
Team Cerbo's Approach

A presentation of Nolato Cerbo's way of working



NOLATO CERBO'S VISION

To be a recognized design and manufacturing partner for pharmaceutical and medtech companies.

NOLATO CERBO'S MISSION

Nolato Cerbo designs, manufactures and sells pharmaceutical packaging and medical technology products in polymer materials, focusing on sustainability and operational excellence. Together with our customers, our experienced and committed employees develop safe and optimal solutions at the right level of quality.



Successful - today and tomorrow

Nolato Cerbo's Approach is our guide to how we work with a corporate culture that makes us an efficient, forward-thinking, customer-oriented workplace that is continually improving and where we flourish and grow, both as individuals and teams.

The Nolato Spirit is the platform for our vision, corporate culture and leadership. It is based on Nolato's principles of being professional, well organized and responsible. These principles are described in detail in The Nolato Spirit booklet.

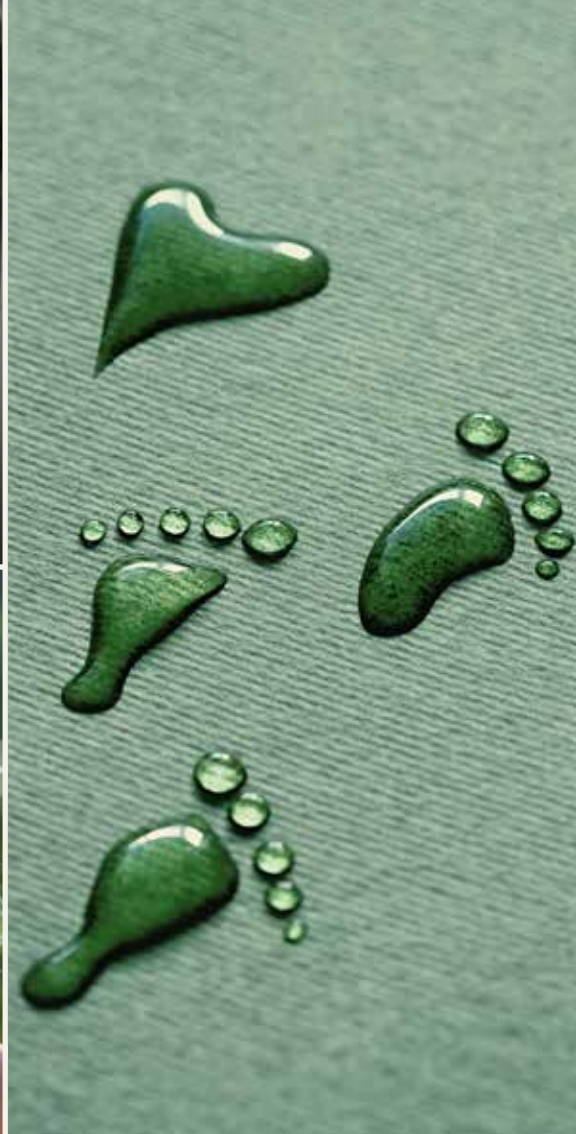
We continue to develop as a company and as an even better partner for our customers, based on a sustained focus on safety and sustainability, the constant improvement of our processes and a drive to fully understand how we create value. Our approach to building a world-class business is set out in the **Medical Excellence** booklet, which is our collective guide within the Medical Solutions business area.

Our competitive advantage is not primarily in what we do, but how we do it. Our competitors may use the same technologies and equipment, but they don't have our corporate culture. How we cooperate and bring out the best in everyone, how we identify smart company-wide solutions, how we develop to become better every day, how we constantly focus on customer value. That's what makes the difference.

Our corporate culture and our working practices are built by all of us that work at Nolato Cerbo; we are all equally vital. We make a difference together, we achieve our goals together and together we deliver what our customers need – now and in the future.



*Cecilia Hellner,
CEO, Team Cerbo*





A safe work environment

We have to ensure a safe workplace that contributes to a sustainable business by:

- incorporating safety thinking into our processes to emphasize risk prevention in all settings for both physical and psychosocial risks.
- following up incidents and introducing measures to prevent these in future, and, as part of our day-to-day work, monitoring situations that could involve risks.
- our employees being involved in developing the optimal conditions for each workflow stage.



