



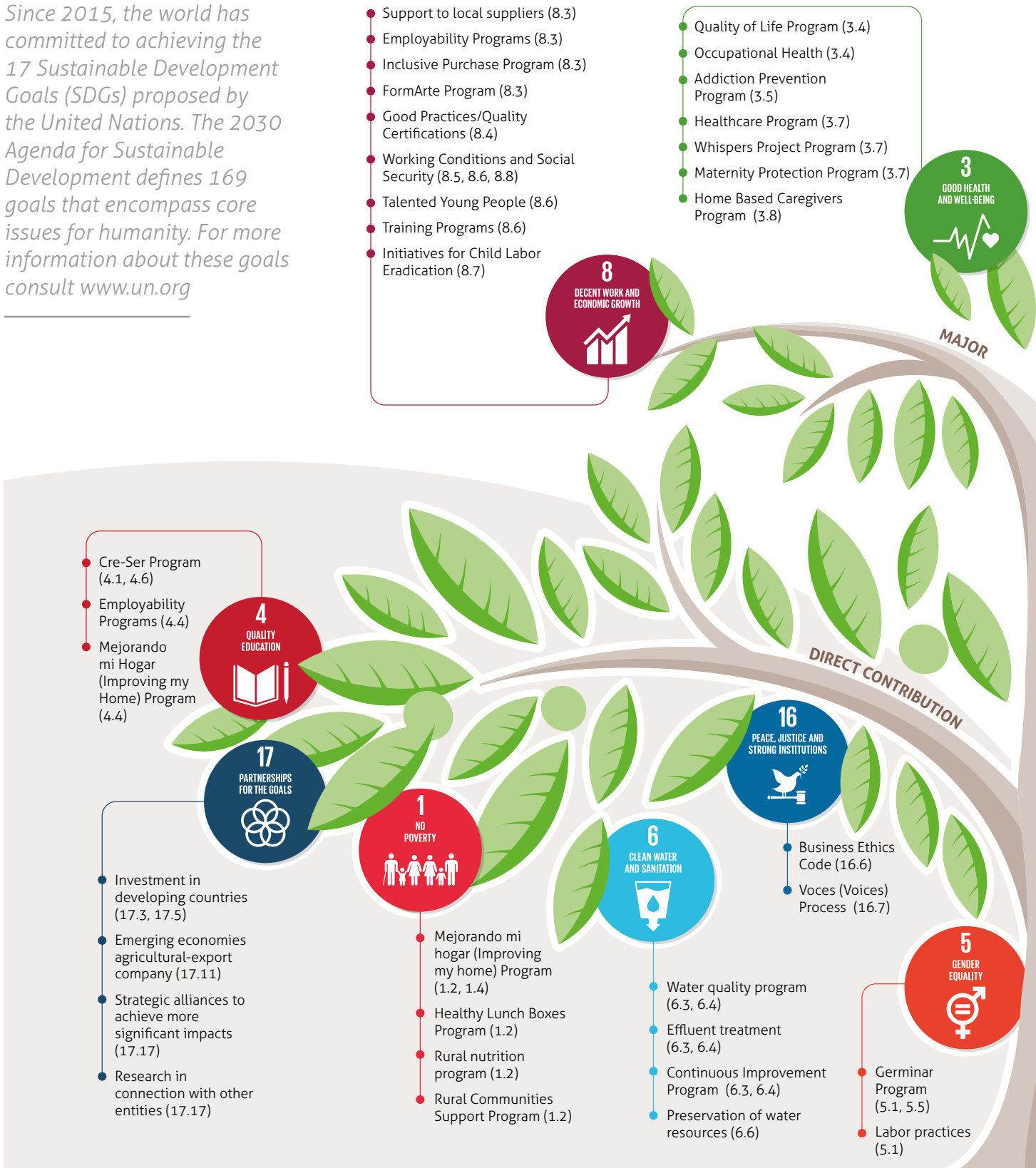
2017
**SUSTAINABILITY
REPORT**

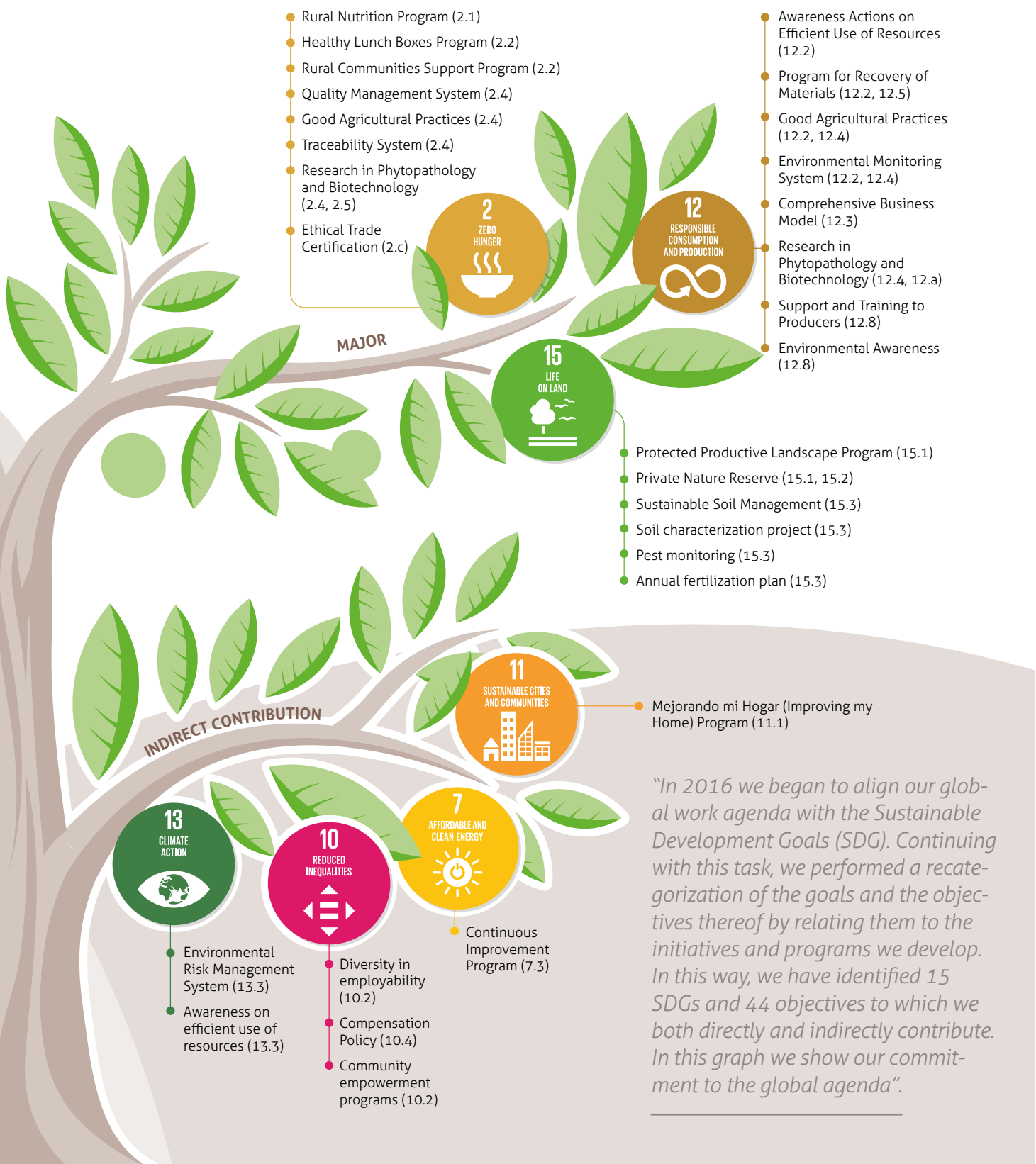


 **San Miguel**


OUR CONTRIBUTION TO THE 2030 AGENDA

Since 2015, the world has committed to achieving the 17 Sustainable Development Goals (SDGs) proposed by the United Nations. The 2030 Agenda for Sustainable Development defines 169 goals that encompass core issues for humanity. For more information about these goals consult www.un.org





"In 2016 we began to align our global work agenda with the Sustainable Development Goals (SDG). Continuing with this task, we performed a recategorization of the goals and the objectives thereof by relating them to the initiatives and programs we develop. In this way, we have identified 15 SDGs and 44 objectives to which we both directly and indirectly contribute. In this graph we show our commitment to the global agenda".

An aerial photograph of an orange orchard during harvest. The trees are arranged in neat rows. Several workers are visible, some standing near trees and others near large white bins filled with harvested oranges. A white ladder is positioned on the left side of the orchard. The scene is brightly lit, casting shadows on the ground.

LETTER FROM THE CEO



At San Miguel we are aware of the role we occupy in the world in which we live and develop. Therefore, we work day after day with the conviction of being contributing and generating a positive impact for the sustainable development of the environment surrounding us.

We are a part of nature; we respect and take care of it to add value starting therefrom. We offer healthy and quality products that reach millions of homes worldwide. We operate in developing regions and countries with vulnerable rural populations where we generate sources of decent employment and contribute to the development of the economic activity.

We are definitively a part of these communities and that is why we always put people at the center of our business,

because that is how we understand Sustainability.

For more than 60 years these convictions have been guiding our daily work and they become evident in the way in which we produce, in the quality of our products, in the bond with our employees, customers, shareholders, suppliers and with the people of each of the communities in which we are present.

Today, we are proud to share with you the social, environmental and economic performance of our company during 2017, a year marked by three highly important milestones relevant for San Miguel:

- a. The issuance of new shares for the development of growth projects.
- b. The acquisition of an operation in Peru that allowed us to improve access to markets with high consumption potential, as well as to expand our portfolio from the incorporation of fresh non-citrus fruits having great global demand.
- c. The creation of Caspinchango Private Reserve, with more than 6,000 hectares of native forest preserved in Argentina.

At San Miguel we aim to make our contribution to respond to those global challenges that are relevant to our business and to the entire industry. That is why we focus our management on issues such as investment promotion

and local development; food safety, fruit monitoring and quality management throughout our value chain; ethics and transparency; care for the environment and preservation of biodiversity. As regards our employees, we focus on the promotion of Human Rights, approaching the development of talented people and labor, health and safety conditions.

Thus we reassert our commitment to the 2030 Agenda for Sustainable Development adopted by the United Nations, a pathway we began in 2016 as a guide to align our Corporate Responsibility Policy with these Goals, and at the same time undertake the initiatives whereby we can contribute to these objectives.

We present below our 6th. Sustainability Report, prepared in accordance with the new Global Reporting Initiative (GRI) guidelines and the United Nations Corporate Social Responsibility Initiative: the Global Compact. We make of this report our Communication for Progress and present our contribution to its 10 Universal Principles based on four major themes: human rights, labor rights, environment and fight against all forms of corruption.

We thank all people at San Miguel for their collaboration in the drafting of this Report. It is them who through their daily work contribute to promote constant improvement and compliance with the broad commitments undertaken by the company in terms of Sustainability.

Romain Corneille
San Miguel CEO

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1

WE ARE SAN MIGUEL

8



12



17





WE ARE SAN MIGUEL

WE ARE A LEADING MULTINATIONAL COMPANY IN THE SOUTHERN HEMISPHERE IN THE PRODUCTION, DISTRIBUTION AND COMMERCIALIZATION OF FRESH CITRUS FRUITS AND CITRUS FRUIT BY-PRODUCTS.

62

YEARS IN CITRUS FRUIT PRODUCTION

9,600

HECTARES OF FIELDS

30

COMPANY-OWNED FARMS IN ARGENTINA

12

COMPANY-OWNED FARMS IN URUGUAY

12

COMPANY-OWNED FARMS IN SOUTH AFRICA

18

COMPANY-OWNED FARMS IN PERU

5

COMPANY-OWNED PACKING PLANTS

130,000

TONS OF FRESH FRUIT EXPORTED PER YEAR

3

INDUSTRIAL PLANTS

430,000

TONS PROCESSING CAPACITY

30%

OF LEMON PROCESSING IN ARGENTINA

15%

OF LEMON PROCESSING WORLDWIDE

From our multiple points of origin, we grow and develop products that are currently present at the table of millions of families worldwide. Our comprehensive business model covers our operations from our plant nursery to supermarket shelves. We work to produce and satisfy the needs of the market.

Each of our operation axes always focuses on improving the quality of our service and products.

*We are **part of our community** and work **taking care of the natural environment** where we develop our activities. Basically, because we want to grow together in a better world.*



OUR VISION

TO BE THE LEADING COMPANY OF FRESH CITRUS FRUIT AND VALUE-ADDED PROCESSED FRUIT AND VEGETABLE PRODUCTS IN THE SOUTHERN HEMISPHERE.



OUR VALUES

INTEGRITY • VALUE CREATION • CUSTOMER-ORIENTED COMPANY • TEAM SPIRIT • SOCIAL AND ENVIRONMENTAL RESPONSIBILITY



OUR HISTORY

 [HTTP://WWW.SANMIGUELGLOBAL.COM/NUUESTRA-HISTORIA](http://www.sanmiguelglobal.com/nuestra-historia)

<http://sanmiguelglobal.com/somos-san-miguel>



DISTINCTIVE FEATURES



GLOBAL LEADERSHIP

We are global leaders in the production of citrus fruits and by-products. From the Southern Hemisphere, we supply homes with food in the five continents.



EXPERTISE

Our products are the result of over 60 years of work and tradition. We take care of every single detail and share our knowledge with all our customers and strategic partners.



SUSTAINABILITY

We are committed towards people and environment. We consider our impact on everything we do and strive to add social, economic and environmental value as we are interested in the future and wellbeing of the community.



INNOVATION

Innovating is part of our DNA. Every day we work aiming to generate new ideas and solutions, taking into account our partners and customers.



COLLABORATION

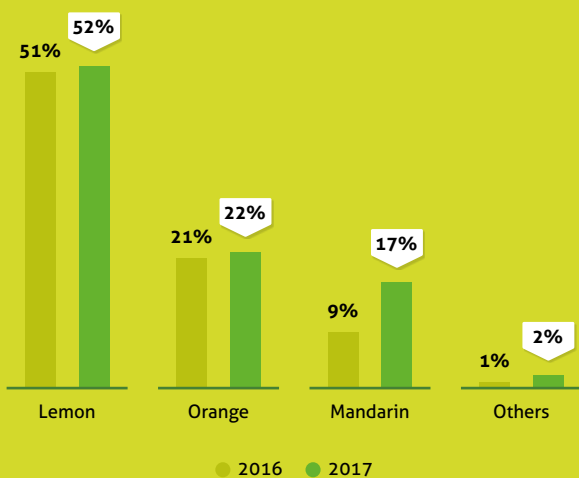
We are always looking for business opportunities, together with our strategic partners. We work and grow together, articulating experience and innovation.

1.1 ► BUSINESS AREAS

FRESH FRUIT

Over **130,000** tons of citrus fruits exported from our different points of origin.

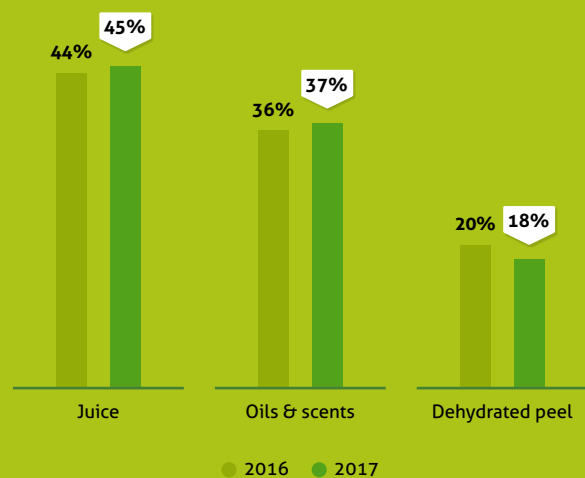
FRESH FRUIT SALES



PROCESSED FOOD

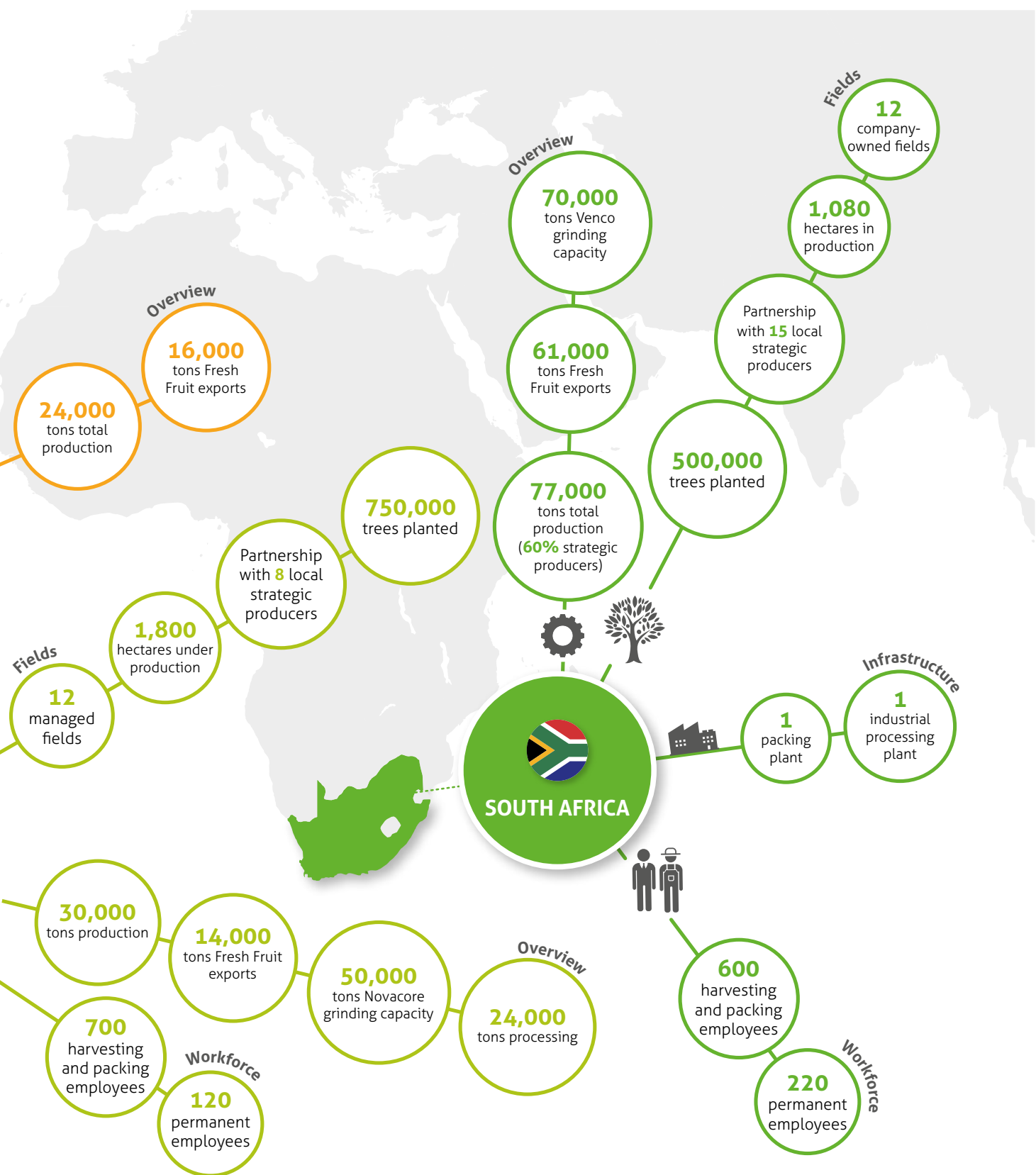
With over **400,000** tons of processed food, we offer a wide range of natural food by-products derived from our citrus fruits

PROCESSED FOOD SALES



1.2 ▶ DIVERSE POINTS OF ORIGIN

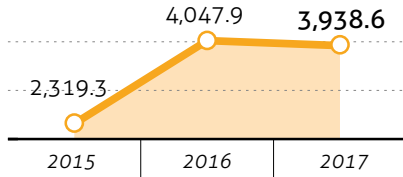




1.3 ▶ SAN MIGUEL IN NUMBERS

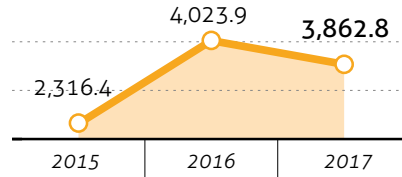
DIRECT ECONOMIC VALUE GENERATED

In millions of \$



Net sales

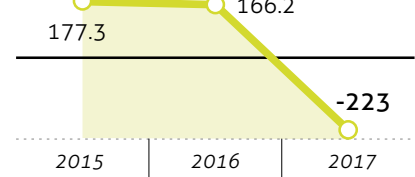
In millions of \$



TAXES

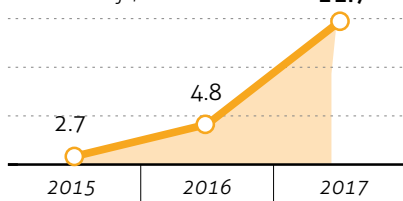
Income Tax

In millions of \$



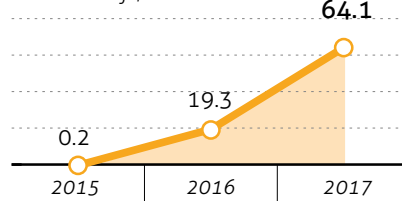
Revenues from financial investment

In millions of \$



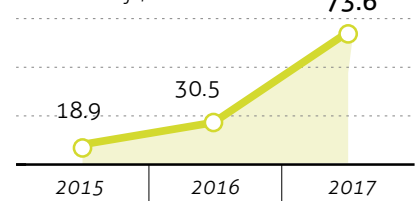
Sale of assets

In millions of \$



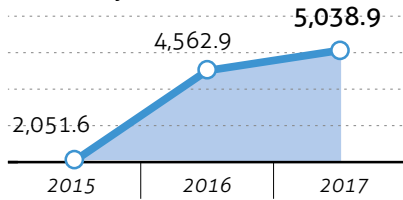
Direct Taxes

In millions of \$



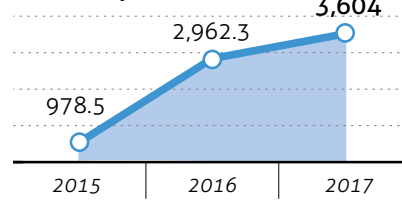
ECONOMIC VALUE DISTRIBUTED

In millions of \$



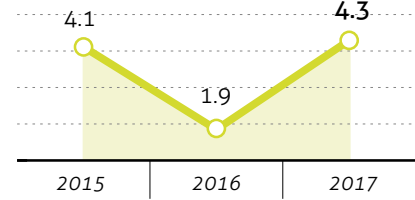
Payment to suppliers

In millions of \$



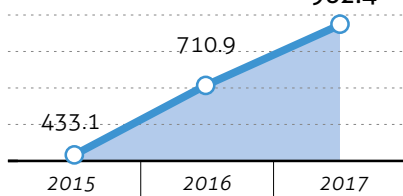
Taxes, levies and contributions

In millions of \$



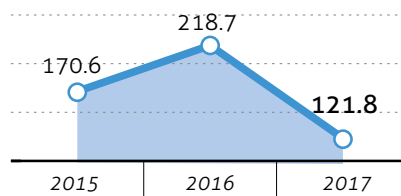
Salaries, wages and employer's contributions

In millions of \$



Payment to capital providers *

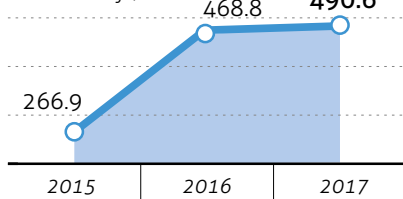
In millions of \$



(*) : It considers payments made for interest to our funding organizations (Banks and other Financial Institutions) and the dividends paid (they have been derived from the Cash Flow Statement and the Statement of Changes in the Financial Position (EOAF, for its Spanish acronym)).

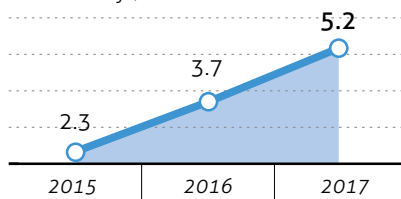
Investment in fixed and other assets

In millions of \$



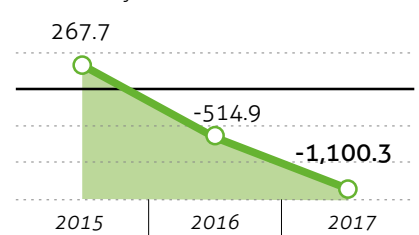
Investment in the community

In millions of \$



ECONOMIC VALUE WITHHELD

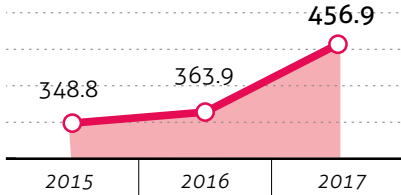
In millions of \$



EBITDA

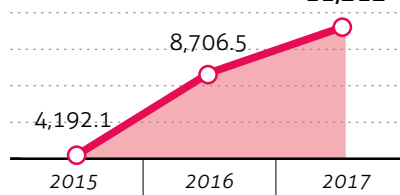
Net income for the financial year

In millions of \$



Total capitalization **

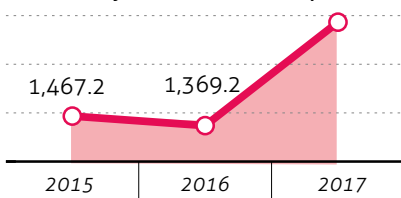
In millions of \$



(**) Share value (Market price) x number of shares as of 12/31 of each year + loans (CP and LP) - Cash - Other financial assets.

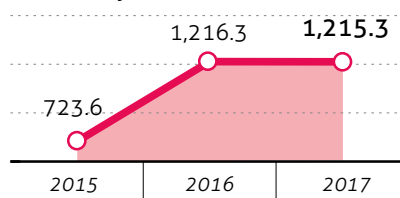
Shareholders' equity

In millions of \$



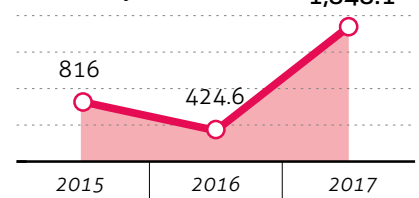
Non-current loans

In millions of \$



Current loans

In millions of \$



ASSETS

In billions of \$



SALES

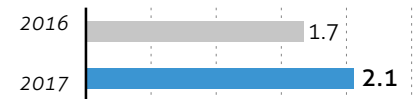
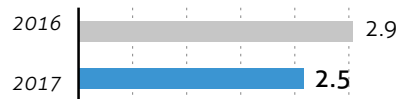
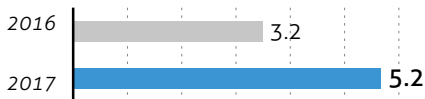
In billions of \$



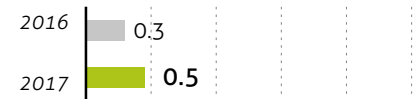
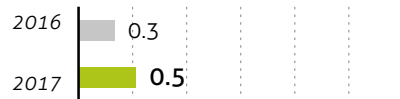
COSTS

In billions of \$

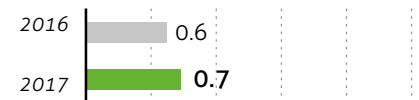
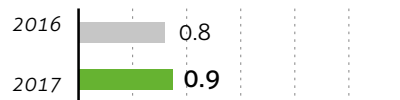
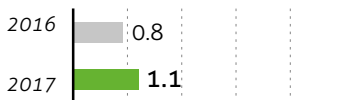
Argentina



Uruguay



South Africa



Peru



No significant financial help was received from the governments of any of the countries where San Miguel operates.

OUR MANAGEMENT IS BASED ON 9 STRATEGIC AXES



- 1. We organize production in accordance with market needs.** Based on the innovation and expertise are our distinguishing features, we generate new developments and products, and open new markets.
- 2. We work with a comprehensive business model** that goes from genetics to the gondolas shelving and that covers the production in nurseries and company-owned and third-party farms, packing and processing plants, and the logistics chain.
- 3. We expanded our range of products leveraged on lemon leadership.** Regarding sweet citrus fruits, we reached over 50% of our fresh fruit volume exported. Upon Peru's incorporation as a new point of origin in 2017, we incorporated avocado and table grape, two non-citrus fresh fruits highly valued in the market.
- 4. The distribution and logistics platform we developed is part of our value proposal.** We ensure traceability of the logistics chain from beginning to the end thereof. Consequently, we can deliver products with the highest quality to every market worldwide.
- 5. Having production diversified in four countries allows us to incorporate a variety of products, strengthen our logistics chain and mitigate risks.** We manage to reduce variability in the supply of fruit and ensure constant supply.
- 6. We have a network of associated strategic producers within our commercial platform.** Part of the fruit we commercialize and process comes from third parties with whom we maintain long-term relationships that include funding, provision of genetic material and technical advice.
- 7. We carry out professional business management to achieve our goals.** We developed a comprehensive risk model to reduce the impact of volatility on the business, and organized our operation under the SAP management model. During 2017 we incorporated a new comprehensive business planning method: *IBP- Integrated Business Planning*.
- 8. Our fresh fruit and processed food businesses complement each other and represent around 50% of the annual turnover, respectively.** This allows us to have a good risk balance to mitigate volatility, ensure flow predictability and maximize the use of fruit almost without loss.
- 9. Sustainability is the framework that guides our operation.** It is a strategic axis inherent to our business. Our customers want their value chain to be sustainable, and in this sense San Miguel is configured as a strategic partner in the sustainability path.

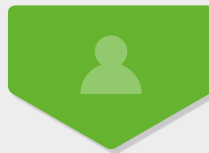
1.4 ▶ OUR COMMITMENT TOWARDS SUSTAINABILITY

WE HAVE A SUSTAINABILITY POLICY FOCUSED ON 3 AXES:



ECONOMIC DEVELOPMENT

- Establishing efficient processes that respond to the requirements of our customers and to our commercial strategy to achieve a profitable operation.
- Promoting a zero defect culture.
- Developing continuous improvement programs, applying best practices and world class methodologies that ensure the adaptability of our operation to changes in markets and customers, as well as permanent and sustained improvement of our efficiency and competitiveness over time.
- Fostering the development of our suppliers, adding value to the entire operation.



SOCIAL DEVELOPMENT

- Identifying, monitoring, assessing, correcting and preventing any risk arising from our operations in terms of safety and health that may affect our employees, suppliers, contractors or the community in general.
- Ensuring fair conditions respectful of human dignity for our employees and suppliers.
- Carrying out actions that contribute to social and cultural development, and to the general welfare of the communities of influence.



ENVIRONMENTAL PROTECTION

- Identifying, monitoring, evaluating and correcting environmental risks resulting from our operations, in order to preserve environmental biodiversity, prevent pollution and minimize the potential impact of our emissions and discharges into the air, water or soil.
- Complying with all applicable regulations and laws in force.
- Making a rational and efficient use of our supplies, water and energy.
- Minimizing the generation and impact of our waste by actively applying a zero waste culture and reduction, reuse, recycling, industrial symbiosis (100% product) and cleaner production concepts, and a responsible handling of hazardous wastes.
- Maintaining transparent and open communications on environmental issues with the community, regulatory bodies, customers and all stakeholders.

SAN MIGUEL SUSTAINABILITY COMMITMENTS

1. PROMOTING A BUSINESS RESPONSIBLE MANAGEMENT WITHIN THE ORGANIZATION
 - Ethics and transparency in business management
 - Long-term business strategy
 - Fair competition
 - Respect for Human Rights
2. CONTRIBUTING TO OUR SUPPLIERS' NETWORK IN THE SUSTAINABLE DEVELOPMENT OF THEIR BUSINESSES
 - Suppliers' assessment and development
 - Fight against child labor
 - Promoting social responsibility in the supply chain
3. DEVELOPING PEOPLE IN THEIR HUMAN AND ECONOMIC DIMENSIONS
 - Talent attraction, development and retention
 - Work-private life balance
 - Occupational health and safety
 - Diversity and equal opportunities
 - Management of temporary staff
4. INTERPRETING OUR CUSTOMERS' NEEDS AND MEETING THEM WITH INTEGRITY
 - Promoting healthy life habits (fresh citrus fruit)
 - Customer service
 - Food safety
5. USING NATURAL RESOURCES RESPONSIBLY AND SPARINGLY
 - Efficient use of water
 - Effluent management
 - Waste management
 - Sustainable soil management
 - Biodiversity protection
 - Energy efficiency
 - Climate change and ecosystem preservation
 - Sustainable agriculture
6. GOING ALONG WITH THE DEVELOPMENT OF COMMUNITIES IN OUR FIELDS OF ACTION
 - Education
 - Nutrition
 - Housing

1.5 ▶ MATERIALITY MATRIX



This Materiality Matrix represents the relevance that every strategic and critical topic has for San Miguel! Sustainability and the agricultural industry, and valuation of its stakeholders and the company management.

📖 For more information on the Materiality Matrix drafting process, see Annex to this Report.



1.6 ▶ AWARDS AND RECOGNITIONS 2017



AWARDS TO ARGENTINE EXPORTS, PRENSA ECONÓMICA FOR THE "AGRICULTURAL" CATEGORY



BANCO GALICIA AWARD - LA NACIÓN FOR AGRICULTURAL EXCELLENCE FOR THE "BEST ENVIRONMENTAL MANAGEMENT" CATEGORY



SAP INNOVATION AWARD 2017 FOR THE "REGIONAL CHOICE AWARDS" CATEGORY



FORTUNA MAGAZINE AWARDS. "TOP 100 ARGENTINE COMPANIES" RANKING

CORPORATE GOVERNANCE



2.1 ▶ GOVERNANCE STRUCTURE

SAN MIGUEL GOVERNANCE STRUCTURE IS MADE UP OF:

- The Board
- The Executive Committee
- The Executive Directors team
- The Country Managers 

THEY WORK TOGETHER TO COMPLY WITH THE COMPANY'S STRATEGIC PLAN WITHIN A FRAMEWORK OF COMMITMENT TO THE SUSTAINABLE DEVELOPMENT OF THE BUSINESS, THE SOCIETY AND THE ENVIRONMENT.

<http://sanmiguelglobal.com/gobierno-corporativo>

▶ THE BOARD

- It is made up of 11 members,
- Its members meet at regular intervals to take decisions related to the strategic management of the company,
- It defines and validates the strategy from which the company's economic, social and environmental management arises,
- Shareholders are represented at the General Meetings and, through the Board's Sustainability Committee, take part in the definitions for compliance with the commitments undertaken as regards sustainability.

▶ THE EXECUTIVE COMMITTEE

- It is made up of 4 directors and the CEO,
- They actively direct the management of the company and validate the material and relevant issues for the sustainability of the business,
- They meet every fifteen days and make a follow up on the main strategic initiatives and projects.

▶ THE EXECUTIVE DIRECTORS

- The Executive Direction is made up of 7 members,
- They lead the different corporate areas, taking forward the strategy defined by the Executive Committee and the Board of Directors,
- They meet with the CEO and the Country Managers on a monthly basis to follow up the management of the company in the short, medium and long term, and to make the relevant decisions aimed at the smooth running of the operation.

