

Shijiazhuang Yongsheng Dairy Co., Ltd. (Yongsheng Plant No.2) Plant Profile





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Chapter 1: Group&Company Profile

1.1 Group profile

Founded in 1995, Junlebao Dairy Group is the largest dairy processor in Hebei province. Our business



covers the whole dairy industry including production, supply and marketing. It is reputed as a national key leader in agricultural industrialization, a technology-driven and a research and development technology sub-center. As the largest dairy producer in Hebei province, Junlebao holds the Vice Chairman status at National High-tech Business Association and the Chairman status of the Hebei Dairy Industry Association. In 2015, all of our liquid milk plants passed the EU BRC Grade A and all milk powder plants, BRC A+ top certification, making Junlebao the first milk powder producer with a BRC A+ certification.

Junlebao Dairy Group now has 32 modern dairy farms, 21 modernized manufacturing bases and over 15,000 employees. It is the regional champion in North China and the third best player in the country. According to statistics from Nielsen, both of our yogurt and milk powder products boast the third largest market occupancy in China. Under its sales target of 22 billion RMB, retailing sales of yogurt reached the third place nationally and the first place provincially.

The Group consists of five business divisions: milk powder division, banner dairy division, fresh milk division, liquid milk division and husbandry division, and we have established an operation layout covering the whole milk industry chain with upstream and downstream reinforcing each other. We have adopted five world-class models including world-class research and development, world-class advanced farms, world-class leading factories, world-class partners, world-class food safety management system to provide consumers with nutritious, healthy and safe dairy products.

1.2 Plant overview

Yongsheng Plant No.2 is located in Junlebao Dairy Town, Luquan Development Zone, Shijiazhuang City, Hebei Province. It is the TPM pilot plant of Junlebao Dairy Group. The Group hopes to continue to explore the integration of TPM activities and production system through the work practice of Yongsheng Plant No.2, and promote the experience of TPM system to the cryogenic division and even the whole Group while



achieving important and outstanding results.

Yongsheng Plant No. 2 was founded in 2013, officially put into operation in 2014, introduced into TPM in December 2015, passed CNAS laboratory certification in 2017, added recess milk and cheese in 2018, won TPM Excellence Award in 2019, and won TPM Sustained Excellence Award in 2021. With the development of the company and the in-depth promotion of TPM, This year we challenge for the TPM Special Award.

Yongsheng Plant No.2 is currently the highest grade of domestic low-temperature products, with the international leading level of technology and equipment of the mono workshop, the Plant clear flow of people, logistics, air flow and waste channels, the Plant has 13 fermented milk and milk beverage production lines, fermented milk has 9 filling lines, milk beverage filling lines 4.

At present, the Plant products are divided into two categories: fermented milk and milk beverage, of which fermented milk products account for 82.62% of the total output of the Plant, and are the key items of the Plant. Up to now, there are 60 SKUs in our Plant, among which the production of new products from 2022 to 2023 will directly bring 20,600 tons of revenue.

2018 witnessed the introduction of Milk for Class Breaks and 2020 saw the introduction of products with Dreamy Resealable Caps. Milk For Students Initiative was launched in 2021. In 2022, we released a new product: Cheese Flavored Yogurt Tray and in the same year Junlebao Jianchun Flavored Yogurt series received GI certification. In 2023, Low-fat yogurt tray products Among all new products, Milk for Class Breaks and Milk For Students are government-funded projects and both have received zero complaint since their launch.

The Plant has A total of 552 equipment, including 23 Class A equipment and 76 Class B equipment. Through the continuous improvement of TPM activities, device reliability continues to improve. When new devices are introduced year by year, the number of Class A devices decreases year by year.

Plant management for the director responsibility system, under the production, equipment, quality and other ten departments. At present, the Plant has 326 employees (including 60 outsourcing personnel), including production, equipment, quality departments according to three shifts and two operations for production. The number of direct workers in the Plant accounts for 73.31% of the total number, and the employees with more than 5 years of age account for 45.71% of the total number of the Plant, and the personnel is relatively stable.



Chapter 2: TPM Organization and Activities

2.1 The TPM Journey

In order to help the Plant achieve the vision of "building a world-class dairy manufacturing plant", Yongsheng Plant No.2 introduced TPM in December 2015, won the Excellence Award in 2019, won the Continuous Excellence award in 2021, and in 2022, under the guidance of improving the competitiveness of the Plant, we will decompose FI into CM pillar, further reduce manufacturing costs and improve competitiveness. Lead the whole chain to improve and achieve win-win results.

Entering the TPM Special Award stage, we plan the medium and long term goals of the plant from efficiency (P), quality (Q) and delivery (D). It is expected that through the continuous application of TPM, it will become the group's benchmark in terms of efficiency, quality and delivery by 2025, and at the same time, it has determined the phased decomposition objectives.

