Sustainability and the new multi-chamber furnace

Safety week a great success
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Your opinion counts!
Please email your suggestions or comments to: marketing@aludium.com
Dear colleagues,

Improving our sustainability

On 1 January 2018 we will celebrate three years since the formation of Aludium. Over those three years we have achieved enormous progress and created a successful business which is becoming a major player in the European, and global, aluminium industry.

A sign of our success is that we continue to grow and mature. Already in 2017 it looks like Aludium will meet our ambitious targets for production, turnover, and safety. This is welcome news and says much about the commitment of Aludium’s people to our collective success.

This year I have been very happy to welcome a new member of our management team, Gert Karenbeld. Gert has joined Aludium as our new CFO. He will help Aludium to grow and to become a modern, agile company which is ready for the future. You can find out more about his vision and plans for the future in this edition of Aludium Today.

As I write this text, we have just completed Aludium’s second Safety Week. This company-wide event has again involved both our internal and external stakeholders. It has been a great success and is helping to create an unparalleled culture of safety within the organisation.

I am very pleased to announce that Atlas Holdings and the Aludium board have agreed to invest €20 million in a new multi-chamber furnace which will be installed at Aludium Amorebieta. This is a logical addition to our melting technologies and will allow Aludium to utilise more recycled aluminium and improve the sustainability of our operations. It will also further our goal of creating meaningful employment for local communities.

I would like to take this opportunity to thank all of our employees, suppliers, customers, and investors for their belief in Aludium. Without your support our success is not possible. I would also like to wish you all a very happy and prosperous 2018 as we look forward to even more successes.

Arnaud de Weert, Aludium CEO
Relationship between Atlas and Aludium stronger than ever

At the end of 2017 it will be three years since Aludium was established by our major shareholder Atlas Holdings. Dan Cromie is the Atlas Holdings partner responsible for Aludium and the aluminium assets of the company. Aludium Today spoke with Dan to get his ideas on how the relationship between the two entities is progressing, and Atlas Holdings’ plans for Aludium.

**Aludium Today** (AT): When did you first become involved in the Aludium project?
**Dan Cromie** (DC): I’ve been working on Aludium since the very first day we identified the business as a potential acquisition. I led the negotiations with the former owners, directed the Atlas team on the due diligence, and worked closely with Manuel Ruano and Arnaud de Weert to make it happen. Aludium is a unique company in the Atlas Holdings portfolio as it is the only one that operates exclusively in Europe. All of Atlas’ other investments generally have a link with the USA, but Aludium is part of our evolution toward a global portfolio of businesses.

**AT:** Can you explain your current role in the relationship?
**DC:** Atlas Holdings is the primary shareholder in Aludium. My role now is to support Aludium’s board and management team in their efforts to create value for Aludium. Aludium is not my only responsibility – I’m actively involved in the boards of six companies in our portfolio and I work closely with four of them, including Aludium. Every day is different, but my goal is always to increase the value of these businesses. I work with the management teams of these companies to give them input on new opportunities and assist them in strategic decisions. I actively follow-up on the important KPIs that drive the company. And not just financial KPIs... safety is the most important KPI for Atlas Holdings and all businesses in our portfolio.

**AT:** Three years since the acquisition – is Atlas Holdings still considering Aludium as a long-term investment?
**DC:** Atlas Holding specialises in buying an existing business, making it stronger, and growing the business to create value. That is our core approach and we know it takes time. We’re an industrial partner that wants to stay involved with the businesses in which we have invested. We focus on the long term and believe that some of our best investments are the incremental ones we make in our existing businesses.

**AT:** During our first interview, you mentioned that you saw opportunities to make Aludium bigger. Have these opportunities been fully realised or do you see additional possibilities to grow Aludium?
**DC:** There were a lot of opportunities and there are still are. We are interested in anything that helps to create value for Aludium. That might be reducing costs, opening up new markets, or creating synergies through acquisitions.

Since 2015, Atlas Holdings has already funded many projects. There’s the new rotary furnace in Amorebieta, and the new annealing furnaces in Alicante, Amorebieta, and Castelsarrasin. We’ve also approved the investment in the cast house expansion at Amorebieta for next year, which we’re excited about. There are also many smaller projects which are helping us to perform better and to utilise our full capacity. All together, these small projects can be considered as one big continuous improvement project. Day-to-day improvements illustrate the competitive mindset of the company and its employees. Think about the revamping of the hot mill through the debottlenecking programme. It didn’t require a huge investment, just a lot of small projects making small improvements to increase the capacity of the hot mill. That’s where the biggest opportunities are – the small improvements made by an engaged and creative workforce that can lead us to outperform our competition.

**AT:** Has Atlas Holdings considered investments in other companies in the aluminium sector? What is the ideal profile of a company that might be interesting to Atlas?
**DC:** It’s certainly our intention to grow our aluminium platform. We have looked at several potential opportunities over the past few years, but for various reasons none of them have translated into an acquisition. We remain open to new opportunities that are in line with the strategic objectives of Aludium. That means they must complement what Aludium already does, or offer potential synergies. We are a prudent investor and we want to make sure that there is a good fit with Aludium.

**AT:** Aludium has been a part of the Atlas Holdings family for almost three years now. Is there a way to create synergies with other companies in the Atlas portfolio?
**DC:** Atlas Holdings doesn’t force our companies to work together. The companies must decide for themselves if there is a benefit in cooperating. Both parties must be able to create value from the relationship. There is one area in which Atlas Holdings does actively push: safety. Atlas has always made safety our focus and we share best practices in this area between all our companies. The Atlas team have
been very impressed by Aludium’s performance in this area. Safety Week and the other initiatives have put Aludium in the spotlight. This year, Aludium is taking the lead for one of the Atlas Holdings Safety Zones. That means that Aludium’s best safety practices will be used as an example for other companies in our portfolio.

“\textit{It’s certainly our intention to grow our aluminium platform.}”

\textbf{(AT)} How has the relationship between Aludium and Atlas Holdings evolved over the past three years?