▶ THE COUNTRY MANAGERS

- They are the 4 general managers of the company of each of the countries of operation (Argentina, Uruguay, Peru and South Africa) and they report directly to the global CEO.
- They work jointly with the 7 executive directors who carry out the management of each area.
- They lead their own local teams to meet the objectives of each country and work together with the areas corporate teams in order to achieve a consistent global management.
- This management model facilitates collaboration among countries and allows sharing the best practices, strengthening the value of "A Single San Miguel".

2017 GROWTH STRATEGY

In 2017, the Board was focused on three key strategic milestones in the company's history:

▶ The issuance of shares that validated our business model and contributed to ratify the course towards expansion and growth, identifying opportunities for new businesses such as fruit production increase in volumes; development of industrial projects, and acquisition of companies or operations that fall within San Miguel strategic vision.

▶ In August 2017, the company acquired the entirety of Agrícola Hoja Redonda (AHR), the first mandarin producer in Peru having two operation sites located in the provinces of Chincha and Chepén, in the regions of Ica and La Libertad, respectively, and which add an area of 1,708 hectares of land suitable for planting. Of that total, 1,382 hectares are planted with mandarins, avocados and table grapes that yield a production of 28,000 tons of fruit per year. The remaining 326 hectares are potentially added for future planting. Agrícola Hoja Redonda S.A. also has a packing plant with a capacity of 25 tons per hour between citrus fruits and avocados.

This investment in Peru ensures San Miguel presence in one of the main citrus fruits producing countries worldwide.

With this new point of origin, San Miguel ensures its presence in 4 of the 6 most relevant countries of the southern hemisphere as regards export of Premium quality citrus fruits (Argentina, South Africa, Uruguay and Peru) strengthening the company's portfolio and making its offer even more sustainable.

▶ A new integral business planning (PPI) method was incorporated, which will allow for a more efficient and orderly management in a business that presents growing complexities due to both the volume of fruit operated and the geographical dispersion.

MEMBERS OF THE BOARD



GONZALO TANOIRA
PRESIDENT • 2003 TO DATE



MARTÍN OTERO MONSEGUR
VICE-PRESIDENT • 2006 TO DATE



LUIS ROQUE OTERO MONSEGUR
2002 TO DATE



ALEJANDRO ANCHORENA (H)
2013 TO DATE



CRISTIÁN LÓPEZ SAUBIDET
2008 TO DATE



PABLO JAVIER TAUSSIG
2008 TO DATE



AGUSTÍN OTERO MONSEGUR
2009 TO DATE



MIGUEL CROTTO
2009 TO DATE

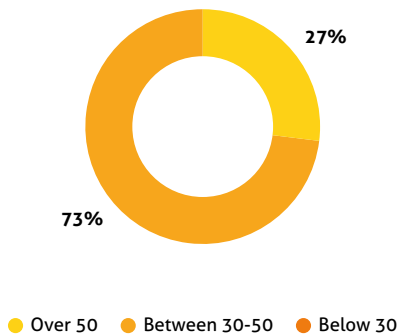


PABLO J. PEREYRA IRAOLA
2017 TO DATE

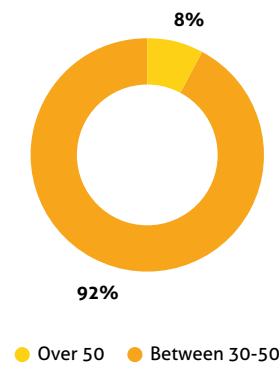
TRISTÁN MIGUENS • DEPUTY DIRECTOR | **MARÍA LUISA OTERO MONSEGUR** • DEPUTY DIRECTOR • 2006 TO DATE

The members of the Board do not hold executive positions at San Miguel.

BOARD STRUCTURE



EXECUTIVE DIRECTORS' STRUCTURE



2.2 ▶ RISK MANAGEMENT

We continue optimizing processes and preparing ourselves for those unforeseen issues that may arise in the future, by implementing, since 2014, a risk management and follow-up model to which we are globally exposed.

These risks, categorized into financial, operational, political and strategic,

among others, are displayed in a Risk Map according to their occurrence and impact probability.

A digital platform (Risk Management) follows-up and monitors the Risk Map, while policies, procedures, crisis action plans and business continuity plans are implemented.

📖 For further information on the use of this tool against climate change, see information on "Impact of climate change in agriculture" in the chapter "Environment".

2.3 ▶ SUSTAINABILITY GOVERNANCE

As from 2015, the company's management team undertook the commitment to incorporate a Sustainability specific performance objective focused on the management of the 6 dimensions on which our Reports are structured: Corporate Management; Labor practices; Environment; Social investment; Customers; and Value Chain; and with impact on the variable compensation thereof. The directors then transfer the focus to their respective reports in

order to determine the specific objectives so as to deploy Sustainability throughout the company management. The Executive Directors and the Country Managers are evaluated through the Performance Management System (PMS). Sustainability is assessed as one of the competences and directors are urged to consider this issue when drawing up their objectives. The policy includes a self-evaluation, an evaluation and finally, a calibration instance.

Several work groups participate in the formulation and implementation of San Miguel sustainability strategy.

▶ BOARD'S SUSTAINABILITY COMMITTEE

It defines the general guidelines, verifies compliance with the company's sustainability plan and approves the Sustainability Report every year.

In the meetings, besides reporting on the initiatives implemented by San Miguel, general topics on this issue, analysis of industry sustainability best practices, training in guidelines for sustainability measuring, are addressed among other issues.

This Committee consists of three board members and three members of the Senior Management, including the CEO, the Human Resources Director and the Institutional Relations and Sustainability Director.

Through this Committee, in 2017, the Board had a special participation in the definition of the most relevant initiatives in the four production points of origin.

▶ INSTITUTIONAL RELATIONS AND SUSTAINABILITY DIRECTION

It is responsible for articulating and coordinating all activities aimed at the social, environmental and economic dimensions of the company.

▶ SUSTAINABILITY IN ACTION COMMITTEE

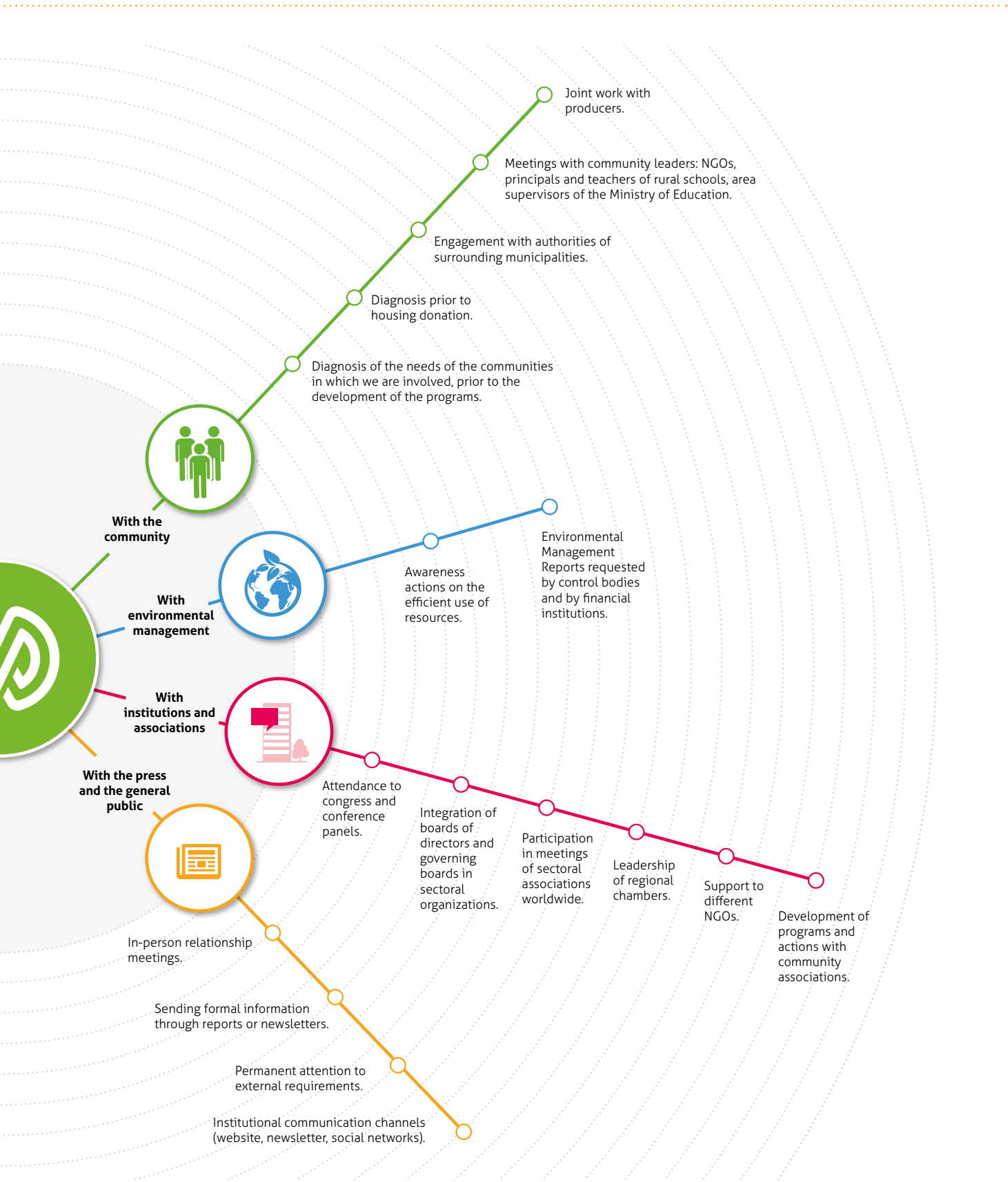
It is made up of volunteer employees representing the operating areas.

It is responsible for facilitating the internal dissemination of sustainability programs, proposing projects aligned with the corporate strategy and ensuring the operating implementation thereof.

The Sustainability area proposal is the creation of committees in each operation with the aim of improving the approach to local problems. In 2017, the Corporate Committee and that of Argentina worked autonomously and it is foreseen to implement this same instance in Uruguay, South Africa and Peru in 2018.

2.4 ▶ RELATIONSHIP AND DIALOGUE WITH OUR STAKEHOLDERS





2.5 ▶ ALLIANCES AND PARTNERSHIPS

These are some of the organizations with which we jointly work in order to achieve more significant impacts:



FAIR PRACTICES
IN OUR OPERATIONS



2

12

17

8

16

3.1 ▶ ETHICS AND INTEGRITY

For San Miguel, integrity is one of the fundamental values that guides our actions based on ethics, respect and honesty.

Through the guidelines set out in the Code, we seek that our values be reflected in our daily actions, decisions and attitudes.

The Code of Ethics is of general application to all employees in all countries where the company operates and includes San Miguel service providers and any other company that may become a part thereof in the future; it applies at all hierarchical levels, as well as to our suppliers and customers.

FUNCTIONING

The Ethics Committee is the body in charge of channeling conflicts that may arise. It is made up of two members of the Executive Committee, the Director of Human Resources, the Director of Institutional Relations and the CEO of the company.

AUDIT COMMITTEE

In order to ensure the transparency of our organization, there are other control mechanisms such as the **Audit Committee** made up of three members; two of them shall be independent. The members of the Audit Committee are proposed by any of the Board's authorities.

Said Committee holds regular meetings with the rest of the Board members, draws-up and executes an annual audit plan. It is given a budget to carry out its tasks with total independence, and states the result of its objectives and initiatives in an Audit Record Book enabled for the purpose thereof.

In addition, there is a team of external auditors appointed by the Shareholders' Meeting and evaluated on an annual basis by the Audit Committee as regards its suitability, independence and performance.

The Code of Ethics establishes the necessary guidelines to be followed in order to contribute to the achievement of the company's objectives and goals, and to further ensure that the way of doing business is carried out based on ethical principles and standards.

In 2017 we revised our Code of Ethics in order to update its processes and contents, taking the learning and improvement opportunities of the first edition and considering the new needs and views of our company.

HOW TO RAISE CONCERNS AND MAKE A COMPLAINT?



To raise concerns related to the Code of Ethics, employees shall contact their local Human Resources team.



Anonymous complaints can be submitted by two means: by telephone to our toll free number **0800 888 7264** or by e-mail to **codigodeetica@sanmiguelglobal.com**



The Ethics Committee receives the complaints and takes the necessary precautions to keep the identity confidential.



After the relevant investigation is carried out, the Ethics Committee is responsible for making the final decision.

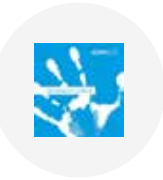
ANY ACT OF NON-COMPLIANCE WITH THE CODE OF ETHICS MAY RESULT IN THE APPLICATION OF DISCIPLINARY MEASURES, DEPENDING ON THE SERIOUSNESS THEREOF AND BASED ON OUR APPLICABLE LAWS IN FORCE.

3.2 ▶ TRANSPARENCY

We have several certifications that support our commitment towards ethics and transparency when doing business and developing our operations. Among them, the following stand out:



SMETA
SEDEX MEMBERS ETHICAL TRADE AUDIT
It certifies good practices related to ethical business, corporate ethics, health and safety, labor and environmental standards.



GRASP
GLOBAL G.A.P. RISK ASSESSMENT ON SOCIAL PRACTICE
Additional voluntary assessment of the Global GAP standard, which analyzes the risks of social practices in agricultural operations based on respect for human rights, internal procedures for claims, application of labor regulations, fair compensation, implementation of good social practices and communication thereof, among others.



SIZA
It is a Sustainability Initiative of South Africa that provides a platform for the different agricultural sectors, ensuring a sustainable, ethical and fair trade. It monitors environment care and compliance with local labor legislation and aims to encourage continuous improvement in long-term practices, exceeding the minimum legal requirements. Likewise, it is involved in the value chain to identify needs and problems.



BASC
BUSINESS ALLIANCE FOR SECURE COMMERCE
It is an international business alliance that promotes safe trade, in cooperation with governments and international organizations. It is voluntary and grants a certification that confirms control in all production processes, packaging, shipping and transport of the cargo to a foreign destination, ensuring that it has no possibility of contamination (smuggling and drug trafficking).





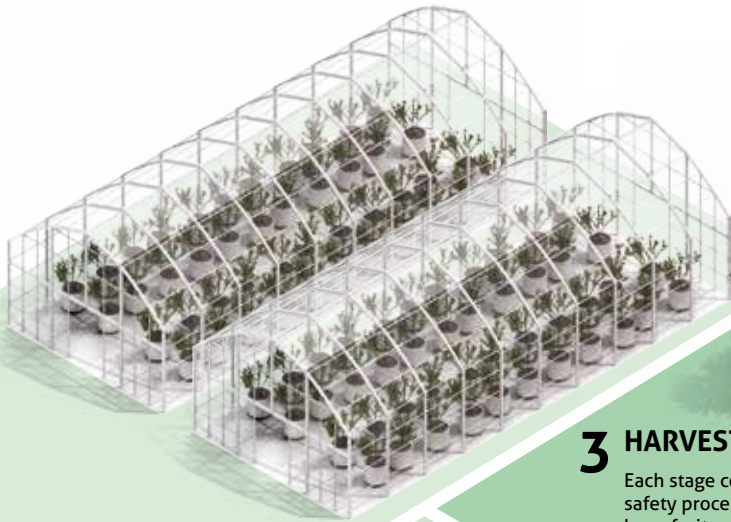
3.3 ▶ VALUE CHAIN

A knowledge-oriented Company



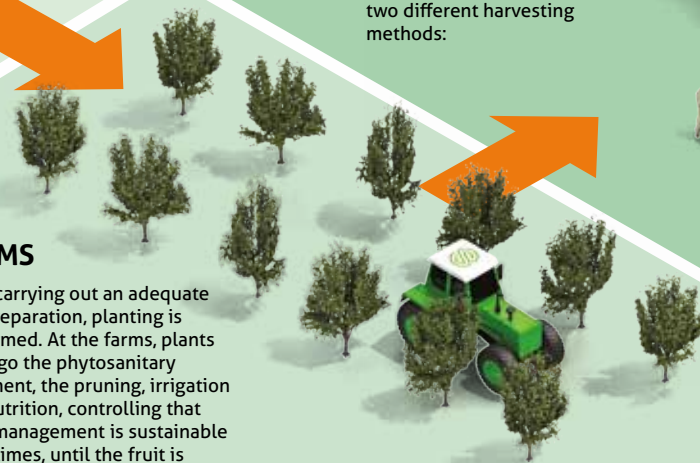
1 NURSERY

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.



2 FARMS

After carrying out an adequate soil preparation, planting is performed. At the farms, plants undergo the phytosanitary treatment, the pruning, irrigation and nutrition, controlling that their management is sustainable at all times, until the fruit is ready for harvesting.



3 HARVESTING

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

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



b) By hand: When fruits are to be processed, they are 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 it is kept in good storage 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 particular requirements of each customer.

5 LOGISTICS

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

4b PROCESSED FRUIT

Operators discard fruits in poor conditions and remove stones or other objects that may alter the final product.

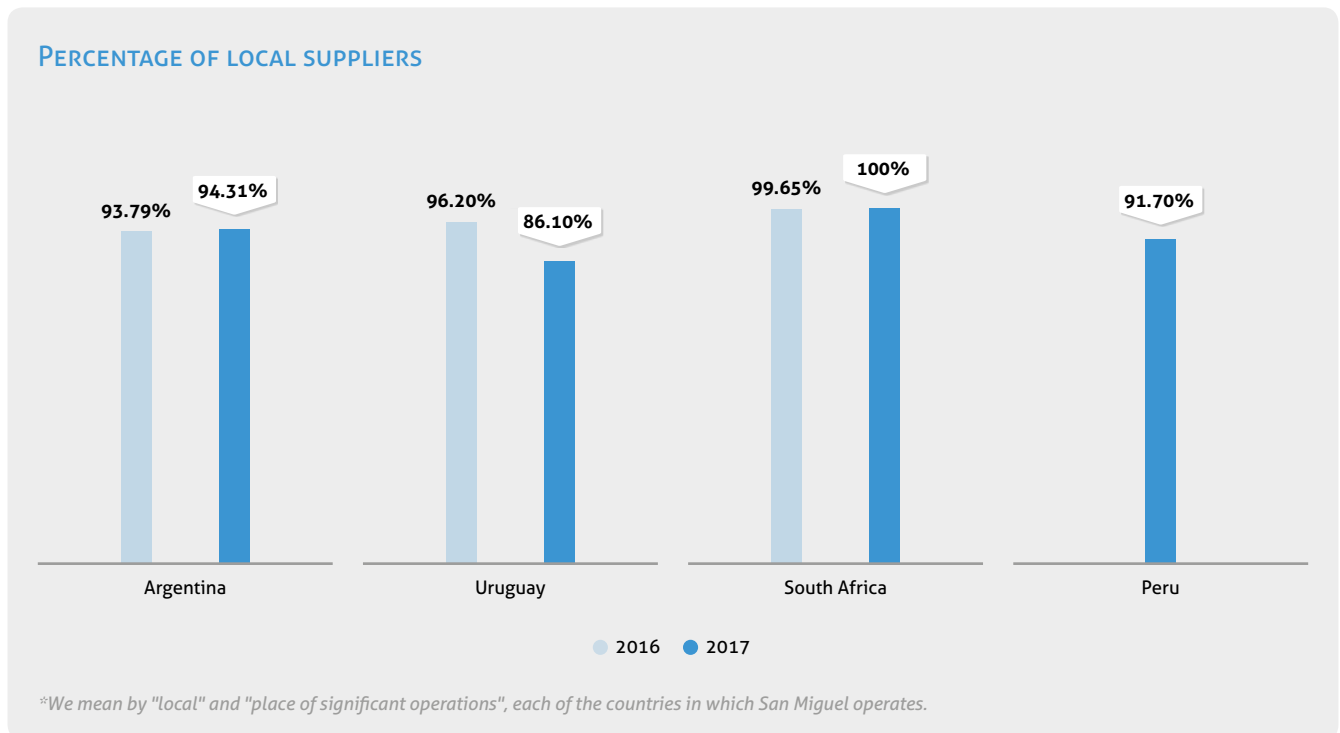
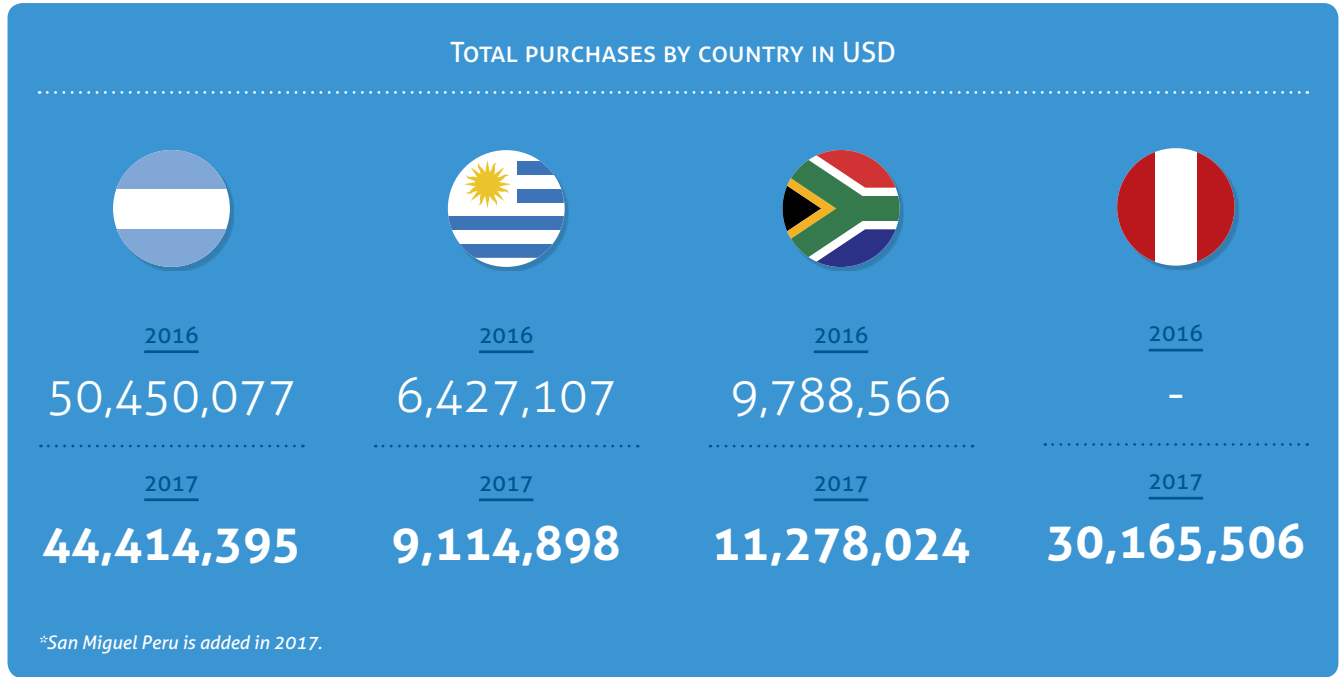
Then the fruit is sent to the grating machines to extract its oil.

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

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

3.4 ▸ SUPPLIERS

SUPPLIERS IN NUMBERS

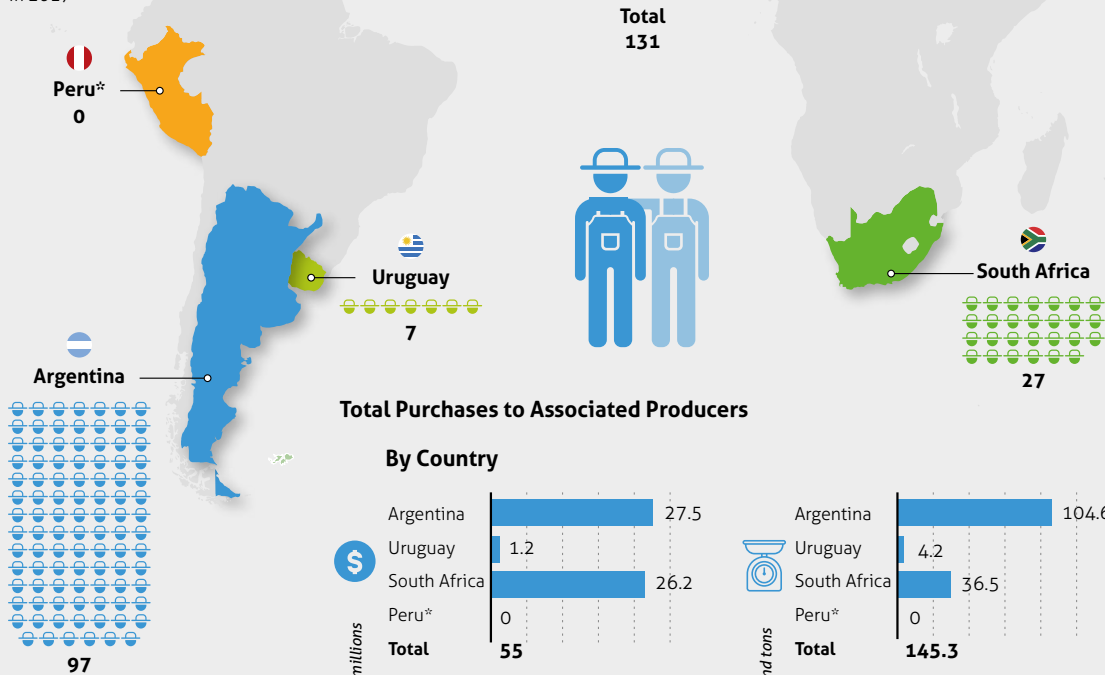


TOTAL PURCHASES BY BUSINESS TYPE STATED IN USD

Business	2017	2016
Processed products	16,909,097	19,761,722
Fresh fruit	26,531,690	12,623,032
Indirect materials and services	26,475,715	14,859,553
Agricultural operations	25,056,321	19,421,433
Total	94,972,823	66,665,750

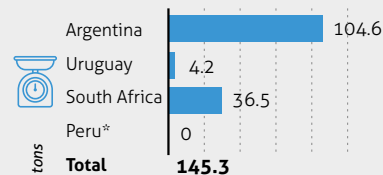
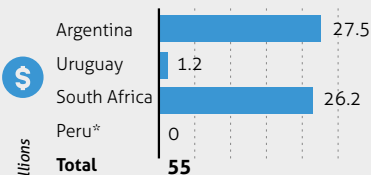
Number of Associated Producers by Country

In 2017

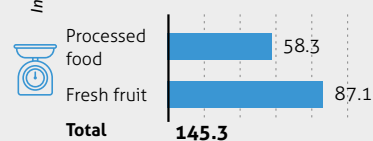
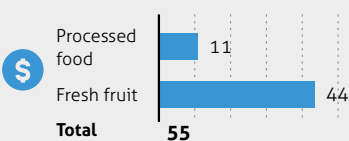


Total Purchases to Associated Producers

By Country



By Business Type



*San Miguel Peru is added in 2017

FRUIT SUPPLY ASSOCIATED PRODUCERS

We have a network of associated producers who share our values, our quality standard and with whom we establish a strategic partner relationship. Their link with San Miguel helps them boost their growth, leveraged in our

commercial strength. We provide them funding, genetic material, advice and training. They help us strengthen our value chain, increase and secure our volumes, have presence in more markets and maximize investment returns.

They are long-term relationships based on mutual trust that boost regional economies, generating employment and autonomy for small producers and medium-sized companies.



In each purchase operation, we study the level of commitment of suppliers in terms of sustainability and incorporate this information into the standard comparative analysis of prices, quality, performance and other relevant factors. During the process, we reflect with them about the importance of having a sustainability policy and complying therewith.

SUPPLIERS SELECTION

We choose our suppliers according to criteria related to the type of material, the complexity of the supply, and the criticality in terms of food safety and maintenance.

- We consider its experience in providing materials, supplies or services of a similar nature.
- We analyze and test samples
- We take into account quality certifications and the relevant certification bodies.
- We conduct audits pursuant to the quality area assessment standard.
- We verify the background in other companies in the industry.
- In the case of production materials, we request very specific quality certifications.
- We consider any other criteria as may be appropriately defined.

RELATIONSHIP WITH SUPPLIERS

During 2017, we continued performing multiple actions aimed at further enhancing the relationship with our suppliers and strengthening their commitment towards our policies and standards regarding sustainability, safety and hygiene. In this sense:

- Purchasing policies and codes of ethics for suppliers and purchasers were implemented in all countries.
- Previous controls of service suppliers' entrance to our facilities were deepened, encouraging and promoting compliance with our safety and hygiene and sustainability in-house rules.
- We provided massive training for purchasers of centralized and decentralized purchasing organizations on the new purchasing policy and the codes of ethics.
- As part of our policy related to continuous improvement and updating of all our processes, we implemented a modern technological tool to communicate directly with our suppliers via the web. The "Supplier Portal" allowed us to integrate them with the information flow related to sourcing and payment processes (purchase orders, invoices, payments, etc.), availing and exchanging a large amount of information in a simple, agile, safe and effective way. This initiative demanded a great technological and human effort, in which a large number of suppliers and San Miguel personnel were trained.



SUPPLIERS DEVELOPMENT

For producers of Argentina, we managed in the Instituto de Desarrollo Productivo de Tucumán, IDEP (Productive Development Institute of Tucumán) the promotion and offering of credits for improvements, so as to allow them to achieve a field certification, acting as a link between the IDEP, the IRAM and the producers.

▶ We developed support actions for raw material suppliers, strategic fresh fruit producers, in several key integral management issues, for example, quality, sustainability, authorized chemical products, certifications and applications.

▶ In all those cases in which the supply of materials and services is unsatisfactory, we deploy technical support and assistance for them to be developed. We work on an interdisciplinary basis among different areas (Purchasing, Quality, Sustainability, Finance) to achieve the development of these suppliers in all aspects, not only in productive issues.

▶ When implementing an improvement action in the community, we take into account our suppliers of materials or services, who participate in an open and transparent price bidding.

We promote the development of strategic producers that supply us with raw material through support and training, so that they can be granted the Global Gap certification in their farms.

We support the development of small and local producers by providing them with specialized technical advice and giving them business opportunities throughout the national citrus fruit market.

The whole purchasing team makes its best effort to inculcate social and environmental awareness and securing compliance with our internal rules by new suppliers.

We promote the responsible management of supplies and raw materials and drive suppliers' development in sustainability-related issues

SUPPLIERS ASSESSMENT

Suppliers' assessment is carried out in a comprehensive manner, contemplating various issues such as service, on-time delivery performance, compliance with specifications and quality.

Audits can be in-person or under the self-assessment methodology, and be valid for one to three years. When a supplier does not pass the assessments, we give formal notice thereof to the supplier involved. Then, we plan an annual improvement program with the supplier. The Purchasing team analyzes the development of the plan and, if the result is satisfactory, we authorize the reincorporation of said supplier into the system so as to render services or provide products again.

In the case of suppliers of critical inputs and raw materials, the Quality area performs an audit procedure that is carried out according to an annual schedule. They are conducted from the Quality Assurance area by San Miguel in-house auditors trained for said purpose. Issues related to good practices, process control, quality control, quality and safety programs and certifications thereof, safety and hygiene, sustainability are verified among others.

Formal audits can be performed every one to three years, depending on the result of the last audit and on the supplier's performance. A rating below the limit considered as valid for a supplier to be approved, leaves it out of the list of suppliers authorized to work with San Miguel, until the corrective actions suggested are carried out and verified in a new visit by our Quality staff.

The Supplier Administration area verifies that all new suppliers know and sign our Suppliers' Code of Ethics. Without this requirement their registration is not processed.

SOCIAL RESPONSIBILITY PROGRAMS DEVELOPED WITH OUR SUPPLIERS

INCLUSIVE PURCHASES

The Purchasing team is attentive to new opportunities for inclusive purchases and understands the importance of accompanying the development of small and local suppliers. At the same time, we work to raise awareness about the importance of including purchases from labor cooperatives in the value chain.

During 2017, we maintained our commitment to make inclusive purchases under a competitiveness, quality and legality framework. In this sense, we continue contributing to the Suyay production entrepreneurship by buying 2,234 working clothes from this inclusive provider.

RECOVERY AND REUSE OF MATERIALS

We continue with the initiatives that allow us to recover and reuse various types of materials derived from our global operations and in all types of facilities: offices, farms and industrial plants. The materials with the highest recycling degree are various plastics, packaging cartons, metal containers, paper and scrap. With these continued actions, we manage to reducing and recycling materials or transforming them into another useful element, adding or substituting value.

During 2017, we intensified our repair and recovery programs for export pallets, wooden and plastic bins. In this way, we extend the useful life thereof and contribute helping to care for the environment.

PROCESS IMPROVEMENT

During 2017, we carried out a project that will allow us to make a more efficient use of the caustic soda present in various processes, in order to optimize safety and hygiene, and sustainability-related issues.

We also used "No One Way" wooden pallets of the Pooling Chep System (not disposable wooden pallets rented for more than one use), for the export of fresh fruit in all markets in which they were accepted; they ensure a useful life of about 10 years. The pallets are produced in Argentina, exported with our fruit, and then circulate in different supermarkets, as opposed to a disposable pallet that is used only once and destroyed when reaching the markets.



Pallets undergoing repair process



Pallets repaired



THE INGECON CASE



Oscar Hernández and his son Carlos established in Argentina the company Ingecon, a national company that provides technology for agriculture. The first lemon juice concentrator they built for the province of Tucumán was the one requested by San Miguel in 2008, since we needed to acquire machinery specific for new industrial processes.

In 2014, they are proposed to travel to South Africa to update and renew an equipment that belonged to Venco, a fruit processing company. The equipment was completely restored in

2015. The opening to the South African market allowed them to commercialize, in addition to the upgraded equipment, two new evaporators to Venco, a new evaporator to other local company, and they are currently in negotiations for new projects in that country.

"Although we already had projects in other companies in the sector, being a supplier of San Miguel was a great support for our company, and it allowed us to reach all companies in Tucuman".

**Carlos Hernández,
Director of Ingecon S.A.**

OUR COMMITMENT TO
HUMAN RIGHTS

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As a company, we are committed to respecting and promoting human rights, recognizing the features that differentiate them:

THEY ARE UNIVERSAL, as every person, based on human nature itself, is entitled to them;

THEY ARE IRREVOCABLE, since it is not possible to mandate their suppression, even by majority decision;

THEY ARE INALIENABLE, they may not be waived or assigned;

THEY ARE IMPRESCRIPTIBLE, they do not lose their validity even with the passage of time;

THEY ARE INDIVISIBLE, because the different categories have the same hierarchy and they reinforce and complement each other;

THEY ARE INTERDEPENDENT, as no right is more important or has priority over another.

Our commitment to human rights is based on the integration of the following international principles:

- UN Universal Declaration of Human Rights
- International Labor Organization's Declaration on Fundamental Principles and Rights at Work
- United Nations Guiding Principles on Business and Human Rights
- Universal Principles of the United Nations Global Compact
- ISO 26000 International Standard
- United Nations Declaration of the Rights of the Child
- Global Reporting Initiative (GRI)

Supported by these fundamental principles, we implement concrete actions aimed at respect and promotion of human rights, both inside and outside the company, and throughout our value chain and field of influence.

