

2015 Sustainability Report

“Leaving a positive footprint to contribute to
general progress and welfare”

Based on
GRI G4 Guidelines
ISO 26000
UNITED NATIONS GLOBAL COMPACT
SDGs

SAN MIGUEL SUSTAINABILITY POLICY



We understand that the lasting success of our organization is to be achieved and maintained through sustainable development, where its three components —economic development, social development and environmental protection— are interdependent pillars that are mutually connected and reinforced. In order to achieve sustainable development, we are committed to the following objectives and actions:



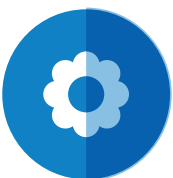
ECONOMIC DEVELOPMENT

- Establish efficient processes that meet the requirements of our customers and respond to our commercial strategy, to achieve a profitable operation.
- Promote a zero-defect culture.
- Develop continuous improvement programs, applying the best practices and world-class methodologies, which ensure the adaptability of our operation to changes in the markets and customers, as well as the continuous improvement of our efficiency and competitiveness over time.
- Promote the development of our suppliers, adding value to the whole operation.



SOCIAL DEVELOPMENT

- Identify, control, assess, correct and prevent any risks arising from our operations that may affect the safety and health of our employees, suppliers, contractors or the general community.
- Ensure fair working conditions that respect human dignity for our employees and suppliers.
- Take actions that contribute to the social and cultural development, and to the general welfare of the communities in the areas of influence.



ENVIRONMENTAL PROTECTION

- Identify, monitor, assess and correct the environmental risks arising from our operation, in order to preserve the biodiversity of our surroundings, prevent pollution and minimize the impact that our emissions and discharges to the air, water and soil may have.
- Comply with all applicable laws and regulations in force.
- Make a rational and efficient use of our supplies, water and energy.
- Minimize our waste generation and its impact by actively applying the zero-waste culture and the concepts of reduction, reuse, recycling, industrial symbiosis (100% product), cleaner production and responsible management of hazardous waste.
- Maintain a transparent and honest communication on environmental issues with the community, the regulatory authorities, customers and any other stakeholders.

ALL OF US WHO FORM PART OF SAN MIGUEL ARE RESPONSIBLE FOR HONORING THESE COMMITMENTS.

LETTER FROM THE CEO



.....

“Sustainable development as a compass for our business”

.....

San Miguel understands **sustainability** as a cross-cutting pillar of our business strategy and management. We are committed to making a **relevant contribution in our areas of influence** to help, along with the global private sector, to put the planet on the road to development and sustainability.

We are convinced that **prosperity for us and for future generations** will be attained through the consistent development of the economic, social and environmental dimensions. In this sense, as an international company and a key player in the global scenario, we decided to establish the **Sustainable Development Goals (SDGs) of the United Nations** as core guidelines and a compass for all our sustainability actions.

We know this is a huge challenge, but based on this call for action by the United Nations and through **the coordinated and collaborative work among governments, companies and the civil society**, each of those who want to play a leading role will be able to deploy all their innovation and creativity. This will make it possible to take a significant step forward in the pending agenda for sustainable development and the welfare of people.

Just to give an example of San Miguel’s consistency and commitment to the SDGs, we continue working with **Banco de Alimentos** to provide food for lunch and tea to seven rural schools in Tucumán, Argentina, attended by more than 1,200 children every day. Additionally, and jointly with **Asociación Conciencia**, we deliver the **“Cre-Ser” School Support** program to these education communities, with assistant teachers to prevent children from dropping out of school and provide support in different subjects.

These actions are 100% aligned with two of **the main goals established by the United Nations: End hunger and achieve food security and Contribute to ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.**

Furthermore, also in **South Africa and Uruguay** we have oriented all the initiatives to this new global framework for sustainable development, which are driven by the company activity, investment and innovation, **engines for economic growth and job creation.**

As part of our commitment to Sustainability, we do not only continue diving deeper into reporting to all our stakeholders, but also present a new Communication on Progress with this Report, to show our work on the 10 Principles of the United Nations Global Compact.

San Miguel’s top management has established priorities with ambitious goals, which we commit to measuring and revealing in this **4th Sustainability Report**, with Education, Nutrition, the Development of Associates and Environmental Care still as its main pillars.

We are optimistic that we will be able to develop business based on knowledge, capacity and a forward-looking vision to continue adding value to our products, growth opportunities to the business and creating a positive impact on society. We wish to thank all those who have been part of this process that made it possible to bring you a new Sustainability Report.

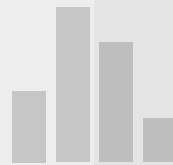
Romain Corneille
CEO

TABLE OF CONTENTS



WE ARE SAN MIGUEL

.....> PAGE 08



COMMITMENT TO THE SUSTAINABLE DEVELOPMENT GOALS

.....> PAGE 14



01. CORPORATE GOVERNANCE

.....> PAGE 20



02. FAIR PRACTICES IN OUR OPERATIONS

.....> PAGE 28



05. CONSUMER MATTERS

.....> PAGE 66



06. ENVIRON- MENTAL MANAGEMENT

.....> PAGE 74



ACHIEVEMENTS AND CHALLENGES

.....> PAGE 16



03. OUR COMMITMENT TO HUMAN RIGHTS

.....> PAGE 36



04. LABOR PRACTICES

.....> PAGE 42



07. ACTIVE PARTICIPATION AND DEVELOPMENT OF OUR COMMUNITIES

.....> PAGE 90



08. TECHNICAL MANAGEMENT OF THE REPORT

.....> PAGE 98

WE ARE SAN MIGUEL

We are a multinational company, a leader in the Southern Hemisphere in the production, distribution and sale of fresh citrus fruit and food products derived from citrus. We are recognized for our expertise, innovation and operating capacity in several countries to ensure supply to our customers worldwide.

Our Vision

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

► Our Values



Integrity

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



Value Creation

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



Team Spirit

We pursue a common goal, subordinating personal interest to team objectives. We listen to others in order to understand, and we ask for help. We promote constructive criticism and feedback, encouraging an open and honest debate. We

treat every individual inside and outside our organization with respect, trust and dignity. We encourage and value diversity.



Social and Environmental Responsibility

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



Customer orientation

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



► Diverse points of origin

ARGENTINA

URUGUAY

SOUTH AFRICA

GENERAL

- Production: 310,000 tons
- Fresh Fruit Export: 60,000 tons
- Milling Capacity: 250,000 tons
- Top Argentine lemon producer

- Total Production: 30,000 tons
- Fresh Fruit Export: 14,000 tons
- Novacore Milling Capacity: 50,000 tons

- Total Production: 77,000 (60% strategic prod.)
- Fresh Fruit Export: 72,000 tons
- Venco Milling Capacity: 100,000 tons

FIELDS

- Company-owned nursery
- 30 managed fields (company-owned and leased)
- 5,400 ha in production
- Partnerships with citrus producers throughout the country
- 1,800,000 trees planted (average age: 16 years)
- Fields located in the best citrus area of Tucumán

- Largest nursery in Uruguay (26 greenhouses)
- 12 managed fields (company-owned and leased)
- 1,200 ha in production
- Partnership with 8 local strategic producers
- 750,000 trees planted (average age: 12 years)
- Located in 3 regions (Salto-Paysandú-San José)

- 12 fields (company-owned)
- 900 ha in production
- Partnership with 15 strategic producers
- 500,000 trees planted (average age: 8 years)

INFRASTRUCTURE

- 2 packing plants
- 1 industrial processing plant

- 1 packing plant
- 1 industrial processing plant under a joint venture scheme

- 1 packing plant
- 1 industrial processing plant under a joint venture scheme

WORKFORCE

- Permanent: 700 employees
- Harvesting and packing: 4,500 employees

- Permanent: 200 employees
- Harvesting and packing: 700 employees

- Permanent: 200 employees
- Harvesting and packing: 600 employees

► Business Areas

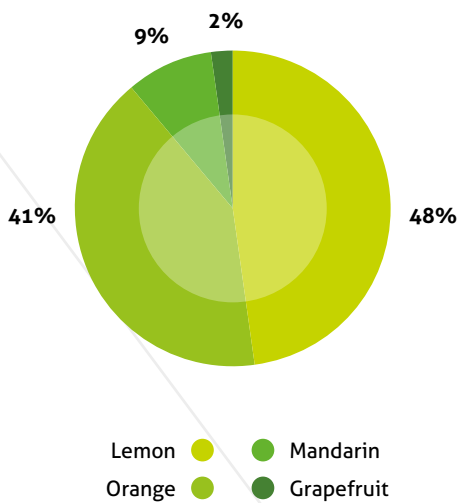


FRESH FRUIT

In 2015, we exported from Argentina, Uruguay and South Africa 90,417 tons of citrus, of which 48% were lemons, 41% oranges, 9% mandarins and 2% grapefruits.

We have a production capacity of 1,900 tons of fresh citrus per day that are packed in four company-owned plants (two in Tucumán, one in Uruguay and one in South Africa).

Fresh Fruit Exports

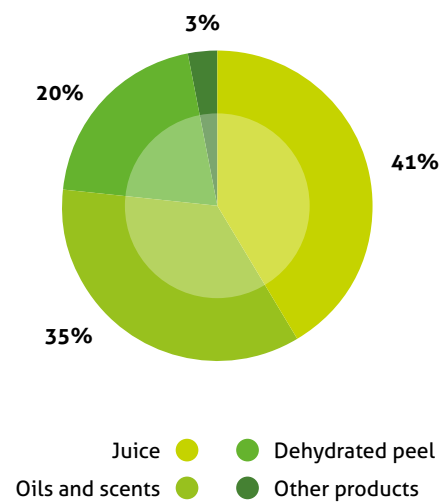


PROCESSED FOOD

We create value solutions for our customers' needs. Thus, we offer a wide variety of natural food products derived from our citrus.

In 2015, juice accounted for 41% of our sales, oils and scents, 35%; dehydrated peel, 20%; and the remaining 3% was represented by other products.

Processed Food Sales



► Leaders in the Southern Hemisphere

We are the largest exporter of fresh lemon in the Southern Hemisphere and we are among the largest companies engaged in lemon processing for food by-products globally. Since 2000, we have expanded our offerings by incorporating sweet citrus, developing a growth plan for mandarins, oranges and grapefruits, mainly in Uruguay and South Africa. Our farms in Argentina, Uruguay and South Africa are located in areas that, as a result of their agro-ecological characteristics, are ideal for counter-season citrus production. The final destination of those citrus is mainly the Northern Hemisphere markets.

61 years in citrus production

7.500 ha of fields

30 company-owned farms in Argentina

12 company-owned farms in Uruguay

12 company-owned farms in South Africa

4 company-owned packing plants

100,000 tons of fresh fruit exported per year

3 industrial plants

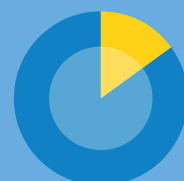
400,000 tons of processing capacity



30% of lemons processed in Argentina



15% of lemons processed worldwide



► Distinctive Features



Global Leadership

We are world leaders in the citrus business, an attribute that identifies and distinguishes us, and fills us all with pride.



Expertise

We have 60 years of tradition, experience and knowledge gained in the production and commercialization of fresh citrus and its processed by-products.



Sustainability

We have a commitment to the community and the environment in each of the regions where we carry out our production activities.



Innovation

We are always looking for business opportunities together with our customers; hence, we find new developments and innovative processes every day. This situation gives us competitive strength and an unparalleled position to be a major agent for change in the market.



Cooperation

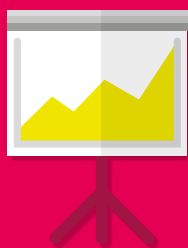
We intend to use the knowledge gained in all our areas and share it with our strategic partners through San Miguel's Cooperation Model, designed to generate new business opportunities. Cooperation is the definite approach to make experience and innovation work together.



► San Miguel in Numbers

	2013	2014	2015
Net Sales	1,203,801,463.0	1,680,327,603.0	2,316,411,776.0
Revenue from Financial Investment	1,021,518.5	3,081,875.6	2,690,791.2
Sale of Assets	-8,648,425.0	-8,648,425.0	228,823.0
Payment to Suppliers	1,050,206,539.1	1,345,433,151.4	978,480,575.4
Salaries, Wages and Employers' Contributions	245,747,285.0	320,868,283.0	433,080,526.0
Payment to Providers of Capital	38,450,668.5	61,789,388.5	112,470,177.2
Investment in Property, Plant and Equipment and Other Assets	49,319,773.0	83,862,658.0	266,865,331.0
Investment in the Community	1,637,259.9	2,389,446.9	2,291,677.5
TAXES			
Income Tax	75,401,709.0	147,036,948.0	177,305,663.0
Direct Taxes	7,462,174.6	11,625,118.8	18,890,112.4
Taxes, Levies and Contributions	3,156,736.9	5,918,714.1	4,119,917.5
EBITDA			
Net Income for the Year	93,683,653.0	298,878,458.0	348,846,252.0
Total Capitalization	1,906,231,400.0	2,371,662,155.0	4,177,371,122.0
Shareholders' Equity	722,234,883.0	1,056,717,831.0	1,467,213,311.0
Non-current Loans	289,491,495.0	421,626,381.0	723,652,675.0
Current Loans	382,816,326.0	179,007,563.0	816,032,568.0

GROWTH STRATEGY



In 2015, the Company made good progress with its sustainable development and growth strategy, oriented to becoming the leading company in the Southern Hemisphere in the global citrus market –fresh fruit and processed food export–.

The main pillars of that progress were presented in the development of new destination markets for the production of Fresh Fruit and Processed Food of the company, such as the United States, Brazil, Turkey, Middle East and China. Additionally, we penetrated deeper into traditional markets, such as the European Union, Russia, Canada and the domestic markets from which our production comes from (Argentina, Uruguay and South Africa).

The main critical factors to leverage this development include those people that form part of San Miguel, who have committed to leading the growth plans; conducting the proper management of the business-related risks identified; and ensuring a sustainable operation at social, economic and environmental dimensions.

COMMITMENT TO THE SUSTAINABLE DEVELOPMENT GOALS





In September 2015, the United Nations announced the new **17 Sustainable Development Goals (SDGs)**. As a result, world leaders adopted the 2030 Agenda for Sustainable Development, a plan that over the next 15 years will guide how global programs should be and will ensure the compliance with the commitments made by the 193 Member States. The agenda has 17 goals and 169 targets covering environmental, welfare, economic and social issues, among others, and that renew the **Millennium Development Goals**, approved in 2000 by the United Nations.

San Miguel is committed to contributing to these goals through our daily work aligned with a corporate strategy. In 2015, we started an analysis

process of these 17 SDGs, which we will explore in greater depth in 2016. Our purpose is to be consistent with the 2030 goals in everything we can do to contribute from our business management.

For example, in order to achieve **Goal 4, "Quality Education"**, we strengthen our work with well-known NGOs in the schools adjacent to our farms, helping students with greater difficulties to make progress and integrating families to strengthen bonds.

Goal 15, to give another example, promotes the sustainable use of land ecosystems and halting biodiversity loss. In this sense, San Miguel developed a **Biodiversity Conservation Program** that is focused on maintaining the balance in the ecosystems we integrate and enhances the value of forests and native areas surrounding the productive areas of the company.

This is the preliminary result of a first exercise made within the Sustainability Area, which we will extend with the company management and our stakeholders beginning in 2016. We have identified the SDGs we consider **Very Strategic** and **Strategic** to work later on compliance objectives related to our material issues.



ACHIEVEMENTS AND CHALLENGES



Goals for 2015	Accomplishment Status	Challenges for 2016
Promoting responsible business management within the organization Corporate Governance		
Incorporate the Code of Ethics as part of the induction we perform with every new associate.	It is included in the induction of new associates.	Continue with the incorporation of the Code of Ethics in the inductions of new associates.
Distribute the Code of Ethics to new suppliers incorporated throughout the year.	It is being done with all new suppliers.	Continue distributing the Code of Ethics to all the new suppliers.
Maintain the annual renewal of Sedex and the Global Gap certification.	It was renewed this year, as we have done every year.	We continue renewing audits on an annual basis.
Developing people in their human and economic aspects Labor Practices		
Develop and implement a corporate volunteering program in the company.	A volunteering program was implemented and 3 volunteering efforts were completed with the participation of more than 150 people.	Carry out volunteering actions with the different areas of the company.
Develop the e-learning tool.	We are working on a platform that may allow us to complete trainings through e-learning related to our different cultural pillars.	Launch the platform and extend it to new training subjects.
Analyze the results of the climate survey and develop the corresponding action plans.	The first steps of the plan were completed and it was defined to make a new deeper survey.	In 2016, we will launch VOCES, our first global Climate and Engagement survey. A new action plan will be based on this.
Continue providing information on Health through the different media of the company in its three points of origin.	We continue providing information on health through different articles sent by e-mail, posters and brochures of the subjects addressed.	Continue providing information through our communication channels.
Using natural and energy resources responsibly and sparingly Environment		
Extend the scope of environmental management at corporate level.	We reached Uruguay with different environmental programs, and a great progress made in all 3 countries was the convenience analysis of the effluent treatment plants.	Continue implementing environmental programs in all 3 countries. Implement the data management system.
Zero Waste: recycle all or almost all waste generated by San Miguel.	We work recycling drums for production, office paper, cardboard and plastic. A campaign was launched at the corporate offices.	Define goals for waste reduction and strengthen associates' engagement.
Updating the investment inventory, calculation of the carbon footprint from the citrus activity (at corporate level and by product) and the water footprint using the LCA method (ISO 14064, 14067).	The carbon footprint calculation for 2013 was completed, since 2014 was an unusual year.	Update the carbon and water footprint calculation for the 2015 crop year.

