

Sustainability
Report



About this report

This is our second Sustainability Report, a document that presents the results of our economic, social and environmental performance for the fiscal year 2013. For benchmarking purposes, we have included information about 2012.

As a proof of our commitment to continuous improvement regarding accountability for sustainability, we have prepared this Report based on the G4 Guidelines of the "Global Reporting Initiative" (GRI), with its sector supplement referred to the food industry, and have used the core "in accordance" option.

In turn, to create such report we have taken into account the core subjects and principles of Social Responsibility proposed by ISO 26000:2010 standard on Social Responsibility.

San Miguel has used ISO 26000 standard as a guideline to integrate social responsibility in its values and practices.

As a proof of our compliance with the 10 principles proposed by the initiative of the United Nations Global Compact, this document comprises the aspects required by the Communication on Progress (COP) criteria.

The creation of this 2013 Sustainability Report involved all the company levels and areas. The CSR Action Committee, made up by members from all the company sectors, completed training programs related to the process and to the GRI G4 Guidelines, used to collect and systematize all the relevant information for this Report.

For more information on the guidelines used:

- ISO 26000: www.iso.org/iso/social_responsibility
- GRI: www.globalreporting.org
- AA1000SES: accountability.org/aa1000ses
- AA1000AS: accountability.org/aa1000as
- United Nations Global Compact: www.pactglobal.org.ar

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Playing a Leading
Role in Sustainable
Development

“This new Sustainability Report of the company is a record of such daily work intended to do things a little better every day, and which at the same time helps us to establish goals and assume responsibility for compliance.”

Sustainability is a commitment made by San Miguel which is now progressively covering the whole company operation, based on different initiatives sustained over time. Our ultimate purpose is to achieve food production that brings environmental, social and economic benefits to all stakeholders with whom we have a relationship.

We understand that in order to achieve this we must maximize our efforts to add value at the point of origin of our production, promoting good agricultural practices, demanding respect for the environment, encouraging an ethical conduct and responding (as the relevant players we are) to the needs of the community.

We know that in all countries where we operate we must contribute to reducing inequality among population, and this is achieved by playing a leading role in fostering cooperation, investment and the creation of genuine job opportunities, which is finally what will contribute to fulfilling the full potential of each country fairly, constructively and sustainably.

The regional economies in which we are involved are labor-intensive and are far from ports and big urban centers. For this reason, it is also very important to connect with the public sector in order to get the long-term policies required to contribute to sustainable development.

All in all, all our effort is aimed at building an economically sustainable business, achieving the progress of its people, improving its value chain, satisfying its customers and meeting the needs of society within a framework of respect and preservation of the surrounding environment.

This new Sustainability Report of the company is a record of such daily work intended to do things a little better every day, and which at the same time helps us to establish goals and assume responsibility for compliance.

San Miguel's main challenges for the next years are:

- To achieve sustained growth towards 2020, which may enable to become a larger organization, both in terms of turnover and profitability and the number of countries with operations.
- To consolidate San Miguel as a company well-known for its knowledge in the global citrus industry.
- To have an environmentally sustainable operation, in full compliance with the current regulations.
- To have high impact CSR programs for the areas having production operations, mainly aimed at our associates and the neighboring communities, with an education and nutrition approach.

These economic, social and environmental advances and challenges are expressed in this Report, which has been prepared following the new G4 Guidelines of the Global Reporting Initiative (GRI); achieving the core “in accordance” level.

At the same time, this document represents our 2013 Communication on Progress, in which we show compliance with the 10 principles of the United Nations Global Compact.

We hope that when you read these pages you may feel at least a little of the pride we take for being building a big future for San Miguel every day.

Romain Corneille (CEO)



01 | Our company

“Over its 59 years, San Miguel has gained vast knowledge in all aspects of its business: both at the agricultural level in fresh fruit or processed food and in terms of commercial strategy. Our company is recognized both by our customers and competitors. This great asset, which is present in our history and people, is what we must use and enhance to keep progressing, growing and improving”.

Romain Corneille, CEO

2013 Highlights

Acquisition of a new Industrial Plant in South Africa. Through this acquisition we have enlarged our portfolio of sweet processed food (juice and oils).

7,555 ha of total fields.

1,670 tons of citrus packed a day.

We are San Miguel

We are a multinational company, a leader in the Southern Hemisphere in the **production, distribution and sale of fresh citrus fruit and food products derived from citrus**.

We are recognized for our **expertise, innovation and operating capacity** to ensure supply to our customers worldwide.

We build San Miguel

Our business approach is based on knowledge and management capacity, and we define ourselves as follows:

1. **We are San Miguel.** Our people always make the difference.
2. **We are global producers** of fresh citrus fruit.
3. **We produce citrus by-products** such as juice, oils, essences and peel, among others, to supply the food industry.
4. **We are global distributors** of fresh and processed citrus.
5. **We are innovative** and challenge our processes to improve the future with our customers.
6. **We are the ideal knowledge partner** for producers who want to access the global market under international quality standards and processes.
7. **We are aware of our role in society.** Hence, we focus on sustainability, quality and integrity in everything we do.

San Miguel's attributes

We are recognized for the distinctive attributes that form part of our legacy and define us as a **knowledge-based company**:

1. **Global leadership.** We are world leaders in the citrus business, an attribute that identifies and distinguishes us, and fills us with pride.
2. **Expertise.** We have 59 years of experience and knowledge gained in the production and sale of fresh citrus and its processed by-products.
3. **Sustainability.** We have a firm commitment to the community and the environment in each of the regions where we carry out our production activities.
4. **Innovation.** We are always looking for new business opportunities together with our customers; hence, we find new developments and innovate in processes. This situation gives us competitive strength and an unparalleled position to be a major agent for change in the market.
5. **Cooperation.** We use the diversity and knowledge existing in all our areas to share it with our strategic partners through "San Miguel's Cooperation Model", designed to generate new business opportunities. Cooperation is the definite approach to make experience and innovation work together.

Our vision

To be the leading company of fresh citrus fruit in the Southern Hemisphere and of processed fruit and vegetable products with added value.

Our values

Integrity: We act in an ethical, respectful and honest way. We are transparent, trustworthy, we assume responsibility and honor commitments.

Value creation: We manage the company's assets and resources as our own. We are entrepreneurial and innovative, seeking opportunities to grow our company, with a global and integrating outlook. We learn from our mistakes and challenge the status quo, continuously improving our processes. We deliver results in an efficient and sustainable way.

Customer orientation: We are always willing to serve and help our customers, whether internal or external. We try to understand and satisfy their needs —even those they do not express— and we provide solutions. Our customers and the market are our top priorities: we project our initiatives based on this.

Team spirit: We pursue a common goal, subordinating personal interest to team objectives. We listen to others in order to understand, and we ask for help. We promote constructive criticism and feedback, encouraging an open and honest debate. We treat every individual inside and outside our organization with respect, trust and dignity. We encourage and value diversity.

Social and environmental responsibility: We take care of the environment. We drive personal growth of those who are part of our organization and favor the development of our community. We consider respect for the laws and human rights as the necessary conditions for sustainable growth.

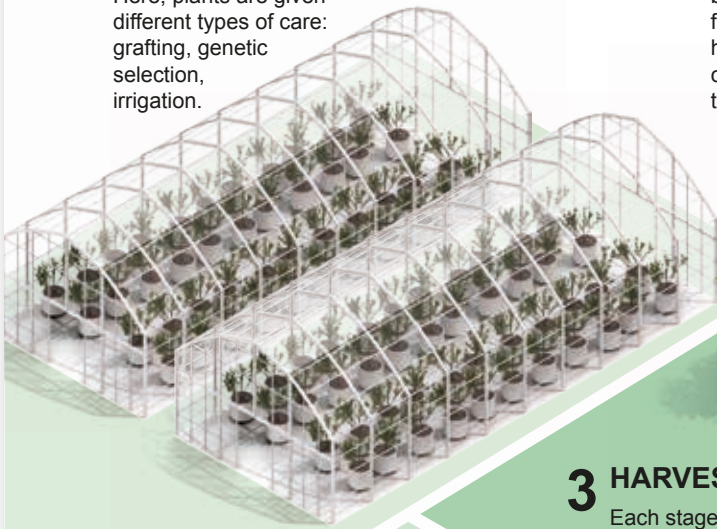
San Miguel in numbers

Key economic and financial indicators (in ARS)	2012	2013
Direct Economic Value		
Net Sales	938,708,676.0	1,203,801,463.0
Revenue from Financial Investment	1,345,972.8	1,021,518.5
Sale of Assets	4,563,476.0	-8,648,425.0
Direct Economic Value Distributed		
Payment to Suppliers	774,712,150.9	1,050,206,539.1
Salaries, Wages and Employers' Contributions	194,022,560.0	245,747,285.0
Payment to Providers of Capital	34,326,088.8	38,450,668.5
Investment in Property, Plant and Equipment and Other Assets	38,010,994.0	49,319,773.0
Investment in the Community	1,029,757.4	1,637,259.9
Taxes		
Direct Taxes	7,527,691.0	7,462,174.6
Taxes, Levies and Contributions	3,240,992.0	3,156,736.9
Income Tax	14,350,022.0	75,401,709.0
Net Income for the Year	20,394,658.0	93,683,653.0
Total Capitalization	1,650,114,791.0	1,906,231,400.0
Shareholders' Equity	601,533,183.0	722,234,883.0
Non-current Loans	277,102,163.0	289,491,495.0
Current Loans	368,031,360.0	382,816,326.0

A knowledge-based company

1 NURSERY

This is the place where plants are grown before being taken to the farms. Here, plants are given different types of care: grafting, genetic selection, irrigation.



a) With clippers: When the citrus are to be packed as fresh fruit, they are harvested using clippers and transported in bins.



3 HARVESTING

Each stage complies with the safety processes required to keep fruit quality. There are two different harvesting methods:

2 FARMS

After carrying out an adequate preparation of the soil, the next step is planting. At the farms, plants undergo a phytosanitary treatment, pruning, irrigation and nutrition, taking particular care that their management is sustainable at all times, until the fruit is ready for harvesting.



b) By hand: When the fruit is to be processed, it is harvested by hand, using no tools, and transported both in bulk and in bins.

4a FRESH FRUIT PACKING

At this point, the fruit undergoes the treatments necessary to ensure that it is kept in good conservation conditions until it reaches its final destination.

The fruit is washed, cleaned with brushes and then classified by color, size and quality.

Then it is packed in boxes for different presentations.

Pallets are prepared according to the requirements of each particular customer.

5 LOGISTICS

San Miguel's products are sent to 200 customers in 50 different countries.

4b PROCESSED FOOD

Operators set apart the fruit that is in a bad condition and remove any pieces of stone or other elements that may alter the final product.

Then the fruit is processed with grating machines to extract their oil.

Citrus are washed with water at high pressure and then separated according to their size.

Using the extractors and conducting the necessary processes, we get the citrus juice, pulp and peel, so as to meet the needs of each customer.

Our business areas

At San Miguel, we produce our own plants, from which we obtain the raw material to market it as fresh fruit and also fruit-derived food. This allows us to optimize the production process.

Fresh fruit

As a leading citrus producer, we exported 111,027 tons of citrus in 2013 from Argentina, Uruguay and South Africa, of which 65% were lemons and the remaining 35% were tangerines, oranges and grapefruits.

Together, our four company-owned packing plants (two in Tucumán —Famaillá and Lavalle plants— and two in Uruguay) and production in South Africa (outsourced service) have a production capacity of 1,670 tons of fresh citrus per day.

Processed fruit and vegetable products

Our diverse line of processed food includes:

- **Concentrated lemon, orange, tangerine and grapefruit juice:** mainly used by the beverage industry.
- **Non-concentrated lemon, orange, tangerine and grapefruit juice:** mainly used by the beverage industry.
- **Cloudy and clarified juice of different concentrations and pulp levels:** mainly used by the beverage industry.
- **Lemon, orange, tangerine and grapefruit essential oil:** for the flavoring and fragrance industries.
- **Distilled lemon oil.**
- **Folded (concentrated) lemon oil.**
- **Lemon terpenes.**
- **Lemon and orange dehydrated peel:** it is the main raw material for the production of pectin, basically used in the food industry, and to a lesser extent, in the pharmaceutical and cosmetic industries, as well as in animal feed products.
- **Other citrus by-products:** scents, essences and pulp. Special developments adapted to the needs of each customer.

World Leader in the Southern Hemisphere

We are the largest exporter of fresh lemon in the Southern Hemisphere and, internationally, we are among the largest companies engaged in lemon processing for food by-products.

Since 2000, we have expanded our offerings by incorporating sweet citrus, developing a growth plan for tangerines, oranges and grapefruits, mainly in Uruguay and South Africa.

Our farms in Argentina, Uruguay and South Africa are located in areas that, as a result of their agro-ecological characteristics, are ideal for counter-season citrus production. The final destination of those citrus is mainly the Northern Hemisphere markets.

- 7,555 ha of fields
- 30 company-owned farms
- 4 company-owned packing plants
- 1,670 tons of citrus packed a day
- 3 industrial plants
- 3,500 tons of fruit processed a day
- 30% of lemons processed in Argentina
- 15% of lemons processed worldwide

- World's leading fresh lemon exporter
- Over 200 customers in 50 countries

In 2013, as part of the process we are undergoing in order to go global, we acquired a new industrial plant in South Africa, framed as a joint venture with leading local producers of citrus. By acquiring the company Valor, which has changed its name to Venco, we have added a new industrial plant with which we can continue expanding our portfolio of high-quality processed sweet citrus (juice and oils), for the international market.

In 2013, we won the Argentine Exports Award, sponsored by the Argentine Ministry of Industry; the Ministry of Foreign Affairs and International Trade; and Prensa Económica.



02 | Corporate social responsibility for San Miguel

"We understand CSR as much more than just the relationship with the community, since it involves taking care of the environment; labor practices with our associates within the company; the relationship established with customers and suppliers and the transparency commitment to our shareholders, investors, the governments and other actors of the society.

We are a sustainable company: we consider long-term planning as the core of our development and in this sense, the reduction of risks or contingencies that may arise is a priority in all the operations of our businesses."

Lucas Méndez Trongé, Sustainability and Institutional Relations Director

2013 Highlights

The Institutional Relations Department expanded its area of responsibility to be also responsible for ensuring compliance with the initiatives intended to address the social, environmental and economic dimensions.

The members of the CSR Committee received training from outside experts in the last global sustainability trends and migration to the new GRI G4 Guidelines.

A two-day meeting was held for the alignment of the top management and the adjustment of the company's Strategic Plan.

2.1 Permanent commitment to CSR

We understand CSR as a conscious and consistent commitment to the full compliance with the purpose of the company, both internally and externally. Considering the expectations of all our stakeholders at economic, social and environmental level, showing respect for ethical values, transparency, the communities, the environment and our employees.

We seek to create economic, social and environmental value throughout our management. This implies:

- Fulfilling our business objectives and being a viable business.
- Creating decent work for our employees.
- Having an active, transparent and honest role with the community.

This is done through our permanent commitment to CSR and the scope we have defined. This commitment is composed of 6 dimensions, for which we have defined specific rules that serve as guidelines for our management and are listed in each chapter.

Our permanent commitment to CSR

- Promoting responsible business management within the organization.
- Contributing to our network of suppliers in the sustainable development of their business.
- Developing people in their human and economic aspects.
- Interpreting the needs of our customers and meeting them with integrity.
- Using natural and energy resources responsibly and sparingly.
- Going along with the development of the communities in our fields of activity.

Main CSR dimensions

Corporate governance	Transparent engagement with shareholders and investors, authorities and stakeholders in general, incorporating at all times the sustainability criteria and the corporate values of the organization.
Procurement	Relationships with suppliers and subcontractors, seeking to establish fair commercial conditions oriented towards a relationship that may be sustained over time.
Labor practices	Relationship with workers, especially including the good management in favor of the basic labor rights, health care, occupational safety and the permanent support for the development of associates.
Customers	Relationships with customers and consumers, preserving quality, harmlessness, safety and access to information in terms of products and services. As regards distribution, attention to the aspects of packaging and environmental protection for transport.
Environmental management	Relationships with the environment, with special emphasis on the efficient use of resources, preventing environmental pollution, promoting environmentally sustainable methods and technologies and encouraging environmental education in all areas where the company has a direct or indirect impact.
Social investment	Building the relationships with the community, defining scope guidelines based on the company's activities, reasonably and sustainably seeking to contribute to the satisfaction of the community needs. The purpose is to go along with the social capital growth in the communities in which we work.

2.2 Preparation of the 2013 Sustainability Report. Materiality Analysis.

In 2013, San Miguel conducted a new materiality analysis in order to identify relevant issues for the company, reflecting the economic, social and environmental impacts of the organization, as well as the business aspects that may influence the stakeholders' decisions.

This analysis was based on the principles of the "G4 Sustainability Reporting Guidelines", of the Global Reporting Initiative (GRI): Stakeholder Engagement, Sustainability Context, Materiality and Completeness.

The analysis was carried out in three stages:

Identification

Material issues were identified through the industry trend analysis, San Miguel's commitment to CSR, San Miguel 2012 Sustainability Report and the material issues informed, as well as the international Sustainability guidelines and standards: GRI G4, ISO 26000:2010 Standard, United Nations Global Compact. As a result, 71 material issues were identified.

