

# Newsletter

January 2021

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Welcome to the Fencor Packaging Group newsletter, which will attempt to provide you with a roundup of our activity during an extraordinary 2020 and our expectations for 2021.



# Welcome

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What a year 2020 was. COVID-19 announced itself in February and we prepared a worst-case budget and made the necessary arrangements to ensure that we had sufficient liquidity to emerge intact from this pandemic. On 1st April, amidst a thick fog of uncertainty, the Directors wrote to all our staff, stating that we intended

**“to ensure that we emerge from this crisis intact as a team, with no job losses and no financial distress to any of our employees, however long it takes. We are all in this together and, if we continue to stick together, we shall come out of it even stronger”.**

The response from our staff was magnificent – they understood that our customers were depending on them and, to a man and woman, they were steadfastly reliable and hugely flexible. Their health and safety have remained a top priority throughout.

## Progress of the Business

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Our business experienced some modest growth in 2020. This is in the context of an economy which shrank by 9% during 2020 and some of the most difficult trading conditions in recent memory, caused by a combination of factors:

**The additional measures we have all had to adopt to try and stay safe in the face of the COVID-19 pandemic.**

**Unprecedented levels of demand in the last 6 months, in particular for e-commerce packaging.**

**Exceptionally long lead times and unreliable service from our UK supply base.**

## How we have kept up with demand

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To allow us to deal with these factors, we have had to remain very agile and take some bold decisions, which have included:

**63,000 ft<sup>2</sup>**  
warehouse addition

**Three**  
new suppliers

**£827k**  
investment in new equipment

**Seventeen**  
new full time employees

- Taking on an additional 24,000 square foot warehouse in Whittlesey and increasing our footprint in Wisbech by an additional 39,000 square foot; this represents a 44% increase in the amount of space which the Fencor Packaging Group is occupying and will allow us to accommodate significant additional volume.
- Broadening our supply base from principally one supplier to four; this included rekindling an old relationship with a French supplier, who ended up supplying 50% of our board in November and December. Without them we would certainly have run out of raw material – a fate which befell the majority of UK sheet plants.
- Committed to investing an additional £827,000 in additional equipment which we had not anticipated 9 months ago.
- Grown our team by 17 full time employees.

## Business development for 2021

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During 2020 we have also made advancements through the following changes to our business:

- Strong additions to Manor's senior management and design teams, which has made us a more robust operation.
- A permanent night shift at Easypack, which has added about 25% to existing capacity and this could increase further.
- ISO 9001 accreditation at Manor – this will allow us to clarify and document our processes and will lead to greater consistency and improved quality control throughout our operations. We intend to qualify Easypack for ISO 9001 in 2021.
- A number of internal promotions, which we would like to celebrate and encourage.
- A full time Marketing & Communications Department, which has developed the following initiatives:
  - o A new corporate style and a registered trademark for Easypack Displays;
  - o A new website: [www.ecommerceboxes.uk](http://www.ecommerceboxes.uk)
  - o Updated our social media channels, including new videos on YouTube.

# Investment

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We have invested over £10 million in our business in the last eight years. We have done this for one simple reason: to keep pace with our customers' requirements.

## During 2020 we added the following:

### Bobst 8.20 Discovery Casemaker

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In February Manor took delivery of a new Bobst 8.20 Discovery 4 colour casemaker, one of the best casemakers on the market. It was the first Bobst 8.20 casemaker to be installed in the UK. This machine has improved the Group's capabilities significantly in terms of quality, speed of setup and production capacity.



### Elitron Kombo TAV-R Digital Cutter

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Easypack installed an Elitron digital cutter in June. This is a fully automatic twin-headed large-format (3200 x 2200mm) cutter which operates with minimal supervision. It is ideally suited to Easypack's large format, short run display work.



### Fidia Ortigia Taper

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In November Manor installed a fully automatic Fidia Ortigia taping machine. This machine has two taping heads and runs up to 6,000 blanks per hour and will therefore increase our taping capabilities and capacity substantially.

In November Manor installed a new small-format QH straight line gluer. It can run at speeds of up to 12,000 blanks per hour.



# £10 million+

investment in the last 8 years

## During 2021 we are planning to make the following investments:

- In February 2021 Manor will be installing a new pallet press and baler. The pallet press will help to create better flow through Manor's factory and the baler will eliminate the risk of a full skip bringing our operations to a grinding halt.

### Bobst Visioncut Die-cutter

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In March 2021 Manor will be installing a new Bobst Visioncut flat-bed die-cutter. This is one of the best machines of its type and will add significant capacity to our die-cutting operation, which is central in the production of e-commerce packaging. It is being configured so that we can use existing cutting tools on the Visioncut.



### Bobst Expertfold 165 A2 Multipoint Gluer

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In August Manor will take delivery of a Bobst Expertfold 165 A2 multipoint gluer. This machine will be equipped with both 4 and 6 corner gluing capabilities and will double the Group's multipoint gluing capacity, which, in similar fashion to our die-cutting, has experienced so much increased demand from the growth in e-commerce packaging.



# Working Environment

The safety and wellbeing of our staff are of paramount importance and were foremost in our thoughts and plans during 2020. Both Easypack and Manor have had HSE Covid inspections and the inspectors left happy with the measures we have taken. As a result of a staff survey which we conducted in February, we have listened to their suggestions and introduced initiatives to improve teamwork, inter-departmental and inter-site relations and communication. We have also added to our training schedule and made several improvements and additions to our facilities.

## Sustainability

Fencor has committed to become carbon net zero (defined as “achieving a state in which the activities within the value chain of a company result in no net impact on the climate from greenhouse gas emissions”) by 2030. We have made the following changes to our business in our journey towards this goal:



Switched our energy sourcing to 100% renewable sources.



We are on the cusp of agreeing a scheme to instal solar panels on the Easypack’s roof in Mildenhall, which will provide 50% of the site’s power requirements.



Installed new LED lighting in Easypack’s sites in Mildenhall and Walsoken.



Manor will soon be installing a new baler to replace the two compactors in Whittlesey. The baler will be housed inside the factory and the waste bales will be stored on a stand trailer outside. This will reduce the carbon footprint of our waste collection activities dramatically, as the trailer will be able to accommodate 23 tonnes of waste paper, as opposed to 2 tonnes in one of the compactors, and the baler uses less power than the compactors.



Corrboard’s sister company, Corrboard Bioenergy, is now fully operational and its Anaerobic Digestion plant produces most of Corrboard’s gas and electricity requirements and will therefore allow us to claim legitimately that we are sourcing from a carbon-neutral board supplier.



Changed 2 company cars to hybrid or fully electric models.



We have made major developments in some sectors where we have successfully replaced plastic with an environmentally friendly paper-based solution.

# Our Core Values

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Throughout all of this, our enduring core values have continued to guide our thinking and frame our decision-making:

## Independence

We are owner-managed and retain direct influence over our principal supply chain through our equity share in Corrboard, the UK's newest and most advanced sheet-feeder.

## Agility

We have had to remain nimble and adapt quickly to fast-changing events.

## Sustainability

We are determined to play a leading role in creating a more sustainable future.

## Fairness

We are scrupulously honest and fair with our customers, suppliers and staff.

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We hope you have found this newsletter to be helpful, informative and uplifting. We should like to thank you for placing your faith in Fencor during 2020 and we look forward to sharing the journey with you through 2021.

**David, Chris, Tony and Graham**

Directors