Goals for 2015	Accomplishment Status	Challenges for 2016
----------------	-----------------------	---------------------

Going along with the development of the communities in our fields of activity
Social Investment

Develop and implement projects shared with the local communities in the range of influence of the company.	In 2015, we worked as a network seeking to create a greater impact on the communities in the range of influence of the company. We achieved strong programs based on the contribution made by each member.	Carry out the women empowerment program, with the preparation of an initial situation diagnosis in the communities of the North and South of the province in the range of influence of the company. The plan will be developed with the UNT of Tucumán, Medicine School, Public Health Chair.
Incorporate more information from Uruguay and South Africa.	In 2015, we standardized the process to obtain data and information from the programs implemented in each of the countries of influence.	Continue improving the system implemented in 2015.
Lead the first inter-industry roundtable discussion in Tucumán, with the participation of numerous companies from different industrial and production sectors.	We held the first inter-industry roundtable led by San Miguel and Fundación Lucci, with the participation of more than 40 companies, from both the industrial and the healthcare and politics sectors.	Formalize its structure and organization. The Global Compact will sponsor such roundtable in 2017. To such end, certain challenges must be met: establishing an action framework and objectives for the table, Memorandum of Agreement with principles, establishing a signatory letter to the table by the participating companies and defining the governance of such table.
Continue emphasizing the integration between parents and teachers to focus on the diet of the children covered by this scheme, by conducting specific workshops.	We held talks to parents intended for them to be present in the education of their children, and also nutrition and diet talks, teaching how to cook diverse and nutritious meals.	Organize a healthy school workshop with Banco de Alimentos, professionals from San Miguel and Asociación Conciencia.
Strengthen nutrition and education trainings for teachers.	We held cooking, nutrition and first aid workshops for teachers, parents and children of the schools sponsored by San Miguel.	Continue with those workshops.
Conduct a pilot test with the incorporation of the 5th grade of a school into the Cre-Ser program.	The pilot test was completed with great results.	Integrate the 5th grades of the 7 schools sponsored by San Miguel into the Cre-Ser program.
Implement volunteering initiatives in South Africa and Uruguay.	In South Africa, volunteering efforts were made for Christmas, where toys were collected and donated to a neighboring kindergarten. In Uruguay, some farms received students from nearby schools.	Work on Mandela's Day (volunteering effort for the collection and donation of toys) and on Santa's Shoe Box Program, where associates collect food, clothes and toys for Christmas for deprived families.
Have a Volunteering Day in Santa Clara Kindergarten, with donations from San Miguel's associates. Develop the Shared Christmas action for the kindergarten's families.	A volunteering day was held with the children of the kindergarten, which consisted in a day reading and playing with the children. Additionally, we carried out the Shared Christmas program for the low-income families of the kindergarten.	Have two volunteering days: a collection of toys in August for Solidarity Day and a Shared Christmas with the most deprived families of the kindergarten. Staff from San Miguel Buenos Aires will prepare boxes with menus and gifts for the members of those families.
Join TECHO as contributors and build an emergency house.	We have formally become contributors of Techo, in order to add the construction of a house to the volunteering actions.	Build the first house with TECHO under the Volunteering program and continue supporting the organization for its arrival in Tucumán.

Goals for 2015	Accomplishment Status	Challenges for 2016
----------------	-----------------------	---------------------

Going along with the development of the communities in our fields of activity
Social Investment

Set up the Sustainability Action Committee composed by sustainability leaders from the different areas of the company.	The committee was set up with 25 members representing all the areas of the company. They are a great engine for change and optimism in each sustainability activity.	Hold the scheduled committee meetings together with the volunteering activities and have the active participation of the leaders of each sector.
--	--	--

Contributing to our network of suppliers in the sustainable development of their business
Fair Operation Practices

Increase the volume of inclusive purchases made from worker cooperatives composed by the wives of San Miguel's temporary workers.	The number of inclusive purchases increased substantially in 2015.	Make the Purchase and Suppliers areas aware of the importance of including these types of purchases in our value chain.
Establish work plans with small to medium-sized suppliers to develop the concept of sustainability.	Working clothes were purchased from a cooperative supplier, Consorcio Suyay.	Continue with the work plans with this kind of suppliers.
Generate a method to reuse the pallets used in the internal processes to move drums of our industrial plant in Famaillá.	We carried out a program for reusing internal use drum pallets, with a repair schedule. By the end of last year, we purchased a lot of pallets constructed with fast growing timber (<i>Eucalyptus saligna</i>), replacing fields of hardwood that grows more slowly (white quebracho).	Continue with and strengthen the pallet reutilization policy.

Interpreting the needs of our customers and meeting them with integrity
Customers

Keep using the railroad and lay the foundations for a more efficient organization that anticipates the shipment volumes and dates in advance, to be able to streamline the related logistics.	We continued using Belgrano Cargas and we continue looking for new alternatives.	Develop with the authorities from the new Argentine government a long-term program for improving logistics, mainly taking advantage of the railroad.
Stay on the top positions of All Lemon.	San Miguel continued with its leadership role in All Lemon, being active in the presidency of the organization.	Foster All Lemon leadership with presence in the largest trade shows of the industry and engaging with referents from other regions to promote lemon consumption worldwide.

01. CORPORATE GOVERNANCE



OUR COMMITMENT:

Promoting responsible business management within the organization.

Related material issues:

- Long-term business strategy



1.1 ▶ San Miguel Governance Structure

San Miguel corporate governance is composed by:

- Board of Directors
- Executive Committee
- Executive Directors
- Country Managers

Together, they foster initiatives to meet the strategic plan of the company always under the sustainable development framework of the business, the society and the environment, building transparent relationships with the stakeholders and adding value from the perspective of an international citrus company.

Board of Directors

It is composed by 10 members who meet from time to time and take the strategic decisions of the company in line with the interests of shareholders. Shareholders are represented at the General Meetings (according to the laws applicable to companies trading at the Buenos Aires Stock Market). On the other hand, through the **Board Sustainability Committee**, it takes part in the definitions for meeting the commitments undertaken as regards sustainability. It is responsible for defining and validating the strategy resulting in the economic, social and environmental management of the company.

Executive Committee

It is formed by 5 directors (including the CEO) and is highly involved in the management of the company. Its members meet every 15 days to follow up the main initiatives and strategic projects. They also discuss and validate material and relevant issues for company sustainability.

Executive Directors

They are 7 and lead the different corporate areas, implementing the strategy defined by the Executive Committee and the Board. They meet on a monthly basis with the CEO and the country managers to follow up the short-, mid- and long-term management and take relevant decisions for the smooth running of the operation.

Country managers

They are the general managers of the company in each of the operation countries, i.e. Argentina, Uruguay and South Africa. They report directly to the global CEO and work jointly and as a matrix with the 7 executive directors that manage each area. They lead their own local teams to achieve the objectives of each country and work with the corporate teams of the areas to achieve a consistent global management. This management model facilitates cooperation among countries and allows sharing the best practices, strengthening the value of A Single San Miguel.

Risk Management

San Miguel's management developed a management and monitoring model for those risks to which the organization is exposed globally, which was set up in 2014. Risks are classified as Financial, Operating, Political and Strategic, and are deployed on a Risk Map according to the likelihood they may occur and their impact. The purpose of this model is to have risks identified and analyzed, and follow them up; define mitigation plans to minimize or control the impact they may have on the company.

Description of the Process:

1. Determinant Monitoring (nearly 200 determinants being followed).
2. Positioning of Operating, Financial, Strategic and Political risks in the Risk Map (nearly 60 risks identified).
3. Risk Map Assessment at a monthly committee formed by San Miguel directors.

A specifically designed platform follows up and monitors the Risk Map, while policies, procedures, crisis action plans and business continuation plans are carried out.

MEMBERS OF THE (NON-EXECUTIVE) BOARD

- Luis Roque Otero Monsegur (Presidente)
- Gonzalo Tanoira (Vicepresidente)
- Martín Otero Monsegur
- Alejandro Anchorena (h)
- Pablo Javier Taussig
- Romain Corneille
- Agustín Otero Monsegur
- Miguel Crotto
- Cristián López Saubidet



In 2015, the Board was devoted to strategic issues of the company, such as investments made in South Africa; the issuance of Corporate Notes, donation of real estate to employees, former employees and neighbors of the farms in Tucumán; following up the crop year progress; the situation with the Effluent Treatment System in Famaillá Plant; the New Management Model of the company processes and the Risk Management process implemented by the company in 2014.

Meanwhile, the Executive Committee was involved in issues related to the long-term vision of San Miguel and followed up the execution of the strategy put forward by the Board.

Sustainability Performance

In 2015, the Board of Directors, through the Board Sustainability Committee, was specially involved in defining the most relevant initiatives in the three production points of origin, such as the biodiversity preservation projects, the carbon and water footprint validation programs, the programs for finishing school and scholarships for employees, the effluent treatment system adjustment plan in the industrial plants and the nutrition programs in the local communities.

1.2 ▶ Commitment to Sustainable Development

Our Sustainability Policy includes an Environmental Management Policy and a CSR Policy. The former establishes the guidelines to follow and the course of action within which we conduct all our business. The latter is focused on education and nutrition.

Each section of this Sustainability Report provides information on how we work to achieve these objectives.

Every sustainability commitment we undertake embraces the material issues we define for the sustainable management of our business.

SAN MIGUEL SUSTAINABILITY COMMITMENTS AND THEIR RELATIONSHIP TO OUR MATERIAL ISSUES



1. Promoting responsible business management within the organization

- Ethics and transparency in business management
- Long-term business strategy
- Fair competition

2. Contributing to our network of suppliers in the sustainable development of their business

- Supplier assessment and development
- Fight against child labor
- Promoting social responsibility in the supply chain

3. Developing people in their human and economic aspects

- Talent attraction, development and loyalty
- Employee development
- Occupational health and safety
- Diversity and equal opportunity
- Temporary employee management
- Work-life balance

4. Interpreting the needs of our customers and meeting them with integrity

- Food security
- Promoting healthy life habits (fresh citrus fruit)
- Customer service

5. Using natural and energy resources responsibly and sparingly

- Efficient use of water
- Effluent management
- Waste management
- Sustainable soil management
- Biodiversity protection
- Energy efficiency

6. Going along with the development of the communities in our fields of activity

- CSR Programs with local communities

CSR DIMENSIONS IN SAN MIGUEL, BASED ON ISO 26000 STANDARD ON SOCIAL RESPONSIBILITY



Corporate governance

Transparent relationship with shareholders and investors, authorities and stakeholders

in general, incorporating at all times the sustainability criteria and the corporate values of the organization.



Labor practices

Relationship with workers, especially including the good management in favor of the basic labor rights, health

care, occupational safety and the permanent support for the development of associates.



Suppliers

Relationship with suppliers and subcontractors, seeking to establish fair commercial conditions oriented

towards a relationship that may be sustained over time.



Customers

Relationships with customers and consumers, preserving quality, safety, security and access to information

in terms of products and services. As regards distribution, attention to the aspects of packaging and environmental protection for transport.



Environmental management

Relationships with the environment, with emphasis on the efficient use of resources, preventing environmental pollution, promoting

environmentally sustainable methods and technologies and encouraging environmental education in all areas where the company has a direct or indirect impact.



Social investment

Relationships with the community, defining scope guidelines based on the company's activities, reasonably

and sustainably seeking to help with the needs of the community. The purpose is to go along with the social capital growth in the communities where we operate.

1.3 ▶ Organizational Chart of Sustainability Governance

The following committees report to the Sustainability and Institutional Relations Department, which coordinates all the activities oriented towards the social, environmental and economic dimensions:

- The **Board Sustainability Committee** is composed by three members of the board and three members of the top management, including the CEO, the Human Resources Director and the Sustainability and Institutional Relations Director.

- The **Management Sustainability Committee** includes ten executive directors responsible for the different sustainability dimensions, who also approve the Sustainability Report every year.

These two committees met three times in 2015 and discussed the change from the CSR Committee to the Sustainability Committee, the activities and the annual schedule.

- The **Sustainability Action Committee**, composed by 25 executives who represent the operating areas, enables the diffusion of the sustainability initiatives within the company and ensures its operating implementation. In 2015, this committee met three times to review the quality and sustainability policy-making process, and the policies for the preparation of this report; they assessed projects in the communities where we are present, and new volunteering programs and initiatives for 2016 were submitted.

1.4 ▶ Dialog with Our Stakeholders



These are our key audiences and the ways in which we engage to them:

**WITH SHAREHOLDERS -
ORGANIZATIONAL
GOVERNANCE**

- Regular meetings to discuss the budget and crop year, with the participation of the Board and middle-level management.
- Engagement actions with national and provincial authorities.

**WITH THE
GOVERNMENT -
GOVERNMENT
AUTHORITIES**

- Engagement actions with national and provincial authorities.
- Optimizing the communication system with the authorities through the implementation of visit records.
- Meeting work deadlines in due time and manner, according to the schedule.
- Implementing a contingency plan for effluent treatment.

**WITH ASSOCIATES AND
TRADE UNIONS**

- *SoMos* magazine, which includes the suggestion box direccionrrhh@sanmiguelglobal.com.
- Regular communication via e-mail, notice boards, in-person meetings.
- Contact form at www.sanmiguelglobal.com.
- Quarterly Global Meeting with presentations from executives on business news and follow-up.
- Dialog with members of the Sustainability Action Committee

**WITH CUSTOMERS
AND CONSUMERS**

- Visits to the plant.
- Customer Service Department.
- International trade shows.
- Sustainability audits and other certifications.

WITH SUPPLIERS

- E-mail/telephone.
- Letters sent by the Purchase Department to suppliers.
- Individual meetings.
- Cooperation in import management.

WITH THE COMMUNITY

- Assessment of the needs of the communities where we belong, before developing programs.
- Diagnosis prior to house donation.
- Engagement with the authorities of nearby municipalities.
- Meetings with principals and teachers of rural schools and area supervisors of the Education Ministry.
- Joint work with producers.

**WITH ENVIRONMENTAL
MANAGEMENT**

- Awareness actions for the efficient use of resources.
- Environmental Management Reports requested by control bodies and financial institutions.

**WITH ORGANIZATIONS
AND ASSOCIATIONS**

- Presence in panels at congresses and conferences.
- Participation in boards and management committees in industry organizations.
- Participation in meetings of industry associations from around the world.
- Leadership of regional chambers.
- Support to different NGOs.
- Development of programs and actions with community associations.

**WITH THE PRESS AND
PUBLIC OPINION**

- In-person engagement meetings.
- Formal information sent through reports or newsletters.
- Permanent attention to external requirements.
- Corporate communication channels (website, newsletter).

1.5 ▶ Alliances and Partnerships

We support or form part of:

- Asociación Fitosanitaria del NOA (Phytopsanitary Association of Argentine Northwest)
- All Lemon
- Asociación Argentina de Logística (Argentine Logistics Association)
- Asociación Tucumana de Citrus (Tucumán Citrus Association)
- Cámara de Exportaciones de la República Argentina (Argentine Chamber of Exporters)
- Cámara de la Industria Cítrica de la República Argentina (Argentine Chamber of the Citrus Industry)
- Centro de Investigación y Asistencia Técnica a la Industria or CIATI (Center of Research and Technical Assistance for the Industry)
- Coordinadora de las Industrias de Productos Alimenticios or COPAL (Food Product Industry Coordinator)
- Mujeres en Red
- Federación Argentina de Citrus (Argentine Citrus Federation)
- Federación Económica de Tucumán (Tucumán Economic Federation)
- Fundación del Tucumán (Tucumán Foundation)
- Global Compact
- Asociación Conciencia
- Fundación Red de Acción Política (Political Action Network Foundation)
- Unión Industrial Argentina (Argentine Industrial Union)
- Universidad Nacional de Tucumán
- Universidad de San Andrés
- Universidad de la República de Uruguay
- Cámara de Exportadores de Citrus del Uruguay (Chamber of Citrus Exporters of Uruguay)
- Unión de Productores y Exportadores Frutihortícolas del Uruguay (Fruit and Vegetable Producer and Exporter Union of Uruguay)
- Unión de Exportadores del Uruguay (Exporter Union of Uruguay)
- Cámara Nacional de Comercio y Servicios del Uruguay (Chamber of Commerce and Services of Uruguay)
- Cámara de Comercio Uruguayo Británica (British-Uruguayan Chamber of Commerce)
- Perishable Products Export Control Board (South Africa)
- Fresh Produce Exporter Forum (South Africa)
- Citrus Grower Association (South Africa)

02. FAIR PRACTICES IN OUR OPERATIONS



OUR COMMITMENT:

Promoting responsible business management within the organization.

Related material issues:

- Ethics and transparency in business management
- Fair competition



2.1 ▶ Anti-corruption

2.1.1 ▶ Code of Ethics

Integrity is one of our essential values, which guides our management in an ethical, respectful and honest way. Our Code of Ethics establishes guidelines for action so that San Miguel's values are reflected in our daily actions, decisions and attitudes.

The mission of the Ethics Committee, composed by 5 directors of the company and the CEO, is to ensure compliance with this Code and meet every time it is required to discuss issues related to its compliance.

.....

If you have any question or want to report any irregularity or breach of the Code, you may anonymously call our hotline (0800-888-7264 from Argentina or +549114721-8390 from abroad) or send an e-mail with your report (codigodeetica@sanmiguelglobal.com).

.....

All concerns raised and reports made through any of the available channels are submitted to the Ethics Committee, which undertakes an investigation led by the Human Resources Department and any other department relevant for the case. Matters are investigated confidentially with the cooperation and response from the associates involved. Once the investigation has been conducted, the Ethics Committee is responsible for making a final decision, except in cases of failure to comply with the law or breaches of the Code that are considered serious, where the decision is made jointly with the Board of the Company, under a progressive discipline system.

In 2015, we held a talk to reinforce the internal coexistence rules in order to:

1. Promote and reinforce the obligation to maintain a positive behavior and attitude at work.
2. Do things right and ensure that San Miguel's philosophy is totally understood and shared by everyone.
3. Validate the obligation to comply with certain rules that become a commitment undertaken.

122 associates participated. We also included contents from the induction meeting we have for new associates.

2.1.2 ▶ Transparency in the Supply Chain

We conduct SMETA (Sedex Members Ethical Trade Audit) audits to monitor the performance of our suppliers and use the online Sedex platform to post the results. Sedex allows companies to share ethical and responsible business practices. SMETA

requirements are based on the ETI Base Code, of the **Ethical Trading Initiative**.

Ethical Trading Initiative Audits

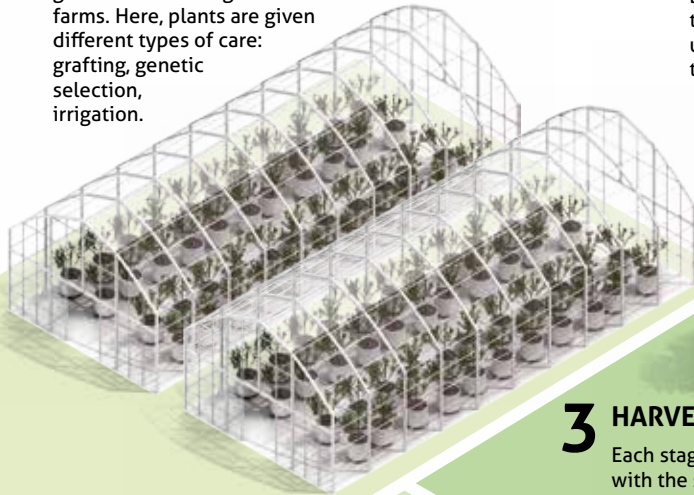
The Ethical Trading Initiative promotes adopting internationally agreed standards as part of the codes of labor practices of the company.