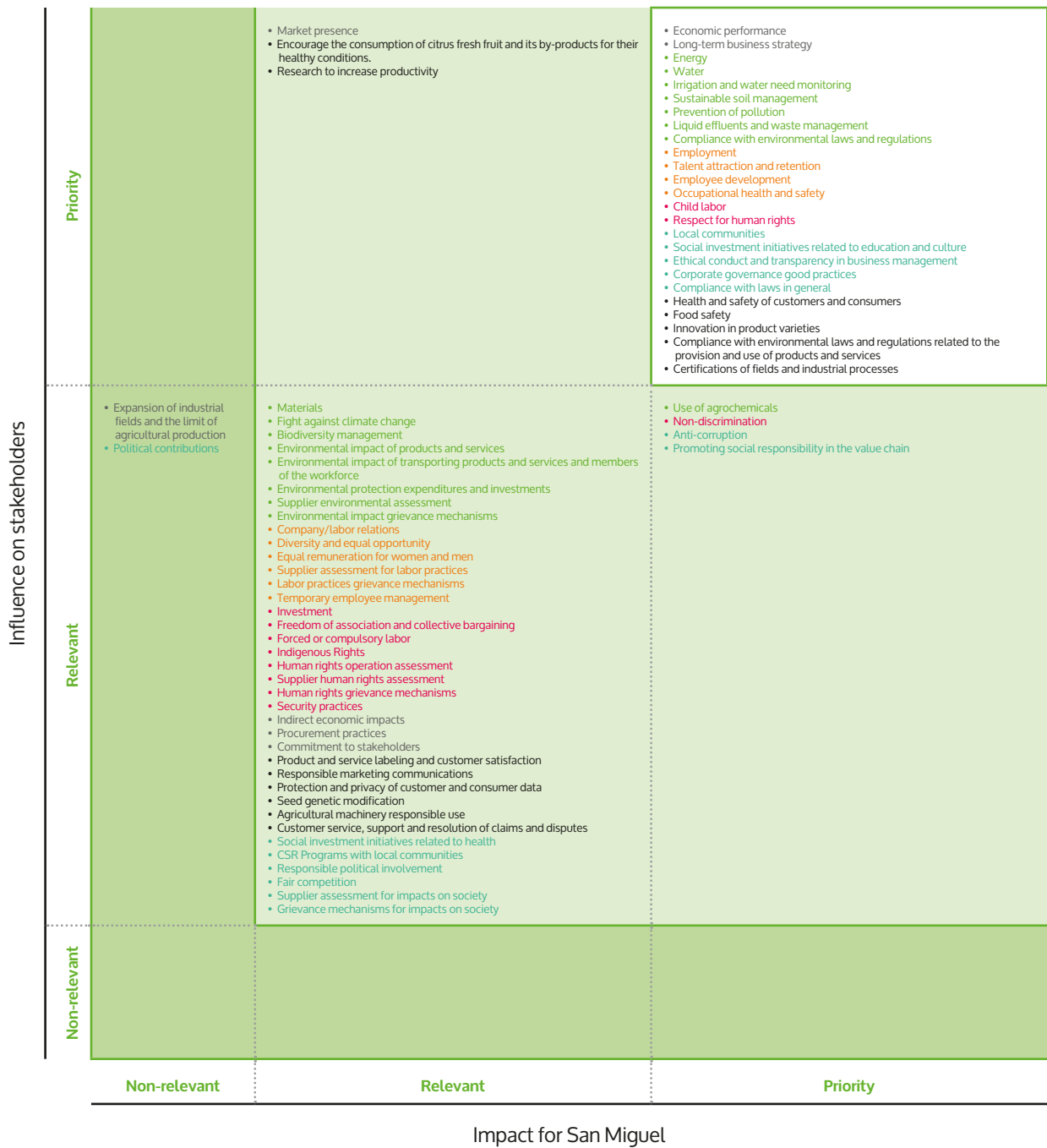
Prioritization

Members of San Miguel's Board and the CSR Action Committee, comprised by representatives from all company areas, took part in the prioritization of the material issues. Both groups selected each material issue according to relevance for San Miguel's Sustainability management. At the same time, they received training in the reporting process and the GRI G4 Guidelines. As a result, the Materiality Matrix was obtained, which has enabled to detect the material issues that must be addressed and treated in the Sustainability Report.

Review and Validation

The final Materiality Matrix was reviewed and validated by the Sustainability and Institutional Relations Department.

Materiality matrix



- Strategy and Economic Performance
- Environmental Performance
- Social Performance: Labor Practices

- Social Performance: Human Rights
- Social Performance: Impact on the Local Community
- Social Performance: Product Responsibility

Relationship between priority and relevant aspects and the GRI G4 Aspects (1)

Influenced stakeholders (4)

Aspect	Materiality Matrix - Priority Relevant	Related GRI G4 Aspect (2) (3)	Influenced stakeholders (4)
Economic Performance	P	EC Economic Performance	A, C, Cl, T, G, P, MA
Market Presence	R	EC Market Presence	A
Indirect Economic Impacts	R	EC Indirect Economic Impacts	A, C, Cl, T, G, P, MA
Procurement Practices	R	EC Procurement Practices	C, Cl, P
Long-term Business Strategy	P	(5)	A, C, Cl, T, G, P, MA
Commitment to Stakeholders	R	(5)	A, C, Cl, T, G, P, MA
Materials	R	EN Materials	MA
Energy	P	EN Energy	MA, T, P
Water	P	EN Water	MA
Irrigation and Water Need Monitoring	P	EN Water	MA
Sustainable Soil Management	P	(5)	MA
Biodiversity Management	R	EN Biodiversity	MA
Fight against climate change	R	EN Emissions	C, T, MA
Prevention of pollution	P	EN Effluents and waste	Cl, C, T, P, MA
Liquid effluents and waste management	P	EN Effluents and waste	MA
Use of agrochemicals	R	(5)	MA
Environmental impact of products and services	R	EN Products and services	Cl, MA
Compliance with environmental laws and regulations	P	EN Compliance	MA, G
Environmental impact of transporting products and services and members of the workforce	R	EN Transport	T, MA
Environmental protection expenditures and investments	R	EN Overall	MA, G
Supplier environmental assessment	R	EN Supplier environmental assessment	P, MA
Environmental impact grievance mechanisms	R	EN Environmental grievance mechanisms	MA
Employment	P	LA Employment	T
Talent attraction and retention	P	LA Employment	T
Company/Labor Relations	R	LA Labor/Management Relations	A, G, T
Occupational Health and Safety	P	LA Health and safety at work	T
Employee development	P	LA Training and education	T
Diversity and Equal Opportunity	R	LA Diversity and equal opportunity	T, C
Equal remuneration for Women and Men	R	LA Equal remuneration for women and men	T
Supplier Assessment for Labor Practices	R	LA Supplier assessment for Labor Practices	P
Labor Practices Grievance Mechanisms	R	LA Labor practices grievance mechanisms	A, T
Temporary employee management	R	LA Employment	T, C

Relationship between priority and relevant aspects and the GRI G4 Aspects (1)

Influenced stakeholders (4)

Aspect	Materiality Matrix - Priority Relevant	Related GRI G4 Aspect (2) (3)	Influenced stakeholders (4)
Investment	R	HR Investment	T, C, A
Non-discrimination	R	HR Non-discrimination	T, C, G
Freedom of Association and Collective Bargaining	R	HR Freedom of association and collective bargaining	T, C, G
Child Labor	P	HR Child labor	T, C, G
Forced or compulsory labor	R	HR Forced labor	T, C, G
Security Practices	R	HR Security measures	T
Indigenous Rights	R	HR Indigenous rights	C
Human Rights Operation Assessment	R	HR Assessment	A, T, C
Supplier Human Rights Assessment	R	HR Supplier Human Rights Assessment	A, P
Human Rights Grievance Mechanisms	R	HR Human rights grievance mechanisms	C, G
Respect for human rights	P	HR Assessment	C,T,A,G,P
Local Communities	P	SO Local communities	C
Social investment initiatives related to health	R	SO Local communities	C
Social investment initiatives related to education and culture	P	SO Local communities	C
CSR Programs with local communities	R	SO Local communities	C
Anti-corruption	R	SO Fight against corruption	A, T, P, G
Ethical conduct and transparency in business management	P	SO Fight against corruption	G, A
Corporate governance good practices	P	(5)	G, A
Responsible political involvement	R	(5)	G
Fair competition	R	SO Anti-competitive behavior	C, G
Compliance with laws in general	P	SO Compliance	A, G
Promoting social responsibility in the value chain	R	(5)	P, G
Supplier Assessment for Impacts on Society	R	SO Supplier assessment for social impact	C, P
Grievance Mechanisms for Impacts on Society	R	SO Grievance mechanisms for social impacts	C, G
Health and Safety of customers and consumers	P	PR Customer health and safety	Cl
Food safety	P	FP Healthy and affordable food	C, Cl
Encourage the consumption of citrus fresh fruit and its by-products for their healthy conditions	R	FP Healthy and affordable food	C, Cl
Product and service labeling and customer satisfaction	R	PR Product and service labeling	Cl
Responsible marketing communications	R	PR Marketing communications	C, Cl
Protection and privacy of customer and consumer data	R	PR Customer privacy	Cl
Research to increase productivity	R	(5)	Cl

Relationship between priority and relevant aspects and the GRI G4 Aspects (1)

Influenced stakeholders (4)

Aspect	Materiality Matrix - Priority Relevant	Related GRI G4 Aspect (2) (3)	Influenced stakeholders (4)
Seed genetic modification	R	(5)	CL
Innovation in product varieties	P	(5)	CL
Agricultural machinery responsible use	R	(5)	CL, T
Certifications of fields and industrial processes	P	PR Customer health and safety	CL
Customer service, support and resolution of claims and disputes	R	PR Product and service labeling	CL
Compliance with laws and regulations related to the provision and use of products and services	P	PR Compliance	A, CL, G

(1) Aspects identified as "Non-relevant" according to the materiality analysis are not included.

(2) Some aspects are identified as N/A as they are not directly applicable to a GRI category and aspect; they rather correspond to San Miguel's permanent commitment to CSR and the main CSR dimensions identified by the company, the ISO 26000 standard or trends of the industry in which the company operates.

(3) References: EC: Economy. EN: Environment. LA: Social performance - labor practices. HR: Social performance - human rights. SO: Social performance - Society. PR: Social performance - Product responsibility. FP: Sector supplement - Food processing.

(4) References: A: Shareholders. C: Community. CL Customers. G: Governance. MA: Environment. P: Suppliers T: Workers

(5) Aspects related to the general disclosures of the GRI G4 Guidelines as they are aspects related to San Miguel's commitment to CSR and the dialog with its stakeholders.

2.3 CSR Structure

Responsible business management is not possible without the engagement of the Top Management. We work year after year not only to integrate CSR into the business strategy and our daily activities with stakeholders, but also to make the organizational structure more professional in this respect.

With this in mind, and as a result of the training periodically taken, San Miguel Board decided to adopt CSR across all business areas.

For this, we have a **CSR Committee** since 2012, consisting of three Board members and coordinated with the top management of the company, including the CEO, the HR Director and the Sustainability and Institutional Relations Director. This Committee is aimed at driving a systematic comprehensive plan aligned with San Miguel business vision.

This team held 3 meetings over 2013 in order to define strategic criteria for each CSR field, doing follow-up and providing permanent support to different initiatives undertaken by the company.

We also have a **CSR Steering Committee**, consisting of 10 directors assigned to different CSR fields. Its responsibilities in this respect include approving the company's Sustainability Report.

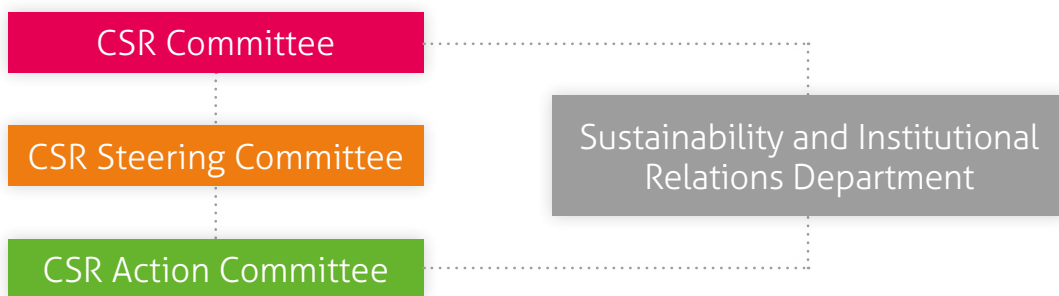
On the other hand, the **CSR Action Committee**, composed by 25 executives who represent different operating areas of the company, contributes by providing information inside the company on the initiatives undertaken, as

well as facilitating their operational implementation. It held 2 meetings in 2013 in order to discuss initiatives and get to know projects related to the 6 CSR fields.

This committee receives sustainability training, including international reporting trends and standards. It is also a forum for discussion, analysis and presentation of proposals from the organization's associates and that may eventually be considered for adoption into the company's CSR plan.

The **Sustainability and Institutional Relations Department** is the area that arranges the activities related to sustainable development at the company. It was formed in 2011 and it is expected to be enlarged by 2014, being the guardian of compliance with the initiatives intended to address the social, environmental and economic dimensions.

In 2013, a joint meeting of the CSR Committee was held, in which the last trends on Sustainability and the new GRI G4 Guidelines were presented. Additionally, by the end of 2013, a two-day meeting was held for the alignment of the Top Management and the adjustment of the company's Strategic Plan.



2.4 Dialog with Our Stakeholders

San Miguel understands that our decisions and activities may affect the interests of an individual or group. The identification of our stakeholders contributes to understanding the impacts of our decisions and activities.

The dialog with them is a mechanism to address social responsibility management by giving it a well-founded basis for our decisions. Working on the 6 CSR dimensions that we have identified allowed us to establish different communication channels with our stakeholders.

Stakeholder	Communication Channels
Corporate Governance	<ul style="list-style-type: none"> • Regular meetings for discussing the budget and crop year, with the participation of the Board and middle-level positions. • Relationship with national and provincial authorities.
Workers	<ul style="list-style-type: none"> • Suggestion box of SoMos (in-house magazine): direccionrrhh@sa-sanmiguel.com • Web page contact form www.sa-sanmiguel.com • SoMos Magazine. • Presentations on news and business follow-up. • Dialog with members of the CSR Action Committee.
Customers	<ul style="list-style-type: none"> • Visits to the Plant. • Customer Service Department. • International Exhibitions. • CSR Audits and other certifications.
Suppliers	<ul style="list-style-type: none"> • E-mail. • Telephone. • Notices sent by the Purchase Department to suppliers. • Individual meetings. • Cooperation in import management.
Community	<ul style="list-style-type: none"> • Before developing programs, we make a diagnosis of the needs of the communities in which we are involved. • Diagnosis prior to house donation. • Engagement with the authorities of nearby municipalities. • Meetings with principals and teachers of rural schools and area supervisors of the Education Ministry. • Joint work with producers.
Environmental Management	<ul style="list-style-type: none"> • Awareness actions for the efficient use of resources. • Environmental Management Reports requested by control bodies and financial institutions.

Dialog on the 2012 Sustainability Report

In 2013, we had a consultation as way of "dialog" with the members of the **CSR Action Committee** on the 2012 Sustainability Report. It was made under the criteria proposed by AccountAbility AA1000SES Stakeholder Engagement Standard.

The expectations of those who participated in the dialog are useful to improve our Sustainability Reports and were taken into account to prepare this document. Below are San Miguel's answers to the suggestions made.

Topic on the 2012 Sustainability Report	Expectations or Suggestions	Response to Expectations
General Aspects of the Report	Use fewer technicalities to describe our production processes.	
	Provide more information in some tables and charts requiring further explanation. E.g., the materiality matrix.	
	Check relationship between photographs and contents presented.	
	Provide data and indicators for all the countries where we operate.	San Miguel is undergoing a process to standardize its management model and its indicators, and this process comprises all countries.
	Use thinner, more flexible paper. Consider using ecological paper when preparing the report.	Only a summary version will be printed using FSC-certified paper.
	Define and standardize more indicators to assess how our programs evolve and progress.	As San Miguel is undergoing a process to standardize its management model and its indicators, and this process comprises all countries, this expectation is still pending as a challenge to be faced in the future.
Our Company and Corporate Governance	Point out that we produce pulp in the diagram representing "San Miguel Production Processes."	
	Underscore "Our Values," especially regarding Social and Environmental Responsibility.	
CSR for San Miguel	Include graphics that clearly show the CSR structure.	
	If appropriate, report further achievements in the Awards and Acknowledgments section.	The awards and acknowledgments included in this section are those considered relevant for the Sustainability Report.
Fair Operation Practices	No suggestions made.	
Labor Practices	Replace heading of the "Pay and Benefits" (Remuneraciones y Beneficios) section with "Compensation and Benefits" (Compensaciones y Beneficios), which is, in fact, the name used for this Area at San Miguel.	
	Check the list of Benefits, set benefits apart from actions related to work-life balance.	
Customer Matters	In the section "Customers in Numbers" include comparable variables that allow measuring and weighing each unit.	
Environment	Provide information to foster environmental care.	
Community	Put further emphasis on program quantitative indicators. For instance, the table on "Changes in the Nutritional Status at Schools Receiving Assistance."	
Achievements and Challenges	Establish a relationship between each objective and the challenge it raises.	
	Define measurable objectives.	As San Miguel is undergoing a process to standardize its management model and its indicators, and this process comprises all countries, this expectation is still pending as a challenge to be faced in the future.

Expectation met
 Expectation still pending



03 | Corporate governance

"At San Miguel, several factors converge to help grow and achieve better results. On the one hand, a shareholder with a deep knowledge of the business, an established reputation in the investment community and a satisfactory level of involvement in everyday activities. On the other hand, a very clear vision of the future based on consensus and embodied in a Board of Directors that represents the shareholders' ideas and a professional independent managerial team. The convergence between a clear vision, a well-defined strategy and the alignment of the Board of Directors, the managerial team and the objective pursued gives San Miguel an advantage when it comes to putting that strategy into practice."

Alejandro Daireaux, Chief Financial Officer

2013 Highlights

Consolidation of matrix model of the managerial team.

Launch of Ethics Code signed in adherence by 100% of our employees, including Top Management.

Specific Rules for Corporate Governance

Foster initiatives consistent with the strategic plan aimed at being a socially responsible company, promoting transparent and fair engagement with all stakeholders.

San Miguel governance is composed by the Board, the Executive Committee and the Executive Directors, committed to ensure transparency and clarity within the business, fair treatment for all shareholders and responsibility in all forms of communication.

The Executive Committee consists of 4 directors and the general manager (Martín Otero Monsegur, Agustín Otero Monsegur; Gonzalo Tanoira, Cristián López Saubidet, and Romain Corneille –CEO–), who meet every 15 days in order to follow up the main initiatives and strategic projects of the company. All these issues identified as relevant for the company's sustainability are treated by such governance body for analysis and subsequent validation.

Management and control of the company are shared by the shareholders, represented at the General Meetings, the Board and the CEO according to the corporate laws applicable in Argentina to companies trading at the Buenos Aires Stock Market.

The Board is composed by 9 members who hold regular meetings. All non-executive directors are present there with the CEO and CFO.

Members of the (Non-Executive) Board

- Gonzalo Tanoira
- Luis Roque Otero Monsegur
- Tristán Miguens
- Miguel Crotto
- Agustín Otero Monsegur
- Martín Otero Monsegur
- Rubén Dario Patrouilleau
- Pablo J. Taussig
- Cristián López Saubidet

Our Audit Committee is composed by three permanent members and one deputy member, appointed from the Board members.

By going global and incorporating activities in South Africa and Uruguay into the operation in Argentina, our organizational structure was redesigned to optimize the general management. Based on a matrix structure, it consists of 7 Corporate Departments the members of which have executive functions and report directly to the company's CEO.