\textbf{(DC)} In many ways, Aludium has followed the pattern of other Atlas companies that have been split off from a big multinational. Firstly, the company needs to face the market and define itself – creating the Aludium brand in this case. In this phase we must form a new company, and give it a name and identity. We then need to convince customers that we can provide quality products. Similarly, we must establish relationships and trust with suppliers. Then we need to go to institutions such as banks so we can organise basic things like finance.

With Aludium, the second year was about creating a standalone company. For example, the ERP system needed to be built (SPRINT project). That created a platform where we could share all the information we need to make the right decisions. Some of the first important investments were also realised in this year such as the new rotary furnace, the annealing furnaces, and the ERP system itself. Now we are beginning the third phase. We will focus more on optimisation: improving what we have and ensuring we perform better. We will focus more on quality, on recovery rates, product mix, costs, financial performance and, as always, on world class safety. I need to emphasise that Atlas offers a platform, financial support, and guidance. What makes the difference is the efforts of everyone who works at Aludium. That includes the management team who provide the oversight and strategic vision, the customer support representatives who build our relationships with customers, the operators who make the quality products we need, the logistics team who get those products to the customer on time and in good condition, the sales team who are our face to the customers, and everyone else who works here. Almost everyone in the company has an idea about how to make their job or Aludium better. If we can all collectively work toward realising those ideas every day, Aludium will continue to improve.

\textbf{(AT)} What have been the highlights of the past three years for you?

\textbf{(DC)} One of the biggest highlights for me was the fact that Aludium’s customers believed in the project from the first day. Their appreciation and loyalty was really important. It confirmed Atlas Holdings’ belief and confidence in the management and the employees of Aludium, and in the quality of the products they deliver. The successful installation of the big investments such as the rotary and annealing furnaces are also up there as highlights. These things are always complex and hard to implement – and we did it in a very short time. The investments also prove that we have the right people onboard to make the company run at full capacity and achieve the financial performance and value creation we believe is possible at Aludium.

\textbf{(AT)} Do you see any short- or long-term threats for a company like Aludium? What do we need to do now to overcome them?

\textbf{(DC)} The crisis of 2008 is far behind us now. While that is a good thing, we need to realise that after a long period of growth there will be another period of recession. We need to prepare for that, even though there are no indications that it will happen in the short-term. So how can we do this? Firstly, we must be the supplier of choice for our customers. We must avoid becoming a commodity supplier because then you can only compete on price. Becoming their supplier of choice is quite simple – we must be reliable and deliver good quality products. We must also offer the best service we can. Our two-week lead time concept is one example of how we are doing this. But small things make a difference such as reacting quickly to requests for quotes or technical support. Then there are the big things such as product innovations which set Aludium’s offer apart from our competition. The second thing we can do is to produce quality aluminium in the most efficient way and reduce costs to the minimum. We can do this by recovering scrap or energy, and creating the most efficient operation. Thirdly, we can continuously focus our attention on those customers and markets that value the products and service Aludium offers and improve our value proposition to them over time.

\textbf{(AT)} How does Atlas Holdings see the relationship evolving over the next three years?

\textbf{(DC)} As we grow to full capacity, we will need to focus more on the profitability of our product portfolio. Some decisions will need to be made. We will focus on improving and outperforming with what we have. That means no investment in new mills, but investments to improve the quality and performance of the equipment we have. As I’ve mentioned before, we are also open to investments that are complementary to the business of Aludium or create synergies.

\textbf{(AT)} Are you planning further investments in Aludium?

\textbf{(DC)} We’re always willing to invest in projects that reduce costs, open new markets, or create synergies if there is a profit return that justifies the investment.

\textbf{(AT)} Before Atlas Holdings acquired Aludium, the future was very uncertain. Can you give Aludium’s people any assurance those times won’t return in the near future?

\textbf{(DC)} We would never have invested in Aludium if we didn’t think that it had the potential to be successful. We believe in Aludium’s people and in their potential to create long-term lasting value. Of course, there are always unforeseen circumstances which we can’t predict or control. But by focusing on safety, service, quality, continuous improvement, and profitability, we can mitigate potential threats.

\textbf{(AT)} What have been the highlights of the last three years for you personally?

\textbf{(DC)} To see that Aludium is growing to become a flourishing standalone company. And to see that the new investments are providing the return on investment that was anticipated. The fact that our sales volumes are growing faster than the market is an indication that we are doing something right. A personal highlight was the trip I took with my family to Spain last summer. We visited Alicante where I was able to show them Aludium and its production facilities.
2017 has been another successful year for Aludium as we continue to build a strong and independent business. There have been many highlights, but chief amongst them must be the completion of our second annual Safety Week.

When we first established Aludium at the start of 2015, we made a strong commitment to ensuring the safety and health of our people. The launch of Safety Week last year gave us a great opportunity to highlight this commitment both internally, and to the wider world. This year we have increased the number of events, workshops, and the participation of outside organisations in our Safety Week. You can read more about some of the activities on page 19.

Our commitment to safety is having an impact. The number of accidents at Aludium is one-tenth of the average for our industry. We have invested more than €5.3 million in environment, health, and safety (EHS) projects and conducted almost 3,400 hours of safety training in 2016 alone. We recently renewed our occupational health and safety management certification (OHSAS 18001:2007) at Aludium Alicante. The auditor who conducted the inspection ranked the plant amongst the top ten facilities he has visited. I can only say a big thank you to everyone at Aludium for their commitment to safety and encourage them to keep up the good work.

During Safety Week, we took the opportunity to officially inaugurate some of the improvements we have made to our facilities. In Amorebieta, Arantxa Tapia, the Economic Development and Infrastructure minister in the Basque government opened the new rotary furnace in the Cast House. In Alicante, the city’s mayor D. Gabriel Echavarri launched our upgraded L95 machine and formally opened the new Aludium Visitor Centre. Both Ms Tapia and Mr Echavarri also took part in demonstrations and inspections of the plants, showing the commitment of our local authorities to the Aludium project. We thank them for their support.