This is a mutual cooperation tool among

Our Production Process

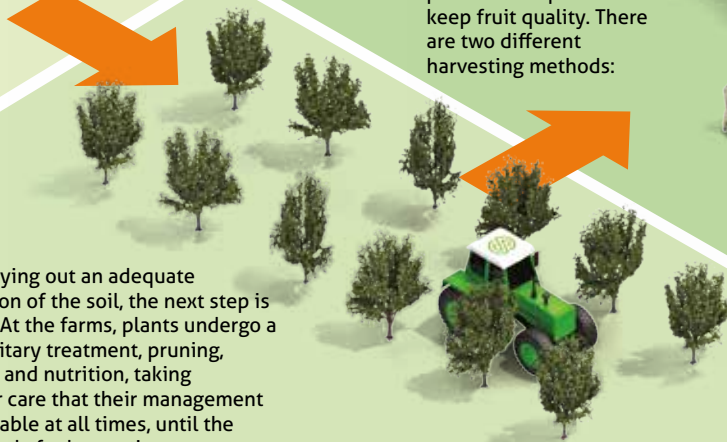
1 NURSERY

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

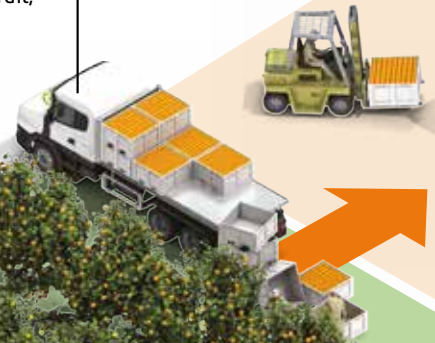
After carrying out an adequate preparation of the soil, the next step is planting. At the farms, plants undergo a phytosanitary treatment, pruning, irrigation and nutrition, taking particular care that their management is sustainable at all times, until the fruit is ready for harvesting.



3 HARVESTING

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

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



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



companies, NGOs and trade unions, committed to working jointly to identify and promote good practices in the labor conduct codes, including monitoring and verification. Through this tool, nine aspects are assessed:

- Free choice of employment.
- Respect for freedom of association and the right to collective bargaining.
- Safe and healthy working conditions.

- No child labor.
- Living wage pay.
- Non-excessive working hours.
- Non-discrimination.
- Regulated work.
- Abolition of violent or inhuman treatment.

In 2015, we had this type of audits completed in the Packing, Factory and Field sectors, with very successful results.

4a FRESH FRUIT PACKING

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

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

Then it is packed in boxes for different presentations.

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

5 LOGISTICS

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

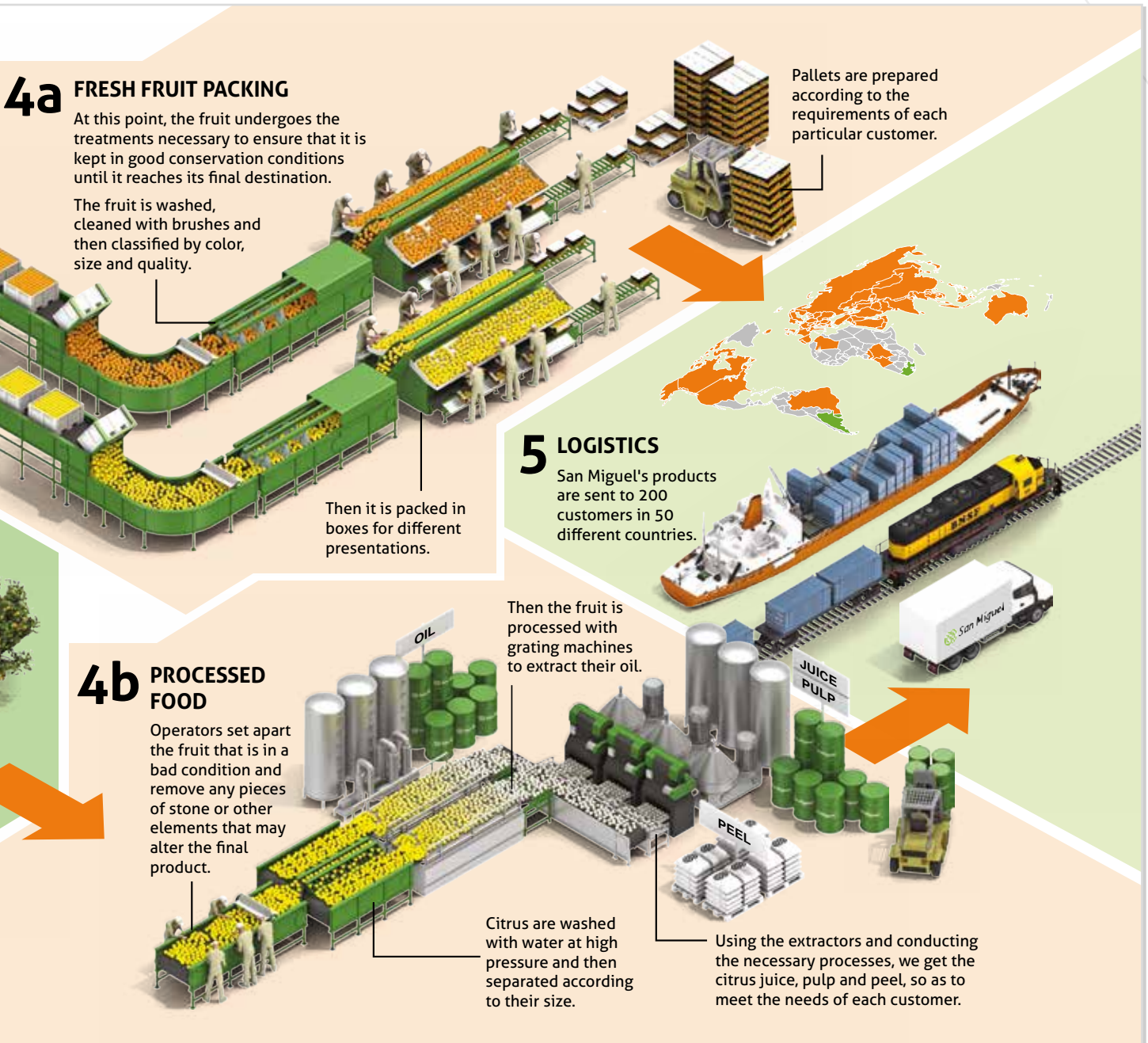
4b PROCESSED FOOD

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

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

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

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



2.2 ▶ Sustainability in Our Suppliers

OUR COMMITMENT:

Contributing to our network of suppliers in the sustainable development of their business.

Related material issues:

- Supplier assessment and development.
- Fight against child labor.
- Promoting social responsibility in the supply chain.



NUMBER OF SUPPLIERS		
Country	2014	2015
Argentina	496	553
Uruguay	489	408
South Africa	*	188
TOTAL		1,149

* This information is not available.

SUPPLIERS IN ARGENTINA BY REGION - 2015		
Region	Number of suppliers	Percentage
Tucumán	273	49.37%
Federal Capital City	55	9.95%
Buenos Aires	144	26.04%
Santa Fe	23	4.16%
Córdoba	14	2.53%
Salta	9	1.63%
Mendoza	8	1.45%
Río Negro	5	0.90%
Santiago del Estero	3	0.54%
Entre Ríos	2	0.36%
Catamarca	2	0.36%
San Juan	2	0.36%
San Luis	4	0.72%
Chaco	2	0.36%
Bahía Blanca	1	0.18%
Jujuy	2	0.36%
Mar del Plata	3	0.54%
Neuquén	1	0.18%
TOTAL SUPPLIERS	553	100%

SUPPLIERS BY TYPE OF SUPPLY IN ARGENTINA - 2014		
	Number of suppliers	Purchase amount in USD
Production materials	121	15,913,566
Indirect materials	365	22,208,878
Assets and services	90	9,937,897
TOTAL	576 *	48,060,342

SUPPLIERS BY TYPE OF SUPPLY IN ARGENTINA - 2015		
	Number of suppliers	Purchase amount in USD
Production materials	150	21,583,967.67
Indirect materials	265	7,493,700.26
Assets and services	307	13,823,583.50
TOTAL	722 *	42,901,251.43

* Includes local and foreign suppliers.

SUPPLIERS BY TYPE OF SUPPLY IN URUGUAY - 2015		
	Number of suppliers	Purchase amount in USD
Production materials	52	2,927,377.34
Indirect materials	152	885,426.47
Assets and services	204	3,525,520.93
TOTAL	408	7,338,324.74

SUPPLIERS BY TYPE OF SUPPLY IN SOUTH AFRICA - 2015		
	Number of suppliers	Purchase amount in USD
Production materials	21	1,877,515.90
Indirect materials	41	423,789.80
Assets and services	126	1,895,790.62
TOTAL	188	4,197,096.32

PERCENTAGE OF LOCAL SUPPLIERS - 2015	
Argentina	93.7%
Uruguay	95.4%
South Africa	100%



OVERALL PURCHASE AMOUNTS IN 2015		
Country	Purchase amount in USD	%
Argentina	42,901,251.43	78.8%
Uruguay	7,338,324.74	13.5%
South Africa	4,197,096.32	7.7%
TOTAL	54,436,672.49	100.0%

OVERALL PURCHASE AMOUNTS IN 2015		
Country	Purchases abroad (imports) in USD	% Imported
Argentina	8,877,718.49	20.7%
Uruguay	721,541.95	9.8%
South Africa	0	0
TOTAL	9,599,260.44	17.6%

2.2.1 ▶ How We Select Our Suppliers

We use the following selection criteria depending on the type of supplier, the criticality from the point of view of food safety, sourcing and criticality in terms of maintenance:

- We consider the experience in the provision of similar materials, supplies or services.
- We analyze samples.
- We take into account quality certifications and their certification bodies.
- We conduct audits and assessments pursuant to the quality area assessment standard.
- We check the background in other companies of the industry.
- We take into account any other criteria as may be appropriately defined.
- In the case of production materials, we require very specific quality certifications.

2.2.2 ▶ This is How We Assess Our Suppliers

According to our Supplier Assessment Policy, every year the Purchase and Quality Assurance teams assess suppliers based on parameters such as service, on-time delivery performance, specifications met and quality assessment through audits. Audits may be in-person or self-assessment audits and be effective for one to three years.

Additionally, we have an auditing schedule for suppliers of critical supplies and raw materials. In these cases, the assessments are conducted by staff from the Quality Assurance area; in 2015, we added internal auditors, who completed a practical training.

2.2.3 ▶ Responsible Suppliers

With each acquisition or purchase, we have the possibility of influencing other companies. Being aware of this, we promote our principles and responsible practices to our suppliers, under ISO 26000.

Sustainable development is at the heart of our values. That is why we assess and appreciate the actions taken by our suppliers to preserve the environment, protect the community and boost their development. Thus, when we incorporate a supplier, we identify if it has a CSR or environmental protection policy in place.

In 2015, the Purchases and Suppliers area strengthened the process to inform, explain and train new suppliers on the **Supplier Code of Ethics** during approval and incorporation. Created in 2014 especially for suppliers, this document details how we conduct business and is complemented by the Employee Code of Conduct. All suppliers are required to sign it before they may start working with us, and the Purchases and Suppliers area must ensure its compliance.



INCLUSIVE PURCHASES

In 2015, we continued working with Fundación Cultural del Norte, a cooperative that supplies clothing and made up of the wives of San Miguel's temporary workers (Consortio Suyay). The purpose was to make it grow and extend its presence in the market. We purchased over 3,900 items of clothing (vs. 120 in 2014). We also facilitated the financial conditions to access to the purchase of raw materials as well as to business contacts.



2.2.4 ▶ Programs with Suppliers

Responsible management of supplies and raw materials

In addition to requiring our suppliers to strictly comply with the Supplier Code of Ethics, we also work with them and help them to responsibly conduct their activities, if required.

In 2015, we initiated an intensive program for repairing and reusing plastic cans or boxes for harvesting fruit. We repair them through plastic welding and thus we extend their use. **As a result, we recycled over 3,000 cans.**

.....

In 2015, we recovered 1,800 wood pallets to transport drums within our industrial plant in Famaillá. We also acquired pallets made of fast-growing timber, and replaced those made of hardwood that grows more slowly.

.....

Additionally:



We maintained the reverse logistics process and reused the wood pallets or platforms with which we receive cardboard packages.



We purchase whitewash in packages called big-bags (big disposable polypropylene bags), instead of 25 kg bags. Once used, these bags are re-sold to one of our suppliers, who restores them for subsequent reinsertion into the whitewash supply logistics. The use of this type of containers makes transport, storage and distribution logistics more efficient.

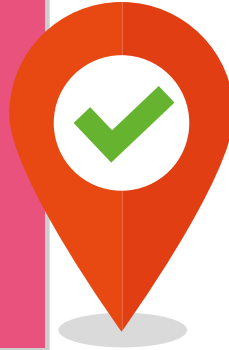


We purchase phosphoric acid in 100 L IBC plastic containers. Once empty, we reuse these containers to contain and receive caustic soda in our warehouses.

03. OUR COMMITMENT TO HUMAN RIGHTS



Aligned with the universal principles of the United Nations Global Compact, the International Labor Organization Declaration on Fundamental Principles and Rights at Work, the Global Reporting Initiative (GRI) and the United Nations Guiding Principles on Business and Human Rights, implementing the United Nations "Protect, Respect and Remedy" framework, San Miguel respects and promotes the essential rights of any human being, recognizes both their significance and universal nature, which makes them indivisibly applicable in all situations.



Recognition and respect for human rights are broadly considered as essential, both for the principle of legality and for the concepts of equity and social justice. They are the basic grounds for most of the essential institutions of society. When we adopted ISO 26000, we committed ourselves to be an organization responsible for respecting human rights, even in its area of influence.

San Miguel prohibits any form of discrimination, forced labor and child labor, and we are committed to providing safe and healthy working conditions that are essential for the physical and psychological safety and the basic dignity of any individual. We also defend the right to freedom of association and collective bargaining, and to have effective information and consultation procedures.

.....

"Human rights are the fundamental rights to which a person is inherently entitled simply because she or he is a human being. There are two broad categories of human rights. The first category, civil and political rights, includes rights such as the right to life, equality before the law and freedom of speech. The second category involves economic, social and cultural rights and includes the right to work, the right to food, the right to the highest attainable standard of health, the right to education and the right to social security."

ISO 26000 International Standard. Guidance on Social Responsibility, ISO 26000, November 2010 Edition.

.....

3.1 ▶ Human Rights and Our Employees

3.1.1 ▶ Committed to Human Rights

We provide equal opportunities and fair treatment to all our employees. In this sense, we make the following commitments:



No child labor: we do not employ children under the age of 18. We understand that harvest-related operations carry a risk of child exploitation incidents. Thus, we carry out checks during the crop season, in order to detect any deviation.



We believe in freedom and in the right to choose decent work: we are convinced that work is a right. Thus, we do not use forced labor, or work or services demanded from an individual under the threat of violence or punishment. To support the right to decent work and prevent any form of forced labor, we carry out year-round random attendance checks at the farms.



We promote diversity and respect for individual differences: all employees and applicants are considered for the available vacancies, regardless of their religion, gender, age, race, color, national origin and physical ability, except when they must meet requirements based on conditions that translate into specific physical demands.



We ensure freedom of association to our employees: we allow having meetings with union representatives during working hours and provide the physical space to hold elections. We maintain an open and respectful dialog with legal representatives.

3.1.2 ▶ Diversity and Social Inclusion

.....

“Full and effective participation and inclusion of all groups in society, including vulnerable groups, offers and increases opportunities for all organizations and people affected. An organization has much to win if it chooses an active approach ensuring equal opportunities and respect to all individuals.”

ISO 26000 International Standard. Guidance on Social Responsibility, ISO 26000, November 2010 Edition.

.....

San Miguel is committed to social diversity and inclusion:

- We avoid any distinction, exclusion or preference that may give rise to rejection or unequal opportunities in the treatment or occupation of our employees.
- We commit ourselves to access to employment, education and career development and the promotion policy. This policy is based only on people's abilities.
- We promote equality and equity in the conditions related to employment contract, compensation, working hours, breaks, leaves of absence, vacations, social security, occupational health and safety. Any difference is based on the provisions of the Employment Contract Law or the collective bargaining agreements applicable to our business.

- We do not draft or endorse provisions, clauses or decisions that may cause disadvantages among our associates.
- We make use of individual and cultural differences in order to create competitive advantages through new points of view and sensitivity in the market.
- We treat all associates with dignity, respect and recognition, generating a cooperative and tolerant work environment.

In case of any violation to human rights, our employees have a reporting channel. Inquiries or reports on irregularities are referred to the Ethics Committee.

For operations outside Argentina, San Miguel's employees have dedicated hotlines. They may also report their concerns via e-mail.



To learn more about the Code of Ethics, see section 2.1. of this Report.

.....
 In 2015, 65% of the persons who joined the company were women.



3.2 ▶ Human Rights in Our Value Chain

We consider it important to extend our values to suppliers and the whole value chain, thus exercising due diligence in order to identify, prevent and address actual or potential impacts on Human Rights. We have developed a **Supplier Code of Ethics**, which currently applies to **42% of critical suppliers**.

San Miguel's Supplier Code of Ethics is supplemented with San Miguel's Employee Code of Conduct as well as with the company's policies and procedures that are referred to in the code.

PRINCIPLES OF THE RELATIONSHIP WITH SUPPLIERS



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 by adhering to and complying with the following principles:

Commercial conduct guidelines

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

Employment guidelines

4. Foster a work environment for employees that is free of harassment and discrimination.
5. Treat employees fairly and honestly.
6. Prohibit child labor.

7. Respect the right of the employees to freedom of association and collective bargaining pursuant to the local laws.
8. Health, safety, environmental and quality guidelines.
9. Conduct its operations preserving and protecting the environment and comply with all the applicable environmental laws and regulations.
10. Distribute products and services that comply with the quality and safety standards.

Waste and emissions

11. Suppliers must have systems *in situ* to ensure a proper management of waste, air emissions and waste water discharges from any part of their process.

General guidelines

12. Responsibly support the compliance with this code by establishing appropriate administration and management processes.
13. Report breaches to the Code by calling a free hotline or sending an e-mail.



To learn more about this process, see section 2.2. of this Report.

3.3 ▶ Human Rights and Our Customers

Consumers' health is very important to our company. Thus, we implement a traceability system that allows us to ensure our customers **the food security, quality and safety** of all our products. Different quality certifications endorse our products, giving our customers the peace of mind they need to offer their products to consumers.



To learn more about the quality process, see detailed information in section 5.3. of this Report.

3.4 ▶ Human Rights and Our Communities

We develop our social investment programs in relation to **nutrition, health and education**. These pillars on which we base our initiatives are part of the UN Declaration on Human Rights.



To learn more about these initiatives, see sections 7.2. and 7.3. of this Report.

On the other hand, together with the Public Health Chair of the Medicine School of Universidad Nacional de Tucumán and other NGOs, we developed the **Interinstitutional Project for Gender Equality**. The purpose: Create more equal conditions, identify gender-based violence factors and introduce inclusion policies for women in formal employment.

We continue engaging with different social organizations that work exclusively on childhood issues and that ensure that Children's Rights are respected.



More information in section 7.5 of this Report.

.....

In 2010, the General Assembly of the United Nations recognized the human right to water as essential to the realization of all human rights. We know that it is a scarce resource and thus we developed a plan to maintain business in a sustainable way.

.....



Section 6.3. of this Report includes information on how we are working to achieve this.

04. LABOR PRACTICES



OUR COMMITMENT:

Developing people in their human and economic aspects.