Sustainability

- A sustainable business is vital to us, in the way we work, in relation to our surroundings and society, and financially. We take decisions for the long term.
- Our aim is to reduce environmental impact by optimizing resource usage for our processes and products throughout their life cycle.
- We help reduce greenhouse gas emissions by actively offering our customers options and setting our own targets for the use of sustainable alternative raw materials.
- We are proud of the responsible business conduct that Nolato stands for and is set out in **The Nolato Spirit**.



We put customers front and center

As a company we have our external customers, while our in-house processes have internal customers, but customer focus is key for both. We make sure we understand our customers' needs, which form the basis for our priorities and activities. We focus on what provides customer value and endeavor to eliminate inefficiencies in all our processes, such as:

- Overproduction: Manufacturing too early or more than a customer has ordered.
- Waiting time: Waiting for equipment set-up, materials, processing, deliveries, repairs, decisions.
- Storage: Storing more than is necessary.
- Movements: When employees carry out unnecessary actions in their work.
- Transport: Moving materials to/from storage/intermediate storage and between process stages.
- Unnecessary work: Doing more work than is required.
- Quality deficiencies: Manufacturing products that do not meet the customer's needs, leading to scrappage and/or reworking.
- Unused skills: Not using our employees' experience and ideas.



Improvement management:

- Based on our work teams, we create improvement groups, with our improvement structure helping us synchronize and work towards the same goals.
- Based on shared focal areas, we prioritize improvements that generate clear results.
- Asking an extra question often makes further improvement possible, so don't be afraid to ask why!

Handwritten notes and diagrams on a whiteboard, including a flowchart with red and black dots and various text entries.

Hojum Pulsmöte

Notabo

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Leadership

- Role model: Set an example based on Nolato's values.
- Decisive: Have the confidence to take decisions and admit errors. Deal with conflicts when they arise. Problems should be communicated and resolved.
- Coaching: Motivate, support and encourage employees to develop their skills, their work and our workplace.
- Target-based: Our objectives for the business are clear, measurable and supported. Regular follow-ups are conducted so we know that activities are generating results and greater involvement and participation. We get the job done.
- Responsiveness: Listen to and understand coworkers' needs. Consider views and provide constructive feedback to create trust and confidence.
- Respect and consideration for others: No one is perfect; have an open mind and look at things from the point of view of others.





Employee participation

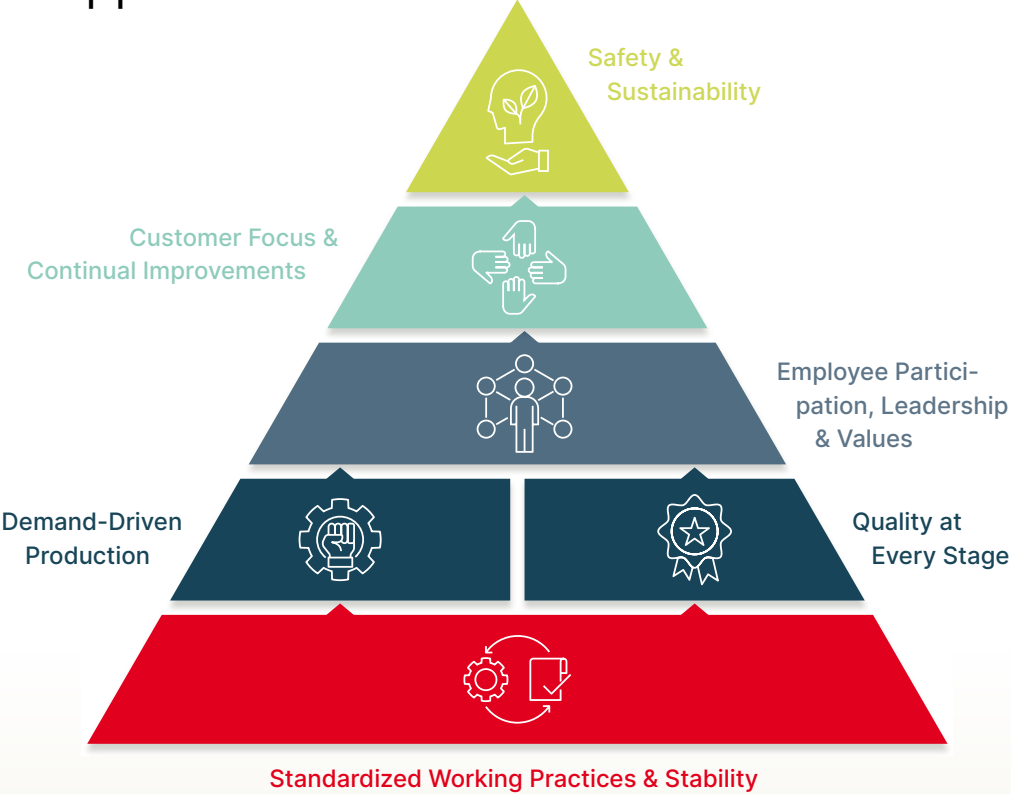
- Involvement: Be interested, take the initiative and care about the results of the team/group and the company.
- Skills: Skills requirements change over time and skills are based on willingness, know-how and capabilities. What skills do you, the team/group and company need to be successful today and in the future?
- Team and company spirit: We are a team at Cerbo, where every group is a vital part of Team Cerbo. Together we can deliver what the customer wants. My job and your job is our job.
- Responsibility: Give and take responsibility for tasks and results. Participate and be inclusive, involve your colleagues. Respect our processes and procedures.



