1.-Company, Plant/Factory Profile

1.1 This should include company ownership, national or international spread of other divisions within the group but the main emphasis should be on the plant profile applying for the TPM award.

Currently PROFOA is an agriculture company dedicated to the *Agave tequilana* Weber var. Azul production and it's the raw material for tequila production. PROFOA is also the main agave supplier for Casa Sauza which belongs to the Japanese corporation Suntory Global Spirits. PROFOA is part of the Suntory group in the spirits sector founded in 1899 by Shinjiro Torii when he opened the first liquor store in Osaka, Japan, laying the foundation for Suntory, a major Japanese beverage company. PROFOA is the only business unit with an agriculture process. In 1873, Cenobio Sauza founded the "Sauza" distillery in Jalisco, Mexico, contributing to the legacy of tequila. In 1991, PROFOA was created, strengthening tequila operations and standards. A significant shift occurred in 2010, when Beam Global acquired Tequila Sauza, solidifying its position in the international spirits market. Shortly after, in 2011, Beam became a publicly traded company, paving the way for further expansion. The defining moment came in 2014, when Beam Inc. was acquired by Suntory Holdings. This merger resulted in Beam Suntory, combining expertise from the United States, Japan, and Mexico in spirits production. Finally, in 2024, the company rebranded as Suntory Global Spirits (SGS), reflecting its integrated global vision (Figure 1).

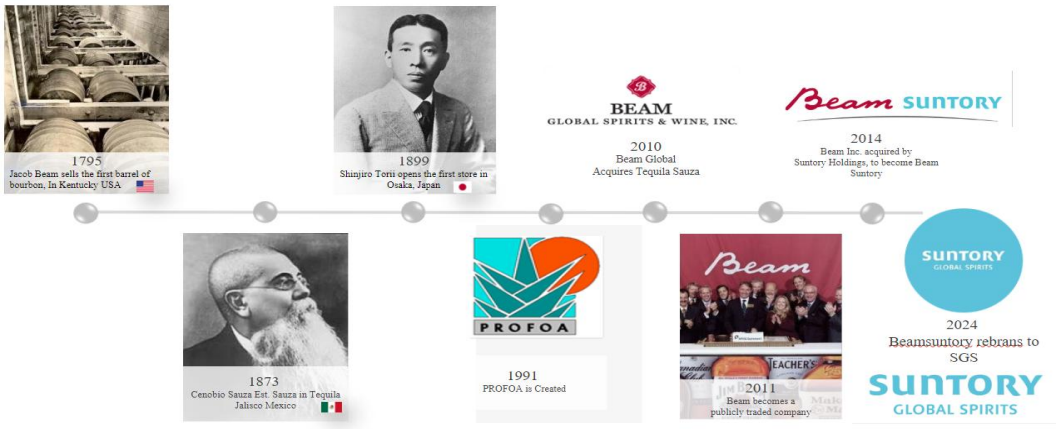


Figure 1. Timeline of Suntory Global Spirits

PROFOA, an internal company of Tequila Sauza, was established in 1991 with the purpose of ensuring business continuity by securing a stable agave supply, even during times of crisis. PROFOA's operations are based on a comprehensive agronomic plan aligned with quality and safety standards, reducing reliance on the open market and mitigating risks associated with price volatility.

PROFOA

Sustainable Supply Model

Quality and Safety Standards

Cost Stability Strategy

1.2 Items to include would be product range, process technology, management organization and staffing structure.

The infrastructure for the agave production process, tractors and agriculture machinery allows to optimize the functions for the proper growth of the agave plant. Our plantations' inventory has increased 100% from 19 to 39 M during the last 10 years. We will have 38.5 M plants in our inventory by the end of the year (Figure 3).

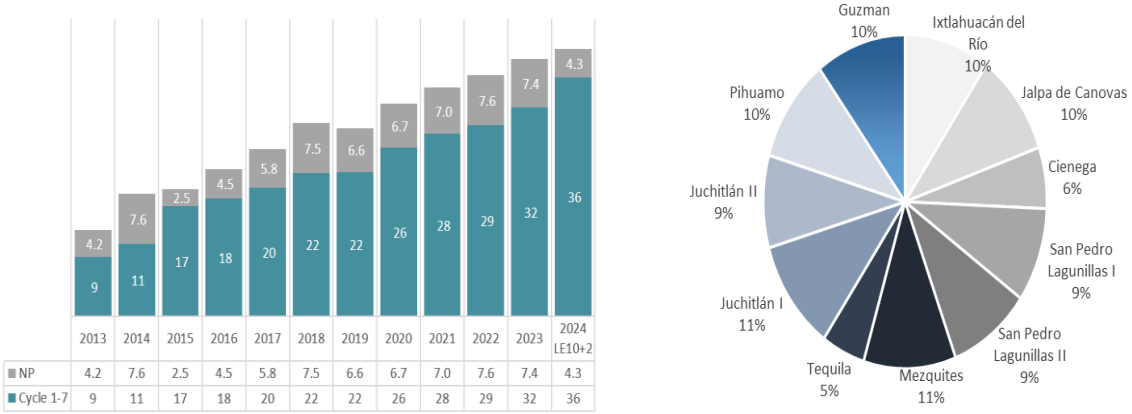


Figure 3. A) PROFOA Agave inventory by year (2013-2024) . B) PROFOA Agave Inventory by region YTD

