



ТАЛХ ЧИХЭР ХК

ЭРҮҮА ХҮНС 1984
ОНООС ТАНЬ СОНГОЛТ

2022 ANNUAL OPERATION REPORT

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Healthy food, your choice

"Talkh Chikher" JSC was established in 1984 under the name "Talkh Chikher Combine" and was privatized 100% in 1999. It is one of the top 100 enterprises in Mongolia, operating with more than 4,000 shareholders.

"Talkh Chikher" JSC with the slogan "Healthy food, your choice" is currently operating with 6 lines for bread and bakery products and 4 lines for pastry production 24 hours a day; and "Khotol" cake factory for delicate products such as biscuits, candy, cake and bakery.

We have expanded our foreign relations with countries such as the United States, the Czech Republic, the Republic of Korea, the Russian Federation, the People's Republic of China, the Federal Republic of Germany, Italy, France, the Netherlands, Spain, and Finland. Moreover, we have introduced internationally recognized professional equipment and flow lines for the first time in the industry and are continuing to expand our operations further.



Mission

We are supplying the market with our products through advanced technology that meets international quality standards and is a designated food industry company that is satisfied with customer



Vision

We are a human-centered organization that defines a changing consumer culture, produces products that meet standards and creates social value.

Value

- T** – Advanced technology
- A** – Safe products
- Ch** – Competent staff
- I** - Trust, Partnership



Business activity

Due to the changing consumer needs and the emergence of new uses and cultures, there is a constant need to increase the variety of products and pay attention to product quality standards. Within the framework of the 2022 goal, we have been following the strategy of expanding and developing our market, improving feedback with our customers and clients, and conducting research regularly.

New brand products were produced and delivered to customers in 2022. We focused on social and event marketing strategies to inculcate new consumer culture, product development and brand-specific marketing strategies. Moreover, we worked on a customer satisfaction improvement plan and continuous improvement steps.

BUSINESS STRATEGY

INVESTMENT AND PRODUCTION STRATEGY.

INNOVATION DEVELOPMENT
MANAGEMENT STRATEGY



Adhere to a policy to monitor product development, production, sales, distribution, and customers in order to continuously innovate production, follow food safety and operate the operation chain optimally.

CONSUMER AND MARKETING STRATEGY

MARKET EXPANSION AND
BRAND DEVELOPMENT



Prioritize consumer satisfaction in line with trends based on data, observation and research instead of producing products and delivering them directly to consumers

ORIGINAL TASTE

Khaan

BREAD MARKET

WE DO NOT LOSE THE LEADING PLACE BY EDUCATING CONSUMERS IN THE CONSUMPTION CULTURE AND OFFERING NEW PRODUCTS DESPITE THE INCREASING COMPETITION OF THE RETAIL INDUSTRY IN THE BREAD MARKET.

"TALKH CHIKHER" JSC PRODUCES 44 TYPES OF BREAD UNDER 12 BRANDS AT THE PRESENT.

**ANYTIME
ANYWHERE
MAKE YOUR OWN**



DÉLICE
PASTRY

PASTRYMARKET

IN 2022, APPROXIMATELY 30576.5 TONS OF PASTRY WAS PRODUCED, WHERE THE NUMBER TENDS TO INCREASE IN THE FOLLOWING YEARS. IT SHOWS HOW CONSUMPTION TRENDS AND CULTURE ARE CHANGING.

THEREFORE, WE HAVE INTRODUCED A NEW LAYERED PRODUCTS BRAND INTO THE MARKET. IN ADDITION, WE ARE WORKING ON DISTINGUISHING OURSELVES FROM OTHER MANUFACTURERS WHO PRODUCE SIMILAR PRODUCTS BY CREATING PRODUCTS THAT ENSURE THE HIGHEST LEVEL OF QUALITY, STANDARDS AND FOOD SAFETY.

"TALKH CHIKHER" JSC IS PRODUCING 46 TYPES OF PASTRY IN THE MARKET UNDER 4 BRANDS.

CAKES AND BAKERY PRODUCTS MARKET

IN 2022, THE BAKERY PRODUCTS MARKET DECREASED COMPARED TO PREVIOUS YEARS. HOWEVER, MARKETING ACTIVITIES HAVE IMPROVED AND COVERED THE PUBLIC. AS MANUFACTURERS ACT MASSIVELY TO REDUCE QUANTITIES AND FOCUS ON CUSTOM MANUFACTURING, WHERE CAN BE VISIBLE IN QUALITY AND APPEARANCE.