In 2017, Aludium became a member of the Aluminium Stewardship Initiative (ASI). ASI is a global organisation which sets standards for the industry to maximise the contribution of aluminium to a sustainable society. Aludium is extremely proud to be an ASI member and we are now working towards certification. Aludium also became a member of European Aluminium (EA) in 2017. As well as networking opportunities with our colleagues in the industry, membership of EA provides Aludium with a voice to shape the future of aluminium in Europe. Key amongst these is the Sustainability Roadmap 2025 which combines concrete commitments with a voluntary approach to creating a sustainable industry. As a major producer of aluminium for the building and construction, Aludium has also joined EA’s Building Board. To enhance Aludium’s transparency towards all of our stakeholders, we have undertaken to publish a full sustainability report each year. The first Aludium Sustainable Development Report is already being drafted and will be published at the beginning of 2018.

Aludium Alicante to support three scholarships

Aludium Alicante has agreed to sponsor three students as part of a programme being run by the regional metal industry association FEMPA. As well as giving people a chance to learn a new job, Aludium Alicante wants to create opportunities for women in technical fields through their sponsorship of this programme. For that reason, Aludium’s participation was linked to a request that two of the three internships go to women. The students have already begun a two-year Electrotechnical and Automated Systems course at FEMPA’s professional training centre in Alicante.

During the first months of the course the students will attend theory classes. Later in the first year they will also begin to gain practical skills. In the second year of the course the students will have the option to practice their skills at Aludium Alicante. Aludium will also have the option to employ other students taking part. Aludium Alicante is contributing €2,000 per student as part of its sponsorship. Once their two years of study are complete, the students can finalise their studies with a year of practical work at Aludium Alicante.
Hyperloop UPV team in top 10

A team of students from the Technical University of Valencia are taking part in competitions to design the Hyperloop, a futuristic train which could travel at very high speeds using renewable energy. Known as Hyperloop UPV, the Valencia team finished in the top 10 in the latest Hyperloop competition held in Los Angeles (USA) in August 2017. Hyperloop UPV is sponsored by Aludium.

The Hyperloop UPV team spent the entire summer assembling their final prototype at their partner institute – Purdue University in Indiana. When complete, the prototype was shipped to Los Angeles where the competition took place.

“We achieved movement in the vehicle and were one of the top 10 teams in the competition,” notes Juan Vicén, a member of Hyperloop UPV. “Although we were not first, we are very happy with the results. And we have the first Spanish Hyperloop prototype in history!”

The test track is made from aluminium, as are many of the Hyperloop vehicle’s components. “Collaboration with Aludium was key because the company provided us with samples of the same material used in the test track,” explains Juan Vicén. “Now we have obtained a Hyperloop tube, we plan to extend our track so that we can test our prototypes in real conditions. Aludium has already agreed to our request for additional material.”

The Hyperloop tube measures 12-metres in length and 2-metres in diameter. It is the first tube in Spain and one of the first in Europe and will facilitate the research and development of the Hyperloop concept. Hyperloop UPV plan to compete at the next edition of the Hyperloop competition says Juan Vicén: “Now Elon Musk has proposed the next competition, we are already thinking of ways to improve our prototype and create something as fast as possible. Our most important objectives now is to have the tube ready for tests as soon as possible.”

To follow the Hyperloop UPV team visit: hyperloopupv.com

New visitor centre and showroom opens in Alicante

Aludium Alicante recently unveiled its new visitor centre and showroom. The space can accommodate more than 100 people in two meeting rooms and a multifunctional room with views of the Mediterranean. Each room is equipped with state-of-the-art audio, video, and conferencing tools. This allows meeting participants to connect with employees at other Aludium plants, as well as sales and support staff located across Europe and Asia. The new space also features products created with aluminium made at Aludium, providing guests and clients with a showcase which demonstrates our capabilities.
Gert Karenbeld, 
CFO Aludium

Gert Karenbeld is Aludium’s new Chief Financial Officer (CFO). Aludium Today spoke with Gert to find out what he sees as the main challenges for Aludium and what role the CFO should play in solving them.

Aludium Today [AT]: How do you see the role of CFO in a company? 
Gert Karenbeld [GK]: The role of the CFO is to be a sparring partner for the CEO and COO – the CFO should be the finance partner in the business. They are responsible for designing, managing, and driving the use of management information as the main decision-making tool at every level of the organisation – strategic, tactical, and operational. Of course, the CFO also has traditional finance and legal responsibilities such as accounting, annual reporting, and tax management. These activities must be carried out in compliance with the law, and performed reliably, efficiently, and on-time.

[AT] What attracted you to working with Aludium? 
[GK]: My background is in primary industry and aluminium, so Aludium is a very natural fit for me. Aludium is a young, medium-sized company with strong growth ambitions and a sense of entrepreneurship. That means there is a need for new structures, standards, and methods of sharing information to enable the new company to achieve its strategy. These are exciting challenges for a CFO.

I was also attracted to Aludium because of the open communication. We have a very flat structure with Monthly and Quarterly review meetings. This transparency is quite exceptional and makes Aludium a modern organisation.

I also have a fundamental belief in the power of diversity and international collaboration. I know that I share this with Manuel and Arnaud, and the rest of the Aludium management team.

[AT] You mention the management team, which relationships are most important for you as CFO? 
[GK]: Internally it is the CEO and COO, then my own department, followed by everyone else who works for Aludium. Externally it is the shareholders (Atlas Holdings principally), our banks, and all levels of government.

I really appreciate the long-term-commitment all of these stakeholders have made to Aludium. You can only realise growth and create value if you are able to work together on the long-term basis.

Working together means focusing on the right priorities and making everybody accountable for their part in our success. But that requires everyone to have a clear understanding of their role and the right information to understand both our actual performance and our targets.

[AT] What do you see as your key goals as Aludium’s CFO? 
[GK]: We need to create an agile organisation. That means good decision making – at all levels of the company – based on accurate and fast information. It creates transparency, and supports accountability in every layer of the organisation.