Related material issues:

- Talent attraction, development and retention
- Employee development
- Occupational health and safety
- Diversity and equal opportunity
- Temporary employee management
- Work-life balance

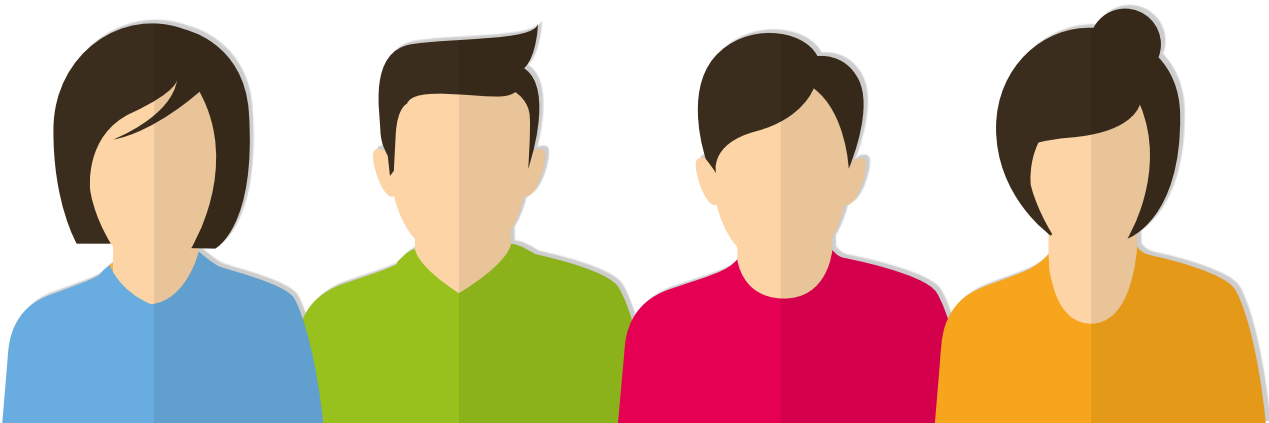


When managing our human resources:

- We raise awareness among top managers, middle 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 full development of associates.
- We comply with all labor laws and regulations.
- We attract and retain talent, which positions us as the favorite company to work for in strategic markets.

New actions 2015:

- We modified the caps of family allowance scales.
- We granted family allowances to seasonal workers with three months of contributions.
- We implemented an Early Retirement Plan and a Voluntary Redundancy Plan.



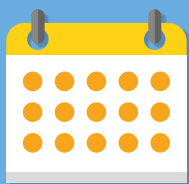
4.1 ▶ Our Employees in Numbers

EMPLOYEES BY REGION AND TYPE OF CONTRACT - AS OF JULY 2015				
Region	Permanent	Temporary	Total	
Argentina	630	5,611	6,241	
Uruguay	169	1,417	1,586	
South Africa	86	312	398	
TOTAL	885	7,340	8,225	

EMPLOYEES BY REGION AND TYPE OF CONTRACT - AS OF DECEMBER 2015				
Region	Permanent	Temporary	Total	
Argentina	629	624	1,253	
Uruguay	154	446	600	
South Africa	134	154	288	
TOTAL	917	1,224	3,365	

EMPLOYEES BY REGION AND GENDER				
Region	Men	Women	Total	
Argentina	1,136	117	1,253	
Uruguay	107	50	157	
South Africa	209	79	288	

TEMPORARY EMPLOYEE MANAGEMENT



Citrus activity is labor-intensive in the harvest season, during which a combined number of around 7,500 workers are hired per year in Argentina, Uruguay and South Africa.

EMPLOYEES AS OF DECEMBER 2015 - ARGENTINA

	Men	Women	Total
Total employees	911	116	1,027
Total number of outsourced workers	225	1	226
BY CATEGORY			
Director	7	0	7
Manager	26	7	33
Head	30	18	48
Employee	166	61	224
Operator	904	31	935
BY AGE			
18-19 years old	1	0	1
20-29 years old	81	16	97
30-44 years old	605	66	671
Older than 45 years	450	34	484
BY TYPE OF JOB			
Full-time	1,135	115	1,250
Part-time	1	2	3
BY TYPE OF CONTRACT			
Indefinite period or permanent employment contract	532	97	629
Fixed-term or temporary employment contract	604	19	623
Trainees	0	1	1
BY TYPE OF JOB			
Company employees	911	116	1,027
Outsourced	225	1	226





EMPLOYEES AS OF DECEMBER 2015 - URUGUAY

	Men	Women	Total
Total employees	104	50	154
Total number of outsourced workers	0	0	0
BY CATEGORY			
Director	0	0	0
Manager	6	0	6
Head	11	3	14
Employee	87	47	134
Operator	0	0	0
BY AGE			
18-19 years old	0	0	0
20-29 years old	14	10	24
30-44 years old	44	27	71
Older than 45 years	46	13	59
BY TYPE OF JOB			
Full-time	104	50	154
Part-time	0	0	0
BY TYPE OF CONTRACT			
Indefinite period or permanent employment contract	104	50	154
Fixed-term or temporary employment contract	0	0	0
Trainees	0	0	0
BY TYPE OF JOB			
Company employees	104	50	154
Outsourced	0	0	0

EMPLOYEES AS OF DECEMBER 2015 - SOUTH AFRICA			
	Men	Women	Total
BY CATEGORY			
Manager	13	2	15
Head	11	1	12
Employee	134	74	208
Operator	51	2	53
BY AGE			
18-19 years old	1	0	1
20-29 years old	57	14	71
30-44 years old	103	50	153
Older than 45 years	48	15	63
BY TYPE OF JOB			
Full-time	95	39	134
Part-time	114	40	154
BY TYPE OF CONTRACT			
Indefinite period or permanent employment contract	95	39	134
Fixed-term or temporary employment contract	114	40	154
Trainees	0	0	0
BY TYPE OF JOB			
Company employees	209	79	288
Outsourced	0	0	0

ASSOCIATES BY CATEGORY AND AGE GROUP IN 2015 - ARGENTINA				
	18-19 years old	20-29 years old	30-44 years old	Older than 45 years
Director	0	0	4	3
Manager	0	0	22	11
Head	0	1	34	13
Employee	0	58	486	390
Technician	1	58	486	390
TOTAL	1	97	671	481

ASSOCIATES BY CATEGORY AND AGE GROUP IN 2015 - URUGUAY				
	18-19 years old	20-29 years old	30-44 years old	Older than 45 years
Manager	0	0	1	5
Head	0	1	5	8
Employee	0	20	63	51
Technician	0	0	0	0
TOTAL	0	21	69	64

ASSOCIATES BY CATEGORY AND AGE GROUP IN 2015 - SOUTH AFRICA				
	18-19 years old	20-29 years old	30-44 years old	Older than 45 years
Manager	0	4	8	3
Head	0	2	6	4
Employee	1	62	113	32
Technician	0	3	26	24
TOTAL	1	71	153	63

Turnover

ASSOCIATE TURNOVER IN 2014 - ARGENTINA		
	Number of associates	% turnover (1)
Total turnover	1,143	8.3%
BY GENDER		
Women	15 (new hires), 18 (terminations)	-0.3%
Men	242 (new hires), 144 (terminations)	8.6%
BY AGE		
18-19 years old	0	0
20-29 years old	35 (new hires), 10 (terminations)	2.2%
30-44 years old	162 (new hires), 50 (terminations)	3.2%
Staff older than 45	60 (new hires), 102 (terminations)	-3.7%

ASSOCIATE TURNOVER IN 2015 - ARGENTINA		
	Number of associates	% turnover (1)
Total turnover	1,027	15.77%
BY GENDER		
Women	38 (new hires), 17 (terminations)	2.04%
Men	201 (new hires), 145 (terminations)	5.45%
BY AGE		
18-19 years old	2 (new hires), 2 (terminations)	0%
20-29 years old	101 (new hires), 55 (terminations)	4.48%
30-44 years old	114 (new hires), 73 (terminations)	4.00%
Staff older than 45	22 (new hires), 32 (terminations)	-0.97%

ASSOCIATE TURNOVER IN 2014 - URUGUAY		
	Number of associates	% turnover (1)
Total turnover	1,586	46.9%
BY GENDER		
Women	538	44.5%
Men	1,048	48.3%
BY AGE		
18-19 years old	126	93.3%
20-29 years old	607	97.4%
30-44 years old	556	94%
Staff older than 45	282	86.7%

ASSOCIATE TURNOVER IN 2015 - URUGUAY		
	Number of associates	% turnover (1)
Total turnover	1,574	19.5%
BY GENDER		
Women	523	17.04%
Men	1,051	20.64%
BY AGE		
18-19 years old	199	100%
20-29 years old	613	50.52%
30-44 years old	505	13.6%
Staff older than 45	257	7%

ASSOCIATE TURNOVER IN 2015 - SOUTH AFRICA		
	Number of associates	% turnover (1)
Total turnover	1,120	74%
BY GENDER		
Women	267	75%
Men	853	70%
BY AGE		
18-19 years old	8	88%
20-29 years old	464	85%
30-44 years old	513	70%
Staff older than 45	135	53%

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

4.2 ▶ Working Conditions and Social Welfare

We provide a space for holding the elections of the legal representatives and the meetings with union representatives (on a weekly basis during the high season and on a monthly basis off-season) during working hours. We maintain an open and respectful dialog with the latter. In this

line, the San Miguel top officers hold meetings with union leaders once a month and as required by extraordinary circumstances.

In Argentina, we do not have funds allocated to employee retirement, while in South Africa we have a retirement with 10% of the base salary.

4.3 ▶ Staff Selection

We recruit and select people with talent and technical experience according to the labor laws in force and the best professional practices. Thus, we create transparent and effective processes that allow hiring qualified staff for each position.

In 2015, we launched an **Internal Mobility Policy**. If there is a specific need to cover a position, we first resort to our own associates, driving internal movements (horizontal and vertical) that foster the development of our human capital.

In the case of heads, managers and executives, we enabled a new tool in 2015: the **Opportunity Committee**. A group of associates in a position higher than the vacant position may nominate internal candidates taking into account information from multiple processes and the job requirements. After this step, we define whether the position is covered with an internal candidate or an external search is required.

Under this framework, we define two new recruiting processes:

1. **Internal search:** the selection area validates the job profile and conducts recruitment through internal means, receives candidates and carries out a selection process with interviews and tests.
2. **Referral Program:** this stage applies to all positions that remain vacant after the internal search processes. When no internal natural candidates are selected as a result of an internal search or through the Opportunity Committee, the referee nomination is launched. Any associate may refer as long as the search conditions are met. If at the end of the process a referred candidate is hired, the person who referred him/her receives a corporate gift.

IN 2015...



We incorporated 54 non-collective agreement individuals (29 analysts, 4 coordinators, 10 supervisors/leaders, 9 heads, 1 manager, 1 country manager).



We closed 42 searches by recruitment source (10 by external consulting firms and 32 by the Selection team, 20 of which were external, 7 internal and 5 through the Referral Program).



NEW HIRES - 2014				
	Argentina	Uruguay	South Africa	Total
Total new hires	257	3,714	12	3,983
BY GENDER				
Men	242	2,571	5	2,818
Women	15	1,143	7	1,165
BY AGE				
18-19 years old	0	349	0	349
20-29 years old	35	1,647	5	1,687
30-44 years old	162	1,209	7	1,378
Older than 45 years	60	509	0	569

NEW HIRES - 2015				
	Argentina	Uruguay	South Africa	Total
Total new hires	239	2,991	886	4,116
BY GENDER				
Men	201	2,156	684	3,041
Women	38	835	202	1,075
BY AGE				
18-19 years old	2	261	7	270
20-29 years old	101	1,318	402	1,821
30-44 years old	114	974	390	1,478
Older than 45 years	22	438	87	547

In 2015, we ran the first **agenda of San Miguel Employer Brand**, which included:

Participation in different job fairs with stands, talks and simulated interviews:

- Exacta para Todos (Engineering School, Universidad Nacional de Tucumán).
- Universidad de San Andrés (Buenos Aires).
- Universidad Austral (Buenos Aires).
- Expoempleo Ser Lo que Quieras (CABA Government, Buenos Aires).
- Feria de Empleo (Vicente López, Buenos Aires).

Meetings with universities to introduce the Young Talent Program:

- Universidad Nacional de Tucumán: Agronomy School, Exact Sciences School, Economics School.
- Universidad Nacional Santo Tomás de Aquino (Tucumán): Engineering School and Economics and Management School.

Personal interviews at universities, where participants may simulate a job interview experience and get feedback on aspects to improve and CV preparation.

.....

4th Edition of the Young Talent Program. In 2015, we hired 11 young new graduates or students at the last year of university, who rotated in different areas and projects related to External Communications and Institutional Relations, Processed Food - Commercial, New Products and Business Development, Engineering and Maintenance, Financial Planning, Sourcing, Accounting, Management Control, Packing and Integrated Crop Management.

.....

4.4 ▶ Profile of Our Associates

Every area and position is singular and requires a tailored profile. However, all San Miguel's associates must identify themselves with the values of the company and build the following skills:



WE FOCUS ON CUSTOMER	<ul style="list-style-type: none"> • Exceeding the existing and potential needs of the customer. • Prioritizing long-term relationships. • Delivering products and services that create value and differentiation.
WE ACHIEVE THE BEST RESULTS	<ul style="list-style-type: none"> • Setting challenging objectives and being committed to results. • Proposing high quality and productivity standards. • Efficiently managing the company's resources.
WE WORK AS A TEAM	<ul style="list-style-type: none"> • Being part of a single and great team. • Listening to and valuing the ideas and opinions of others. • Promoting engagement and cooperation
WE TAKE ON RESPONSIBILITY	<ul style="list-style-type: none"> • Being responsible for the task and the consequences of our actions. • Responding quickly and taking timely decisions. • Complying with the company's rules and policies.
WE MANAGE CHANGE WITH FLEXIBILITY	<ul style="list-style-type: none"> • Identifying situations that require changes. • Taking on changes as learning lessons. • Working efficiently in different situations.
WE ARE PROACTIVE AND INNOVATIVE	<ul style="list-style-type: none"> • Working enterprisingly and proactively. • Proposing solutions and ideas that add value. • Challenging the status quo.
WE COMMIT TO SUSTAINABILITY	<ul style="list-style-type: none"> • Being responsible for safety at work. • Taking care of health and the environment. • Finding a balance between work and personal life.
WE ARE CONTINUOUSLY LEARNING	<ul style="list-style-type: none"> • Gaining knowledge and developing skills. • Sharing experience. • Developing an enthusiastic and continuous improvement spirit.
WE LEAD AND DEVELOP OUR PEOPLE	<ul style="list-style-type: none"> • Providing orientation and motivation. • Providing feedback and ongoing recognition. • Making the company one of the best places to work.
WE THINK STRATEGICALLY	<ul style="list-style-type: none"> • Anticipating future scenarios. • Managing with a systemic vision. • Improving the competitive positioning of the company.

4.5 ▶ Compensations and Benefits

San Miguel's Compensation Policy seeks to adequately and equally compensate workers, ensuring internal consistency and external competitiveness. As regards the base salary ratio between men and women, the proportion is as follows:

AVERAGE SALARY RATIO M/W - ARGENTINA	
Position Level	BSM/BSW
Manager	1.28
Head	1.18
Employees	1.03

AVERAGE SALARY RATIO M/W - BUENOS AIRES	
Position Level	BSM/BSW
Manager	1.38
Head	1.09
Employees	0.99

AVERAGE SALARY RATIO M/W - TUCUMÁN	
Position Level	BSM/BSW
Manager	1.21
Head	1.22
Employees	1.05

BSM: Base Salary - Man. BSW: Base Salary - Woman

TOTAL ANNUAL COMPENSATION BETWEEN THE HIGHEST-PAID ASSOCIATE AND THE MEAN TOTAL ANNUAL COMPENSATION FOR ALL EMPLOYEES	
Argentina (including CEO and directors)	7.7
Uruguay	4.3
South Africa	5.6

* The compensations are those of Non-collective Agreement staff.

The compensation differences by location arise from the different costs of living between the provinces of Buenos Aires and Tucumán. In order to balance these amounts, we consider different compensation structures in the valuations of the jobs in both areas.

AVERAGE SALARY RATIO M/W - URUGUAY	
Position Level	BSM/BSW
Manager	*
Head	0.94
Employees	1.24

* In December 2015 there were no women managers in Uruguay.

AVERAGE SALARY RATIO M/W - SOUTH AFRICA	
Position Level	BSM/BSW
Manager	0.00
Head	1.41
Employees	1.16

* The compensations considered are those of Non-collective Agreement staff.

RATIO BETWEEN THE PERCENTAGE INCREASE OF TOTAL COMPENSATION OF THE HIGHEST-PAID ASSOCIATE AND THE AVERAGE PERCENTAGE INCREASE OF TOTAL ANNUAL COMPENSATION FOR ALL EMPLOYEES	
All the countries where the company operates	1.0


4.6 ▶ San Miguel Benefits


Type of benefit	Benefit	Argentina			Uruguay	South Africa
		Lavalle	Famaillá	Bs. As.		
SAFETY	Health coverage	●	●	●		●
	Help for disease	●	●	●	●	
	Nutritional advice	●	●	●	●	
	Medical check-up			●		
	Medical examination - Senior staff			●		
	Active breaks at the offices	●	●			
EDUCATION	Scholarships for employees	●	●	●	●	●
	Scholarships for employees' children	●	●	●		
	Gift at the beginning of the school year	●	●	●	●	
FINANCIAL	Options of the bank with agreement	●	●	●	●	
	Salary advance	●	●	●	●	●
TRANSPORT	Car according to position	●	●	●		
	Reimbursements for use of own car	●	●	●		●
	Fuel allowance	●	●	●		
	Charter		●	●		●
SPECIAL LEAVES	Part-time maternity/adoption	●	●	●	●	●
	Paternity/adoption	●	●	●	●	●
	Unpaid leave	●	●	●	●	
	Compensation for business trip	●	●	●	●	
	Summer Fridays	●	●	●	●	●
	Moving house	●	●	●	●	
RECREATION	Gym membership fee allowance			●		
	Birthday half day off	●	●	●	●	●
GIFTS	Birth gifts	●	●	●	●	●
	Year-end gifts	●	●	●	●	●
FOOD	Refreshments/fruit	●	●	●	●	
OTHER	Discount Program	●	●		●	
	Merchandising	●	●	●	●	●
	Cell phone	●	●	●	●	●

4.7 ▶ Actions with Our Employees and Their Families


In 2015, we carried out the following initiatives:


 **Program for the Recognition of Service at the Company:** Unlike previous years, recognitions were awarded at the year-end events of the different locations in Argentina. We also added new categories to recognize those people who participated in different committees and projects (Sustainability Committee, Internal Correspondents Committee, Awards for Commitment to Health and Safety, e-BOE Project, Internal Trainers).

 **Christmas Eve for Everyone:** A shared Christmas, where we collaborate with the families living near our farms, preparing a box with a Christmas meal for Christmas Eve.

 **Celebrations for Children's Day:** In the case of the children of our farm associates, we had an afternoon with chocolate milk and games at the main sites in the North and South areas of Tucumán. Additionally, associates from Lavalle and Famallá plants could choose from a variety of experiences for their children.