The Country Manager has integral responsibility for the management in each country in which we have an operating presence, and is a direct report of the CEO, and has full coordination with the Corporate Departments.



Communication between the Board and employees is led by the CEO who, together with his executive director team, is responsible for the internal communication of the company's action plans.

3.1 Anti-corruption Practices

Our Code of Ethics

Integrity is one of the essential values of San Miguel, which guides our actions in an ethical, respectful and honest way. We seek to be transparent, trustworthy, honoring our commitments and establishing honest relationships with all the public to whom we relate.

Within this framework, and taking into account that the world trend is aimed at higher regulation on transparency and corporate corruption, our Code of Ethics establishes general guidelines for action so that San Miguel's values are reflected in our daily actions, decisions and attitudes. The mission of the Ethics Tribunal, composed by 5 Directors of the company and the CEO, is to ensure compliance with this Code.

In 2013, we delivered the Code to all employees at events in which the Human Resources and Institutional Relations Directors presented the purpose of the initiative. The staff, after reading the code, returned a signed form in which they stated to have read it and promised to respect it, achieving 100% of adherence from our employees. At present, the delivery of this code is part of the induction process of new associates.

If you have any question or want to report any irregularity or breach of the Code, you may call our hotline (0800-888-7264 from Argentina or +54911-4721-8390 from abroad) or send an e-mail with your report (codigodeetica@sa-sanmiguel.com). During this first year of life, no incidents were reported or complaints made on issues covered by the company's Code of Ethics.

Ethical Trading Initiative Audits

The Ethical Trading Initiative is based on the principle of adopting internationally agreed standards as part of the codes of labor practices of the company.

This is a mutual cooperation tool among companies, non-governmental organizations and trade unions, committed to working jointly to identify and promote good practices in the execution of labor conduct codes, including monitoring and verification. Through this initiative, 9 aspects are assessed:

- Free choice of employment.
- Respect for freedom of association and the right to collective bargaining.
- Safe and healthy working conditions.
- No child labor.
- Living wage pay.
- Non-excessive working hours.
- Non-discrimination.
- Regulated work.
- Abolition of violent or inhuman treatment.

In 2013, we successfully finished the auditing process of the Ethics Trading Initiative in the three countries in which we operate.

3.2 Relationships with other organizations: initiatives to which we adhere

We work in alliance with different institutions and chambers of different countries in order to promote sustainable development. We support and form part of:

- **All Lemon**
- **Asociación Conciencia**
- **Asociación fitosanitaria del NOA** (Phytosanitary Association of Argentine Northwest)
- **Asociación Tucumana del Citrus** (Tucuman Citrus Association)
- **Cámara de ASIA** (Asia Chamber)
- **Cámara de Comercio Uruguayo Británica** (British-Uruguayan Chamber of Commerce)
- **Cámara de Exportaciones de la República Argentina** (Argentine Chamber of Exporters)
- **Cámara de Exportadores de Citrus del Uruguay** (Chamber of Citrus Exporters of Uruguay)
- **Cámara de la Industria Cítrica de la República Argentina** (Argentine Chamber of the Citrus Industry)
- **Cámara Nacional de Comercio y Servicios del Uruguay** (Chamber of Commerce and Services of Uruguay)
- **Centro de investigación y asistencia técnica a la Industria or CIPPEC** (Center of Research and Technical Assistance for the Industry)
- **Citrus Grower Association** (South Africa)
- **Coordinadora de las Industrias de Productos Alimenticios or COPAL** (Food Product Industry Coordinator)
- **Federación Argentina del Citrus** (Argentine Citrus Federation)
- **Federación Económica de Tucumán** (Tucumán Economic Federation)
- **Fresh produce exporter forum**
- **Fundación del Tucumán** (Tucumán Foundation)
- **Fundación Red de Acción Política** (Political Action Network Foundation)
- **United Nations Global Compact**
- **Perishable Products Export Control Board**
- **Unión de Exportadores del Uruguay** (Exporter Union of Uruguay)
- **Unión de Productores y Exportadores Frutihortícolas del Uruguay** (Fruit and Vegetable Producer and Exporter Union of Uruguay)
- **Unión Industrial Argentina** (Argentine Industrial Union)
- **Universidad de la República de Uruguay**
- **Universidad Nacional de Tucumán**
- **Universidad de San Andrés**



04 | Procurement

"The supply sector is strongly focused on sustainability, particularly as regards the lower consumption of materials and supplies. The reduction of the kilograms of paper used in each box is something we have been working on for several years now, with excellent results. Our commitment to sustainability is also evidenced by the relationships with our suppliers. In order to improve our processes and make them more efficient and sustainable, we included environmental and CSR requirements in the supplier assessment and shared the Innovation Day with them."

Fernando de Achával, Supply Chain and Technology Director

2013 Highlights

We included criteria based on the contributions of each supplier in terms of environment and CSR into the Supplier Assessment procedure.

We held the first Innovation Workshop with strategic suppliers.

A textile production undertaking was created to supply the citrus industry with clothes, thus creating jobs all year round for the immediate families of San Miguel's temporary workers.

4.1 Social Responsibility in the value chain: our suppliers

Specific Rules for Suppliers

- Encourage professional practice development of critical suppliers.
- Promote the understanding of the benefits of being a socially responsible company.
- Always respect the identity and interests of suppliers.

Our supplier base ranges from big multinational companies to small firms and SMBs, being a key network for our business. One of our pillars is contributing with our contractors to the sustainable and responsible development of their business.

Based on ISO 26000 standard (Social Responsibility), San Miguel understands that we influence other organizations, through our acquisition and purchase decisions. Our leadership and support throughout the value chain enable us to promote the adoption and support of social responsibility principles and practices.

In order to prevent or minimize any negative impact, we implement a supplier auditing system. Through these audits we transmit the meaning of quality for San Miguel, assess their way of working in terms of health/safety, health and safety conditions, social responsibility and labor law compliance.

We keep a close contact with our suppliers through visits, individual meetings, e-mail, notices sent by the Purchase Department. We held multiple teleconferences with suppliers from abroad on import management in 2013.

Number of supply providers

	2012	2013
Direct	433	88
Indirect	151	357
Mixed	-	23
TOTAL	584	468

2013 Suppliers by region

Region	Number of Suppliers	Region	Number of Suppliers
Tucumán	248	San Luis	2
Buenos Aires	165	Catamarca	1
Santa Fe	16	Chaco	1
Córdoba	11	Jujuy	1
Mendoza	9	Misiones	1
Salta	5	San Juan	1
Río Negro	3	Santiago del Estero	1
Entre Ríos	3	Outside Argentina	20
TOTAL	488		

We always prefer local suppliers in order to support our surrounding communities. "Local" means suppliers within San Miguel's operation area in each country in which we operate. Local suppliers in Argentina account for 50.8% of total suppliers.

Based on this selection of suppliers, only a small percentage of the company's purchases are made from suppliers from abroad (technology equipment and some strategic production supplies). In 2013, 80% of purchases were made from local suppliers and only 20% were made from suppliers from abroad.

4.2 Supplier selection and assessment

Within the framework of our Supplier Assessment Policy, all suppliers are annually assessed by the company's procurement and quality assurance staff.

This assessment is based on a number of parameters which include: past experience of the supplier with our company, similar supplies and/or services, sample assessment, quality certifications, history of the supplier with other companies of the industry, and the previous audit and assessment of the supplier made by Quality Management.

Being aware of our impact on the environment and society, in 2013 we included criteria based on the contributions of each supplier in terms of environment and CSR into the Supplier Assessment procedure.

We will start using a new form in 2014. This form asks the suppliers if their company has any CSR policy and environmental protection policy, and requests to explain it. So far, these requirements are not essential unless irregularities are detected in this respect.

4.3 Value chain programs

We conduct researches with the suppliers of the major supplies, such as jointly developing boxes for the transport of fresh fruit, as well as on-site research and training with suppliers of containers for shipping goods, and take part in the implementation of new collapsible packaging systems in the industry.

Responsible management of supplies and raw materials

With the aim to achieve a responsible management of our products, we work to promote responsible supply practices with our suppliers. In order to reduce the environmental impact of our value chain and increase its logistic efficiency, in 2013 we developed several reuse and recycling initiatives for our supplies and raw materials:

- We employ a reverse logistics process after using the wood pallets or platforms with which we receive our cardboard packages so that they will be reused for the same purpose. This product is permanently removed from the interchange circuit after several uses.
- We started to acquire whitewash in packages called big-bags (big disposable polypropylene bags), instead of 25 kg bags. Once their content is used, these bags are re-sold to one of our suppliers, who restores them for subsequent reinsertion into the whitewash procurement logistics. The use of this bag makes transport, storage and distribution logistics more efficient.
- We purchase phosphoric acid in 100 L IBC plastic containers. Once their content is used, these containers are reused in our warehouses to contain and receive caustic soda.
- We have chosen to replace caustic soda pearls with liquid caustic soda. This change enabled us to: reduce supplier's electric energy consumption (since solid caustic soda is made from liquid soda that must be solidified); reduce water consumption at our plant; reduce container generation (polypropylene bags containing soda pearls); and reduce occupational accidents.

Production Undertaking Program

Under the Cooperation Agreement among Tucumán Citrus Association (Asociación Tucumana del Citrus), the Food Industry Trade Union (Sindicato de Trabajadores de la Industria de la Alimentación, STIA) and the government of Tucumán, a textile production undertaking was created in 2013 to supply the citrus industry with clothes, thus creating jobs all year round for the immediate families of San Miguel's temporary workers.

The project enables 40 women from Famaillá, who are the wives of temporary workers of our company, to enter the local market through a textile production consortium, which manufactures work clothes for the company.

During the year, the Ministry of Education of the province offered training courses to teach seamstresses how to use the industrial machines, while the Province Cooperative and Mutual Action Institute (Instituto Provincial de Acción Cooperativa y Mutual) provided training to develop entrepreneurial management skills. San Miguel is committed to purchasing 100% of production to provide our employees with clothes, as well as cooperating with the Transport Secretariat in negotiations with the Labor Ministry to obtain the funds required for the purchase of sewing machines.

This project contributes to mitigating the chronic problem of temporary work in Tucumán, allowing the wives of our employees to enter the labor market and also contribute to household finances when the employment contracts of their husbands expire. This way, the possibilities of having child domestic work in those families are minimized and the heads of the family do not have to migrate in search of temporary work in other provinces.

Innovation Workshops

San Miguel encourages innovation and creativity at each position and process, since this fosters leadership towards the stringent markets. We believe that "innovation" is the engine that turns ideas into value.

In order to promote and encourage creative thinking, continuous improvement and the search for innovations, we have held the first Innovation Workshops.

These workshops consisted of work meetings to which we invited a group of suppliers strategically selected based on their wealth of proposals, ideas and change and innovation spirit, to interact with key employees from different areas of San Miguel related to Production, Research and Development and Procurement.

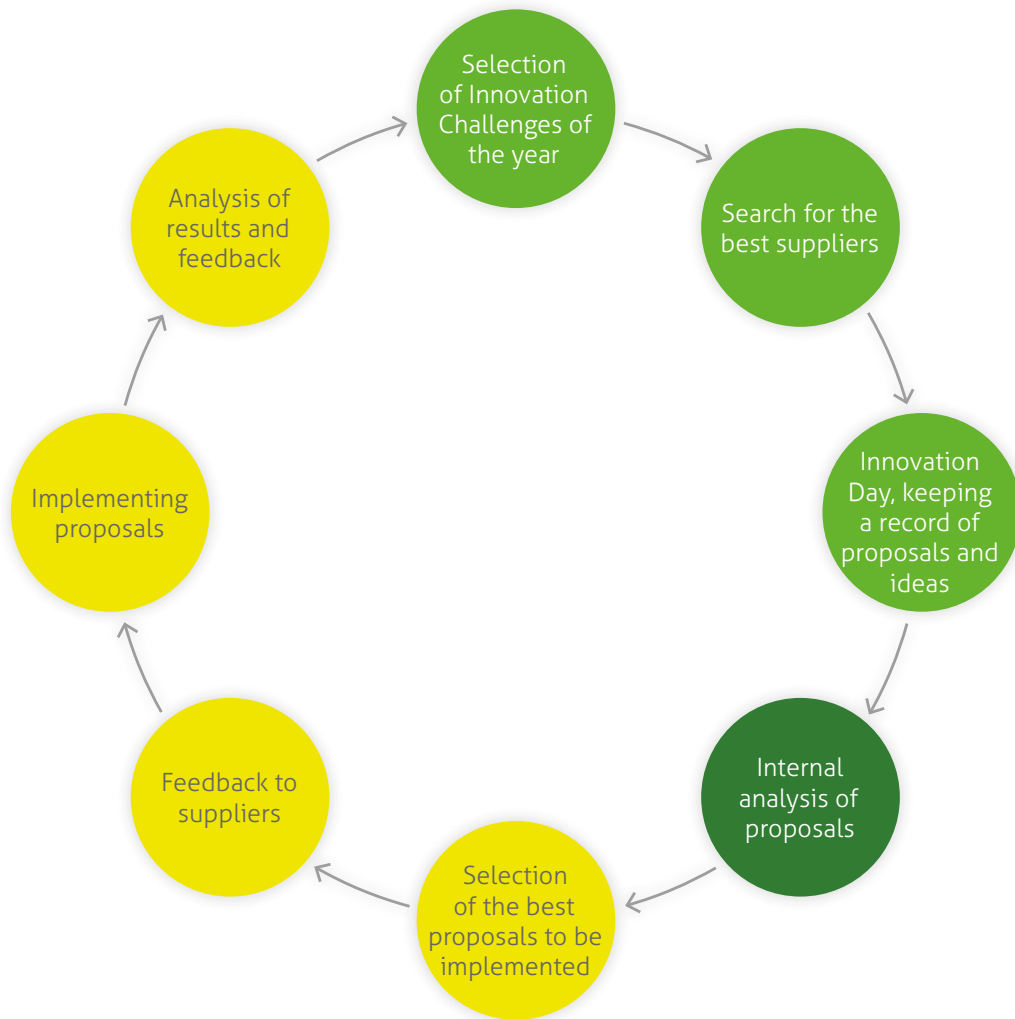
Using a teamwork approach, discussions were held on several topics, problems and ideas which the company considers that could be gradually improved in aspects such as productivity, quality, sustainability and use of new materials, among others.

As a result of this meeting, there were 20 proposals for innovation in the areas of Fresh Fruit, Field Operations, Industry, Laboratory and Maintenance, seeking to impact on the following aspects: Fruit Quality, Costs, Differentiation, Decommoditization, Maintenance, CSR, Safety and Drought.

After analyzing the proposals and their impact, among others, we approved these initiatives to be implemented in the following year:

- Dual fuel system (gas oil + LPG) in stationary engines at farms, to improve combustion efficiency and reduce gas oil consumption.
- Development of alternative packagings for fruit, which will increase the amount of fruit transported by pallet and will result in significant logistic savings throughout the chain.
- New technology to apply fungicides after harvesting, so as to minimize the use of chemicals in the packing process.
- Mechanization of the harvesting process to increase efficiency and productivity and reduce the use of fuels and agricultural machines.

Project Stages





05 | Labor practices

"The families formed by each associate of San Miguel have always been our main driving force. San Miguel has historically had a reputation for providing them with support, career development opportunities and a safe environment, but, most of all, for being a unique employer. We put emphasis on the development of people and trust in their potential at all positions and levels, prioritizing internal equity and providing equal opportunities".

Juan Martín Barbeito, HR Director

2013 Highlights

We revised processes and unified the work methodology in Health and Safety.

We defined the Succession Plan for the Company up to middle-level positions, by creating individual development plans and delivering workshops to develop generic skills for those involved.

We strengthened the internal communications program in Argentina, and focused on reaching all the areas that lack the necessary technology resources to access information and thus foster the sense of ownership in the company.

Specific Rules for Labor Practices

- Raise awareness among top managers, middle managers and supervisors on the strategic relevance of being a socially responsible company.
- Always prioritize the safety and health of our people.
- Promote the integral development of the company's associates.
- Ensure compliance with all labor laws.
- Attract and retain talented workers by positioning San Miguel as the best company to work in its strategic markets.

5.1 Our employees in numbers

2013 human resources by region

Region	As of August 2013			As of December 2013		
	Permanent	Temporary	Total	Permanent	Temporary	Total
Argentina	748	4,577	5,325	693	526	1,219
Uruguay	201	2,119	2,320	211	247	440
South Africa	55	303	358	46	38	84

Employees – As of August 2013 – Argentina

	Men	Women	Total 2013	Total 2012
Total employees	4,850	475	5,325	5,315

By category

Director	9	0	9	9
Manager	21	3	24	15
Head	63	19	82	43
Employee	180	64	244	270
Operator	4,577	389	4,966	4,976(*)

By seniority

Average seniority	6.6	6.0	6.5	
30 years	197	6	203	203
25-29 years	25	3	28	32
20-24 years	113	12	125	99
15-19 years	158	18	176	171
10-14 years	452	27	479	444
5-9 years	1,449	166	1,615	1,707
Less than 5 years	2,456	243	2,699	2,825

By age

Average age	38	40	38	44
Staff older than 45 (%)	19% (940)	26.9% (128)	20.1% (1,068)	18,5% (1,016)

Employees – As of August 2013 – Argentina

	Men	Women	Total 2013	Total 2012
By type of job				
Full-time	4,849	474	5,323	5313
Part-time	1	1	2	2
By type of contract				
Indefinite period or permanent employment contract	658	90	748	743
Fixed-term or temporary employment contract	4,192	384	4,576	4571
Trainees	0	1	1	1
Other indicators				
Number of employees with disabilities	1	1	2	1

(*) This figure refers to temporary and permanent associates during the high season, both of the company and of third parties.

Respect for and Management of Human Rights

At San Miguel, business management takes into account international agreements based on universal principles of respect for human rights: United Nations Global Compact, International Labour Organization, GRI and ISO 26000.

Within this framework, our policy is to be an equal opportunity employer, basing labor relationships on the principle of equal opportunities and fair treatment.

Specifically, we make the following commitments:

- **No Child Labor:** we do not employ children under 18 in any manner that may constitute a form of economic exploitation, or which may be dangerous, may interfere with education, or may be harmful for their health or for their physical, mental, spiritual, moral or social development. For San Miguel, the operations considered to carry a potential risk of child exploitation incidents are those referred to harvest. In this connection, we carry out random attendance checks during the crop season, in order to detect those problems. No breaches were reported in 2013.
- **We believe in freedom and in the right to choose decent work:** we do not use forced labor, consisting in any kind of work or service which is not done voluntarily or which is demanded from an individual under the threat of violence or punishment. To support the right to decent work and prevent any form of forced labor, we carry out year-round random attendance checks at the farms.
- **We promote diversity and respect for individual differences:** all employees and applicants are considered for the available vacancies, regardless of their religion, gender, age, race, color, national origin and physical ability, except when they must meet specific requirements based on conditions that translate into specific physical demands.
- **Employees' right to freedom of association:** we let employees use our facilities to hold elections of legal representatives and authorize them to participate in meetings with union representatives (on a weekly basis during the high season and on a monthly basis off-season) during working hours. All communications with union representatives are open and respectful. The top authorities of San Miguel hold meetings with union leaders on a monthly basis and as required by extraordinary circumstances.