As Aludium’s CFO, I plan to focus on improving IFS as a platform so that we can create, manage, and share the management information we need to perform better. Close cooperation with Business Process Owners (BPOs) and super key users is the way to go.
All information needs to be managed through IFS to create long-term value. We cannot afford alternative processes or work-abouts in Excel.

**[AT] What is the harm in using Excel or other work-abouts?**

**[GK]** Our ERP is now up and running, that was necessary to become a standalone company. Given the time available, this has been a great achievement.

Now, we all need to improve how we work with the system and to maximise all its functionality. IFS is tailored to the needs of Aludium and we will develop it further if needed. But to know what we need, we must stop exporting information from IFS and processing it in our own Excel files and reports. Instead we should all contribute to ensuring the right information is in IFS.

We really must use the standard processes which have been agreed so the same information can be accessed by everyone. Not just within your own functional area, but also cross-functionally. Alternative procedures and work-abouts should be avoided.

It will reduce our inefficiencies, improve our decision making, and, from a strategic perspective, it will drive flexibility in our supply chain. That enhances the flexibility we can offer our customers and will lead to competitive advantages for Aludium. An integrated approach to IFS is crucial for the future of the company.

**[AT] What are the next steps?**

**[GK]** We need to improve some processes to make IFS a completely integrated platform. We’ve already defined a list of projects, but some key elements include:

- In the financial reporting system, profit and loss must be linked to plant performance. We also need to develop system-driven KPIs which will steer the business towards standardisation across the organisation.
- Improving the accuracy of the inventory system to be ready for the implementation of a central production-planning and standard costing system.

**[AT] How has Aludium performed in 2017 and what have been the highlights?**

**[GK]** The most positive thing has been the growth in sales and production volume.

**[AT] What makes you smile at the end of the day?**

**[GK]** When I have the feeling that I have contributed to the success of the organisation and helped it to achieve its strategic targets while developing the people who are working there. And of course, having enjoyed the day with my colleagues!

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"We want to support other departments with the right information and tools. And we want to challenge those departments to improve their performance."

Aludium is performing better than the market average in this area. During 2017 we have had other major successes such as raising the output of the hot mill to a new record. And the new rotary furnace is starting to have a positive impact on our metal costs.

That leads me to the most negative influence on our success this year – the pressure on prices. We need to keep our focus on cost reduction through improved efficiency, metal recovery, and by making other savings where we can. Everybody needs to continuously look for ways to do things quicker, or with less resources, but without compromising our quality or safety performance. Pressure on prices, in certain market segments, remains a part of our business.

**[AT] What will you be focussing on as CFO in 2018?**

**[GK]** A key challenge for me will be to make IFS a completely integrated platform to drive improvements requested by the IT and Finance departments and the people who work in them. Both IT and Finance have been hit hard by the change to IFS and the speed they need to deliver improvements requested by the business.

Finance has had changes in its organisation which were not fully implemented. That has made it difficult for the team to meet expectations. A lot of good work has been done, but we have not been able to deliver what we promised and truly be a part of the business.

My first step has been to make our strategy clear, and to define roles and responsibilities. The next step will be to make clear what we can contribute to the business. Clear communication will help the department regain the trust of the organisation. We want to support other departments with the right information and tools. And we want to challenge those departments to improve their performance.

Another key challenge for me is improving the management information system. It needs to be more structured and aligned, so that we can use the same data in different meetings and reports.

For the business as a whole, we need to grow our product portfolio if we want to improve earnings. And as I’ve mentioned before, we need to reduce costs to withstand price erosion for our products. I’ll also focus on maximising our working capital through initiatives such as reducing inventories where possible. I am sure we will find savings.

Another focus will be the budget. The budget is a communication tool which can be used to align our strategy with our performance during the year. That will create clear accountability within the organisation and help us achieve our goals. Working together will drive our results. It’s the only way to achieve our ambition.
Multi-chamber furnace marks another step in the future of Aludium

After more than a year of investigation, the Aludium board took the decision to invest in a new multi-chamber furnace at the end of October 2017. The new furnace will be installed in the Amorebieta cast house and will increase Aludium’s ability to melt lacquered scrap, reducing our dependence on third-party metal suppliers significantly.

When it comes onstream in 2019, the new furnace will be able to melt up to 55,000 tonnes of painted or thin scrap annually. It will also reduce our need for sheet ingots (slabs) from external suppliers. The new furnace, together with other investments, will also increase Aludium’s sustainability as it reduces our need for primary aluminium metal by around 75,000 tonnes per annum. Compared to primary metal production, recycling aluminium reduces energy consumption by 95% or 14 megawatt hours (MWh) per tonne of aluminium. With this project Aludium will reduce our CO₂ emissions by 250,000 tonnes annually.

The decision to install the new furnace has taken more than a year of investigation by a multifunctional team of 18 people led by Mario Allet, Aludium’s Program Director. The team included: Matt Delfini (Field Analyst); Alfonso Martínez (Operations); José Corrales (Procurement); Eduardo Garate (Cast House); Estíbaliz Pérez (EHS); Luis Sainz (Maintenance); Ana López (Process and Quality); Nerea Camporredondo (EPCM); Ignacio Gil (Cindal); Raoul Aubry (Cast House Technology); and Jon Belausteguiquitoia (Finance).

Room for future expansion
“The investigation team visited a number of similar installations and concluded that the multi-chamber furnace was the best option for Aludium,” notes Mario Allet. “The new facility will complement the rotary furnace which was installed in Amorebieta during 2017. However, there will still be room for future investments to support Aludium’s increasing metal needs as we realise our growth roadmap.” The multi-chamber furnace selected is a Hertwich Ecomelt PS275. This proven technology is one of the largest shaft furnaces in the world. It is based on a top-loading system and can be charged with many different types and shapes of scrap. During the melting process, any lacquered material is de-coated in a controlled manner. The entire melting process takes around four hours in total, however, the furnace runs continuously for optimal productivity.