Values

- Learning: We teach and learn from each other.
- Respect and interaction: Treat all colleagues with respect, openness and friendliness. We are all colleagues and equally important to achieving our goals.
- Honesty: We stand by what we do and say. We highlight mistakes and learn from them.
- Integrity: We talk to one another instead of about one another and distinguish between issues and people.
- Service-oriented: We help one another, keep to our commitments and work flexibly to achieve results together.

Our approach is a way of relating to everything that happens around us





Safety & Sustainability

- We prioritize a safe workplace and sustainable business
- We take a long-term approach
- Our aim is to reduce environmental impact



Customer Focus & Continual Improvements

- We value flexibility in order to put customer needs first, for both internal and external clients
- Reduce inefficiencies
- Improvement groups are the focus for continuous improvements and are part of our day-to-day efforts
- Have the confidence to ask



Employee Participation, Leadership & Values

Our managers:

- Set an example and are decisive
- Take a coaching-based approach to leadership that is clear and target-driven
- Are responsive, thoughtful and respectful

Our employees:

- Are responsible and enthusiastic
- Have the right skills and attitude

- Have a team spirit
- Learn from each other and give positive feedback

Demand-Driven Production

- Short lead times
- Keeping to schedules
- Clear process flows



Demand-Driven Production

- Short lead times
- Keeping to schedules
- Clear process flow



Quality at Every Stage

- We measure and manage rather than inspecting and scrapping
- Clear rules on deviations and information when changes are made
- Halt the production flow rather than delivering defective products to a customer
- Correct hand-off at all stages



Standardized Working Practices & Stability

- 5S
- Preventive maintenance
- We agree on the best working practice and aim to improve
- Visibility



Visibility/Visualization

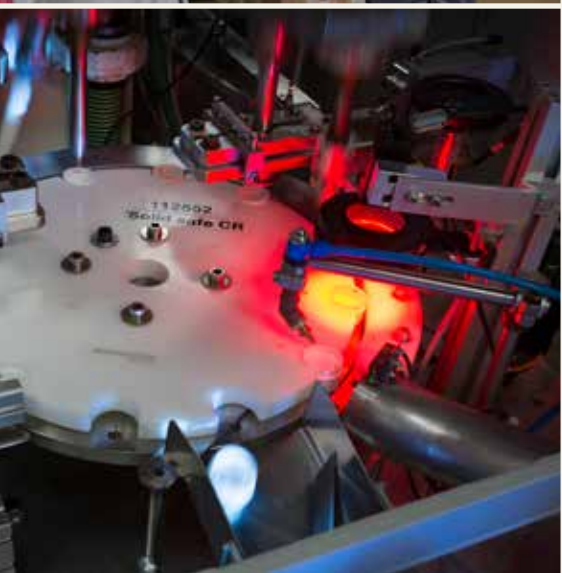
- Visible systems allow us to be aware of our goals, current status and problems;
- enabling us to manage our own work.
- Visible quality and production outcomes.
- We solve problems when and where they arise. We go where they are happening to see with our own eyes.
- Instructions and procedures are established by employees in relevant areas and are available when they are needed.



