Bonfiglioli

IMPROVEMENT INITIATIVES REPORT

MOONSHINE PROGRAM QUARTER 1 - 2026

TABLE OF CONTENT

INTRODUCTION 01

Moonshine is an internal improvement program launched by Bonfiglioli Vietnam (BVN) in 2024. The program was created to identify operational challenges within the organization and reduce waste arising in daily operations-challenges that become more visible as the plant continues to expand its production scale.

With Moonshine, BVN adopts a simple yet sustainable approach: **empowering employees to proactively improve their work every day.** The program starts from a small corner of the plant, where operators, technicians, and engineers come together to discuss real operational issues and develop practical improvement ideas that directly address bottlenecks in daily operations.

From this foundation, Moonshine has been gradually maintained and developed based on **03 core principles:**

SIMPLE TOOLS, RECYCLED MATERIALS
Using what we have to create solutions.

CREATIVITY UNLEASHED
Ingenious solutions from the ground up.

NO BUDGET BARRIERS
Focus on solutions, not spending.

Since its launch, Moonshine has played an important role in promoting improvement initiatives across many operational activities in the plant. The program contributes to enhancing operational efficiency, product quality, and service capability, while also strengthening employee engagement.

Starting in 2026, the Moonshine Report will be published quarterly as an official reference to recognize outstanding program activities and announce initiatives that have been approved and implemented in operations at BVN. At the same time, it reflects a continuous improvement mindset - one of the key foundations helping the plant progressively establish itself as one of Bonfiglioli most efficient operations globally.

"Good ideas can come from anyone, not only from managers. In fact, many of the most valuable ideas come from people who are deeply involved in daily operations and processes."

Mr. Andrea Genuini
SEA&Oceania Regional Manager

"In 2025 alone, we recognized more than 100 improvement initiatives, achieved an engagement rate of approximately 80%, and generated accumulated savings of around 120,000 euros.
Our continued commitment to improvement initiatives is closely linked to our goal of becoming more efficient, more agile, and more responsive to market demands."

Mr. Vũ Anh Khoa
Head of Production and Continuous Improvement

QUARTER 1 TOPIC

02

PRINCIPLES FOR REDUCING WASTE AND ORGANIZING A LEAN WORKING ENVIRONMENT

To ensure improvement initiatives deliver real operational value, the plant leadership and the program management team determined that employees need **a shared knowledge foundation to identify improvement opportunities.**

Therefore, a system of working principles has been integrated into the training program to help employees **recognize common types of waste in production and organize a more efficient working environment.** These principles enable each function to observe and develop a clear mindset toward identifying unnecessary layouts, operations, movements, tool usage, and applying consistent practices in daily work.

Among these principles, the **8 Types of Waste (according to Lean Manufacturing)** are considered core knowledge, helping guide solutions that address activities that consume resources and affect production efficiency.

They include:

DEFECTS

Waste that occurs when products or services fail to meet customer expectations.

OVERPRODUCTION

Waste caused by producing more than the actual customer demand.

UNUSED TALENT

Waste caused by not fully utilizing employees' skills, knowledge, and potential.

WAITING

Waste caused by idle time while waiting for the next step in a process.

TRANSPORTATION

Waste of time, resources, and cost when products or materials are moved unnecessarily.

INVENTORY

Waste created by excess products or materials that have not yet been processed or used.

MOTION

Waste of time and effort caused by unnecessary human movement.

EXTRA-PROCESSING

Waste caused by performing more work than what is actually required by the customer.

In addition, the workforce is trained in the **5S program - a system of principles for organizing a lean workplace in the plant.** Employees are responsible for organizing their work areas, arranging materials and tools appropriately, and maintaining cleanliness and order to improve work efficiency.

1 SORT

Keep only the items truly necessary for the job and remove anything that does not add value.

2 SET IN ORDER

Arrange and label necessary items so they are easy to use and easy to return to the correct place.