PROFOA operates in four Mexican states with tequila denomination of origin: Jalisco (69%), Nayarit (29%), Guanajuato (2%), and Michoacán (1%). While Tamaulipas also holds this designation, PROFOA does not cultivate agave there due to its fibrous characteristics and low sugar content, which do not meet the required quality standards. Each region has an operational radius of 50 km. On average, the 11 Business Units are located **approximately 180 km from the distillery, resulting in an estimated travel time of around 2 hours from each region to the distillery** (Figure 4A). PROFOA has 1291 Fields. For the annual maintenance of agave, 24 rounds

per year per field are required, the challenge is at least 5 agrochemical applications in a critical period (Figure 4B and Figure 5).

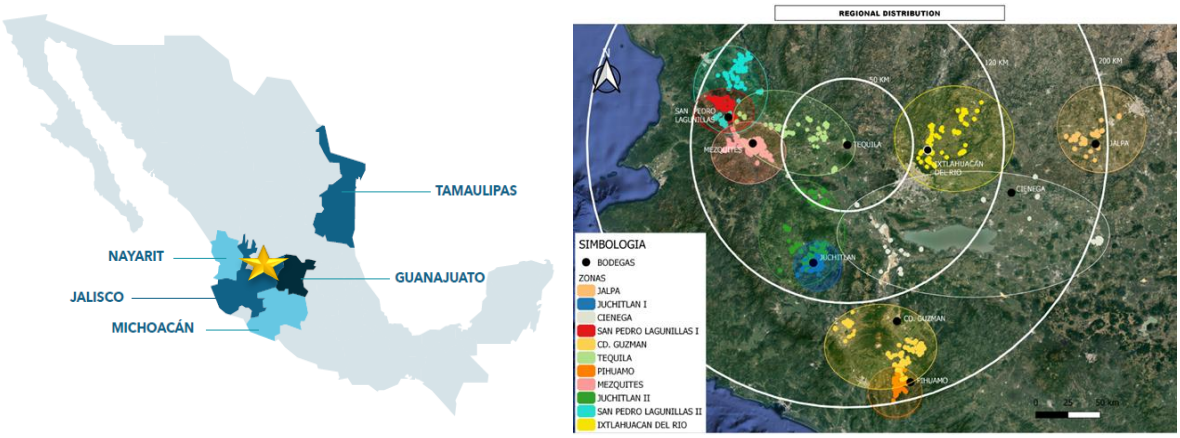


Figure 4. Agave geographic zone. A) States of the denomination of origin of tequila. B) PROFOA Business units (regions)

