

Yili Dairy (dingzhou) Co., Ltd.

Plant Profile



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Chapter I Company and plan

1.1 Company profile

Inner Mongolia Yili Industrial Group Co., Ltd. (hereinafter referred to as Yili) is the largest dairy company with the most complete product lines in China. Yili Group is a determined leader of the global dairy industry, ranking No.1 in the Asian dairy industry, and the only dairy company in China serving the Beijing Olympic Games and the Shanghai World Expo. With the "global coverage" strategy, Yili carries out industrial layout in dairy developed regions such as Asia, Europe, America and Oceania. The Company mainly produces liquid milk, ice cream, milk powder, yogurt, cheese and health drink, covering more than 1,000 varieties. In 2022, Yili achieved a total revenue of RMB 123.171 billion, a high-speed double growth, and hit a new high in Asian dairy industry. Its core indicators such as gross income, net profit, comprehensive market share, and consumer penetration have been greatly improved, ranking first in Asia, and its return on net assets has continued to rise, leading the global dairy industry. (See Figure 1.1.)



Figure 1.1 Overview of Products

1.2 Factory profile

1.2.1 Brief history of plant

Yili Dairy (dingzhou) Co., Ltd. is one of the wholly-owned subsidiaries of Liquid Milk Division. The plant is positioned to strive for the industry leadership in white milk products. The plant is located in an important node city in Beijing-Tianjin-Hebei Economic Zone, Dingzhou City, Hebei Province, China. The plant covers a floor area of 500 mu and a construction area of 90,000 square meters. Since its foundation, with a total investment of RMB 1.172 billion, 34 international advanced production lines have been built to process 1,700 tons of fresh milk per day, and achieve RMB 2.38 billion of annual output value. At present, Dingzhou Yili is a plant under Liquid Milk Division with largest output. In 2022, the annual output of Dingzhou Yili was 429,000 tons, accounting for 4.98% of that of the Division, and ranked first in the Division. The plant produces 19 products in three categories: sterilized milk, milk beverage and modified milk, which are supplied to the national market.

(See Figure 1.2)

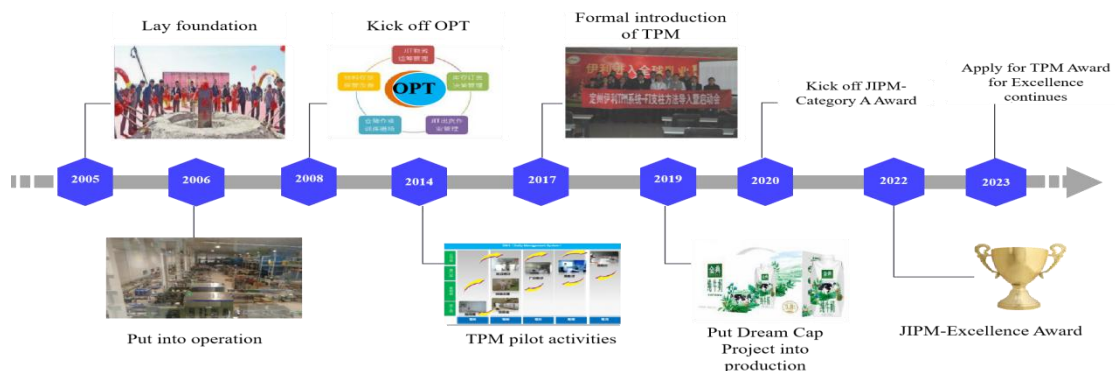


Figure 1.2 Development History of Plant

1.22 Production flow of plant

Processing technology of products: raw milk is transported from the pastures to the factory for inspection, filtration and cooling before milk collection and pasteurization to ensure food safety. Pasteurized milk is blended into semi-finished products with various flavors. Finished products are delivered to all parts of the country after UHT, aseptic filling, exterior and interior packing, and warehousing. (See Figure 1.3)

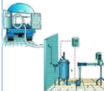
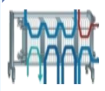




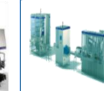

Section		Pretreatment					Filling	Packing	Finished products warehouse
Procedure		Milk collection	Pasteurization	Batching	UHT	Aseptic tank	Filling	Packing	Warehousing
Products Product series	Pictures								
Functions of processes		Ensure the classification, graded storage and use of raw milk	Kill all pathogenic bacteria and most microorganisms	Prepare qualified semi-finished products	Product sterilization	Store sterile liquid	Fill in liquid and package in a sterile environment	Pack in box at last	Storage and dispatch
Milk beverage series	Key point	1-4°C	80±5°C/15s	63-67°C	121-123°C/4s	/	Good sealing	Intact packing	Temperature / humidity
	C.T	60min	48min	110min	150min	/	360min	300min	
Pure milk series	Key point	1-4°C	80±3°C/15s	/	137-139°C/4s	/	Good sealing	Intact packing	Temperature / humidity
	C.T	60min	48min	/	150min	/	947min	360min	
Modified milk series	Key point	1-4°C	80±3°C/15s	1-8°C	137-139°C/4s	/	Good sealing	Intact packing	Temperature / humidity
	C.T	60min	48min	300min	300min	/	750min	300min	