“TALKH CHIKHER” JSC PRODUCES 62 BAKERY PRODUCTS OF THE “KHOTOL” BRAND AND SUPPLIES MORE THAN 32 KINDS OF CAKES IN THE MARKET.

OPENING CEREMONY



The new brand "Delice pastry" was introduced to the market and the official launch event held successfully after the assembly, installation and testing of equipment for the production of layered and puffed products in Italy, the Czech Republic, Germany, China and the Netherlands was completed in May 2022.

TUMEN NASAN BRAND



“Talkh Chikher” JSC produced and supplied “Atar” brand, “Tumen Nasan” brand and “Uv soyol” pastry. In 2022, with “Uv soyol” pastry as the main product, marketing promotion was carried out by calling on consumers to preserve their heritage and the festival food preparation tradition for young couples. Every year, as a tradition, traditional wrestling have been organized including 256 wrestlers with national and provincial titles named after “Atar” Pastry and the pastry opening event has been successfully broadcasted through commercial channels that directly reach consumers.

“KHOTOL” BRAND

“Khotol” cake factory produces sweet cakes with special designs and decorations to make them the main dessert of each holiday. The cake itself is a special product that can represent any special occasion. Therefore, we treat each holiday as special; make special cake decorations for the holiday and introduce consumer culture through marketing promotions.

The demand for cakes and cake-type products is growing rapidly in Mongolia. Therefore, we are working on cakes and bakery products that require precision, technology, and high hygiene control.

We produce more than 30 types of cakes and more than 80 types of bakery products based on raw materials and product research and development at present.



“TA CHI” BRAND

The bakery was renovated with UNILINE and UNIMAX complete lines of the "J4" company from the Czech Republic and the Netherlands in 2010. Consequently, the Ta Chi brand was introduced to the bakery market, increasing its market share.

The above lines have a working capacity of 8 hours a day for 10 years. However, due to the domestic customer demand and need, we have been continuously producing for 24 hours. Thus, the load on the 2 lines that have been working for a long time increased, and there were much damages related to wear and tear. Due to this situation, the current cost of repair has increased sharply in recent years, the situation has reached a standstill, and many problems have arisen, such as the lack of qualified personnel. If the situation continues for a long time, it will adversely affect product quality, safety, and the reputation of the company and cause problems for the normal and smooth operation of the bakery industry. Hence, we suggest stopping the above 2 lines of operation.

In order to maintain our market, we are working on a project and plan to cooperate with a company that can carry out further investment and management activities.



Each brand product of "Bread Sweets" JSC meets the consumers needs and preferences. In that sense, we are implementing brand promotion for each customer segment using social marketing channels and delivering product-related news.



Anytime, anywhere, be yourself
"KHAAN/KING" BRAND

You have everything special
"ONTSGOI/EXCLUSIVE"
BRAND

A real baguette


"FRENCH BAGUETTE" BRAND



Constant improvement

The prompt resolution of customer feedback and complaints has a significant place in any organization vision and strategy. Therefore, as part of continuous improvement, we have improved the 9830-9001 number operation, which used to receive complaints from users and customers. In order to receive and solve every call from the consumers without delay, we have create the phone number 7288-8888 to the CUSTOMER Service in cooperation with CallPro LLC. In addition, we planned activities to carry out based on customer complaints and suggestions reports and took measures aimed at improving customer satisfaction. As a result, product-related complaints decreased by 3.6% and customer satisfaction increased by 1.0% compared to the previous year.





Planned and completed implementation related to the updated version of the ISO 9001:2015 standard transition. MNS ISO 17025:2018 standard has been implemented in the chemistry and microbiology laboratory operations and is planning to implement the ISO 45001:2018 standard, which monitors food quality, hygiene, and safety, and has sent a request for certification.

—PRODUCTION AND FOOD SAFETY

ISO 9001:2015 QUALITY MANAGEMENT SYSTEMS

“Talkh Chikher” JSC implemented the international “Quality Management Systems” ISO 9001:2015 standard re-certification process and received the certificate in order to produce healthy, safe and high-quality products.



ISO 2022:2018 FOOD SAFETY MANAGEMENT SYSTEMS

We have implemented the ISO 22000:2018 Food Safety Management Systems standard in the operations, provide stable products and services that meet customer requirements, and make continuous improvements in the process.