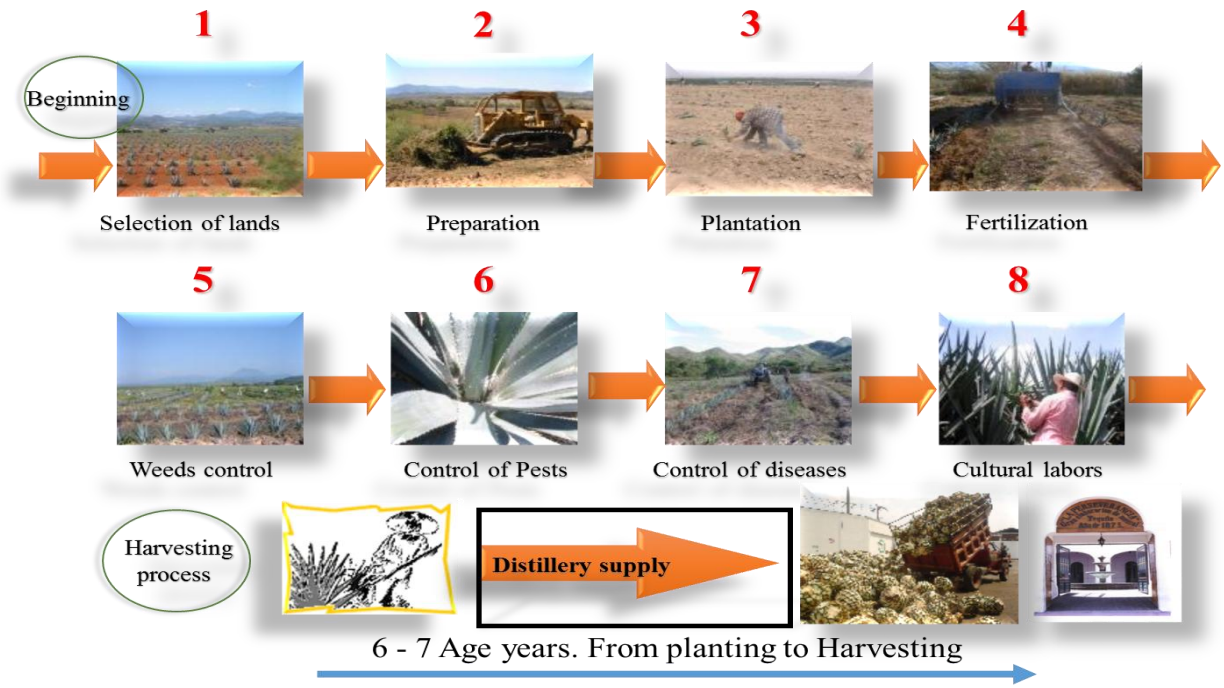


Figure 5. Agave production System (Process steps)

How big is PROFOA? It is the same as having 11 distilleries:

- There are 11 of our business units, better known as regions.
- 38.5 million plants are included in the inventory.
- 1 520 workers.
- 12 000 hectares.

- A 164-million-dollar and 66-million-dollar inventory for agave maintenance.
- The 11 business units are divided into four areas, and the flavor profile of tequila is influenced by its geographical region (Figure 6).

Figure 6. PROFOA actual infrastructure

The structural organization is being led by Corporate Executives, followed by the General Direction in Tequila Sauza and the Agave Operational Direction. The last one being the leader in implementing the main operational functions for the agave production (Figure 7). The managerial structure aiding in each one of the implementation processes and focusing on the most important TPM pillars (Figure 8A). Small TPM groups were implemented at all tiers: situational, systemic, and strategic, sharing the co-responsibility of leading the deployment of the pillars of TPM. (Figure 8B).