3 SHINE

Maintain a clean and tidy workplace to ensure safety and support preventive maintenance of equipment.

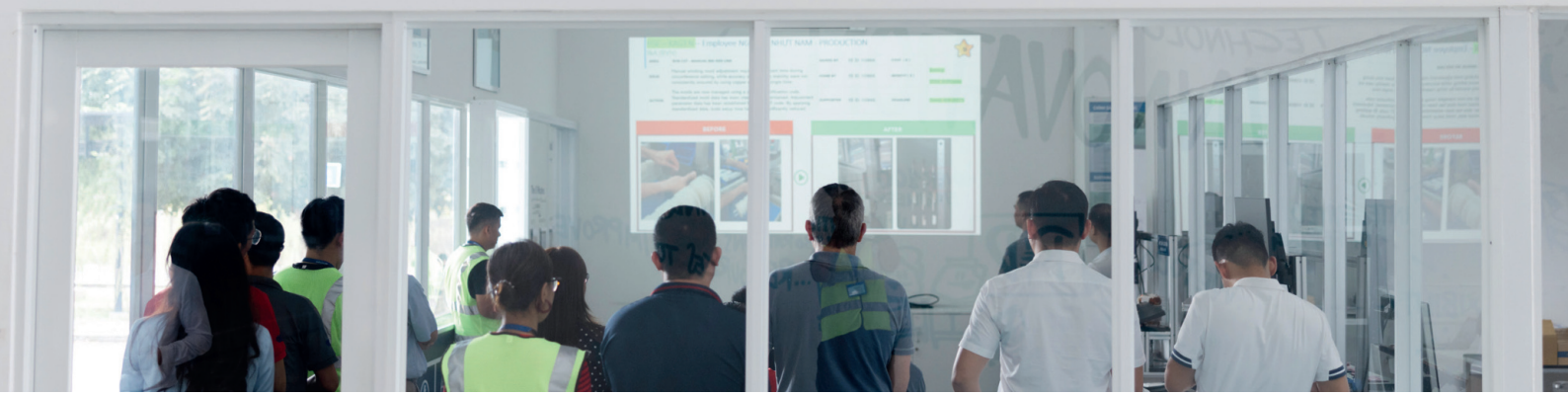
4 STANDARDIZE

Establish and maintain standards to ensure the first three steps are carried out correctly.

5 SUSTAIN

Develop the habit of following standard procedures and maintaining 5S discipline in daily work.

Education is a commitment to excellence



To ensure these principles are applied effectively in real production conditions, the plant implements a training approach that combines:

CLASSROOM TRAINING

Employees are guided to recognize the 8 types of waste through images and practical examples presented during training sessions. The training helps clarify how each type of waste affects production efficiency and product quality.

ON-THE-JOB PRACTICE

When non-value-added activities are identified, employees receive feedback from managers or colleagues and are guided to make adjustments to reduce or avoid these types of waste. 5S practices and supervision are maintained continuously in daily operations.