Meet Mario Allet
Mario Allet studied at the University of Science and Technology (ETH) in Zürich (Switzerland) where he obtained a PhD in Physics. He has extensive work experience in the aluminium industry having held positions such as plant manager, cast house quality manager, and director of recycling and raw material quality amongst others. Mario is married with three children and lives in Switzerland. His hobbies include skiing and mountain biking.

The new multi-chamber furnace installation
The existing scrap yard will be enlarged, and a new 65-tonne scrap holder will be installed. Pit #3 will be enlarged to allow five sheet ingots to be cast in each drop. The unit will be optimised for safety including features such as a hands-free casting machine. The entire system will also comply with OHSAS 18001 and European standards.

**Cast house to be future-proof**
During the works, the layout of the cast house will be adapted to serve Aludium’s future needs. The total cost of the investment is €20 million. Work to complete the improvements and install the furnace is expected to take 18 months in total. The multi-chamber furnace will become fully operational in the second half of 2019.

Cindal R&D will be closely involved at all stages of the project to optimise the chemistry of the slabs. Researchers from Cindal have already performed a series of trials to ensure that the chemistry of the slabs fulfil all requirements. Additional employees will be engaged to support the higher workload in the scrap yard and to manage the furnace and casting operations. The people will be carefully selected and appropriately trained to ensure the efficient operation of the furnace.

**All melting technologies under one roof**
Aludium’s melting capabilities are state-of-the-art and allow Amorebieta to produce from one to five slabs of the same alloy in a batch. This has significant advantages as Mario Allet explains: “As we have furnaces of different sizes and, in the near future, all melting technologies on one site, we can produce slabs in the most flexible way.”

The Amorebieta cast house already has three standard reverberatory melting furnaces which utilise primary metal and clean scrap as feedstock. The rotary furnace, which came onstream during 2017, runs in batch mode and allows the cast house to change the alloy produced quickly. Many different types of scrap can be used including painted scrap and dross.

By contrast, the multi-chamber furnace operates continuously and will produce large volumes of alloys from the 3xxx and 5xxx families. The de-coating and re-melting process steps are separated to maximise recovery and production. Importantly, the quality of the cast products will meet the most demanding specifications in compliance with the ISO 9001 standard.

**How the multi-chamber furnace works**

The new pit will provide five sheet ingots per drop.
Aludium Today (AT): Tell us a little about the products that are made at Castelsarrasin…

Bertrand Corgié (BC): Castelsarrasin is probably best known for the ‘high bright’ products that we can make. These are not standard products in the aluminium market as they are quite difficult to manufacture.

We also offer a wide range of alloys and finishes, much larger than our competition. As part of Aludium, we are able to deliver the product that perfectly matches the needs of our customers in terms of dimensions, quality, packaging, and delivery performance. Because Castelsarrasin produces a high-end product, the process requirements in the plant are very complex. To make these types of products well, you need a very experienced team that can master all parts of the production process.

AT: Which markets does Castelsarrasin supply and how has that evolved?

BC: Until about five years ago, almost 80 percent of our products were used as reflectors in lighting. Since the introduction of LED technology, this market has decreased substantially. When we became part of Aludium, we decided to orientate our offer more towards markets where our high-bright products can make a difference. That’s why we have focussed more on automotive trim (interior and exterior) and on cosmetic packaging.

For automotive, we supply alloys which are used in decorative panels and doors, as well as window frames, roof rails, and marque badges. We are increasingly looking to expand our business in Asia because transport is booming in China. Castelsarrasin is Aludium’s export champion!

Meet Bertrand Corgié

Bertrand Corgié has more than 25 years of experience in the metallurgical manufacturing industry. He has held positions including plant manager, team leader, product engineer, and various operational roles. Bertrand gained an advanced diploma in Micro-technics at the REIMS Technology School (France) and has also completed advanced management programmes in Lean Manufacturing, Finance, and General Management. Bertrand’s hobbies include mountain biking, hiking, reading, and spending time with his family. He likes to spend his weekends in the Pyrenees mountains in southern France.
What are the biggest challenges for the plant?
(BC) We are already doing a good job, but I want to create a team that is fully capable of fulfilling the expectations our customers have. It is the only way to survive in this competitive world and our people are what makes the difference between Aludium and another aluminium producer. We have our future in our own hands. That is why I am so focused on delivery and quality. Our delivery performance is already good (around 90 percent), but it needs to become better. Our customers need to be able to rely on us 100 percent without any doubts. Castelsarrasin is a small team with the will to succeed, but we need to become more agile. Fast reactivity is the phrase I use every day – it is key to our success.

We saw a practical example of that at the end of 2016. One of our customers was supplying a decorative part for a brand-new car. However, the success of that new model exceeded our customer’s forecasts by a long way. Initially we had to supply them with half a tonne of very specialised material, then another tonne, then more and more. I was very proud that my team was able to meet all of the customer’s requests on time and in full – but we need to be able to do that for multiple customers at the same time.

If we get it right, I am convinced that more customers will choose Aludium and the products that Castelsarrasin can offer. I want our team to become one of the best performing teams in the industry, with a strong focus on quality and customer satisfaction.

What changes are you implementing to shift the focus to customer service?
(BC) We’ve created a new organisational structure in Castelsarrasin that will become the driver of this customer-centric approach. The new structure is based on three pillars:
- Environmental health and safety (EHS)
- Quality (products, systems, processes, and continuous improvement)
- Operations (production, maintenance, and logistic).

It is critically important that every single person in the team knows exactly what their job is, what the targets are, and how they should be achieved. This is real accountability and is based on a continuous improvement culture – what we do well today should be done even better tomorrow.

We’ve invested in new equipment, and now our focus is on training to improve the technical skills of the entire team. Castelsarrasin has also implemented a quality management process with accountable team leaders. We’re increasingly using techniques such as visual process management and total productive maintenance (TPM). It’s a similar approach to what Aludium did in Alicante and we are inspired by what they have achieved.