Figure 7. Staffing strucure

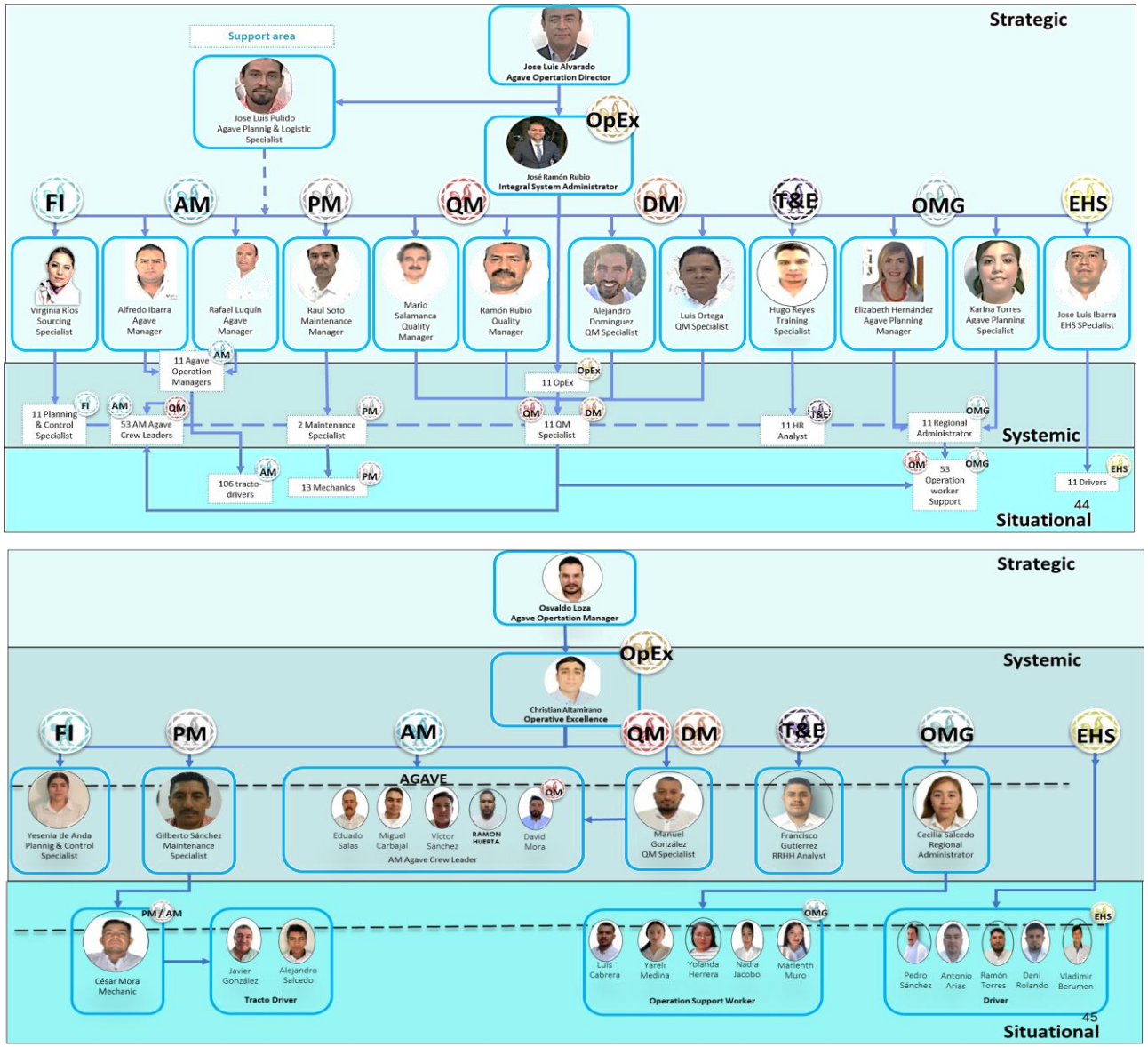


Figure 8. PROFOA TPM Organization chart A) Strategic level. B) Sistemic and situational level

2. Milestone on the Journey of Manufacturing Excellence

The decision was made to adapt the TPM model in our company because we are the main supplier of agave for Casa Sauza. The main goal is to minimize the risk of dependence on the free market agave and reach the level of Casa Sauza to transform its processes to produce the best tequila, and to reach the levels of Casa Sauza implementing TPM method since Casa Sauza already has three awards in TPM, excellence, consistency, and special. It is worth mentioning that we are the first agricultural company to implement the TPM system in agave production and that it has already won the excellence award.

It was chosen to use the TPM steps in autonomous maintenance with goal to obtain a clear view of the losses that are generated within the agave production process. Also, the objective is to reach the four zeros in TPM which are: 0 accidents, 0 breakdowns, 0 wastes, and 0 defects in the agave production process.

Also, it is worth mentioning that it is implementing in 2 areas: One of them, in the production of agave, in which we have reached 0 accidents for more than 3,000 days, and second one in the agricultural machinery, such as tractors and agricultural tools, achieving 0 accidents in more than 3,000 days and 0 breakdowns in over 3 months with the tractors.

Another benefit that has been obtained is increased safety in the operations of each step in the agave production process, for the agave plant and for the operator, also the detection of the main losses in each process thus helping generate more improvement cases to attack or eliminate losses.

More benefits are a culture change, include increase knowledge for the operators and transferring abilities between operators with the goal of having an autonomous process with the highest quality possible while producing an agave plant rich in sugar content and high in weight (Figure 9).

