



La Piedad, Michoacán. May 2020

Red Sun Farms is the largest company in North America which is dedicated to growing in high tech, fully integrated, greenhouses. Red Sun Farms owns and operate farms on the three countries that make up the FTA: Canada, Mexico, and the United States. Our main products consists of tomatoes, peppers, and cucumbers, which are known for their superior quality, and are exported to international markets.

Between September 2019 and April 2020, Red Sun Farms Mexico developed, in conjunction with London Consulting Group, the "Growing" improvement project. The project focused on developing initiatives which improved the packaging processes' optimization and productivity. Some of the results we achieved were:

Planning and Scheduling:

- Reduction in changes made to the packing houses' weekly schedule.
- Increase in the packing houses' daily plan fulfillment rate for special products.
- Recovery of the fruit used in the packing of the Tricolor Peppers, by reducing the excess weight in the delivery.
- Reduction in labor cost x processed box.

Packing Houses:

- Reduction in the packing houses' payroll through the implementation of crew and line balancing tools.
- Increase in the OEE (Overall Equipment Effectiveness) indicator.
- Reduction in unprogrammed stoppages due to equipment failure by designing and implementing an annual preventive maintenance plan.

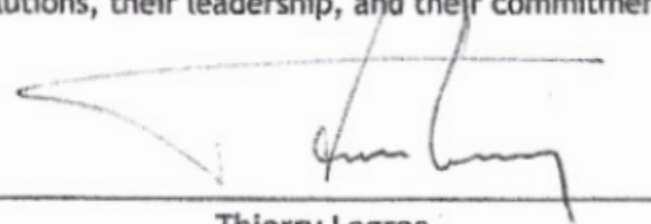
Warehouse and Shipping:

- Reducing the inventory time by designing and implementing a restocking model for the packing materials.
- Increase in the inventory system's reliability.
- Reduction in obsolete packing materials.
- Increase in the delivery truck's occupancy rate.

The way changes were managed, the training process, the dedication displayed by the members of the team, the methodology and the way it was applied throughout the different stages of the project, enabled us to achieve both qualitative and quantitative results.

The project was successfully concluded within the agree time frame, generating a return on investment by the end of March 2020 of 1.3 to 1, with a forecasted annualized return of 5.8 to 1, thanks to the professional work carried out by the Red Sun Farm's personnel and London Consulting Group's team.

We happily recommend London Consulting Group as a professional and committed firm which contributes towards positively changing an organization's work culture through their shoulder to shoulder implementation of practical solutions, their leadership, and their commitment towards capitalizing on tangible results in the short term.



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