 We gave gifts to our associates on **Mother's Day, Father's Day, Women's Day and Secretary's Day.**

 **Soccer Championship:** In September, we had the 11th San Miguel Cup Soccer Championship, with the participation of 377 associates from 29 teams in 4 zones (Central Zone, South Zone, North Zone and Buenos Aires).

 **Trivias:** We had three throughout the year. In Easter, with the children of associates; and over Sweetness Week and Friendship Week with associates.

RETURN TO WORK AND RETENTION RATES AFTER PARENTAL LEAVE IN 2015 - ARGENTINA

	Women	Men
Number of employees that were entitled to parental leave	7	22
Number of employees that took parental leave	7	22
Number of employees who returned to work after parental leave ended	7	22
Return to work and retention rates of employees who took parental leave	100%	100%



SOCCER CLINICS IN SOUTH AFRICA

For a fourth year in a row, San Miguel Soccer Clinic was carried out. We invited associates from SRCC, Habata, SAN Parks, Sun Citrus and Venco, and the entire community of San Miguel to attend soccer trainings given over nine days by Gastón Castillo and Jorge Luis Ghiso, two well-known Argentine professionals,

We also worked on issues related to men's health and special emphasis was put on the value of the word "engagement" and on the importance of setting objectives.

The clinic ended with a two-day tournament, with the Venco team crowned as champion. San Miguel was completely in charge of the organization of the event, as well as of the provision of refreshments.



WE CONTINUE FOSTERING OUR PEOPLE'S WELL-BEING

As part of the *Living a winning life* program carried out by San Miguel in South Africa for our temporary associates, we developed a **workshop focused on healthy eating and lifestyle**. The workshop was **open to all associates from neighboring companies: SAN Parks, Venco, Sun Citrus and SRCC**, which enthusiastically joined us. At the end of the play activities, **nutritionists from San Miguel's Health Department shared relevant information material** with the 50 participants.

4.8 ▶ Human Development and Training at the Workplace

Our Training Plan allows our employees to update and develop their skills according to the general goals of the company. In 2015, we launched the Process to Identify Training Needs in Argentina, Uruguay and South Africa at the

same time. In this way, we built a systematic plan, aligning contents and budgets.

Specifically, we had trainings in the following subject matters:

Subject matters	Percentage (*)
Basic training pillars (Occupational Health and Safety, Environment and Quality)	36.5%
Technical Trainings	40.3%
Management/Conduct	23.1%

* Implies the percentage on total training courses delivered at San Miguel for company staff.

These are the training programs with the highest impact and audience in 2015:

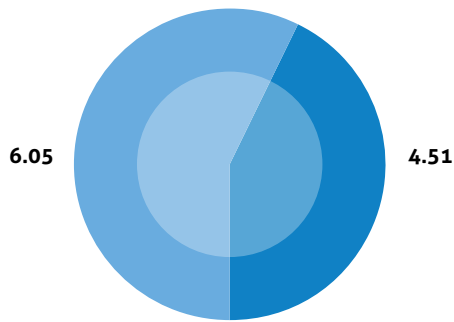
- Foreign Language Training Program (English).
- Communication Skills Development Program.
- Associate Development Skills Program (for middle-level management)
- Focused programs for high potential: HIPO FORUM, IAE.
- PMS Program - Performance Management Skills Development Workshops.
- Leadership Strengthening Program (for supervisors at Industrial Plant, Packing Plant, Maintenance, Logistics and Field areas).
- 2015 Young Talent modular training program.



Hours of training per employee

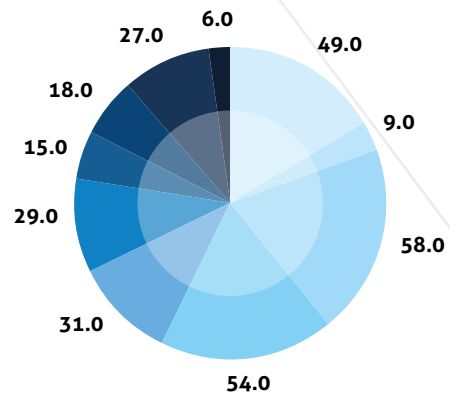
▶ Argentina 2015

By gender



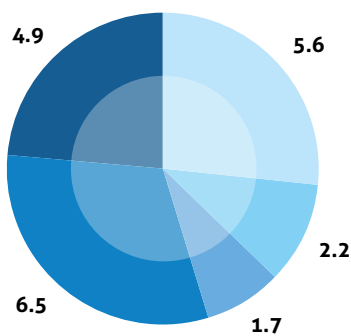
Men ● Women

By category



Country manager ● Coord./Person responsible
 Director ● Person in charge
 Manager ● Foreman
 Head ● Analyst/Adm./Assist./Clerk
 Supervisor ● Operator

Training Program



Occup. Health and Safety ● Technical Trainings
 Environment ● Management/Conduct
 Quality ●

Percentage of revenues assigned to staff training and education

This is the total training expenditure (\$2,812,697.39) on total revenues or net sales of 2015 (\$1,638,845,555), which results in 0.17% (average market according to Reporte BIG 0.16%).



4.9 ▶ Performance Assessment

In 2015, we implemented changes to optimize the performance of associates when applying the Performance Management Tool. For example, we modified the score scale, adopted a new Mid-Year Review stage, focused on feedback and not on redefining objectives.

.....

In 2015, 204 non-collective agreement associates had their Performance Assessment, which included the following stages: Setting of objectives, Mid-Year Review, Self-assessment, Assessment, Calibration and Feedback.

.....

4.10 ▶ Occupational Health and Safety

We work with different Occupational Health and Safety committees (Central Committee; North Area Comprehensive Committee, South Area Comprehensive Committee, Industry Comprehensive Committee, Packing Comprehensive Committee).

Persons in charge, foremen, supervisors and managers are members of these committees. This enables us to cover all areas to be able to agree on the required improvements and define responsibilities. All workers of San Miguel are represented by these committees.

In 2015, we focused on identifying the safety conditions on the work stations to be able to make improvements in 2016 and 2017. To such end, we made measurements related to particles, gases and vapors, mists, noise, vibration and ergonomics

4.10.1 ▶ New Safety Measures in our Farms

In 2015

- We built fixed pans. Thus, we reduce the effort made by the staff and avoid spills, favoring environmental care.
- We implemented a preformulator to improve ergonomic and safety conditions at the agrochemical preparation stations.
- We built shelters to offer greater comfort for the staff that handles documents for the load of fruit equipment.
- We built rails with highly visible tags in gullies to prevent people and equipment from falling.
- We started to build terraces on sloping lots in order to minimize the risk of equipment overturning.

4.10.2 ▶ Occupational Safety Training

Foremen, people in charge and supervisors at the farms hold a short training talk once a week for a total of 52 talks per year. Additionally, we provide trainings according to tasks; their content is based on the work instruction manuals and the procedures of the Safety area.

The Safety team carries out an annual training plan, which covers general and specific field, packing and processed food issues.

In 2015, we had talks for occupational accident prevention:

- In Processed Food: 161 talks.
- In Fruit Production (Packing): 237 talks.
- In Fruit Production (Field): 1,024 talks.



Sectors	People trained	Number of talks and trainings given
Field Operations	504	124
Packing	795	65
Processed Food	685	107



4.10.3 ▶ Noise Management in the Operations

In 2015, we continued providing personal protection equipment and, in addition, we had internal measurements in critical points: operations using forklift trucks, agricultural machinery or tools producing significant noise. We also conducted noise dosimetries on different workers located in sectors with doubtful noise levels.

4.10.4 ▶ Risk Warning Campaign

We detect unsafe practices and conditions in operations and eliminate them from the workplace. This internal initiative also allowed us to keep a record of the situations in which the personal safety of any worker, due to his/her own attitude or environmental agents, was at risk.

RISK WARNINGS					
Considerations	Factor		Solution		% Control
	Practice	Condition	Permanent	Interim	
Sectors					
Field Operations	555	338	579	314	64.84
Packing	123	133	110	146	43.0
Processed Food	157	254	214	197	52.1



4.10.5 ▶ Health of Workers and their Families

In 2015, we continued implementing the following programs:



Quality of life: We conducted 255 surveys and medical examinations to our employees to make a diagnosis of the situation, mainly of cardiovascular disease risk factors. Based on the results, we defined prevention actions.



Heart Week: 120 associates of San Miguel got a voluntary cardiovascular check-up and lab tests, and participated in activities for the identification of cardiovascular disease risk factors (which meant a total of 25 hours). Through these activities, they were informed about how the heart works, how to act in case of a heart attack, cardiovascular disease risks and cardiopulmonary resuscitation.



Epidemiology surveillance: San Miguel medical service performed periodical exams to 670 workers, and 582 medical examinations and lab tests specifically for occupational risks.



Immunization: We immunized against hepatitis B and applied the TD vaccine in collaboration with the local health system. We also completed the immunization schedules for our own and outsourced associates, and contributed to promoting flu immunization in risk groups.



Prevention of addictions: We took the first steps to carry out prevention and promotion activities with the State Secretariat for Addiction Prevention and Assistance of the Social Development Ministry of the Province of Tucumán.



Occupational Disease Monitoring Program: Ergonomics experts assessed 12 jobs covered by 1,900 associates. Additionally, 345 workers exposed to agrochemicals with metabolite and enzyme dosage underwent a physical exam and lab test. Temporary workers also had a physical examination.



Tobacco Cessation: For voluntary smokers. The purpose is that they may quit with the help of a multidisciplinary program that includes cognitive-behavioral and drug therapy.

To encourage self-care behaviors, we keep our employees permanently posted on subjects including HIV prevention, antioxidant vitamins, thyroid gland and its disorders, attention-deficit/hyperactivity disorders and the importance of handwashing.

We continue with the active break and healthy recreation program, through which we stress the importance of physical activity, diet and recreation for the health of our associates.

.....

We are a Healthy Workplace, a Smoke-Free Company and a Company that supports Voluntary and Altruistic Blood Donation, all certifications granted by the Ministry of Public Health of Argentina and the Ministry of Public Health of the Province.

.....

4.10.6 ▶ Health and Safety Indicators by Region

ARGENTINA 2014		
Health and Safety Indicators	Men	Women
Absenteeism rate (AR) (1)		6
Rate of injuries per accident (RIA) (2)	3.14	2.90
Number of fatalities	0	0
Rate of occupational diseases	0	0
Rate of absenteeism due to occupational diseases	0	0
Rate of days lost due to occupational diseases	0	0
Rate of days lost (men and women, including days lost due to occupational disease and accident)		0.21

ARGENTINA 2015		
Health and Safety Indicators	Men	Women
Absenteeism rate (AR) (1)		3.5
Rate of injuries per accident (RIA) (2)	1.26	0.28
Number of fatalities	0	0
Rate of occupational diseases	0.43	0
Rate of absenteeism due to occupational diseases	0	0
Rate of days lost due to occupational diseases	0	0
Rate of days lost (men and women, including days lost due to occupational disease and accident)		0.82

URUGUAY 2015		
Health and Safety Indicators	Men	Women
Absenteeism rate (AR) (1)	0	0
Rate of injuries per accident (RIA) (2)	5.7	3.2
Number of fatalities	0	0
Rate of occupational diseases	0	0
Rate of absenteeism due to occupational diseases	0	0
Rate of days lost due to occupational diseases	0	0
Rate of days lost (men and women, including days lost due to occupational disease and accident)	29.4	10.3

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

Health and Safety Indicators for independent contractors

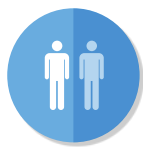
ARGENTINA 2015		
Health and Safety Indicators	Men	Women
Rate of injuries per accident (RIA) (2)	1.26	0.28
Number of fatalities	0	0

4.11 ▶ Communication with Our Employees

Our internal Communications Policy seeks to improve the interactions with our internal audiences, allowing information to be shared across all levels. In 2015:



Under the Young Talent Program and as part of the follow-up plan, we had a **breakfast with the CEO**.



We initiated the **team meetings** as a forum where leaders could share company news, area objectives, challenges, projects and achievements.



We organized the **quarterly gathering San Miguel Global Meeting**, led by the CEO and company leaders.



We organized a **communication campaign specific to the Eureka Project** (process reengineering and reimplementation of the SAP System), which resulted in a new communication tool: **wallpapers** in all PCs to provide short and impact messages.

Internal communication channels

In addition to *SoMos* magazine, notice boards and flyers, in 2015:

- We created the "SoMos" seal, for all communications in Argentina and Uruguay.
- We included San Miguel's social networks and new sections in our monthly newsletter *SoMos*.
- We started to communicate the birthdays of our associates in the periodical news.



05. CONSUMER MATTERS



OUR COMMITMENT:

Interpreting the needs of our customers and meeting them with integrity

Related material issues:

- Customer service
- Food security
- Promoting healthy life habits (fresh citrus fruit)



5.1 ▶ Areas of Business, Research and Development

We sell fresh citrus fruit and processed fruit and vegetable products with added value. In both cases, we obtain raw materials from our own plants, which enables us to optimize the production process.

Phytopathology and Biotechnology, two areas belonging to the new Productive Strategy Department

Phytopathology goes deeper into the knowledge of pathogens to identify and get to know their biology. This makes it possible to design management strategies to exclude them or reduce their impact on production, both before and after harvest. It also allows deeply knowing the operations and contributing comprehensive solutions compatible with the market requirements. It implies having a fluent dialog with agrochemical companies and research institutions, universities and experimental stations.

In Biotechnology, the search is aimed at finding strategic, holistic mid- and long-term solutions: from diagnostic techniques to the transformation of plant organisms, including overcoming biological barriers.

Having access to these tools provides unlimited possibilities and, although so far we have only made incursions into those that complement the traditional improvement programs currently implemented in the company, their potential ensures the sustainability and continuity of the business over time.

.....

We consider that fruit production is a single process taking place from the nursery to the finished box at destination. San Miguel has always understood that part of its success is based on supporting research, both its own and that of official bodies.

.....

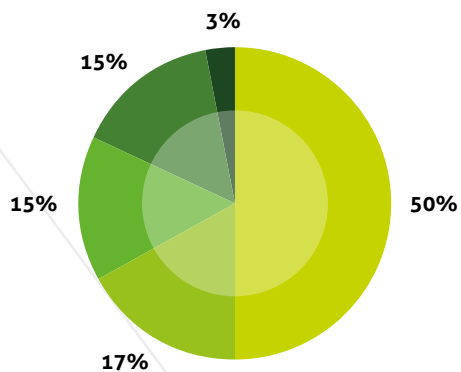
In the pre-harvest stage, we examine the products, times and application alternatives for disease control. Disease impact is not only a cosmetic issue; some of them are considered "quarantine" diseases by the European Union. Thus, their presence would mean losing that significant market.

5.2 ▶ Customers in Numbers



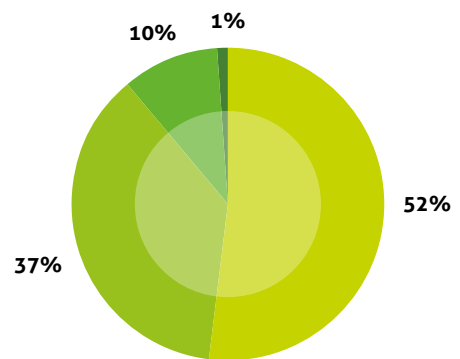
Fresh Fruit

Distribution by market



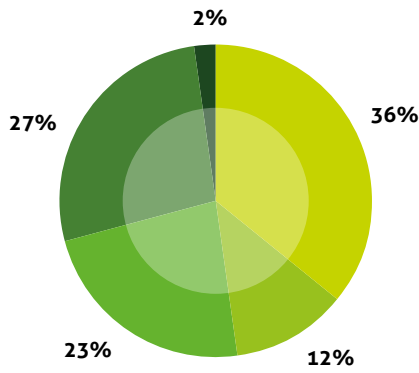
Mediterranean ●
 Far & Middle East ●
 North Europe, USA & Canada ●
 Russia & Balcans ●
 Others ●

Exports by product



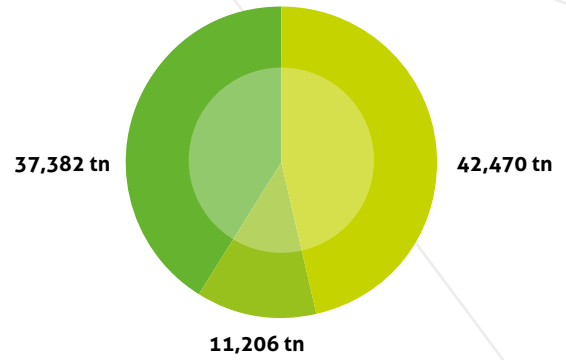
Lemons ●
 Oranges ●
 Soft Citrus ●
 Grapefruits ●

Sales by channel



- Category Managers ●
- Distributors ●
- Wholesalers ●
- Supermarkets ●
- Brokers ●

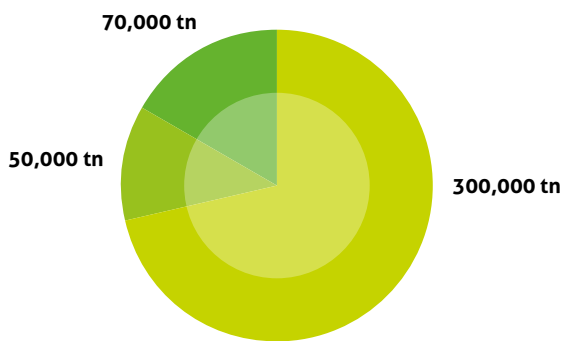
Exports by country



- Argentina ●
- Uruguay ●
- South Africa ●

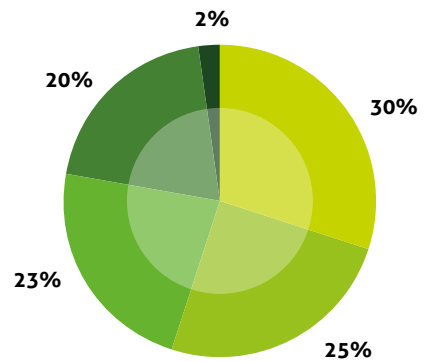
Processed Food

Milling capacity by country



- Argentina ●
- Uruguay ●
- South Africa ●

Sales of lemon juice by market



- Europe ●
- North America ●
- Oceania & Asia ●
- Latin America ●
- Middle East ●

5.3 ▶ Our Quality Management System

The quality of our products, a pillar of our business

We have a dedicated team of internal auditors that check compliance with the regulations and standards under which we work, and which report to the Quality Assurance area. These internal auditors are trained through field work under the supervision of experienced auditors. In 2015, internal auditors of the industrial area started to work on field and fruit packing issues.

All our fields, processes and products are certified by international standards, ensuring the safety of the products and environmental care.

.....

In 2015, in addition to implementing leading-edge technology for new oil extraction (e-BOE), we created an exclusive lab to monitor raw material and assess the efficiency of the extraction system. Located within the e-BOE process room, it has three analysts per shift.