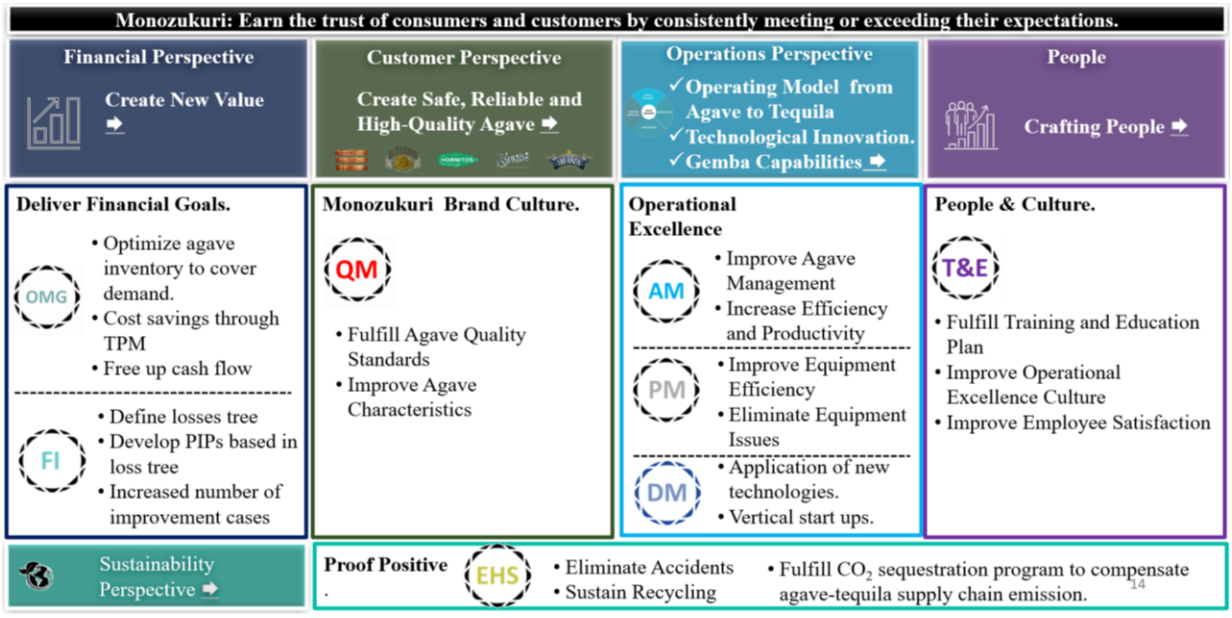
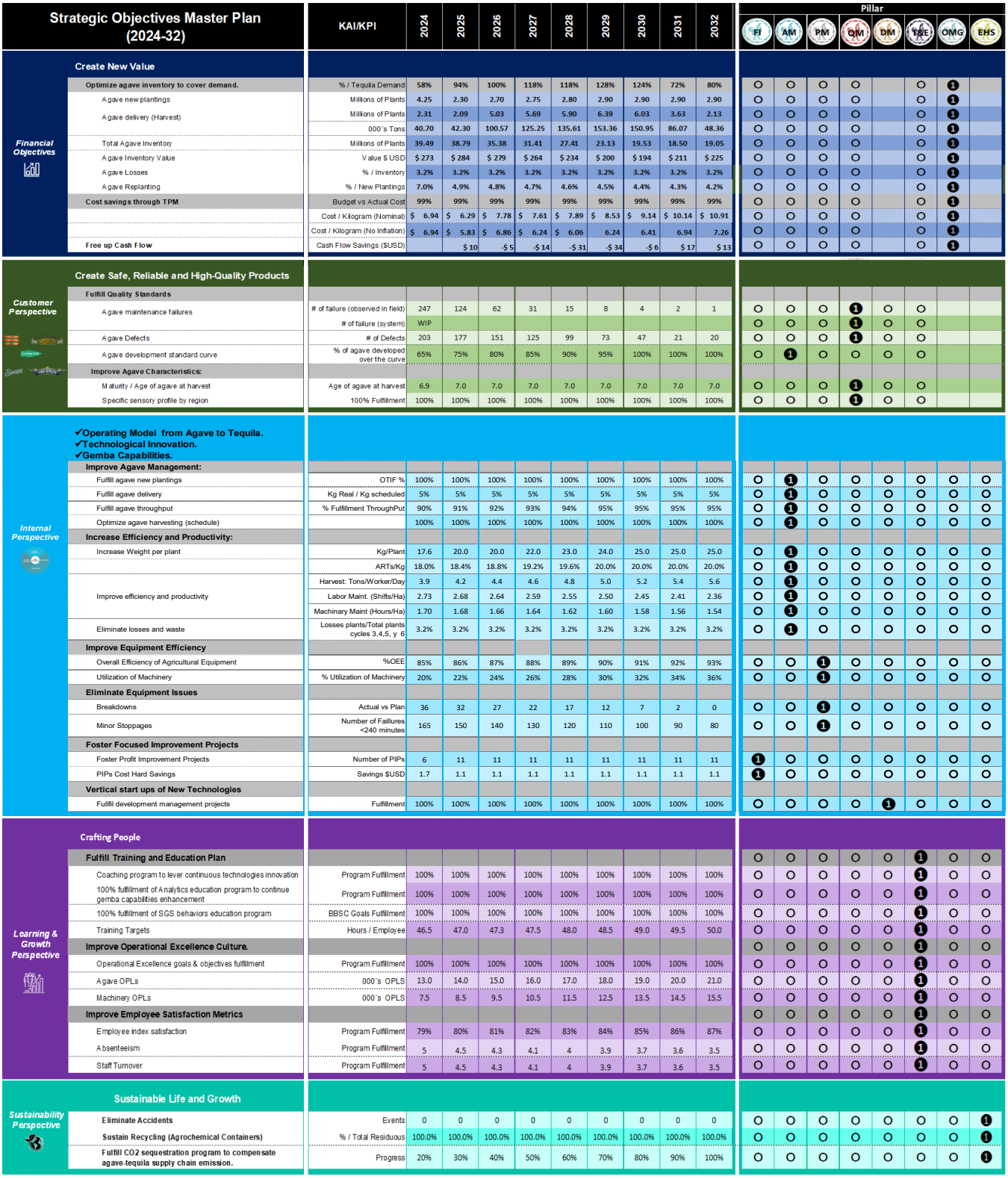