Talking about human rights in the citrus industry involves considering respect for human rights, such as life, health, food and ecosystem protection, among others, in addition to the right to work, diversity and fight against child labor.

These topics are addressed in our Sustainability Report and integrate our business material issues.



“ Human rights seek to materialize and guarantee the dignity of people, prohibiting taking into account issues beyond their control, such as race or national or social origin, becoming the fundamental basis to ensure equality.”

United Nations Guiding Principles on Business and Human Rights

4.1 ▶ HUMAN RIGHTS AND OUR EMPLOYEES

At San Miguel we treat our employees with dignity, respect and recognition, creating a cooperative and tolerant labor environment.

We value diversity. We empower individual and cultural differences in order to achieve competitive advantages through new viewpoints and market awareness. We are a global multi-origin company that promotes interchange between different cultures to nurture employees' opinions based on different experiences through our teams, customers and communities.

We offer a work environment where all people can effectively perform their tasks and reach their potential. We promote access to work, training, career development and a promotion policy based on people's skills, bearing in mind the commitment, performance and results shown by employees and contractors. We promote our employees' development through experiences in co-creation spaces in a collaborative environment.

We are certain that work equality is only possible if employees are treated in

a fair, dignified and respectful way at all the hierarchical levels of the company, fostering equality and equity in labor contract conditions.

We prohibit any act of discrimination or harassment based on age, color, disability, marital status, race, religion, gender, pregnancy, sexual orientation and political grounds; and we disapprove and punish sexual, physical or verbal harassment.

TOGETHER WITH OUR EMPLOYEES, WE COMMIT TO THE FOLLOWING, IN LINE WITH THE LABOR RIGHTS SET FORTH IN THE TEN PRINCIPALS OF THE UNITED NATIONS GLOBAL COMPACT.



NO CHILD LABOR

At San Miguel we promote children's rights. Year after year, we reinforce our commitment towards the global goal to put an end to child labor by not employing children under the age of 18 and conducting regular controls during the crop season in order to detect any deviation. Likewise, we develop prevention actions, jointly with the sector and contracting companies.



FREEDOM AND RIGHT TO CHOOSE A DECENT WORK

We are convinced that work is a right, therefore, we do not employ forced labor or demand any work or service from an individual under threat of force or punishment. To support the right to decent work, we carry out random assistance checks on farms throughout the year.



We comply with the

ANTICORRUPTION Principle of the United Nations Global Compact: *"Businesses should work against corruption in all its forms including extortion and bribery."* In case of any breach of human rights, our employees have a reporting channel to file anonymous reports.



WE ENSURE FREEDOM OF ASSOCIATION

We provide the physical space for elections and allow meetings with trade union representatives during working hours, with whom we also maintain an open dialogue within a framework of respect.



WE PROMOTE DIVERSITY AND RESPECT FOR INDIVIDUAL DIFFERENCES

We avoid any distinction, exclusion or preference that may give rise to rejection or unequal opportunities in the treatment or occupation of our employees.

➡ For more information about Reporting Channels, see the "Ethics and Integrity" section in the chapter "Fair practices in our operations".

4.2 ▶ HUMAN RIGHTS IN OUR VALUE CHAIN

CODE OF ETHICS FOR SUPPLIERS GUIDELINES

A. COMMERCIAL CONDUCT GUIDELINES

- Know and comply with all laws or regulations of the countries where they operate.
- Compete in a fair way to secure business.
- Not to offer gifts, travels or special courtesies.

B. EMPLOYMENT GUIDELINES

- Foster a work environment free of harassment and discrimination for employees.
- Treat employees with fairness and honesty
- Prohibit child labor.
- Respect the right of employees to freedom of association and collective bargaining, pursuant to local laws.
- Safety, health, environmental and quality guidelines
- Conduct its operations preserving and protecting the environment and comply with all applicable environmental laws and regulations.
- Distribute products and services that comply with quality and safety standards.

C. WASTE AND EMISSIONS

- Suppliers must have *on site* systems to ensure a proper management of waste, air emissions and waste water discharges from any part of their processes.

D. GENERAL GUIDELINES

- Responsibly support, compliance with this code through the establishment of appropriate administration and management processes.
- Report breaches to the code through a toll-free telephone number or by sending an email.

San Miguel expects that its suppliers manage their business responsibly, with integrity, honesty and transparency, treating all their employees with dignity and respect, protecting them and ensuring their human rights.

In order to prevent and identify risks and extend our values throughout our value chain, we share our Code of Ethics with our new Suppliers. Created in 2014, the Code of Ethics for Suppliers explains how we conduct our business and is supplemented by the Code of Ethics for Employees. To be registered as a supplier, a representative of the interested company must sign the Code. Then, the Purchasing and Suppliers areas ensure that the commitment undertaken is fulfilled.

4.3 ▶ HUMAN RIGHTS AND OUR CUSTOMERS


We respect and promote our customers and consumers' human rights, considering their health care throughout all the processes.

By means of different international quality certifications that support our products, together with good manufacturing, agricultural and storing practices, and internal audits that verify standards and processes, we provide our

customers with the confidence they need to offer our products to consumers.

Furthermore, thanks to our **traceability system**, we can guarantee food safety, quality and harmlessness of all our products. Every product undergoes a traceability process to the raw material batches point of origin, as well as to the supplies and production processes involved in the manufacturing of the

finished product. We also conduct checks based on fresh fruit control samples by assessing the behavior of the packaged fruit and processed food from each batch until it arrives at its destination.

 For further information on the Quality process, see section "Quality Management System" in the chapter "Consumers Affairs".

4.4 ► HUMAN RIGHTS AND OUR COMMUNITIES



Our social investment programs aim to promote the development of our communities with a focus on **health, education and housing**. These pillars, on which we base our initiatives, are part of the UN Declaration of Human Rights.

🕒 *For further information on the Health, Education and Housing programs, see chapter "Active involvement and development of our communities".*

PREVENTION AND FIGHT AGAINST CHILD LABOR

We continue engaging with different social organizations that work exclusively on childhood issues, in order to contribute to the eradication of child labor and ensure that the Principles stated in the Declaration of Children's Rights be respected.

🕒 In 2017...

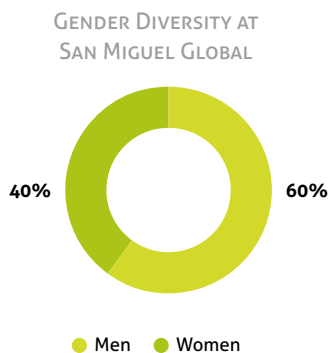
- We supported the educational cycle of children in rural communities, understanding education as a tool to strengthen their permanence at school as well.
- We broadened our awareness regarding the importance of eradicating child labor with companies of the sector, delivering the ISO 20,400 sustainable procurement workshop for companies at the University Universidad Tecnológica de Tucumán. We focused specifically on the need and commitment of all the social players

to eradicate child labor and adolescent labor protection.

- We started a process for the incorporation of the subject in the curriculum of future professionals in our field of action. In order to "Train Trainers", through the University Universidad Nacional de Tucumán Economic Sciences School, training was delivered to university professors.
- We signed a record with the Asociación Tucumana del Citrus (ATC) and with the Network of Companies against child labor with the purpose of raising awareness regarding the importance of eradicating child labor from the value chain. We conducted a campaign where 100 foremen from San Miguel and supplier companies wore vests for 3 months with a legend alluding to the subject to raise awareness about the problem.
- We commemorated the Day Against Child Labor (June 12), and we delivered brochures and dissemination material in the central areas of Tucumán.

WORKING FOR GENDER EQUALITY IN RURAL AREAS

In rural areas of Argentina Northern region there is a labor pattern and a generalized and naturalized role with respect to women, projected exclusively to the upbringing of children and domestic tasks. Accordingly, education and expectations for them since they are young girls are limited to a narrow range of occupations, restricting their capacity to develop in other jobs. In addition, families often rely on girls to help with household tasks. Achieving gender equality in rural areas requires commitment and joint work from many sectors.



* Only San Miguel own employees are included.

GERMINAR PROGRAM

It is the result of a process initiated in 2016 together with the Universidad Nacional de Tucumán Medicine School, inviting women from all rural communities to provide them with tools that will allow them to recognize themselves as a complete person, gain self-esteem and empower their skills by identifying actual possibilities for a life project for themselves and their families.

In the second phase, in 2017 and together with Fundación Cultural del Norte, we continued with their empowerment by means of training, development and support to think, create and develop their own micro-ventures. Every entrepreneur set specific goals and developed a business plan, which later they were able to apply to a seed capital in order to fund every venture. At present, 36 ventures are under development, supported by the team and receiving the supplies and/or the machinery required, in coordination with the Ministry of Social Development.

This project contributes to three of the Sustainable Development Goals supported by San Miguel :

1- Poverty eradication, 5- Gender equality, 10- Inequality reduction.

In our new point of origin, Peru, women employees make up 61% of the payroll.

“ Empowering rural women is crucial to put an end to hunger and poverty. When we deny women's rights and opportunities, we deny their children and societies the possibility of enjoying a better world.”

Secretary-General of the United Nations, Ban Ki-moon, on the International Day of Rural Women.

4.5 ► HUMAN RIGHTS AND ENVIRONMENT

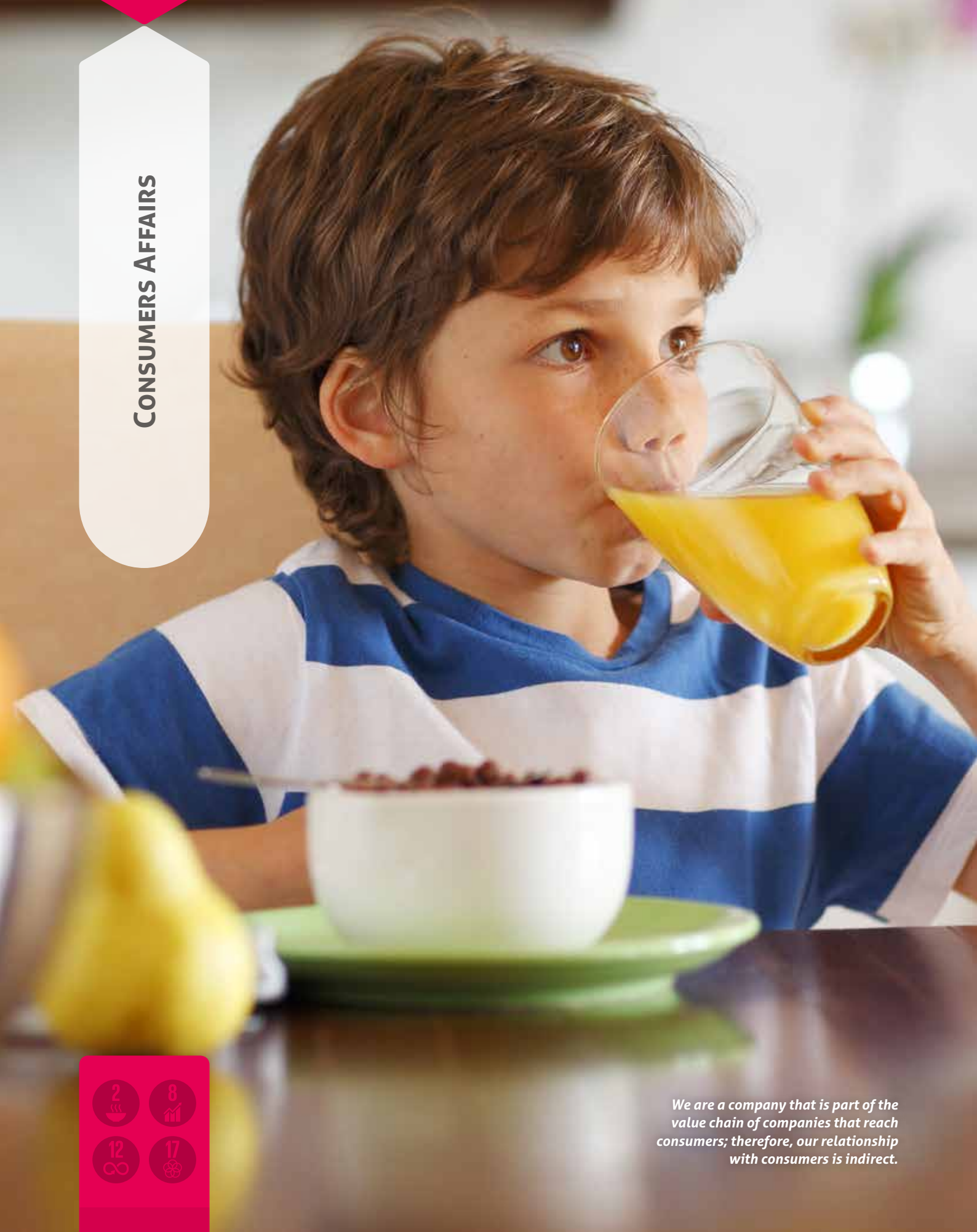
Art. 41 of the Argentine National Constitution sets out the right to a healthy environment suitable for human development, where productive activities meet current needs without compromising future generations and the duty to preserve and protect it.

Likewise, according to the United Nations, natural resources are a decisive asset to get out of poverty and the right to a healthy environment must be a fundamental axis for companies in developing countries, as this has a profound impact on the guarantee of other rights such as the right to health, food, development and culture, among others.

In line with these principles, in San Miguel we are committed to caring for the environment:

- We raise environmental awareness in our people,
- We evaluate the impact of our products,
- We implement continuous improvement actions,
- We make a sustainable use of resources,
- We measure the carbon footprint and the water footprint,
- We manage and recycle waste,
- We treat effluents,
- We make a sustainable use of the soil,
- We protect biodiversity.

🔗 For further details on how we carry out these actions see Chapter "Environmental Management"



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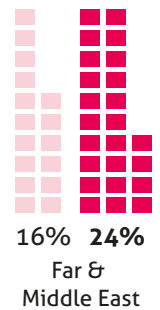
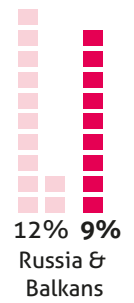
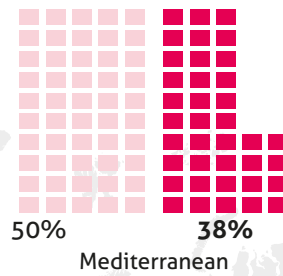
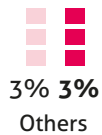
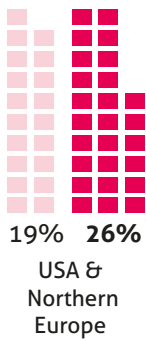
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We are a company that is part of the value chain of companies that reach consumers; therefore, our relationship with consumers is indirect.

5.1 ▶ CUSTOMERS IN NUMBERS

DISTRIBUTION BY MARKET (volume)

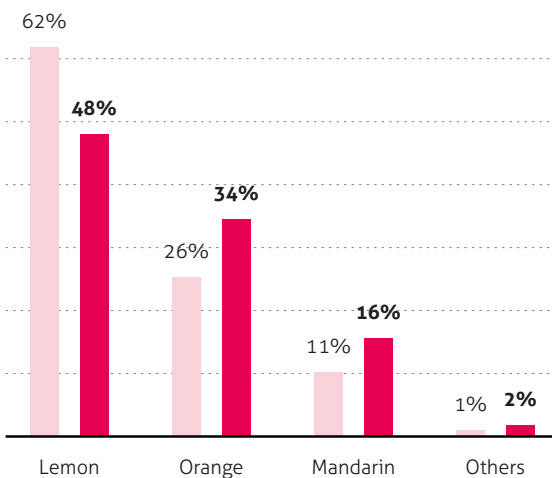
2016
2017



278
customers
distributed among
58
countries

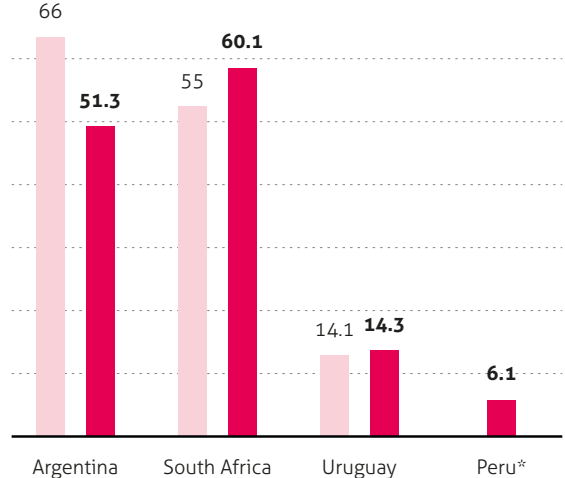
EXPORTS BY PRODUCT

Volume
2016
2017



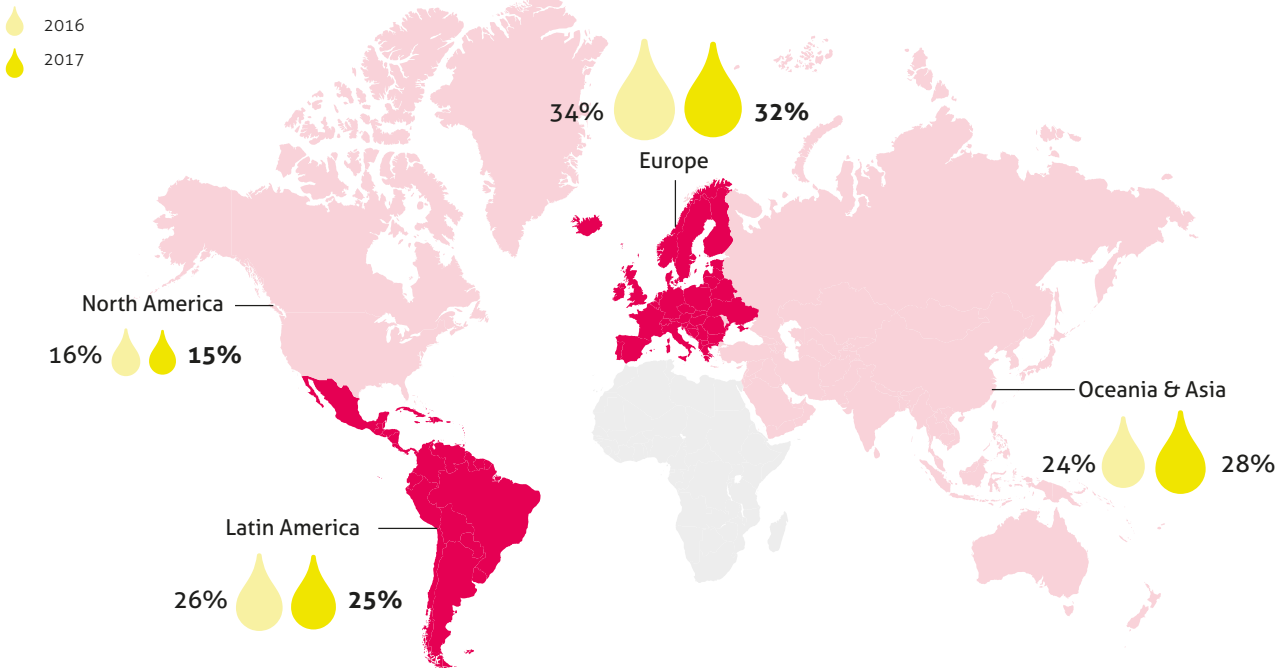
EXPORTS BY COUNTRY

In thousand tons
2016
2017



*San Miguel Peru to be incorporated in 2017

LEMON JUICE SALES BY MARKET



5.2 ▶ RESEARCH AND DEVELOPMENT

Our work is based on our relationship with national and international research organizations, with which a fluid scientific/technical information feedback environment is generated and a work network built to face the appearance of unforeseen phytosanitary issues.

Innovation is one of the fundamental pillars of San Miguel's leadership. The Research and Development area has experienced professionals and important equipment.

During 2017, we carried out the following research work in **Phytopathology and Biotechnology**:

▶ FIELD

We worked on the alarm (monitoring) systems in order to start actions intended to comprehensively manage pests and diseases, reducing costs and contributing to environmental sustainability.

▶ PACKING

We ensure fruit preservation through indicator-based preventive monitoring, mainly biological indicators, which show the operation progress regarding company-owned and third-party packing. Such indicators allow us to take decisions every time the expected safety threshold is exceeded. Concurrently, we deepened into the search for post-harvesting products and technologies to reduce

the degree of fruit waste in order to be aligned with the recent demands of the major fresh fruit and processed food markets.

We lead the Huanglongbing (HLB) prevention and management program, a disease caused by bacteria that affect Citrus plants -and their vector insect specifically- through training, drafting and implementing a comprehensive plan adjusted to every country's needs.

🔍 *Phytopathology deepens the knowledge of pathogens in order to identify and know their biology and being able to design management strategies to exclude them or to reduce their impact on production, both during the pre and post-harvest seasons. In Biotechnology, the search is oriented towards strategic, holistic, medium and long term solutions: from widely applied diagnostic techniques to transformation of plant organisms, even overcoming biological barriers.*

5.3 ▶ QUALITY MANAGEMENT SYSTEM

We have a Quality Management System that covers all production activities from the nursery to the finished product.

All our fields, processes and products are certified by international quality standards, besides having a broad pre-requisite program: good manufacturing, agricultural and storing practices, pest control, allergens program, water quality program, among others.

Our Quality Assurance area manages procedures, trainings, records and activities aimed to the system maintenance and standards certification.

Each area has incorporated into its work routine the quality and safety requirements established by San Miguel for its production operations. Through its in-house auditors' team, the Quality Assurance area verifies compliance with standards and regulations.

Our procedures contribute the following types of data on product information and labeling: origin of its components and safe use thereof; content, mainly in relation to the substances that might generate environmental or social impact; and product and environmental and social impact suppression.

In 2017, we incorporated a computing tool that allows us to handle the quality management in a faster and more efficient way. The **Q management program** enables us to track customers' claims, non-conforming material, internal and external audits and audits to suppliers, document management, among others. Additionally, it allows us to interact among the different areas when multidisciplinary involvement is necessary to solve problems, study a root cause or the follow-up of a complaint.

Thus, we guarantee product safety, environmental care and quality of our production processes.

100% of San Miguel products are marketed with their corresponding label, in compliance with applicable regulations in force.

TRACEABILITY SYSTEM

Every product, whether a box of fresh fruit or a processed food, undergoes a traceability process to the raw material batch point of origin (fruit at the fields), as well as the supplies and production processes involved in the manufacturing of the finished product.

We also conduct checks based on fresh fruit control samples: we assess the behavior of a fruit packaged from each batch until it arrives at its destination; we also have samples from every batch of finished products in terms of processed foods (juice, peel, pulp, oil, etc.).



CERTIFICATIONS GRANTED TO OUR FRESH FRUIT BUSINESS, FIELDS AND INDUSTRIAL PROCESSES



GLOBAL GAP

Worldwide agricultural good practices standard, based on food safety, quality, environment, animal welfare and social responsibility.



HACCP

(HAZARD ANALYSIS AND CRITICAL CONTROL POINT)
A preventive process that guarantees food safety.



SMETA

An auditing procedure that uses the Ethical Trading Initiative (ETI) code, and local legislation as a measurement tool.



BRITISH RETAIL CONSORTIUM (BRC)

A standard that enables to meet the requirements set forth by the GFSI (Global Food Safety Initiative), represented by major European supermarket chains.



OHSAS 18.000 STANDARDS

A series of voluntary international standards applied to occupational safety and health management. They are based on the elaboration of the British Standard BS 8800 Standards.

Only Peru has this certification.



SELLO ALIMENTOS ARGENTINOS

(“ARGENTINE FOOD” SEAL)

A quality stamp that identifies and distinguishes foods manufactured in Argentina complying with strict standards.

Only Argentina has this certification.



SURE GLOBAL FAIR (SGF)

It certifies the authenticity of juice fruit from worldwide suppliers.



RELIGIOUS CERTIFICATIONS

Our certifications package also includes religious certifications, such as Kosher and Halal.



SIZA

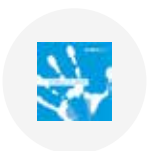
South Africa's Sustainability Initiative that provides a platform for different agricultural sectors, ensuring a sustainable, ethical and fair trade. It monitors the environment care and compliance with local labor legislation and aims to foster continuous practices improvement in the long-term, exceeding the minimum legal requirements; it is also involved in the value chain to identify needs and problems.



BASC

International business alliance that promotes safe business, in cooperation with governments and international bodies. It is of a voluntary nature and grants a certification that confirms control over all the processes including production, packing, shipping and transport of loads with a foreign destination, ensuring that there is no possibility that said loads may get contaminated (blackmailing and drugs).

Only Peru has this certification.



GRASP

Voluntary assessment additional to G.A.P. Global standard that analyzes social practice risks in agricultural operations based on respect for human rights, internal complaint procedures, application of labor regulations, fair remuneration, implementation of good social practices and communication thereof, among others.



FOOD SAFETY SYSTEM CERTIFICATION - ISO 22000:2005-FSSC 22000

A food management system international standard that covers the entire supply chain, from farmers, processing and packing of food to the point of sale.

Only South Africa has this certification.



5.4 ▶ RELATIONSHIP WITH OUR CUSTOMERS

CUSTOMER SATISFACTION

We strive to provide the best service to our customers, ensuring an appropriate procurement.

To that aim, the **Customer Service** area works in an organized way focused on the businesses and regions, providing differential services, according to each requirement.

We identify improvement opportunities and generate action plans to achieve a higher customer satisfaction. Some key indicators we use to assess customer satisfaction are those that follow:

- We determine how contracts are fulfilled (due time and appropriate manner) and detect whether there are products, periods or customers that present difficulties or require more attention.
- We identify to what extent purchase orders are fulfilled in terms of time, quantity, quality and documentation (Perfect Order Global).
- We define logistics chain costs to identify improvement opportunities.
- We estimate the time from complaint reception to the time when customer considers the complaint fulfilled.

COMMUNICATION WITH OUR CUSTOMERS

Trade fairs are a critical space for relationships in the industry because they make it possible to meet customers from all over the world and be in contact with the main trends of the market at the global level.

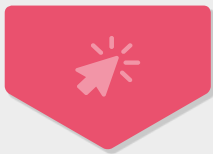
In 2017, we participated in different international congresses and exhibitions:

- Fruit Logistics, Berlin
- Gulf Food
- IFT Chicago
- JPA San Diego
- IFT Las Vegas
- Asia Fruit Logistics
- World Food Moscow
- IFEAT
- Juice Summit
- Anuga
- Fruit Attraction Madrid
- PMA Orlando

We work with the entire value chain offering our market expertise in order to provide a groundbreaking proposal.

In 2017, we deepened our relationship strategy with our customers in high potential markets such as the North American market, offering a greater supply of products: avocado, grape, citrus fruits of different origins.

WE HAVE DIFFERENT MEANS OF COMMUNICATION TO KEEP COMMUNICATION EVEN MORE FLUID:



INSTITUTIONAL WEB SITE

<http://sanmiguelglobal.com/>
It provides easy and free access information that we update on a permanent basis. There, our customers and different public stakeholders may see our offer and news as well as information about the management and the different areas. Furthermore, it includes operations contact details and a form for the visitor to send us its queries and orders.



EMAIL

info@sanmiguelglobal.com
It works as the primary contact in the company. There we receive, for example, the requirements made on the web. The Institutional Relations area addresses such queries and refers them to the corresponding sector or referent.



SOCIAL NETWORKS

It is a direct and interactive communications channel with our different public stakeholders.



MONTHLY NEWSLETTER

It reports news on topics such as investments, new businesses, product news, participation in fairs, structural changes and sustainability.

THE QUERIES WE RECEIVE THROUGH SAID CHANNELS ARE HIGHLY DIVERSE.
IN GENERAL, THEY ARE RELATED TO PRODUCTS, BUSINESS OPERATIONS AND JOB SEARCHES.

LABOR PRACTICES

3

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6.1 ▶ OUR VALUE PROPOSITION

WE ARE RELATIONSHIP-MAKERS; PEOPLE WHO WORK AND GROW TOGETHER TO ENSURE OUR WELL-BEING AND THAT OF COMMUNITIES.



WE ARE SAN MIGUEL

We are a team of passionate people. The pleasure of doing what we like inspires us every day. We are people working with people and it is in that daily relationship that our values are displayed.



WE SHARE LEADERSHIP

We lead the market. We accompany, support and encourage our employees to be protagonists of their personal and professional growth.



WE PROMOTE DEVELOPMENT

We want to leave a distinctive mark on all our employees' career development. We promote their growth through experiences in co-creation spaces in a collaborative environment.



MAKING DIVERSITY OUR STRENGTH

We are a global company with multiple points of origin that encourages the exchange between different cultures to enhance our vision. We draw on different experiences through our teams, customers and communities.



WE ARE COMMITTED TOWARDS OUR COMMUNITY

We are aware of our role in society; that is why sustainability guides all our actions. We are committed to the communities and the natural ecosystems in which we develop our activities.



WE ARE INNOVATORS

We seek opportunities to make our company grow; we are entrepreneurs; we challenge the status quo to add value to our business through continuous improvement and the application of new technologies.

We believe in the value of people and in the transforming power of our employees. That is why we plan, organize and develop everything related to their promotion.

- We raise awareness among top managers, mid-level managers and supervisors on the strategic relevance of being a socially responsible company.
- We prioritize the safety and health of our people.
- We promote the integral development of employees through different activities.
- We make sure that the leaders of the organization understand the importance of managing their employees day after day as regards work environment, performance and development.
- We comply with legal regulations on labor matters.

6.2 ▶ OUR EMPLOYEES' PROFILE

GENERIC COMPETENCES



WE MANAGE CHANGE WITH FLEXIBILITY

We promote changes in the company and adapt and work effectively in different situations or with different groups.



WE ARE PROACTIVE AND INNOVATIVE

We act with initiative and anticipation, proposing creative, disruptive and/or continuous improvement solutions to solve the problems that may arise.



WE COMMIT TO SUSTAINABILITY

We are responsible for safety conditions at work, for the care of the environment and for finding the balance between work and personal life.



WE LEARN PERMANENTLY

We learn and develop new skills to continuously improve the tasks we perform.



WE FOCUS ON THE CUSTOMER

We develop an optimal value chain to provide products and services that meet the current and potential needs of our external and internal customers, generating long-term links with them.



WE ACHIEVE THE BEST RESULTS

We aim to achieve high standards of quality and productivity, setting challenging objectives to deliver results in an efficient and sustainable way.



WE PROMOTE TEAM WORK

We collaborate and cooperate with each other within our own area and between different areas, showing interest in being part of a single team in order to achieve common goals, with dedication and perseverance.



WE UNDERTAKE RESPONSIBILITY

We are responsible for the decisions taken, for the consequences of our actions and for compliance with company regulations, valuing and taking care - in the best way - of resources, property and costs.

LEADERSHIP COMPETENCIES



WE LEAD AND DEVELOP OUR PEOPLE

We counsel and encourage our people to achieve the goals set forth; we do the appropriate follow-up thereof and provide continuous feedback on performance, taking into account employees' development as each leader non-assignable duty.



WE THINK STRATEGICALLY

We set and implement the company's strategies with a prospective and systemic vision, knowing and understanding how the environment and the economic variables thereof impact our business results.

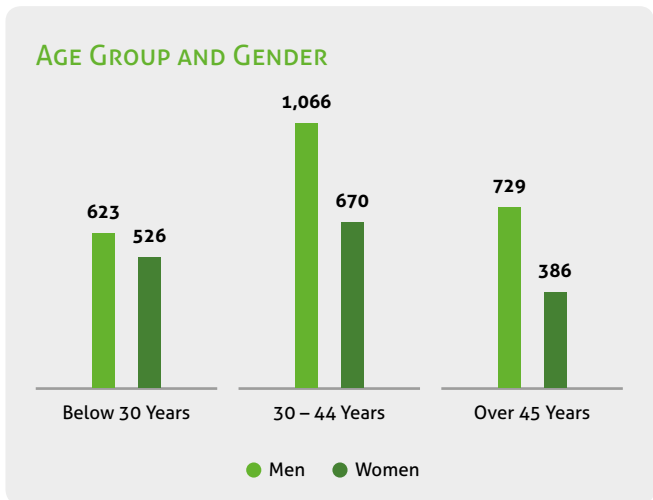
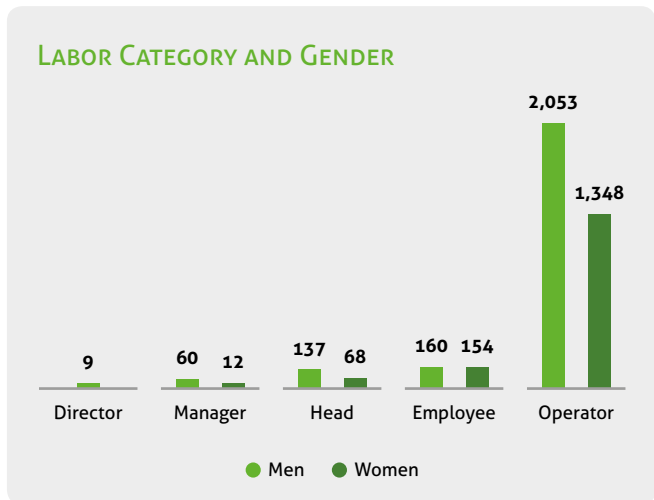
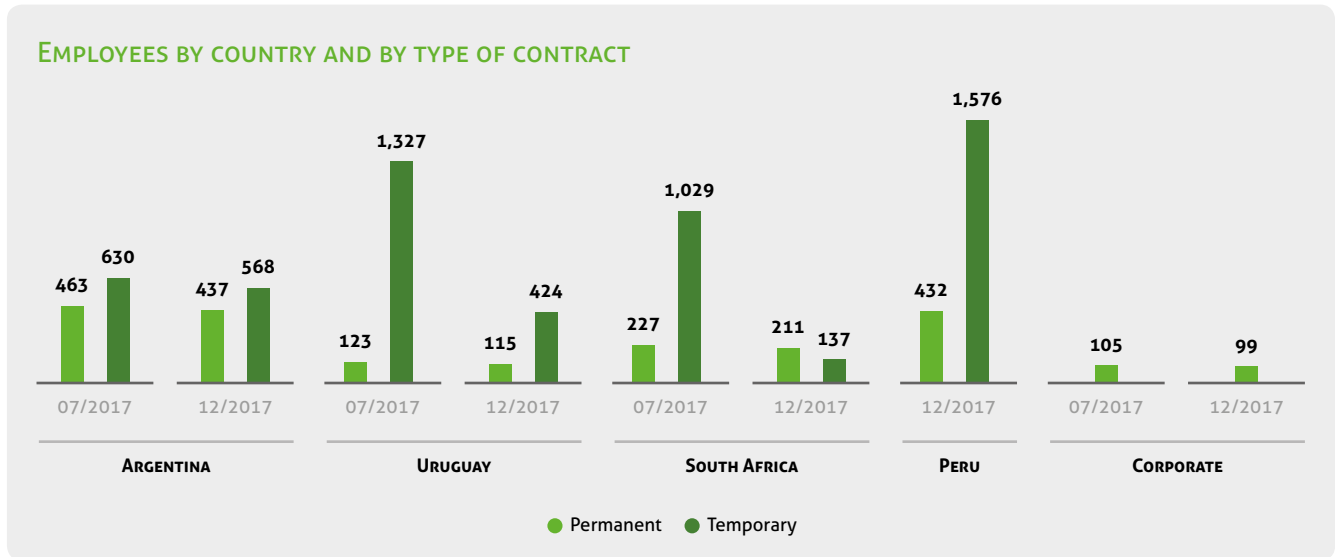
At San Miguel we have defined the behaviors expected from each of our employees. By knowing them, we will be able to achieve the expected success and act with willingness, talent and innovation in view of the changing business demands.