5.2 Diversity and social inclusion

We consider it essential to minimize with an aim to eliminate all types of discrimination practices, raise awareness and transfer this behavior to the personal and social lives of all members of staff.

San Miguel follows the following guidelines:

- Minimize with an aim to eliminate any kind of distinction, exclusion or preference that may give rise to rejection or unequal opportunities, in employability, treatment or occupation, based on any characteristic such as race, color, gender, sexual orientation, religion, political beliefs, national origin, social background, mental or physical disability, medical condition or age.
- Ensure that access to employment, education and career development or promotion policy is based on the capabilities of the people to do the job and not on conditions relative to the above.
- Promote equality and equity in the conditions related to employment contract, compensation, working hours, breaks, leaves of absence, vacations, social security, occupational health and safety; being them different only pursuant to Employment Contract Law No. 20.744 or the collective bargaining agreements applicable to San Miguel business.
- Not to draft or endorse provisions, clauses or decisions that may appear to be neutral but that may cause disadvantages for a person as compared to other people, being that such provisions, clauses or decisions do not respond to a legitimate purpose, or when the means used for their attainment are not appropriate.
- Promote and take advantage of individual and cultural differences in order to create a competitive advantage through new points of view and sensitivity to the local market of the community in which we are involved.
- Treat all associates with dignity, respect and recognition, generating a cooperative and tolerant work environment.

San Miguel encourages an inclusive work environment, we value differences and are ready to provide the support required by people with disabilities for their full development and thus achieve full participation in the work team.

Within this framework, we have contacted Fundación DISCAR, which develops its Eca program (European Union of Supported Employment). This method is part of a proactive policy that takes into account the United Nations Convention on the Rights of Persons with Disabilities.

After discussing several joint work alternatives, with the collaboration of MINKA (a foundation from Tucumán engaged in the integration of people with disabilities into society), in 2013 we hired a disabled individual for the Quality area of Famaillá Plant as a permanent associate of San Miguel.

South Africa Employment Equity Plan

The Employment Equity Plan is intended to promote equal opportunities and eliminate any form of discrimination at workplace. This is a five-year plan and an initiative fostered by South Africa Department of Labor.

Additionally, this initiative seeks to implement affirmative action measures for vulnerable groups, ensuring equal representation of all occupational levels at workplace.

5.3 Staff selection

San Miguel hires people based on their qualifications and skills, incorporating individual experience and the potential to contribute to our work culture.

Although our policy consists in looking for candidates within the organization to cover the vacant positions by promoting the company's employees, we also conduct external searches through universities, recruitment platforms and referrals.

In 2013, we received 560 job applications and 25 people joined the company: 20 analysts, 2 supervisors and 3 heads.

Associate Turnover - Argentina 2013

	Number of associates	% turnover (*)
Total turnover	262	4,9
By gender		
Women	26	5,5
Men	236	4,8
By age		
18-19 years old	0	0
20-29 years old	149	15,6
30-44 years old	49	1,5
Staff older than 45 (%)	64	6,2

(*) Calculated as the division between the number of employees who left the company and total employees at each year-end.

2013 New hires - Argentina

Total new hires	65
By gender	
Men	47
Women	18
By age	
18-19 years old	0
20-29 years old	30
30-44 years old	28
Staff older than 45	7

5.4 Staff training and education

Through our Training Plan, we intend that employees refresh and develop their skills, according to the general objectives of the organization.

Based on the process to identify training needs conducted in 2012, this year we have consolidated the company's Training Plan focused on technical training and the development of specific skills. In 2013, we had trainings in the following subject-matters:

Percentage of subject-matter of 2013 training courses

Subject-matter	Percentage(*)
Occupational Health and Safety	30%
Environment	5%
Quality	10%
Technical Training	30%
Management/Conduct	25%

(*) Implies the percentage on total training courses delivered at SA San Miguel

Additionally, we strive to run parallel programs that cover specific subjects. Some of the programs carried out in 2013 include:

- English Training Program: this program is considered a key aspect in staff development and applies to all those whose positions require English skills.
- Technical refresher workshops for Fruit Production leaders. This year, the members of this Department participated in three important events that enabled to refresh their technical experience and get training in the industry trends: Citrus Congress, CREA Congress and Tour GlobalGap.
- Technical Training for the Procurement area: the subject was "Purchase Management through Indicators" and 19 people, including area staff and internal customers, participated in the workshop.
- Technical learning for the maintenance area, including the following: programmable logic controller, graphic terminals, planning, material management.
- Costs for decision making: anyone could register for this training; participation amounted to 60 people.
- Training in Microsoft Office, Outlook, Power Point and Excel: we continued supporting the teams with basic management tools, having 126 employees trained.

Program for Finishing High School

We provide a growth opportunity for those associates who want to complete their primary and/or high school education and work at the same time. This is a flexible program and participants are guided by tutors. We started classes in 2013 with 35 participants both from our own staff and from third parties at Lavalley Plant.

Continuous Development and Learning Program in South Africa

The Program is endorsed by the National Training Institute (NTI). Training required is discussed and, as a result, programs targeted at the different seniority levels within the organization are developed: drivers and operators, middle management, team leaders and permanent staff.

Soccer Clinic in South Africa

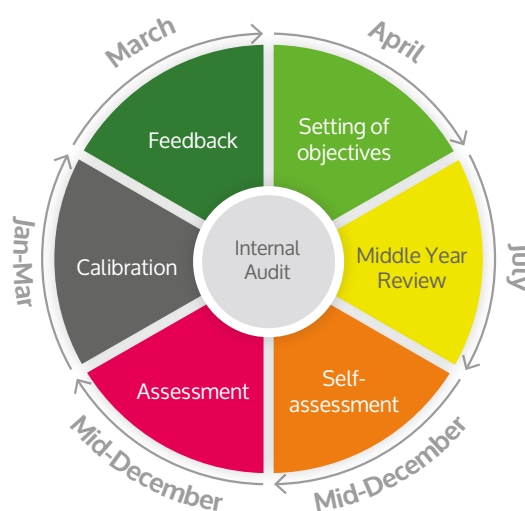
With the purpose of encouraging engagement, team work, goal achievement and the personal development of our associates, we have had a one-week soccer clinic in South Africa, under the supervision of the well-known Argentine former soccer player and current head coach Hernán Maisterra. Staff from other companies of the sector were invited to participate, and during the last day of the clinic a team tournament is held.

5.5 Talent Management

Our Performance Management tool is a management instrument designed as an ongoing process that enables each associate to clearly know what is expected from them, San Miguel's opinion on their development and which are their improvement opportunities.

After its launch at the end of 2012, in 2013 we held workshops with managers and associates in middle-level positions to set goals, and talks on how to properly use the tool in the self-assessment and performance assessment stages.

This year, we have carried out 90% of the assessments of non-collective agreement employees. As regards staff under the agreement, 2013 was the first year in which the assessment tool was applied to the 3 production areas: packing, industry and field; achieving 100% of the target.



Program for the Identification of Executive Development Opportunities (PIOD)

The program was created due to the current need of strengthening the human resources of the company. The final goal is to ensure the installation of a practical tool for the management of associates that enables, on the one hand, to strengthen ourselves to rise to the daily challenges of the business and its new strategic horizons and, on the other hand, to focus our investments in people's development at San Miguel.

In 2013 we could advance with a new group of people who entered the program. We held Skill development workshops to work on aptitudes shared by all area leaders. This enabled to level expectations and unify criteria on important issues between middle-level and management positions.

At the same time, we designed the model for the individual development plans, which will be shared with the participants in 2014 to start working on them and follow them up.

5.6 Occupational Health and Safety

For San Miguel, the essential purpose is to create and maintain a healthy and safe environment for everyone, at each workplace and for the communities where our activities take place.

Over the years, our industry has been characterized by an accident rate above the average of the remaining agricultural activities. In an effort to prevent injuries, occupational diseases and achieve excellence in our performance in occupational hygiene, health and safety, we develop work practices, policies and methods that ensure a healthy and safe work environment.

San Miguel's Occupational Health and Safety Policy is the basic tool we use to foster the adoption of the Health and Safety System. It is periodically reviewed to ensure that it remains relevant and appropriate for the organization.

Occupational Safety Training

San Miguel considers that every worker has to receive training in occupational health and safety, with an aim to raise awareness on the identification of risks, prevention of occupational accidents and diseases in each area of work.

Our Annual Training Plan for prevention, risks and safety culture establishes courses required for all workers. At the same time, prior assessment of the work area, we define the courses to learn and minimize the specific risks by similar areas or tasks.

In 2013, we achieved 5.9 man-hours of training. The most relevant activities of the Annual Training Plan involved the following:

- Safe operation of forklift trucks.
- First aid.
- Evacuation and fire fighting systems.
- Road safety and defensive driving.
- Road Safety Advocate Training.
- Safe operation and care of agricultural machinery.

Additionally, all members of staff who start providing services at our facilities must meet a number of requirements, including a training in the risks of their area and the company's internal regulations.

Risk Warning, for Everyone's Safety

In order to completely eliminate unsafe actions and conditions at the workplace, we conducted again the risk warning internal campaign in 2013.

This initiative intends to detect and report unsafe actions and conditions in our operations. It serves as a record of situations in which the integrity of any worker, due to his/her own attitude or environmental agents, is at risk.

Thanks to this campaign, 48% of employees at middle level positions detected unsafe actions and conditions in 2013

Risk Prevention Training Week

Under the slogan "prevention and awareness", we carried out the Risk Prevention Training Week in Uruguay. The activities were specially focused on ensuring that occupational health and safety and the care of the environment are an integral and inseparable part of any activity carried out at the company.

The talks were addressed to associates in general, persons in charge and foremen of different farms, industry and packing, reaching a total of 200 people. The training courses given involved the following: safe operation of forklift trucks, ergonomics, risks at the packing plant, safe operation of chain saws, and First Aid at harvest.

Health and Safety Program - Safety Talks

In order to prevent occupational accidents, foremen, persons in charge and supervisors continued providing general and specific talks before the start or after the end of the work day. In 2013, 2,977 people participated in general talks on safety.

The idea and suggestion box of the Health and Safety area continued to be implemented and 15 ideas and suggestions were collected from employees in 2013.

Indicators	2012	2013
Absenteeism rate (1)	7%	3%
Rate of injuries per accident (2)	5,7%	5,1%
Number of fatalities	0	0
Rate of absenteeism due to occupational diseases (3)	0,022%	0,0096%
Rate of days lost due to occupational diseases (4)	0,046%	0,051%

(1) Number of absences/ number of days worked*100

(2) Number of accidents/ average number of workers*100

(3) Total No. of cases of occupational diseases/ total hours worked*100

(4) Total No. of days lost/ total hours worked*100

Safe Working Conditions in the Field

We frequently conduct an analysis of risks in the different activities in order to determine the working conditions and detect potential hazards for the worker's health.

In 2013 we observed difficulties at work sites related to high temperatures and we noticed that the way of working and the use of Personal Protection Equipment could be harmful for the worker's health. For this reason, we started to work on work site conditioning, starting by analyzing the type of personal protection elements, the characteristic of the position, the work site, the access to sectors in the shade, work times and the number of persons for each task.

As a result, we constructed a prototype cart with a folding roof that covers the load while being in movement and works as a gallery to provide shade to the worker once at the work site. This cart was accepted by the workers and more units will be constructed next year.

Noise Management in the Operations

In order to prevent any risk related to the exposure to noise levels that may be harmful for the operator's health, we took the following measures:

- Preventive measures: we gave each operator a hearing protector to fix to the helmet with a 26 dB (A) attenuation and we put signs announcing the obligation to wear them in high noise sectors.
- Corrective actions: we implemented a predictive maintenance plan that includes periodically checking each machine by measuring vibrations through instruments to detect this type of failure or excessive wear and tear. In the sectors where different types of machines generate high noise levels due to their normal functioning and it was not possible to isolate them by means of capsules or absorption panels, we built a control room to isolate the operator.

Occupational Health

San Miguel understands that a workplace is that which promotes the health of its workers and their families by preventing and controlling the risk factors for non-communicable chronic diseases such as tobacco use, unhealthy diet and insufficient physical activity.

In order to attain this goal, the Quality of Life Program addressed activities for health promotion and prevention in 2013:

- Smoke-Free Company: we continue with the awareness campaign in order to be certified as a "Smoke-Free Space".
- Healthy Diet: in order to promote healthier diet habits, we have educational talks, nutritional assessments, professional consultations and follow-up.
- Physical activity at the workplace: intending to encourage physical activity and sports as a way to have a healthy lifestyle, we developed active break trainings and work recreation activities with the participation of 660 and 236 employees, respectively.

As a result, in 2013 we could certify as "Healthy Workplace" through the Ministry of Health of Argentina.

On the other hand, awareness campaigns were aimed at creating a single Occupational Health and Safety manual for the whole company. In 2013, we trained 150 people in Occupational Health (1 hour of training per individual).

The Occupational Disease Monitoring Program addressed the risk factors specific to each job. We conducted a process for detecting these factors through medical-ergonomic interventions, and assessed the markers of occupational risk factors. As a result, certain employees were reassigned to perform light or special duties.

Additionally, in order to improve working conditions, we implemented internal audits conducted by those in charge of Health and Safety at the company. Through these audits, when determining the pending issues, those responsible for each sector are informed of them and the audit is repeated three months later to see the progress made.

We continued driving vaccination campaigns in 2013. One hundred and ten people were vaccinated, thus increasing the number of protected employees to 510.

At the organization level, health and safety committees were formed in each sector and there was an increase in the number of meetings and proposals of each committee. Additionally, the warehouse Occupational Health and Safety committee was created.

Employee Assistance Program (PAE)

We work on the prevention of alcoholism at workplace through information talks and training; measuring alcohol level with the adequate instruments, establishing zero blood alcohol level tolerance for performing usual tasks and providing the adequate advice needed for the workers to complete the required treatment.

HIV Campaign in South Africa

Given the severity of the HIV situation in South Africa, all the information on our staff related to this issue is considered extremely confidential. We conduct HIV information and prevention campaigns to raise awareness in the population, with the participation of all supervisors and employees.

Additionally, through a public initiative led by the Government of South Africa, we receive a Mobile Clinic in our farms on a monthly basis. This way, people in the community have free medical check-ups and monitoring, and if required, the adequate medicine is supplied.

Patients are seen in an organized way, avoiding long lines and interruptions in the normal operation of fields. Professional and trained staff runs the Mobile Clinic, intending to provide people with basic health services, including: medication for HIV treatment, HIV blood tests, blood pressure monitoring, pregnancy monitoring, and vaccination for small children.

5.7 Compensations and Benefits

As part of our Compensation Policy, our objective is to adequately and equally compensate workers, ensuring internal consistency of compensations and external competitiveness with the salary market.

During 2013, we participated in the Argentine Northwest (Noroeste Argentino, NOA) Survey with other companies. As a result, we received a Compensation and Benefit Report on the region for Agribusiness sectors. This way, we continue comparing the jobs at the company against the same jobs at other companies.

As regards the basic salary ratio between men and women, the proportion is as follows:

Salary Ratio M/W - Tucumán		Salary Ratio M/W - Buenos Aires	
Position Level	BSM/BSW(1)	Position Level	BSM/BSW(1)
Middle Management	-10,2%	Middle Management	14,8%
Heads	8,8%	Heads	-21,7%
Supervisors / Persons in Charge	-3,1%	Supervisors / Persons in Charge	7,2%
Analyst / Administrative Employee	-5,1%	Analyst / Administrative Employee	-2,2%

(1) Basic Salary Man / Basic Salary Woman

The compensation differences by location arise from the different costs of living between the provinces of Buenos Aires and Tucumán. In order to balance these amounts, we consider different wage structures to assess the positions in Buenos Aires in relation to the positions in Tucumán.

We continue with the Benefit Program in Tucumán. Through the "Benefit Card", our employees may find discounts on a number of items such as clothes and accessories, home, health, beauty, recreation and education.

New benefits (medical check-ups, healthy breakfasts) and additional bank options for the deposit of wages were included in 2013.

- Medical Check-ups: we grant this benefit so that our Senior Staff may know their integral health status, by undergoing medical studies throughout a morning.
- Healthy Breakfasts: for non-collective agreement employees and administrative staff, including an infusion with the option of wholemeal or wheat bread.
- Additional bank options for the deposit of wages with account packages, cards and discount benefits for our associates.

San Miguel Benefits	Beneficiaries
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Transport

Car according to position	FC and DC Staff(1) (2)
Charter	All

Financial

Bank options	All
Salary advances	All
Discount Programs	All

Health

Health coverage	FC Staff (1)
Nutritional advice	All
Medical check-up for Senior Staff	Senior Staff

Food

Healthy breakfasts	FC staff(1) and administrative staff
Refreshments	All

Education

Scholarships for the children of associates	All
School kit	All

Additional leaves

Free Fridays	FC staff(1) and administrative staff
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Gifts

Birth gifts	All
Year-end gifts	All

Other

Cell phone	FC and DC Staff(1) (2)
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(1) FC: Non-collective agreement. DC: Under collective agreement.

(2) Car according to position and cell phone are given according to the position requirements.

5.8 Work-Life Balance

Some of the initiatives as part of our commitment to encouraging work-life balance are:

- 2nd San Miguel Marathon for Charity: we organized a sports event which involved employees and their families and through which we helped Fundación Nutrír.
- Program for the Recognition of Service at the company: in order to recognize employees for their years of service at their 20th, 30th, 40th or other anniversaries, we award them commemorative plaques for their effort and contribution to the company.
- Christmas Eve for Everyone Day: we have a day for the staff and their families to share by preparing Christmas boxes, and children write their good wishes letters and peace messages for the families they were assigned.
- Special mentions through communications on Agricultural Engineer's Day, Organ Donation Day, Literacy Day and Environment Day.
- Women's Day, Children's Day, Mother's Day and Secretary's Day celebrations.

In 2013, we included the Father's Day celebration and we had an information talk for our associates given by specialists on general interest topics and health. Additionally, we held a talk on mortgages and one on cardiovascular diseases.

