

# LEAN PRODUCTION

Rusagro has consistently implemented global best practices aimed at increasing production efficiency in all of its businesses. In particular, the Everest world-class production system is being successfully implemented in the Sugar Business; the Agriculture Business has put in place the 5S (Kaizen) continuous improvement system; the Meat Business has carried out the Lean Production project, and the Oil and Fats Business is using its own production system based on the WCM (World Class Manufacturing) methodology.

Essentially, all these programmes are about continuous efforts aimed at cost optimisation using the approaches that driving towards the elimination of all losses, engaging every employee in the optimisation process, and ensuring maximal customer orientation.

## LEAN PRODUCTION PRACTICES

The constant improvement system of **the Agriculture Business** is based on four key elements:

- 5S methodology;
- Improvement management system (rewarding the employees for work-improvement suggestions);
- Value stream mapping (identifying and eliminating losses in the processes);
- Overall maintenance of equipment.

Since late 2016, **the Meat Business** has implemented the Lean Production project. The project is aimed at increasing overall equipment and operational efficiency, as well as reducing production costs.

The World Class Production programme implemented in **the Oil and Fats Business** covers ten key areas: occupational health and safety, finance, targeted improvements, autonomous maintenance, professional maintenance, quality, logistics and client service, equipment control, personnel development, environmental protection and energy.

In 2014, **the Sugar Business** introduced a new *Your Idea Works* programme aimed at stimulating the generation of ideas on improvement. The programme primarily targets the employees who have a profound knowledge of their jobs and see what can be changed and improved and at what stage. Most of the proposed ideas are related to technology modernisation or rational use of available technology and resources. The programme implies a reward for employees after their idea has been successfully implemented. The amount of this reward depends on the annual economic effect achieved through this idea.