



Guideline of Company Profile

Chengdu Yili Dairy Co., Ltd.



Address: No.1, Nanjiang Road, Linqiong Town, Qionglai City,
Chengdu City, Sichuan Prov.



1. Company Profile

Item
<p>1. Company, Plant/Factory Profile</p> <p>1.1 Inner Mongolia Yili Industrial Group Co., Ltd. is a large-scale privately owned enterprise in China which mainly specializes in dairy products. Yili has set up Factories and Research Institute in North America and Europe to develop International layout. Yili was the sole Asian dairy producer which has ranked Top 5 in Rabobank’s 2020 global dairy report. In 2021, the revenue exceeded 110 billion yuan, and the revenue in the first three quarters of 2023 was 97.404 billion yuan.</p> <p>1.2 Chengdu Yili Dairy Co., Ltd.</p> <p>Chengdu Yili Dairy Co., Ltd. is a wholly-owned subsidiary jointly established by Yili Group's Ice Cream Management Department, Liquid Milk Management Department and Yogurt Management Department. The total constructive investment of the project is 420 million yuan, engaging in the production of ice cream, liquid milk and yogurt. The area to assess is the Ice Cream Workshop, which mainly produces popsicle and ice cream, with a designed daily capacity of 260 tons,The cumulative tax payment is 867 million yuan.</p> <p>1.3 Ice Cream Management Department of Chengdu Yili introduced advanced technology and equipment from global manufacturing industries of frozen drinks. It contained 11 production lines, 10 branches and 509employees, Among them, 87% of front-line personnel, 28% of employees with college degree or above, 84% of employees with more than 5 years of education, and 66% of personnel over 35 years old.</p>
<p>2. Milestone on the Journey of Manufacturing Excellence</p> <p>2.1 Since 2012, Chengdu Yili has started to introduce the optimization project (TPOS): Introducing lean thinking and learning basic improvement tools and individual improvement.</p> <p>2.2 Chengdu Yili introduced AM, PM, CM and QM in 2013, yet it had been contributed insufficiently due to the small improvement scale of the implementation mode and lack of long-term maintenance.</p> <p>2.3 Chengdu Yili introduced improvement projects of 5S/AM/PM/QM/ET/LT team from 2014 to</p>



2015, and hence initially established the maintenance system and capability improvements of employees.

2.4 Since 2015, Yili Group has consistently advocated unifying all business units to facilitate TPM activities.

2.5 Based on the above, Chengdu Yili was selected by the Ice Cream Management Department in 2018 as the first factory to apply for the Award for TPM Excellence, Category B. As the leading factory of the Ice Cream Management Department,

Chengdu Yili shoulders the mission of achieving the goal of becoming the world-class manufacturing plant, deploys comprehensive improvement activities, improves operation efficiency, and promotes excellent experience to other factories.

2.6 At the same time, in December 2021, the Chengdu factory introduced the TOP and EM pillars, and at the same time, it passed the final review of the Excellence Award (B) category in 21, planned the implementation plan of the Excellence Continuation Award in the same year, and passed the preliminary review of the Excellence Continuation Award in June 2023.

3. Benefits Achieved

3.1 Through carrying out TPM activities, the overall production efficiency of the factory increased significantly, the overall OEE increased by 29.3% In the face of the increase of orders, the factory can calmly deal with the situation on the premise of quality guarantee and ensure the business development needs of the enterprise.

3.2 The factory set up the TPM management system, and the staff gradually formed the continuous improvement of lean thinking. The on-site staff was more willing to participate in setting standards and abide by the standards in order to achieve personal ability improvement and treatment promotion

3.3 Based on the TPM activities of the factory, the factory was awarded the title of "Quality Demonstration Unit" by Yili Group.



4. Key of our Manufacturing Excellence

TPM Award Assessment Achievement Sheet					
Company & plant name		Chengdu Yili Dairy Co., Ltd.(Frozen Beverage Division)			
TPM Slogan/Objectives		TPM helps to improve organizational performance on a continual basis.			
Category	Index (Calculation Formula)	Unit	Kick off/ TPM Started	Actual Status	Actual Status
Enter the year →			2018	2022	2023
S	Number of work-related accidents requiring days off work	Cases/ year	0	0	0
S	Number of work-related accidents not requiring days off work	Cases/ year	1	0	0
P	Productivity for main products	Parts/Operator hours	0.4	1.27	1.32
P	OEE (or Overall Plant Efficiency)	%	65	78.89	84.05
P	Availability	%	87.42	92.21	92.8
P	Performance Rate	%	75.36	85.74	90.72
P	Quality Products Rate	%	98.67	99.78	99.84
P	Number of breakdowns	Breakdowns/ year	893	120	79
P	MTBF	Hour	47.35	166.4	202.8
P	MTTR	Hour	64.12	36.7	29.5
Q	Number of customer complaints	Number/year	30	18	9
Q	In-line defect rate	%	1.33	0.22	0.16
C	Cost index	Cost/Unit Cost/Kilogram	6.8RMB/Kg	6.17RMB/Kg	5.84 RMB/Kg
D	Production Lead time	Days	8	6.42	5.71
D	Delivery performance	%	100	100	100
S	Safety index	Accidents per 100,000 operator hours	0	0	0
M	Number of Employee Suggestions	Number/year	3540	7616	8765
Other	<Specify achievements not expressible in numerical terms> 1. Do you have a program where all employees can participate in TPM? 2. Do you have a program allowing employees to be recognized their achievements? 3. Are top management involved in the audit/verification of completion of TPM pillar steps? 4. Are all pillar activity boards displayed and reviewed by top management?				



5. Key to our Manufacturing Excellence

In the process of TPM implementation, first of all, combined with the requirements of the TPM implementation of the factory, the factory formulated the management organization structure of the committee, and clarified the organizational structure of each pillar under the committee, as well as the operation content, implementation purpose and management method of the committee and the pillars. At the same time, the factory has established an organizational structure of departments and pillars, broken down departmental barriers, established a cross-departmental organization to carry out improvement activities, and carried out the goal development from top to bottom: from the TPM committee to the production line of small group goals; DMS review activities are carried out by the most basic group activities, and problems are quickly fed back to the committee step by step. At the same time, based on the realization of the goal, we have established a TPM promotion plan, and in the process of TPM implementation, we have carried out KICK OFF conferences, method training, group reviews, process coaching and auditing, benchmarking Xi, and other activities to improve team capabilities, and enhance the TPM culture atmosphere of the factory through regular commendation activities.