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5.9 Internal communications

In 2013, the Internal Communications program continued to be developed through different initiatives.

The "Internal Communications Policy" was drafted, which set the purpose of the program, its scope, the tools for communication and the frequency with which each of them is issued, the duties entrusted to the internal communications area and to the other areas involved in the processes. The procedures to design and implement each communication piece were also defined.

We also held the Workshop on Writing and Relaunching of Internal Correspondents. This activity strengthened the tools to identify and draft news for correspondents. Then, a workshop was held to collect information on expectations and to organize ideas with a view to creating the annual plan.

Our kit of communication tools comprises:

- SoMos in-house magazine: in 2013, new sections were added to this magazine, as we proposed our workers to share photos of their personal life with all the company.
- SoMos newsletter: we kept permanent sections with information on Uruguay and South Africa so as to support the process by which the company is going global.
- News board system: 3 news boards were placed in strategic spaces, so that workers are aware of the company news.
- Periodical news: "Personnel Management" and "Technology" were added to the categories already defined for sending different communications.
- Flyer: this piece of communication continued to be handed to those workers who do not have e-mail.



06 | Customers

“Customers choose us for our professional work, the quality of our products and the level of compliance with the commitments made. The responsibility with which we have approached our commitments has made us leaders and models in lemon production, processing and exports. The professional work and the passion for everything we do ensure the highest quality in the proposal made to each of those customers. That is our major source of value creation and one of our competitive advantages.”

Maximiliano D’Alessandro, Processed Food Director

2013 Highlights

The Packing Lavalle of Tucumán was certified under the Tesco quality standard for product packing plants.

We implemented the Perfect Order corporate indicator for the Industry business.

We systematized the satisfaction indicator follow-up meetings with our strategic customers.

Specific Rules for Customers

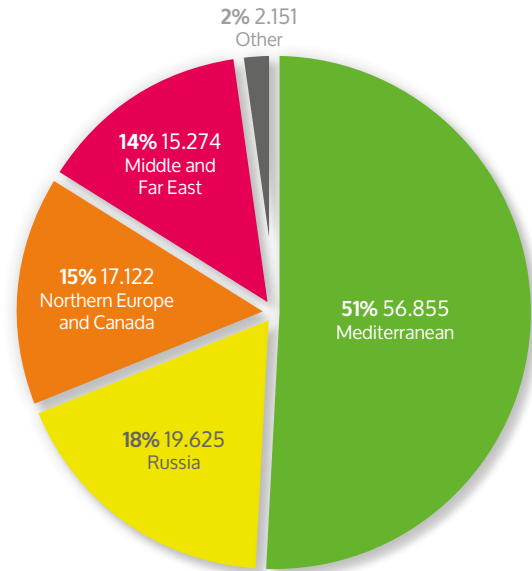
- Meet the CSR requirements of our customers.
- Provide transparent customer service to our customers and consumers.
- Encourage the consumption of citrus fresh fruit and its by-products for their healthy conditions.

6.1 Customers in Numbers

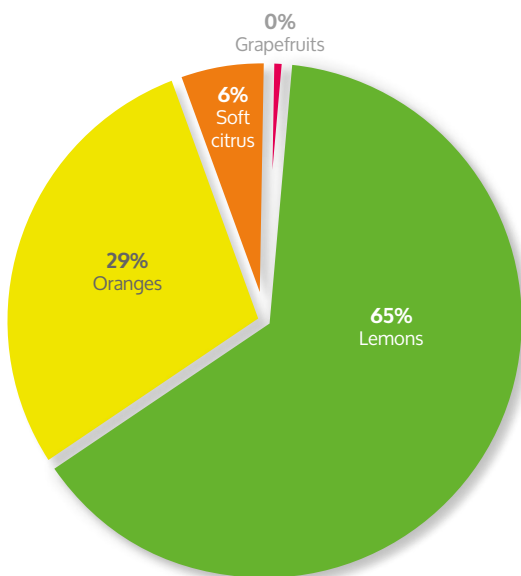
Fresh fruit

- 5 continents
- 80 countries
- 150 customers
- 20 supermarkets

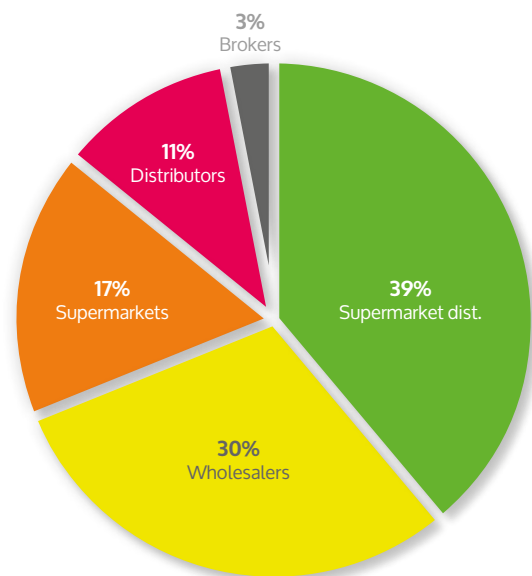
Distribution by Market



Export by Product



Sales by Channel



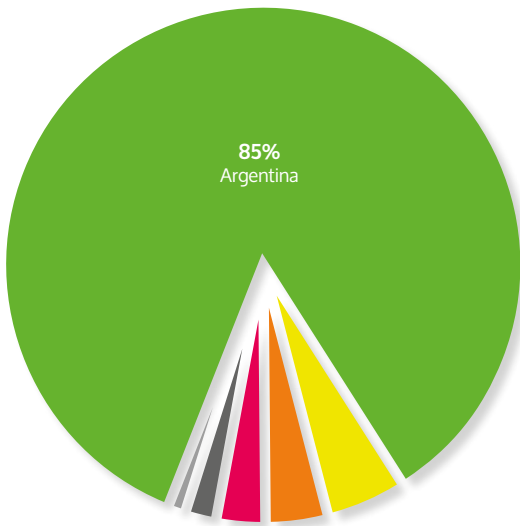
Processed fruit and vegetable products

- 100 Customers in the 5 Continents
- +400,000 MT Milled Products
- 2,000 MT Oils and Scents
- 32,000 MT Concentrated Juice
- 20,000 MT Peel
- 6,000 MT Other Products

Long-Term Relationships with Customers

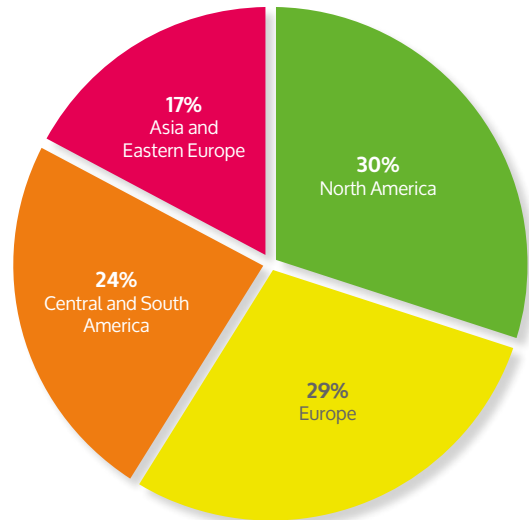
- 75% Oils
- 85% Peel
- 57% Concentrated Juice

Southern Hemisphere
Lemon Processing



- 5% South Africa
- 4% Brazil (estimated)
- 3% Bolivia
- 2% Uruguay
- 1% Australia (estimated)
- 0% Chile (estimated)

Sales of Lemon Juice
by Market



6.2 Products, Customers and Quality Assurance

Providing solutions to our customers is one of our strategic pillars. For this, we have projects and processes to identify opportunities together with our customers. This way, we develop new products and innovations that meet the specific needs of customers in different parts of the world.

Within this context, San Miguel develops and patents promissory and desirable varieties for the market. In 2008, Milagro (subsidiary in Uruguay) entered into an exclusive agreement for Uruguay with CMBI-A.R.O / ZAKAI of Israel to introduce, produce and export 13 varieties of mandarins and 2 varieties of seedless lemon.

Those which have already been planted and are under commercial production include the Orri and Morria mandarin varieties, which are one of the most desired varieties of seedless late mandarins. At the same time, we are producing varieties patented under agreements entered into with CitroGold, mainly for seedless mandarins.

The rest of the varieties are under experimental phase in the field in order to find those that better adapt to the climate and production conditions in Uruguay.

In order to maximize freight and conservation of fruit, in 2013 we worked on a new type of box for some customers in particular; this box may contain up to 19.5 kg of bulk-packed fruit. The benefit from this type of container as compared to the classic standard container is that each pallet may transport more kilograms of fruit taking up the same space in the ships on which the fruit is sent to destination.

6.3 Quality Management System

As a company engaged in food production, we prioritize the consumer's health care. Therefore, the quality and safety of our products is an essential condition for maintaining and strengthening our relationship with customers.

Our Quality Management System based on ISO 9001:2008 standards covers aspects of document management, responsibility assignment, management engagement, policies, objectives, resource management, supplier management, traceability, internal auditing programs, customer service and continuous improvement.

We have a Quality Internal Auditing system through which we assess the compliance and evolution of the different tools used for quality. The management reviews the system by analyzing the results of the internal audits, and the corrective actions are discussed and agreed upon with those responsible for each area in order to timely take them.

San Miguel also has a team of internal auditors who check for compliance with the regulations and standards according to which the company works. In 2013 we undertook a training program for internal auditors, which consists of 6 modules. The industry and packing auditors met to unify the group and training level.

Our fields and all our industrial processes around the world have been certified by the most rigorous international standards that guarantee the safety of the products and environmental care, as well as certifying all production processes.

In this sense, we choose the variety and the stock for each plant pursuant to the specific requirements as regards intrinsic and extrinsic quality standards. The seed quality is controlled before its use and the foundation trees for seeds are tested at official labs in order to detect seed-transmitted viral diseases.

At our farms

- **GlobalGap:** the purpose of Global Gap is to establish standards and procedures for developing Good Agricultural Practices (GAP), reducing risks and ensuring quality and safety of primary production food.
- **Tesco Nurture's Choice:** it ensures that the product is grown and handled in compliance with the legal requirements and the requirements of Tesco supermarkets' customers.
- **Field to Fork:** Our products have this certification both in Uruguay and South Africa.

At Packing

- **HACCP:** meaning hazard analysis and critical control points; it guarantees safety in food production and preparation operations. Its purpose is to guarantee that a product is safe and prevent food poisoning. We have this certification since 2003 in Packing Lavalle and since 2010 in Packing Famailla.
- **All Lemon Tested and Certified for Export:** since 2010, we are a company member/partner of the Chamber of Citrus Exporters (Cámara de Exportadores de Cítricos), which has the ALL Lemon quality seal. In order to be a member of the Chamber it is essential to be an Argentine lemon exporter and undergo the audits and comply with the quality standards required by the seal. The lemons from the companies member of the Chamber are audited every week. The following conditions are assessed: juice content, resistance and durability, firmness, freshness, format, color, peel, traceability and food safety.
- **Tesco TPPL Standard:** In 2013 the Packing Lavalle of Tucumán was certified with this quality standard for product packing plants. Having this certification is a requirement of one of our most important fresh fruit customers: Tesco.

At the processing plant

- **British Retail Consortium (BRC):** this is one of the standards recognized to meet the requirements of the Global Food Safety Initiative (GFSI) represented by the major European supermarket chains. We received the highest grade certification: Grade A.
- **Sure Global Fair (SGF):** issued by an international entity formed by the fruit juice industry for the certification of global suppliers, mainly for monitoring and authenticity of fruit juice.

Additionally, our certification package also includes religious certifications such as **Kosher** and **Halal**.

Traceability System

Food safety is ensured through the traceability system that enables the customer to know the exact origin of the fruit and all the processes it has undergone and guarantees the customers and markets the quality and safety of the products.

In 2013, we continued doing quality checks from fresh fruit control samples. A sample called "control sample" is taken from each batch of packed fruit, which is used to test the fruit behavior until it reaches destination.

6.4 Customer Orientation and Satisfaction

In order to provide reliable support to our customers, the Customer Service Area is constantly working not only to standardize the processes throughout the company, but also to improve the management of Fresh Fruit and Industry claims.

Therefore, we have defined the following indicators in order to measure customer satisfaction:

- **Contract Performance:** the purpose is to determine to which extent contracts are performed in due time and manner, and detect if there are any products, time periods or customers with difficulties and requiring more attention.
- **Claim Response Time:** this time is computed from the time the claim is received to the moment the customer considers it closed.
- **Distribution Chain Costs:** the purpose is to determine the logistics chain costs to identify opportunities for improvement.
- **Perfect Order:** the purpose is to determine to which extent purchase orders are fulfilled in terms of time, quantity, quality and documentation.

We implemented this indicator in 2013 for the Processed Food Business, which weekly monitors the service level with our customers by measuring satisfaction of deliveries in time, quantity and quality. Any deviation is analyzed and corrected. We intend to reach a 98% compliance level in three years: we have finished 2013 with 83% compliance, which is clearly increasing, for which reason we aim at 95% in 2014 and 98% in 2015.

6.5 Relationship with our Customers

In order to consolidate the relationship with our customers, we were present in multiple international exhibitions in 2013, both of fresh fruit (Asia Fruit Logística and WorldFood Moscow) and the industry (Sial Mercosur and Anuga).

We participated in Global GAP Tour 2013. Global GAP is the protocol of Good Agricultural Practices most widely accepted and spread worldwide, in more than 80 countries. Organized by the Production Development Institute (Instituto de Desarrollo Productivo, IDEP) of Tucumán and the Global GAP Regional Working Group of which we are a member, the dissertations covered the following: sustainability, requirements of European supermarkets and new trends of retailers and Global GAP Trends.

On the other hand, in order to improve the different aspects of the service, we systematized the satisfaction indicator follow-up meetings with our strategic customers. Additionally, we started to have weekly or bimonthly conference calls with them, in conjunction with the commercial area.

During the season, we organized a number of visits to the Packing and Processed Product plants, and even some audits, so that the customer may know and assess the production, control or material shipment activities and the quality management system on which the production activities rely.



07 | Environmental management

"Environmental management is an inseparable part of San Miguel business. The sustainability of our projects lies in the efficient but responsible use of natural resources. For this reason, San Miguel has an Environmental Policy on which all our initiatives are based, and through which we seek to achieve the maximum level of clean production and work in a conscious and socially, economically and environmentally responsible manner."

Romain Corneille, CEO

2013 Highlights

We entered into an agreement with a local cooperative, to implement a program to manage production solid waste from the effluent treatment plant, with bio-remediation, feed for livestock, and fertigation techniques.

We conducted a steam generation system monitoring to optimize natural gas consumption.

We got the carbon and water footprint calculation certified by the *Carbon Reduction Institute*.

Specific Rules for Environmental Management

- Achieve full compliance with the rules and requirements of the environmental control authority.
- Achieve full compliance with the environmental rules and requirements of customers.
- Have a value chain that respects and complies with the legal environmental rules and requirements in force.
- Take an active role in the initiatives organized among companies for environmental prevention and protection in the regions where San Miguel operates.
- Promote initiatives that strengthen the prevention culture in environmental protection.

7.1 Commitment to the Environment

San Miguel considers environmental management as an inseparable part of the integral management of the company. We are convinced that the highest standards in this respect can only be achieved through the engagement of all associates.

Within this framework, our Environmental Management Policy establishes the guidelines to follow and the course of action within which the company conducts its business.

This Policy establishes the following commitments:

- Operate our facilities identifying and assessing their environmental risks, minimizing the impact they may cause and considering Environmental Management as a priority at the company.
- Comply with the applicable legislation and other commitments made by San Miguel.
- Use supplies, water and energy rationally.
- Prevent pollution by monitoring and auditing environmental performance and working for continuous improvement, minimizing harmful emissions and discharges to the air, water and soil.
- Minimize waste generation, applying the recycling concepts and ensuring a responsible hazardous waste management.
- Use technologies to achieve cleaner production.
- Provide information and training to employees and people working for San Miguel, in order to honor the commitments made in this policy, so that they understand their environmental responsibilities and fulfill them.
- Maintain open communication on environmental issues with the communities, regulatory bodies and other stakeholders.

Commitment to the environmental impact of our products

We adopt the general guidelines of the Good Agricultural Practices (GAP), in accordance with the GlobalGap protocol. These guidelines define the basic elements and essential practices for fruit production.

Through these measures, incorporated into other tools of the quality system, we intend to respond to the growing interest of consumers in the environmental impact of our products and food health and safety, reflecting the desire to constantly improve the production standards in cooperation with producers.

The GAP implementation is based on the following principles:

- Maintain consumer trust in food quality and safety.
- Minimize environmental impact and degradation, which implies the conservation of the flora and fauna.
- Reduce the use of agrochemicals through the adoption of integrated production systems.
- Improve the efficient and rational use of natural resources.
- Ensure a responsible attitude towards workers' health and safety, and towards their well-being and education.

7.2 Environmental Management System

The Environmental Management System enables us to ensure consistent and effective compliance with the current legislation and that the environmental considerations may be an integral part of the decision making process.

Its implementation enables us to develop environmental management practices and procedures intended to protect the environment, by preventing and minimizing the impacts on air, water, soil, flora and fauna, considering that biodiversity preservation guarantees sustainability.

The Environment area implements a number of environmental sampling the results of which are constantly analyzed:

- Greenhouse gas sampling.
- Soil sampling.
- Survey of noise level in the factory perimeter.
- Monitoring of basin surface water quality.
- Effluent quality control sampling.

7.3 Environmental Awareness

We consider it essential to take actions to train our employees in environmental care. The environmental issues addressed, from induction talks to those included in the annual training program, have essential contents so that every associate may apply them directly from their position.

In 2013, 80% of staff received training in the following issues: general environmental aspects, waste classification and Environmental Management System. In order to reach all the company staff, across all levels of the organization, we designed a training program divided into different modules, which will start to be implemented in 2014.

In order to reach everybody with a sustainability, commitment and environmental management message, we also rely on awareness campaigns through information signage, e-mails with different environmental messages and reminders on key environmental days.

7.4 Responsible Resource Management

Water

From all economic sectors, agriculture is the sector in which water scarcity is most significant. At present, the irrigation system is based on fresh water sources that are threatened by the excessive human use. Agriculture uses 70% of all the water collected from aquifers, rivers and lakes.

Our objectives and efforts are geared at minimizing water consumption and reusing it in all the production stages in which the final quality of the product is not altered.

Irrigation and Water Need Monitoring

The water sources to be used for irrigation are tested for chemical, pesticide, microbiological and heavy metal parameters, and the results are compared to international standards. We use authorized underground and registered superficial water sources, pursuant to the Irrigation Provincial Law.