Figure 1.3 Production Process of Plant

1.23 Equipment and products of plant

There are 34 international advanced production lines in the workshop, with a daily processing capacity of 1,700 tons of fresh milk. (See Figure 1.4)

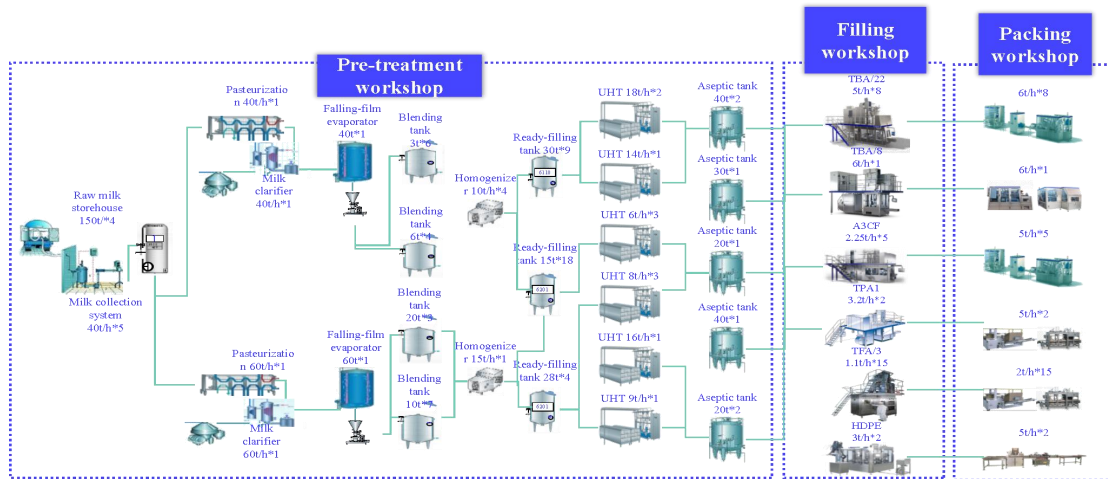


Figure 1.4 Equipment of the Plant

1.24 Plant organization

The plant management organization is composed of General Manager, Deputy General Manager and other 13 departments, including Production Department, Equipment Department, Technical Department, Human Resources Department, Administration Department, Safety Department, Energy Department, Finance Department, Storage and Transportation Department, Supply Department and TPM Promotion Team. (See Figure 1.5)

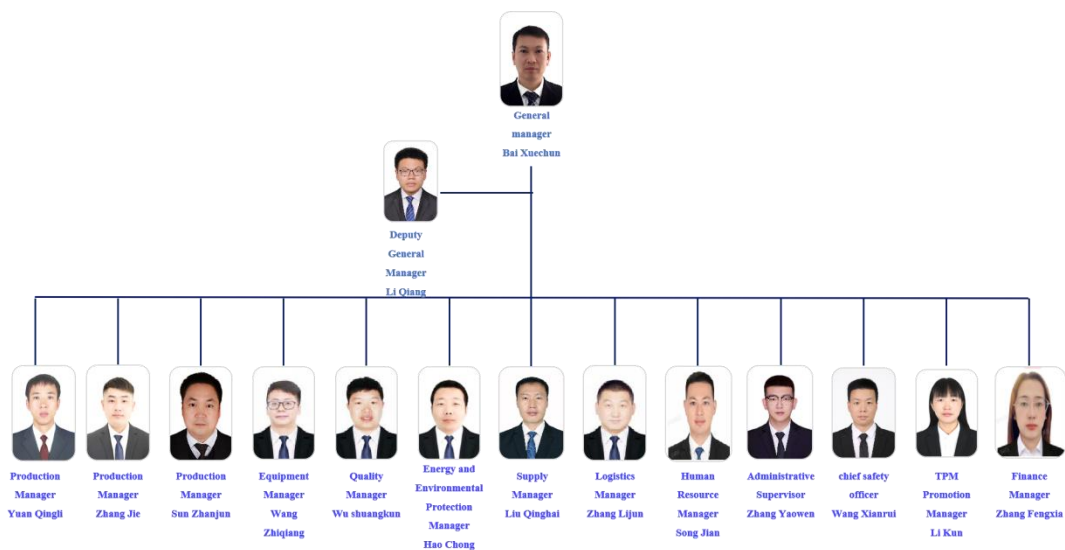


Figure 1.5 Plant Organization

1.25 Staff file

The plant has 959 employees, including 16% under the age of 30, 31% with college degree or above, 81% with more than 5 years of working experience and 71% direct labor. (See Figure 1.6)