6.3 ▶ OUR EMPLOYEES IN NUMBERS



During the harvest season, citrus-fruit activity demands intensive labor. At that time, we hire temporary employees in Argentina, Uruguay, Peru and South Africa.

🕒 For further information concerning employees as regards Diversity and Types of Contracts consult the Annex to this Report.



6.4 ▶ SELECTION, TRAINING AND DEVELOPMENT

SELECTION AND RECRUITMENT

We attract and select talented people with technical experience, following the best professional practices and within the framework of the labor law. Our processes are transparent and effective. Whenever a position needs to be filled, we first resort to our in-house employees; thus, we foster development of our own human capital.

For headship, managerial and directorate positions, we select personnel through the Opportunities Committee. A group of employees having

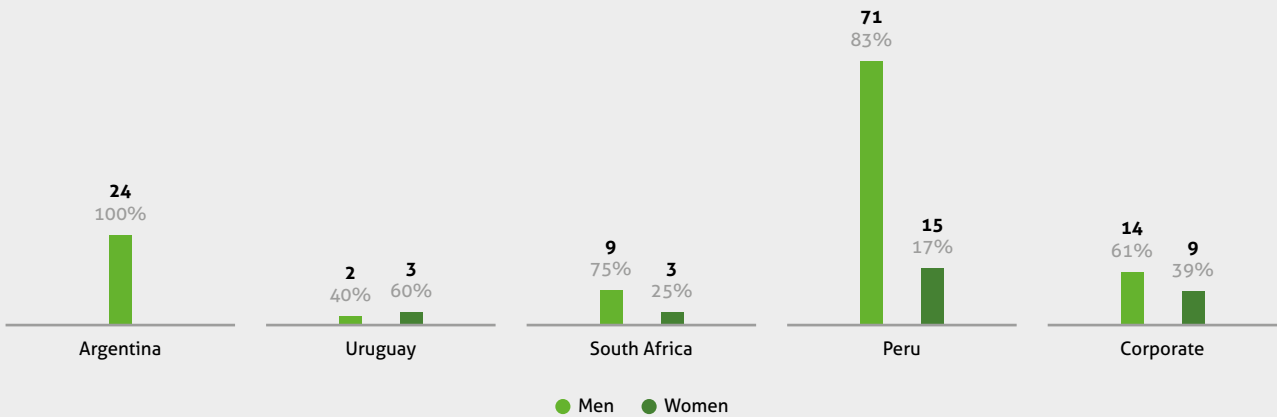
a level higher than the vacant position may nominate in-house candidates, taking into account the multiple processes and requirements for the position. After this instance, the decision as whether the position is filled with an in-house candidate or if it is necessary to resort to an external search is taken.

For assistant, analyst, coordinator and supervisor levels, the search starts with in-house personnel. The selection area validates the position profile and recruits through internal means, receives candidates and carries out a selection process consisting of interviews and

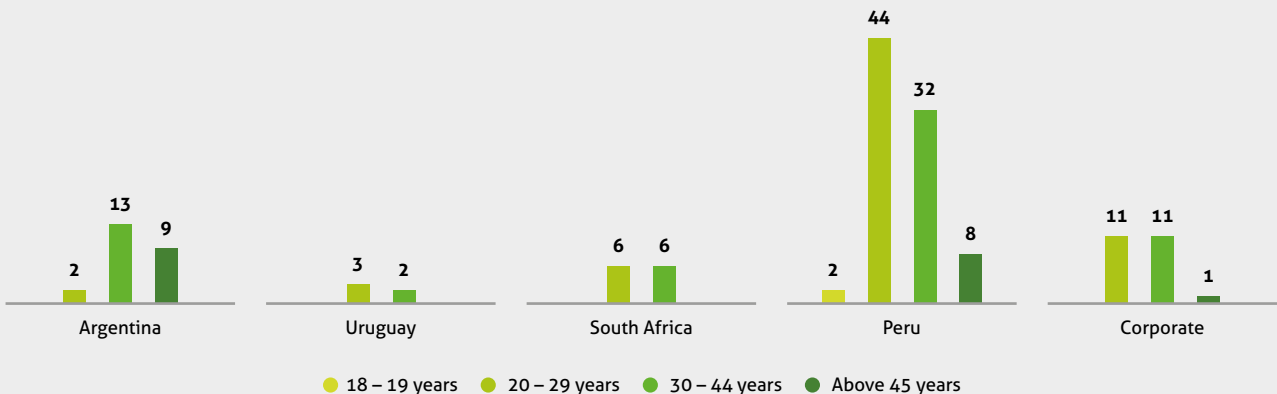
exams. If no candidates are selected from the internal search, the **Referred Candidate Program** is launched. Any employee may refer a candidate as long as the search conditions are met. If, at the end of the process, a referred candidate is hired, the referrer receives an institutional gift. Following this step, if no referred candidate is selected, we make an external search based on our attraction strategy.

🕒 For further information on Staff Turnover and New Hires, see Annex to this Report.

DIVERSITY OF NEW HIRES



NEW HIRES BY AGE AND COUNTRY



THE THREE AXES OF OUR STRATEGY IN ALL COUNTRIES ARE THOSE THAT FOLLOW:



CULTURE

Our DNA is deployed in the activities that each of our employees carries out day after day. Thus, we transmit our history, our identity and our values to all the members of our organization.



LEADERSHIP

We focus on transmitting to our employees the qualities that make us a leading company. We provide them with tools for them to be able to lead their professional development and that of their teams.



TECHNICAL MANAGEMENT

We make available to our employees customized training and programs, oriented to acquiring new technical and managerial knowledge to perform in their work areas.

TRAINING

Our strategy is to provide a comprehensive training oriented to people and to their learning experiences. Our approach is based on the way we work, on our competences, and on our values.

We design tailored programs for our employees and according to the needs of each of our operating locations. In this context, our people grow and are trained, deepening their knowledge of the business in general and of each of its areas in particular.

These axes include non-collective bargaining agreement employees. For staff subject to the collective bargaining agreement (Tucumán) we work following curricula mostly in the Technical axis, working eventually on the Leadership axis.

Training programs are also carried out according to the nature of the position, in Uruguay; and of cultural transformation in Peru for all changes gone through in 2017. In addition to this, we have formal scholarship programs for our talented people pool.

🕒 For further information on Employees' Training, see Annex to this Report.

DEVELOPMENT

At San Miguel, we believe that managing talent is a business priority. Our development platform supports the company's strategy, evolution and maturity in its growth path.

We manage the performance and evolution of each employee's key competences through multiple processes that consider short, medium and long-term talent needs.

We promote the development of our employees based on the following pillars:

▶ TALENT MANAGEMENT SYSTEM

- Performance Management System (PMS)
- Succession Plans / Replacement Schedules
- Career Development Plans: Individual Development Plan (IDP)
- Development Opportunities Identification Program (DOIP)
- Talent Review

▶ INTERNAL TURNOVER: IN-HOUSE SEARCHES AND OPPORTUNITIES COMMITTEE

We promote the internal coverage of vacancies, offering development and turnover perspectives for employees who can and wish to advance in their professional career at San Miguel.

The methodology we use to develop each of these pillars is 70-20-10. This model is based on the fact that 70% of learning comes from practice and experience in the workplace, 20% is acquired through the relationship with other people (feedback, conversations, etc.) and 10% comes from formal courses and structured programs, such as our formal scholarship program for our talented people pool. With this methodology we seek each person to feel responsible for managing its own learning.

*In 2017 we invested **\$2,138,563** in training for our employees in all our locations.*

We actively promote the commitment to sustainability in our employees and we proceed to the evaluation thereof on an annual basis as a competence in the Performance Management System.

📌 For further information on performance evaluation by country, employment category and age group, see Annex to this Report.

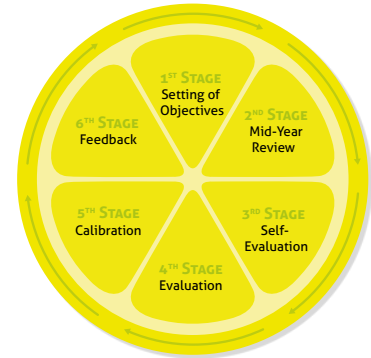
PERFORMANCE EVALUATION

Our Performance Management System is set on an annual basis and is aligned with our business strategy. It creates formal dialog spaces, helps us transmit and understand how individual contribution helps to meet the objectives and allows knowing how to improve each worker's performance. Individual objectives are aligned with San Miguel Strategic Goals and are set according to the SMART methodology.

Its main objectives are:

- Improve the contribution to the overall result of the company and of each area, promoting the improvement of individual performance.
- Clarify what the employee should achieve and how he is expected to do it, and, at the same time, that each person knows more precisely what the Company expects with respect to his/her performance.
- Develop key competences for the organization.
- Generate unbiased information about people and their performance in order to feed other processes and decision making.

It is made up of the following stages:



During the process we evaluate objectives (what), whose weighing is 60% and competences (how) with a weighing of 40% within the overall result of the evaluation.

With those employees having a "partially complies" performance, we carry out the Individual Development Plans (IDP), a tool designed to build a plan to improve performance, between the employee and his/her immediate supervisor.

In this process and in Argentina, we work with the whole staff, both non-collective bargaining agreement employees and collective bargaining agreement employees (permanent and temporary). To participate therein, employees must have a minimum continuous permanence in the company of 6 months.

The performance results obtained from this process impact other human resources practices, such as internal search processes, talent review, training, talented people scholarships, succession plans, among others.

6.5 ▶ LABOR CONDITIONS

SOCIAL SECURITY

At San Miguel we respect and value labor rights because we know that Social Security is a fundamental human right that guarantees the well-being inherent to dignity of people. In this sense:

▶ COLLECTIVE BARGAINING AGREEMENT

In Argentina, 74.07% of our employees are covered by the collective bargaining agreement. This percentage increases year after year. In Uruguay, 67% of employees were registered under the collective bargaining agreement in 2017.

▶ EARLY RETIREMENT BENEFIT (BRP)

Early retirement Benefit (BRP, from its Spanish acronym) is a tool that provides employees who are about to retire the possibility of a consensual and assisted retirement. The main benefits relate to the possibility of improving conditions

of the last phase of their professional careers, and reducing work-related occupational risks. In Tucumán, during 2017, the BRP was 63% (out of 38 proposals, 24 employees consent to accepting the Benefit).

▶ UNION FREEDOM

We provide a space and enable working hours so that elections of legal representatives and meetings with union representatives (weekly in high season and monthly in low season) are carried out. With all of them, we maintain an open and respectful dialogue.

COMPENSATIONS

OUR COMPENSATIONS POLICY AIMS TO:



GUARANTEE EQUITY

We aim to guarantee internal and external equity. The first one requires that the payment be related to the relative weighting of each position in the organizational structure, and the second one refers to the fact that integral compensation received by members of the company be similar to that obtained by employees holding similar functions in other organizations. For this purpose, we make sure that we have market data, participating in the relevant surveys.



TALENT ATTRACTION

In order to attract employee' profiles that work in other companies, compensation levels shall agree with labor market current supply and demand conditions.



GENERATING LOYALTY IN OUR EMPLOYEES

To achieve this, the compensation level shall be competitive in the labor market.

For further information on Compensations, see Annex to this Report.



BENEFITS FOR OUR EMPLOYEES

Benefit	Argentina			Uruguay	South Africa	Peru
	Lavalle	Famailá	Buenos Aires			
SAFETY						
Medical insurance	✓	✓	✓	✗	✓	✓
Sickness assistance	✓	✓	✓	✓	✓	✗
Nutritional guidance	✗	✗	✓	✗	✗	✓
Medical checks	✓	✓	✓	✗	✓	✓
Executives' medical checks	✓	✓	✓	✓	✗	✗
Active break at offices	✓	✓	✗	✗	✗	✓
EDUCATION						
Grants for Employee	✓	✓	✓	✓	✓	✗
Employee's children scholarships	✓	✓	✓	✗	✗	✗
School start gift	✓	✓	✓	✓	✗	✗
FINANCIAL						
Exclusive benefits from banks with which we operate (Payrolls Payment)	✓	✓	✓	✓	✗	✓
Salary advanced payment	✓	✓	✓	✓	✓	✓
TRANSPORT						
Self-function		✓	✗	✓	✓	✗
Reimbursements for use of own car	✓	✓	✓	✗	✓	✗
Fuel allowance	✓	✓	✓	✗	✓	✓ (Managers)
Charter	✗	✓	✓	✗	✗	✗
SPECIAL LICENSES						
Paternity/adoption Part-time maternity/adoption	✓	✓	✓	✓	✓	✓
Paternity/adoption	✓	✓	✓	✓	✓	✓
Unpaid leave	✓	✓	✓	✓	✗	✓
Compensation for business travel	✓	✓	✓	✓	✓	✗
Summer Fridays	✓	✓	✓	✓	✓	✓
House moving	✓	✓	✓	✓	✗	✗
ENTERTAINMENT						
Gym membership fee allowance	✓	✓	✓	✗	✗	✗
Birthday half day off	✗	✗	✓	✓	✗	✗
GIFTS						
Children's birth	✓	✓	✓	✓	✗	✓
Year-end gifts	✓	✓	✓	✓	✓	✗
FOOD						
Refreshments/fruits	✓	✓	✓	✓	✗	✓
OTHERS						
Discount Program	✓	✓	✓	✗	✗	✗
Merchandising	✓	✓	✓	✗	✗	✓
Mobile Telephony	✓	✓	✓	✓	✓	✓

🕒 For information on Parental Leave, see Annex to this Report.

ACTIONS WITH EMPLOYEES AND THEIR FAMILIES

We want employees to feel part of the organizational culture. For this reason, we endeavor to promote our values through different actions and generate commitment and teamwork.

MAIN ACTIVITIES DEVELOPED IN 2017

- Soccer championship.
- Woman's Day, Father's Day, Mother's Day, Secretary's Day, Birthdays, Worker's Day, Child's Day Celebrations.
- Year-End Party.
- Celebrations of national days by country.
- Christmas boxes.
- Climate and Sustainability Committees.

IN-HOUSE COMMUNICATION

Through our In-House Communication Policy, we seek to open communication channels so that employees can make their voices be heard by giving their opinions and ideas, thus improving interactions and allowing the exchange of information among all levels.

WE FOCUS ON:

▶ SIMPLICITY AND CLOSENESS

Closeness is one of San Miguel's fundamental cultural values, and internal actions must reflect this characteristic. Parties must use a clear, straightforward and simple tone.

▶ BALANCE

Disseminating messages in a balanced way so as not to misinform or make employees lose interest.

▶ COHERENCE AND CONSISTENCY

In-house communication must be aligned with external messages in order to show coherence and consistency.

▶ IN A TIMELY MANNER

We display our information as soon as the facts happen or we have knowledge thereof.

COMMUNICATION CHANNELS WITH OUR EMPLOYEES

- We organize San Miguel Global Meetings on a quarterly basis in each of the branches, led by the CEO and company leaders.
- We hold breakfasts for new employees with the CEO and the Human Resources Director.
- Through Café de Líderes (Leaders Cafe), a space where corporate managers share business and areas relevant information.
- We send *Así vivimos* (This is How We Live) monthly newsletter, where we report the news of the month for every office.
- Billboard and internal magazine, for those employees who are not *e-mail users*.
- By sending e-mails to all company employees where local and global events are communicated.

CLIMATE SURVEY

VOCES is our global and bi-annual process of Climate and Commitment Survey. With the results obtained in 2016, climate committees were organized to draft and prepare actions that help us focus and improve our results. During 2017, we continued working with these indicators to take the sample in 2018, according to the implementation schedule.

6.6 ▶ HEALTH AND SAFETY

OCCUPATIONAL HEALTH AND SAFETY COMMITTEES

Workers or their representatives have the right, pursuant to the national legislation and practices applicable in each country, to consult and make the recommendations they consider proper and appropriate affecting or that may affect occupational health and safety.

In all our operations we work with Occupational Health and Safety Joint Committees made up of representatives from all areas: heads, foremen, supervisors, managers and union delegates; they hold regular meetings so as to agree on necessary improvements and define responsibilities.

The Safety Committee is aimed at ensuring the achievement of the following objectives:

- Planning prevention by fighting occupational hazards at the source or origin thereof.
- Providing diagnostic tools for the continuous evaluation of risks in order to guarantee the welfare, safety and health of all members at the organization.
- Evaluating new risks arising from technological innovation, or new tasks.
- Promoting and collaborating in the planning of training courses aimed at workers for the prevention of occupational hazards.
- Having a record of the statistics on work-related accidents and diseases occurred in the company.
- Studying and analyzing statistics on occupational accidents.
- Promoting and maintaining cooperation in health, safety and work environment.
- Ensuring that actions agreed upon are implemented in due time and appropriately.
- Ensuring feedback is given to employees as regards petitions received on health and safety.
- Providing the information required by employees as regards the work they perform.

100% of workers at San Miguel are represented by these Committees.

We promote the welfare and integrity of our people. Safety and health are a constituent part of each task in which training, raising awareness and minimization of risks are fundamental aspects.

100% of workers at San Miguel perform their tasks in places where Risk Warning Campaigns are carried out.

RISK WARNING CAMPAIGN

We started the Culture and Commitment Program on Health and Safety using indicators to detect unsafe actions and conditions in operations with the purpose of eliminating them. This internal initiative also allowed us to keep a record of the situations in which the workers put their integrity at risk by their own attitude or by environmental agents.

ARGENTINA

There are tasks that may entail a high risk, such as work at height, but the Health and Safety staff monitor said tasks so as to ensure that workers have all the protection elements to prevent any incident or illness.

URUGUAY

In the event of an unsafe action, the operator is duly trained and in case of unsafe conditions, the Head is asked to take actions for improvement management. Fundamental aspects that contribute to the preparation of action plans to budget improvements are also contemplated.

SOUTH AFRICA

We collect the risks for each work area in order to ensure how we face them. *For information on types of risks in South Africa, see Annex to this Report*

PERÚ

We have the STOP Card program, whereby unsafe acts and conditions are reported. Workers who perform this type of acts are made aware of the failure thereof and at the same time they are corrected. 19.52% of employees are in critical positions.

SAFETY BY COUNTRY AND OPERATION TYPE

Sector	ARGENTINA		URUGUAY		SOUTH AFRICA		PERU	
	U/A	U/C	U/A	U/C	U/A	U/C	U/A	U/C
Field	49	60	357	189	7	6	700	223
Packing	33	48	38	22	1	0	67	120
Industry	102	380	N/A	N/A	N/A	N/A	N/A	N/A
Contractors	855	113	4	0	N/A	N/A	N/A	N/A
Total	1,039	601	399	211	8	6	767	343

** U/A: Unsafe Acts - U/C: Unsafe Conditions in Industry - it only applies to Argentina
In Uruguay, the Agricultural, Crop and Plant-Nursery sectors were grouped in the Field sector. In Peru, the Field sector includes Chinchá and Chepén farms.
In South Africa, the Field sector includes the Harvest and Agricultural sectors.*



TRAINED EMPLOYEES



2,162

INCLUDING PERMANENT AND TEMPORARY STAFF AND CONTRACTORS.



1,524

IN GENERAL AND SPECIFIC TOPICS

2,043

IN EXPRESS UPDATES

100%

OF HARVEST STAFF



893

EMPLOYEES

35

TRAINING ACTIVITIES



799

EMPLOYEES

1,750

PERMANENT AND TEMPORARY WORKERS

TRAINING ACTIVITIES IN OCCUPATIONAL HEALTH AND SAFETY

The Safety team carries out an annual training plan that includes general and specific topics related to field, packing and processed food.

The general training plan includes activities in which different topics were addressed:

- First aids
- Fire control
- Emergency Brigade
- Safe driving of forklift and tractor elevators, cars and motorcycles
- Agrochemicals handling
- Road safety
- Accident prevention
- Handling of agricultural machines
- Good Agricultural Practices
- Ideas and suggestions mailbox
- Health and Safety Induction for all seasonal personnel
- Contingency plan for brigade members
- First Aids and Prevention and firefighting for brigade members
- Handling of dangerous substances
- Safety in machinery handling
- Safety in harvest operations
- Safety in pruning operations
- Health and Safety Induction
- Safety in packing operations
- Ergonomics
- Training of new workers
- Electrical risk
- Risk of entrapment
- Protective clothes
- Protective elements for eyes, ears, feet, hands and head
- Manual, electric and cutting tools
- Stacking of materials
- Instructions for the alcohol blower
- Fire drill
- Safety of forklifts
- Hand washing and use of PPE
- Safe staking
- Rear parts secure conditions
- Security of chemical containers
- Safety in case of heat shock
- Ladder safety
- Complaint on injury at work
- Snake bite
- Procedure for emergency cases (earthquakes, fires, accidents, poisonings)
- LPG leak
- Safety measures in harvesting operations
- Safety measures in hazardous tasks (height, hot, dangerous energy, hazardous substances)
- Safety measures in storage works
- Phosphorous compounds poisoning

We promote health and work in the prevention of diseases focusing on a work and family perspective.

NOISE MANAGEMENT IN OPERATIONS

Noise reduction, either at its origin or at noise track, shall be prioritized at noise management programs and both the design and maintenance of the equipment and the workplace shall be considered.

At San Miguel, we conducted sound level, lighting and vibrations measurements in the various facilities of the Company with qualified and trained personnel.

ARGENTINA

In the sectors where the noise exceeded the level required by regulations, we studied the sources in order to eliminate or isolate them. As a last mandatory measure, we provided ear protection to all workers exposed.

URUGUAY

Annual or programmed measurements are made according to technological changes, following the technical recommendations and in order to comply with legal regulations in force, through Decree No. 143/012.

SOUTH AFRICA

We will apply this measurement as from 2018.

PERU

Occupational monitoring and noise measurements were carried out, resulting in an Acceptable level. The positions monitored were: assistant welder, grinder operator, tractor driver, operator engaged in pouring tasks, grinder driver, irrigation system technician, mechanical assistant, PCC operator, plant operator, refrigeration technician, reception and degreening operator, cold operator and sanitation worker.

HEALTH OF THE WORKER AND HIS/HER FAMILY

ARGENTINA

We carried out the Campaign "**Mes del Corazón**" (Month of the Heart), the programs related to **Smoking Cessation, Epidemiological Surveillance, Prevention of Addictions, Protection of Motherhood**. We also commemorated the **Day of Nonviolence, the Month of Occupational Health and Safety** and **voluntary blood donation**, among other activities.

SOUTH AFRICA

We opened a Medical Center to assist employees in: primary health (flu, bladder infections, etc.); chronic diseases (high blood pressure, diabetes, etc.); and control of occupational health (lung functions, eye exams and other medical examinations).

PERU

We carry out Health Campaigns in populated centers near the locations of Chincha (San Juan de Dios, Pacanguilla, Pacanga, Cerro Colorado and Limoncarro); and Chepén (EL Carmen Health Center, AH EL Salvador and AH Señor de los Milagros).

Topics addressed:

- Diabetes - Symptoms and Signs
- Arterial hypertension
- Syphilis
- HIV and Hepatitis B
- The importance of healthy eating.

 For further information on Health and Safety in all countries, see Annex to this Report.

ENVIRONMENTAL MANAGEMENT

- 2  6 
- 7  8 
- 13  15 
- 17 

7.1 ► CLIMATE CHANGE IMPACT ON THE AGRICULTURAL INDUSTRY

Short and long-term fluctuations in climate guidelines and climate change may have far-reaching impacts on agricultural production, drastically reducing harvest yields.

This risk resulting from the climate change being currently experienced worldwide may generate substantial changes in our operations, incomes

or expenses, where the business may be significantly affected due to low productivity. The areas currently suitable for citrus fruit production may not be so in the future, which would force us to look for new plantation zones or to readjust those currently suitable with new varieties or technology.

Our business depends largely on the climate: the temperature, the light and the water.

HOW DO WE PREPARE?



ENVIRONMENTAL RISK MANAGEMENT SYSTEM

The Environmental Management System tool enables us to develop environmental management practices and processes to prevent and minimize environmental impact throughout the Company within the framework of legislation in force.



THROUGH THE USE OF THIS TOOL...

We can monitor potential risks and optimize processes to face possible contingencies as well as capitalize and turn such risks into growth opportunities.



THE RESULT

higher predictability and a significant improvement in the ability to react in case of an incident.



ARGENTINA

- Increasing our operation capacity for harvest, phytosanitary treatments, etc.
- Increasing irrigated surface
- Plantations in more suitable areas
- Agreements with producers, prioritizing the environment

URUGUAY

- Increasing our operation and infrastructure capacity, machinery, drainage, road system, logistics, harvest, packing, cultural activities, etc.
- Plantations in more suitable areas

SOUTH AFRICA

- Increasing dams capacity: 30% (Western Cape)
- Reviewing and upgrading all irrigation systems
- Changing the irrigation system from a spraying system to a drip irrigation system
- Evaluating the use of water
- Having consultants available to provide forecasts

7.2 ▶ OUR ENVIRONMENTAL COMMITMENT

Carbon Footprint

In Argentina, we have been part of the team responsible for calculating the carbon footprint of lemon and other citrus fruits for export, led by the Asociación Fitosanitaria del Noroeste Argentino, AFINOA (Phytosanitary Association of the Northwest Region of Argentina). The project was the first step towards a sectoral collaboration for the design of a strategy aimed at the reduction of said footprint.

Environmental care and resource responsible management is part of the Company's DNA and of the way we work.

We understand that our business must meet certain rigorous criteria linked to sustainability and nature protection, taking into account:

- Identifying, monitoring, assessing and mitigating environmental risks resulting from our operations, in order to preserve environmental biodiversity, prevent pollution and minimize the potential impact of our activities.
- Making a rational and efficient use of our natural resources.
- Minimizing the generation of waste and promoting alliances for valuation thereof.
- Maintaining transparent and open communications on environmental issues with the community, regulatory bodies, customers and all stakeholders.

IMPACT PREVENTION

Environmental management aims at minimizing the impact of our activities. We have an Environmental Monitoring System that covers all the measurable environmental aspects of our operations and activities, records information and considers internal and external audits. Therefore, we work in the following action lines:

ENVIRONMENTAL MONITORING PROGRAMS

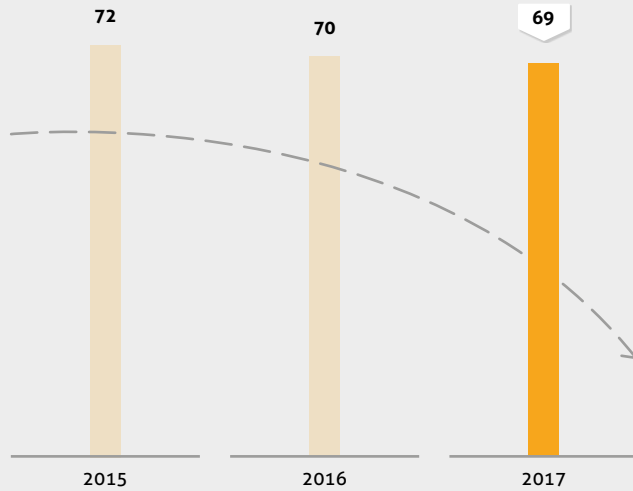
- Water flow measurement, even on an online basis in some cases.
- Water quality analysis.
- Monitoring of receiving waterways.
- Analysis of organic solid waste and facilities where disposal thereof is made.
- Noise level monitoring.
- Gas emission quality.

WASTE MANAGEMENT

Segregation of materials at the point of origin, follow-up and final disposal.



NATURAL GAS CONSUMPTION KPI/GRINDING Tn (IN M³)



ENVIRONMENTAL AWARENESS

ARGENTINA

In 2017, we continued implementing the training plan for all our employees, both in packing and in the Processed Food Plant.

This was developed at the workplace, enabling us to promote an environmental culture reaching a higher number of people, including contractor staff.

During the sessions, we addressed the following topics: Waste management, biodiversity value awareness programs, and water and energy use optimization.

URUGUAY

We promote awareness through talks or brief workshops on good environmental practices so that employees can incorporate environmental responsibilities into those they already know are inherent to their roles. What we prioritize is that they may assess how their everyday actions impact on the environment.

ASSESSMENT OF OUR PRODUCTS ENVIRONMENTAL IMPACT

We respect Good Agricultural Practices (GAP) general guidelines, which define the basic elements and essential practices for fruit production. Additionally, we incorporate them into other tools of our quality system. Implementation of the GAP, of the Gap Global protocol, is based on the following principles:

- Keeping consumer trust with respect to the quality and safety of the food product.
- Minimizing environmental impact and deterioration, which means preserving the flora and fauna.
- Reducing the use of agrochemicals with built-in production systems.
- Enhancing efficient and rational use of natural resources.
- Ensuring a responsible attitude towards the health, safety, well-being and education of those who work with us.

ONGOING IMPROVEMENT

During 2016, we launched the Inter-Harvest Ongoing Improvement Groups program to detect opportunities in certain processes and implement improvements. Every group (Water, Energy, Cleaning, Supplies and Indicators) worked on implementing its improvement plan. Thanks to these projects, better goals in line with ongoing improvement are further achieved.

In 2017 we were able to:

- Decreasing factory cleaning time from 3 to 2 hours;
- Reducing factory's water consumption by 20% between April and July;
- Decreasing energy consumption by 9% and natural gas consumption by 7%.

Additionally, a control panel was implemented, where every month all the company strategic indicators are reviewed by a *Key Performance Indicators* Multidisciplinary Committee.

From 2015 to 2017, we made improvements in natural gas consumption KPI /Grinding Tn. This is due to the fact that we focused on 2017 operation practices and improvements during 2016/2017 Inter-Harvest:

- We automated one of the peel pre-dryers.
- We coordinated the production of clear juice for it to be produced in both lines and then use only the concentrate.
- We implemented good operating practices: for example, in the peel drying and pre-drying areas, we monitor the efficiency at start-up and when some deviation is detected.

7.3 ▶ RESOURCE SUSTAINABLE USE

WATER

Water, as a vital natural resource for the sustainable development of production activities; it has a prevailing role in our environmental management.

Every country has different good practices aiming at optimizing its use, both in the agricultural field and in the industry.

We operate in countries where water situation is basically critical, like Peru and South Africa. That makes us become even more aware of the resource shortage when it comes to managing water.

ARGENTINA

The processed food plant is supplied with underground water sources.

We install online flow-meters that transmit the extraction from every well and report information to the relevant environmental authority. Therefore, we have a reliable water consumption control system which, besides, enables us to take corrective actions in a more expeditious way in case of eventual deviations.

On the other hand, we analyze valid circuits to reuse water in different industrial processes without affecting the final quality of our products.

Additionally, we measure the flow volume to be treated by the effluents plant on a daily basis, comparing it with the historical consumptions for such production levels.

Until 2015, juice extractors separated the essential oil, lemon juice and peel in only one phase. In 2015, the introduction of e-BOE (Brown Oil Extraction) technology enabled extractors to work only to separate the juice and the peel. This innovation meant a substantial improvement in water consumption, which went from 666 liters per ton of lemon in 2014 to 200 liters per ton of lemon in 2015 and 2016, achieving a 40% saving.

URUGUAY

We work in all our facilities in order to carry out a sustainable water management. In our farms we invest in technology for irrigation systems, we monitor consumption and carry out a series of actions to reduce it:

- All irrigation equipment have flow-meters to record water volumes, as well as the fertilizer solution used, in order to have better control of the use of both resources.

- In all these cases, we use a localized drip irrigation system which uses live-loaded drip tapes to achieve an even distribution of water at different points.
- We base our actions on a calculation program called Adjusted Water Balance (Balance Hídrico Ajustado) so as to determine when and how much to irrigate for every farm. Such program, in turn, determines the crop water needs for the next seven days, and also performs an assessment of

what has been irrigated in previous periods. At present, we verify the system by drawing samples with a drill and measuring the soil humidity to the touch on a weekly basis. All the records are kept individually for every farm, supervised by the regional technician in charge.

- All water sources used for irrigation have a valid authorization from DINAGUA (Dirección Nacional Aguas).

SOUTH AFRICA

We cultivate, pack and process citrus fruit under good -but relatively dry- weather conditions, which require irrigation water. As water is scarce, its appropriate and careful administration is vital.

In the Eastern Cape, water comes from a mayor river located 250 km away. This water is bulk reticulated in the cultivated region and then managed through a canal system to all the farms in the region. Water is managed on a volume basis by the Government and on a regional basis by Water User Associations (AUA, for

its Spanish acronym). The Eastern Cape has a similar structure, but water comes from a local river. They have different conditions, as the regions are highly separated and must adapt to different needs.

The amount of water delivered is managed by the AUA. We accurately measure the amount of water we receive in order to guarantee its proper use. Besides, the amount of soil humidity is measured to guarantee the right levels required. The amount of water that evaporates is also measured to guarantee the appropriate levels.

The water used in packing machines comes from the same systems but the volumes are not significant. There the goal is to ensure efficiency, as this practice discharges more water for the orchards nearby.

Water and continuous pressure on the availability thereof have been noted as a megatrend for San Miguel South Africa and, consequently, we dedicate much time and effort to guarantee a maximized and efficient use of every drop of water.

PRACTICES WE CARRY OUT

- We collect rainwater from shed roofs to obtain fresh drinkable water;
- We count on carbon mulching programs in order to enhance soil humidity retention;
- We constantly measure and map our soils, since too much water, as well

as too little water in the soil has a negative impact;

- We are trying shade nets to see their effect on water requirements;
- We constantly try new irrigation equipment to see how to provide the right amount of water with minimum waste.

PERU

The Chinchipe packing plant in Peru is supplied by an underground water source, obtaining three types of water: hard water, soft water and reverse osmosis-treated water.

ARGENTINA* • WATER CONSUMPTION (M ³ /YEAR)			
Year	Processed Food	Farms	Nursery
2016	1,263,416	2,105,237	4,578
2017	1,053,459	2,666,777	3,789

* Only the hectares cultivated in Northern area of the Province of Tucuman have water irrigation. The Southern areas use rainwater

URUGUAY • WATER CONSUMPTION (M ³ /YEAR)	
Year	Farms
2016	2,101,662
2017	2,758,256

PERU • WATER CONSUMPTION (M ³ /YEAR)	
Year	Chinchipe
2016	6,307,392
2017	7,565,396

WATER FOOTPRINT

A product's water footprint (WF) is the water volume used to produce such product measured for the whole supply chain. It is a multidimensional indicator that shows the water volumes consumed by source and the volumes affected by type of contaminant. All the components of the water footprint are specified in a geographic and temporal way. The water footprint does not show the seriousness of the local environmental impact of water consumption and pollution; this depends on the vulnerability of the particular water system.

