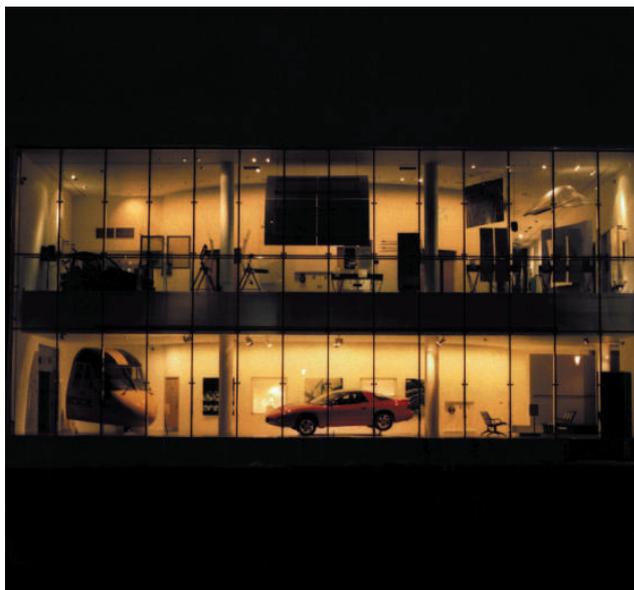


TECHNOLOGY MANAGEMENT



Technology exhibition, Lathom

The Pilkington Technical Function incorporates Research & Development, responsible for new and improved products and processes, and Engineering, responsible for the design and construction of manufacturing plants and equipment.

Pilkington spends around £33 million a year on research & development, which is undertaken by two globally managed organisations within the two business lines, Building Products and Automotive Products.

Each business line manages its own R&D programme but links between the two are maintained to take advantage of synergies from common technologies such as glass compositions, coatings and process control.

The main R&D centre is located at Lathom, 12 miles from the Group Headquarters in St. Helens. Additional smaller centres are situated in Germany (Witten and Gelsenkirchen), Italy (San Salvo) and the U.S.A. (Toledo).

The Building Products R&D organisation numbers around 200 and Automotive R&D around 125.

R&D resources are organised into groups by key technology which may be located in more than one country but are each managed globally. This enables the resources to be used with maximum efficiency across the Group businesses, eliminating duplication in the various centres as well as maintaining critical mass for scarce skills.

Pilkington and Nippon Sheet Glass (NSG) of Japan have an agreement to collaborate on R&D for automotive glass products, and as well as enabling the two companies to maintain a more



European technical centre, Lathom

extensive programme, this agreement gives Pilkington direct access to product development trends in Japan.

Within Pilkington, the business line global boards establish technical strategy and overall funding levels. The R&D programmes are overseen by two Programme Development Groups, one for each business line, which bring together senior executives from technology, manufacturing and marketing. The Programme Development Groups establish broad splits between product/process development, long/short term activities, set priorities and monitor overall progress.

The projects themselves are managed using a well-defined stage and gate project management process involving multi-functional and multi-national project teams and gatekeepers. All R&D activities in the Group are QS9000 certified.

Engineering is a group function within Pilkington – a single organisation supplying plant and equipment to all of the businesses within the Group as well as joint ventures and licensees.

Globally, Group Engineering employs some 200 people.

Building Products Engineering is centred in the Lathom Technical Centre with supporting groups in Gelsenkirchen, Germany and Toledo, U.S.A. The main Automotive Engineering group is located in San Salvo, Italy with a support group in Toledo, U.S.A.

Engineering is organised as a single group function in order to gain synergies between the activities supporting the two business lines. An important requirement of the Group is to promote the standardisation of design and operation of plant and equipment across the world. Standardisation brings benefits in lower design costs, technical support costs, ease of transfer of best practice and very significant benefits of scale in purchasing costs. The capital purchasing team is an integral part of Group Engineering.

Engineering activities are undertaken within an integrated business-based stage and gate project management process. This is designed to ensure that all functions within the business play their part in bringing investment projects through successfully, by ensuring that all the required inputs are defined and built into the schedule.



UK5 float line, St. Helens



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