most improvement year on year.
- 2014 – the HQ received the Shingo
- In the last four years, 432 improvement projects were conducted at the HQ, delivering savings or cost avoidance of US\$34 million.

Safety & Environment

- High level participation in the Behaviour Based Programme (known as 'Nice Behaviour'), which was launched in 2009 to encourage safe behaviours and prevent inappropriate behaviours.
- Zero environmental accidents at BCSA since 2009.

- Dramatic reduction of LTAR (Lost Time Accident Rate) at BCSA (from 2.35 in 2007 to 0.08 in 2013).
- 30% drop in TIR (Total Safety Incident Rate) in 2012.
- 22,469 risk points were identified and eliminated at BCSA in 2012.
- Zero environmental incidents.
- Recycling rate for beverage cans is up to 98% in Brazil.

Quality

- The Rio de Janeiro headquarters is certified in ISO 9001 for quality.
- Assured quality through annual customer audits.
- Assured quality through annual supplier audits.
- 16 Six Sigma Black Belts and 3 Master Black Belts on staff.
- 23 Six Sigma Green Belts on staff.

Employee Morale

- Providing a working environment in which people 'can grow, feel respected and fulfilled' is a central part of our vision. We have had over 800 promotions through our internal recruitment policy in the last five years.
- Rexam Annual Award: In 2011, BCSA won the Building a Winning Organisation award for the successful rollout of the Operational Technical Training (TTO) across the Sector, which has led the HQ areas to develop the TTA (Administrative Technical Training).
- 45 man-hour training and a US\$400k investment in learning and development initiatives in 2012.
- 76% favourability in the employee survey (Employee Engagement Index).

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