 5 S

- 5S is a workplace organization method that helps boost efficiency and minimize inefficiencies. 5S allows us to create a workplace that is visual and follows structured working methods to ensure safety, quality and productivity.
- The work team takes responsibility for its part of operations by:
 - Sorting: Identify and remove unnecessary items.
 - Setting in order: Organize everything necessary so it is easy to find.
 - Shine: Keep the workplace clean and tidy.
 - Standardize: Maintain structure by documenting processes and preventing deviations. Establish daily procedures: Use checklists for daily maintenance of machines and premises etc. Update as needed.
 - Sustain: Follow the set rules and standards. Maintain good order by following set rules and standards and conducting reviews.







Preventive maintenance

- Preventive work and optimized preventive maintenance minimize unforeseen events that disrupt flows in our work and secure our deliveries.



Standardized working practice

- Standardization enables us to perform our tasks in the same way until we have jointly established an even better method. This makes it easier for us to detect any deviations.
- We continually question and improve the status quo.
- Everyone involved is informed when we make a change.





Quality at every stage

- Correct hand-off
- We try to detect deviations as soon as possible and have clear rules on taking decisions regarding production deviations.
- We measure and manage rather than inspecting and scrapping.
- We enhance our inspection methods.
- Halt the production flow rather than deliver defective products to a customer. This applies to both internal and external customers.
- Think twice, do it right first time.
- Prevent, react and act.



Demand-driven production

- We don't start manufacturing until the customer indicates a need. This might involve replenishing used items, receiving a customer order or obtaining information about the customer's future usage (forecasts).
- We adapt batch sizes to customer contracts, maintenance plans, transport, set inventory levels and samples.
- We secure our lead times and schedules through agile adjustments, clear flows and solid processes.

Specialist terms

5S: A method for creating a well-organized and functional workplace to reduce inefficiencies. Stands for: Sort, Set in Order, Shine, Standardize & Sustain.

5 whys: A cause analysis method based on asking the question 'why' five times. The aim of this method is to find the root cause of a specific deviation.

Andon: A signal that shows the status in real time and indicates the need for resources and action. Japanese term that actually means rice-paper lantern.

Batch: A collection of identical items produced as a series under the same conditions.

Deviation: A result or event that deviates from the standard, i.e. that deviates from what is regarded as normal.

Go to Gemba: means 'go to the actual place' Going to the place where the work is being carried out and looking at, e.g., a problem in situ.

Inefficiencies: All activities that consume resources and that do not provide the customer with any value.

Jidoka: The foundation of lean manufacturing that aims to achieve high and even quality without inspections. Jidoka is based on two principles: Built-in Quality and Halt in the Event of a Defect.

Kaizen: Japanese term for continuous improvement.

Kanban: A method to visually see when there is a need for materials for optimization and avoid interruption. Japanese term for 'visual card'.

Lean: An approach and corporate culture focused on creating value.

Lead time: The time it takes for a product to undergo a process or a value stream.

OEE – Overall Equipment Efficiency: A key performance indicator that shows what percentage of planned production time is actually productive.

PDCA – Plan, Do, Check, Act: PDCA is a method to structure improvement measures.

Poka-Yoke: A method to practically prevent the risk of carrying out an element of work incorrectly. Japanese term for ‘mistake-proofing’.

Process: A series of activities that lead to a result. It is through processes that work is carried out on a product and it is processes that determine the capacity of a particular flow.

SMED – Single-Minute Exchange of Die: Method for reducing equipment set-up time. Planning and preparing equipment changeovers in advance can often reduce set-up time significantly.

Standard: A collective solution to a recurring problem. The purpose of standards is to create uniform, transparent procedures that we can agree on.

Standardized working practice: The current most efficient method for carrying out specific work.

Target-based: Means managing a business using set targets rather than by managing individual processes within the organization.

Value stream: All activities within a flow from order to delivery.

Value stream mapping: Method for mapping a value stream and generating proposals for the design of a better future value stream.

Nolato Cerbo is part of Nolato, which is a Swedish publicly listed group with operations in Europe, Asia and North America. We develop and manufacture products in polymer materials such as plastic, silicone and TPE for leading customers within medical technology, pharmaceuticals, telecom, automotive, hygiene and other selected industrial sectors.

Nolato Cerbo is a market-leading developer and manufacturer of primary pharmaceutical packaging, and also manufactures medtech components in polymer materials. Production largely takes place in sanitary environments with stringent requirements on product safety and traceability.



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