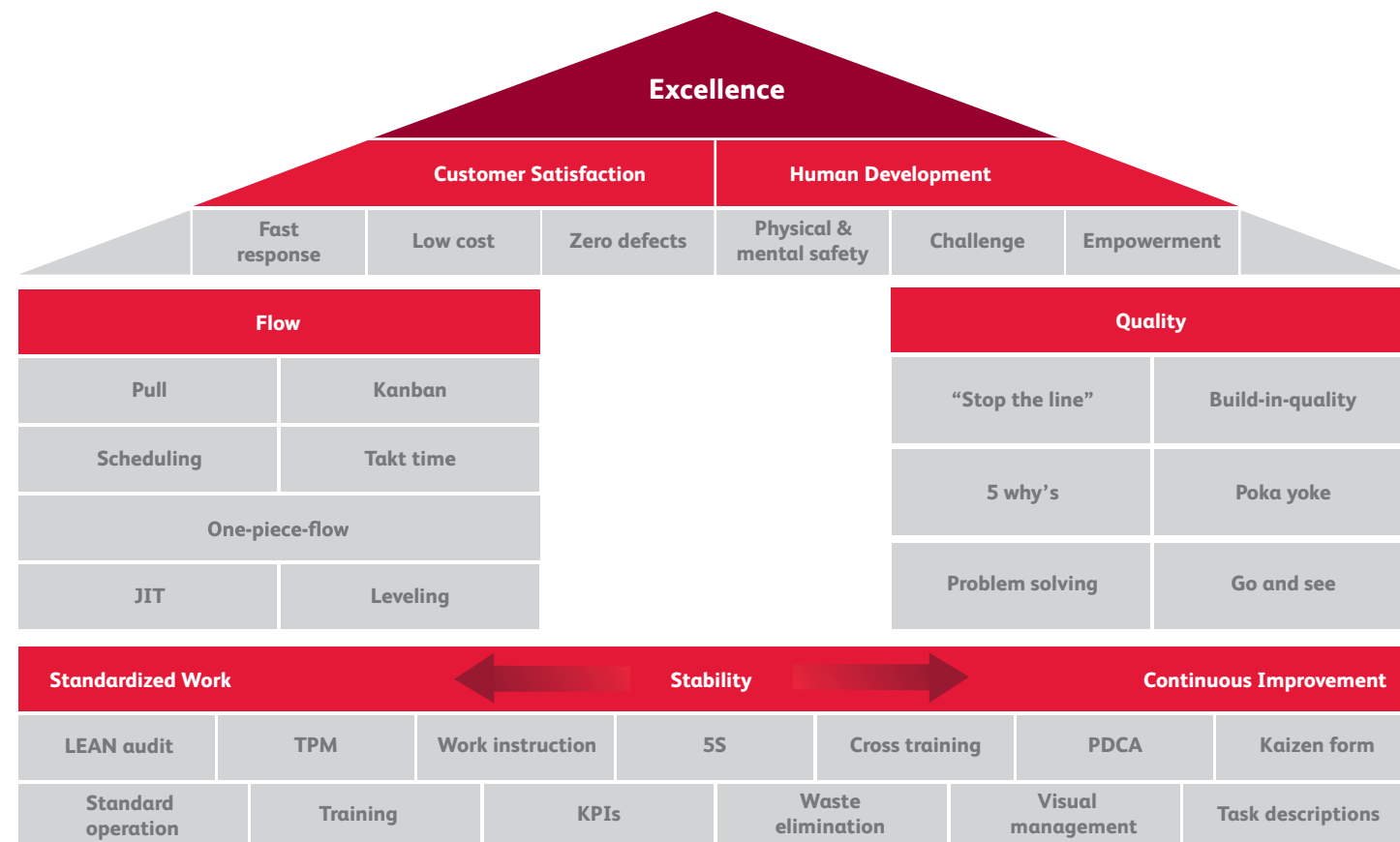


LEAN: A NEVER-ENDING STORY, BUT A GOOD ONE

The mainstay of CEVA's Operations Excellence philosophy is its LEAN program. It was adapted from Toyota's Production System which helped it to become the world's most successful car maker. The program's methodology attacks waste on every level and in all shapes and forms, from redundant motions in warehouse and waiting time to underutilized potential of individual employees. Since its initiation in 2004, CEVA's LEAN program has been implemented at an ever-increasing pace, touching all of our operations and bringing benefits to our customers time and again.

The foundation for LEAN's success is the way its individual building blocks interact to achieve excellence (The CEVA LEAN House). A stable environment is created through standardized work and continuous improvement, providing the right conditions for optimization of materials flow and process quality. To realize these objectives, LEAN provides us with an extensive set of specific, targeted tools and procedures.