How important is innovation in Castelsarrasin?
(BC) Innovation is about being smart and making use of all the human and technical resources we have. We will become the supplier of choice for our customers if we can think ‘outside the box’. To me, that represents real innovation. And I believe that we can achieve this, together with our sales team and the Cindal R&D team.

We’ve recently had a big success with this approach. Thanks to Cindal’s expertise in formability and the skills of the sales and production teams, we have been able to develop the right product for a new project. Aluminium produced at Aludium Castelsarrasin will now be used in an innovative handheld device.

You mentioned Cindal R&D... what value do they add in Castelsarrasin?
(BC) It is a huge commercial advantage to have Cindal behind us. Our customers know that we have the support of this team of experts in case we have production problems, or if they have problems in their own production processes. We are always able to understand what the problem is and to define ways in which to solve it, wherever the problem occurs.

Cindal also helps us to improve our equipment and processes. They are fully involved with us in defining our needs, selecting suppliers, and setting-up the RFA for investments. The last investments, the new gauge meter on the second cold rolling mill and the distillation unit, are great examples of how the good partnership with the Cindal team brings us benefits. Cindal help us to fine-tune our equipment so we can reach the highest standards possible. For one of our customers we have to guarantee a zero-defect delivery. Together with the team from Cindal we were able to define the correct process and deliver exactly what our customer needed.

Cindal also helps our sales team to investigate alternative alloys that are better for us, and for our customers. The Cindal team recently co-engineered with a customer’s...
own R&D team to qualify an alternative material for an automotive application. That’s enabled us to become the supplier of choice for one of the newest SUVs on the European market – something we are very proud of.

(AT) How does Castelsarrasin interact with the other mills in Aludium’s network?

(BC) We’re very closely integrated into the Aludium network. Amorebieta supplies us with our raw material, while Alicante is more a ‘big brother’ for Castelsarrasin. Not only is Alicante much bigger, they have also developed processes and procedures that we learn from. For example, the Alicante team helped us to achieve IATF 16949 certification. We needed this standard to be accepted as a reliable partner by our automotive customers.

On the other hand, we have the equipment needed to produce the highest surface quality. This makes us quite unique, not only within Aludium, but also in the wider aluminium world. There are few mills in the world that can make the high quality bright material we can produce in Castelsarrasin.

Because we have some similar equipment, Alicante and Castelsarrasin act as backup mills for each other. If we don’t have enough capacity to reduce metal to the gauges we need, Alicante can do the intermediate passes for us. Similarly, if there is a problem at the Alicante bright mill, Castelsarrasin can help some of their customers. We can also develop a specific flow path where the finishing is done at Castelsarrasin, depending on the customer’s requirements.

(AT) How has Castelsarrasin evolved over the past few years?

(BC) Becoming a part of Aludium was a significant step for Castelsarrasin. Since that happened, the Aludium management team have confirmed several times that they believe there is a future for this plant. The investments in the annealing furnace and new cut-to-length line are concrete examples of this commitment. They were large investments – almost €1.5 million in total, and made very soon after we became part of Aludium. That was important as we had gone through many years with no significant investments under our previous management.

And I am happy to announce that investments are forecast to continue: we plan to invest €610,000 in 2018, €495,000 in 2019, and €420,000 to finish an almost complete update of the plant. I am especially looking forward to the revamping of our slitter lines, the upgrade of our camera inspection system, and the installation of the new gauge meter. These investments will upgrade our equipment and quality level substantially.

Aludium has recruited a new sales representative in China to serve the Asian market. This representative will mainly sell products that are made in Castelsarrasin – that’s a significant boost for the team here.

(AT) How does Castelsarrasin perform with regards to safety?

(BC) Safety is very important to me and the team. We have a total recordable accident rate of zero – that’s quite exceptional in this business.

We have continuous improvement process in place which is funded with an annual budget to cover necessary safety investments. That helps us to protect operators while they are using the equipment. Aludium has also made massive capital investments which has enabled us to review and update our equipment.

(AT) Tell us a little about your approach to human resources?

(BC) Transparency is the keyword. I am convinced that every single person in our team should know exactly what their job is, what the targets are, and how they should be achieved. For me, this is the basis of real accountability.

I am grateful for the efforts the management team have taken to support us and the confidence they have shown in Castelsarrasin. Now it’s up to the Castelsarrasin team to use these investments as leverage for our own future. How? By becoming a customer-centric team that is outperforming our competition. As a team, we have our own future in our hands.

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What do you like most about your job?
On one hand, I like working together with the Aludium management team on the strategy for the company and the plant in Castelsarrasin. But on the other hand, I cannot live without being closely involved with the team on the shop floor. I enjoy solving the problems the team faces on a daily basis and working out solutions so they don't reoccur. The culture at Castelsarrasin is also changing. Our focus now is on production and throughput, and the relationship with our customers. Everybody in the organisation now considers their job as a support function for production. All of our actions must be focused in this direction, and have a sense of urgency.

What makes you smile when you are leaving your office on a Friday evening?
Often I am on the shop floor to talk to the operators, to understand what has happened, what they achieved, where I can help... I am happiest when I feel the involvement of my people, when they ask where we are in relation to forecasts. Are we ahead or behind? And I like hearing their ideas for how we can make the situation better. These informal discussions also give me a great opportunity to provide the team with information on production, quality, customers... I'm also very happy when I see the Castelsarrasin team make a huge effort to ensure a delivery happens, or that we achieve a quality target. It's a great feeling to know they are performing at their best.
The Castelsarrasin plant is equipped to produce aluminium with the highest surface quality available in the world. It’s bright rolling mill uses ‘duo’ technology with up to 12 rolling cylinders per machine to achieve surfaces with the best ‘high bright’ quality. Typically, 1xxx series alloys are used due to the high purity of the aluminium (from 99.85 to 99.5 percent aluminium). Castelsarrasin uses this material to produce surface qualities including Commercial Bright (matt aspect). Fini Brilliant and Grand Brilliant surfaces require several passes in the bright mill.