The certification was processed by "TUV Austria" the International certification company in October 2022.



ГЭРЧИЛГЭЭ

**TUV
 AUSTRIA**

EN ISO 22000:2018
 Менежментийн тогтолцоо

TUV AUSTRIA -ийн журмын дагуу

ТАЛХ-ЧИХЭР ХК
 18070, Ш/Х – 37, Монгол улс, Улаанбаатар хот, Сонгинохайрхан дүүрэг, 29-р хороо, Энхтайваны өргөн чөлөө

Хүнсний аюулгүй байдлын Менежментийн тогтолцоог дээрх стандартын дагуу дараах үйл ажиллагаанд нэвтрүүлсэн тул гэрчилгээ олгов.

Талх, жигнэмэл болон чанамал гурилан бүтээгдэхүүн, жигнэмэг, өрмөнцөр, бялуун бүтээгдэхүүний үйлдвэрлэл, түгээлт

Гэрчилгээний бүртгэлийн дугаар № 20154193005363

Хүчинтэй хугацаа: 2024-08-19
 Өмнөх гэрчилгээ: 2021-08-20



Гэрчилгээ олгогч байгууллага
 at TÜV AUSTRIA CERT GMBH

Vienna, 2021-08-20

Тус баталгаажуулалтыг TÜV AUSTRIA CERT-ийн аудит гүйцэтгэх, баталгаажуулах журмын дагуу гүйцэтгэсэн бөгөөд цаашид тогтмол хяналтын аудитад хамрагдана.
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ZERTIFIKAT | CERTIFICATE | CERTIFICAT | CERTIFICADO | CERTIFIKAT | 证书 | 인증서

MNS ISO 17025:2018 ACCREDITED LABORATORY

Planned activities were completed within the implementation framework of the updated standard “Laboratory requirements for the capabilities of testing and conformity MNS ISO 17025:2018”. In 2022, 8 repeated verification evaluations were successfully completed.



ISO 45001:2018 OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT SYSTEMS

We have been introducing the ISO 45001:2018 Occupational Health and Safety Management Systems since June 2022.

The OHSM System introduction program was planned and measures to prevent hazards, risks, acute industrial poisoning, and occupational diseases were implemented at the company level.

The OHSM system evaluation and certification are planned to be carried out by MASM in May 2023.



100,8 BILLION

TOTAL SALES INCOME

5,8 BILLION

TO STATE INTEGRATED BUDGET
INCOME

—*FINANCIAL STATEMENT*

In 2022, "Talkh Chikher" JSC had 100.8 billion MNT sales income and the revenue has increased by 25 billion MNT or 33% from the previous year. Moreover, it paid 1,119.5 million MNT to state income tax, which was 473.7 million MNT more than the previous year. In total, 5.8 billion were allocated to the state integrated budget income of Mongolia.



To increase employee development and work productivity, to create a management system, to build an efficient, evaluable, and transparent system for encouraging stable and productive employees.

—*SUSTAINABILITY*

Manpower resources

Gender and age



519

Female



425

Male

Employee average age 65,6%



Employee ratio

Total employee number



944

Added jobs

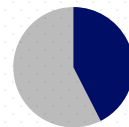


58



210

Distribution employee



442

Factory employee



291

Office staff

Employee training, development and qualification activities were carried out regularly with internal resources. In addition, in recognition of the employees who have worked long periods and the best of the year, they were sent to Turkey to share external experience. In total, 507 employees participated in 11 different courses.

- Fire safety
- Occupational health and safety
- ISO 45001:2018 Occupational health and safety standard implementation
- ISO9001:2015 Quality management systems
- Technology and equipment training by foreign experts and consulting engineers
- Personal development training
- New employee induction training
- Special skills training



Events such as sports competitions, art festivals, trips and awards were organized in order to provide employees with a stable working environment.



INCENTIVES

Work badges and clothing with logos have been issued to middle- and upper-level employees in offices and factories. Wages and bonuses have been increased for employees as part of the policy of stable employment.

- Skill enhancement incentives for sports team athletes
- Annual increments for steady work
- Bonuses based on performance appraisals
- Labor champion bonus
- Bonuses for key employees



SOCIAL RESPONSIBILITY

We are a socially responsible company that does not have a negative impact on the consumer's health, the environment, and society and reflects responsibility towards our partners and employees in our operations.

