



NEWSLETTER

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Message from the Lamipak GM

Dear Lamipak Employees and Customers,

I am proud to welcome in the first issue of our quarterly newsletter, as our company continues its strong growth, clear communication with all our employees and customers has never been more important. We hope the information not only brings more awareness of our company activities, goals and major milestones, but also sets the benchmark and direction we are paving to be recognized by our customers as a world class aseptic solutions provider. In order to maintain this, the products and services we provide to our customers must never be compromised.

“...the products and services we provide to our customers must never be compromised.”

The start of 2020 has been very eventful for our business where we quickly adapted to disruptions the COVID-19 virus brought around the globe. During this time, we not only maintained our sales growth momentum but also broke a new record in our monthly sales volume, achieving 500 million packs in March and April.

In operations, we continue to implement MBOS and WCM activities across the company to increase our workforce efficiency as well as initiatives to find opportunities to upgrade our processes from customers' order to collection of payments. This month, our new Microsoft Dynamics 365 ERP system has gone live and will help streamline our workflow and monitor all processes in real-time. In the near future this will also be followed by the roll out of MES, CRM and automation systems to boost our company efficiency.

As part of our factory expansion plans, the production line will receive new investment to upgrade the technology and efficiency in over 50 different production line equipment which will later push our capacity up from 12 billion to 18 billion packs.

Beyond upgrading our system and equipment, we are also investing in our employees by providing Six Sigma and lean training, which can open up opportunities for them to achieve Six Sigma Greenbelt certification and become more professional as SDA project leaders. The corporate culture will also be improved upon by (1) refining our internal communication and transparency (2) providing training and workshops to support our employees' career development (3) and enhance engagements with our overseas workforce.

In summary, in order to continue our growth we must also place greater emphasis in 'Quality & Safety', these two areas have never been more critical. As we head into the second half of the year, as long as we all focus on working together on these priorities, our growth will only continue to head upwards.

Yours sincerely,
Thomas Xu - General Manager of Lamipak

500 million Packs!

LAMIPAK ACHIEVES A NEW RECORD IN ITS MONTHLY SALES VOLUME

Back in February, Lamipak experienced a strong quarter in its sales volumes. In both March and April, a new record was achieved in our monthly sales volume and was also the shortest recorded time taken to increase the quantity by another 100 million packs. This achievement has already given our staff members the drive and fuel to push volumes up by another 100 million.

"...a new record was achieved in our monthly sales volume and also was the shortest recorded time taken to increase by another 100 million packs."

Looking back at how this record was achieved, it was the dedication of our staff members in handling the outbreak of the novel coronavirus (aka COVID-19) that played a large role in this. During the outbreak, the production team was faced with huge challenges that prevented employees from returning to work, leading to machines that could not be operated. As a result upper management held emergency meetings on a daily basis to respond quickly to government requirements to put our factory back into operation, and then implement safety and control measures to prevent further spread of the pandemic. By February 11th, Lamipak became one of the first groups of companies in the local region to reopen its business and in March 10th the production line was back into full production.



Even after the factory site was back into full production, other items such as our warehouse stock of raw materials were carefully monitored and replenished to ensure our customers received their goods on time.

A Pandemic Turned into an Opportunity

During the epidemic, our sales team could not travel or communicate with their customers face-to-face. However it was an opportunity to build trust with our customers by holding regular video conferences to keep them updated on the latest changes and share real-time information on the situation. As a result, customers are approaching and viewing us as a safe reliable supplier, allowing our monthly sale volumes to be pushed to these new heights.

These results could not have been achieved without full alignment and cooperation of all departments. Let's continue our progress, break more records and achieve our vision of becoming a global leading player as an aseptic packaging solutions provider.

WCM: Building the Core of Lamipak

World Class Manufacturing (WCM) is an important element of Lamipak's corporate culture and should be a part of its core foundation. In order to achieve this, we have been improving the current WCM system, which requires seamless integration between WCM and MBOS, as well as complete commitment from all our staff members. We believe having such system in place will allow us to become a world class manufacturer and to guide us there, Lamipak has laid out the following visions.



Vision

- Get full Involvement of employees in building a continual improvement work culture and achieve world class levels in all WCM pillars and initiatives.

Mission

- Set up a comprehensible management system for loss identification, eradication and prevention.
- Safeguard all WCM goals by preventing any form of losses with the use of effective project management and strong systematic methodologies.
- Improve quality awareness, quality control and reduce customer complaints.



Lamipak WCM

Since relaunching WCM in November 2019, the six WCM pillars have been continually implemented in a step by step approach.



WCM Training - From November last year, we have held 45 courses totaling nearly 8000 training hours.



WCM Labeling & Cleaning - 735 labels were applied and nearly 90 areas were identified and cleaned.



Production Staff Meetings - Since its introduction in September last year, it has become an important management tool for the team.



Performance control system (PCS) - In March this year, over 30 notifications boards were installed, to manage production performance in real-time.



WCM improvement project - Of the 28 ongoing projects, one has been completed reducing costs by 600,000yuan.