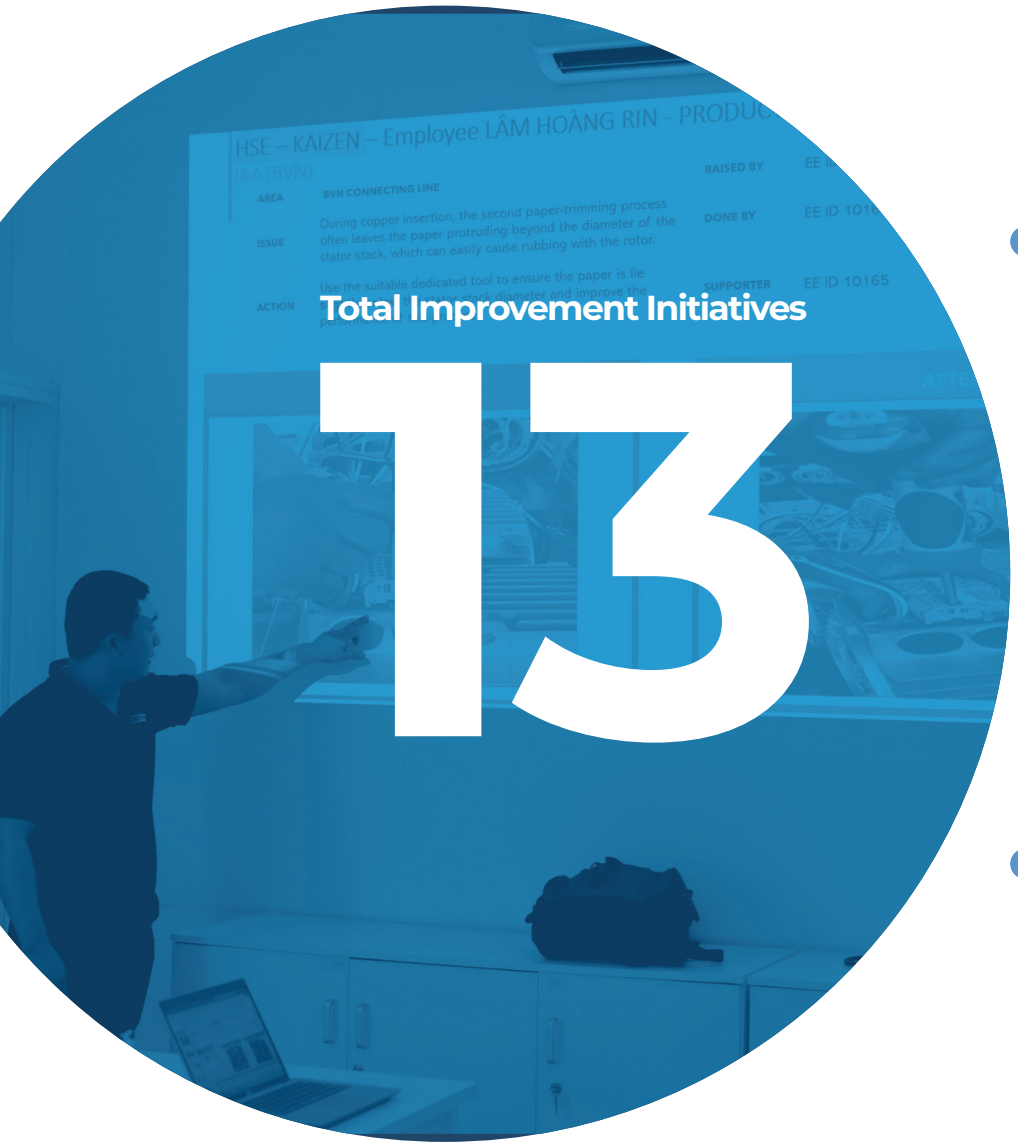
"When employees clearly understand and are able to identify different types of waste, they are encouraged to think about and propose solutions to reduce or eliminate them. These solutions may include adjusting workstation layouts or improving assembly processes to enhance the efficiency of the production line."

Mrs. Bùi Thị Vân Hà
Plant Mangager

MOONSHINE Q1 2026 FEATURED INITIATIVES

03

The Moonshine Program – Q1 2026 recorded several notable figures



Classification of initiatives by identified types of waste

EXTRA-PROCESSING

6 INITIATIVES

DEFECTS

3 INITIATIVES

MOTION

2 INITIATIVES

UNUSED TALENTS

2 INITIATIVES

LIST OF RECOGNIZED INITIATIVES

INITIATIVE BY MR. HỒ MINH QUẤN, PRODUCTION DEPARTMENT

ISSUE	TYPE OF WASTE IDENTIFIED	INITIATIVE & SOLUTION
At the BPM line, at the resin injection sensor position, the U, V, W signal wires could not detect during the resin injection process. As a result, the resin was not injected into the Stator, requiring multiple adjustments.	**EXTRA-PROCESSING**	Improve signal detection by installing a reflective plate on the Stator cover so that the sensor can detect the signal more easily.