The method used to determine the WF is the one proposed by the Water Footprint Network ([/waterfootprintnetwork.org](http://waterfootprintnetwork.org)). This approach considers that the WF comprises three components: the green WF, the blue WF and the gray WF, each of them calculated in a different way, and defines, as system limits, from the field to the factory gate or packing plant, where the packed products are located.

After making the first measurements of the water footprint, opportunities for improvement in water consumption control mechanisms were detected. In the period 2017-2018, management is focusing on deepening these mechanisms and improving the measurement of the corresponding KPIs.

📌 **Green WF** refers to the rainwater consumed by the lemon plantation and is estimated by means of climate and agronomic data, such as rains, winds, temperatures or stages of the plant development. This is the rainfall on the soil that does not drain into the sheet of water and is stored on the soil or that temporarily remains on the soil or vegetation.

📌 **Blue WF** refers to the consumptive use of surface and underground water along the supply chain of a product. "Consumptive" use refers to the fact that the water leaves the surface or underground water body available in a

catchment area and returns to another area or to the same area but not during the analysis period. Water is also consumed when it evaporates or when it is incorporated inside the product. It is calculated by counting all the water that enters the system and subtracting the water leaving the system in good conditions and towards the same basin.

📌 **Gray WF** is a water pollution measure and is calculated as the theoretical water that would have to be added to the effluents for these to reach the contaminant concentration authorized by current legislation.

⚡ ENERGY

Argentina

We decreased natural gas consumption by 18% between 2015 and 2017.

ARGENTINA

Electric power and natural gas are the main sources of energy to elaborate the processed food used in the elaboration plant.

We teamwork in order to reduce energy consumption through different initiatives. For example, we have a system that measures the consumption of natural gas and boiler-generated steam, and which enables us to optimize energy consumption in lemon peel dryers.

URUGUAY

In order to promote a rational use of energy in our operations in Uruguay, we took the following actions:

- Reactive energy is compensated through the incorporation of condensers in medium and large-sized panels.
- We program field irrigation according to a schedule determined by the energy provider. Likewise, cold chamber operation is based on a schedule where energy availability is more economical and efficient.
- We carry out regular checks on our equipment and assess its consumption.

SOUTH AFRICA

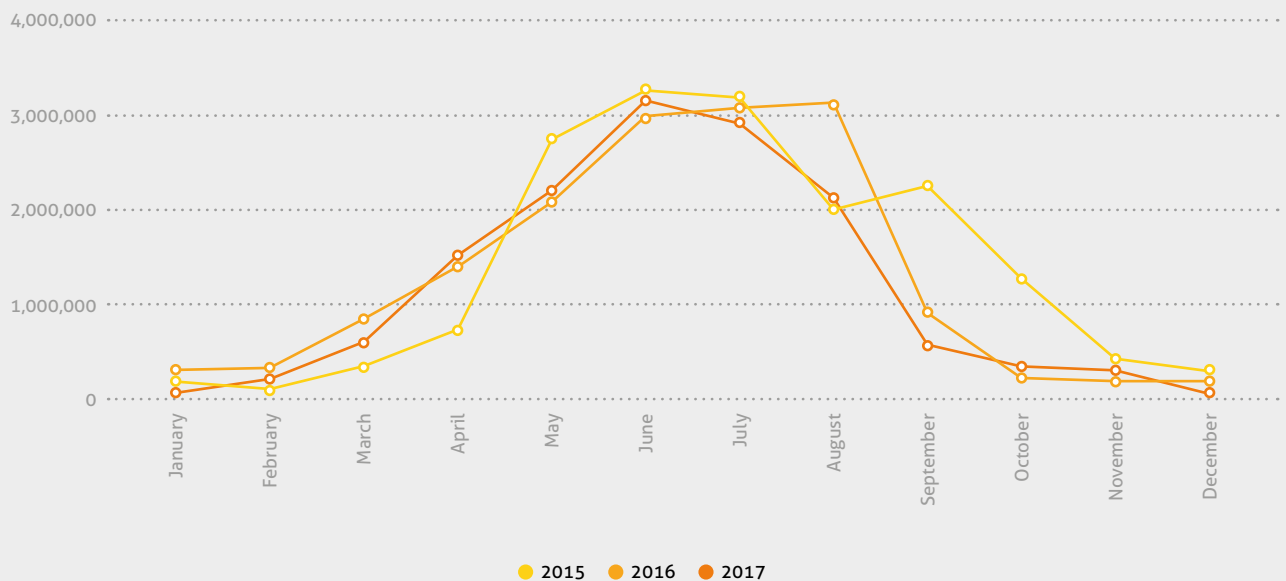
In the South Africa production unit we have two major sources of energy.

We use diesel for power-operated equipment in Orchards and electric energy to feed pumping stations and the Packing plant. Our main use of this power is for engines that power water pumps, as every hectare in production gets water from a reticulate irrigation system. The Packing farm has cool room facilities that require energy for cooling down during the season.

The entire use of electric power and diesel is measured on a monthly basis in fractions divided in the different areas. These measures are also included in our KPI Monitoring Program. Packing houses are monitored separately and we are constantly searching for ways to reduce costs.

For further information on energy consumption, see Annex A to this Report.

ARGENTINA • NATURAL GAS CONSUMPTION EVOLUTION (PROCESSED FOOD) (IN M³)



ARGENTINA • ELECTRICITY CONSUMPTION (PROCESSED FOOD)

Energy	2017	2016	2015
Gas Oil (CD)	36,254 L	49,960 L	6,205 L
Gasoline (CD)	3,782 L	0 L	0 L
LPG (CD)	39,541 L	0 L	0 L
Natural gas (CD)	13,195,987 m ³	14,141,403 m ³	15,168,952 m ³
Electric power (CI)	21,828 MWh	23,753 MWh	21,019 MWh

URUGUAY • ELECTRICITY CONSUMPTION • 2017

Field	5,754.73 MKWh
Administration	38.06 MKWh
Packing	568.54 MKWh

SOUTH AFRICA • ELECTRICITY CONSUMPTION (EASTERN CAPE)

2017	1,995,384 kWh
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CARBON STOCKS IN THE NATIVE FORESTS OF CASPINCHANGO FARM

The Protected Productive Landscape program plays an important role in carbon footprint compensation. The Yungas absorb greenhouse gases and allow mitigating the impacts derived from production activities.

In order to analyze deeply the contribution of this initiative, along with ProYungas Foundation and TEREAs (Terre Environnement Aménagement) representation body in Argentina, we conducted a study to determine the amount of carbon stored in our native forests and analyze its evolution.

Based on the information on the annual growth of forest species, calculations were made to obtain the carbon stock and its variation over time. The carbon stock is about 199 t/ha. In aggregate terms, if we consider that, thanks to preservation initiatives, 8,456 hectares of native forests are protected, San Miguel ensures the custody of 1,682,744 tons of carbon and captures 10,655 tons every year.

When studying the evolution of stocked carbon in the medium term, we obtained an approximate 205.1 t/ha stock in 5 years, and a total of 211.4 t/ha for the next decade.

CARBON FOOTPRINT

Products' carbon footprint quantifies GHG (Greenhouse Gas) emissions generated during the whole life cycle of the fresh fruit, essential oil, juice concentrate, cloudy juice, clear juice and dehydrated peel.

The carbon footprint is the partial indicator of environmental impacts that estimates the number of greenhouse gases that an individual, event, organization or product emits directly or indirectly into the atmosphere. It considers 6 groups of gases included in the Kyoto Protocol: carbon dioxide

(CO₂), methane (CH₄), nitrous oxide (N₂O), hydro-fluorocarbons (HFC), per-fluorocarbons (PFC) and sulfur hexafluoride (SF₆). Each of these gases contributes to global warming to a different extent and has a Global Warming Potential (which expresses its potential compared to CO₂). The method used is that recommended by the HC ISO 14067 standard, which conforms to the GHG Protocol, PAS 50 and other HC methods. The basis is a life cycle analysis (ISO 14040 and 14044).

At San Miguel, all incoming and outgoing GHG that exceed the system limits (from the extraction and

production of raw materials and supplies [origin] to the factory gate, where the packed finished products are located) are recorded. The result is tons of equivalent CO₂ emitted per unit of product.

The systematic assessment of these values year after year will allow us to have a tool to measure our environmental performance and find new improvement opportunities. Meanwhile, we know that we are responding to a growing demand for increasingly sustainable products throughout the value chain.

7.4 ► WASTE MANAGEMENT

In 2017, we generated 52% less waste than in 2016.

We use organic waste as soil enhancing agents in nearby farms. In order to prove that our practices are efficient, we take soil samples before and after the harvest season.

We consider that the first step of waste management is a strong classification at origin.

We have containers in the Production plant, the Packing plant and on the Farms, close to the work stations or at key locations for internal logistic management.

We classify and store waste in warehouses according to their nature and destination.

In 2017, we performed a comprehensive review of our waste management. As a result, we updated the procedures and operation practices, we modified responsibilities per sector and stocking location. To that aim, change agents of every sector were trained; a thorough control was designed in order to keep a record of the amounts of waste

generated based on their category; and a new strategic partner study was conducted in Tucumán province to reduce the amount of waste sent for final disposal and start increasing the amount of waste for recycling or donations.

WASTE RECYCLING

Part of the recyclable materials generated during Processed Food operations in Argentina was donated to different entities close to the places where we operate.

Largely, it was destined to companies in charge of transforming and reinserting waste as raw material in other production processes.

Furthermore, we restored 200-liter steel drums used by the production area to be used in the following season.

ARGENTINA • WASTE GENERATED (PROCESSED FOOD)

Type	Waste	Tons 2017	Tons 2016	Tons 2015	Treatment/Disposal
HOUSEHOLD WASTE	General	443	727	446	Landfill
INDUSTRIAL WASTE	Plastic	12	10	35	Recycled
	Cardboard paper	67	72	39	Recycled
HAZARDOUS WASTE	Hazardous waste	102	1,8	3,5	Incineration
PRODUCTION WASTE	Fruit waste	1,736	2,441	4,335	Bioremediation
	Factory pulp	11	38	7,523	Food gained/Bioremediation
	Effluent pulp	7,526	10,198	7,158	Food gained/Bioremediation
	Dry sludge	15,074	7,946	3,608	Bioremediation
	Liquid sludge	3,329	38,114	43,381	Fertilizing irrigation system
Total		28,300	59,547	66,522	

IN 2017 WE RECYCLED

127,840 kg

OF SCRAP

12,600 kg

OF PLASTIC

67,290 kg

OF CARDBOARD PAPER

154,500 kg

OF WOOD

7.5 ▶ EFFLUENT TREATMENT

IN ARGENTINA, WE HAVE AN EFFLUENT TREATMENT PLANT THAT ENABLES US TO ADAPT THE EFFLUENT GENERATED DURING THE INDUSTRIAL PROCESS. IT IS MADE UP OF 3 PHASES:



PHYSICAL-CHEMICAL TREATMENT

We separate solids, fats and oils to subsequently condition to neutral pH by using lime slurry.



ANAEROBIC BIOLOGICAL TREATMENT

It includes a UASB (*Upflow Anaerobic Sludge Blanket*) anaerobic reactor with high organic material degradation capacity. The reactions cause biogas production, which is reused in the boiler that warms up the effluent that enters the reactor, therefore enhancing the treatment efficiency.

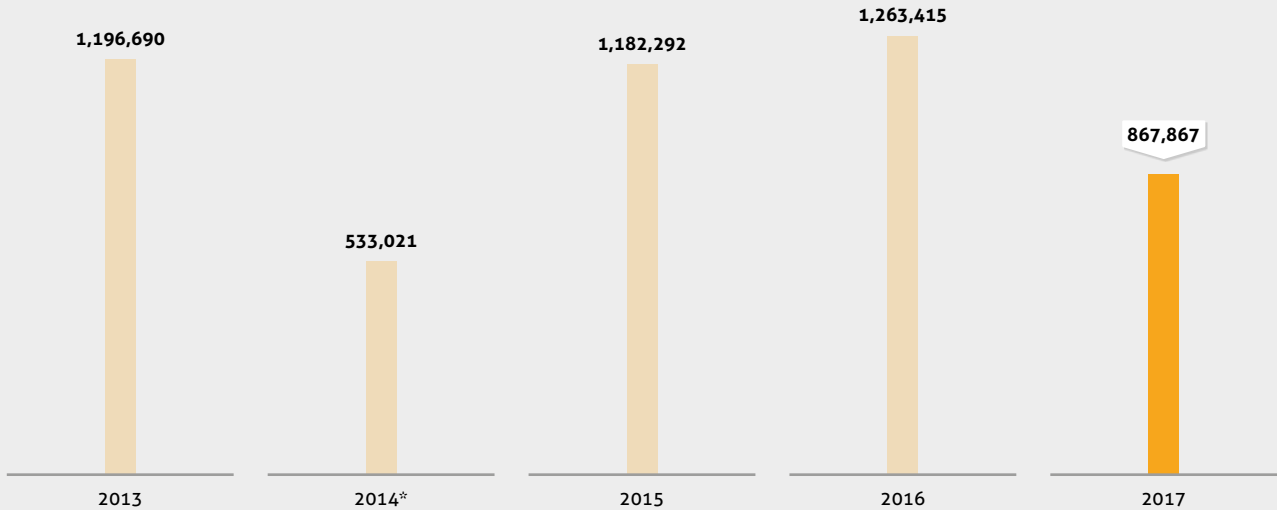


AEROBIC BIOLOGICAL TREATMENT

It consists of an activated sludge system. The aerobic reactor is responsible for polishing the effluent before pouring it.



ARGENTINA • INDUSTRIAL EFFLUENTS (PROCESSED FOOD)
(IN M³)



* The year-on-year difference is due to a strong decrease in the 2014 grinding.

In 2017, we generated 31% less effluents as compared to 2016 due to the work done to reduce water consumption.

During 2017, we implemented an Improvement Comprehensive Plan at the effluent plant for the 2017/2018 Inter-Harvest season. This was aimed at integrating different actions intended to reduce the organic load entering the system from the Industrial plant, as well as to make every phase of the effluent plant more robust.

▶ WITHIN THE FRAMEWORK OF THIS PLAN:

- We optimized water supply for the proper operation of the treatment plant.
- We increased the effluent neutralization capacity during the pre-treatment phase.
- We increased the system solids removal capacity in the third phase.
- We carried out full maintenance of the UASB Reactor.

▶ THROUGH THESE IMPROVEMENTS, WE ESTIMATE THAT, DURING THE 2018 SEASON, WE WILL ACHIEVE:

- A reduction in downtime due to breakages and breakdowns.
- An increase in the efficiency of the 3 operation units that make up the Effluents Plant.
- A reduction in citrus fruit supplies consumption.
- An increase in operation safety.
- An even more reliable quality of the final effluent.

Such plan shall require an investment of approximately USD 300,000.

7.6 ▶ SUSTAINABLE SOIL MANAGEMENT

ARGENTINA

During 2017 we continued with the working line designed during the 2016 season, based on the soil characterization project on all the company-owned farms.

With the results from these analyses we defined if the plots of land were suitable for citrus fruit growing, the planting site and the variety/rootstock combination for every case. Likewise, we designed maps of the farms which are useful to make protection crop forecasts and for planting and growth programs. By using satellite photographs and topographic contour mapping, we take into account the management of the topography and basin that provides water to the plot.

Other soil sustainable management initiatives include:

- Chipping for crop renewal or pruning: We grind the uprooted plants for subsequent incorporation into the soil as organic matter and to avoid burning plant residues.
- Vegetable waste mulching: To preserve the soil humidity and increase the organic matter content, we maximize the water resource efficiency generating a vegetable coverage in the area with the highest active root system concentration.
- Fallowed field: Once the land is again suitable for planting, we leave it to fallow for two years and we plant an annual summer crop (fodder sorghum) and an annual winter crop (black barley). In this way, we incorporate organic matter that improves the soil, we reduce the use of phytosanitary products and enhance plant health and its productive potential.

Every farm and nursery owned by San Miguel has a record and continuous follow-up system for harvest and agronomic operations.

When we start working on a certain plot of land with unknown background, we analyze the soils based on the zone risk and the topographic characteristics. In this way, we ensure a long-term sustainable system that enables us to prevent soil degradation and other related issues.

URUGUAY

All the Farms have a detailed Soil map with Geographic Information System (GIS) mapping and a Soil Characterization System by productivity index (CONEAT) with a map for every Farm that includes its full cartography: charts, varieties, soils, accumulation basins (frost risk), irrigation, pest monitoring, etc.

All this is used for the risk analysis of the new plantations, to determine varieties to be included and know the water source catchment in every site in particular.

SUDÁFRICA

In South Africa, soil management is an essential part of the "best agricultural practice". It is also closely related to our programs, and to water and fertilizer programs, as these affect each other and are closely interconnected.

With regards to soil specific management, South Africa has certain basic practices. The basic structure of the soil is measured and mapped. This is analyzed and then soil improvement programs are implemented. These mapping exercises are done every 5 years after measuring the changes and ponds that are still present. The soil analysis is performed annually as part of the production management. This is made to guarantee accurate and optimal fertilization programs specific to every area. It is a detailed and specific analysis.

At present, we are implementing certain current practices to improve our soils and guarantee their integrity in the long term.

- Coal-based fertilizer: all pruning material is grinded and taken back to the sowing root zone.

- Bushes eliminated the matter, everything was dried up into chips and returned to the plantation zone.
- We cut the mower to make sure that grass and weeds returned to the soil.
- Slurry and plaster are applied when it is necessary in order to improve the soil structure.
- We ridge plant in order to provide maximum use of the best soils.
- Land/soil preparation is done thoroughly and gently so as to guarantee the best conditions for the different soil structures. The practice is not having one same size for all of them, but to detail and differentiate it according to the conditions.
- We use different rootstocks for different conditions.
- We monitor performance block by block in order to ensure that the fertilizer being applied is balanced with what is being removed as per the yield produced. This is critical to maintain a well balanced and structured orchard soil.
- The land is allowed to fallow for a few years and we grow leguminous plants to let the soil rest before re-planting.



USE OF AGROCHEMICALS

We adjust and rationalize the use of fertilizers and phytosanitary products in order to minimize the impact on the soil, on surface and underground water sources and on plant and animal species.

We choose more suitable fertilizers to ensure a better use of the nutrients based on fewer losses. Likewise, regarding crops, we only apply chemical products approved by the countries of the fruit origin and destination, avoiding in this way risks for our employees, operators, consumers and for the environment.

ARGENTINA

In order to minimize the use of chemical products, we created a Pest Monitoring Area, which objective is to determine the best time to apply these products, thus increasing the application efficiency. This new method has replaced the old application practice based on the calendar date.

We make agrochemical containers unusable through the triple wash technique and by making a bottom perforation. Once this practice has been carried out, containers are sent for their final disposal by an operator authorized for transport and operation of hazardous waste.

SOUTH AFRICA

We reduced agrochemicals use to a minimum. Crop protection programs, both in the field and at the packing plant, are very carefully designed in order to guarantee compliance with the appropriate coverage and minimum application.

Once used, containers are washed three times and perforated before being stored in a specific area, and subsequently taken to an authorized waste disposal company. The industry considers that the reduction of the Maximum Residue Limit level for pesticides is a key megatrend.

URUGUAY

Personnel in charge of regional irrigation have a Fertilization Annual Plan where the farm, plot, dose and fertilizer to be used are detailed. In this way, the fertilizer application is planned, and the irrigator knows the amounts of fertilizer to be used every month on every farm. At field level, irrigators keep a registration sheet for both fertilization and irrigation in order to maintain updated information on the products applied.

We follow up the phytosanitary condition of the crops, conducting a permanent monitoring of pests and

diseases, and observations about the weeds status throughout the entire production process are made. Monitoring is planned on an annual basis and carried out by trained staff. These are supplemented by regular inspections of the site performed by the farm technical team.

We work with the advice provided by a meteorologist who forecasts national and local weather conditions daily. In this way, phytosanitary applications are postponed when weather conditions are not suitable. The quality of the applications is monitored by using

SYNGENTA water-sensitive paper. Bearing in mind application patterns, we ensure the efficiency of our applications.

We apply the triple wash technique for used agrochemical containers, and perforate the containers in order to prevent rainwater accumulation inside them or improper reuse thereof. Then, said containers are stored in a dedicated place with an electro-welded mesh enclosure, and they are sent to the centers authorized by the local environmental authority.

7.7 ▶ BIODIVERSITY PROTECTION

ARGENTINA

Our production activities are immersed in a context with high environmental value: mainly in the Yungas ecoregion, a habitat where we develop our main operations in Tucumán.

The Yungas, also known as the "Cloudy Forests" or "Yungas Andean Forests", occupy the eastern slope of the Andes mountain range, from Peru to the north of Argentina.

We work in natural environments and undertake the responsibility to develop our production activities within a sustainability framework. That is why, together with the ProYungas Foundation, we implemented the Protected Productive Landscape Program, in order to preserve the Yungas native forests and ensure the ecosystem balance. This is a landscape scale territory management model that seeks to integrate production, biodiversity preservation and related ecosystem services.

In this program, we work on 5 working lines:

1. Environmental context characterization.
2. Biodiversity monitoring.
3. Resource preservation and improvement processes incorporation in environmental performance.
4. Internal and external communication.
5. Construction of strategic alliances with different territorial players.

In the first instance, we conduct a study and zoning of the Company's territory based on the preservation and productive areas, to later define management guidelines.

Together with the ProYungas Foundation, we monitor the Yungas' animals and vegetation with special equipment. As a result, we determine the functional behavior in the different areas of the farms (forests, citrus areas, deforestation). We install cameras on a regular basis in order to identify the fauna that inhabits the Yungas and contribute to its preservation.

During 2017, we carried out the third environmental monitoring phase with camera traps at Caspinchango Farm, during July and August, 2017.

11 cameras were installed for 40 days in forest-citrus interface areas, mainly in the region where the species *Lontra longicaudis* (river otter) was recorded, and this is considered of special interest for the study, as it was recorded on this farm after many years without any record in the province.

The result of the monitoring was successful since we not only confirmed the presence of the River otter (*Lontra longicaudis*), internationally considered "quasi-endangered" and "endangered" nationwide, but also records of 12 large and medium-sized mammal species were obtained, being said species characteristic of the Yungas middle and low levels.

Likewise, a richer number of species was observed in the forestry sector than in citrus plantations, which confirmed, once again, the importance of forest sectors close to production activities. The forest serves as a "source" site for mammals that use the citrus plantation to feed thereon or to pass through.

On the other hand, the Yungas play a critical role in resource preservation. They have a key role in the water regulation of streams and rivers, which are strategic for agricultural production in the region. Besides, these absorb greenhouse gases and mitigate the impact of industrial activity.

With the purpose of sharing the results of this joint work, we developed an online interactive map that enables to tour the Protected Productive Landscape and access the record of plants, mammals, birds and insects that inhabit the area. It is a tool built on Google Maps, which may be accessed free of charge.

<http://paisajesustentable.sanmiguelglobal.com/>

For every productive hectare, we preserve 1.5 hectares of native forest.

*In 2017, we incorporated the native forest land of the Caspinchango farm as a **Private Natural Reserve**. This is located in the Monteros district, in the South region of Tucumán province. It has a 7,278 hectare surface divided into 1,006 hectares of productive areas and 6,272 hectares of wild areas. These areas represent 86% of natural habitats, mainly Cloudy Forest locations, and 13% of transformed areas occupied by citrus crops. The Caspinchango Private Reserve comprises 4610 hectares of native forests, included in the provincial OTBN (Native Forest Territory Structuring Law) red category.*

ARGENTINA • SPECIES IDENTIFIED AT SAN MIGUEL FARMS

Species	Forest (N=5)	Citrus areas (N=5)
Tapetí or rabbit (<i>Sylvilagus brasiliensis</i>)	✓	×
Mayuato (<i>Procyon cancrivorus</i>)	✓	×
Brown corzuela (<i>Manzama gouazoubirak</i>)	✓	×
Greater ferret (<i>Eira barbara</i>)	✓	×
Ocelot (<i>Leopardus pardalis</i>)	✓	×
Collar Pecarí (<i>Pecari tajacu</i>)	✓	×
Wild fox (<i>Cerdocyon thous</i>)	✓	✓
Weasel (<i>Didelphis albiventris</i>)	✓	×
Pampa fox (<i>Lycalopex gymnocercus</i>)	✓	✓

In 2017, we awarded value to the native tree zone in Farm Facility No. 16. After identifying that in the past years the park forest had naturally become denser with a large number of low value species, a selection was made to leave the forest in its natural status. Some new native forest areas were added, with all their autochthonous species represented on the site, prioritizing the presence of carob trees in order to achieve a balanced, clean and efficient spatial distribution, with low risk of fire. We managed to preserve native species and, at the same time, organize the native forest and reduce the incidence of pests that seriously affect the citrus fruit production of this place.

 URUGUAY

In our Farms we integrate crops to the landscape of the fields, preserving uncultivated surfaces as Protected Areas. Therefore, we seek to:

- Maintain representative ecosystems that ensure evolutionary continuity and ecological processes, including genetic flows and migration.
- Preserve ecological diversity and wildlife resources in order to ensure the natural biodiversity role in the environmental balance.

➤ Maintain the genetic material of natural communities and prevent native flora and fauna losses. - Guide and organize preservation activities to support the comprehensive development of rural areas.

These Preservation areas act as "buffer" zones within our agricultural exploitation, where we find varied native local fauna and flora.



SOUTH AFRICA

South Africa has strict requirements that are part of the Environmental Impact Assessment (EIA) and its authorization for new developments. The process takes up to two years and is very rigorous. It includes many issues and its Biodiversity chapter includes the following:

- Protection of endangered botanical species and groups of species.
- The designated hectares shall declare protection areas as a consequence of allowing the development of certain hectares.
- Search and transplant of certain designated plants and tree species that may be lost in the development.
- Search and relocation of certain animals and fauna of the development area.
- Certain cultural practices that guarantee soil and water stream protection.
- Corridors between properties to make space for certain animals to circulate.
- Adhere to a National protection plan of bushes and rest areas with specific protection purposes.

San Miguel's zone 1 in South Africa is located next to one of the largest national parks: the Addo Elephant National Park. Because of its proximity,

great attention is given to biodiversity regardless of regular legal requirements, since in this area natural parks meet citrus fruit commercial crops.

It is our intention to continuously interact with the Park authorities in order to ensure that we try to reduce the impact of one aspect on the other and we try to identify and find new and better ways where sustainable socio-economic agricultural businesses may co-exist with the National Parks' profile and their natural biodiversity. This effort requires many facets and approaches, but the aspects enumerated below are included in this ratio:

- Communication and commitment
- Compliance with regional and national regulations and authorities
- Shared responsibilities at borders and corridors
- San Miguel staff training and guidance on the relevance of this aspect of the business.

San Miguel South Africa understands that citrus fruit commercial production is a monoculture plantation; however, to be sustainable in the long term, it must analyze all aspects of the sustainability spectrum, and biodiversity is a very relevant component of this field.

*The **Addo Elephant National Park**, created with the purpose of protecting this elephant species, has a great biodiversity, landscapes, flora and fauna that include large mammals that co-exist with San Miguel River Bend orchards.*

<https://www.sanparks.org/parks/addo/>

ACTIVE INVOLVEMENT AND
DEVELOPMENT OF OUR COMMUNITIES



8.1 ▶ SOCIAL INVESTMENT COMMITMENT AT SAN MIGUEL

THESE 3 AXES GUIDE OUR INVOLVEMENT
IN THE COMMUNITY



HEALTH



EDUCATION



HOUSING

THEY ARE DIRECTLY LINKED TO OUR BUSINESS THAT ARISE FROM
SAN MIGUEL CONTRIBUTION TOWARDS THE SUSTAINABLE DEVELOPMENT
GOALS (SDGs) AND THE 2030 GLOBAL AGENDA.

*In 2017 we invested
USD 291.500 in the
development of our
communities*

At San Miguel we contribute economic, social and environmental value to the communities in which we are present and we do so by:

- Promoting local development.
- Serving our employees as a priority.
- Investing in operation improvements with a positive impact on local communities.

Our senior staff and our employees actively participate in the activities we carry out in our community, through the meetings held by the Sustainability Committee and Volunteering tasks.

8.2 ▶ WE EMPOWER OUR COMMUNITIES



ARGENTINA

We held first aid workshops in Famaillá and Burruyacú schools together with the Food Bank (Banco de Alimentos) and the Argentine Red Cross. 1,345 children from 7 schools participated in the workshop. A group thereof was awarded at the science fair, for the project "Your hands can save lives" (Tus manos pueden salvar vidas).

URUGUAY

We collaborate with more than 10 educational institutions through various initiatives that contribute to the performance of pedagogical projects or to the development of school life.

PERÚ

We contribute to raising awareness about the importance of Eradicating Child Labor and Ensuring Protected Adolescent Work.

*We implement development
programs in 100% of the
communities where we operate.*

*The depth and scope of the
initiatives vary depending on
the size of the operation, the
context and the needs of the
communities.*



◀ GENDER EQUALITY PROGRAM: PHASE 2: GERMINATE

We want to empower women in rural communities, because we know they are the engines of family development.

In 2016, the first stage of this program was implemented; in said stage women in rural areas were invited to participate in a training space, mostly wives of agricultural workers and women of nearby communities. We developed an individual and a group profile to stimulate integration and provide empowerment courses.

In partnership with the Foundation Fundación Cultural del Norte, in 2017 we implemented the second instance of the program with the aim that each of them can develop the necessary tools to think, create and grow their micro-entrepreneurship.

Entrepreneurships received seed capital and were accompanied for the implementation of the business plan. In addition, entrepreneurs participated with the exhibition and sale of their products in numerous local and provincial fairs.

🕒 IN 2017...

- 110 women
- From 4 rural areas
- Received 60 hours of training
- 36 entrepreneurships were started

"We met in one of the workshops, and we teamed up to make craft bakery. The workshop opened our minds. We chose bakery because we saw it is an item needed in this area. All our expectations are focused on being able to get ahead with this project".

Graciela del Valle Quipildo and Lorena Bustos, participants of home-made bakery micro-entrepreneurship.



◀ RURAL NUTRITION PROGRAM: ESCUELAS SALUDABLES

Focused on mitigating child malnutrition, we promote healthy eating habits in children and their families, working together with the Ministry of Education of Tucumán and the foundation Fundación Banco de Alimentos.

🕒 IN 2017...

- 55 healthy nutrition and cooking workshops for children
- 25 cooking workshops and healthy habits for teachers, school cooks and parents
- 2,188 kg of food per month to school canteens
- Over 1,200 dishes per month
- Beneficiaries: 1,055 students from 7 schools, 23 cooks, 35 teachers and 60 parents

◀ MEJORANDO MI HOGAR PROGRAM

We facilitate access to improvements in our employees' homes, working with suppliers and other companies in the local citrus fruits industry, so as to generate training instances in masonry (with official titles issued by the Ministry of Education) and credit lines for materials, which allows them to carry out their individual and family projects and be the actors themselves in the improvement of their living conditions.

We also manage the deeds of the lands assigned in the Lavalle Plant zone.

🕒 IN 2017...

- 78 deeds of lands donated to neighbors by San Miguel.



◀ CRE-SER SCHOOL SUPPORTING PROGRAM

Together with Conciencia Association and the Ministry of Education of Tucumán, we contribute to strengthening learning of those students under pedagogical and desertion risk.

🕒 IN 2017...

- School tutoring to 140 students from 2nd to 6th grades
- Promotion of reading and writing activities to 299 children from 3rd and 5th grades
- Training to 12 teachers
- 480 training hours
- In 5 years, a total of 1,500 children participated in this program

◀ FORMARTE PROGRAM

We provide our employees and their families with tools in various artistic areas, which help them discover their abilities and creative skills.

🕒 IN 2017...

- 8 painting, ceramics and photography workshops
- 64 participants
- 192 training hours
- As a result there were numerous painting, ceramics and photography works
- We launched a contest rewarding outstanding works
- We held a prize-giving exhibition of the works in the Cultural Center F. Virla of the University Universidad Nacional de Tucumán, where 67 works were exhibited for the general public.



LIVING A WINNING LIFE

We provide tools for the development of our employees and of neighboring companies of the South African community through: recreational activities to train in values and socio-emotional skills as well as training in money management, work skills, personal relationships and health and personal safety.

IN 2017...

- 70 employees benefited
- 2017 trainings: *How to make a budget, Communication within the workplace*



HOME BASED CAREGIVERS

We provide home medical care to patients being very frail as to leave their homes and travel to a health care center.

We sponsor 3 home caregivers to work in partnership with the *Place of Mercy House* (Sisters of Mercy) and the *Hope Clinic*.

IN 2017...

- 70 patients benefited each month



WORK 4 A LIVING PROGRAM

We provide training to unemployed young people in the community of Addo to develop tools to get a job.

In 2017, San Miguel and Tesco established the work center and trained the facilitator for the program to start in 2018.

WHISPERS PROJECT

We provide feminine hygiene products to girls in elementary schools who can not afford them due to economic reasons.

San Miguel employees donate the products which are distributed through Sisters of Mercy.

IN 2017...

- *Girls benefited: about 50 girls belonging to the community of Valencia.*

RURAL COMMUNITIES SUPPORT PROGRAM

IN 2017...

- *We receive educational visits in our farms and in the Plant located in Young*
- *We donate pallets to make vegetable gardens and for recycling projects*
- *We donate materials for the construction of a playground in two schools of Young*
- *We conducted a healthy eating workshop in charge of volunteers for 3 High Schools of the Fray Bentos community, of which 80 adolescents participated.*
- *We donate fruit and unused pallets to more than 15 neighborhood and public organizations: the Young's Hospital, the fire stations, the Home for the Elderly, among others*

RURAL COMMUNITIES SUPPORT PROGRAM

We provide support to institutions located within our area of influence in Chapén.

IN 2017...

- *We donated fruits to educational centers during the citrus campaign*
- *We implemented medical campaigns in relation to: early detection of diabetes, hypertension and sexually transmitted diseases; and dental and nutritional care*
- *We donated wood for their kitchens*

8.3 ▶ CORPORATE VOLUNTEERING

2017 VOLUNTEERING WORK ACTIVITIES

We promote solidarity and commitment to sustainability among our employees. We encourage teamwork and articulation with third sector institutions.

In 2017, the Corporate Sustainability Committee was launched with the aim of creating a space for participation with the communities being closest to the offices located in Buenos Aires. More than 14 volunteers made up this Committee, in which different social and sustainable office initiatives were proposed and carried out.

Overall, 60 employees from Tucumán contributed 646 hours to carry out these volunteering activities.

CORPORATE VOLUNTEERING

▶ In **environmental matters**, Waste and Energy were defined as the main areas of action. In line with this:

- We reviewed and improved the recycling circuit,
- We changed the luminaries of offices reception areas,
- We launched a campaign to take care of resources to promote energy savings.

▶ In the **social field**, volunteers decided to continue articulation with Santa Clara Educational Project, in order to keep on strengthening the link with said institution. In 2017:

- We made a Community Painting Day to place more social significance value on the Child Care Center, attended by children from **1 to 2 years of age**. **Fifteen volunteers**, teachers and adolescents attending the school's support group participated in the event.
- For year-end, we organized "Navidad Compartida" (Shared Christmas)

donation campaign, in which employees donated food to prepare Christmas baskets, which were then delivered to Santa Clara Project families.