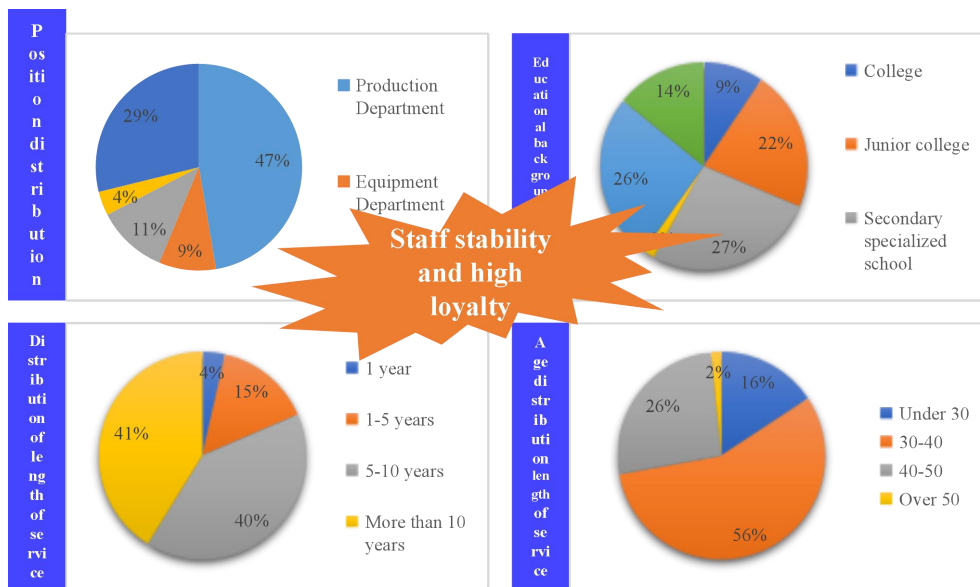


Figure 1.6 Overview of Employees

Chapter II Background and history of TPM

2.1 Background of TPM

According to the vision and objectives of Yili Group and the Division, Dingzhou Yili carried out SWOT analysis based on its current situation and developed a vision of "build a world-class health food manufacturing plant" in terms of internal and external environment. In order to realize the vision of the plant, we have introduced TPM management system. The company has launched an advanced continuous improvement system and realizes continuous improvement, zero loss and prevention philosophy through full participation. We will continue to apply TPM as a

tool to achieve the plant's strategies (see Figure 2.1).



Figure 2.1 Plant's Strategies

2.2 History of plant's TPM

Dingzhou Yili laid the foundation in 2005, officially put into operation in 2006, kicked off OPT project in 2008, carried out TPM pilot activities in 2014, officially introduced TPM at the end of 2017, and officially kicked off JIPM-Category A Award in 2020. Since then, it has started the journey of TPM certification. The plant prepared TPM activities based on the strategic direction. In 2016, the plant introduced part of TPM tools and methods and carried out team improvement activities. The plant successively introduced FI, E&T, AM, PM, QM, SH and ENV pillars in

2017, and EM and OM pillars in 2019. Through TPM activities, the plant performance has been steadily improved and employee morale has been raised. In 2022, We successfully passed TPM Excellence Award A, We plan to apply for TPM Award for Excellence continues in 2024 and continue to apply for TPM awards at all levels in the future. (See Figure 2.2)



Figure 2.2 History of Plant's TPM

Chapter III TPM achievements

3.1 Tangible achievements (see Figure 3.1)



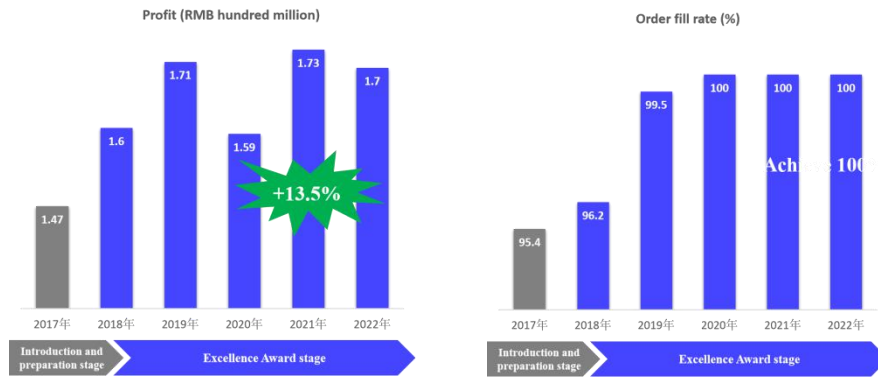


Figure 3.1 Tangible achievements

3.2 Intangible achievements (see Figure 3.2)

- ① Effectively improve employees' understanding and application ability, and TPM improvement methods improve their improvement awareness.
- ② Closer cooperation between departments and stronger team cohesion.
- ③ TPM has created a safe and comfortable working environment for employees and improved their morale.
- ④ The plant has initially established a continuously improving management system.



Figure 3.2 Intangible Achievements

Chapter IV Key to plant success

- ① Both the Division and the plant management attach great importance to the implementation of TPM.
- ② Closer cooperation between departments and stronger team cohesion.
- ③ TPM improvement activities go hand in hand with daily work.
- ④ Use standard methods for continuous improvement.
- ⑤ Establish TPM reward system to promote employees to participate in TPM activities.

Note: Please list important indexes of P, Q, C, D, S and M. All indexes (including but not limited to the above) should be listed in the TPM activity profile.