LEAN is implemented most commonly in 'waves': 9-week projects in which an operation is visited by dedicated LEAN experts who - in close cooperation with site management and customer personnel - implement the necessary tools, train employees and make the first improvements in operations. In addition, the Experts train Change Agents: members of the site workforce who become ambassadors of the LEAN culture after the experts have left and who help empower employees to recognize and eliminate waste. Our LEAN culture dictates that you can celebrate success but that the work is never done. Things can always be done better.



THE CEVA LEAN HOUSE – BUILDING BLOCKS

GLOBAL STANDARD METRICS: KEEPING AN EYE ON PERFORMANCE

To measure the performance of all our operations around the world objectively and consistently, we have introduced Global Standard Metrics. These standardized performance measurements not only enable us to evaluate and compare our operations and derive best practices from the results; they are also used to provide concise, comprehensive and unambiguous reports to our customers. Based on score-card Key Performance Indicators, our Global Standard Metrics complement any customer-specific metrics and tell the customer exactly how we are performing in terms of:

- Safety
- Quality
- Productivity
- Service
- People

Using Global Standard Metrics we are able to link operational data with financial data in order to produce accurate information on how volumes and efficiency improvements influence and interact with financial targets. Our reporting tools also include the quality component to safeguard that efficiency improvement is not achieved at the cost of quality.

Making Business Flow

CEVA Logistics is a leading global supply chain management company. We provide end-to-end design, implementation and operational solutions in contract logistics and freight forwarding to large and medium-sized national and multinational companies. CEVA employs 50,000 people and runs an extensive global network with facilities in over 100 countries.

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OPERATIONS EXCELLENCE CEVA'S CONTINUOUS PURSUIT OF PERFECTION



Operations Excellence, CEVA's continuous pursuit of perfection

In our more than 50 years as a logistics provider, our aim has always been to deliver solutions that fully meet the customer's expectations and then to drive for continuous improvement day after day. In our experience, perfection is the only objective we can pursue to fully live our passion for logistics. This drive has over the years manifested itself in a number of key strengths that capture our expertise and know-how and define CEVA's culture. Applied in a systematic approach, they cover all stages in the implementation and execution of logistics services.

Smart Solutions

Our sets of sector-specific best practice services which we developed to offer our customers industry-leading solutions to their challenges.

Zero Defect Start-Up

Our proven approach to the implementation of new operations and contracts with top performance from Day One.

LEAN

The methodology we follow to realize efficiency and quality through waste reduction, based on the sustainable, continuous improvement of operations.

Global Standard Metrics

We keep a permanent and unforgiving eye on ourselves and our performance worldwide, reporting and comparing results in standardized, scorecard-based indicators known as Global Standard Metrics.

These strengths are the building blocks of our Operations Excellence philosophy. They reinforce each other on every level, making our operations among the best in the world and making CEVA the preferred logistics supplier of many of the world's leading companies.

With CEVA running your operations, your business flows.

OPERATIONS EXCELLENCE



SMART SOLUTIONS: STANDARDIZATION OF EXCELLENCE

The extensive knowledge and know-how CEVA has accumulated in its many years as a contract logistics and freight management supplier cover all major customer sectors. Leveraging our scale and skills across these sectors, we were able to develop our methods into a series of proven best practices. Our Smart Solutions represent the finest of these best practices in solutions sets for specific customer segments.

Our MNO Solution Set for example offers services that meet the needs of any telecommunications Mobile Network Operator (MNO), providing maximum value at optimal cost and addressing specific pain points in the Mobile Network sector. Our Automotive Manufacturing Support Set offers similar services tailored to the specific needs of customers in the automotive sector.

Through these and many other Solution Sets, we are able to deliver even higher levels of overall operational performance and enable our customers to be more competitive.

Benefits CEVA Smart Solutions Sets

- Allow us to identify the right approach to your solution within days, rather than weeks. This includes an indication of the systems, equipment and people that will deliver the results you need;
- Allow us to develop scenarios around your requirements, so you will know where to adjust your own processes to achieve maximum results;
- Allow us more time to concentrate on other, perhaps more unique aspects of your projects.

In short, CEVA Smart Solutions Sets achieve quicker and better results at lower costs, leaving more time and resources for the really challenging parts of your business.



ZDS: ZERO DEFECT START-UP

Our Operations Excellence philosophy does not extend to just running projects and contracts, but especially to those that haven't started yet. If our experience teaches us anything, it is that there is no substitute for diligence and know-how in the preparation and implementation of new projects to guarantee smooth operations later on.

CEVA Logistics has perfected its Zero Defect Start-Up (ZDS) project management process to deliver complete compliance to our customer's supply chain requirements. ZDS is designed to meet customer-defined quality and service expectations and has proven to be highly effective in doing just that.

A startup typically follows five stages:

- Project Validation
- Finalize Requirements
- Readiness Planning
- Implementation
- Steady state

The process lets you define the specific quality and service levels you expect, and provides the framework for us to manage and meet those standards. We consider a startup successful only when the customer is confident that we will succeed at every stage of planning and execution – and when we reach 100% of the service, quality and efficiency standards we agree on.

SMART SOLUTIONS

