

Company Profile

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 which specialize in dairy products mainly in China. Yili has set up Factories and Research Institute in North America and Europe to develop International layout. In the "2022 Brand Value Ranking" released by Brand Finance, an authoritative international brand value evaluation agency, Yili won three honors, ranking first in the world in brand value. In 2022, Yili's operating revenue has exceeded 123.2 billion yuan and its profit was 9.431 billion yuan.</p> <p>1.2 Tianjin Yili Dairy Co., Ltd. is a wholly owned subsidiary of Yili Group, under the Infant Nutrition Division, with a total investment of 340 million yuan. It is engaged in manufacturing adult powder which possesses a daily capacity of 120 tons and annual sales income of 2.449 billion yuan.</p> <p>1.3 Tianjin Yili is a milk powder dry production enterprises and owns three production lines in total, we use the technology of closed pipeline feeding for the milk powder packing. Tianjin Yili has nine departments and 328 staff which college degree or above accounted for 66.5% and under 35 years old accounted for 66.7%.</p>
<p>2. Milestone on the Journey of Manufacturing Excellence</p> <p>2.1 From the expansion period of early development in 2013, Infant Nutrition Division Unit has gradually benefited from management by improving corporate profitability, accurate management and lean operation.</p> <p>2.2 Tianjin Yili has introduced Optimization Project(OPT) since 2011: Proposed Improvement, ET, AM / PM, CM (Cost Management), QM. Due to the mode of implementation, the improvement scope is small and no long-term maintenance, the contribution to Tianjin Yili is insufficient.</p> <p>2.3 From 2013, Tianjin Yili enhanced its production efficiency by improving its lean improvement activities, such as shift management, flexible production and low-cost automation.</p> <p>2.4 From 2014 to 2015, Tianjin Yili carried out improvement project of 5S/AM/PM/Lean team and initially established maintenance system and staff's improvement capability.</p> <p>2.5 Since 2015, the Yili Group has unanimously advocated the unification of major Business Units to carry out TPM activities.</p> <p>2.6 Based on the above, Tianjin Yili as the first factory award for TPM excellence, Catalory A in Infant Nutrition Division Unit in November, 2018. We had Award for Excellence in Consistent TPM Commitment in 2021. In the Excellence Continuation Award stage, we promote supply chain process improvement, and in the Special Award stage, we expand the scope of improvement, from supplier shipments all the way to distributors. Tianjin Yili</p>

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is carrying the mission of the Business Unit as a leading factory to conduct comprehensive improvement activities and improve operational levels in order to realize the goal of world-level manufacturing plant. Tianjin Yili is responsible for extending outstanding experience to other factories.

3. Benefits Achieved

3.1 Through carrying out TPM activities, the overall production efficiency of the factory increased significantly, the overall OEE increased by 55%, Production Lead time decreased by 46.23% compared with the BM value. 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. Continuous improvement of staff's lean thinking has been formed. The on-site staff was more willing to participate in setting standards and abiding by the standards in order to achieve personal ability improvement and treatment promotion.

4. Key of our Manufacturing Excellence

4.1 Foreign material complaints reduction: solved the factory's major risk of complaints.

4.2 Food Safety Improvement: Through AM and QM collaboration, the high-risk point of food safety is reduced to 0, and the number of medium-risk points of food safety is reduced to 1.

4.3 The contribution rate of new products has been increased to 2.5%

4.4 Raw material loss reduction: Through the analysis of powder points and equipment recovery and improvement, the overall loss of raw materials reduced more than 83%.

4.5 The minor stops and breakdown of canned sealing machine equipment reduced 99.4%, and two have reached zero failure production lines.

5. Achievement Record

See next page for suggested items for inclusion.