PEOPLE IN CHARGE	RESULT
Proposed by **HỒ MINH QUẤN** Implemented by **HỒ MINH QUẤN** Supported by **LÊ ĐÌNH TRUNG**	Time saved **300 hours/year**

"Since joining the Moonshine program, I have become more proactive and enthusiastic about my work. During my daily tasks, I observe more carefully, think more deeply, and continuously come up with new ideas to improve how I work. At the same time, I can contribute more value and support the company more effectively."

Mr. Hồ Minh Quấn, Production Department - BPM

INITIATIVE BY MR. HUỲNH VĂN TÀI, WAREHOUSE DEPARTMENT

ISSUE	TYPE OF WASTE IDENTIFIED	INITIATIVE & SOLUTION
Currently, BEM (Bill / Information of Materials) is printed directly from SAP, but the materials are not arranged logically. This makes it difficult to read, verify, and use on the production line.	**EXTRA-PROCESSING**	Improve the BEM printing system so that the material list is arranged in ascending order, helping to: easily track and check materials; reduce mistakes when issuing and distributing materials; improve work efficiency and reduce operation time.

PEOPLE IN CHARGE	RESULT
Proposed by **HUỲNH VĂN TÀI** Implemented by **LÊ ĐÌNH NAM** Supported by **LÊ ĐÌNH NAM**	Time saved **150 hours/year**

"After participating in the Moonshine program, I feel that my working method has become clearer, more systematic, and more organized. The program also gives me more inspiration and motivation in my daily work.

I encourage my colleagues to actively participate in the Moonshine program. The team is always ready to support, no matter how big or small the issue is. If I can do it, everyone can definitely do it too."

Mr. Huỳnh Văn Tài, Warehouse Department

INITIATIVE BY MR. TẠ VĂN THIẾT, MAINTENANCE DEPARTMENT

ISSUE	TYPE OF WASTE IDENTIFIED	INITIATIVE & SOLUTION
When adjusting machines on Forming Line 6, operators had to use a specialized tool (Allen key) to perform two sequential adjustment steps on the pressing units. This process was time-consuming and required precise handling, making machine preparation slower and increasing the risk of errors.	**UNUSED TALENT**	The improvement team redesigned the layout and adjustment mechanism of the two pressing machines, allowing the adjustment operations to be separated and performed directly by hand. This simplified the machine preparation process and made it more user-friendly for operators, helping reduce machine downtime before production.

PEOPLE IN CHARGE	RESULT
Proposed by **TẠ VĂN THIẾT** Implemented by **TẠ VĂN THIẾT** Supported by **TẠ VĂN THIẾT**	Time saved **50 hours/year**

"I would like to encourage my colleagues to actively participate in the program. Even the smallest ideas can be valuable, because many practical improvements start from those ideas and can lead to meaningful results for both the work and the company."

Mr. Tạ Văn Thiết, Maintenance Department

INITIATIVE BY MS. LƯU THỊ TRANG, PRODUCTION DEPARTMENT

ISSUE	TYPE OF WASTE IDENTIFIED	INITIATIVE & SOLUTION
When defective products occurred at the pressing stage, employees had to manually carry the products back upstream on the production line because the conveyor system only operated in one direction. This required additional effort and time, while also slowing down the defect-handling process.	**EXTRA-PROCESSING**	The conveyor system was improved by adding a reverse-run function, allowing defective products to automatically return to the appropriate processing stage.
PEOPLE IN CHARGE	**RESULT**	
Proposed by: **LƯU THỊ TRANG** Implemented by: **TẠ VĂN THIẾT** Supported by: **TẠ VĂN THIẾT**	Time saved **30 hours/year**	

"What excites me most about participating in the Moonshine Program is having the opportunity to contribute ideas and see them recognized by the leadership team.
When our ideas are heard and appreciated, it motivates me to continue proposing new improvement initiatives.
I hope to contribute even more ideas to the Moonshine Program in 2026 with an increasingly proactive and positive spirit."