Develop production related standards - Currently there are over 500 standards (111 in 5s; standards, 342 in cleaning; and nearly 50 in OPL)

Lamipak Embraces Automation

LAMIPAK FORMALLY BEGINS ITS PLANS TO AUTOMATE ITS PRODUCTION LINES

Since its first mention in 2015, the application of Industry 4.0 is becoming more widely adopted by companies across the globe. Widely considered as the trend towards automation, Lamipak believe it is important to also begin its transition into this area.



In May 2020, Lamipak's management team formulated a 2 year plan to automate the production lines. During this time, the program would involve workshop training in logistics automation, AI & machine learning and robotic process automation. The ultimate goal of adopting automation is to make Lamipak a world-class factory in the next five years.

“The ultimate goal of adopting automation is to make Lamipak a world-class factory in the next five years”

Since then, Lamipak has begun its data evaluation of the production lines to understand the requirements and align the planning, design and implementation to its business needs. It has been scheduled to complete the data evaluation in 12 months, after the completion of the project, all the production data will be automatically consolidated into a business database and then analyze to provide summary reports on costs, comprehensively monitor the product quality, and track all production materials throughout the process.



In addition, Lamipak will in parallel develop workshops and automation projects that would allow weighing of raw material and finished products, waste paper cutting and conveying automation. Over the next two months, we will commence trial operations on these projects mentioned above.

Lamipak's Pursuit of a Circular Economy

A GLIMPSE AT WHAT LAMIPAK HAS BEEN DOING IN THIS FRONT

Since 2018, Lamipak has been focusing on how it could contribute its efforts in circulate economy in particular, post consumed carton recycling. After spending more than a year exploring recyclers and waste management companies in different cities, the major challenge in implementing a circular economy was the complexity of establishing a framework, the lack of regional society awareness and commercial presence. When facing a challenge this big, collaboration is critical to overcome this problem, that's why in April 2019, Lamipak joined the Alliance of Technological Innovation in Compulsory Resources Recycling Industry (ATCRR) where they are committed to recycling 40% of beverage cartons in China's market by 2025.



Vincent Wang, Lamipak's management trainee (fifth from far left in the back row) attending an ATCRR meeting representing Lamipak.

ATCRR is a non-profit organization dedicated to the implementation of Extended Producer Responsibility (EPR) in China, according to a National Government announcement in 2016, beverage carton recycling is one of top five categories to be included in implementing EPR across China. Since joining ATCRR, Lamipak has been continually contributing to carton recycling projects along with other major global manufacturers of beverage cartons.

One such project is Lamipak's proposal to combine mobile internet technology with the municipal waste management network to boost carton recycling rate and increase waste sorting awareness in Shanghai. Future plans will include introducing image recognition in waste sorting.



Picture (left) is one of the mobile internet technology already installed to assist with waste management. Picture (right) is an ongoing waste management campaign

In addition, last year Lamipak became an official member of The European Organization for Packaging and the Environment (EUROPEN), an industry organization presenting the opinion of the packaging supply chain in Europe on topics related to packaging and the environment. Being part of such organization gives Lamipak the chance to collaborate with other EUROPEN members and contribute towards making a positive difference in packaging and the environment.

We know that Lamipak still has a long journey ahead in sustainability, but as consumers continue to drive the trend on environmental issues and demand more collaboration in the entire industry supply chain, we believe that Lamipak will only continue to bring more positive impact to the environment while creating a sustainable business value for our clients and consumers.

LamiFam

LAMIPAK QUIZ CONTEST

On May 14, 2020, Lamipak held a quiz contest to conclude who would be the winner of the 'Lamipak Knowledge Test'. As part of promoting safety across the company, the contest was intended to increase everyone's knowledge and awareness in safety, skills, preventing work related accidents, MBOs, WCM, 6S and our employee handbook.



24 employees who were divided into 6 teams, took part in the competition, while Thomas Xu - General Manager, Anton Xu - Special Assistant for Vice Chairman, Song Jun - Director of Production & Operations, and Teresa Chen - Director of HR & Admin., were also invited to attend as guests. The competition was split into three segments each covering a specific theme on safety. From the first question being asked, the excitement in the room only seemed to continue to grow and kept building up to the last round. In end there was one team who was the victor, and every participant was awarded a prize and a book on management provided by our General Manager, Thomas Xu. At the end of the competition, our General

Manager, drew a close to the contest and encouraged everyone to continue learning and improving their knowledge and skills, promote our corporate culture, and strengthen cooperation between all departments.

CHILDREN'S DAY - ONE LAMIPAK. ONE FAMILY

During this day, Lamipak prepared gifts for every parent in Lamipak (kids at middle school and under), with a letter attached for each child. The giveaways comprised of an environmentally friendly bag which not only contained gifts, but also a letter expressing gratitude to the employees and their children. Not surprisingly, some Lamipak employees started posting online the moment their children received their gifts. Some wouldn't let go of their bags, others couldn't wipe the delight off their faces, others emptied out the entire content on the floor and started painting or drawing on the spot, there were even photos where they plastered stickers all over their parents' faces, and in one case a child said something that simply gave their mother a full sense of satisfaction: "Mom, your company is so good. You should keep working for Lamipak". We can only wait and see what the next generation will say...



An extra surprise for one of our employees' children which coincided with their birthday.

Some evening shenanigans as these children strike a pose for the camera.



Another child produces a wonderful drawing for her parents with the gifts she received.

One of our younger members creates her own work of art with the stickers from our gift bag.



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