The final aspect of Castelsarrasin’s grand brilliant material resembles the surface of a bathroom mirror. Producing surfaces of this quality requires very exacting technology and operator skills due to the very malleable properties of the metal.

Operators at Castelsarrasin require several months of training – depending on the activity – to set up the equipment correctly.
and ensure they can produce the full catalogue of surfaces. By the end of this training period, operators can detect any small defect by eye alone and ‘feel’ the surface of the material to decide if the product is suitable for the customer’s final application.

Over the past decade, Castelsarrasin has developed its ability to produce fine grain material with low earing. This is important for customers in the cosmetics business as they need aluminium which can be drawn without producing scratches or edge cracks. Typical applications include lipstick tubes and perfume caps. Thanks to these effort, packaging designers can now realise some of their most creative ideas in aluminium. Forms can be drawn into more complex shapes, creating new branding possibilities for customers active in the cosmetics sector. As one of the only aluminium mills in the world able to produce high bright material, Castelsarrasin is now beginning to supply material to automotive trim manufacturers across the world. Demand for these products is rising quickly as they have many applications in both internal and external automotive trim. Applications such as: car badges, dashboard and console trim, door sills, centre and door panels, window frames, wheel brows, sunroof frames, door frames, and roof rails.

With the support of Cindal, Castelsarrasin can innovate to create smart and competitive alternatives to existing solutions. That innovation has resulted in us becoming a supplier of exterior trim parts for one the latest SUVs in Europe. Every kilogram counts in automotive and OEMs are continually looking for ways to create a personal or premium feeling in their vehicles. At Castelsarrasin we are able to respond to these challenges and meet the needs of OEMs.

Automotive trim is one of the drivers of our global expansion. Asia is an increasing focus, helped by Aludium’s new sales representative in China.

1999
Alcoa purchases the Castelsarrasin plant and makes it a part of its Spanish-French rolling assets

1994
Installation of a second duo rolling mill (DBB2)

2015
Alcoa sells the plant to Atlas Holdings and Aludium is formed

2015-2017
Aludium invests to increase capacity for the automotive market (annealing furnace and cut-to-length line)

Equipment

- Castelsarrasin’s cold rolling mills produce the brightest material (Grand Brillant) using A0 rolls. These mills are also equipped with A3 and A15 rolls.
- Cold rolling mill 1
- Cold rolling mill 2
- Annealing furnace 1
- Annealing furnace 2
- Tension and levelling line
- Slitter 1
- Slitter 2
- Cut-to-length line 1
- Cut-to-length line 2
- Etching line
- Grinding
- Polishing unit 1
- Polishing unit 2

Plant in the SPOTLIGHT

The new cut-to-length line

The new cut-to-length line
**Strengths of Aludium Castelsarrasin**

- High-tech rolled surfaces and excellent end-product formability suitable for brights, automotive trim, and cosmetic packaging.
- Co-engineering capabilities to create tailor-made surfaces and formability.
- Lean manufacturing and short supply chain.
- Process and production management on a daily basis.
- Autonomous maintenance programmes.
- Motivated workforce oriented towards tracking and improving quality and efficiency.
- High level of customer service - we hear the customer’s voice on the shop floor.
- Excellent on time in full (OTIF) delivery rate currently above 90%.
- Continuous improvement projects running daily.
- Excellent logistics.
- Aludium Castelsarrasin holds the following certifications:
  - ISO 9001: Quality management
  - ISO 14001: Environmental management
  - OHSAS 18801: Occupational health and safety.
  - IATF 16949 (certification in process).
Aludium Alicante holds range of practical safety events

Safety Week was celebrated in Alicante on 23 and 24 October. Several events took place involving employees, external organisations, and local authorities.

The week started with an EHS presentation conducted by Jose A. Baeza, EHS Manager for Aludium Alicante. Topics covered included accident prevention systems, and safety improvements and investments at the Alicante plant. Following this meeting, Alicante EHS technicians, the plant’s doctor, and representatives from the ASEPEYO insurance organisation conducted a number of practical activities. These included fire extinguisher handling, cardiopulmonary resuscitation, and working with an exoskeleton to reduce stress on the body from lifting and other physical activities.

On Tuesday 24 October, representatives from 15 external companies, the plant’s unions, and local authorities visited the plant. The Mayor of Alicante, D. Gabriel Echavarri, also attended and Manuel Ruano acted as host for the day. A highlight for the visitors was a rescue-at-height drill with the Alicante Fire Brigade in the plant’s workshop. The Mayor of Alicante then inaugurated the upgraded L95 machine and formally opened the new Aludium Visitor Centre. The visitors also undertook safety inspections with a focus on mobile equipment. More than 70 observations were made during the day.

Safety Week in Castelsarrasin

Castelsarrasin started Safety Week on 24 October with a presentation of accident statistics and their cost to the community. This meeting was attended by the EHS legal advisor from the local metallurgic industry union, representatives from the local government, and the safety and environment expert from the Castelsarrasin Chamber of Commerce.

All employees attended a fire exercise which was led by a firefighter from the new local rescue centre. It gave the Castelsarrasin team a chance to review the actions they should take when a fire alert sounds. A car-accident simulator was also brought to the plant to demonstrate the risks of speed, and the use of mobile phones on driving performance.

On the final day of events, the plant’s occupational doctor gave a presentation on the risks of silica exposure to rolling mill operators. Prevention methods were also discussed including the importance of wearing the correct personal protective equipment (PPE). The doctor also discussed the risks of noise and the role of PPE in preventing hearing loss.
Amorebieta hosts safety meeting for Atlas companies

Aludium Amorebieta also played host to a safety meeting for the seven Atlas companies in Zone 4: Aludium, Motus, ASG, Tecumseh International, Amaray, Iconex, and Phoenix International. The day was led by Alicante Plant Manager, Alberto Ruiz. Phil Schuch of Atlas Holdings, took part in the meeting to illustrate the importance the company attaches to safety.