Figure 9. How TPM supports company strategy



Strategic Objectives Master Plan (2024-32)	KAI/KPI	2024	2025	2026	2027	2028	2029	2030	2031	2032	Pillar: FI	AM	PM	QM	DM	T&E	OMG	EHS
Financial Objectives																		
Create New Value																		
Optimize agave inventory to cover demand.	% / Tequila Demand	58%	94%	100%	118%	118%	128%	124%	72%	80%	O	O	O	O		O	1	
A gave new plantings	Millions of Plants	4.25	2.30	2.70	2.75	2.80	2.90	2.90	2.90	2.90	O	O	O	O		O	1	
A gave delivery (Harvest)	Millions of Plants	2.31	2.09	5.03	5.69	5.90	6.39	6.03	3.63	2.13	O	O	O	O		O	1	
	000´s Tons	40.70	42.30	100.57	125.25	135.61	153.36	150.95	86.07	48.36	O	O	O	O		O	1	
Total Agave Inventory	Millions of Plants	39.49	38.79	35.38	31.41	27.41	23.13	19.53	18.50	19.05	O	O	O	O		O	1	
A gave Inventory Value	V alue $ USD	$ 273	$ 284	$ 279	$ 264	$ 234	$ 200	$ 194	$ 211	$ 225	O	O	O	O		O	1	
A gave Losses	% / Inventory	3.2%	3.2%	3.2%	3.2%	3.2%	3.2%	3.2%	3.2%	3.2%	O	O	O	O		O	1	
A gave Replanting	% / New Plantings	7.0%	4.9%	4.8%	4.7%	4.6%	4.5%	4.4%	4.3%	4.2%	O	O	O	O		O	1	
Cost savings through TPM	Budget vs Actual Cost	99%	99%	99%	99%	99%	99%	99%	99%	99%	O	O	O	O		O	1	
	Cost / Kilogram (Nominal)	$ 6.94	$ 6.29	$ 7.78	$ 7.61	$ 7.89	$ 8.53	$ 9.14	$ 10.14	$ 10.91	O	O	O	O		O	1	
	Cost / Kilogram (No Inflation)	$ 6.94	$ 5.83	$ 6.86	$ 6.24	$ 6.06	6.24	6.41	6.94	7.26	O	O	O	O		O	1	
Free up Cash Flow	Cash Flow Savings ($USD)		$ 10	-$ 5	-$ 14	-$ 31	-$ 34	-$ 6	$ 17	$ 13	O	O	O	O		O	1	
Customer Perspective																		
Create Safe, Reliable and High-Quality Products																		
Fulfill Quality Standards																		
A gave maintenance failures	# of failure (observed in field)	247	124	62	31	15	8	4	2	1	O	O	O	1	O	O		
	# of failure (system)	WIP									O	O	O	1	O	O		
A gave Defects	# of Defects	203	177	151	125	99	73	47	21	20	O	O	O	1	O	O		
A gave development standard curve	% of agave developed over the curve	65%	75%	80%	85%	90%	95%	100%	100%	100%	O	1	O	O	O	O		
Improve Agave Characteristics:																		
M aturity / Age of agave at harvest	Age of agave at harvest	6.9	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	O	O	O	1	O	O		
Specific sensory profile by region	100% Fulfillment	100%	100%	100%	100%	100%	100%	100%	100%	100%	O	O	O	1	O	O		
Internal Perspective																		
✓Operating Model from Agave to Tequila. ✓Technological Innovation. ✓Gemba Capabilities.																		
Improve Agave Management:																		
Fulfill agave new plantings	OTIF %	100%	100%	100%	100%	100%	100%	100%	100%	100%	O	1	O	O	O	O	O	O
Fulfill agave delivery	Kg Real / Kg scheduled	5%	5%	5%	5%	5%	5%	5%	5%	5%	O	1	O	O	O	O	O	O
Fulfill agave throughput	% Fulfillment ThroughPut	90%	91%	92%	93%	94%	95%	95%	95%	95%	O	1	O	O	O	O	O	O
Optimize agave harvesting (schedule)		100%	100%	100%	100%	100%	100%	100%	100%	100%	O	1	O	O	O	O	O	O
Increase Efficiency and Productivity:																		
Increase Weight per plant	Kg/Plant	17.6	20.0	20.0	22.0	23.0	24.0	25.0	25.0	25.0	O	1	O	O	O	O	O	O
	ARTs/Kg	18.0%	18.4%	18.8%	19.2%	19.6%	20.0%	20.0%	20.0%	20.0%	O	1	O	O	O	O	O	O