Ms. Lưu Thị Trang,
Production Department - Manual Winding

OTHER INITIATIVES

ISSUE	The sealing washer is too thin (1 gram), making it prone to slipping into the pin slot and causing damage to the pins due to strong pressing force.	During assembly, the paper-cutting stage sometimes produces two sheets that extend beyond the stator guide line, causing friction with the rotor.	During FM brake motor testing, the fiberglass shield may come loose when the motor rotates, posing a safety risk to operators.	Workers spend significant time selecting the appropriate feeler gauge, often requiring multiple adjustments.
TYPE OF WASTE IDENTIFIED	**DEFECTS**	**DEFECTS**	**DEFECTS**	**EXTRA-PROCESSING**
INITIATIVE & SOLUTION	Replace it with a new washer with a larger outer diameter and more suitable thickness, ensuring more stable assembly and reducing the risk of component damage.	Use a specialized tool to press the paper slightly lower than the stator guide line to minimize the risk of component friction.	Design a protective shield with suitable dimensions that allows installation directly on the conveyor to cover the fiberglass shield, ensuring safer and more stable operation.	Design a dedicated GO / NO-GO feeler gauge to quickly check rotor clearance immediately after assembly. This helps reduce operation time, avoid repeated adjustments, and ensure consistent accuracy between shifts.
PEOPLE IN CHARGE	Proposed by **BÙI VĂN HIỆU** Implemented by **BÙI VĂN HIỆU** Supported by **BÙI VĂN HIỆU**	Proposed by **LÊ THỊ KIM THOA** Implemented by **LÊ THỊ KIM THOA** Supported by **LÊ THỊ KIM THOA**	Proposed by **NGUYỄN THỊ LƯƠNG** Implemented by **BÙI VĂN MINH** Supported by **CAO TẤN VINH**	Proposed by **LÊ VĂN HÀ** Implemented by **CAO TẤN VINH** Supported by **TRƯƠNG PHÚ TUẤN**
RESULT	Time saved **30 hours/ year**	Time saved **53 hours/ year**	**Improved safety**	Time saved **17 hours/year**

OTHER INITIATIVES

ISSUE	Warehouse staff must manually enter data into the MIGO system, which is time-consuming and prone to errors.	Each time screws are tightened, the operator must pause midway, causing interruptions and time loss.	Tools at the wire bending station do not have fixed positions, resulting in time wasted searching during shift handovers or break times.	The mold for the winding line is located at machine No.6. Each setup requires moving to retrieve it, resulting in extra time and effort.	Using a hammer to press bearings into the motor shaft creates noise, can damage components, and depends heavily on operator skill.
TYPE OF WASTE IDENTIFIED	**EXTRA -PROCESSING**	**EXTRA -PROCESSING**	**MOTION**	**MOTION**	**UNUSED TALENT**
INITIATIVE & SOLUTION	Implement an automated processing flow instead of manual input, enabling faster data updates, reducing operations that add no value, and minimizing errors.	Design a jig that connects directly to the fixture using a locking mechanism and quick-release clip, enabling faster and more consistent assembly and disassembly.	Design and install a shadow board directly at the workstation to ensure tools are always in the correct position, easy to identify, and compliant with 5S standards.	Install a hanging rack for molds directly at the machine, reducing movement distance, shortening setup time, and eliminating unnecessary time loss.	Apply a bearing press machine to ensure stable operation, even pressing force, reduced errors, and improved assembly quality.
PEOPLE IN CHARGE	Propose by **TRƯƠNG ANH NGỌC HẢO** Implemented by **LÊ ĐÌNH NAM** Supported by **LÊ ĐÌNH NAM**	Propose by **NGUYỄN MINH THUẬN** Implemented by **NGUYỄN QUỐC KIỆT** Supported by **LÊ THÀNH TÀI**	Propose by **NGUYỄN VĂN THANH ĐIỀN** Implemented by **NGUYỄN NHỰT NAM** Supported by **TRẦN ĐĂNG TÀI**	Propose by **TẠ VĂN THIẾT** Implemented by **TẠ VĂN THIẾT** Supported by **TẠ VĂN THIẾT**	Propose by **NGUYỄN TOÀN ÁI** Implemented by **NGUYỄN TOÀN ÁI** Supported by **NGUYỄN TOÀN ÁI**
RESULT	Time saved **468 hours/ year**	Time saved **17 hours/ year**	**5S compliance**	**5S compliance**	Time saved **67 hours/ year**