Irrigation efficiency and water reutilization are key factors to preserve and prevent depletion of water resources. This is why we work with methods to predict the water needs of crops. These forecasts consider the estimates for evapotranspiration and precipitation and use soil, water and plant system monitoring. Another parameter used is measuring the actual need for water, with pressure gages to help decide when to start irrigating. Besides, we follow up daily rains on open-air crops.

In order to ensure a rational use of water resources, we use the most efficient and economically feasible water transportation system available. We do not use irrigation by flooding, as these systems use too much water, which makes them inappropriate. We use the drip micro-sprinkler irrigation system that is highly efficient (with efficiency levels around 92%) and under-tree sprinkler irrigation in cases where irrigation needs are more eventual.

In turn, we have incorporated the surge irrigation system, for a depth of irrigation characterized by high frequency and low intensity. Thus, we not only minimize water loss, but also help to improve the root system health by directing growth to more superficial layers of soil. This practice impacts on the standard of the entire plant and the productivity subsequently achieved.

Other actions we carry out within the framework of our Water Management Plan include: underground tube transportation, good maintenance to avoid water losses, irrigation using short and more frequent shifts, and irrigation at the time the plant uses water more efficiently.

We also continue working on water use reduction and reuse in all industrial processes.

In 2013, in order to identify and assess how to improve consumption and make a more efficient use of water at the factory, we conducted a new water audit across the Famaillá plant, together with the Bishop Colombres Agroindustrial Experimental Station (Estación Experimental Agro-Industrial Obispo Colombres, EEAOOC).

As part of the continuous improvement system, work is being done to certify the water monitoring techniques. To such effect, we carried out a diagnostic audit based on the ISO 9001 standard. This audit established the guidelines to be followed with a view to certifying our process under such standard, which is expected for 2015 and will comprise all the company facilities. With this certification, we will be able to ensure that water samplings are standardized, using the same method at every location and reducing one of the factors that contribute to eventual errors in analytical results, due to issues in sample taking. This standard will also help ensure that any field equipment used has the correct calibration, that the sampling equipment used has certain characteristics and comprises a series of items established under the relevant regulations (1-liter bottles, gloves, cool box, field record sheet, etc.).

Energy

Our plant is mainly powered by electricity and natural gas. In order to achieve sustainability in our production, our efforts are geared at using this resource efficiently.

In 2012, we conducted an energy efficiency audit. Based on this study, we have been working to optimize processes and on predictive maintenance programs to adjust production equipment, thus optimizing power consumption. Efforts were also made to reduce boiler energy consumption by changing pipes, improving efficiency and lowering energy consumption through a better heat exchange.

On the other hand, the draft control of the induced draft fans will be automatized; we installed dosifiers at the peel feeding entry on dryers, in order to avoid energy loss, as well as a dryer that automatically regulates and modulates gas intake.

In this connection, in 2013 we conducted a "Steam generation system monitoring" to optimize natural gas consumption on dryers, considering that lemon drying is the stage of our production process with the highest energy consumption.

The final objective we pursued was a comprehensive improvement of the peel drying process, which covers adjusting all the equipment and equipment operation, using natural gas and gas oil as fuel.

As part of the efforts to reduce indirect consumption of energy, a new business travel policy was implemented to avoid excessive trips and promote a higher use of video calls, particularly between the offices in Buenos Aires and the different business units.

Also, our employees are taken by bus from Lavalle Plant, where the packing is installed, to the factory located in Famaillá. Likewise, outsourced harvesters are taken on a shared bus which has a fixed route.

Thus, we not only reduced power consumption, but also lowered the emissions resulting from the trips made by our staff. From the economic point of view, this led to significant savings.

In turn, we have replaced the old CRT monitors of computers with new lower consumption LED monitors.

Energy Consumption (1)

	2012	2013
Gas Oil direct consumption	1,674,744 L	1,399,363 L
Gasoline direct consumption (2)	79,398 L	68,331 L
LPG direct consumption	36,435 Kg	50,622 Kg
Natural gas direct consumption	14,939,234 M ³	15,701,245 M ³
Electric energy indirect consumption	27,866,122 Kwh	27,326,573 Kwh

(1) From Famaillá and Lavalle plants and farms in Argentina.

(2) Gasoline consumption figures include fuel for private vehicles used by employees to travel to Famaillá plant.

Energy Consumption/TN milled- Famaillá Plant (1)

	2012	2013
Gas Oil direct consumption	2,27 L/Tn	0,52 L/Tn
Gasoline direct consumption	0,06 L/Tn	0,010 L/Tn
LPG direct consumption		
Natural gas direct consumption	67,80 M3/Tn	66 M3/Tn
Electric energy indirect consumption	101,00 Kwh/Tn	85 Kwh/Tn

(1) Energy consumption/tn milled reported is from Famaillá plant since Milling is done at Famaillá and not at Lavalle plant. Lavalle plant is only used for packing activities.

Carbon and Water Footprint Calculation

The reduction of CO₂ emissions and water consumption through value creation is one of our priorities.

In 2013, we completed the calculation of carbon and water footprints and got them certified by the **Carbon Reduction Institute**. This way, we generate and promote strategic solutions intended to make an inventory, monitor, report and mitigate the impact of atmospheric emissions from our operations and liter water consumption associated with the life cycle of the products we make.

The application of this measurement tool, apart from quantifying the priority action areas in Production, Logistics, Packing and Distribution of the product at destination, helps to outline and implement an action plan to minimize the impact and thus achieve responsible consumption of non-renewable natural resources.

These measurements are under analysis. The goal for 2015 is to complete the analysis process and have a program that allows for the opportunities to develop general modern technology with the implementation of strategies intended to minimize our impacts, identifying the potential effects of our activity that may contribute to climate change globally and regionally.

Sustainable Soil Management

As part of our efforts to work on a long-term sustainable system and prevent soil degradation, we adopted a number of initiatives to approach organic matter loss, reduction of nutrients, erosion and changes in soil water dynamics.

Every farm and nursery keeps a permanent record system for constant tracking of the crops and agricultural activities conducted at each site.

If we are to use a piece of land without a known background, we carry out a soil analysis, which may vary according to the risk and the topographic characteristics of the region. We conducted a characterization of soils project, 87% of which is now completed, with a total of 4,100 hectares characterized.

The results of these analyses are used to define limitations and possibilities in terms of suitability to grow citrus and justify the site chosen for planting and the variety/stock used in each case.

In turn, we prepare maps of each farm that are later used to make provisions for cover crops and define programs for planting and growth. We also take into account the management of topographic features and the basin that provides water to the piece of land at issue. For such purpose, we use satellite images and planialtimetric maps.

On the other hand, we adopted a system of conservationist practices to respond to problems of soil loss and

reduction of fertility. In nurseries, we do not fumigate soils with chemicals, but rather choose other alternative methods such as cover crops or the use of varieties and stocks that are disease-resistant and compatible with citrus replanting soils. Taking into account the topographic features of the land, contour planting is used.

The following are other soil sustainability initiatives we put into practice:

- **Chipping in the renewal of crops:** in order to add organic matter to the soil and avoid burning plant residues, we introduced this technological package which consists in chipping the plants pulled out for subsequent incorporation and degradation into the soil.
- **Fallowed fields:** when citrus groves are cleared, we leave the fields to fallow for two years and we plant an annual summer crop (fodder sorghum) and an annual winter crop (black barley). This way, we can incorporate organic matter, which allows improving soil structure, its physical and chemical conditions, and reduce the use of phytosanitary products, enhancing plant health and thus its productive potential.
- **Mulching of plant residues to maintain soil moisture and increase organic matter content:** by means of this technology, we intend to maximize water efficiency, generating plant coverage on the soil in the area with the highest concentration of the active root system.
- **Elimination of pruning residues:** this is done with choppers the purpose of which is to reduce the size of residues to facilitate adding them to the soil.
- **Pest and application threshold monitoring:** through a system for monitoring and establishing pest damage thresholds and beneficial insect population levels, clear parameters are established for the application of chemical products. This way, treatments and impact on soil are reduced.

Waste Management

Our waste management policy is intended to take the measures required to prevent and avoid environmental pollution. For this, our waste management system is based on the 3R's basic principles: reduce waste volume, reuse any materials as possible, and recycle waste such as paper, cardboard, etc.

The success of this system consists in putting a special focus on a good classification at source. For this purpose, we established intermediate stations near the work stations, at key sites, concentrating waste generated in the surroundings. This way, the factory, packing and the farms have sectors perfectly assigned for this purpose.

We store waste in warehouses according to their nature until transferred and delivered for final disposal:

- **General waste:** mostly sent for recycling, such as paper sent to Garrahan hospital, cardboard sold to a recycler in the province of Salta, and general plastic also sent for recycling.
- **Industrial waste:** solid waste from production, such as pulp, sludge, liquid sludge and discarded branches and fruit. In 2013, we entered into an agreement with Campo de Herrera cooperative, who receive this waste they may use for different purposes, with different disposal techniques (compost, bio-remediation, feed for cattle and/or pigs, and/or recovery of impoverished soils), according to the type of solid waste.
- **Hazardous waste:** they come from production processes in which chemical, toxic products have been used or from the maintenance of field and factory equipment and machinery. This waste is collected and taken to a storage bowl until it is sent to the authorized operators for final disposal.

Waste - Argentina

Type	Waste	Volume (Kg)		Treatment
		2013	2012	
Municipal Waste	Garbage	370,650	554,600	Sanitary Landfill
	Plastics	58,660	75,280	Recycling
Industrial Waste	Cardboard	19,204	18,930	Recycling
	Paper		1,820	Recycling
Hazardous Waste	Hazardous Waste	11,798	44,085	Incineration
Production Waste	Discarded fruit	1,230,208	556,630	Bio-remediation, Compost
	Pulp - Factory	4,036,674	3,470,400	Livestock feed, Bio-remediation, Compost
	Pulp - Effluents	7,370,520	8,164,520	Livestock feed, Bio-remediation, Compost
	Dried Sludge	2,919,370	2,456,908	Bio-remediation, Compost
	Liquid Sludge	7,044,750	26,305,420	Fertigation
	UF Sediment	321,311	592,640	Fertigation

Use of agrochemicals

We regulate and rationalize the use of fertilizers and phytosanitary products in order to minimize the impact that excessive application may produce on the soil, on the different surface or underground water sources and on plant and animal species.

We test fertilizers of different composition and efficiency that ensure a better use of nutrients based on fewer losses.

We use only chemical products internationally registered for use on the crops to be treated and follow label instructions, in order to ensure a correct application, prevent risks for operators, consumers and the environment. We do not use pesticides that are prohibited in Argentina, the European Union, the United States, Canada and Southeast Asia, among others.

As regards the management of empty agrochemical containers, they are properly disposed of and handled according to the instructions. We render containers unusable through the triple washing technique and their subsequent perforation. Once they are rendered unusable, they are sent for final disposal to an operator authorized for treating plastic with agrochemical residue.

7.5 Biodiversity

San Miguel works protecting the habitats surrounding our fields based on an environmental conservation policy compatible with an economically sustainable agriculture intended for minimum environmental impact.

Some of the practices we carry out include:

- Planting native tree species on small surfaces, in order to preserve biodiversity.
- Identification of native fauna present on the site, in order to detect possible variations in its population.
- Conversion of unproductive areas, such as forestry areas, waterlogged areas, promontories, field sides or river banks, unproductive soil areas, and difficult access lands, into conservation areas to preserve natural flora and fauna.

We have carried out an Environmental Impact Analysis in South Africa to study our farms in order to establish a methodology to increase fertile hectares without damaging the environment. We are preparing a Report on the study, which deals with the management of soil, water, archaeological elements, flora and fauna, and biodiversity.

In 2013, we conducted an analysis of the properties in Tucumán with respect to the current provincial Territory Planning under the Native Woods Law. Of the 14,000 ha that form part of our properties in the Province of Tucumán, 60% correspond to wildlands which are Yungas in different states of conservation.

The relative location of the properties with respect to the protected area system places them in a key strategic situation to design actions for drainage basin protection and biodiversity conservation, which directly benefit the sustainability of reserves and the woodlands of the province in general and which generate for San Miguel a high environmental valuation of our productions.

In order to improve knowledge, valuation and conservation of the wildlands in our properties, we conducted a description of their environmental context with Fundación Proyungas. Based on this study, we will prepare the resulting Conservation Plan, which will have a Biodiversity Monitoring Program, a Control and Surveillance Program and a Program for the Protection of Drainage Basins.

Fundación Proyungas para el Desarrollo y la Conservación de las Selvas Subtropicales de Montaña is a non-for-profit organization that carries out management activities for the conservation and sustainable development in the eco-region of the Yungas or Mountain Subtropical Forests and other areas of the Argentine Subtropical Region.

Initiative with Methane Biogas from Effluent Treatment

We continue committed to reducing greenhouse gas emissions through the certification process of the Carbon Bond project before the United Nations Organization. Specifically, the project involves the reduction of methane emissions associated with the treatment of our effluent, reusing it in the plant for heating the effluent that enters the bioreactor.

In 2013, continuing with the carbon bond validation process, we established an Oxygen Chemical Demand monitoring program in different parts of our effluent treatment plant, so as to assess its removal throughout the effluent treatment.

In order to make our effluent treatment system more efficient and improve the quality of the effluent that reaches our reactor, we installed a secondary effluent line. Through this line we separate streams with high organic load from the factory, which are used for irrigation in the company's own fields, thus establishing a sustainable circuit. This enabled us to minimize 30% of the organic load in the effluent that reaches the treatment plant.

Through nomination for the Clean Development Mechanism, San Miguel may opt for a more advanced treatment such as the closed anaerobic reactor. Implementing a more advanced treatment system entails technology transfer and improvements to the environment and the community.

	m3/year	Milling
2013 Industrial Effluent	1,196,690	236,777 t
2012 Industrial Effluent	1,226,760	217,864 t



08 | Social investment

“San Miguel understands that our relationship with the community goes beyond identifying stakeholders and getting involved with them in relation to the impact of our business; it also covers support and contribution to the development of our communities.

Our social investment is focused on nutrition and education. Consequently, we carry out nutritional assessments on students at schools near our farms in Tucumán, and we work on the improvement of their academic performance. We do this always promoting corporate volunteering in all countries where we operate.”

Lorena Chirivella Méndez, Sustainability Corporate Head

2013 Highlights

In Tucumán (Argentina), we have strengthened the Cre-Ser learning support program, which provides support for children with learning disabilities in 7 rural schools, improving their academic performance.

In Uruguay, we have had an active voluntary and open door participation in the “Uruguay Productivo” Primary Education program, aimed at analyzing and having an inside experience of the production complexes that provide the means of support to the communities of the region.

In South Africa, 10 employees of San Miguel participated in the activities of Grassroot Soccer, an initiative that uses soccer to help people in their fight against HIV.

Specific Rules for the Community

- Promote local development with a focus on nutrition and education.
- Priority attention to our employees and associates.
- Invest in improvements related to operative issues that have a positive impact on the local communities.

Taking into account the social context in which we operate and having assessed the needs of the local communities, we promote local development with a focus on nutrition and education. For this purpose, we constantly assign human, technical and financial resources for social capital generation.

8.1 Nutritional Assistance to School Meal Services

San Miguel intends to contribute to meeting the adequate nutrition needs in order to prevent and correct general health deficiencies in children and enhance their academic performance.

In order to do this, we work with Fundación Banco de Alimentos to deliver non-perishable products for the school meal services of 7 rural schools located in the province of Tucumán, helping a total of 1,275 students.

At the end of the school year, the surplus goods are taken and donated to another institution to be used during summer break, making sure no food is wasted.

In 2013, in order to optimize this food help, we developed several activities focused on nutrition with the advice of a professional:

- Health and nutrition comprehensive workshops: with the participation of the entire school.
- Nutrition lessons at the classroom: preventing diabetes in children and adolescents, and cooking workshop.
- Nutritional education workshops for students, community members and teachers: healthy diet workshop and parasitic disease workshop.
- Cooking workshop with a nutritionist from Banco de Alimentos. The nutritionist and cooks prepare healthy meals on site and instruct participants on health and safety concepts.

Activity	No. of times held	No. of participants
Nutrition lessons at the classroom	140	30 at a time
Cooking workshops	30	15-20 at a time
Training for kitchen staff	50	6 at a time
Nutritional education workshops for students, community members and teachers	8	90 at a time
Health and nutrition comprehensive workshops	2	Entire school
Individual and group nutritional consultations	80	200
Scientific advice for science fair to different years.	6	200
Nutritional assessments	2	2,400

At the same time, we conduct nutritional assessments on the students at the beginning and the end of the year in order to determine their nutritional status and detect critical cases of malnutrition or obesity. On specific cases, the diet is adapted to the specific needs. 1,171 children were monitored in 2013.

Nutritional status of students at schools receiving assistance

Status	2013	2012
	NO.%	
Malnutrition	0	0
Underweight	87	23
Normal	912	980
Overweight	85	47
Obesity	87	45
Total assessed	1,171	1,095

8.2 Cre-Ser Education Program

As a result of a survey on the needs of 7 rural schools made in 2012, we identified the need of support in other areas besides nutrition. In order to face this, we carry out the CRE-SER Program with Asociación Conciencia.

The purpose of this Program is to improve development conditions of primary schools of Famaillá and Burruyacú at education, health and recreation level. The annual work plan consists of activities according to three lines of action:



- Healthy Life Habits: incorporation of healthy life habits (prevention, healthy diet, medical check-ups).
- Schooling promotion: pedagogical support and learning skill strengthening actions for students.
- Children's rights: artistic and sports activities to develop social and emotional skills and foster values (teamwork, self-esteem, friendship, solidarity, etc.).

Activities are carried out on the same day at each school, on extracurricular time. This allows teachers to work in a coordinated way and generate short-term ideas and solutions, multiplying their efficiency and facilitating the development of attitudes that could not be attained through the individual work of teachers.

In April, we conducted diagnostic assessments that enabled us to know what children had learned at school, taking into account the children's previous knowledge, their interests and their background.

Knowing the knowledge and skill level of each child enabled us to plan and make significant activities to improve their learning and work individually with children at highest learning risk.

As a result, improvements were made to the working methods: activities were planned according to age group and learning levels. Based on this modification, significant improvement was achieved in the results obtained for the academic performance of the 309 participants in 2013:

- Performance in Language: the focus on reading and writing allowed improving the participants' performance in this subject. This improvement is observed in the quarterly evolution of participants, and in the results obtained against the previous year.

- Performance in Mathematics: the improvement trend is even higher in Mathematics. Additionally, these figures reflect improvement against the previous year results.
- Average annual school attendance by the program participants was 88%.