2.2 Special efforts for the Special Award for TPM Achievement

In order to break through TPM activities and better help Plant operation and management, we set up the CM pillar at the stage of special award, and we will carry out in-depth activities of 11 pillars and continue to explore breakthrough TPM activities, with the ultimate goal of improving the competitiveness of Yongsheng Plant No.2.



Based on the plant’s competitiveness and strategies and two priorities in renovation/innovation TPM activities, we continued to lead and set benchmarks and promote production to enhance the company's competitiveness through the Group’s pilot workshop. With continuous pursuit of zero losses, we lead in making benchmarks for different division and cultivate TPM talents.

Chapter 3 Achievements

3.1 Achievement in Business Performance

Company	Junlebao Dairy Group Co., Ltd.
Plant name	Shijiazhuang Yongsheng Dairy Co., Ltd.
TPM Slogan/Objectives	Build a world-class dairy manufacturing plant

Category	Index (Calculation Formula)	Unit	Kick off/TPM Started (or last time awarded)	Actual Status 2023
S	Number of work-related accidents requiring days off work	Cases/ year	0	0
S	Number of work-related accidents not requiring days off work	Cases/ year	0	0
P	Productivity for main products	Parts/Operator hours	-	-
P	OEE (or Overall Plant Efficiency)	%	73.5	74.29
P	Availability	%	-	-
P	Performance Rate	%	100%	100%
P	Quality Products Rate	%	-	-
P	Number of breakdowns	Breakdowns/ year	180	108
P	MTBF	Hour	22	36
P	MTTR	Hour	25	19



Shijiazhuang Yongsheng Diary Co., Ltd. (Yongsheng Plant No.2)

Q	Number of customer complaints	Number/year	749	613
Q	In-line defect rate, scrap	%	-	-
Q	In-line defect rate, scrap and rework	%	-	-
C	Cost index	Cost/Unit Cost/Kilogram	8648	8645
D	Production Lead time	Days	1.48	1.30
D	Delivery performance	%	100%	100%
S	Safety index	Accidents per 1,000,000 operator hours	0	0
M	Number of Employee Suggestions	Number/year	3621	5389

3.2 Intangible benefits

In addition to the tangible benefits that TPM activities bring to the achievement of Plant targets, the Special Award stage also improves intangible benefits, as follows:

Team Outcomes : 34 teams succeeded in TPM improvement initiatives; 36 teams was engaged in the Group’s innovation appraisal.

Skill Professional Training : Thanks to in-house skill training sessions, those involved in final review stage increased to 8 and professionals with advanced skills increased to 10.

Manager Training: In 2022, TPM program trained and promoted 47 employees to managerial-position,leading among all factories of the whole Group.

Atmosphere fostering: We established plant innovation and improvement experience hall, safety experience hall and carried out safety knowledge competition, innovation PK competition, upper and lower bids.

In terms of intangible achievements, we have been awarded as National Green Plant and National Secondary Green Warehouse. As a lead tax-payer, we are the Shijiazhuang Municipal-level Leading Enterprise. In 2021 Annual Assessment, we won the “Innovators’ Team” title.



Chapter 4: Key to Our Success

During Special Award activities, we seek full participation from all staff members, from 80% participation in the the Excellent Award Pillar Group activities to 100% participation across plant staff in Award for Excellence in Consistent TPM Commitment activities and then to full attention to the Special Award innovation proposal and outcomes.

For instance, during cost proposal activities, all staff members were asked to scan the QR code and gave their feedback. We have finished 84 out of the 95 proposals collected, among which 11 proposals were enlisted as Hardware Modification Plan. Also, as many as 64.25% select innovation projects were approved by the Group;

During the Special Award for TPM Achievement period, each pillar had independent activities including credit accumulation activities for the FI Pillar and AM Pillar. At the same time, we conducted centralized training to address difficulties, such as APM and ET cooperation to improve and empower technical personnel. After the empowerment, we conducted internal transformation and the equipment failure rate was reduced from 0.8% to 0.2%;

During the Special Award stage, we focused on personnel participation and group leader training. For example, we held award ceremonies before the training sessions instill a sense of mission into group leaders; At the end of the training sessions, examinations for theoretical knowledge were held. Up to now, 100% of our group members have passed the tests;

At the same time, to foster a climate where full participation of all staff members is encouraged, we organize activities on this front. In early 2023, we set the goal of reaching the health review target for Special Award for TPM Achievement. Knowledge and information flow has been advanced through both internal and external tracking mechanisms like quarterly improvement competitions, closed-door symposium on staff satisfaction, quarterly TPM outreach activities. We underlie our priorities and ensure our employees are informed and are the same page with us through annual / semi-annual strategic meetings.