“NC CENTER” SERVICE CENTER

1,550.6 m² of land owned by “Talkh Chikher” JSC was transferred to the NC CENTER service center as part of social responsibility for the citizens of SBD and its employees. The center is a complex that provides health-oriented services such as a Fitness Club, Yoga, Sports Hall, Bakery Shop, and Supermarket, which were essential for the citizens of SBD. In this way, children, youth and employees have the opportunity to spend their free time properly. In addition, campaigns and prevention videos are posted on 3-sided LED screens in cooperation with the SBD traffic police and other government agencies to deliver necessary information and warning. By owning a dedicated service area in the NC CENTER service center, "Talkh Chikher" JSC is getting closer to its customers.



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БААТРУУДААРАА БАХАРХЬЯ

"Талх Чихэр" ХК жил бүрийн сар шинийн баярын өмнө Хөдөлмөрийн баатруудаараа бахархан хүндэтгэл үзүүлж, алдаршуулдаг уламжлалтай. Уг уламжлалын дагуу малчны хот, хөнгөн үйлдвэрийн цех, уул уурхай, урлаг, спорт гээд бүхий л салбараас өөрийн ажил хөдөлмөр хичээл зүтгэлээ төр засаг, түмэн олноороо үнэлүүлж, төрийн их хайр хишгийг хүртсэн эрхмүүддээ хүндэтгэл үзүүлэх уг арга хэмжээг "БААТРУУДААРАА БАХАРХЬЯ" нэрийн дор 8 дахь жилдээ ийнхүү амжилттай зохион байгууллаа.



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DELICIOUS TOUR 2022

Within the framework of "Delicious Trip", more than 2,000 children from secondary education schools and partner organizations in Ulaanbaatar were introduced to the factory operation. We presented the #Amtlag brand product samples to every child who participated in the trip.

"Talkh Chikher" JSC, in cooperation with Good Neighbors Mongolia NGO, introduced factory operation to influence the career choice of children who have reached the 18 age and are taking their first steps in future life.



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DELICIOUS TEAM

"Talh Chikher" JSC sponsored the football team "Tuuliin Tom Tulnuud" with the "Amtlag" brand for children and young people as part of its social responsibility and presented uniforms set in 2022. Moreover, to support the young team that is leading in the sector, we spent a day full of memories in a friendly match at the CITY sports hall of Talkh Chikher JSC in November.



Achievements 2022

Top 100



In recognition of our contribution to the economic and social prosperity of Mongolia, the government and the MNCCI jointly selected the company as "TOP-100 Enterprises".

Popular food



"Talkh Chikher" JSC's special brand "Multi-seeded harvest" bread was selected as the "POPULAR FOOD" during the "Autumn Green Days - National Production-2022" event.

The best product



"Talkh Chikher" JSC's Khaan brand "Ciabatta" bread was selected as the "BEST PRODUCT" during the "Autumn Green Days - National Production-2022" event.

The Board of Directors of Talkh Chikher JSC reviewed the 2022 annual report and evaluated the performance in accordance with the goals and objectives and concluded that it was satisfactory.



ТАЛХ ЧИХЭР ХК

1984
HEALTHY SINCE 1984

2023 Business Action Plan

- ▶ Based on the ISO 22000:2018 OHSM standard, FSSC 22000 – Food Safety Management a comprehensive system standard covering food safety schemes, food quality, food protection and counterfeiting prevention - to be introduced and certified.
- ▶ “MNS ISO 45001:2018“ OHSM standard is to be evaluated and certified, implemented in its operations, training and development to be regularized and the evaluation system to be improved by key performance indicators /KPI/.
- ▶ To create a new trend for cake products, fully automating the flat bread line, increasing the capacity and assortment by 30 to 40%, the assortment of layered and puffed products by 50%, and the assortment of Mongolian traditional pastries by 10%, respectively.
- ▶ To provide resources for technical and equipment repair, create a database, mechanize the main process of traditional baking products, reduce manual work by 20%, and increase the capacity of fully automated "Baguette" and "Ciabatta" bread lines.
- ▶ To study and research the interested parties and customers needs and requirements, increase the satisfaction level by 8% and increase the sales of new products supplied to the market by 10%.
- ▶ To remove the UNILINE and UNIMAX lines of the bakery factory to maintain the market, we will cooperate with a company capable of further investment and management operation.



THANK YOU FOR
YOUR
ATTENTION