- We carried out in the offices, a recreational day for **170 children** of Santa Clara de Asís Kindergarten, in which **18 volunteers** participated.
- ▶ On the volunteers' initiative, the **Sustainability Week** was held, in which the following activities were carried out:
- Launch of the "Rational Use of Resources" campaign in the offices with signage placed at strategic points
 - Volunteering Day in Santa Clara Kindergarten
 - Talk on recycling for all employees
 - Publication of relevant information about our environmental management
 - Organization of a trivia to promote knowledge about sustainability issues.
- ▶ We also prepared Christmas boxes for Caritas as part of the "Christmas Eve for everyone" activity and with the collaboration of **87 volunteers**.

ARGENTINA

▶ In the **Solidarity Day**, we set up 2 football fields so that children from our area of influence can join the project "Deportes por la Paz" (Sports for Peace) promoted by Fundación Vamos de Nuevo; we also contributed with insurance so that sports practice is assured. This program aims to make sport a tool for children from vulnerable sectors to reduce inequality gaps. Also, we painted a mural and shared games with children.

👤 40 volunteers participated

▶ "**Fiestas Compartidas**" allowed us to contribute to a different New Year celebration with the patients hospitalized at Hospital Nicolás

Avellaneda of Tucumán. We collected donations and collaborated in the landscaping of a square located in the Hospital. Thus, chronic hospitalized patients will have a space for recreation.

👤 8 volunteers participated

▶ We made a toys, educational kits and food collection for the celebration of the **Children's Day** for institutions in rural areas, within the framework of the Solidarity Day.

▶ We supported "**Un día para Dar**" (A Day to Give) - Tucumán, with dissemination and donations contributed by our employees, directly benefiting 5 Foundations.



URUGUAY

▾ In 2017, our employees:

- Contributed to a donation campaign for clothing, cleaning supplies and non-perishable food to help the victims of the floods that occurred in the south of the country.
- They participated as guides in the educational visits to our farms and Plant.

SOUTH AFRICA

▾ LOVE STORY

The staff donated clothes and blankets during two campaigns held in April and May 2017, organizing a competition between areas to see who managed to donate more items. The proceeds were given to Love Story, an NGO of Porth Elizabeth, for distribution to the homeless.

👤 *40 volunteers participated in the distribution*

▾ NELSON MANDELA'S DAY

On July 18 each year, the day of Nelson Mandela's birth, the UN invites people from all over the world to celebrate this day by contributing small items in their own communities.

In partnership with Sisters of Mercy and the NGO Love Story, in 2017 we delivered food and clothing to the homeless in Port Elizabeth.

👤 *Direct beneficiaries: more than 200 homeless people. 100 volunteers participated*

▾ SANTA SHOEBOX

Along with Santa Shoebox Project Foundation, we donated Christmas presents boxes for underprivileged children in South Africa and Namibia. In 2017, each area was given 4 boxes to decorate for a child, according to the kid's age and gender.

👤 *16 children benefited. 20 volunteers participated*

8.4 ▸ DONATIONS AND SPONSORSHIPS

ARGENTINA

- San Isidro Archbishopric
- Santa Clara de Asís Kindergarten
- Conciencia Association
- The Food Bank
- FANN
- FEDEH
- Garrahan Foundation
- Nutrir Foundation
- FUNDALAM
- FUNDAMIND
- TECHO

URUGUAY

- Rural Schools
- Young Hospital
- Rotary Young

SUDÁFRICA




- "Rooi Tiere" Rugby club in Citrusdal
- Place of Mercy Healthcare Center
- Love Story NGO
- Sisters of Mercy

**OUR 2017 PERFORMANCE AND
2018 CHALLENGES**









Like every year, we publish data on our performance based on the challenges set out in the Sustainability Report of the previous year, as well as our challenges for the following year.

With each group of stakeholders we have a commitment to work on. This is the statement of changes to such goals, aligned with the 7 ISO 26000 essential topics:

-  GOAL ACHIEVED
-  GOAL PARTIALLY ACHIEVED
-  GOAL NOT ACHIEVED

CORPORATE GOVERNANCE		
2017 Goals	Achievement	
Update and disseminate the Code of Ethics.	After a multidisciplinary process, the Code of Ethics has been updated. Dissemination thereof shall be made in 2018.	
Outline the basis for all the business areas to be ready to integrate a new point of origin to our operation.	Integration and development of a new point of origin, Peru, after the acquisition of Agrícola Hoja Redonda. The integration team was made up of representatives from the different corporate business areas and the new operation: commercial, production, sourcing, technology, human resources, supply chain, quality, IR and CSR, management control, accountancy, etc.	
Developing and implementing a systematic work plan with investors focused on strengthening transparency and building trust.	Participating in different conferences given by investors of Argentina and Latin America. • Implementing a website section exclusively dedicated to this audience. • Publishing quarterly press releases accompanying our Financial Statements. • First results open call to all our shareholders with the purpose of presenting our 2017 Q4 report.	
<p>2018 CHALLENGES: Disseminating the update of the Code of Ethics in the four operating countries. • Structuring a BEE (Black Economic Empowerment) project in South Africa. The BBE policy was boosted by the government of South Africa in order to address inequalities generated during the Apartheid regime, offering South African black citizens certain economic rights that had been neglected to them during such regime. Under the BEE program, factors such as employment preferences, skills development, property, management and socioeconomic development were included. • Promoting operational improvements to optimize packaging processes and a business comprehensive management in Argentina.</p>		

FAIR PRACTICES IN OUR OPERATIONS		
2017 Goals	Achievement	
Implementing a policy on materials obsolescence and immobilization in order to be more efficient regarding the use of our resources, avoiding unnecessary purchases.	Due to matters related to the agenda, it was possible to implement it just partially in Argentina during 2017. It shall be done massively during 2018.	
Developing a bar code for materials in warehouses in South Africa and Uruguay, in order to find materials easily and control their expiry dates.	Implemented in South Africa; its launch in Uruguay is expected to be done by 2018.	
Creating a cooperative purchase policy defining guidelines for the Purchase area in order to ensure a transparent, sustainable and efficient management.	Goal achieved 100%.	
Analyzing the feasibility of the use of returnable or rented plastic pallets in fresh fruit export operations.	Achieved 100%. Pooling Chep system pallets were used in Fresh fruit operations.	
Implementing a new communications digital channel with suppliers to improve communication.	Goal achieved 100%.	
Continuing with the work plans with suppliers in order to help them develop within the concept of sustainability.	Achieved in every relevant negotiation.	
<p>2018 CHALLENGES: Implementing an SME supplier development program. • Developing a global supplier enabling to implement a product point of origin identification technology in order to meet fresh fruit client needs to accurately know the point of origin thereof in its supermarkets and thus being able to carry out its traceability. • Developing a supplier to implement the metallic packaging technology that allows to reduce the carbon footprint by transport optimization, knock down packaging technology</p>		

COMMITMENT TO HUMAN RIGHTS		
2017 Goals	Achievement	
Women empowerment: continue with the Inter-institutional Project for Gender Equality and enhancing it.	The 2nd stage of the project oriented to promoting productive entrepreneur development was launched. Germinar Program.	↑
Continue doing research in the Pathology and Biotechnology area and with work of the Quality Assurance area so as to ensure the quality and safety of foods derived from primary production.	In 2017, we continued with the research work in the Plant Pathology and Biotechnology area.	↑
Strengthening access to education by incorporating more children into our programs, and empowering teachers.	Within the Program cre-Ser, we increased the number of participating children by 30% and added ICT content to teacher training.	↑
Continue developing our production activities within the framework of biodiversity and natural resources protection through the Protected Productive Landscape Program, in order to preserve the Yungas native forests and ensure the ecosystem balance.	During 2017, we continued working on a framework of protection of biodiversity and natural resources through the Protected Productive Landscape Program.	↑
Continue working with institutions in an articulated way in order to mitigate child malnutrition and promote healthy eating habits in kids and in the young.	We completed this challenge through: The Program Escuelas Saludables en Argentina, support to rural communities in Uruguay and Loncheras Saludables in Peru.	↑
Contributing to access to lands and improvements to our employees' households and those of the families being close to our operations in Tucumán.	Challenge fulfilled with the Program Mejorando mi Hogar: we also managed the deeds of the lands granted in Lavalle Plant zone in Argentina.	↑
<p>2018 CHALLENGES: <i>Strengthening people's educational track record, broadening the impact of our actions on early childhood, high school and adult education. • Orienting human rights promotion initiatives towards building skills and knowledge in order to generate a more sustainable community participation. • Favoring employment and labor inclusion in the communities where we operate. • Continue developing initiatives to eradicate child labor.</i></p>		

CUSTOMERS		
2017 Goals	Achievement	
Strengthening knowledge of our customers and follow-up of their complaints to offer them innovative solutions.	Different projects were carried out to satisfy our clients' finished products specific needs, managing to have several new products approved.	↑
Advance in the industry value chain, approaching consumers with a greater understanding of consumption patterns and their preferences.	Creating the Commercial Intelligence area, with the aim of deepening knowledge about the products and markets in which we participate, analyzing consumer trends and the projection on different crops world production.	↑
Further developing high potential growth markets.	Opening markets in North America, Mexico and Brazil.	↑
Preparing a system for complaints and improvement opportunities in the supply chain.	Implementing the Q management system.	↑
<p>2018 CHALLENGES: <i>Entering into strategic alliances to trade our product portfolio in markets with high growth potential. • Developing projects together with our customers, enabling leverage of our development in the sustainability field with their requirements. • Continuing with the development of new products focused on meeting our customers' specific needs.</i></p>		





WORK PRACTICES

2017 Goals	Achievement	
Having available talent and a Cultural Integration Plan in order to incorporate a new country of origin into our operation.	We worked on the Integration plan during the second half of 2017: We received advice from an external consulting firm about the best way of carrying out the process. • A Cultural Integration Process (PIC, for its Spanish acronym) team was appointed, which diagnosed opportunities, risks and readiness of both companies for the purposes of its corporate and cultural integration. • A project schedule was designed allocating responsibilities and deadlines. • We focused on strengthening and aligning the leadership team. • We designed a short and medium term integration management strategy to support the process management and ensuring continuity of the current team (Human Resources + PIC Team). • We developed and aligned the leadership teams and PIC team's skills throughout the process. • We designed a communication strategy, both internal and external. • We worked on the following axes: People, Culture, Processes, Business and stakeholders.	⬆️
Developing a Value Proposal for the employee, integrating different axes in order to generate attraction and commitment.	We continued working on the definition of the value proposal for our employees.	⬆️
Internally disseminate the processes and policies that provide employees with visibility and its performance framework.	We worked on updating our policies and corporate procedures. These were validated and communicated for employees' understanding. We are still working on the definition of new policies and updates.	⬆️
<p>2018 CHALLENGES: Ensuring a short, medium and long-term organizational structure that accompanies our business strategy. • Conducting a survey of all Human Resources processes at regional and global level. • Reviewing the Company's Global Compensation Strategy. • Developing a survey of the organizational identity that gives a meaning to the business strategy and is aligned therewith.</p>		

ENVIRONMENTAL MANAGEMENT

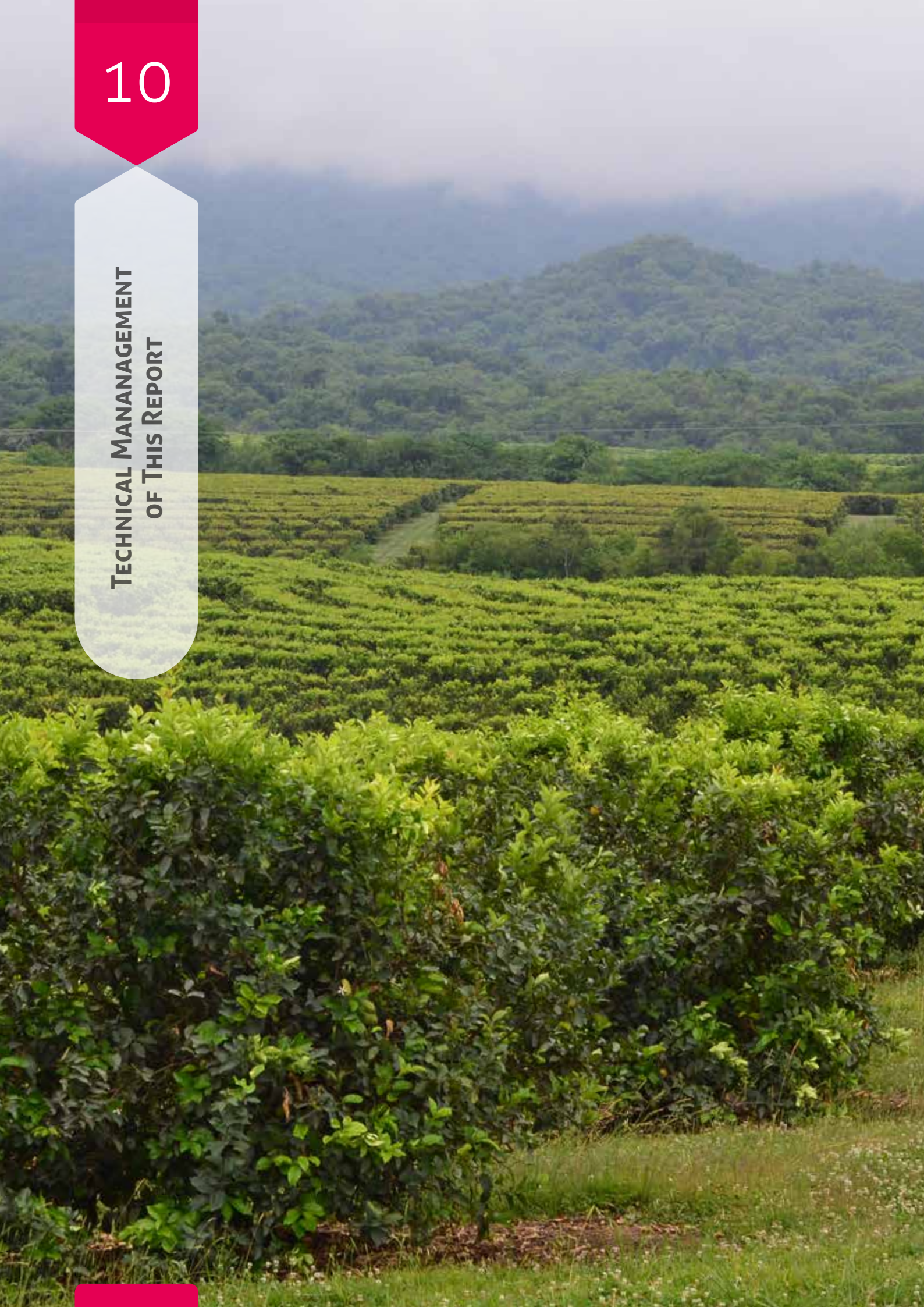
2017 Goals	Achievement	
Incorporating an environmental software as the only data platform integrating the company's Environmental Management System (Global).	A first partial phase was implemented in Argentina and Uruguay. We will continue working on its development.	⬅️
Obtaining a 30% water consumption reduction and an 8% electricity consumption reduction in the grinding process (Argentina).	We achieved water annual savings of 22% in absolute value; 9% in electricity and 7% in gas.	⬆️
Incorporating the native forest lands of the Caspinchango farms as a private natural reserve. (Argentina, Processed Food).	The Caspinchango Private Reserve will comprise 4610 hectares of native forests, included in the red category of the provincial Native Forest Territory Structuring (OTBN, from its Spanish acronym).	⬆️
Reducing the cleaning time in Famaillá plant program from 4 to 2 hours, with an impact on water and energy (Argentina, Processed Food).	The goal was achieved as part of the improvements implemented in inter-harvest groups.	⬆️
Participating in the drafting of the lemon for exports carbon footprint (Argentina, Fresh Fruit).	We are part of a team in charge of calculating the carbon footprint of lemon and other citrus fruits for exports, led by the Asociación Fitosanitaria del Noroeste Argentino, AFINOA (Phytosanitary Association of the Northwest of Argentina).	⬆️
<p>2018 CHALLENGES: Defining Global Environmental Performance Indicators. • 3-year plan with <i>Proyungas</i> for Argentine Biodiversity projects. • Comprehensive Plan II for the continuous improvement of the Effluent Treatment Plant in Argentina.</p>		

ACTIVE INVOLVEMENT AND DEVELOPMENT OF OUR COMMUNITIES

2017 Goals	Achievement
Developing local Action Sustainability committees to facilitate planning and implement projects based on the specific identities and needs of each community.	We have made progress in the implementation of a corporate Sustainability Committee, laying the foundations for the development of Local Committees for the rest of the operations in 2018. 
Promoting alliances and partnerships with customers in order to develop joint sustainability initiatives.	We worked together with TESCO supermarket chain with the purpose of developing a labor inclusion program in the Addo community, South Africa. 
Enhancing the Gender Equality Project, initiating a training instance to generate micro-ventures, besides supporting and managing their implementation.	It was achieved through the Germinar project, where 36 micro-ventures are being developed in rural areas. 
Promoting improvements in ongoing programs, helping develop new inter-institutional links, generating added value, extending impact and including new lines of work.	The link with Argenti Lemon (competition), La Asturinana (supplier) and Fundación las Gracias was formalized, in order to carry out the Program Mejorando mi hogar In South Africa, we improved the Home Based Care Giver (Sisters of Mercy) program, providing additional training and more support to nurses in the program. Thus, we empowered them to extend the scope of their participation. 

2018 CHALLENGES: Deeply addressing and increasing alliances and partnerships with customers in order to develop joint sustainability initiatives. • Promoting improvements in ongoing programs, helping develop new inter-institutional links, generating added value, extending impact and including new lines of work. • Continue developing local Action Sustainability committees to facilitate planning and implementing projects based on the specific identities and needs of each community.

**TECHNICAL MANANAGEMENT
OF THIS REPORT**



OUR CONTRIBUTION TO THE 2030 AGENDA FOR SUSTAINABLE DEVELOPMENT

For SDG goals recategorization analysis, we took into account how many goals we contribute from our programs and policies to each SDG. Therefore, those SDGs that represent major selected goals are those that we consider strategic for our business. However, the 15 SDGs

selected reflect our commitment towards sustainability and in order to plan our work agenda, we decided to categorize them among those being a priority or having a direct or indirect contribution thereto.



GRI TABLE OF CONTENTS

This report has been prepared in accordance with the GRI standards: Essential option. The following table presents the responses to the requirements of the Global Reporting Initiative (GRI) standards, which

additionally include some content requested for the "exhaustive" option. Likewise, we show our compliance with the United Nations Global Compact Principles, the ISO 26000:2010 Standard and the Sustainable Development Goals

(SDGs) presented by the United Nations Organization.

Due to the SDGs goals recategorization, they may differ in the GRI index compared to those presented last year.

GRI Standard	Disclosures	Page Number	SDG	Global Pact	ISO 26000
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	103-3 Evaluation of the management approach	79-83			6, 7.3.1, 7.4.3, 7.7.3, 7.7.5
GRI 304: BIODIVERSITY 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	81-83	6.6, 15.1	Principle 8	6.5.6
	304-2 Significant impacts of activities, products, and services on biodiversity	81-83	6.6, 15.1	Principle 8	6.5.6
	304-3 Habitats protected or restored	81-83	6.6, 15.1		6.5.6
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	81-82	6.6, 15.1	Principle 8	6.5.6
EMISSIONS					
GRI 103: MANAGEMENT APPROACH 2016	103-1 Explanation of the material topic and its Boundary	17, 18, Annex			5.2, 6, 7.2, 7.3.1, 7.3.2, 7.3.3, 7.3.4, 7.4.3, 7.7.3, 7.7.5
	103-2 The management approach and its components	45, 70-71, 74-75, 91-94			4.8, 6, 6.3.1- 6.3.2, 6.3.6, 6.4.1-6.4.2, 6.5.1-6.5.2, 6.6.1-6.6.2, 6.8.1-6.8.2, 7.3.1, 7.4.3, 7.7.3, 7.7.5
	103-3 Evaluation of the management approach	70, 75			6, 7.3.1, 7.4.3, 7.7.3, 7.7.5
GRI 305: EMISSIONS 2016	305-5 Reduction of GHG emissions	75			
EFFLUENTS AND WASTE					
GRI 103: MANAGEMENT APPROACH 2016	103-1 Explanation of the material topic and its Boundary	17, 18, Annex			5.2, 6, 7.2, 7.3.1, 7.3.2, 7.3.3, 7.3.4, 7.4.3, 7.7.3, 7.7.5
	103-2 The management approach and its components	45, 70-71, 76-80, 91-94			4.8, 6, 6.3.1- 6.3.2, 6.3.6, 6.4.1-6.4.2, 6.5.1-6.5.2, 6.6.1-6.6.2, 6.8.1-6.8.2, 7.3.1, 7.4.3, 7.7.3, 7.7.5
	103-3 Evaluation of the management approach	76-78			6, 7.3.1, 7.4.3, 7.7.3, 7.7.5
GRI 306: EFFLUENTS AND WASTE 2016	306-1 Water discharge by quality and destination	77	3.9, 6.3, 6.4, 6.6	Principle 8	6.5.3, 6.5.4
	306-2 Waste by type and disposal method	76	3.9	Principle 8	6.5.3
	306-3 Significant spills	Note 24	3.9, 6.6, 15.1	Principle 8	6.5.3
	306-4 Transport of hazardous waste	Note 25	3.9	Principle 8	6.5.3
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GRI 103: MANAGEMENT APPROACH 2016	103-1 Explanation of the material topic and its Boundary	17, 18, Annex			5.2, 6, 7.2, 7.3.1, 7.3.2, 7.3.3, 7.3.4, 7.4.3, 7.7.3, 7.7.5
	103-2 The management approach and its components	70, 91-94			4.8, 6, 6.3.1- 6.3.2, 6.3.6, 6.4.1-6.4.2, 6.5.1-6.5.2, 6.6.1-6.6.2, 6.8.1-6.8.2, 7.3.1, 7.4.3, 7.7.3, 7.7.5
	103-3 Evaluation of the management approach	70-83			6, 7.3.1, 7.4.3, 7.7.3, 7.7.5

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GRI 307: ENVIRONMENTAL COMPLIANCE 2016	307-1 Non-compliance with environmental laws and regulations	Note 26		Principle 8	6.5.1-6.5.2
SUPPLIER ENVIRONMENTAL ASSESSMENT					
	103-1 Explanation of the material topic and its Boundary	17, 18, Annex			5.2, 6, 7.2, 7.3.1, 7.3.2, 7.3.3, 7.3.4, 7.4.3, 7.7.3, 7.7.5
GRI 103: MANAGEMENT APPROACH 2016	103-2 The management approach and its components	43, 91-94			4.8, 6, 6.3.1- 6.3.2, 6.3.6, 6.4.1-6.4.2, 6.5.1-6.5.2, 6.6.1-6.6.2, 6.8.1-6.8.2, 7.3.1, 7.4.3, 7.7.3, 7.7.5
	103-3 Evaluation of the management approach	38, 43			6, 7.3.1, 7.4.3, 7.7.3, 7.7.5
GRI 308: SUPPLIER ENVIRONMENTAL ASSESSMENT 2016	308-1 New suppliers that were screened using environmental criteria	38		Principle 8	6.3.5, 6.5.1-6.5.2, 6.6.6, 7.3.1
	308-2 Negative environmental impacts in the supply chain and actions taken	Note 27		Principle 8	6.3.5, 6.5.1-6.5.2, 6.6.6, 7.3.1
EMPLOYMENT					
	103-1 Explanation of the material topic and its Boundary	17, 18, Annex			5.2, 6, 7.2, 7.3.1, 7.3.2, 7.3.3, 7.3.4, 7.4.3, 7.7.3, 7.7.5
GRI 103: MANAGEMENT APPROACH 2016	103-2 The management approach and its components	42, 55-56, 60-63, 91-94			4.8, 6, 6.3.1- 6.3.2, 6.3.6, 6.4.1-6.4.2, 6.5.1-6.5.2, 6.6.1-6.6.2, 6.8.1-6.8.2, 7.3.1, 7.4.3, 7.7.3, 7.7.5
	103-3 Evaluation of the management approach	58, Annex			6, 7.3.1, 7.4.3, 7.7.3, 7.7.5
GRI 401: EMPLOYMENT 2016	401-1 New employee hires and employee turnover	58, Annex	5.1, 8.5, 8.6	Principle 6	6.4.3
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	60, 62, Annex	8.5		
	401-3 Parental leave	Annex	5.1, 8.5	Principle 6	6.4.4
LABOR/MANAGEMENT RELATIONS					
	103-1 Explanation of the material topic and its Boundary	17, 18, Annex			5.2, 6, 7.2, 7.3.1, 7.3.2, 7.3.3, 7.3.4, 7.4.3, 7.7.3, 7.7.5
GRI 103: MANAGEMENT APPROACH 2016	103-2 The management approach and its components	42, 55, 61, 91-94			4.8, 6, 6.3.1- 6.3.2, 6.3.6, 6.4.1-6.4.2, 6.5.1-6.5.2, 6.6.1-6.6.2, 6.8.1-6.8.2, 7.3.1, 7.4.3, 7.7.3, 7.7.5
	103-3 Evaluation of the management approach	42, 60			6, 7.3.1, 7.4.3, 7.7.3, 7.7.5
GRI 402: LABOR/MANAGEMENT RELATIONS 2016	402-1 Minimum notice periods regarding operational changes	Note 28	8,8	Principle 3	6.4.3, 6.4.5
OCCUPATIONAL HEALTH AND SAFETY					
	103-1 Explanation of the material topic and its Boundary	17, 18, Annex			5.2, 6, 7.2, 7.3.1, 7.3.2, 7.3.3, 7.3.4, 7.4.3, 7.7.3, 7.7.5
GRI 103: MANAGEMENT APPROACH 2016	103-2 The management approach and its components	42, 63-66			4.8, 6, 6.3.1- 6.3.2, 6.3.6, 6.4.1-6.4.2, 6.5.1-6.5.2, 6.6.1-6.6.2, 6.8.1-6.8.2, 7.3.1, 7.4.3, 7.7.3, 7.7.5
	103-3 Evaluation of the management approach	63, 66			6, 7.3.1, 7.4.3, 7.7.3, 7.7.5
GRI 403: OCCUPATIONAL HEALTH AND SAFETY 2016	403-1 Workers representation in formal joint management-worker health and safety committees	63, Annex	8,8		6.4.6
	403-2 Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	Annex	8,8		6.4.6, 6.8.8
	403-3 Workers with high incidence or high risk of diseases related to their occupation	64	8,8		6.4.6, 6.8.8
	403-4 Health and safety topics covered in formal agreements with trade unions	Note 29	8,8		6.4.6

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TRAINING AND EDUCATION					
GRI 103: MANAGEMENT APPROACH 2016	103-1 Explanation of the material topic and its Boundary	17, 18, Annex			5.2, 6, 7.2, 7.3.1, 7.3.2, 7.3.3, 7.3.4, 7.4.3, 7.7.3, 7.7.5
	103-2 The management approach and its components	55-56, 58-60, 91-94			4.8, 6, 6.3.1- 6.3.2, 6.3.6, 6.4.1-6.4.2, 6.5.1-6.5.2, 6.6.1-6.6.2, 6.8.1-6.8.2, 7.3.1, 7.4.3, 7.7.3, 7.7.5
	103-3 Evaluation of the management approach	Annex			6, 7.3.1, 7.4.3, 7.7.3, 7.7.5
GRI 404: TRAINING AND EDUCATION 2016	404-1 Average hours of training per year per employee	Annex	4.4, 5.1, 8.5		6.2.3, 6.3.7, 6.3.10, 6.4.3, 6.4.4, 6.4.7, 6.8.7
	404-2 Programs for upgrading employee skills and transition assistance programs	59, 65-66, Note 30	8.5		6.4.7, 6.8.5
	404-3 Percentage of employees receiving regular performance and career development reviews	Annex	5.1, 8.5		6.4.7
DIVERSITY AND EQUAL OPPORTUNITIES					
GRI 103: MANAGEMENT APPROACH 2016	103-1 Explanation of the material topic and its Boundary	17, 18, Annex			5.2, 6, 7.2, 7.3.1, 7.3.2, 7.3.3, 7.3.4, 7.4.3, 7.7.3, 7.7.5
	103-2 The management approach and its components	42, 44-45, 55-56			4.8, 6, 6.3.1- 6.3.2, 6.3.6, 6.4.1-6.4.2, 6.5.1-6.5.2, 6.6.1-6.6.2, 6.8.1-6.8.2, 7.3.1, 7.4.3, 7.7.3, 7.7.5
	103-3 Evaluation of the management approach	45, 57			6, 7.3.1, 7.4.3, 7.7.3, 7.7.5
GRI 405: DIVERSITY AND EQUAL OPPORTUNITIES 2016	405-1 Diversity of governance bodies and employees	57-58, Annex	5.1, 5.5, 8.5	Principle 6	6.2.3, 6.3.7, 6.3.10, 6.4.3, 6.4.4, 6.8.7
	405-2 Ratio of basic salary and remuneration of women to men	Annex	5.1	Principle 6	6.3.7, 6.3.10, 6.4.3, 6.4.4
NON-DISCRIMINATION					
GRI 103: MANAGEMENT APPROACH 2016	103-1 Explanation of the material topic and its Boundary	17, 18, Annex			5.2, 6, 7.2, 7.3.1, 7.3.2, 7.3.3, 7.3.4, 7.4.3, 7.7.3, 7.7.5
	103-2 The management approach and its components	42, 55			4.8, 6, 6.3.1- 6.3.2, 6.3.6, 6.4.1-6.4.2, 6.5.1-6.5.2, 6.6.1-6.6.2, 6.8.1-6.8.2, 7.3.1, 7.4.3, 7.7.3, 7.7.5
	103-3 Evaluation of the management approach	29			6, 7.3.1, 7.4.3, 7.7.3, 7.7.5
GRI 406: NON-DISCRIMINATION 2016	406-1 Incidents of discrimination and corrective actions taken	Note 31	5.1, 8.8	Principle 6	4.8, 6.3.1-6.3.2, 6.3.6, 6.3.7, 6.3.10, 6.4.3
FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING					
GRI 103: MANAGEMENT APPROACH 2016	103-1 Explanation of the material topic and its Boundary	17, 18, Annex			5.2, 6, 7.2, 7.3.1, 7.3.2, 7.3.3, 7.3.4, 7.4.3, 7.7.3, 7.7.5
	103-2 The management approach and its components	42-43, 60			4.8, 6, 6.3.1- 6.3.2, 6.3.6, 6.4.1-6.4.2, 6.5.1-6.5.2, 6.6.1-6.6.2, 6.8.1-6.8.2, 7.3.1, 7.4.3, 7.7.3, 7.7.5
	103-3 Evaluation of the management approach	42			6, 7.3.1, 7.4.3, 7.7.3, 7.7.5
GRI 407: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Note 32	8,8	Principle 3	4.8, 6.3.1-6.3.2, 6.3.3, 6.3.4, 6.3.5, 6.3.8, 6.4.5, 6.6.6
CHILD LABOR					
GRI 103: MANAGEMENT APPROACH 2016	103-1 Explanation of the material topic and its Boundary	17, 18, Annex			5.2, 6, 7.2, 7.3.1, 7.3.2, 7.3.3, 7.3.4, 7.4.3, 7.7.3, 7.7.5
	103-2 The management approach and its components	42, 44-45, 85			4.8, 6, 6.3.1- 6.3.2, 6.3.6, 6.4.1-6.4.2, 6.5.1-6.5.2, 6.6.1-6.6.2, 6.8.1-6.8.2, 7.3.1, 7.4.3, 7.7.3, 7.7.5
	103-3 Evaluation of the management approach	42			6, 7.3.1, 7.4.3, 7.7.3, 7.7.5
GRI 408: CHILD LABOR 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	Note 33	8,7	Principle 5	4.8, 6.3.1-6.3.2, 6.3.3, 6.3.4, 6.3.5, 6.3.7, 6.3.10, 6.6.6, 6.8.4

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FORCED OR COMPULSORY LABOR					
GRI 103: MANAGEMENT APPROACH 2016	103-1 Explanation of the material topic and its Boundary	17, 18, Annex			5.2, 6, 7.2, 7.3.1, 7.3.2, 7.3.3, 7.3.4, 7.4.3, 7.7.3, 7.7.5
	103-2 The management approach and its components	42			4.8, 6, 6.3.1- 6.3.2, 6.3.6, 6.4.1-6.4.2, 6.5.1-6.5.2, 6.6.1-6.6.2, 6.8.1-6.8.2, 7.3.1, 7.4.3, 7.7.3, 7.7.5
	103-3 Evaluation of the management approach	42-43, 60			6, 7.3.1, 7.4.3, 7.7.3, 7.7.5
GRI 409: FORCED OR COMPULSORY LABOR 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Note 34	8.7	Principle 4	4.8, 6.3.1-6.3.2, 6.3.3, 6.3.4, 6.3.5, 6.3.10, 6.6.6
HUMAN RIGHTS ASSESSMENT					
GRI 103: MANAGEMENT APPROACH 2016	103-1 Explanation of the material topic and its Boundary	17, 18, Annex			5.2, 6, 7.2, 7.3.1, 7.3.2, 7.3.3, 7.3.4, 7.4.3, 7.7.3, 7.7.5
	103-2 The management approach and its components	29-30, 41-45, 49-50, 60-63, 91-94			4.8, 6, 6.3.1- 6.3.2, 6.3.6, 6.4.1-6.4.2, 6.5.1-6.5.2, 6.6.1-6.6.2, 6.8.1-6.8.2, 7.3.1, 7.4.3, 7.7.3, 7.7.5
	103-3 Evaluation of the management approach	29-30, 41, 50			6, 7.3.1, 7.4.3, 7.7.3, 7.7.5
GRI 412: HUMAN RIGHTS ASSESSMENT 2016	412-1 Operations that have been subject to human rights reviews or impact assessments	Note 35		Principle 1	4.8, 6.3.1-6.3.2, 6.3.3, 6.3.5
LOCAL COMMUNITIES					
GRI 103: MANAGEMENT APPROACH 2016	103-1 Explanation of the material topic and its Boundary	17, 18, Annex			5.2, 6, 7.2, 7.3.1, 7.3.2, 7.3.3, 7.3.4, 7.4.3, 7.7.3, 7.7.5
	103-2 The management approach and its components	42, 44-45, 85			4.8, 6, 6.3.1- 6.3.2, 6.3.6, 6.4.1-6.4.2, 6.5.1-6.5.2, 6.6.1-6.6.2, 6.8.1-6.8.2, 7.3.1, 7.4.3, 7.7.3, 7.7.5
	103-3 Evaluation of the management approach	45, 85-89, 91-94			6, 7.3.1, 7.4.3, 7.7.3, 7.7.5
GRI 413: LOCAL COMMUNITIES 2016	413-1 Operations with local community engagement, impact assessments, and development programs	85		Principle 1	6.3.9, 6.5.1-6.5.2, 6.5.3, 6.8
SUPPLIER SOCIAL ASSESSMENT					
GRI 103: MANAGEMENT APPROACH 2016	103-1 Explanation of the material topic and its Boundary	17, 18, Annex			5.2, 6, 7.2, 7.3.1, 7.3.2, 7.3.3, 7.3.4, 7.4.3, 7.7.3, 7.7.5
	103-2 The management approach and its components	41, 43, 91-94			4.8, 6, 6.3.1- 6.3.2, 6.3.6, 6.4.1-6.4.2, 6.5.1-6.5.2, 6.6.1-6.6.2, 6.8.1-6.8.2, 7.3.1, 7.4.3, 7.7.3, 7.7.5
	103-3 Evaluation of the management approach	36, 38, 43			6, 7.3.1, 7.4.3, 7.7.3, 7.7.5
GRI 414: SUPPLIER SOCIAL ASSESSMENT 2016	414-1 New suppliers that were screened using social criteria	38	8.8	Principle 2	4.8, 6.3.1-6.3.2, 6.3.3, 6.3.4, 6.3.5, 6.4.1-6.4.2, 6.4.3, 6.6.1-6.6.2, 6.6.6, 6.8.1-6.8.2, 7.3.1
	414-2 Negative social impacts on the supply chain and actions taken	Note 36	8.8	Principle 2	4.8, 6.3.1-6.3.2, 6.3.3, 6.3.4, 6.3.5, 6.4.1-6.4.2, 6.4.3, 6.6.1-6.6.2, 6.6.6, 6.8.1-6.8.2, 7.3.1
CUSTOMER HEALTH AND SAFETY					
GRI 103: MANAGEMENT APPROACH 2016	103-1 Explanation of the material topic and its Boundary	17, 18, Annex			5.2, 6, 7.2, 7.3.1, 7.3.2, 7.3.3, 7.3.4, 7.4.3, 7.7.3, 7.7.5
	103-2 The management approach and its components	36, 41, 43, 48			4.8, 6, 6.3.1- 6.3.2, 6.3.6, 6.4.1-6.4.2, 6.5.1-6.5.2, 6.6.1-6.6.2, 6.8.1-6.8.2, 7.3.1, 7.4.3, 7.7.3, 7.7.5
	103-3 Evaluation of the management approach	36, 48-50			6, 7.3.1, 7.4.3, 7.7.3, 7.7.5
GRI 416: CUSTOMER HEALTH AND SAFETY 2016	416-1 Assessment of the health and safety impacts of product and service categories	38, 43, 48-49			6.7.1-6.7.2, 6.7.4, 6.7.5, 6.8.8