Besides, we carried out special activities that were positive for the program development. These activities include a meeting with principals of the 7 schools, the supervisors of Famaillá y Burruyacú areas and the students' parents. As a close of the program, we held 3 meetings with students of different schools.

Under this program, we established a direct relationship, with ongoing consultation, between San Miguel Sustainability and Institutional Relations Area and the area supervisors. Moreover, parents and children ask for new incorporations and we conduct an indirect follow-up of the attendance problems and synergies with Banco de Alimentos.

Aligned with this program, all students of the 7 schools received the InterCole magazine every month in 2013. This is a didactic and educational publication intended to encourage reading at childhood and adolescence. The magazines were distributed to 24 teachers and 645 students, who prepared different materials that were published in subsequent editions of the magazine, generating a very positive impact on the school community. This educational development tool was also used as consultation material by the Cre-Ser Program.

Additionally, we refurbished the libraries of these schools with the support of Fundación Bemberg.

8.3 Corporate Volunteering

In order to present the Social Investment initiatives to people at the company so that they know and participate in them, we decided to develop Corporate Volunteering alternatives.

- We developed an adhesion system for making donations through a discount on the monthly salary. With the funds raised, we donated \$34,967 to FANN, Santa Clara Kindergarten (in El Talar, Buenos Aires), Comunidad de la Costanera del Río Salí and Fundación Nutrir.
- Together with Junior Achievement, 9 employees of Tucumán participated in education programs aimed at students of 5-11 years old, with the purpose of developing in them the entrepreneurial spirit that may enable them to achieve their goals.
- We started to work with Santa Clara Kindergarten (Buenos Aires). 25 employees participated in the two visits to the kindergarten.
- 13 employees visited Banco de Alimentos to help in the classification of food to be donated.
- Under the "Uruguay Productivo" Project, which drives Primary School Education, more than 50 children of 9 and 10 years old from School No. 118 of Playa Pascual participated in 2013. The curricular task consisted in analyzing the components of an active production complex within their community, to go deeper in visits to the companies and experience the process from inside. We developed a first stage so that San Miguel volunteers would present the company at the school and then receive the students at Fields, Packing and Industry.
- Our employees in Uruguay donated clothes to the Sagrado Corazón de Jesús Church in the city of Young, Uruguay.
- We received the students of Rural School No. 44 Colonia Las Delicias, in Uruguay, in one of our farms since the school building had to be repaired. We assigned our facilities so that the children could use them as a classroom.
- In South Africa, we helped the kindergarten of Nolutkhanyo so that it can provide food and a place for playing, learning and resting, to the children whose parents cannot take care of them.

Grassroot Soccer, in South Africa

Grassroot Soccer Inc. is a non-governmental organization that uses the power of soccer to encourage youth to have a healthier life and share a healthier environment. In this sense, it helps young people to know their skills, especially as regards the problems caused by the fight against HIV.

In 2013, 10 employees of San Miguel took part in the activities and became team members, in order to achieve greater youth engagement in this process.

8.4 FormARTE

With the intention of providing comprehensive artistic education to students through the teaching of drawing and the different plastic art techniques, we offer training workshops to our associates and their families.

In 2013, the workshops took place at Isabel Mena de Mata School and the Famaillá and Lavallo (Tucumán) plants, with the participation of 50 people. As a result, 57 works were presented at the "Pasión Artística San Miguel" Contest, which we organize every year.

In order to continue informing on the foundations with which we collaborate, we list some of them below:

- **Fundamind:** Foundation for the Maternal Care of children affected by poverty and HIV.
- **Fundalam:** Fundación Lactancia y Maternidad (Foundation for Breastfeeding and Maternity)
- **Fann:** Fundación de Ayuda al Niño Necesitado (Foundation for Helping Children in Need)
- **Asdra:** Asociación Síndrome de Down de la República Argentina (Down Syndrome Association of Argentina)
- **Fundación RAP:** Red de Acción Política (Political Action Network)
- **Fundación NUTRIR-Conin**
- **Fundación CARITAS**
- **Fundación Garrahan**
- **Fedeh**



09 | Achievements and Challenges Table

Goal for 2013	Achieved in 2013	Challenges 2014
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Corporate Social Responsibility

Continue working on the general plan to create awareness across all organizational levels, by adopting CSR as a management system.	We distributed the 2012 Sustainability Report internally and informed periodically on the progress made in the various CSR programs. We held the meetings stipulated for the various CSR committees of the company.	Start new social projects at different locations where the company operates.
New challenges for 2014: <ul style="list-style-type: none"> • Make progress in the process to identify opportunities for improvement by preparing a Sustainability Report. • Create a deeper dialog with our stakeholders 		

Corporate Governance

Preparation of an Ethics Code in the three countries where we have operations.	We created and presented the Ethics Code in the three countries.	Prepare an Ethics Code for strategic suppliers.
Fair Trade Audit (ETI) in Argentina and Uruguay.	We completed the Fair Trade Audit in Argentina and Uruguay.	Obtain the Global Gap certification for CSR and renew the Sedex certification.

Procurement

Establish social and environmental criteria to be applied in the Supplier Selection and Assessment procedure.	We included CSR criteria in the supplier assessment procedure and in the instructions to incorporate new suppliers.	Launch the "First Supplier Survey on Environmental Management" to assess the environmental actions implemented.
Communication of the 10 principles of the United Nations Global Compact to the main suppliers, who were then encouraged to sign a letter of commitment in adherence.	We put off its launch until 2014 in order to ensure the success of this initiative, which will be launched with a different format.	Create and spread the Ethics Code for San Miguel's suppliers within the framework of the 10 principles of the United Nations Global Compact.
Promote joint CSR actions with strategic suppliers in the relevant areas.	We held the first Innovation Workshops with strategic suppliers.	Hold a Purchaser Training Workshop on Green and Inclusive Purchases.

Labor Practices

Implementation and follow-up of the intra-area Communication Program of the Talent Management System to assess the results.	We carried out 90% of the assessments of non-collective agreement employees. As regards the employees covered by the agreement, we applied the tool to the 3 production areas, thus fully complying with our objective.	Fully implement the performance management system for non-collective agreement employees focused on setting SMART objectives (Measurement Criterion: Specific, Measurable, Achievable, Realistic and Time-Bound), as well as for the employees covered by the agreement, to the bottom level of the organizational chart.
Definition and communication of the Leadership Model proposed for San Miguel to the entire organization.	We did not take these actions in 2013, as there were significant changes in the Management level, which created a need to review the model to confirm the general guidelines to be communicated.	Have company leaders develop better communication skills to achieve more fluency in internal communications and foster the strengthening of work teams and the positioning of each leader as trainer of their own associates.
Design and implementation of a Program to Develop Generic Leadership and Teamwork Skills for Operations and Industrial Business Department.	This program started to be implemented with the commercial area of Department. As a result of the high cost of the program, it was not possible to implement it in the rest of the areas.	Foster knowledge transfer and associate development, by implementing management tools that allow reaching this objective.
Design and implementation of a Balanced Scorecard with management indicators that allow assessing the performance of the Training area.	We achieved our objective and even developed the Annual Training Plan of the company.	Make changes in the Annual Training Plan based on the skills matrix for each position.
Design and implementation of the E-learning tool for processes related to Training and/or Development.	This process could not be implemented because the technology resources required to set up computer rooms were not available and due to the high cost of the project.	Develop the E-learning tool to be implemented by 2016.
Design and implementation of the 1st Climate Survey at San Miguel.	We took preliminary actions to address this issue: the 1st survey on organizational communication to strengthen our achievements and leverage our opportunities for improvement.	Design and implementation of the 1st Climate Survey at San Miguel.

Goal for 2013	Achieved in 2013	Challenges 2014
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Labor Practices

Ensure the continuity of the programs on occupational health and safety currently in place and consolidate them.	The programs already implemented continued in place. We carried out national vaccination programs in which 110 associates were vaccinated. In all the issues of SOMOS magazine, we included a "Health" section, which provides general guidelines for health care. These were strengthened with notice boards and by displaying the certifications achieved by the company.	Implement the Health and Safety Manual and take the actions required to obtain the OSHA- 18001 certification and the heart safe company certification. Strengthen the national vaccination programs. Consolidate the addition of the Health section in Somos magazine, by incorporating and updating the general guidelines for health care.
<p>New challenges for 2014:</p> <ul style="list-style-type: none"> • Have an active participation in the TRS (Total Remuneration Survey) by collecting market information on wages and benefits, and comparing San Miguel's positioning with respect to the market. • Add new benefits and create the Benefit Manual for our employees. • Launch the Internal Conduct Manual. 		

Customers

Improve the logistic coordination in the supply from the three points of origin.	We supplemented the supply of lemon with other citrus juices.	Improve the efficiency of the logistics costs (improve transportation, cut cooling costs, etc.) from the three points of origin.
Assess and respond to market innovations or requirements in terms of "sustainable" packaging.	Gradual implementation of cardboard boxes with a greater percentage of recycled fibers in their composition.	Test new packagings that allow loading more kilograms of fruit in each pallet.
Work to achieve more homogeneity of the products offered through All Lemon.	Work started to be done on the use of chemicals in the field in order to improve fruit quality.	Achieve better results in the application of chemicals, thus improving fruit quality and reaching one of the top positions in All Lemon.
Strengthen the link with the relevant technical departments, creating synergy for continuous improvement.	Our plant was visited by different technicians with a recognized track record in the industry and others sent by our customers, who provided us with expert advice on the various steps of the production process.	Continue fostering technical improvement by permanently seeking expert advice and working to continually improve our processes.
Increase communication with customers on the initiatives driven by San Miguel as regards sustainability.	We share our sustainability commitment, actions and programs with our customers.	Send our customers an environmental diagnosis survey geared at determining their sustainability level.
<p>New challenges for 2014:</p> <ul style="list-style-type: none"> • Develop products jointly with our customers. • Formally develop a quality policy. 		

Environmental Management

Creation of a work plan, geared at identifying environmental impacts related to the various production stages.	We worked to reduce factory water consumption together with the EEAOC and monitored the steam generation system to optimize natural gas consumption.	Global integration of the environmental management system in the 3 countries.
Certification of environmental monitoring techniques under ISO 9001.	A diagnostic audit based on the ISO 9001 standard was carried out in order to certify water monitoring processes in all the facilities of San Miguel where samples are taken, in order to standardize sampling techniques.	Certify under ISO 9001 standard the water monitoring processes carried out in all the facilities of San Miguel where samples are taken, in order to standardize sampling techniques.
Start the carbon and water footprint analysis in South Africa and Uruguay.	We did not make progress on this issue in South Africa or Uruguay as we are still working on the Carbon and Water Footprint in Argentina.	Launch the project to measure carbon and water footprints in Uruguay and South Africa.
<p>New challenges for 2014:</p> <ul style="list-style-type: none"> • Implement the environmental contingency system for the treatment of factory effluents. • Work jointly with Fundación Proyungas to carry out a zoning project for San Miguel's farms in Tucuman. 		

Goal for 2013	Achieved in 2013	Challenges 2014
Social Investment		
Develop a measuring system to assess the progress of the Nutrition Program.	We carried out biannual anthropometric measurements of weight and height for 1,171 children. We tracked the number of actions focused on nutrition that we conducted and recorded the number of attendants (comprehensive seminars on health and nutrition and nutrition talks and workshops).	Consolidate the nutrition program, emphasizing the integration between parents and teachers to focus on the diet of the children covered by this scheme, by conducting specific workshops.
Include, in the community assistance plan, a program similar to the one carried out in Argentina with Banco de Alimentos. Conduct this initiative with the Food Bank of South Africa in the kindergartens of the communities located near our farms.	We helped the kindergarten in Nolutkhanyo so that it can provide food and a place for playing, learning and resting, to the children whose parents cannot take care of them.	Enhance teachers' nutrition and education skills and knowledge, by delivering training schemes and providing assistance to participate in training activities.
Ensure the continuity of CRE-SER program. Follow up and consolidate this program.	We conducted diagnostic assessments of the children included in the program. As a result, we implemented improvements in our work methodology. In turn, there were changes in the facilities used for activities, the criteria for participation and the new areas for intervention (workshops for parents, and coordination and alliances). With the support of Fundación Bemberg, we refurbished the libraries of the 7 rural schools which we assist.	Consolidate the Cre-Ser Program with Asociación Conciencia, by opening it to new participants and integrating beneficiary children's parents by means of targeted workshops.
Implement volunteer projects for offices in Buenos Aires, Tucumán, Uruguay and South Africa.	Volunteers from the company took part in three Junior Achievement programs. In South Africa, they joined the Grassroot Soccer initiative, which uses soccer to give support for young people fighting against HIV.	Implement volunteer initiatives in South Africa and Uruguay.
New challenges for 2014: <ul style="list-style-type: none"> Start the program Líderes en Acción sponsored by Asociación Educar 2050, created to provide training for teachers and authorities of the rural schools we assist. Organize the afternoon shift of Santa Clara kindergarten based on the support provided by San Miguel, companies invited to participate in the project and employees' personal donations. 		



10 | Table of GRI G4
Indicators - ISO 26000 -
United Nations Global
Compact

General Disclosures	Section/Response	External Assurance	ISO 26000 Clause	Global Compact Principle
Strategy and Analysis			4.7, 6.2, 7.4.2	
G4-1: Statement from the most senior decision-maker of the organization about the relevance of sustainability to the organization and the organization's strategy for addressing sustainability.	Letter from the CEO			
Organizational Profile			6.3.10, 6.4.1-6.4.2, 6.4.3, 6.4.4, 6.4.5, 6.8.5, 7.8	
G4-3: Name of the organization.	1			
G4-4: Primary brands, products, and services.	1, 6.1			
G4-5: Location of the organization's headquarters.	San Miguel's headquarters are located in Buenos Aires, Argentina.			
G4-6: Countries where the organization operates.	1			
G4-7: Nature of ownership and legal form.	SA San Miguel Agrícola, Ganadera, Industrial, Comercial, Inmobiliaria y Financiera.			
G4-8: Markets served.	1, 6.1			
G4-9: Scale of the organization.	1, 5.1, 6.1			
G4-10: Breakdown of employees of the organization.	5.1			Principle 6
G4-11: Percentage of total employees covered by collective bargaining agreements.	95.1%			Principle 3
G4-12: Description of the organization's supply chain.	1, 4.1			
G4-13: Significant changes during the reporting period regarding the organization's size, structure, ownership and its supply chain.	1. No significant changes occurred in 2013 in the organization's supply chain.			
G4-14: Reporting whether and how the precautionary principle is addressed by the organization.	3.1, 7.1			
G4-15: Externally developed economic, social and environmental principles or other initiatives to which the organization subscribes or which it endorses.	2.4, 3.1, 7.1, 7.5, 8			
G4-16: Memberships of associations and national or international advocacy organizations.	3.2			
Identified Material Aspects and Boundaries			5.2, 7.3.2, 7.3.3, 7.3.4	
G4-17: List of entities included in the organization's financial statements and other equivalent documents.	Cover repetition. All the entities listed in the financial statements are included in this Report.			
G4-18: Process for defining the report content and the Aspect Boundaries.	Cover repetition, 2.2.			
G4-19: List of material Aspects.	2.2. The Aspects of the G4 Guidelines that are material are presented in the table relating aspects included in the materiality matrix and are those included and reported within this GRI Table in the General Standard Disclosures section.			
G4-20: For each material Aspect, the Aspect Boundary within the organization.	2.2 All material aspects, whether priority or relevant, are equally applicable to all our operations.			
G4-21: For each material Aspect, the Aspect Boundary outside the organization.	2.2 All material aspects, whether priority or relevant, are equally applicable to all our operations.			
G4-22: Report of the effects of any restatements of information provided in previous reports, and the reasons for such restatements.	No significant restatements of information provided in previous reports have been made.			
G4-23: Effects of any restatements of information provided in previous reports, and the reasons for such restatements.	There are no significant changes from previous reporting periods in the scope and aspect boundaries.			
Stakeholder Engagement			5.3	
G4-24: List of stakeholders engaged by the organization.	2.4			
G4-25: Basis for selection of stakeholders with whom to engage.	2.4 In order to identify and select stakeholders, we rely on the 6 CSR dimensions of San Miguel. The work based on these dimensions and the expectations of stakeholders throughout the year allowed us to identify our target public.			
G4-26: Reporting of organization's approach to stakeholder engagement.	2.2, 2.4, 4.3, 5.9, 6.5			
G4-27: Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.	2.2, 2.4			

GRI G4 Guidelines Indicators – General Disclosures

ISO 26000
Clause

Global Compact
Principle

General Disclosures	Section/Response	External Assurance		
Report Profile			7.5.3, 7.6.2	
G4-28: Reporting period	Cover repetition.			
G4-29: Date of most recent previous report	The previous Sustainability Report was published in 2012.			
G4-30: Reporting cycle	Our Sustainability Report is made on an annual basis.			
G4-31: Provide the contact point for questions regarding the report or its contents.	Back cover repetition.			
G4-32: «In accordance» with the Guidelines option the organization has chosen, GRI Index for the chosen option and reference to the External Assurance Report.	2.2, 10			
G4-33: Organization's policy and current practices with regard to external assurance for the report.	No external assurance has been conducted for San Miguel's 2013 Sustainability Report.			
Corporate Governance			6.2, 7.4.3, 7.7.5	
G4-34: Governance structure of the organization, including committees.	3			
G4-39: Report whether the Chair of the highest governance body is also an executive officer.	The Chair of the Board is not an executive officer at San Miguel.			
G4-42: Highest governance body's and senior executives' roles in the development, approval, and updating of the organization's purpose, values or mission statements, strategies, policies, and goals related to economic, environmental and social impacts.	2.3			
G4-43: Measures taken to develop and enhance the highest governance body's knowledge of economic, environmental and social topics.	2.3			
G4-47: Frequency of the highest governance body's review of economic, environmental and social impacts, risks, and opportunities.	2.3			
G4-49: Process for communicating critical concerns to the highest governance body.	2.4, 5.9. Communication between the Board and shareholders is exclusively made through the communication channels established by the Stock Exchange and the Argentine Securities and Exchange Commission.			
G4-52: Process for determining remuneration.	Remuneration of Board members is fixed based on the responsibilities taken, the time devoted, professional competence and reputation and the value of the services in the market. It has a fixed performance component and is aligned with the remunerations of the market. The external consulting firms with which we work only provide the wage structures and comparative data from other companies and the general market. They are not involved in determining wages and are independent from the management.			
G4-53: Report how stakeholders' views are sought and taken into account regarding remuneration.	The Compensations and Benefits Area prepares the different Compensation scenarios, including information from surveys, studies, consulting firm analyses, official indexes, etc. and the HR Director, together with the General Manager, present such scenarios to Shareholders and support each of the scenarios proposed. Shareholders study the scenarios and make the decision to choose one or other strategy taking into account the constant movement of the market and the production, sales, cost indicators, etc.			
Ethics and Integrity			4.4, 6.6.3	
G4-56: Describe the organization's values, principles, standards and norms.	1, 3.1, 5.1			Principle 10

