



Operational Excellence

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Collaboration. Innovation. Excellence.™

Operational Excellence



- ***Operational Excellence*** is a never-ending quest for improvement in response to the voice of our customers and shareholders
- It is all about strengthening our capabilities to deliver value flawlessly to our customers
- It challenges us to enhance our productivity, profitability, and efficiency in all phases of our business, from safety to quality to waste elimination to environmental stewardship



Lean Six Sigma Initiative



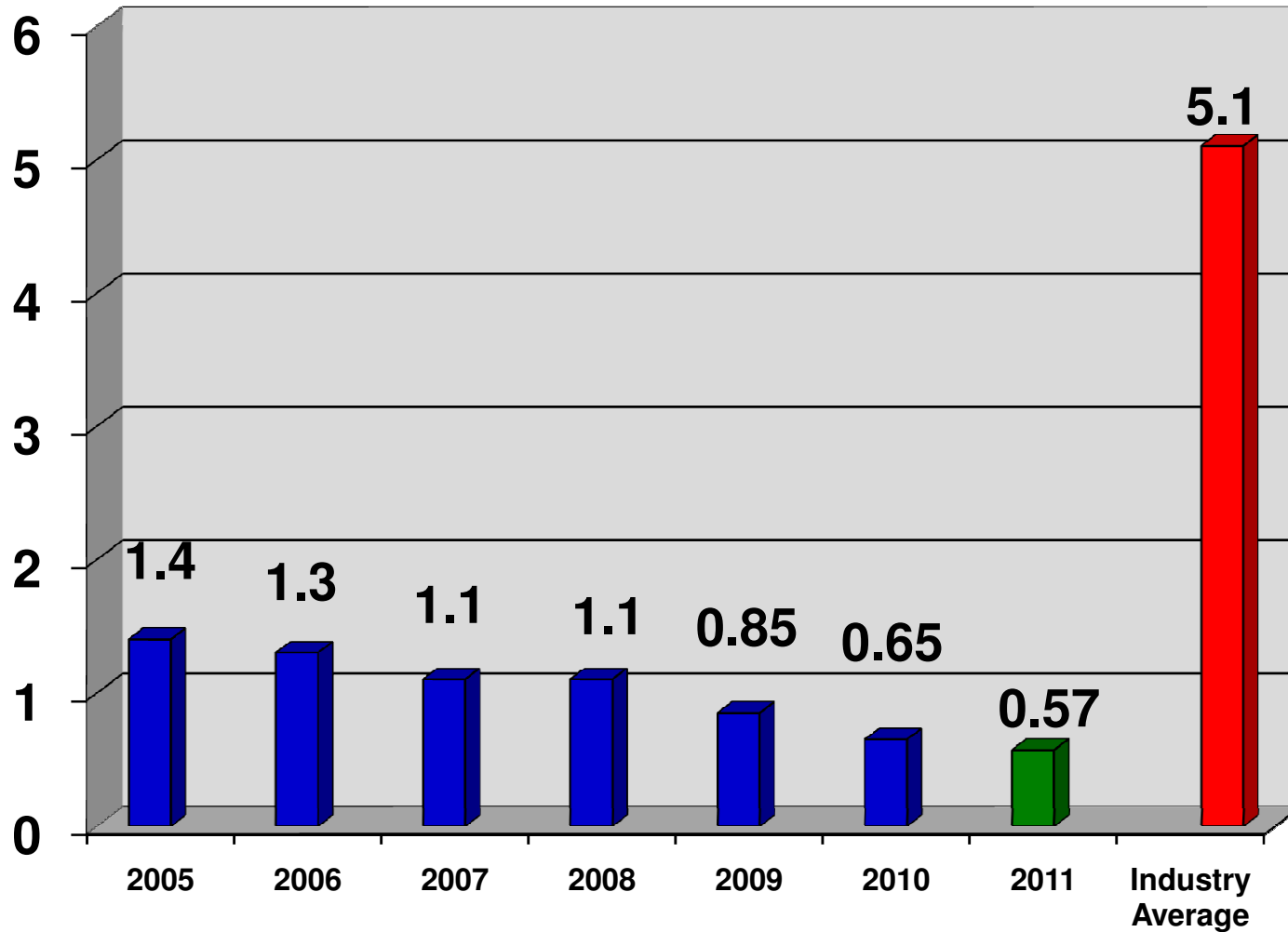
- In 2009, ***Lean Six Sigma*** was launched to improve execution skills across all businesses, functions, and global regions
- A company-wide diagnostic was conducted, resulting in identification of six strategic improvement platforms
- Financial targets were estimated, resources identified and trained, results delivered