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MARKETING AND LABELING					
GRI 103: MANAGEMENT APPROACH 2016	103-1 Explanation of the material topic and its Boundary	17, 18, Annex			5.2, 6, 7.2, 7.3.1, 7.3.2, 7.3.3, 7.3.4, 7.4.3, 7.7.3, 7.7.5
	103-2 The management approach and its components	49-50			4.8, 6, 6.3.1- 6.3.2, 6.3.6, 6.4.1- 6.4.2, 6.5.1-6.5.2, 6.6.1-6.6.2, 6.8.1- 6.8.2, 7.3.1, 7.4.3, 7.7.3, 7.7.5
	103-3 Evaluation of the management approach	49			6, 7.3.1, 7.4.3, 7.7.3, 7.7.5
GRI 417: MARKETING AND LABELING 2016	417-1 Requirements for product and service information and labeling	49			6.7.1-6.7.2, 6.7.3, 6.7.4, 6.7.5, 6.7.9
	417-2 Incidents of non-compliance concerning product and service information and labeling	Note 37			4.6, 6.7.1-6.7.2, 6.7.3, 6.7.4, 6.7.5, 6.7.9
	417-3 Incidents of non-compliance concerning marketing communications	Note 38			4.6, 6.7.3,
SOCIOECONOMIC COMPLIANCE					
GRI 103: MANAGEMENT APPROACH 2016	103-1 Explanation of the material topic and its Boundary	17, 18, Annex			5.2, 6, 7.2, 7.3.1, 7.3.2, 7.3.3, 7.3.4, 7.4.3, 7.7.3, 7.7.5
	103-2 The management approach and its components	29-30			4.8, 6, 6.3.1- 6.3.2, 6.3.6, 6.4.1- 6.4.2, 6.5.1-6.5.2, 6.6.1-6.6.2, 6.8.1- 6.8.2, 7.3.1, 7.4.3, 7.7.3, 7.7.5
	103-3 Evaluation of the management approach	29-30			6, 7.3.1, 7.4.3, 7.7.3, 7.7.5
GRI 419: SOCIOECONOMIC COMPLIANCE 2016	419-1 Non-compliance with laws and regulations in the social and economic area	Note 39			4.6, 6.7.1- 6.7.2
ACCESS TO HEALTHY AND AFFORDABLE FOOD					
GRI 103: MANAGEMENT APPROACH 2016	103-1 Explanation of the material topic and its Boundary	17, 18, Annex			5.2, 6, 7.2, 7.3.1, 7.3.2, 7.3.3, 7.3.4, 7.4.3, 7.7.3, 7.7.5
	103-2 The management approach and its components	43, 85, 91-94			4.8, 6, 6.3.1- 6.3.2, 6.3.6, 6.4.1- 6.4.2, 6.5.1-6.5.2, 6.6.1-6.6.2, 6.8.1- 6.8.2, 7.3.1, 7.4.3, 7.7.3, 7.7.5
	103-3 Evaluation of the management approach	86, 87			6, 7.3.1, 7.4.3, 7.7.3, 7.7.5
	Programs that promote healthy lifestyles, prevention of chronic diseases, access to healthy, nutritious and accessible food; improvement of community welfare	62, 86-87			
CUSTOMER SATISFACTION					
GRI 103: MANAGEMENT APPROACH 2016	103-1 Explanation of the material topic and its Boundary	17, 18, Annex			5.2, 6, 7.2, 7.3.1, 7.3.2, 7.3.3, 7.3.4, 7.4.3, 7.7.3, 7.7.5
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	103-3 Evaluation of the management approach	52			6, 7.3.1, 7.4.3, 7.7.3, 7.7.5
	Results of surveys measuring customer satisfaction	Note 40			

NOTE 1: There are no prohibited products, but markets not yet open for some of our products. For various reasons (commercial, diplomatic, phytosanitary, etc.) some of them are closed export of certain citrus fruits. San Miguel actively participates together with official bodies and sectoral chambers to promote the opening of new markets that are now closed. Such was the case, for example, of the United States, Mexico and Brazil for Argentine lemon, destinations recently authorized in 2017. In relation to the demands of products, we respect the applicable regulations of all destinations. In case of not completing any of them at any particular time, it is decided not to export the corresponding item.

NOTE 2: San Miguel headquarters are located in Buenos Aires, Argentina.

NOTE 3: Legal Structure: S.A. San Miguel A.G.I.C.I y F. (Agrícola, Ganadera, Industrial, Comercial, Inmobiliaria y Financiera). (Limited Liability Company dedicated to Agricultural, Livestock, Industrial, Commercial, Real Estate and Financial Activities)

NOTE 4: The percentage of outsourced employees is 1.89% only in Argentina. In all other countries, all employees are part of the workforce.

NOTE 5: During 2017 the company conducted a capital increase through a public offer in the stock market. As a consequence of this expansion, changes were made in the company's capital structure, the new structure being as follows: Amount of Class A Shares: 30,437 (value per share 0.1, right to 5 votes per share, no contributors). Number of Class B Shares: 40,714 (value per share 0.1, right to 1 vote per share, contributors)

NOTE 6: San Miguel Board of Directors delegates to the CSR Committee the preparation and implementation of the company's comprehensive Sustainability Plan. This Committee, every year-end, presents the programs implemented.

NOTE 7: Stakeholders can contact the company through the channels established for said purpose. The consultations are centralized by the Institutional Relations Department and its representatives in local operations. If applicable, depending on the subject, magnitude and relevance thereof, these consultations are submitted to the highest governance bodies of the company. For 2018 it is foreseen to prepare a procedure for the systematization of the suggestions or complaints of the different stakeholders.

NOTE 8: Conflicts of interest are managed through the processes established in the Code of Ethics. Their prevention is linked to the dissemination of said Code among employees and other stakeholders such as suppliers and customers.

NOTE 9: Critical concerns are raised to the highest governance body through the Executive Committee regular meetings.

NOTE 10: No relevant concerns to be reported to the highest governance body have been transmitted.

NOTE 11: The Board compensation is set according to the responsibilities undertaken, the time dedicated, the professional competence and the reputation and value of the services in the market. It has a fixed component, a performance component and is in line with market remunerations. External consultants we work with only provide salary structures and comparative data of other companies and of the general market.

They are not involved in salaries determination and are independent from the management.

NOTE 12: The Compensation and Benefits Area prepares the different compensation scenarios, including information on: surveys, studies, independent consultants' analysis, official indexes, etc. and the HR Director together with the General Manager, present these scenarios to the Shareholders and substantiate each of them. Shareholders evaluate the data submitted and make a decision to choose one strategy or another taking into account the continuous movement of the market and the indicators related to production, sales, costs, etc.

NOTE 13: For the identification and selection of stakeholders we base our 7 sustainability commitments related to ISO 26000: 2010 Standard fundamental topics. Likewise, the responsibility, influence and closeness with San Miguel constitute the defining characteristics thereof.

NOTE 14: No significant restatements of the information from previous reports have been made. In those cases in which the restatement of the information affected the inter-annual comparability of the tables presented throughout the Report, its modification is detailed in a Footnote, respectively.

NOTE 15: No changes regarding the material issues and coverage thereof with respect to previous reports have been made.

NOTE 16: The previous Sustainability Report published corresponds to the year 2017.

NOTE 17: We perform the Sustainability Report on an annual basis.

NOTE 18: This Report does not resort to external verification.

NOTE 19: We comply with the legal requirements of each country in relation to Social Security contributions and other contributions. Likewise, we do not have special pension plans in any country and we do not have funds intended to retirement plans.

NOTE 20: The Government, represented by the Administración Nacional de la Seguridad Social, ANSES (National Social Security Administration), participates in the share structure by 26.1%.

NOTE 21: We understand by "facilities" and "site of significant operations" each of the countries in which San Miguel operates.

NOTE 22: Through the lines authorized by the Code of Ethics, a sexual harassment complaint in Tucumán was reported. The Ethics Committee evaluated the situation and, the measure adopted after the corresponding investigation, was the dismissal of the employee involved in said case. In the Corporate division and in Uruguay, no case was presented.

NOTE 23: No complaints were filed for unfair competition, monopolistic or against free competition practices.

NOTE 24: No significant spills have occurred in any of our operations.

NOTE 25: No hazardous waste has been transported.

NOTE 26: There were no significant fines or penalties for non-compliance with environmental legislation and regulations.

NOTE 27: This indicator is not available because it is a future project: performing a systematic measurement together with the Environmental area. In any case, we have not detected so far any supplier with considerable negative impacts on the environment.

NOTE 28: The minimum period of advanced notice to employees and their representatives before significant operational changes that could affect them are those agreed upon by each collective bargaining agreement. In Argentina and Corporate Division: one month if seniority is less than or equal to 5 years and 2 months if seniority is greater than 5 years. Likewise, before the harvest season starts, beginning thereof is reported with one month advanced notice through the provincial newspaper. Uruguay: Bi-weekly meetings are held with unions in order to inform them of the changes taking place in the operation. South Africa: employees with less than 6 months seniority: 1 week in advance; from 6 months to 1 year: 2 weeks in advance, more than 1 year: 4 weeks.

NOTE 29: In Argentina and Uruguay, agreements with unions cover health and safety.

NOTE 30: San Miguel does not carry out programs to facilitate the continued employability and management of termination of professional careers due to retirement or dismissal.

NOTE 31: There have been no discrimination cases during the period covered by this Report.

NOTE 32: There were no activities entailing potential risk in which freedom of association and the right to adhering to collective bargaining agreements could be violated or threatened.

NOTE 33: There were no activities posing potential risk of child exploitation incidents.

NOTE 34: No activities that could give rise to forced or compulsory labor events were recorded.

NOTE 35: Through audits of the Ethical Trading Initiative in the countries where we operate, 100% of operations are subject to human rights assessments. The entire organization is reached by the Human Resources Policy and the Code of Ethics in Argentina, Uruguay, Peru and South Africa.

NOTE 36: This indicator is not available as it is a future project. In any case, we have not detected so far any supplier with significant negative impacts on negative social impacts in the supply chain.

NOTE 37: There were no breaches of regulations and violations of voluntary codes regarding information and labeling of products and services.

NOTE 38: There were no breaches of the regulations and voluntary codes related to marketing and advertising communications.

NOTE 39: There were no breaches of fines or sanctions for violation of laws and regulations.

NOTE 40: In 2017 the customer satisfaction survey was not carried out, being re-planned for 2018. This year we incorporated the Q Management Program which enables the follow-up of customer complaints, thus allowing a multidisciplinary participation of the areas for a claim follow-up.

SCOPE AND GUIDELINES OF THIS SUSTAINABILITY REPORT

Publication Number: 6

Period covered: 2017

Geographical Scope: Argentina (S.A San Miguel A.G.I.C.I Y F), Uruguay (S.A. San Miguel Uruguay, San Miguel Internacional Investments S.A., Samifruit Uruguay S.A.), South Africa (San Miguel Fruits South Africa Limited)), Peru (Agrícola Hoja Redonda), Netherlands (Coop. Fruit NL Coöperatief U.A).

INTERNATIONAL GUIDELINES USED

- **GRI Standards (Global Report Initiative)**
For the drafting of this document we made the migration from the GRI G4 guide to the new GRI standards guide launched in 2016. We consider that this report has been prepared in accordance with the GRI standards: Essential option.
- **ISO 26000 International Standard – Social Responsibility**
As guideline to integrate social responsibility into our values and practices.
- **United Nations Global Compact**
Valid as Annual presentation of Communication on Progress (COP).
- **Sustainable Development Goals**
We apply the SDG Compass tool, developed jointly with Global Compact, GRI and WBCSD.

FOR FURTHER INFORMATION

- **ISO 26000**
www.iso.org/iso/social_responsibility
- **GRI Standards**
www.globalreporting.org
- **United Nations Global Compact**
www.pactoglobal.org.ar
- **Sustainable Development Goals**
www.un.org/sustainabledevelopment/es/

CONTACT US

We would appreciate having your opinions, suggestions, doubts or any comment related to the management presented in this Report sent to the following e-mail: sustentabilidad@sanmiguelglobal.com.

*The Company's Sustainability Management in its six main dimensions and the Sustainability Commitments are based on **ISO 26000 Standard Fundamental Matters**: Corporate Governance, Labor Practices, Fair Operating Practices, Customers and Consumers Affairs, Community Development and Impact, and Environmental Impact.*

OUR SUSTAINABILITY REPORTS



This **2017 Sustainability Report** is distributed free of charge and available to any stakeholder upon request. Its digital version is available at www.sanmiguelglobal.com

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

External facilitator: Social Report, www.reportesocial.com.

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ANNEX

2017

SUSTAINABILITY REPORT



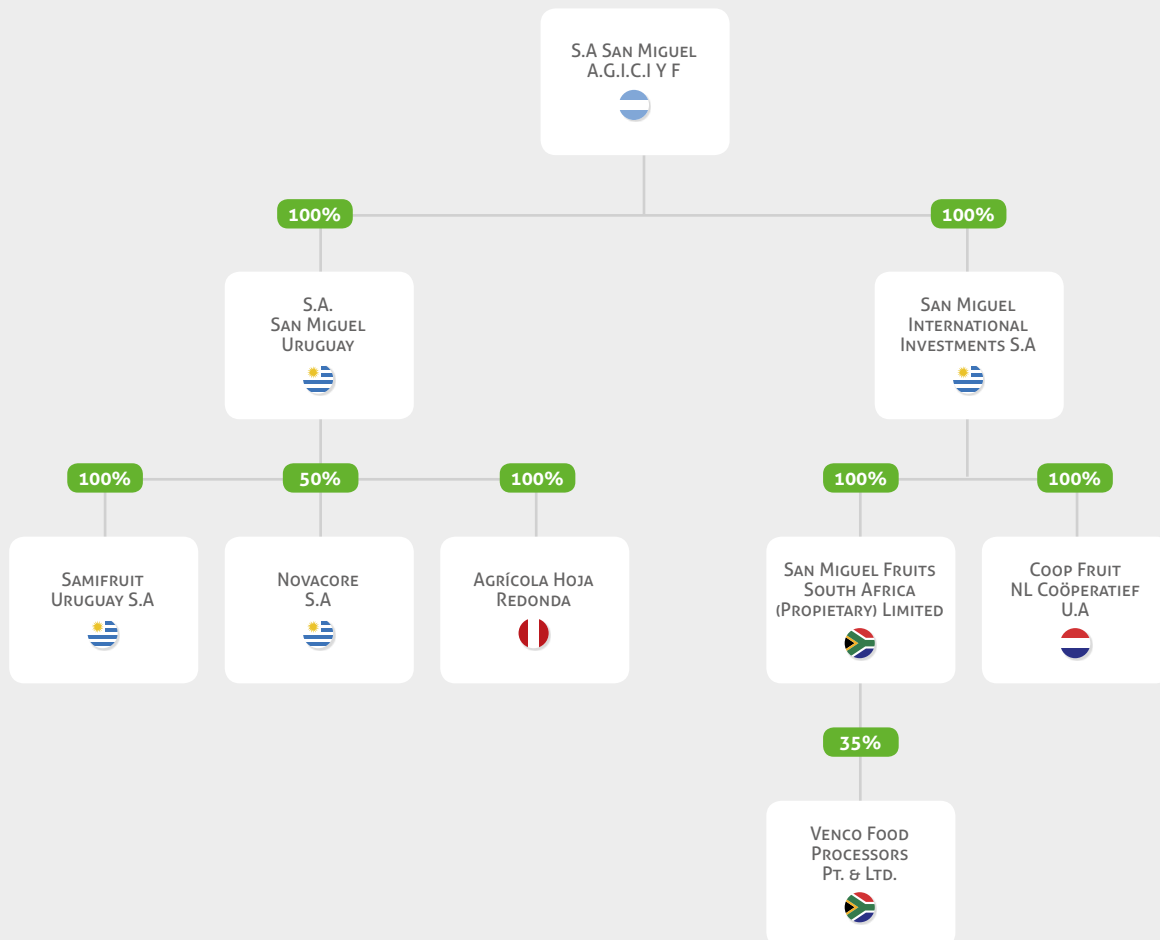
About this Annex to the Sustainability Report

This document includes information supplementary to that published in the Report and useful for our key stakeholders and sphere of influence. Said information gives further details of the material issues mentioned in the body of the Report, which due to its length and complexity were included in this publication. All of them are duly identified in the full version with the following reference: 

 **San Miguel**

1 ▶ WE ARE SAN MIGUEL

COMPANIES THAT ARE PART OF SAN MIGUEL FINANCIAL STATEMENTS • GRI 102-45



3 ▶ FAIR PRACTICES IN OUR OPERATIONS

NUMBER OF SUPPLIERS BY COUNTRY • GRI 102-9

Country	2017	2016	2015
Argentina	684	580	553
Uruguay	513	342	408
South Africa	409	288	188
Peru*	699	-	-
Total	2,305	1,210	1,149

ARGENTINA • SUPPLIERS BY INPUT TYPE • GRI 102-9

Input	2017		2016		2015	
	Number of suppliers ¹	Purchase amount expressed in USD	Number of suppliers	Purchase amount expressed in USD	Number of suppliers	Purchase amount expressed in USD
Production materials	147	20,876,665	165	21,488,152	150	21,583,967.67
Indirect materials	181	5,230,893	302	8,169,789	265	7,493,700.26
Assets and services	247	17,226,794	291	20,792,136	307	13,823,583.50
Others ²	109	1,080,043	-	-	-	-
Total	684	44,414,395	758	50,450,077	722	42,901,251

URUGUAY • SUPPLIERS BY INPUT TYPE • GRI 102-9

Input	2017		2016		2015	
	Number of suppliers	Purchase amount expressed in USD	Number of suppliers	Purchase amount expressed in USD	Number of suppliers	Purchase amount expressed in USD
Production materials	51	3,889,860	47	3,309,091	52	2,927,377.34
Indirect materials	142	1,088,376	274	1,670,855	152	885,426.47
Assets and services	161	2,559,890	140	1,447,161	204	3,525,520.93
Others ²	159	1,576,772	-	-	-	-
Total	513	9,114,898	461	6,427,107	408	7,338,325

SOUTH AFRICA • SUPPLIERS BY INPUT TYPE • GRI 102-9

Input	2017		2016		2015	
	Number of suppliers	Purchase amount expressed in USD	Number of suppliers	Purchase amount expressed in USD	Number of suppliers	Purchase amount expressed in USD
Production materials	27	3,110,884	29	3,375,644	21	1,877,516
Indirect materials	66	590,928	188	2,264,282	41	423,790
Assets and services	231	6,527,837	225	4,148,640	126	1,895,791
Others ²	85	1,048,375	-	-	-	-
Total	409	11,278,024	442	9,788,566	188	4,197,096

PERU³ • SUPPLIERS BY INPUT TYPE • GRI 102-9

Input	2017	
	Number of suppliers	Purchase amount expressed in USD
Production materials	114	12,968,448
Indirect materials	134	4,009,818
Assets and services	451	13,187,240
Total	699	30,165,506

*A single supplier can provide more than one input type. ¹ Includes local and foreign suppliers. ² Materials or services without associated SAP code in our computer system, because of being temporary purchases or purchases made only once. ³ San Miguel Peru is added in 2017.

5 ► CUSTOMERS AFFAIRS

SALES BY CHANNEL • GRI 102-6

Category	2017*	2016
Managers	16%	38%
Distributors	21%	14%
Supermarkets	21%	24%
Wholesalers	33%	22%
Brokers	9%	2%

*In 2017, the categorization of sales channels was modified.

6 ▶ LABOR PRACTICES

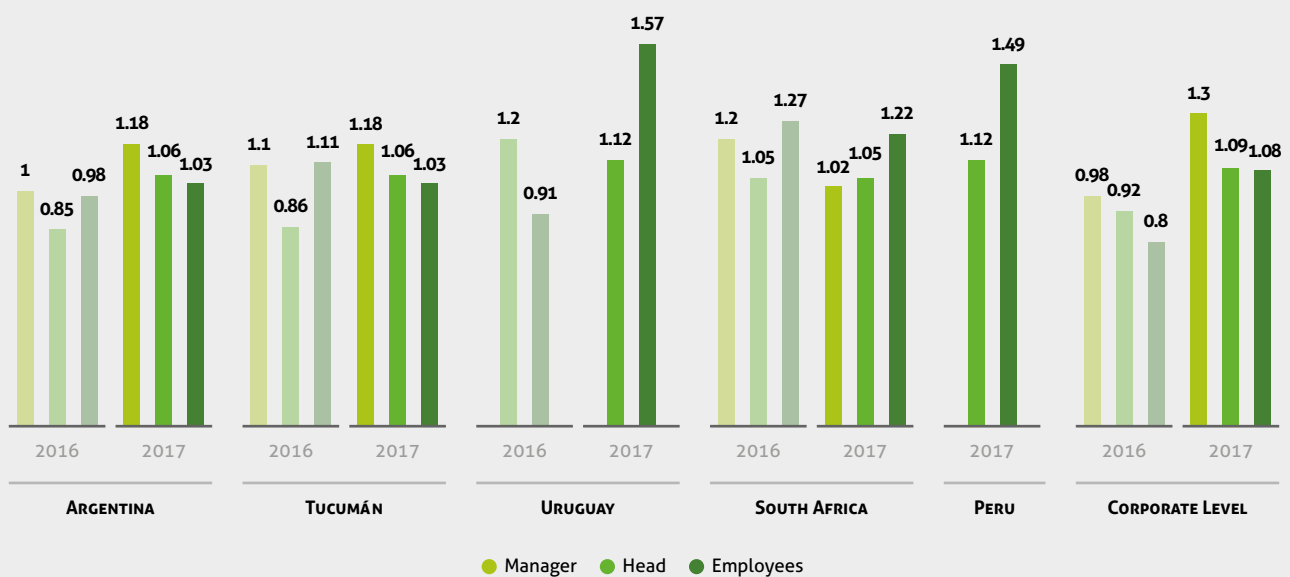
OUR EMPLOYEES IN NUMBERS

EMPLOYEES BY TYPE OF CONTRACT AND COUNTRY • GRI 102-8						
		Argentina	Uruguay	South Africa	Peru*	Corporate Level
AS OF JULY, 2017	Permanent	463	123	227	-	105
	Temporary	630	1,327	1,029	-	0
	Total	1,093	1,520	1,256	-	105
AS OF JULY, 2016	Permanent	530	146	215	-	93
	Temporary	683	1,299	1,033	-	1
	Total	1,213	1,445	1,248	-	94
AS OF DECEMBER, 2017	Permanent	437	115	211	432	99
	Temporary	568	424	137	1,576	1
	Total	1,005	539	348	2,008	100
AS OF DECEMBER, 2016	Permanent	507	131	225	-	87
	Temporary	618	412	247	-	4
	Total	1,125	543	472	-	91

*Peru was added in August 2017. For its incorporation period, temporary employees correspond to the grape campaign. In 2018, those of the avocado and mandarin campaign will be added.

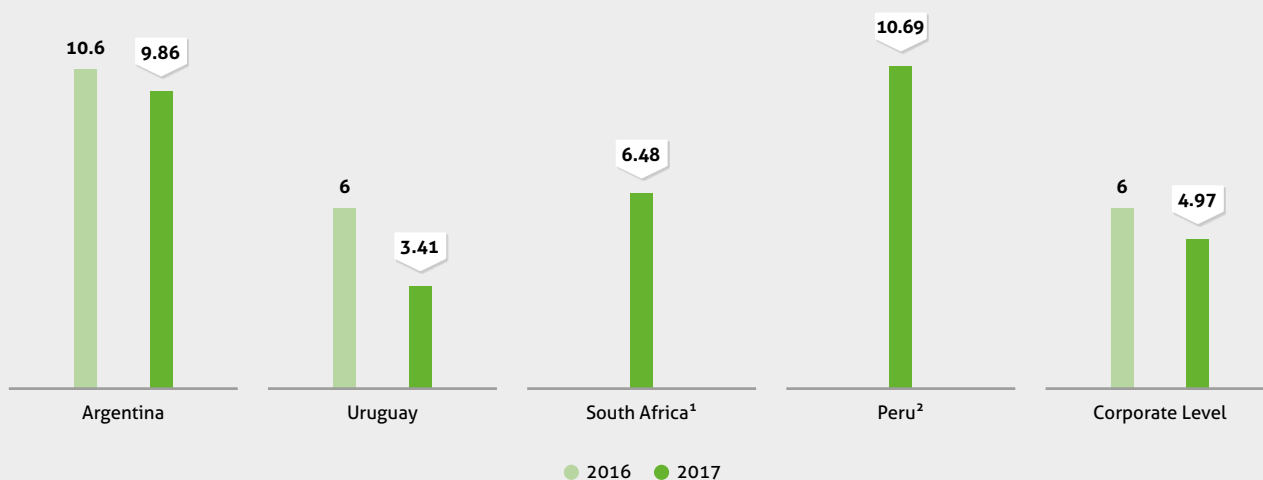
DIVERSITY AND EQUAL OPPORTUNITIES

RATIO OF BASIC SALARY AND REMUNERATION OF WOMEN TO MEN • GRI 405-2



Calculation Methodology: ratio between basic salary of men to basic salary of women
*As of December 2017 there were no female Managers in Uruguay

TOTAL ANNUAL REMUNERATION BETWEEN THE BEST PAID EMPLOYEE AND THE AVERAGE ANNUAL REMUNERATION FOR ALL EMPLOYEES • GRI 102-38



¹ This indicator begins to be measured as of 2017 in South Africa.

² San Miguel Peru is added in 2017.

RATIO BETWEEN THE PERCENTAGE INCREASE OF THE TOTAL REMUNERATION OF THE BEST PAID EMPLOYEE AND THE AVERAGE PERCENTAGE INCREASE OF THE TOTAL ANNUAL REMUNERATION FOR ALL EMPLOYEES¹ • GRI 102-39

	2017	2016
Argentina	0.81	1.0
Uruguay	0.99	-
South Africa	0.72	-
Peru ²	-	-
Corporate Level	1.12	-

¹ This indicator was calculated taking into account all countries as a whole. As from 2017 we will start reporting it by each country.

² In Peru there was no salary review during 2017.



DIVERSITY AND EQUAL OPPORTUNITIES • GRI 102-8

	2017			2016		
	Males	Females	Total	Males	Females	Total
BY TYPE OF EMPLOYMENT						
Full time	893	111	1,004	985	139	1,124
Part time	1	0	1	1	0	1
BY TYPE OF CONTRACT						
Indefinite or permanent contract	391	46	437	444	63	507
Definite or temporary contract	503	65	568	541	75	616
Internships	0	0	0	1	1	2
BY TYPE OF EMPLOYEE						
In-house	894	111	1,005	987	138	1,125
Outsourced	162	3	165	157	1	158

*It includes in-house and external employees. **This category includes leaders, supervisors and coordinators (middle level positions.)

***The restatement of this information with respect to that of previous years is due to the change in the methodology.

EMPLOYEES BY EMPLOYMENT CATEGORY AND GENDER • GRI 405-1

Category	2017		2016	
	Males	Females	Males	Females
Director	100.00%	0.00%	100.00%	0.00%
Manager	100.00%	0.00%	90.91%	9.09%
Head	82.22%	17.78%	75.00%	25.00%
Employee	68.18%	31.82%	75.23%	24.77%
Operator	91.75%	8.25%	91.19%	8.81%

EMPLOYEES BY EMPLOYMENT CATEGORY AND AGE GROUP • GRI 405-1

Category	2017			2016		
	Below 30 years old	30 - 44	Above 45 years old	Below 30 years old	30 - 44	Above 45 years old
Director	0.00%	0.00%	100.00%	0.00%	0.00%	100.00%
Manager	0.00%	53.85%	46.15%	0.00%	45.45%	54.55%
Head	3.33%	56.67%	40.00%	5.56%	61.11%	33.33%
Employee	29.55%	52.27%	18.18%	13.55%	50.47%	35.98%
Operator	8.50%	45.32%	46.18%	8.00%	43.34%	48.67%



DIVERSITY AND EQUAL OPPORTUNITIES • GRI 102-8

	2017			2016		
	Males	Females	Total	Males	Females	Total
BY TYPE OF EMPLOYMENT						
Full time	425	114	539	415	128	543
Part time	0	0	0	0	0	0
BY TYPE OF CONTRACT						
Indefinite or permanent contract	76	39	115	88	42	130
Definite or temporary contract	349	75	424	327	86	413
Internships	0	0	0	0	0	0
BY TYPE OF EMPLOYEE						
In-house	425	114	539	415	128	543
Outsourced	0	0	0	0	0	0

EMPLOYEES BY EMPLOYMENT CATEGORY AND GENDER • GRI 405-1

Category	2017		2016	
	Males	Females	Males	Females
Director	0.00%	0.00%	0.00%	0.00%
Manager	100.00%	0.00%	100.00%	0.00%
Head	78.13%	21.88%	80.00%	20.00%
Employee	36.36%	63.64%	61.67%	38.33%
Operator	80.58%	19.42%	77.94%	22.06%

EMPLOYEES BY EMPLOYMENT CATEGORY AND AGE GROUP • GRI 405-1

Category	2017			2016		
	Below 30 years old	30 - 44	Above 45 years old	Below 30 years old	30 - 44	Above 45 years old
Director	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Manager	0.00%	33.33%	66.67%	0.00%	33.33%	66.67%
Head	3.13%	37.50%	59.38%	0.00%	60.00%	40.00%
Employee	13.64%	72.73%	13.64%	25.00%	50.00%	25.00%
Operator	41.54%	38.00%	20.88%	40.47%	40.26%	19.27%



 SOUTH AFRICA

DIVERSITY AND EQUAL OPPORTUNITIES • GRI 102-8

	2017			2016		
	Males	Females	Total	Males	Females	Total
BY TYPE OF EMPLOYMENT						
Full time	251	97	348	334	128	472
Part time	0	0	0	0	0	0
BY TYPE OF CONTRACT						
Indefinite or permanent contract	135	76	211	140	85	225
Definite or temporary contract	116	21	137	204	43	247
Internships	0	0	0	0	0	0
BY TYPE OF EMPLOYEE						
In-house	251	97	348	140	85	225
Outsourced	23	3	26	204	43	247

EMPLOYEES BY EMPLOYMENT CATEGORY AND GENDER • GRI 405-1

Category	2017		2016	
	Males	Females	Males	Females
Director	100.00%	0.00%	100.00%	0.00%
Manager	91.30%	8.70%	87.50%	12.50%
Head	60.71%	39.29%	63.33%	36.67%
Employee	45.45%	54.55%	68.21%	31.79%
Operator	76.28%	23.72%	100.00%	0.00%

EMPLOYEES BY EMPLOYMENT CATEGORY AND AGE GROUP • GRI 405-1

Category	2017			2016		
	Below 30 years old	30 - 44	Above 45 years old	Below 30 years old	30 - 44	Above 45 years old
Director	0.00%	0.00%	100.00%	0.00%	0.00%	100.00%
Manager	30.43%	52.17%	17.39%	25.00%	45.83%	29.17%
Head	3.57%	57.14%	39.29%	3.45%	58.62%	37.93%
Employee	43.18%	40.91%	15.91%	21.24%	51.33%	27.43%
Operator	25.30%	48.22%	26.48%	5.08%	47.46%	47.46%



DIVERSITY AND EQUAL OPPORTUNITIES • GRI 102-8

	2017		
	Males	Females	Total
BY TYPE OF EMPLOYMENT			
Full time	783	1,225	2,008
Part time	0	0	0
BY TYPE OF CONTRACT			
Indefinite or permanent contract	78	354	432
Definite or temporary contract	705	871	1,576
Internships	0	0	0
BY TYPE OF EMPLOYEE			
In-house	783	1,225	2,008
Outsourced	0	0	0

EMPLOYEES BY EMPLOYMENT CATEGORY AND GENDER • GRI 405-1

Category	2017	
	Males	Females
Director	0.00%	0.00%
Manager	0.00%	100.00%
Head	14.81%	85.19%
Employee	41.67%	58.33%
Operator	39.26%	60.74%

EMPLOYEES BY EMPLOYMENT CATEGORY AND AGE GROUP • GRI 405-1

Category	2017		
	Below 30 years old	30 - 44	Above 45 years old
Director	0.00%	0.00%	0.00%
Manager	0.00%	50.00%	50.00%
Head	18.52%	66.67%	14.81%
Employee	45.00%	51.67%	3.33%
Operator	36.67%	39.47%	23.86%



CORPORATE LEVEL

DIVERSITY AND EQUAL OPPORTUNITIES • GRI 102-8						
	2017			2016		
	Males	Females	Total	Males	Females	Total
BY TYPE OF EMPLOYEE						
Full time	65	35	100	60	31	91
Part time	0	0	0	0	0	0
BY TYPE OF CONTRACT						
Indefinite or permanent contract	65	34	99	58	29	87
Definite or temporary contract	0	1	1	2	2	4
Internships	0	0	0	0	0	0
BY TYPE OF EMPLOYEE						
In-house	65	35	100	60	31	91
Outsourced	0	0	0	0	0	0

EMPLOYEES BY EMPLOYMENT CATEGORY AND GENDER • GRI 405-1				
Category	2017		2016	
	Males	Females	Males	Females
Director	100.00%	0.00%	100.00%	0.00%
Manager	76.92%	23.08%	73.68%	26.32%
Head	60.71%	39.29%	53.33%	46.67%
Employee	55.00%	45.00%	61.22%	38.78%
Operator	0.00%	0.00%	0.00%	0.00%

EMPLOYEES BY EMPLOYMENT CATEGORY AND AGE GROUP • GRI 405-1						
Category	2017			2016		
	Below 30 years old	30 - 44	Above 45 years old	Below 30 years old	30 - 44	Above 45 years old
Director	0.00%	66.67%	33.33%	0.00%	50.00%	50.00%
Manager	0.00%	80.77%	19.23%	0.00%	84.21%	15.79%
Head	7.14%	78.57%	14.29%	0.00%	60.00%	40.00%
Employee	37.50%	52.50%	10.00%	26.53%	63.27%	10.20%
Operator	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%



SELECTION, RECRUITMENT, TRAINING AND DEVELOPMENT

NEW HIRES RATE* • 2017 • GRI 401-1					
	Argentina	Uruguay	South Africa	Peru	Corporate Level
New Hires – Total Rate	2.39%	0.93%	3.45%	4.28%	23.0%
Below 30 years old	8%	60%	50%	44%	48%
30 - 44 years old	54%	40%	50%	29%	48%
Above 45 years old	38%	0%	0%	9%	4%

*These rates are calculated as the ratio between the total new hires and the total number of employees

PERSONNEL TURNOVER • 2017 • GRI 401-1										
	ARGENTINA		URUGUAY		SOUTH AFRICA		PERU		CORPORATE LEVEL	
	Number	% Turnover ¹	Number	% Turnover ¹	Number	% Turnover ¹	Number	% Turnover ¹	Number	% Turnover ¹
Total Turnover	79	18.1%	18	0.16%	21	9%	21	13.91%	18	18.2%
BY GENDER										
Females	14	30.40%	5	0.04%	5	2%	9	5.96%	7	20.60%
Males	65	16.60%	13	0.11%	16	7%	12	7.95%	11	16.90%
BY AGE GROUP										
Below 30 years old	7	38.90%	3	0.02%	5	2%	2	1.32%	6	37.5%
30 - 44 years old	21	11.50%	9	0.08%	9	4%	12	7.95%	8	11.80%
Over 45 years old	51	21.50%	6	0.05%	7	3%	7	4.64%	4	26.70%

¹ As of 2017, the company's permanent employees are taken as the basis for calculation.