Improve efficiency and productivity	Harvest: Tons/Worker/Day	3.9	4.2	4.4	4.6	4.8	5.0	5.2	5.4	5.6	O	1	O	O	O	O	O	O
	Labor Maint. (Shifts/Ha)	2.73	2.68	2.64	2.59	2.55	2.50	2.45	2.41	2.36	O	1	O	O	O	O	O	O
	Machinary Maint (Hours/Ha)	1.70	1.68	1.66	1.64	1.62	1.60	1.58	1.56	1.54	O	1	O	O	O	O	O	O
Eliminate losses and waste	Losses plants/Total plants cycles 3,4,5, y 6	3.2%	3.2%	3.2%	3.2%	3.2%	3.2%	3.2%	3.2%	3.2%	O	1	O	O	O	O	O	O
Improve Equipment Efficiency																		
Overall Efficiency of Agricultural Equipment	%OEE	85%	86%	87%	88%	89%	90%	91%	92%	93%	O	O	1	O	O	O	O	O
Utilization of Machinery	% Utilization of Machinery	20%	22%	24%	26%	28%	30%	32%	34%	36%	O	O	1	O	O	O	O	O
Eliminate Equipment Issues																		
Breakdowns	Actual vs Plan	36	32	27	22	17	12	7	2	0	O	O	1	O	O	O	O	O
Minor Stoppages	Number of Faillures <240 minutes	165	150	140	130	120	110	100	90	80	O	O	1	O	O	O	O	O
Foster Focused Improvement Projects																		
Foster Profit Improvement Projects	Number of PIPs	6	11	11	11	11	11	11	11	11	1	O	O	O	O	O	O	O
PIPs Cost Hard Savings	Savings $USD	1.7	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1	O	O	O	O	O	O	O
Vertical start ups of New Technologies																		
Fullfil development management projects	Fulfillment	100%	100%	100%	100%	100%	100%	100%	100%	100%	O	O	O	O	1	O	O	O
Learning & Growth Perspective																		
Crafting People																		
Fulfill Training and Education Plan											O	O	O	O	O	1	O	O
Coaching program to lever continuous technologies innovation	Program Fulfillment	100%	100%	100%	100%	100%	100%	100%	100%	100%	O	O	O	O	O	1	O	O
100% fulfillment of Analytics education program to continue gemba capabilities enhancement	Program Fulfillment	100%	100%	100%	100%	100%	100%	100%	100%	100%	O	O	O	O	O	1	O	O
100% fulfillment of SGS behaviors education program	BBSC Goals Fulfillment	100%	100%	100%	100%	100%	100%	100%	100%	100%	O	O	O	O	O	1	O	O
Training Targets	Hours / Employee	46.5	47.0	47.3	47.5	48.0	48.5	49.0	49.5	50.0	O	O	O	O	O	1	O	O
Improve Operational Excellence Culture.											O	O	O	O	O	1	O	O
Operational Excellence goals & objectives fulfillment	Program Fulfillment	100%	100%	100%	100%	100%	100%	100%	100%	100%	O	O	O	O	O	1	O	O
A gave OPLs	000´s OPLS	13.0	14.0	15.0	16.0	17.0	18.0	19.0	20.0	21.0	O	O	O	O	O	1	O	O
Machinery OPLs	000´s OPLS	7.5	8.5	9.5	10.5	11.5	12.5	13.5	14.5	15.5	O	O	O	O	O	1	O	O
Improve Employee Satisfaction Metrics											O	O	O	O	O	1	O	O
Employee index satisfaction	Program Fulfillment	79%	80%	81%	82%	83%	84%	85%	86%	87%	O	O	O	O	O	1	O	O
Absenteeism	Program Fulfillment	5	4.5	4.3	4.1	4	3.9	3.7	3.6	3.5	O	O	O	O	O	1	O	O
Staff Turnover	Program Fulfillment	5	4.5	4.3	4.1	4	3.9	3.7	3.6	3.5	O	O	O	O	O	1	O	O
Sustainability Perspective																		
Sustainable Life and Growth																		
Eliminate Accidents	Events	0	0	0	0	0	0	0	0	0	O	O	O	O	O	O	O	1
Sustain Recycling (Agrochemical Containers)	% / Total Residuous	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	O	O	O	O	O	O	O	1
Fulfill CO2 sequestration program to compensate agave-tequila supply chain emission.	Progress	20%	30%	40%	50%	60%	70%	80%	90%	100%	O	O	O	O	O	O	O	1