During the day, delegates undertook a safety audit of the Amorebieta facility. They focussed their observations on the interactions between mobile equipment and pedestrians, as well as falls on the same level, and machine guarding. In total, 25 new risks were identified. An action plan to resolve the risks is already in development and will be discussed at the next meeting.

Following the inspection tour, a number of Atlas companies presented the best practices they have implemented to prevent accidents.

The day ended with a safety goal-setting session for the Zone 4 companies. Aludium Alicante has agreed to take the lead on a project to create standard practices and policies to segregate mobile equipment and pedestrians. This is an issue which is of interest to all Zone 4 companies. The new policy will summarise the findings which emerged during the best practices discussion. It will also include the technical specifications and operating procedures Aludium Alicante recently implemented for its electric-powered forklifts. The outcomes will be discussed in conference call between the EHS managers from all Zone 4 companies in early December.
Formel Student
Bizkaia puts in best performance ever

The Bizkaia student racing team, sponsored by Aludium, has had their best performance in the 2016-2017 Formula Student season. Their vehicle, the FSB2017, finished the Formula Student UK event with 285.6 points out of 325, their best score ever. And in the Formula Student Spain event, the team completed all static and dynamic tests for the first time. The team includes almost 50 students from the University of the Basque Region. During the Formula Student competitions they compete in static events such as design and costing challenges, and dynamic events which test the vehicle’s performance on the track. The static tests demonstrate the skills of the team members in engineering, cost control, and business strategy, while the dynamic tests challenge the team’s engineering skills.

In the 2016-2017 season, the Bizkaia team introduced a complete aerodynamic package into the vehicle for the first time. Manufactured in the University’s own facilities, the package includes a front wing, rear wing, and undertray with diffuser. The package has significantly improved the vehicle’s cornering without compromising speed over a straight line.

The Formula Student Bizkaia team is now looking forward to the 2017-2018 season where it will again compete. Aludium is proud to continue its sponsorship of the team for a second year and wishes them every success for the coming year.

Oil mist team recognised for quality improvement

A team at Aludium Castelsarrasin has spent the past few months improving the quality and surface aspect of coils. By fine-tuning the oil misting system, the team improved the surface quality of finished coils significantly. Samples were tested by one of Aludium’s customers in their own plant. They confirmed their satisfaction with the improved coils and thanked the Castelsarrasin team for their efforts. Those efforts were also recognised by management at the latest QBR held in Castelsarrasin. The team included representatives from: Quality (E. Bernocco); Process (E. Arribe); Production (T. Andolfo, C. Ponthier, and H. Bazely); and Maintenance (B. Wazsak, and D. Roudil).
Meet José Manuel Costa – the ironman of Aludium!

José Manuel Costa works at Aludium Alicante and has a passion for triathlons. He recently achieved his dream of competing in the Hawaii Ironman event – one of the most gruelling triathlon competitions in the world. Aludium Today spoke with José to find out what motivates him to compete and continue practising.

Aludium Today (AT): Tell us a little about yourself?
José Manuel Costa (JC): I am 42 years old and I live in Alicante. I am married and have a son and a daughter. I studied professional training, specialising in naval mechanics and I’ve been working at Aludium Alicante since 2001.

(AT) What do you do at Aludium?
(JC): My main tasks are to prepare the rolling cylinders and oils I get to do some training on the job as I need to walk a lot – up to five kilometres some days.

(AT) What do you like the most about working at Aludium?
(JC): The atmosphere and my colleagues. Working at Aludium has given me everything that I have now.

(AT) In your spare time you are a triathlete. What is your specialty?
Running, swimming, or cycling?
(JC): I enjoy all three disciplines but I don’t like to talk about times. To me, the most important thing is to finish the race. My ultimate goal was to participate in the Hawaii Ironman event, and finally I can say I have done that.

(AT) What do you think makes the Ironman event so important for you as an athlete?
(JC): It is a very emotional race, and very hard. You could compare it with life. It’s a very long race that can change in seconds. Like life, you must continue, there is no choice. The Hawaii Ironman event is very hard because of the heat and the humidity. Psychologically it is also hard, as it is the most important Ironman event and part of the world championship. It is a very difficult race to get into. I only earned the chance to do it because I have participated in 20 Ironman events.

(AT) Are you in a club or do you practice alone?
(JC): I have been in a club which is based in Sevilla since 2006. What I like most is that they have treated me very well since I began training with them.

(AT) Which races are the most important for you?
(JC): The most important races have been my first Ironman in Lanzarote, and the latest one in Hawaii. Lanzarote was very important just because it was the first one. The last one was my dream; the Hawaii Ironman is the most important one worldwide.

(AT) What are your plans in the sport?
(JC): I would like to participate in the Hawaii Ironman again. My wife will kill me if she reads this though!

(AT) How do you find time to train?
(JC): I work shifts, so it depends a little on what time I start work. When I work from 14:00 to 22:00, I go to the swimming pool at 8:00. After that I go running or biking, and then make lunch for my children. When I am on the 6:00 to 14:00 shift, I train in the evening. On my free days I go biking or running for four to five hours. But I usually rest one or two days a week. After an Ironman event, I rest for two to three weeks.

(AT) Do you follow a specific diet?
(JC): No specific diet. I don’t smoke, I don’t drink, but I eat everything.

(AT) Who are your biggest supporters and fans?
(JC): My family and close friends.

(AT) Are there things that matter in your sport that you find useful in your job?
(JC): The most important thing is not to give up, to continue until the end. Another important thing is making the effort to turn up. The first 10 seconds when you arrive are better than the 14 hours of race.

(AT) What makes you smile when you are competing?
(JC): The great sensation you get when you arrive at the finish line. That’s the best thing.
Merry Christmas and a Happy New Year
Feliz Navidad y Feliz Año Nuevo
Gabon zoriontsuak eta urte berri on
Frohe Weihnachten und
ein glückliches neues Jahr
Joyeux Noël et Bonne Année

Winners of the Aludium Christmas Drawing Contest
Maxime Pezeril, 12
Iraia Aras, 6
“Working together for a better, brighter future”