.....



5.4 ▶ Certifications

Certifications granted to our Fresh Fruit business

- **Tesco Nurture:** it covers all aspects of agricultural practices to promote the best practices in the industry.
- **Global GAP:** standards and procedures that reduce risks and ensure quality and safety of primary production food.
- **HACCP (Hazard Analysis and Critical Control Points):** preventive process to ensure food safety.
- **Tesco Packaging-TPPS Produce Packhouse Standards:** requirements that Tesco suppliers must meet in terms of packaging.
- **SMETA:** an auditing process intended to support good practices in ethical audit techniques.

Certifications in fields and industrial processes

- **HACCP:** preventive process to ensure food safety.
- **British Retail Consortium (BRC):** a standard that allows meeting the requirements of the Global Food Safety Initiative (GFSI) represented by the major European supermarket chains.
- **Sure Global Fair (SGF):** it certifies the authenticity of fruit juice of global suppliers.

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

TRACEABILITY SYSTEM

We know exactly where the fruit comes from and the processes to which it is subject. This is how we can ensure food security, quality and safety of all our products. We also conduct checks from fresh fruit control samples: we test the behavior of fruit packed from each batch until it reaches destination.





5.5 ▶ Customer Orientation and Satisfaction

The Customer Service area standardizes the processes of the value chain to improve the handling of claims related to our products.

We assess customer satisfaction using the following indicators:

- **Contract Performance:** we determine how contracts are performed (time and manner) and detect if there are products, periods or customers that have difficulties and require more attention.
- **Claim Response Time:** we compute this time from the time the claim is received to the moment the customer considers it closed.



- **Distribution Chain Costs:** we define the logistic chain costs to identify improvement opportunities.
- **Global Perfect Order:** we identify to which extent purchase orders are fulfilled in terms of time, quantity, quality and documentation.

5.6 ▶ Relationship with our Customers

In 2015, we held meetings frequently with all our key customers, with the participation of a commercial team organized by regions to maximize the impact of travels. As part of the engagement milestones, we participated in international trade shows and conferences, such as Anuga, Fruit Logistica, IFT, IFEAT and Juice Summit.

In our website www.sanmiguelglobal.com, as well as in our channels exclusively developed in Facebook, Twitter, LinkedIn and YouTube, customers may find up-to-date information on our activities and projects.

Additionally, once a month, they receive via e-mail a newsletter with San Miguel's news about investments, new businesses, new products, presence in trade shows, structure changes and sustainability.

Ethical and transparent commercial communication policy



As a public company with shares traded in Buenos Aires Stock Exchange, San Miguel has a number of obligations related to communication and transparency, which are rigorously complied with.



All communications by San Miguel are validated by at least three internal instances, and are given in accordance with the values of the company and respecting the moral values and good manners of the different communities in general, according to the suggestions of organizations such as the United Nations, Global Compact, etc.

06. ENVIRONMENTAL MANAGEMENT



OUR COMMITMENT:

Using natural and energy resources responsibly and sparingly.

Related material issues:

- Efficient use of water.
- Energy efficiency.
- Effluent management.
- Waste management.
- Sustainable soil management.
- Biodiversity protection.



6.1 ▶ Commitment to the Environment

Our Environmental Management Policy establishes the course of action within which we conducts all our business. Specifically:

- We operate the facilities identifying and assessing their environmental risks, minimizing potential impacts and considering environmental management as a priority.
- We use supplies, water and energy rationally.
- We prevent pollution, monitor and audit environmental performance and minimize harmful emissions and discharges to the air, water and soil.
- We minimize waste generation, applying the recycling concepts and ensuring a responsible hazardous waste management.
- We use technology that enables us to achieve a cleaner production.
- We provide information and training to our employees and those who work with us to achieve the commitments undertaken together.
- We maintain an open communication on environmental issues with the community, regulatory bodies and other stakeholders.

6.1.1 ▶ Environmental Risk Management System

We have an Environmental Management System that allows us to comply with the laws in force and develop environmental management practices and procedures to prevent and minimize impacts on the air, water, soil, flora and fauna.

The Environment area implements environmental samplings and their results are constantly analyzed:

- Greenhouse gas (GHG) sampling.
- PM10 and PM2.5, measurements of particulate matter from boilers.
- Soil sampling.
- Survey of noise level around the factory perimeter.
- Monitoring of Salí-Dulce basin surface water quality.
- Cross check sampling for effluent quality control.
- Measuring flow rate at plant.

We manage environmental risks using the Risk Management tool, which applies to all business units in San Miguel. This enables us to optimize processes and be prepared for any future contingency. Risks are capitalized and turned into opportunities that support the road to growth.

This risk map is a strategic planning tool that enables us to stay alert to opportunities and threats for our business. Thus, executives may put the determinants of the crucial risk factors “on their radar” of events to be monitored. The map contemplates a situation with a present and future business outlook, and enables management to work on a complete set of company’s Risk Management policies.

We have formalized the risk management internal follow-up process through a computer tool. Based on this implementation, we create policies that will provide the company higher foreseeability and a significant improvement in its response capacity to any eventuality.

6.1.2 ▶ Environmental Awareness

In 2015, we gave 17 training courses to our associates in subjects related to sustainable development —Environmental induction (10 talks) and Efficient use of water (7 talks)— and a sustainable workshop with suppliers.

At the year-end corporate dinner, we granted special mentions to those sectors that had an outstanding environmental performance and a special recognition to the members of the Sustainability Committee.

WE ASSESS THE ENVIRONMENTAL IMPACT OF OUR PRODUCTS

We respect the general guidelines for Good Agricultural Practices (GAP), which define the basic elements and essential practices for fruit production. We also integrate them into other tools of the quality system.

The implementation of GAPs, of the Global Gap protocol, is based on the following principles:

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



In 2015, we invested more than \$ 453,000 in environmental management initiatives.

6.2 ▶ Prevention of Pollution

We have an Environmental Monitoring System that covers all environmental measurable aspects of our operations and activities, records information and includes the internal and external audits.



We measure noise levels around the perimeter and from operations.



We monitor river water quality.



We track non-conformities of internal or external audits and plan the corresponding corrective actions.



We monitor air quality.



We conduct Environmental Management System audits.



We monitor factory stream water quality.

6.3 ▶ Sustainable Use of Resources

6.3.1 ▶ Water

We continue working on the continuous improvement system with the optimization of the treatment plant, a tertiary biological treatment and changes in the effluent direction.

We understand that the responsible use of water is key to maintaining a sustainable business. Thus, we minimize water consumption and reuse it in different stages of production without affecting the final quality of the product.

.....

In 2015, we achieved a substantial improvement in reducing water use. We got the e-BOE oil extractors in full operation at the Famaillá plant.

.....

6.3.1.a ▶ Risk and monitoring

The following actions are intended to preserve water resources and ensure their rational use:

- We use methods to predict the water needs of crops, which take into account evapotranspiration and precipitation, and we monitor soil, water and plant systems. We also measure the actual water need and keep a record of daily rainfall for open-air crops.
- We use a micro-sprinkler and drip irrigation system with a 92% efficiency. In areas where irrigation is eventual, we have an under-tree sprinkler irrigation system.
- We use a cost-effective water transport system.
- We test the water sources to be used for irrigation for chemical, pesticide, microbiological and heavy metal parameters, and compare against international standards.
- We use authorized underground and registered superficial water sources, pursuant to the Irrigation Provincial Law.
- We also use the surge irrigation system, for a depth of irrigation characterized by high frequency and low intensity, which means that the depth of irrigation of the soil is low and pools are not formed. This is how we minimize water loss and improve the root system health by directing growth to more superficial layers of soil. This way, we improve the plant standard and its productivity.

6.3.1.b ▶ Water Management Plan

It includes the following actions:

- Water transportation through underground tubes.
- Tube maintenance to avoid leaks.
- Short and more frequent irrigation shifts.
- Irrigation at the time the plant uses water more efficiently.

Reusing water in industrial processes

In 2015, we implemented new technologies in the system for the extraction of lemon essential oil. The e-Boe system makes water to recirculate, reduces its use by 65%, thus decreasing flows at the effluent treatment plant.

Country	Water use in 2015
Argentina	540 m3/h

6.3.2 ▶ Energy

Electric power and natural gas are the main energy resources of our plant. This is why we work to reduce energy use through different efforts:

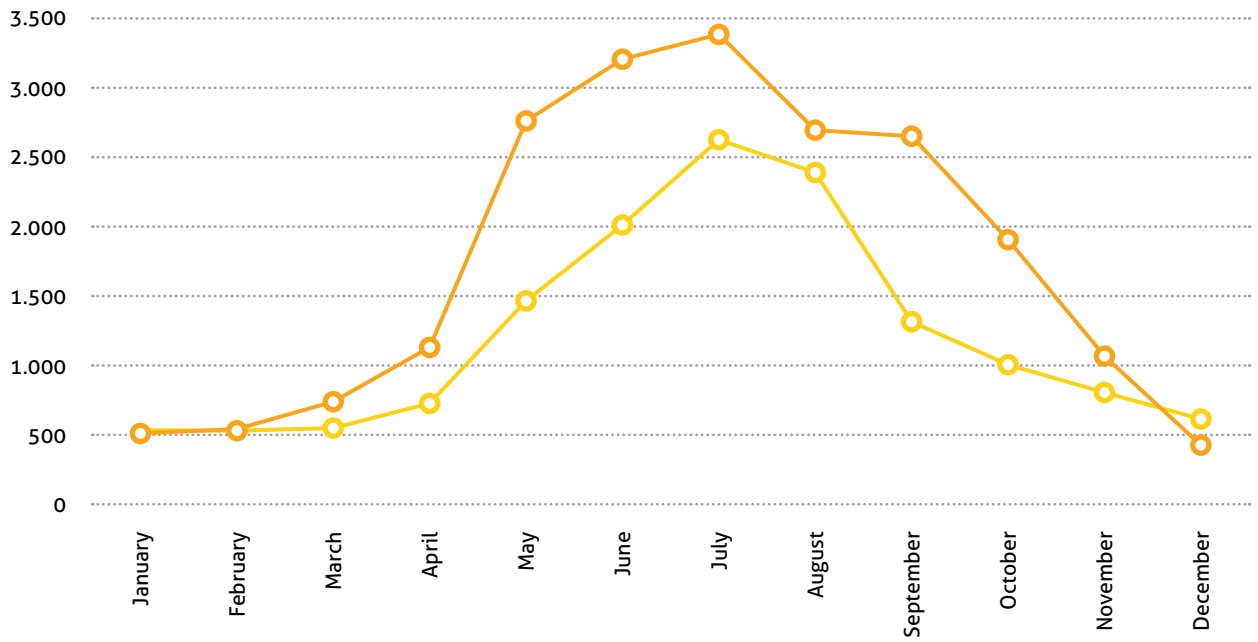
- We have a system for measuring natural gas and steam consumption in all our boilers, and which allows us to optimize consumption on dryers.
- We do clean peeling using chemical additives, which means a better quality of the effluent.
- We establish a business travel policy and promote the use of video calls, particularly between the offices in Buenos Aires and the different business units.
- Our employees are taken by bus from Lavalle Plant, where the packing is installed, to the factory located in Famaillá. And outsourced harvesters are taken on a bus which has a fixed route. We work the same way in South African farms.

SERVICES 2014		
Month	EP [MW/h]	Gas [m ³]
January	534	37
February	530	37.578
March	549	33.768
April	727	242.874
May	1.465	1.052.546
June	2.012	1.657.838
July	2.626	2.476.555
August	2.390	1.676.294
September	1.315	492.074
October	1.005	247.668
November	805	181.534
December	614	131.784
TOTAL	14.572	8.230.550

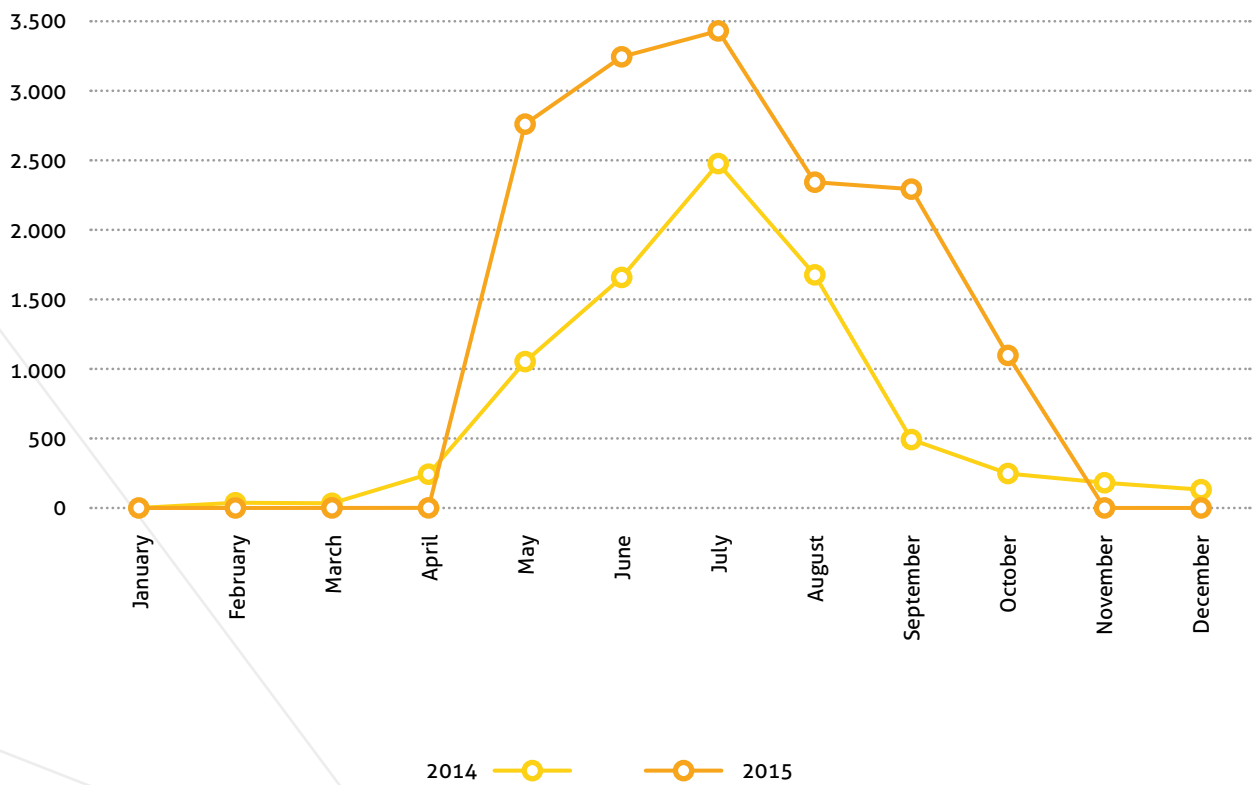
SERVICES 2015		
Month	EP [MW/h]	Gas [m ³]
January	510	42
February	542	51
March	739	299
April	1.130	694
May	2.761	2.760.215
June	3.206	3.244.277
July	3.385	3.430.557
August	2.695	2.342.696
September	2.651	2.292.672
October	1.906	1.097.093
November	1.067	255
December	426	102
TOTAL	21.019	15.168.952



EP Consumption 2014-2015 [MW/h]



Gas Consumption 2014-2015 [m3]



Energy	2015	2014	2013
Gas Oil (DC)	6,205 l	1,171,994 l	1,399,363 l
Gasoline (DC)	0 l	69,827 l	68,331 l
LPG (DC)	0 l	23,028 k	50,622 k
Natural Gas (DC)	16,050,311 m ³	8,388,000 m ³	15,701,245 m ³
Electric Power (IC)	20,436,101 kwh	18,705,220 kwh	27,326,573 kwh

* Gasoline consumption of Plant I belongs to private vehicles used by employees to travel to Famaillá plant.

DC: Direct consumption; IC: Indirect consumption

6.4 ▶ Carbon and Water Footprints

We measured the corporate carbon footprint and the carbon footprint by product for the 2013 crop year (lemon, lemon essential oil, cloudy and clarified concentrated juice). The methodology used was based on the life cycle analysis, of the ISO 14040 standard. We also calculated water footprint for the 2013 crop year, using the WaterFootprint Network.

6.4.1 ▶ Carbon Footprint by Product - Life Cycle

The results obtained show that:

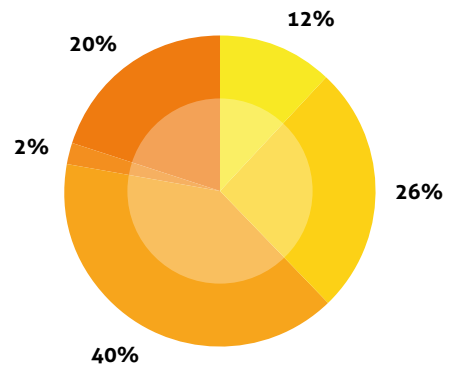


1 kg of lemons emits
0.196 kg of CO₂e



1 kg of concentrated juice
emits **6.65 kg** of CO₂e

Carbon Footprint



Lemon ● Essential oil ●
 Clarified juice ● Dehydrated peel ●
 Cloudy juice ●

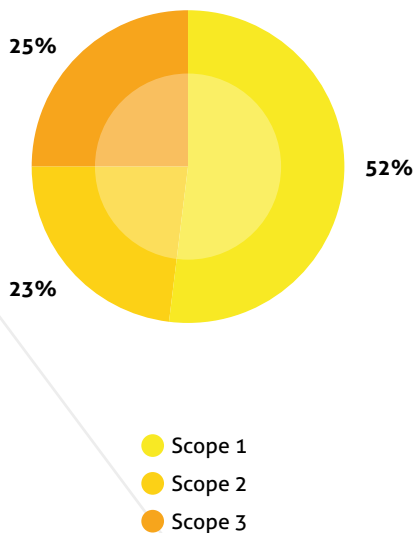
6.4.2 ▶ Corporate Carbon Footprint

- Methodology: GHG Protocol (2005)
- Characterization factors: to 100 years IPCC (2013)

Three scopes were defined:

- **Scope 1:** direct emissions from our own sources or sources controlled by the company. E.g.: those derived from fuel burning at the company or chemical processes of the process.
- **Scope 2:** indirect emissions derived from energy generated by third parties. E.g.: electricity.
- **Scope 3:** other indirect emissions resulting from activities of the organization, which occur outside its facilities and are not controlled or generated by the organization, such as travels, waste management and disposal, and supplies production.

