



ON THE SPOT... Giancarlo Currarino

Giancarlo Currarino is Vice President
and Chief Technology Officer at O-I.

GW: What were the main motivations for appointing Emhart Glass as O-I's preferred supplier for glass forming machines and parts to all of your plants?

O-I's heritage is tied to excellence in equipment manufacturing. O-I founder, Michael J Owens invented the first automated bottle making machine. As O-I grew as a company, however, our skills and focus turned to glass container manufacturing and today, we have tremendous knowledge and expertise in the glass container manufacturing process.

Over the years, we used our equipment manufacturing expertise to solve unique challenges in our glass plants and enhance our glass manufacturing processes. We also came to recognise that O-I's core competencies lie in glass container manufacturing and our efforts should be focused on optimising our glass manufacturing capabilities. We also realised that it was our operational capability and our process expertise that differentiated O-I from other glass container manufacturers. Companies who focused on the manufacture of glass forming machines had made great advances in forming equipment technology and manufacture. It made sense for O-I to leverage

the capabilities of these companies and explore a new strategy around our forming equipment. We explored a number of options and Emhart Glass ultimately provided the greatest opportunity.

GW: What will be the main benefits to O-I of this agreement?

By selecting Emhart Glass as our preferred supplier of forming equipment, we anticipate savings related to logistics and supply chain efficiencies. Emhart's footprint is ideally suited to quickly and efficiently service our plants. We expect that over time, we will recognise significant savings related to the cost of machines, machine service, spare parts and logistics.

Additionally, by engaging Emhart as our preferred supplier for glass forming machines, we will be able to focus on glass container manufacturing, leveraging our heritage in engineering, research and innovation to find new ways to manufacture glass. Glass is already the most sustainable package on the planet

and our goal is to find breakthrough, more energy efficient and cost-effective ways to manufacture glass. Our R&D and innovation teams will also increase their focus on creating packaging for our customers that builds their brands and creates marketplace wins for O-I.

One of the key goals of our relationship with Emhart Glass is to maintain our current asset base in a cost-effective and sustainable way. We will find additional synergies when our joint engineering and development teams will ultimately merge the equipment designs from both companies into a common platform for the future.

GW: With plants in over 20 countries, what will be the logistical challenges of implementing this new arrangement?

Emhart's global footprint aligns well with our manufacturing footprint. We do not anticipate any significant challenges. They currently have operations in Europe, the USA and Asia.

GW: How many O-I plants will have Emhart forming machines and equipment installed for the first time?

Approximately 15% of our forming lines have Emhart equipment today. We will install Emhart Glass equipment in other facilities as business requirements dictate. >

GW: What is the timescale to phase-out forming machinery already installed from previous suppliers?

There is no established timetable for this transition. O-I typically only installs new equipment when required by capacity or capability limitations. The majority of O-I forming equipment is maintained through repair and rebuild.

GW: How will this new agreement benefit O-I's customers?

As we continue to innovate brand-building glass containers for our customers, we are confident that Emhart forming equipment will support our need to manufacture high quality, innovative shapes and lightweight glass containers.

GW: With the recent launch of O-I's R&D facility and Emhart having its own research centre in the USA, there seems to be a common interest between the two companies in 'evolution and revolution'?

Glass is more relevant than ever in today's health- and environmentally-conscious world. I think it would be fair to say that both Emhart Glass and O-I share a commitment to the future of glass packaging. That commitment involves a long-term investment for O-I in R&D. We are committed to revolutionising how glass is made and we are confident that Emhart Glass is the right partner to help us make a step change in the forming equipment element of that equation.

GW: In addition to forming, will the agreement with Emhart also extend to its inspection services?

No.

GW: Does O-I have any other long-term plans to seek equivalent 'across the board' exclusive agreements with suppliers to other areas of the glassmaking process, such as melting, handling etc?

O-I is always looking to make our manufacturing processes more efficient and cost-effective using advanced technologies. We want to connect with industry players who can help us do that so that we can invest our resources to innovate in areas where we have the expertise to make a dramatic impact on the glass industry.

GW: In general, what do you think is key to a good relationship between O-I and its suppliers?

Mutual trust, and a clear understanding of objectives, roles and responsibilities. In addition, good, timely and open communication is a must. We are confident that we have such a relationship with Emhart Glass and that the future will bring even further collaboration and a productive working relationship that will benefit both O-I and Emhart Glass. ■



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O-I, email: glass@o-i.com, web: www.o-i.com /
Emhart Glass, email: info@emhartglass.com,
web: www.emhartglass.com