TRAINING HOURS BY EMPLOYEE • GRI 404-1							
	Argentina	Uruguay	South Africa	Peru	Corporate Level	Global Average	
Average training hours by employee	8.20	7.02	2.76	-	17.98	8.99	
BY GENDER							
Males	5.42	10.03	0.38	-	6.70	5.63	
Females	4.24	23.42	2.31	-	5.82	8.95	
BY CATEGORY							
Country Manager	36.00	-	2.00	-	-	19.00	
Director	74.00	-	-	-	29.75	47.38	
Manager	103.91	44.6	15.78	-	20.09	46.10	
Head	70.41	47.2	-	-	19.40	45.67	
Supervisor/coordinator/responsible person	22.12	28.16	4.16	-	5.52	14.99	
Person in charge	13.92	4.21	-	-	-	9.06	
Foreman	8.28	35.8	-	-	-	22.04	
Analyst/clerk/assistant/attendant	29.39	14.08	36.55	-	27.46	26.87	
Operator	5.06	5.31	45.33	-	-	18.57	
Average training hours by employee	4.67	3	6.32	2.02	4.74	4.15	
BY GENDER							
Males	4.60	3	5.99	-	6.13	4.93	
Females	4.97	2	3.07	-	3.85	3.47	
BY CATEGORY							
Country Manager	67.50	-	4	78	-	49.83	
Director	-	-	-	-	25.75	25.75	
Manager	45.78	-	17.76	107	49.65	55.04	
Head	26.27	19	25.23	15	18.91	5.00	
Supervisor/coordinator/responsible person	14.59	793	-	8.9	21.70	209.55	
Person in charge	4.66	10	-	-	-	7.33	
Foreman	3.86	-	-	-	-	3.86	
Analyst/clerk/assistant/attendant	10.17	5	11.88	4.1	24.14	11.05	
Operator	2.91	2	5.43	1.7	-	3.01	

Blank cells do not apply to the location due to the structure thereof. • Peru: Data were taken as of August 2017 and without gender distinction. Argentina: Country manager average time is high because of IBP system implementation. • Uruguay: Average time in the supervisory category is high due to the participation of one of them in MBA.

URUGUAY • PERFORMANCE ASSESSMENT • 2017 • GRI 404-3

HIERARCHY LEVEL	
Manager	0.16
Head	0.52
Employees	0.30
GENDER	
Female	0.30
Male	0.69

PERU • PERFORMANCE ASSESSMENT • 2017 • GRI 404-3

Personnel Category	Female Employees Assessed	Male Employees Assessed	Employees Assessed
Analyst/Assistant/Attendant	0%	0%	0%
Supervisor /Coordinator	0%	0%	0%
Assistant-Manager/Head	50%	47%	11%
Manager	0%	75%	75%
Total	9%	26%	20%

*Employees with more than 4 months of seniority in the company participated in the process.

WORKING CONDITIONS

PATERNITY LEAVE • 2017 • GRI 404-3

	ARGENTINA		URUGUAY		PERU		CORPORATE LEVEL	
	Females	Males	Females	Males	Females	Males	Females	Males
Number of employees who exercised their right to maternity/paternity leaves	3	5	4	2	7	1	1	6
Number of employees who returned to work after termination of their maternity/paternity leaves	3	5	4	2	7	1	1	6
Return-to-work and retention rates for employees who exercised maternity/paternity leaves	100%	100%	100%	100%	100%	100%	100%	100%

The information corresponds to employees not subject to bargaining agreement



HEALTH AND SAFETY*

*Peru is not reported because it joined San Miguel in August 2017

ARGENTINA • HEALTH AND SAFETY INDICATORS • GRI 403-2						
	2017		2016		2015	
	Males	Females	Males	Females	Males	Females
Absenteeism Rate (AR) ¹	2.38	0.42	2.1	0.3	0	0
Accident Injury Rate (AIR) ²	1.73	0.17	4.10	0.20	1.26	0.28
Number of Fatalities	0	0	0	0	0	0
Occupational Disease Rate	0.50	0	0	0	0.43	0
Absenteeism Rate due to Occupational Diseases	0	0	0	0	0	0
Rate of days lost due to occupational diseases	0	0	0	0	0	0
Rate of days lost (includes days lost due to occupational diseases and accidents)	0.69	0.12	0.9	0.1	0	0.82
Accident frequency rate	0.01	0.001	-	-	-	-

URUGUAY • HEALTH AND SAFETY INDICATORS • GRI 403-2						
	2017		2016		2015	
	Males	Females	Males	Females	Males	Females
Absenteeism Rate (AR) ¹	0	0	2.1	0.3	0	0
Accident Injury Rate (AIR) ²	0.50	0.05	4.1	0.2	1.26	0.28
Number of Fatalities	0	0	0	0	0	0
Occupational Disease Rate	0	0	0	0	0.43	0
Absenteeism Rate due to Occupational Diseases	0	0	0	0	0	0
Rate of days lost due to occupational diseases	0	0	0	0	0	0
Rate of days lost (includes days lost due to occupational diseases and accidents)	0.04	0.05	0.9	0.1	0	0.82

SOUTH AFRICA • HEALTH AND SAFETY INDICATORS • GRI 403-2					
	2017		2016		
	Males	Females	Males	Females	
Absenteeism Rate (AR) ¹	6.5	3.4	0.24	0.52	
Accident Injury Rate (AIR) ²	1.3	3.7	1.8	0	
Number of Fatalities	0	0	0	0	
Occupational Disease Rate	0	0	0	0	
Absenteeism Rate due to Occupational Diseases	0	0	0	0	
Rate of days lost due to occupational diseases	0	0	0	0	
Rate of days lost (includes days lost due to occupational diseases and accidents)	0.13	0.18	0.16	0	

¹ Number of absences/number of days worked*100. ² Number of accidents/average number of workers*100

ARGENTINA • HEALTH AND SAFETY INDICATORS FOR INDEPENDENT CONTRACTORS • GRI 403-2						
	2017		2016		2015	
	Males	Females	Males	Females	Males	Females
Accident Injury Rate (AIR) ² (Independent Contractors)	1.15	0.14	1.45	0.3	1.26	0.28

² Number of accidents/average number of workers*100.

SOUTH AFRICA • HEALTH AND SAFETY INDICATORS FOR INDEPENDENT CONTRACTORS • GRI 403-2		Total
Gender		
Female Total		27
Male Total		76

OCCUPATIONAL HEALTH AND SAFETY COMMITTEES • GRI 403-1

ARGENTINA

We held Safety Committees meetings once a month, where heads, foremen, supervisors and Managers participated. We addressed topics proposed by the Safety and Health Team and by the employees and union representatives. A followed-up of every topic was made.

In addition, we made progress in the following topics:

- We continued working on access restriction to the forklift circulation area.
- Traffic signal and sirens were installed in forklifts circulation areas.
- Lifeline installation for truck covering.
- Installation of fixed protections at the end of conveyor belt lines.
- Installation of emergency lights throughout the plant.
- Fire network water leak repairs.
- Speed reduction in all forklifts.
- Demarcations and signaling extension in some sectors
- Aconquija Project.
- Adaptation / Construction of transfer trolleys for the different operations (field).
- Installation of protections in moving parts.
- Installation of protection screens to prevent sunrays on formulators (field).
- Water dispenser installation.
- Construction of huts, terraces on sloped plots.
- Acid warehouse reconditioning.
- Construction of a warehouse for chemical product empty containers.
- Installation of emergency lights in offices.
- Update of the evacuation plans.

URUGUAY

Workers or their representatives have the right, in accordance with national legislation and practice, to consult and make recommendations as they consider appropriate and convenient, that affect or may affect health and safety at work.

The Committees are made up of: Zone Heads, Health and Safety Representative, Human Resources, Management, Workers' Representative/s, Responsible People in general.

IN 2017...

- We bought the IBV software.
- We made an ergonomic study of the Packing workstations.

SOUTH AFRICA

50% of the Safety and Health Committee is made up of Managers/ Heads/Coordinators/Supervisors and 50% are employees. The latter are appointed as first aid referents and safety representatives in their workplaces, prior to being trained in order to effectively develop their role.

The committee holds meetings every 3 months. The actions proposed there are recorded in a register in which progress is verified weekly.

IN 2017...

- The introduction of Safety Alert was made: it is a locator that highlights the risks that have been detected in the injuries/incidents occurred in the last weeks.
- The weekly safety audit was conducted to ensure compliance with laws and procedures.
- The risk assessment for Farms and Packhouse was developed and measures were implemented to guarantee the risk when it was mitigated or reduced.
- Daily inspections on the work machineries were carried out in order to ensure that they were in good condition before being used by the employees.

PERU

We have 2 Committees made up of workers' representatives and San Miguel:

OCCUPATIONAL HEALTH AND SAFETY COMMITTEE

Required by law, this is a Joint Committee made up of 5 members from the workers (from the Agricultural Operations areas of both headquarters) and 5 members of the company. They meet once a month and the Committee's main objective is to ensure compliance with Health and Safety regulations.

WELFARE COMMITTEE

It is proposed to improve the company's climate in each of the farms. It is made up of 3 workers' representatives and the Development and Welfare Coordinator, member of the Human Resources team on behalf of the company.

One of the tasks of the Committee is to open suggestion boxes and ensure that all the information collected is communicated to the Headquarters and to the Human Resources Management. Another task is to follow up responses to complaints or suggestions in the mailbox and report the comments collected from the field in order that allow us improve working conditions.

IN 2017...

- General and specific training by risk.
- Occupational Monitoring.
- Delivery of personal protection equipment for each type of risk.
- Scheduled and unforeseen Security inspections.
- 5 minute talks.
- Stop Card Program.
- Occupational health surveillance program.

TRAINING IN HEALTH AND OCCUPATIONAL SAFETY

ARGENTINA

We implemented a general training plan that covered all areas of the company and included activities in which different topics were addressed:

- First aid
- Fire control
- Emergency Brigade
- Safe driving of forklift and elevator tract
- Handling of agrochemicals
- Safe driving of cars and motorcycles
- Road safety
- General risks
- Prevention of occupational accidents and diseases in citrus harvest
- Prevention of work accidents in fruit selection tasks
- Prevention of work accidents in operations with box bonders
- Prevention of work accidents in fruit packaging
- Handling of agricultural machines
- Good Agricultural Practices
- Mailbox of ideas and suggestions
- Hygiene and Safety Induction for all seasonal personnel
- Contingency plan for brigade members
- First Aid for brigade members
- Prevention and fight against fires for brigade members
- Handling of dangerous substances
- 5-minute talks training for supervisors and operators:

- Oil filtering;
- Storage and safe maneuvers with ammonia;
- Compressors operation;
- Distillery operation;
- Works in cold chambers;
- Operation of effluent plant;
- Preparation of packaging, handling of packing machines, handling of chemical products, operation of tanks and boards;
- Operation, cleaning and maintenance of extractors;
- Operation and cleaning of centrifuges;
- Operation of concentrators, soda sip, ultrafilters;
- Operation of ovens and pre-heaters;
- Fine powder packer;
- Operation of shell washing plant;
- Shell compacting and palletizing process; among other.

The Safety team carries out an annual training plan that includes general and specific topics related to field, packaging and processed foods.

2,162 permanent and temporary employees from San Miguel and trained independent contractors



1,524 employees trained in general and specific subjects

2,043 employees trained in 5 minute prevention talks

100% of the harvest staff was trained through video training

 URUGUAY

Induction programs were carried out for the tasks in charge of the safety area and supervisors of each work center and 5-minute weekly talk programs addressing the following topics:

- Safety in machine operations
- Safety in harvest operations
- Safe use of agrochemicals
- Safety in pruning operations
- Safe handling of self-elevators
- First aid
- Occupational Health
- Safe Packing
- Ergonomics
- Training of the new workers
- Electric risk
- Entrapment
- Accident prevention
- Protective clothes
- Protection devices for eyes, ears, feet, hands and head
- Manual, electric and cutting tools
- First aid
- Stacking of materials

35 trainings given to 893 employees during 2017

 SOUTH AFRICA

Operational safety is carried out through a weekly safety alert, which addresses the risks met during the safety audit of the previous weeks or those resulting from an incident, and is repeated throughout the year.

MAIN TOPICS ADDRESSED

- Handling of chemical products
- Fight against fires
- First aid
- Health and safety representatives
- Instructions for operation of the alcohol blower
- Fire drill
- Forklift safe operation
- Health and Safety Induction
- Hand-washing and use of PPE
- Safe handling of chemical products
- Safety in stacking operations
- Safety equipment in rear parts
- Safety in handling of chemical containers
- Ear protective devices
- Safety in case of fire at home
- Safety measures in case of heatstroke
- Ladder safety operation
- Complaint on injury at work
- Snake bite

799 employees and 1,750 permanent and temporary workers were trained during 2017

 PERU

Trainings were given according to the topic addressed to: employees at packing plant, maintenance and plant health workers, brigade members, farm production workers, warehouse operators, mixer operators, employees of phytosanitary applications and fertigation and medical unit.

 GENERAL TRAININGS

- Hazards in the work-place
- Control measures and importance of the use of PPEs
- Procedure for emergency cases (earthquakes, fires, accidents, poisonings, spillage of hazardous materials)
- First Aid
- Occupational Health: control measures to prevent hearing loss, respiratory diseases, musculoskeletal conditions, ophthalmological conditions and poisoning by organic phosphate substances

 SPECIFIC SAFETY TRAININGS

- Safety measures in packing and cleaning operations of citrus and avocado process lines
- Ammonia leak
- Storage and segregation of contaminated waste
- LPG leak
- Safety measures in harvesting operations
- Safety measures in hazardous works (height, hot, dangerous energy, hazardous substances)
- Safety measures in storage operations

 HEALTH SPECIFIC TRAINING

- Organic phosphate substances poisoning
- Ergonomics training
- Hearing loss
- HIV/TB

WORKER AND FAMILY'S HEALTH

ARGENTINA

THE HEART MONTH: «SEVEN STEPS TOWARDS A HEALTHIER LIFE»

This 30-day campaign included awareness activities (delivery of magnets and educational brochures) and cardiovascular, endocrinological and complementary examinations (ECG and laboratory) to 203 employees. In addition, we prepared a specific plan for employees over 50 years of age.

SMOKING CESSATION

We implemented a voluntary smoking cessation program that consisted of raising awareness, private consultations with specialists and group therapy.

We recertified as **Tobacco smoke-free Company** by the Ministry of Health of the Province.

EPIDEMIOLOGICAL SURVEILLANCE

A program focused on prevention and early diagnosis of occupational diseases. We assessed all the employees exposed to some kind of occupational risk. The initiative included 650 pre-seasonal clinical examinations.

ALL REGULAR EXAMINATIONS CARRIED OUT BY THE ART (LABOR RISKS INSURANCE COMPANIES) WERE ANALYZED, VERIFYING COMPLIANCE THEREWITH.

ADDICTION PREVENTION

In cooperation with the Secretariat of Prevention and Addiction Assistance (Secretaría de Prevención y Asistencia de las Adicciones) of the Ministry of Social Development of the province of Tucumán, we carried out this program with sensitization workshops in different farms and training nurses and other strategic workers.

We continued with the workshops "Trainer of Trainers" (Formador de Formadores) addressed to volunteers interested in the subject.

A documentary was filmed with an ex-addicted worker which was disseminated in different sectors of the Company. Consultations on this issue to this worker were referred to the recovery center for addicts for relatives and acquaintances of our workers and third parties.

GENDER EQUALITY

We celebrated the Violence-Free Day with different in-house awareness raising actions: Dissemination with permanent and transitory posters in the medical service, through communications and addresses, emails and telephones of places where to go.

MATERNITY PROTECTION PROGRAM

It included all pregnant women working at San Miguel, taking into account labor relocation of all pregnant workers, working hours, eliminating nighttime schedules and controlling through the medical service the performance of prenatal check-ups.

VOLUNTARY BLOOD DONATION FRIEND COMPANY

In cooperation with the Provincial Health System of Tucumán, we implemented an awareness campaign to promote the donation of blood, organs and bone marrow.

On the World Blood Donation Day, we provided area in the workplace for donation, placing ourselves at level 2 of Donation Friendly Companies and recertifying us as Donor Company. On the same day, bone marrow donation was disseminated, reaching an important donors record.

As regards organs donation, we were invited by CUCAITUC to participate in a day at Plaza Independencia de Tucumán, to disseminate information on organ donation. We were the only private company attending the event.

WE PUBLISHED IN THE INTERNAL MAGAZINE SOMOS

- Information linked to our health programs for employees and their families.
- We commemorated key dates of the international health calendar with allusive articles.

WE CELEBRATED THE MONTH OF OCCUPATIONAL HEALTH AND SAFETY, BEING THE OBJECTIVES OF THE MEDICAL SERVICE THOSE THAT FOLLOW

- Raise awareness about the importance of health care at work
- Involve hierarchical staff in the detection of situations and actions that affect worker's health
- Detect health risk factors in due time
- Establish the message "Safety and health at work concerns everyone"

Through graphic campaigns, posters on farms, distribution of stickers for vehicles, "Somos" Magazine and newsletters, the following topics were disseminated:

- Pregnancy and driving
- Drugs and driving
- Heimlich maneuver saves lives
- The importance of sleeping well
- Antiseptic or antibacterial soaps
- Food safety
- Viral Hepatitis
- Healthy life "foods that protect against colds"
- Drug use and abuse
- Hemolytic uremic syndrome
- Sleep Apnea Hypopnea Syndrome
- Vaccination week in the Americas
- Sedentary lifestyle and back pain
- San Miguel without gender violence
- Healthy nutrition
- Prevent flu and colds at work

7 ▸ ENVIRONMENTAL MANAGEMENT

SUSTAINABLE USE OF RESOURCES

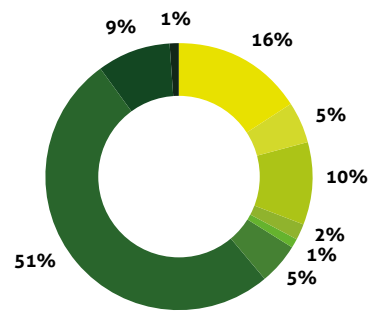
ARGENTINA • VOLUME OF INDUSTRIAL EFFLUENTS (PROCESSED FOOD) • GRI 302-3		
Management of industrial effluents	m ³ /year	Grinding (Tons)
2013	1,196,690	236,777
2014*	533,021	99,419
2015	1,182,292	221,973
2016	1,263,415	214,297
2017	867,867	190,55

*The year-on-year difference is due to the sharp decrease in 2014 grinding.



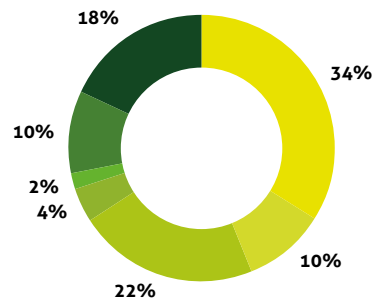
SOUTH AFRICA • DIESEL CONSUMPTION • 2017 (IN LITERS)

TOTAL CONSUMPTION: 140,117 LITERS



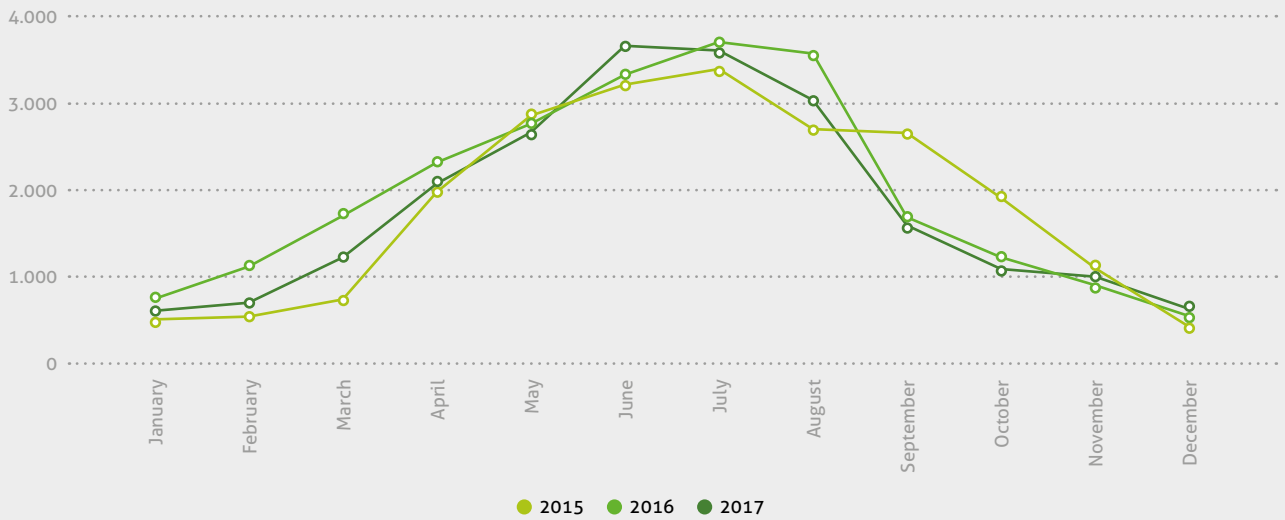
SOUTH AFRICA • ELECTRIC POWER CONSUMPTION IN FARMS • 2017 (IN KWH)

TOTAL CONSUMPTION: 1,450,744 KWH

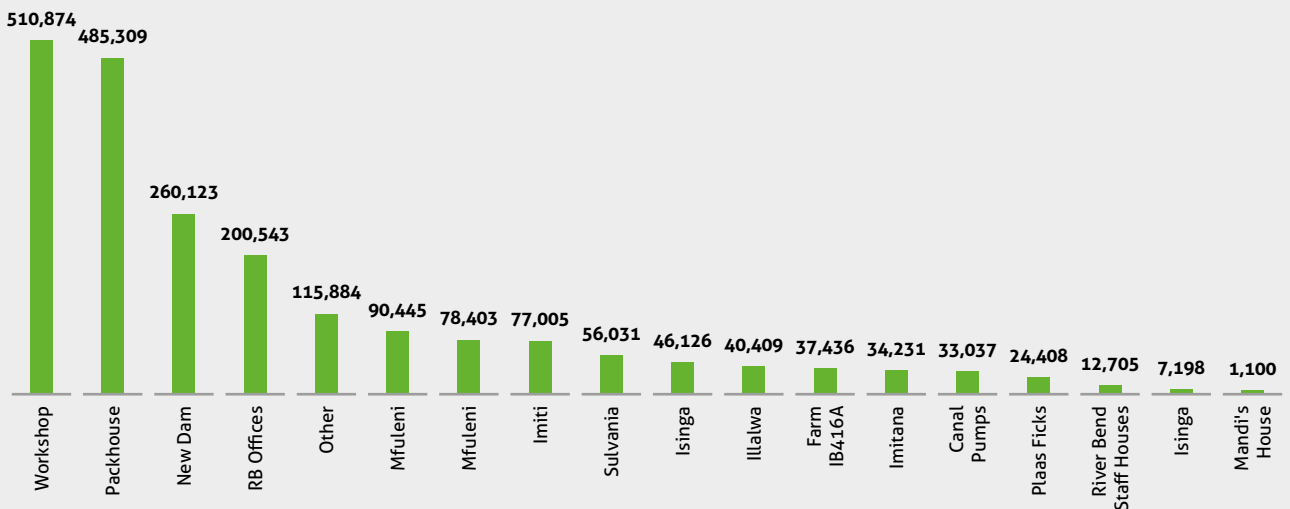


- Agriculture
- Bushes Cutting
- Spraying
- Herbicides
- Orchard
- Logistics
- Production
- Collection
- Independent Contractors

EVOLUTION OF ELECTRIC POWER CONSUMPTION (PROCESSED FOODS) • GRI 302-1 (IN MWH)

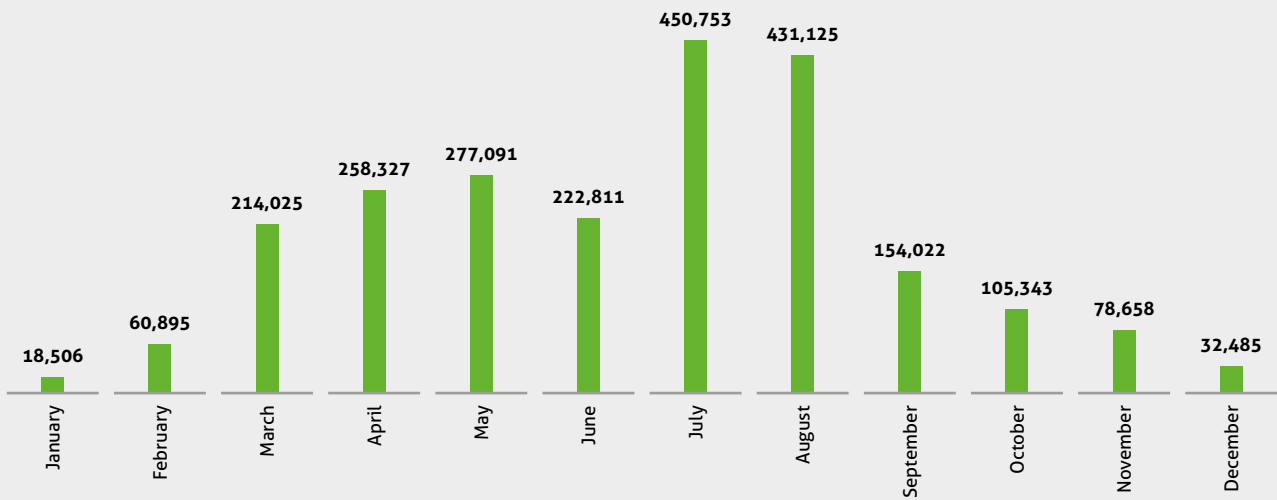


ELECTRIC POWER CONSUMPTION • GRI 302-1 (IN KWH)





ELECTRIC POWER CONSUMPTION (PACKING PLANT - CHINCHA) • 2017 • GRI 302-1
(IN KWH)



ELECTRIC POWER CONSUMPTION • 2017 • CHEPEN

Month	KWh Consumption
January	46,8108
February	41,9243
March	42,8118
April	38,6949
May	38,5122
June	43,9398
July	41,7424
August	39,7932
September	58,9078
October	93,1565
November	96,8341
December	94,0367
Total	677,1645

LPG CONSUMPTION IN M³ (PACKING PLANT) • 2017 • CHINCHA

Month	Citrus fruits Line	Avocado Line
January	0	0
February	0	0
March	102.9	0
April	137.4	0
May	616.8	421.7
June	795.2	404.6
July	3,330.6	482.8
August	4,011.8	38.7
September	536.5	0
October	0	0
November	0	0
December	0	0
Total	9,531.2	1,347.8

10 ► REPORT TECHNICAL MANAGEMENT

MATERIALITY ANALYSIS

As every year, the drafting of this Sustainability Report entails a process within our Company that activates the involvement of all areas to specifically answer on relevant topics related to our citrus business management.

In the previous Report we reviewed materiality identifying those priority issues for the Company and its stakeholders; thus, a new Materiality Matrix emerged.

The materiality development phases, according to the GRI guidelines were those that follow:



OUR MATERIAL TOPICS AND IMPACT ON STAKEHOLDERS

This is our assessment of the impact of each material topic on our stakeholders. Likewise, we present the relationship between our material topics and the new GRI Standards.

Material Topics	GRI Standards related Topics	STAKEHOLDERS						
		SG	E	S	C	CC	G	EN
BUSINESS • PROMOTE BUSINESS RESPONSIBLE MANAGEMENT WITHIN THE ORGANIZATION								
ETHICS AND TRANSPARENCY IN BUSINESS MANAGEMENT	GRI 205: Anti-corruption 2016	✓	✓	×	✓	×	✓	×
	GRI 419: Socioeconomic Compliance 2016	✓	✓	✓	✓	✓	✓	✓
LONG TERM BUSINESS STRATEGY	GRI 201: Economic Performance 2016	✓	✓	✓	✓	✓	✓	✓
FAIR COMPETITION	GRI 206: Anti-competitive Behavior 2016	✓	×	✓	×	✓	✓	×
	GRI 406: Non-discrimination 2016							
RESPECT FOR HUMAN RIGHTS	GRI 409: Forced or Compulsory Labor 2016	×	✓	✓	✓	×	×	×
	GRI 407: Freedom of Association and Collective Bargaining 2016							
	GRI 412: Human Rights Assessment 2016							
SUPPLIERS • CONTRIBUTE WITH OUR SUPPLIERS' NETWORK TOWARDS THE SUSTAINABLE DEVELOPMENT OF THEIR BUSINESS								
SUPPLIERS' ASSESSMENT AND DEVELOPMENT	GRI 204: Procurement Practices 2016	×	×	✓	×	×	×	×
	GRI 414: Supplier Social Assessment 2016							
FIGHT AGAINST CHILD LABOR	GRI 408: Child Labor 2016	×	×	✓	✓	×	×	×
PROMOTING SOCIAL RESPONSIBILITY IN THE SUPPLY CHAIN	GRI 414: Supplier Social Assessment 2016	×	×	✓	×	✓	×	×
	GRI 308: Supplier environmental assessment 2016							
LABOR PRACTICES • DEVELOP PEOPLE IN THEIR HUMAN AND ECONOMIC DIMENSIONS								
TALENT ATTRACTION, DEVELOPMENT AND LOYALTY	GRI 401: Employment 2016	✓	✓	×	×	×	×	×
	GRI 404: Training and Education 2016							
BALANCING WORK AND PRIVATE LIFE	GRI 402: Labor/Management Relations 2016	×	✓	×	×	×	×	×

Material Topics	GRI Standards related Topics	STAKEHOLDERS						
		SG	E	S	C	CC	G	EN
WORK HEALTH AND SAFETY	GRI 403: Occupational Health and Safety 2016	x	✓	x	x	x	x	x
DIVERSITY AND EQUAL OPPORTUNITIES	GRI 405: Diversity and Equal Opportunities 2016	x	✓	x	x	x	x	x
TEMPORARY WORK MANAGEMENT	GRI 401: Employment 2016	x	✓	x	✓	x	x	x
CUSTOMERS • INTERPRET OUR CUSTOMERS' NEEDS AND MEET THEM WITH INTEGRITY								
FOSTERING HEALTHY LIFE HABITS	GRI 416: Customer Health and Safety 2016	x	x	x	✓	✓	x	x
CUSTOMER SERVICE	Customer satisfaction	x	x	x	x	✓	x	x
FOOD SAFETY	GRI 417: Marketing and Labeling 2016							
	Healthy and Accessible Food	x	x	x	✓	✓	x	x
	GRI 416: Customer Health and Safety 2016							
ENVIRONMENT • USE NATURAL AND ENERGY RESOURCES RESPONSIBLY AND SPARINGLY								
EFFICIENT USE OF WATER	GRI 303: Water 2016	x	x	x	✓	x	x	✓
EFFLUENT MANAGEMENT	GRI 306: Effluents and Waste 2016	x	x	x	✓	x	x	✓
WASTE MANAGEMENT	GRI 306: Effluents and Waste 2016	x	x	x	✓	x	x	✓
SOIL SUSTAINABLE MANAGEMENT	GRI 301: Materials 2016	x	x	x	✓	x	x	✓
	GRI 304: Biodiversity 2016							
BIODIVERSITY PROTECTION	GRI 304: Biodiversity 2016	x	x	x	✓	x	x	✓
ENERGY EFFICIENCY	GRI 302: Energy 2016	x	x	x	✓	x	✓	✓
CLIMATE CHANGE AND ECOSYSTEM PRESERVATION	GRI 305: Emissions 2016	x	x	x	✓	x	x	✓
	GRI 304: Biodiversity 2016							
SUSTAINABLE AGRICULTURE	GRI 307: Environmental compliance 2016	x	x	x	✓	x	x	✓
COMMUNITY • SUPPORT COMMUNITY DEVELOPMENT IN OUR FIELDS OF ACTION								
EDUCATION	GRI 413: Local Communities 2016	x	x	x	✓	x	✓	x
NUTRITION	GRI 413: Local Communities 2016	x	x	x	✓	x	✓	x
	Healthy and accessible food							
HOUSING	GRI 413: Local Communities 2016	x	x	x	✓	x	✓	x

REFERENCES

- SG:** Shareholders and corporate governance.
- E:** Employees.
- S:** Suppliers.
- C:** Community.
- CC:** Customers and consumers.
- G:** Government, State and public authorities.
- EN:** Environment.

OUR SUSTAINABILITY REPORTS



This **2017 Sustainability Report** is distributed free of charge and available to any stakeholder upon request. Its digital version is available at www.sanmiguelglobal.com

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

External facilitator: Social Report, www.reportesocial.com.

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