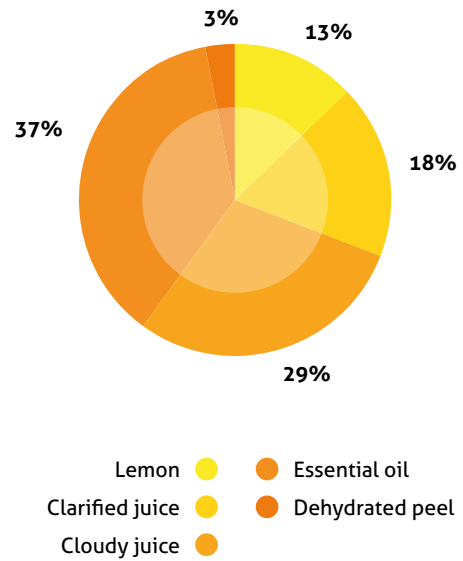
Distribution by Scope of the Company Carbon Footprint



6.4.3 ▶ Water Footprint from Products

- Methodology: Water Footprint Network (Hoekstra, 2011)

Water Footprint



Benefits of Measuring the Footprints

- Quantifying GHG or water using an internationally recognized tool to reduce the emissions of these gases —at company or product level—, for the mitigation of climate change.
- Promoting the creation of a low carbon service/ product market.
- Improving energy efficiency and saving money as a result of GHG or water use reduction.
- Identifying improvement opportunities (hotspots): define objectives, emission reduction policies, cost reduction initiatives. Including CF/WF in the process for the selection of suppliers and supplies, in product design, etc.

- Getting higher credibility in sustainability reports.
- Achieving the recognition of third parties by showing we honor sustainability commitments related to climate change mitigation.

6.5 ▶ Waste Management

The first step of management is a solid classification at source. At the factory, in packing and in the farms in Argentina, Uruguay and South Africa we placed stations (waste containers) near the work stations and at key sites. Once classified, we store waste in warehouses according to their nature:



General waste:

Paper, cardboard and plastic are recycled. We send paper to Garrahan Hospital and we sell cardboard to a recycler in the province of Salta.



Industrial waste:

We send solid waste from production—such as pulp, sludge, liquid sludge and discarded branches and fruit—to Campo de Herrera cooperative, which uses such waste for different purposes through different disposal techniques.



Hazardous waste:

They come from production processes in which chemical or toxic products are used, or from the maintenance of field and factory equipment and machinery. Authorized operators handle their final disposal.

We have waste management procedures that are based on the 3R's Rule: reduce waste volume, reuse those materials that are reusable, and recycle waste such as paper or cardboard.



WASTE INDICATORS OF ARGENTINA				
Type	Waste	Volume (Tn)		Treatment
		2014	2015	
Municipal waste	Garbage	282	446	Sanitary landfill
Industrial waste	Plastics	48	35	Recycling
	Cardboard	15	39	Recycling
Hazardous waste	Hazardous waste	3	3.5	Incineration
Production waste	Discarded fruit	314	4,332	Bio-remediation/Compost
	Pulp - Factory	2,091	7,523	Feed for cattle and/or pigs/Bio-remediation/ Compost
	Pulp - Effluents	3,044	7,158	Feed for cattle and/or pigs/Bio-remediation/ Compost
	Dry sludge	134	3,608	Bio-remediation/Compost
	Liquid sludge	3,680	43,381	Fertigation
	UF Sediment	0	0	
TOTAL		9,611	66,522	

.....

In 2015, we recycled 3,320 sheet drums and 18 plastic cans.

.....

Drums are recycled to be used as eco-friendly ovens and as waste bins at schools, in the community, municipalities, etc. And cans are also donated for composting and to be reused in the community.

6.6 ▶ Effluent Treatment

The oxygen chemical demand monitoring program in different parts of our effluent treatment plant allows us to assess its removal throughout the effluent treatment process.

In order to improve the treatment system and the quality of the effluent that reaches the reactor, we use a secondary effluent line in order to separate the streams with high organic loads from the factory. This water is used for irrigating our own fields, thus establishing a sustainable circuit.

On the other hand, through the nomination for the Clean Development Mechanism of the United

Nations for the use of biogas generated in the effluent plant, we chose to implement a more advanced treatment such as the closed anaerobic reactor, which translates into technology transfer, improvements for the environment and the community.

Meanwhile, in Famaillá industrial plant, we adjusted different production processes, including effluent treatment, by building and setting up a third stage.

INDUSTRIAL EFFLUENT MANAGEMENT			
Year		m ³ /year	Milling (ton)
2013		1,196,690	236,777
2014		533,021 *	99,419
2015		1,182,694	221,973

* The marked reduction in milling in 2014 was due to the large year-on-year difference.

6.7 ▶ Sustainable Soil Management

We seek a long-term sustainable system that enables us to prevent soil degradation and implement initiatives to approach soil-related problems. Every farm and nursery has a record system for constant tracking of crops and agricultural activities. When we start working on a piece of land without a known background, we carry out a soil analysis according to the risk and the topographic characteristics of the region.

So far, we have characterized 4500 hectares of soil. Based on the results of these analyses, we define if the lands are suitable for growing citrus, the place for planting and the variety/rootstock combination used in each case. Additionally, we prepare maps of the farms that are later used to make provisions for cover crops and define planting and growth programs. Using satellite images and planialtimetric maps, we take into account the management of topographic features and the basin that provides water to the piece of land.

To address the problems of soil loss and reduction of fertility, we adopted a system of conservation practices. In nurseries, we do not fumigate soils with chemicals, but rather use other alternative methods such as cover crops, and varieties and rootstocks that are disease-resistant and compatible with citrus replanting soils. Depending on the topographic features of the land, contour planting is used.

Other initiatives for soil sustainable management:

- **Chipping in the renewal of crops:** We grind the plants pulled out for subsequent incorporation into the soil as organic matter and to avoid burning plant residues.
- **Fallowed fields:** After citrus groves are cleared, we leave the fields to fallow for two years and we plant an annual summer crop (fodder sorghum) and an annual winter crop (black barley). In this way, we incorporate organic matter that improves soil, reduce the use of phytosanitary products and enhance plant health and its productive potential.
- **Mulching of plant residues to maintain soil moisture and increase organic matter content:** We maximize water efficiency, generating plant coverage on the soil in the area with the highest concentration of the active root system.
- **Elimination of pruning residues:** We reduce the size of residues to facilitate adding them to the soil.
- **Monitoring pests and establishing pest damage thresholds and beneficial insect population levels:** We establish clear parameters for the application of chemical products. In this way, treatments and impact on soil are reduced.

6.8 ▶ Use of Agrochemicals

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

We choose the most suitable fertilizers to ensure a better use of nutrients based on fewer losses. We only use internationally registered chemical products on our crops and follow the manufacturer's instructions for their application.

Thus, we avoid risks for operators, consumers and the environment. We do not apply pesticides that are prohibited in Argentina, the European Union, the United States, Canada or Southeast Asia.

We manage empty agrochemical containers according to the relevant instructions; we render them unusable through the triple washing technique and their subsequent perforation. An authorized operator handles their final disposal.

6.9 ▶ Biodiversity Protection

We work for protecting the habitats surrounding our fields and seek an economically sustainable agriculture intended for minimum environmental impact. To such end, we develop the following practices:



We plant native tree species on small surfaces.



We identify the native fauna present and monitor it to detect possible variations in its population.

Conservation Program - Protected Productive Landscape (PPL) with Fundación ProYungas

We participate in the Protected Productive Landscape program of Fundación ProYungas, and invest resources to directly preserve the surroundings and create conditions that mean less reliance on wild resources. In this context, we developed a Conservation Plan to improve the knowledge, the valuation and conservation of woods and native lands that are not a productive part of our fields. In addition to preserving biodiversity, this initiative allows us to maintain a balance of water resources and ensure the sustainability of future production.

In a first phase, we characterized the environmental context of our production lands, determined areas of interest for conservation and areas with productive potential, and defined a biodiversity conservation and monitoring plan consistent with the zoning plan proposed.

In 2014, Fundación Proyungas completed an **environmental context and zoning report**, in order to develop a zoning proposal and conservation plan that allows improving the knowledge, the valuation and conservation of wildlands present in our properties in Tucumán.

The main results of the report were:



Characterization of the environmental context where the properties of the citrus company are located:

The largest properties located adjacent to woodlands areas are those of highest ecological value since they allow combining intensive production with biodiversity protection; thus, both objectives, production and conservation, are part of the same "productive landscape".



Detailed zoning proposal that determines the areas of interest for conservation and new areas with productive potential:

The productive areas, the areas that can be incorporated into production and those that must be maintained as a priority to preserve biodiversity in a "protected productive landscape" context were determined.



Design of a biodiversity conservation and monitoring plan consistent with the zoning plan proposed, which serves as support and technical validation of that biodiversity in the middle term: An ecosystem asset and service monitoring plan was designed to allow the assessment and follow-up of mammals and birds through samples obtained using camera traps and direct observation, so as to ensure a harmonic relationship between production and biodiversity conservation. As regards "ecosystem services", pollination was selected due to its importance for production, the easy method used to monitor it and its "sensitivity" to the changes of environmental contexts, such as the surface ratio between fields and native woodlands.

.....

In 2015, we surveyed mammals in Caspinchango, Luz María and Taficillo farms. About 27 cameras worked for 30 days shooting photographs to detect movements. 923 photographs were taken, capturing 16 native mammal species. All this information was organized in a database associated to a web map viewer representing the wildlife characteristics in our lands.

.....

Additionally, at flowering time of citrus fields, we analyze the service of pollinators from the adjacent woods and water provision in the properties.

Here are the conclusions we arrived at:

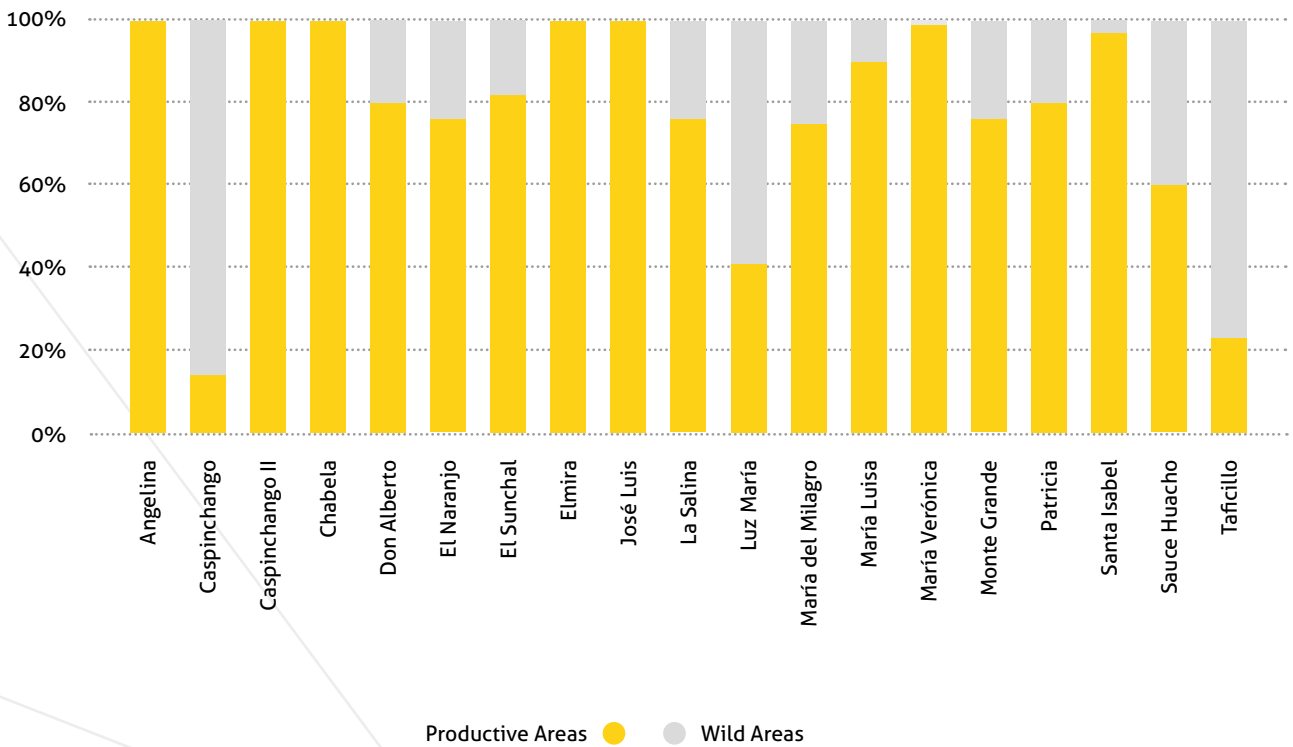
- Most part of the surface studied does not allow clearance, according to the Native Woods Territory Planning of the province of Tucumán.
- Before expanding production areas, it is necessary to show the relationship between production management and native woods preservation. To such end, it is essential to have a Monitoring Plan in line with the Protected Productive Landscape Program of ProYungas.

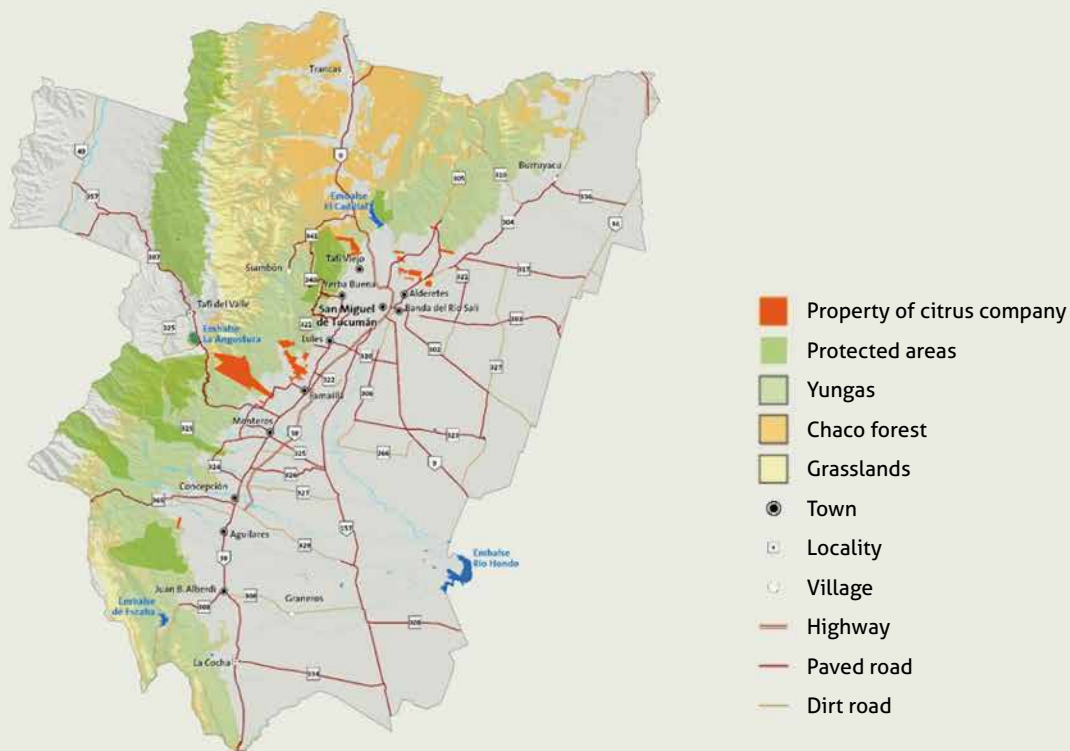
LOCATION OF SAN MIGUEL PROPERTIES IN RELATION TO THE PROTECTED AREAS AND THE NATURAL ENVIRONMENTS OF THE PROVINCE OF TUCUMÁN

The wildlands in the selected properties of San Miguel correspond to Yungas environments in different states of conservation. This ecoregion covers almost 8,000 ha inside the four properties analyzed, which represents 74% of them. Within this environment, two of the altitudinal floors that are typical of the Yungas are represented: the montane forest and the montane jungle, although they cannot be separated in the maps.



Percentage of productive and wild areas in each property of San Miguel:





SURFACE OF THE CONSERVATION CATEGORIES DEFINED FOR THE FOUR PROPERTIES ANALYZED BELONGING TO SAN MIGUEL IN THE PROVINCE OF TUCUMÁN:

Conservation	Caspinchango	Luz María	Monte Grande	Taficillo	Total
High	5,999	364	94	961	7,418
Medium	0	0	207	0	207
Low	286	51	37	21	395
OVERALL TOTAL	7,278	702	1,410	1,283	10,672

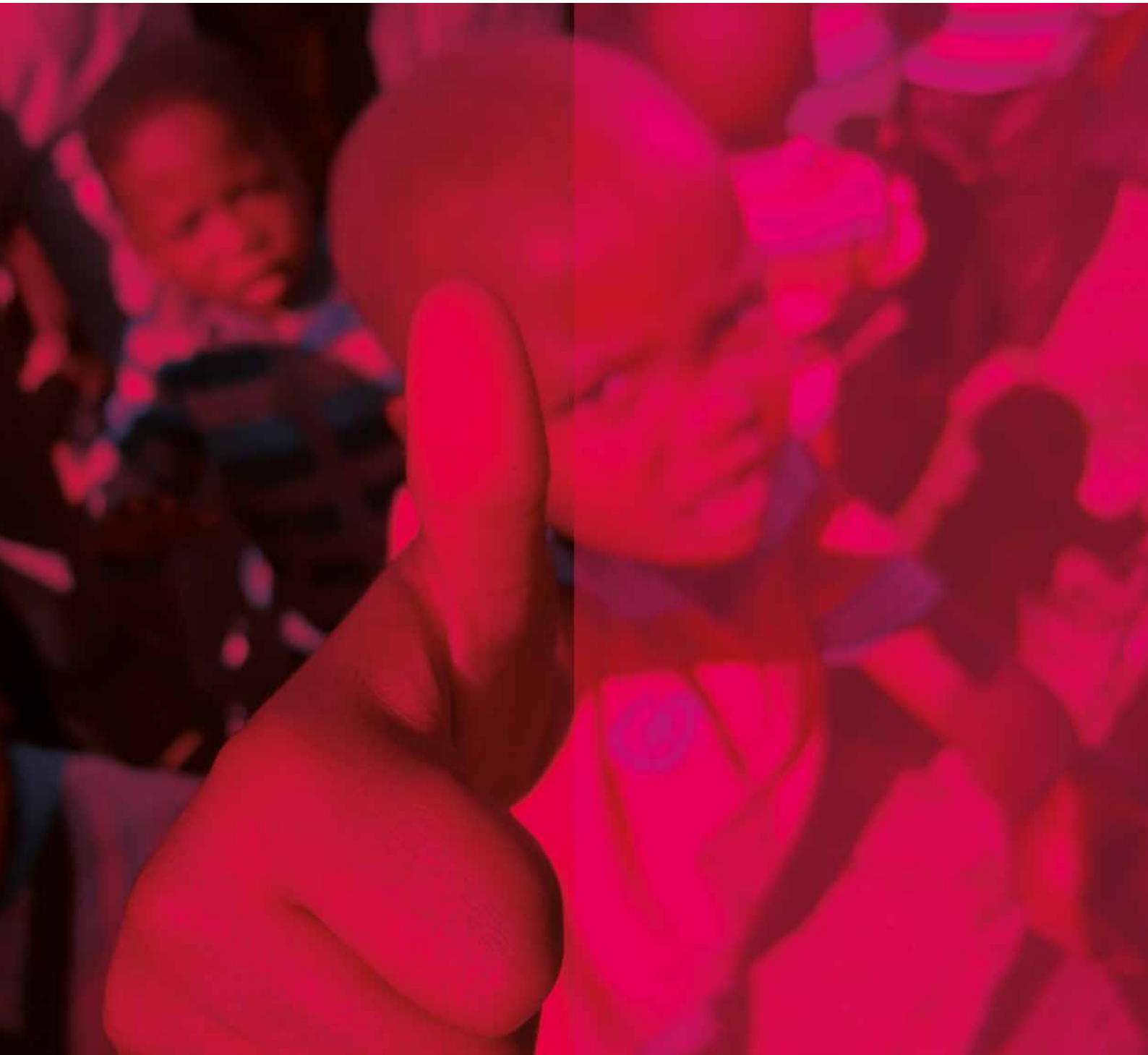
The Caspinchango land has almost 6,000 ha. of high conservation value woodlands, which mainly correspond to areas on mountainsides that are immersed in a continuous block of Yungas, near the provincial reserves Los Ñuñorcós and Los Sosa. These areas are classified under the protection and maintenance categories of the forested lands in the provincial territory planning of native woodlands. The areas of low conservation value are located between the citrus fields of the lower part of the property, and were classified as protecting forests.