CONCLUSION

04

At the close of Q1/2026, the Moonshine Program continues to demonstrate its value as a practical platform that not only delivers clear improvements in production quality but also fosters a culture of continuous improvement and proactive engagement across the entire Bonfiglioli Vietnam team.

1 ENHANCING PRODUCT AND PRODUCTION QUALITY

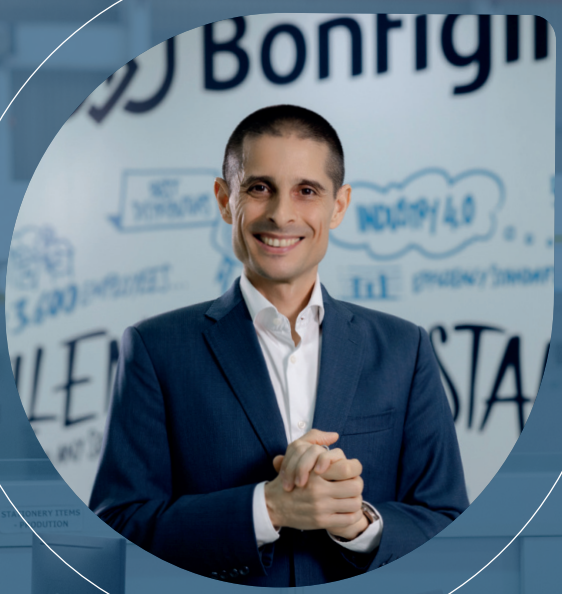
Through the Moonshine program, operational issues are identified and effectively addressed, from implementation time to cost efficiency. These improvements contribute to greater process stability and sustainably enhance product quality.

2 STRENGTHENING THE CULTURE OF CONTINUOUS IMPROVEMENT

Moonshine creates an environment where employees are encouraged to proactively propose and implement ideas. This helps spread innovative thinking, strengthen ownership and responsibility, and reinforce the culture of continuous improvement throughout the factory.

"After applying Moonshine, we observed positive changes in defect control and reduction. Operators felt more confident contributing to improvement initiatives, and their ideas helped enhance both product quality and production output across different process stages."

Mr. Lưu Văn Hà
Head of Quality Control



"I truly appreciate the Moonshine program, as it has played an important role in strengthening and spreading our culture of improvement. The program has significantly broadened participation at the plant, allowing anyone to contribute."

Mr. Andrea Genuini
SEA&Oceania Regional Manager

"So far, I believe the Moonshine program has met some expectations and even exceeded them in certain areas, although there are still aspects that need improvement. Employee engagement has increased, and the quality of ideas has also improved significantly. Many ideas have already been implemented and have delivered real value in areas such as safety, quality, productivity, and cost savings. Most importantly, improvement is becoming a natural part of daily work, rather than being seen as a short-term campaign."

Mr. Nguyễn Thanh Phong
Moonshine Project Team Lead

THANK YOU

Thank you for your time and interest in the Moonshine Program Improvement Report.

We appreciate your support and attention to our continuous improvement journey.