GRI G4 Guidelines Indicators – Specific Disclosures					ISO 26000 Clause	Global Compact Principle
Material Aspect	Management Approach and Indicators	Section	Reasons for Omission	External Assurance		
Economic Performance						
Economic Performance	Management Approach	1, 2, 2				
	G4-EC1: Direct economic value generated and distributed.	1. This indicator is partially reported, as there is no specific information available on the investment in programs and practices to which our industry should contribute.	The G4 version of the supplements was launched when the preparation of this Report was already under way, the modifications that the supplement makes to the requirements and indicators of the G4 Guidelines have not been included. Such modifications will be considered for the next report.		6.8.1-6.8.2, 6.8.3, 6.8.7, 6.8.9	
	G4-EC4: Financial assistance received from government.	No significant financial assistance was received from governments.				
Market Presence	Management Approach	2, 2, 3, 5, 7				
	G4-EC5: Ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation.	The wages of San Miguel's non-collective agreement employees are above the Argentine adjustable minimum living wage (SMVM). The entry level wage for men and women is above the SMVM by 197%. This indicator is partially reported as there are no quantitative data available for operations in Uruguay and South Africa.	San Miguel is undergoing a process to standardize its management model and its indicators, and this process comprises all countries.		6.3.7, 6.3.10, 6.4.3, 6.4.4, 6.8.1-6.8.2	Principle 6
	G4-EC6: Proportion of senior management hired from the local community at significant locations of operation.	100% of directors are from the local community, being Argentine.			6.4.3, 6.8.1-6.8.2, 6.8.5, 6.8.7	Principle 6
Indirect Economic Impacts	Management Approach	1, 2, 2, 4.2, 4.3, 5.1 - 5.4, 6.1, 7.1, 7.3, 8.				
	G4-EC8: Significant indirect economic impacts, including the extent of impacts.	1, 4.2, 4.3, 5.1 - 5.4, 6.1, 7.1, 7.3, 8.			6.3.9, 6.6.6, 6.6.7, 6.7.8, 6.8.1-6.8.2, 6.8.5, 6.8.7, 6.8.9	
Procurement Practices	Management Approach	2, 2, 4.1 - 4.3				
	G4-EC9: Proportion of spending on local suppliers at significant locations of operation.	4.1			6.4.3, 6.6.6, 6.8.1-6.8.2, 6.8.7,	
Environmental Performance					6.5.1-6.5.2	
Materials	Management Approach	2, 2, 7.1, 7.2, 7.4				
	G4-EN1: Materials used by weight or volume.	This indicator is partially reported, as there is no information available on materials used to produce and package the organization's primary products and services.	There is no detailed information on the materials used to produce and package San Miguel's primary products. This indicator will be systematized to be included in the next report.		6.5.4	Principle 7 and 8
Energy	Management Approach	2, 2, 7.1, 7.2, 7.4				
	G4-EN3: Energy consumption within the organization.	7.4. Note 1	Note 2		6.5.4	Principle 7 and 8

GRI G4 Guidelines Indicators – Specific Disclosures					ISO 26000 Clause	Global Compact Principle
Material Aspect	Management Approach and Indicators	Section	Reasons for Omission	External Assurance		
Water	Management Approach	2.2, 7.1, 7.2, 7.4				
	G4-EN8: Total water withdrawal by source	This indicator is partially reported as there are no quantitative data for water withdrawal by source.	In 2013, a diagnostic audit based on the ISO 9001 standard was carried out in order to certify water monitoring processes in all the facilities of San Miguel where samples are taken, in order to standardize sampling techniques. Having completed the water footprint calculation, at the time of closing this report we are in the analysis stage of those measurements.		6.5.4	Principle 7 and 8
Biodiversity	Management Approach	2.2, 7.1, 7.2, 7.5				
	G4-EN12: Description of significant impacts of activities, products, and services on biodiversity in protected areas or areas of high biodiversity value outside protected areas.	7.5			6.5.6	Principle 8
Emissions	Management Approach	2.2, 7.1, 7.2, 7.4, 7.5				
	G4-EN15: Direct greenhouse gas emissions (Scope 1)	Note 3	Note 4		6.5.5	Principle 7 and 8
	G4-EN16: Indirect greenhouse gas emissions (Scope 2)	Note 3	Note 4		6.5.5	Principle 7 and 8
	G4-EN17: Other indirect greenhouse gas emissions (Scope 3)	Note 3	Note 4		6.5.5	Principle 7 and 8
	G4-EN20: Emissions of ozone-depleting substances.	San Miguel does not consume substances that cause ozone layer destruction in its production process.			6.5.3, 6.5.5	Principle 7 and 8
Effluents and Waste	Management Approach	2.2, 7.1, 7.2, 7.5				
	G4-EN22: Total water discharge by quality and destination.	7.5			6.5.3, 6.5.4	Principle 8
	G4-EN23: Total weight of waste by type and disposal method.	7.4. Note 1	Note 2		6.5.3	Principle 8
	G4-EN24: Total number and volume of significant spills.	No significant spills have taken place in any of our operations.			6.5.3	Principle 8
	G4-EN26: Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the organization's discharges of water and runoff.	No habitats have been affected by water discharge.			6.5.3, 6.5.4, 6.5.6	Principle 8
Products and Services	Management Approach	2.2, 4.3, 7.4				
	G4-EN27: Mitigation of environmental impacts of products and services.	The information on the quantitative results of the environmental impact mitigation cannot be accessed.	We are committed to standardizing the data collection and storage system and global integration of the Environmental Management System in the 3 countries, which will allow us to respond to this indicator.		6.5.3, 6.5.4, 6.5.5, 6.7.5	Principle 7, 8 and 9

GRI G4 Guidelines Indicators – Specific Disclosures					ISO 26000 Clause	Global Compact Principle
Material Aspect	Management Approach and Indicators	Section	Reasons for Omission	External Assurance		
Compliance	Management Approach	2.2, 3.1.				
	G4-EN29: Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	No incidents were reported. We only received warnings from the Secretariat of Environment of the province of Tucumán for discharge of effluents with specification for not being according to the standard.			4.6	Principle 8
Transport	Management Approach	2.2, 4.3, 6.2, 7.4				
	G4-EN30: Significant environmental impacts of transporting products and other goods and materials for the organization's operations, and transporting members of the workforce.	4.3, 6.2, 7.4			6.5.4, 6.6.6	Principle 8
Overall	Management Approach	2.2, 7.1, 7.2				
	G4-EN31: Breakdown of environmental protection expenditures and investments.	Total environmental protection expenditures and investments amounted to \$972,900 in 2013. \$2,900 in certifications, \$90,000 in consulting services, \$5,000 in materials, \$700,000 in services for the disposal of waste from effluent treatment plant, \$65,000 in external analysis and \$10,000 in other items.			6.5.1-6.5.2	Principle 7, 8 and 9
Supplier Environmental Assessment	Management Approach	2.2, 4.1, 4.2				
	G4-EN32: Percentage of new suppliers that were screened using environmental criteria	Note 5	Note 6		6.3.5, 6.6.6, 7.3.1	Principle 8
Environmental Impact Grievance Mechanisms	Management Approach	2.2, 3.1, 7.1				
	G4-EN34: Number of grievances about environmental impacts filed, addressed, and resolved through formal grievance mechanisms	There were no significant environmental impact complaints.			6.3.6	Principle 8
Social Performance: Labor Practices and Decent Work					6.4.1-6.4.2	
Employment	Management Approach	2.2, 5.1, 5.3, 5.7				
	G4-LA1: Total number and rates of new employee hires and employee turnover by age group, gender and region.	5.3 Note 1	Note 2		6.4.3	Principle 6
	G4-LA2: Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation.	5.7			6.4.4, 6.8.7	
Company/Labor Relations	Management Approach	2.2, 5.1, 5.2				
	G4-LA4: Minimum notice periods regarding operational changes.	The minimum notice period to employees upon significant changes affecting them is one month if length of service is less than or equal to 5 years and 2 months if length of service is greater than 5 years.			6.4.3, 6.4.5	Principle 3
	G4-FP3: Percentage of work time lost due to labor conflicts, strikes and/or lockouts, by country	There were no strikes in 2013.				

GRI G4 Guidelines Indicators – Specific Disclosures					ISO 26000 Clause	Global Compact Principle
Material Aspect	Management Approach and Indicators	Section	Reasons for Omission	External Assurance		
Occupational Health and Safety	Management Approach G4-LA5: Percentage of total workforce represented in formal joint management–worker health and safety committees that help monitor and advise on occupational health and safety programs.	2.2, 5.1, 5.6			6.4.6	
	G4-LA6: Type and rates of absenteeism, occupational diseases, lost days, and number of work-related fatalities, by region and by gender.	5.6 Note 1	Note 2		6.4.6, 6.8.8	
Training and Education	Management Approach G4-LA10: Programs for skills management and continuing education.	2.2, 5.3-5.6			6.4.7, 6.8.5	
	G4-LA12: Governance bodies and breakdown of employees per employee category, gender and minority group membership, and other indicators of diversity.	2.2, 3, 5.1, 5.2			6.2.3, 6.3.7, 6.3.10, 6.4.3	Principle 6
Diversity and Equal Opportunity	Management Approach G4-LA13: Ratio of basic salary and remuneration of women to men by employee category and by significant locations of operation.	2.2, 5.2, 5.7			6.3.7, 6.3.10, 6.4.3, 6.4.4	Principle 6
Equal Remuneration for Women and Men	Management Approach G4-LA14: Percentage of new suppliers that were screened using labor practices criteria.	2.2, 3.1, 4.1, 4.2			6.3.5, 6.4.3, 6.6.6, 7.3.1	
Supplier Assessment for Labor Practices	Management Approach G4-LA16: Number of grievances about labor practices filed, addressed, and resolved through formal grievance mechanisms.	2.2, 3.1, 5.1, 5.9			6.3.6	
Labor Practices Grievance Mechanisms	Social Performance: Human Rights					4.8, 6.3.1-6.3.2
Investment	Management Approach G4-HR1: Total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening.	2.2, 3.1, 4.1, 4.2, 5.1	The Human Rights Policy and the Code of Ethics are applicable to the entire company.	This indicator is partially reported, as there are no quantitative data available for investment agreements and contracts including the aforementioned clauses.	6.3.3, 6.3.5, 6.6.6	Principle 2
	Management Approach G4-HR3: Total number of incidents of discrimination and corrective actions taken	2.2, 3.1, 5.1, 5.2	No incidents of this type were reported in 2013.		6.3.6, 6.3.7, 6.3.10, 6.4.3	Principle 6
Non-discrimination	Management Approach G4-HR4: Operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and measures taken to support these rights.	2.2, 3.1, 4.1, 4.2, 5.1	Note 8 No operations entailing the risk of violation of the right to freedom of association and collective bargaining have been reported.	Note 6 and 7	6.3.3, 6.3.4, 6.3.5, 6.3.8, 6.3.10, 6.4.5, 6.6.6	Principle 3
Freedom of Association and Collective Bargaining						

GRI G4 Guidelines Indicators – Specific Disclosures					ISO 26000 Clause	Global Compact Principle
Material Aspect	Management Approach and Indicators	Section	Reasons for Omission	External Assurance		
Child Labor	Management Approach G4-HR5: Operations and suppliers identified as having potential risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor.	2.2, 3.1, 4.1, 4.2, 5.1 Note 8 No operations with potential risk for incidents of child labor have been reported.	Note 6 and 7		6.3.3, 6.3.4, 6.3.5, 6.3.7, 6.3.10, 6.6.6, 6.8.4	Principle 5
Forced or Compulsory Labor	Management Approach G4-HR6: Operations and suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor.	2.2, 3.1, 4.1, 4.2, 5.1 Note 8 No operations with potential risk for incidents of forced labor have been reported.	Note 6 and 7		6.3.3, 6.3.4, 6.3.5, 6.3.10, 6.6.6	Principle 4
Security Practices	Management Approach G4-HR7: Percentage of security personnel trained in human rights.	2.2, 3.1, 5.1, 5.6 3.1, 5.1, 5.6 100% of employees adhered to the Code of Ethics, which includes aspects of human rights. The delivery of this code is part of the induction process of new associates.			6.3.4, 6.3.5, 6.6.6	Principle 1
Indigenous Rights	Management Approach G4-HR8: Total number of incidents of violations involving rights of indigenous peoples and actions taken.	2.2, 3.1 No incidents of this type were reported in 2013.			6.3.4, 6.3.6, 6.3.7, 6.3.8, 6.6.7, 6.8.3	Principle 1
Assessment	Management Approach G4-HR9: Total number and percentage of operations that have been subject to human rights reviews or impact assessments.	2.2, 3.1, 5.1 5.1. Through the audits of the Ethical Trading Initiative in the three countries where we operate, 100% of operations are subject to assessments related to human rights. The Human Rights Policy and the Code of Ethics are applicable to the entire company.			6.3.3, 6.3.4, 6.3.5	Principle 1
Supplier Human Rights Assessment	Management Approach G4-HR10: Percentage of new suppliers that were screened using human rights criteria.	2.2, 3.1, 4.1, 4.2 Note 5	Note 6 and 7		6.3.3, 6.3.4, 6.3.5, 6.6.6	Principle 2
Human Rights Grievance Mechanisms	Management Approach G4-HR12: Number of grievances about human rights impacts filed, addressed, and resolved through formal grievance mechanisms.	2.2, 3.1, 5.1 No significant grievances about human rights impacts have been filed.			6.3.6	Principle 1
Social Performance: Society						
Local Communities	Management Approach G4-SO1: Percentage of operations with local community engagement, impact assessments, and development programs.	2.2, 8 8. We have implemented development programs, impact assessments and local community engagement in all the communities where our operations are established.			6.3.9, 6.5.1-6.5.2, 6.5.3, 6.8	Principle 1
Anti-corruption	Management Approach G4-SO5: Confirmed incidents of corruption and actions taken.	2.2, 3.1 No corruption incidents have been reported.			6.6.1-6.6.2, 6.6.3	Principle 10

GRI G4 Guidelines Indicators – Specific Disclosures					ISO 26000 Clause	Global Compact Principle
Material Aspect	Management Approach and Indicators	Section	Reasons for Omission	External Assurance		
Anti-competitive Behavior	Management Approach G4-SO7: Total number of legal actions for anti-competitive behavior, anti-trust or monopoly practices and their outcomes.	2.2, 3.1 No legal actions for anti-competitive behavior, anti-trust or monopoly practices have been filed.			6.6.1-6.6.2, 6.6.5, 6.6.7	
Compliance	Management Approach G4-SO8: Monetary value of fines and number of non-monetary sanctions for non-compliance with laws and regulations.	2.2, 3.1 No significant fines and non-monetary sanctions for non-compliance with laws and regulations have been reported.			4.6	
Supplier Assessment for Impacts on Society	Management Approach G4-SO9: Percentage of new suppliers that were screened using criteria for impacts on society.	2.2, 4.1, 4.2 Note 5	Note 6		6.3.5, 6.6.1-6.6.2, 6.6.6, 6.8.1-6.8.2, 7.3.1	
Grievance Mechanisms for Impacts on Society	Management Approach G4-SO11: Number of grievances about impacts on society filed, addressed, and resolved through formal grievance mechanisms.	2.2, 3.1, 5.1 No significant grievances about impacts on society have been filed.			6.3.6, 6.6.1-6.6.2, 6.8.1-6.8.2	
Social Performance: Product Responsibility						
Customer Health and Safety	Management Approach G4-PR2: Total number of incidents of non-compliance with regulations concerning the impacts of products and services on the health and safety of customers.	2.2, 6.2, 6.3, 7.1 No incidents related to non-compliance with regulations concerning the impacts of products and services on the health and safety of customers have been reported.			4.6, 6.7.1-6.7.2, 6.7.4, 6.7.5, 6.8.8	
Product and Service Labeling	Management Approach G4-PR4: Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.	2.2, 6.2-6.5, 7.1 No incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling have been reported.			4.6, 6.7.1-6.7.2, 6.7.3, 6.7.4, 6.7.5, 6.7.9	
Marketing Communications	Management Approach G4-PR7: Total number of incidents of non-compliance with regulations or voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes.	2.2, 6.3, 7.1 No incidents of non-compliance with regulations or voluntary codes concerning marketing communications have been reported.			4.6, 6.7.1-6.7.2, 6.7.3	
Customer Privacy	Management Approach G4-PR8: Total number of complaints regarding the respect for customer privacy and losses of customer data.	2.2, 6.3 No complaints regarding the respect for customer privacy and losses of customer data have been filed.			6.7.1-6.7.2, 6.7.7	
Compliance	Management Approach G4-PR9: Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services of the organization.	2.2, 3.1 No significant fines for non-compliance with laws and regulations concerning the provision and use of products and services have been imposed on the company.			4.6, 6.7.1-6.7.2, 6.7.6	

References

Note 1: This indicator is partially reported as there are no quantitative data available for operations in Uruguay and South Africa.

Note 2: San Miguel is undergoing a process to standardize its management model and its indicators, and this process comprises all countries.

Note 3: This indicator is partially reported as there are no quantitative data available for Scope 1, 2 and 3 GHG emissions.

Note 4: In 2013, we identified and quantified Scope 1, 2 and 3 GHG emissions but the analysis process of such measurements had not been finished at the time of closing this report. They will be included in the next report.

Note 5: This indicator is partially reported as there is no information available on the percentage of new suppliers screened.

Note 6: In 2013, we included criteria based on the contributions of each supplier in terms of environment and CSR into the Supplier Assessment procedure. This new form will start to be used in 2014.

Note 7: The Code of Ethics for San Miguel's suppliers, prepared under the 10 principles of the United Nations Global Compact, will be launched in 2014.

Note 8: This indicator is partially reported as there is no information available on the suppliers screened.



About this Sustainability Report

www.sanmiguelglobal.com

The 2013 Sustainability Report is available to all stakeholders in electronic format. Available at: www.sanmiguelglobal.com.

Prepared by San Miguel's Sustainability and Institutional Relations area.

External Facilitator: ReporteSocial, www.reportesocial.com

Contact us

We welcome your opinions, suggestions, concerns or any other comment related to our management presented in our second Sustainability Report. You can contact us via:

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Buenos Aires, October 2014.

The 2013 Sustainability Report has a summary version for printing.