Safety Performance



PolyOne OSHA Recordable Incidence Rate

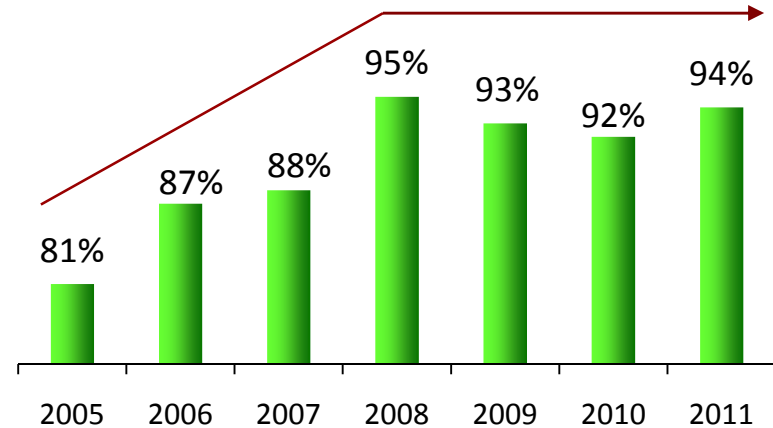


*Rubber And Plastics Manufacturing Industry (2010 Bureau of Labor Statistics).

Lean Six Sigma Delivering Results

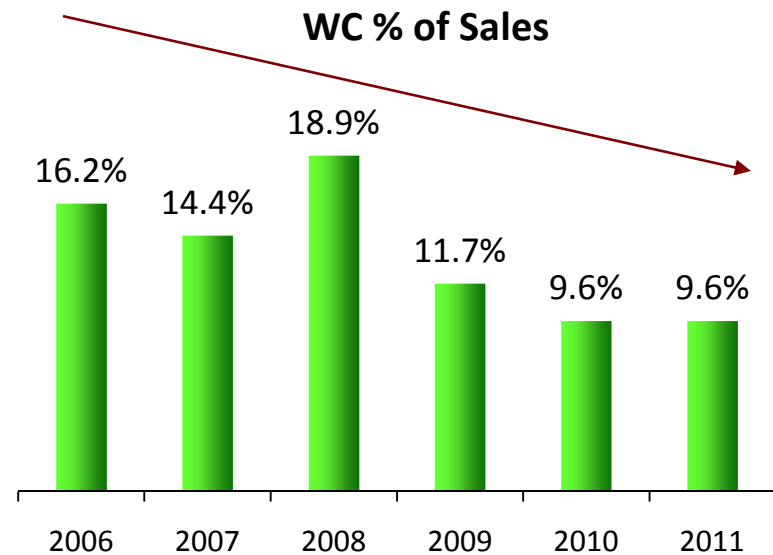


On-Time Delivery*



- Exemplary on-time delivery
- Best-in-class working capital % of sales
- Approximately \$200M in cash driven by working capital improvements

WC % of Sales



*As measured to customer request date

Award-Winning Lean Six Sigma Program



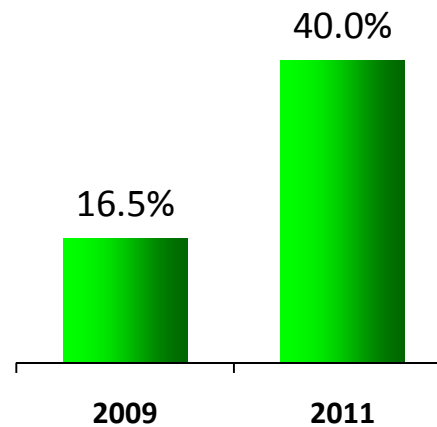
World's Best Start-up Program in 2009*



World's Best Business Process Excellence Program in 2012*



Percent of Associates Trained in LSS



*Both awards received from International Quality and Productivity Center

Critical Imperatives



- Globally leverage strategic supplier management best practices
- Implement world class demand management processes
- Improve operational reliability and efficiencies
- Optimize global freight management

Drive 50 – 100 basis points of gross margin expansion per year

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