1 Pillar Leader
O Collaborative Pillar

Figure 10. TPM Policies, objectives, and Master plan

3. Benefits Achieved Explain the benefits that have occurred from:

3.1 Tangible business results that have improved.

- Implementation of ISO-9001
- Decrease lost time accident 1 to 0.
- Consistent recycling 100% (Plastic)
- Drones as smart agriculture
- Integrated Agriculture ERP (SAP)
- Increase the Fast Kaizen's in 70%
- Implementation of OEE
- Lost tree
- Cost tree

3.2 Employee involvement, motivation and other intangible improvements that have occurred.

Implementing TPM in the Agricultural Department (Figure 11)

- The employees have adopted a sense of belonging to their work teams and to their agave production process.
- Each one of the employees took responsibility of their objectives within their KPIs obtaining good results.
- Each employee learned to know their work area to generate changes in attitude that generated an impact in better results.
- Managers were involved in the needs of each of their employees and focused on giving aid to obtain impacts in productivity as well as moral.

Figure 11. TPM examples in PROFOA

4. Key of our Manufacturing Excellence

4. 1 With the experience gained so far on the TPM journey what are the key items in our manufacturing excellence program the in the future.

The business goals have been fixed in a way that it challenges each of the 7 dimensions in development. We are currently focusing on maintaining zero accidents, reduce the agave waste, reduce rework, improve the culture work to be one of the best places to work, encourage recycling, improve the trust in orders, increase agave weight, productivity, better agave production costs, among others (Figure 12).

Figure 12. PROFOA TPM journey

Some of the awards obtained in each one of the development rubrics. It needs to be mentioned that we are the pioneers in ISO-9001 certification and implement TPM (Figure 13).

Figure 13. Some PROFOA Awards

5. Achievement Record

5.1 Objective measures should be listed for the following general headings:

2018

TPM Award Assessment Achievement Sheet

Company & plant name	Promoción y Fomento de Agave S.P.R. de R.L.
TPM Slogan/Objectives	We grow together, we achieve more: consistency through continuous improvement with TPM

▼ Please fill in the range of data you are collecting ▼

Category	Index	Unit	BM (TPM Started or last time awarded)	Actual Status	Target
		Enter the year →	2018	NovYTD	2024
S	**Number of work-related accidents requiring days off work**	**Cases/ year**	0	0	0
P	**Labor productivity**	**Wage / Hectare**	2.38	2.73	2.73
P	**OEE (or Overall Plant Efficiency)**	**%**	70	89	85
P	**Fullfilment ThroughPut**	**%**	41	85	90
P	**Machinery productivity**	**Machine Hours / Total Realized Hectare**	1.92	1.69	1.70
P	**Productivity Agave Harvest**	**Tons/Worker/Day**	3.88	3.97	3.90
P	**Number of breakdowns**	**Breakdowns/ year**	72	19	24
P	**Agave weight Kg/plant**	**Kg/Plant**	17.8	18.6	17.6
P	**Minor Stoppages**	**Minor Stoppages / year**	452	70	165
P	**% Fields Within STD Curve**	**%**	34	71	65
P	**AM Interventions fulfillment**	**%**	50	95	90
P	**Utilization of Machinery**	**%**	10	24	20
P	**Agave Yellow Cards**	**# Cards/Year**	17,256	58,228	70,261
P	**Agave Blue Cards**	**# Cards/Year**	32,562	115,655	126,624
P	**Agave Red Cards**	**# Cards/Year**	975	7,647	21,110

TPM Award Assessment Achievement Sheet

Company & plant name	Promoción y Fomento de Agave S.P.R. de R.L.
TPM Slogan/Objectives	We grow together, we achieve more: consistency through continuous improvement with TPM

▼ Please fill in the range of data you are collecting ▼

Category	Index	Unit	BM (TPM Started or last time awarded)	Actual Status	Target
		Enter the year →	2018	NovYTD	2024
P	Machinery Yellow Cards	# Cards/Year	27,358	45,731	58,463
P	Machinery Blue Cards	# Cards/Year	59,241	123,217	135,406
P	Machinery Red Cards	# Cards/Year	2,172	20,703	27,116
Q	% Agave Losses	%	3.50	2.47	3.20
Q	Replanting	%	9.40	5.40	7.00
Q	Agave maintenance failures	# of failure (observed in field)	NA	248	247
Q	Agave Defects	# of Defects	NA	242	203
C	Cost index	Cost/Kilogram	3.07	6.24	6.94
C	Agave Inventory	MM Plants	29.27	40.59	39.49
C	Budget vs Actual Cost	%	96.38	83.85	99.00
D	Agave New Plantings	MM Plants	7.55	4.30	4.25
D	Delivery performance (OTIF of agave delivery (OR))	%	97.8	100.0	100.0
D	ART´s Sugar	%	17.2	19.5	18.0
E	Recycling	%	100	100	100
M	Employee Index Satisfaction	%	NA	NA	79
M	Training (Hours/ employee)	Training hrs / head Count accumulated by year	12.0	43.4	46.5
M	Agave OPLs	#	8,921	14,261	13,000
M	Machinery Opls	#	4,669	8,451	7,500

5.2 Serious accident Index:

6. Contact

Promoción y Fomento de Agave S de RL de CV

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