South African National Parks (SAN)

In South Africa, we own a 1000 ha site known as Intsomi. Part of this land is used for growing citrus. Another part—around 600 unproductive ha considered a Critical Biodiversity Area—will be assigned to SAN Parks as conservation wildlands.

This decision will enable us to preserve native flora, keep water basins clean and protect wild plants having a high carbon dioxide capture capacity. It will also mean protection for the black rhino, an animal in danger of extinction sought by poachers.

07. ACTIVE PARTICIPATION AND DEVELOPMENT OF OUR COMMUNITIES



OUR COMMITMENT:

Going along with the development of the communities in our fields of activity.

Related material issues:

- CSR Programs with local communities



7.1 ▶ Social Investment Commitment in San Miguel

We are committed to promoting local development focused on three pillars: **nutrition, health and education**. To such end, we assign human, technical and financial resources, and analyze the context and the needs of the communities in which we are involved.

Our social investment objectives are as follows:



Promote local development with a focus on nutrition, health and education.



Give priority attention to our employees.



Invest in operative improvements that have a positive impact on the local communities.

Some achievements of our contribution to society in 2015

- We led the first inter-industry roundtable discussion on Sustainability in Tucumán, and thus we encouraged work between federations and large companies (Arcor, Telecom, ArgentiLemon and Grupo Lucci).
- Under our Food and Nutrition Program, we provided training on rural nutrition, first aid and cooking, for teachers, school authorities, parents and children.
- We launched the “More water, more health” campaign in 7 schools. The aim of the campaign is to promote water intake.
- We helped in the construction of a bike lane for safer movement of children.
- We surveyed the housing needs of 120 families of San Miguel’s workers.
- We invested \$ 2,529,879.53 to improve life quality in the communities where we operate.

COMMUNITY ACTIONS IN URUGUAY

In 2015...

- We donated fruit and cattle feed to schools and villages.
- Inter-school meetings with activities related to oral education, rural health and benefit libraries. We also organized benefit parades and a kite flying festival.
- Health and Sports Seminar in Guaviyú



7.2 ▶ Food and Nutrition Program

Together with Fundación Banco de Alimentos, we deliver non-perishable products for the school meal services of rural schools located in Famaillá and Burruyacú, in Tucumán. Additionally, we organize rural nutrition and first aid workshops for authorities and children, and cooking workshops for teachers and students.

We support the nutritional assistance with professional advice and develop different initiatives always focused on nutrition. In 2014, we conducted nutritional assessments on approximately 820 students at the beginning and the end of the year in order to determine their status and detect critical cases of malnutrition or obesity. In 2015, we assessed 1,381 students.

CHILDREN NUTRITION PROGRAM WITH BANCO DE ALIMENTOS

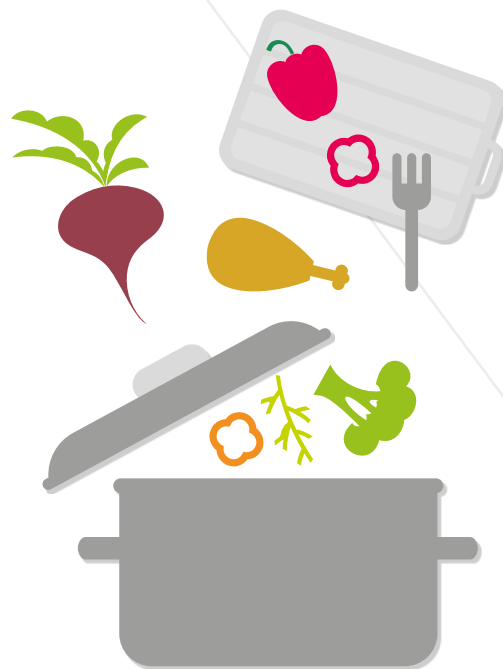
Year	Rural schools	Children benefited
2013	7	1,275
2014	7	1,600
2015	7	1,381

In 2015, we incorporated the meal center "La Mago" and the afternoon shift of Monte Grande school into the program.

PARTICIPATING SCHOOLS		
School	% donated 2014	% donated 2015
Tranquitas	9%	9%
Santa Isabel	14%	14%
Estación Padilla	16%	15%
Adolfo Alsina	18%	15%
Monte Grande	11%	12%
Francisco Molina	14%	13%
El Naranjo	18%	15%
La Maga (Merendero)	0%	7%

DONATIONS TO BANCO DE ALIMENTOS			
Year	Kg	Total	\$/kg
2015	20,207	ARS 550,539	27.24
2014	16,779	ARS 354,520	21.13
2013	20,671	ARS 255,000	12.34

* We redefined the scope of the CSR Program, restricting it to our range of direct influence and to our operations. Under this framework, in 2015, we donated food only to the schools we sponsor.



Nutritional Status Assessment

Based on the nutritional statuses assessed, we noticed that there is still much to do in the student community as regards nutritional habits.

Although the number of underweight children is not high and the child malnutrition rate (DESN) is minimum, the number of overweight or obese children (OB1) amounts to 15% of the school children population, raising a clear alert on which we can work. This percentage is partly due to the genetic component of each individual, and to the fact that in many cases children's diet is essentially based on a high consumption of flour, which leads to weight gain.

The Rural Nutrition program worked all year round on the "4 Pillars for a Good Nutrition" through its workshops on: Water Intake, Fruit Consumption, Vegetable Consumption and Sports/Physical Activity Practice.

Awards were also given to the grades with higher participation; assessment posters were made with students from EGB 3 (general basic education, level 3) always stressing the 4 habits

and prevention of diabetes and obesity in children and adolescents.

In 2013, we carried out several activities focused on nutrition:

- Health and nutrition comprehensive workshops with the participation of the entire school.
- Nutrition lessons at the classroom: preventing diabetes in children and adolescents, and cooking workshop.
- Nutritional education workshops for students, community members and teachers: healthy diet workshop and parasitic disease workshop.
- Cooking workshop with a nutritionist from Banco de Alimentos. The nutritionist and cooks prepare healthy meals on site and instruct participants on health and safety concepts.
- We implemented the "Reasonable use of food in the school meal service" campaign so that school meal services make the most of the food we donate. Thus, in the school kitchens, we distributed signs with a suggestion table on food products and had talks for the cooks.
- We organized workshops using games, theater, stories and quizzes, where we discussed nutrition and health issues with the students.

2015 Activity	Number of services	Number of participants
Nutrition lessons at the classroom	140	30 at a time
Cooking workshops	30	15-20 at a time
Training for kitchen staff	50	6 at a time
Nutritional education workshops for students, community members and teachers	8	90 at a time
Health and nutrition comprehensive workshops	2	Entire school
Individual and group nutritional consultations	80	200
Scientific advice for science fair to different school grades	6	200
Nutritional assessments	2	2,400

CHILDREN MONITORED	
Year	Children
2013	1,171
2014	1,189
2015	1,208

NUTRITIONAL STATUS OF STUDENTS AT SCHOOLS RECEIVING ASSISTANCE		
Status	2014	2015
Malnutrition	00%	00%
Underweight	4.9%	0.8%
Normal	86%	93.7%
Overweight	7.2%	3.9%
Obesity	7.8%	1.6%

At the same time, we conducted nutritional assessments on the students at the beginning and the end of the year in order to determine their nutritional status and detect critical cases of malnutrition or obesity. On specific cases, the diet was adapted to the specific needs.

7.3 ▶ Cre-Ser Pedagogical Program

We created this program with Asociación Conciencia in 2012 to promote the social and education conditions of seven rural schools in Famiallá and Burruyacú. Every year, we define a work plan around three lines of action: incorporation of healthy life habits, schooling promotion, and organization of artistic and sports activities to develop social and emotional skills and foster values.

In 2015, we focused on students at learning risk and identified the difficulties of each of them in terms of literacy. We worked in four stages:

- **1st stage:** We drove the reading and writing skills of 210 students from 2nd to 6th grade. At the end of the school year, the number of children who could read and write doubled (from 27% in the first quarter to 49% in the third quarter). Meanwhile, illiterate children (51% in the third quarter) showed significant progress. School attendance exceeded 75%, and this regularity and frequency in the participation favored the learning success.
- **2nd stage:** We worked on different teaching and learning proposals. With 3rd grade students, we reinforced the use of libraries.

With those of 5th grade, we strengthened writing skills.

- **3rd stage:** We organized workshops for students' families. In order to establish more relevant themes, we conducted a survey to the authorities of each institution. 160 families participated, 84 more than in 2014.
- **4th stage:** We organized a seminar with workshops for promoting healthy life habits. The contents we worked on were related to those addressed by teachers over the year. 121 people participated, including parents, teachers and students, 37 more than in 2014.

Over the year, we also had 7 training seminars for teachers, for a total of 280 training hours. Each seminar consisted of 4 hours and 12 people participated. At the end of November, we also held seminars in each of the schools with principals, teachers and students.

Cre-Ser: in 2015, 149 children were enrolled, 12 more than in 2014.

7.4 ▶ Corporate Volunteering

Under the "Hands for Smiles" Program, we carried out the following actions:



We conducted the census *Conocernos* and determined the housing needs of 120 families of San Miguel's workers. This survey

allowed us to plan the Shared Christmas effort, and learn about their houses for the 2016 project.



We organized a Shared Christmas: 150 volunteers prepared boxes so that 85 families of temporary associates from Buenos Aires and

Tucumán may enjoy a Christmas meal.



We were subscribing partners of TECHO: We promoted the arrival of the NGO in Tucumán.



Together with Cáritas, we actively participated to help people affected by floods in Tucumán through donations, transport and tanks.



We shared a day of reading, activities and entertainment at Santa Clara Kindergarten, Buenos Aires. A total of 15 associates took part.



We built an eco-friendly over in Tranquitas school, in Tucumán, with 45 volunteers.

73 associates were actively involved in community actions.

Housing Improvement Plan in Tucumán

Just as we did in 2013, in 2015 we surveyed the social and financial aspects of 150 families from the areas of the farms in Famaillá and Burruyacú. As a result, we identified the need to improve houses and living conditions of permanent and temporary rural workers. Thus, we created a plan to facilitate access to loans with more favorable conditions than those usually available in the market in terms of cost, flexibility and security.

This analysis allowed us to define the first pilot stage that will begin in 2016 in El Sunchal and El Naranjo farms, in Burruyacú. It will include loans for \$ 30,000 that will benefit 38 families. In the next stages, total loans will be extended to the other neighborhoods near San Miguel's farms, for the benefit of around 300 families in the mid-term.

SOCIAL INVESTMENT IN SOUTH AFRICA

Community Vegetable Garden

In order to improve the community's quality of life in the Nomathamsanqa area, we equipped a community vegetable garden project with irrigation channels, vegetable seeds, a 5000-liter water tank, and gardening tools, watering cans, hoses, etc. The high rainfall pattern of Addo contributed to the vegetable garden. As a result, its workers could sell the vegetables they harvested, and thus they began making good profitability.

Fun Day

We had the annual fun day for the field pickers in South Africa. After sharing breakfast, we played several outdoor games. The big event of the day was a soccer match between pickers and permanent staff, which ended in a 1-1 tie. The day ended with a lunch and the award ceremony for participants.

Additionally, we offered an HIV/AIDS clinic throughout the day; as a result, 95% of staff had the test done.



7.5 ▶ Donations and Sponsorships

In 2015, we continued working with:

- Fundación Lactancia y Maternidad (FUNDALAM).
- Fundación Asistencial Materno Infantil de Ayuda a Niños afectados por la Pobreza y el VIH (FUNDAMIND).
- Fundación de Ayuda al Niño Necesitado (FANN).
- Asociación Síndrome de Down de la República Argentina (ASDRA).
- Cáritas.
- Fundación Minka.
- Red de Acción Política (RAP).
- Fundación Nutrir-Conin.
- Fundación Garrahan.
- Fundación para el Estudio y lucha de Enfermedades Hemato-oncológicas (FEDEH).
- Fundación TECHO.
- Jardín Santa Clara de Asís.
- Banco de Alimentos.

In 2015, we bought tables for the annual dinners of FANN and Banco de Alimentos, and we had a draw for them among our associates. In this way, we gave the opportunity to closely experience the work of those entities and voluntarily contribute with them.

Suyay Production Undertaking

This is a program coordinated by the public sector, the private sector and labor unions. Specifically, the undertaking manufactures working clothes for companies of the citrus sector through Asociación Tucumana del Citrus (ATC). In 2015, we bought again clothes for harvesters, and packing and industry operators.

Twelve women of the community work in the sewing workshop, located in the city of Famaillá, in the vicinity of the factory. They are the wives, daughters or mothers of our temporary workers. Through this project, we seek to promote the community's social and economic development, prevent child labor and contribute to the reduction of family migration during the time between sugarcane harvest seasons. Also, the project entails a carbon footprint reduction as the proximity between the supplier and the factory requires a shorter distance to be covered to transport the clothes.

08. TECHNICAL MANAGEMENT OF THE REPORT

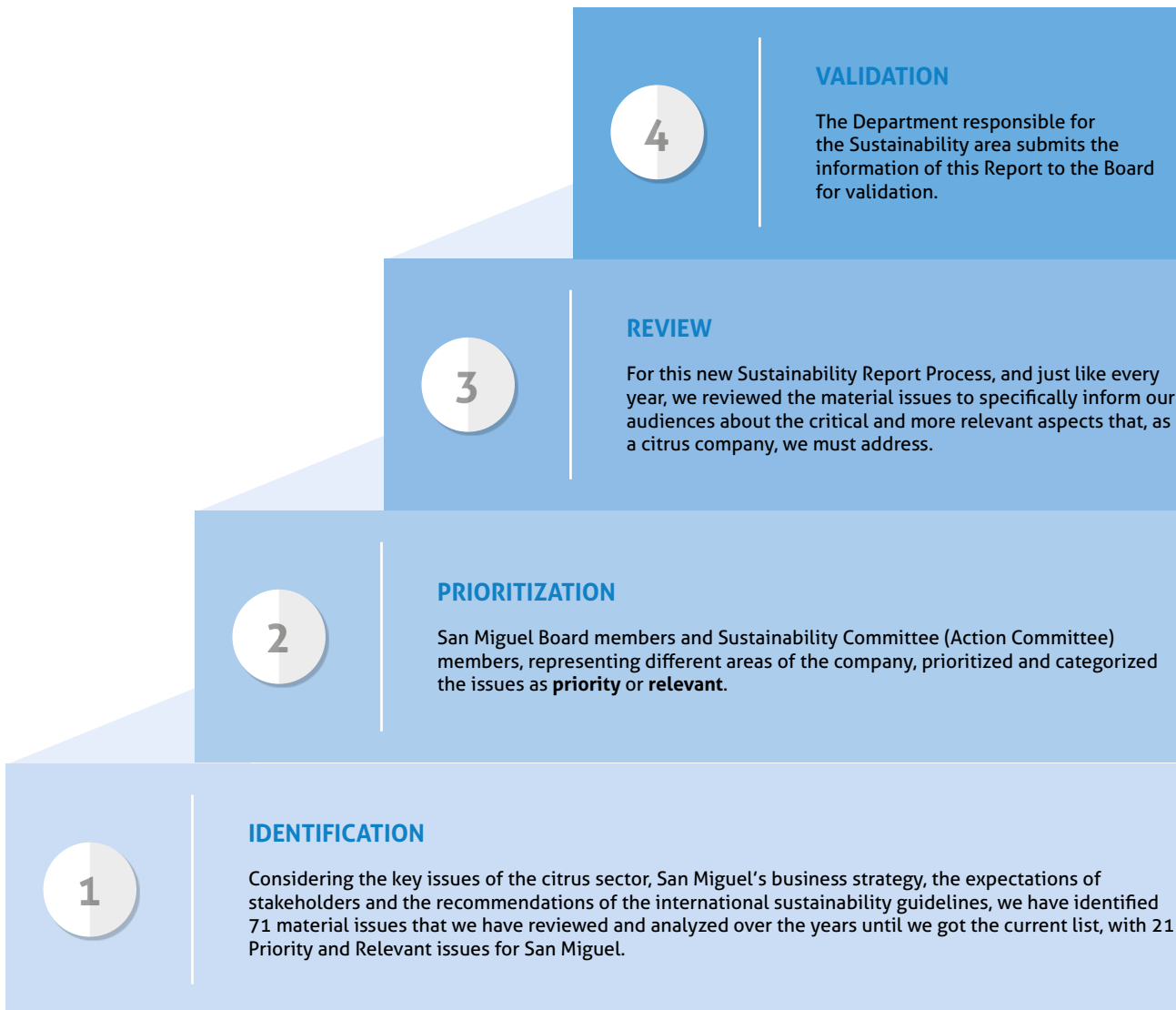
Sustainability Indicators GRI G4 - ISO 26000
United Nations Global Compact



8.1 ▶ Report Preparation and Materiality Analysis

Just like every year, the preparation of this Report implies a process within our company that requires all areas to be actively involved to specifically respond on relevant issues related to our management of the citrus business.

This Materiality Matrix shows the issues we have identified as **priority** and **relevant** from the whole context of issues related to sustainability in the industry. Its preparation included the following stages:



Materiality Matrix

In this Matrix, we present San Miguel’s material issues, arranged in 6 categories:

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



8.2 ▶ Impact on Stakeholders

According to San Miguel's material issues, this is our assessment of their impact on our stakeholders.

References

A: Shareholders and corporate governance.
Col: Associates.
P: Suppliers.
C: Community.
CL: Customers and consumers.
G: State Government and Public Authorities.
MA: Environment.

MATERIAL ISSUES AND THEIR IMPACT ON STAKEHOLDERS							
Issues	A	E	P	Col	CL	G	MA
PRIORITY ISSUES							
Long-term business strategy	●	●	●		●		●
Efficient use of water				●			●
Effluent management				●			●
Waste management				●			●
Sustainable soil management				●			●
Biodiversity protection				●			●
Talent attraction, development and retention		●					●
Occupational health and safety		●					
CSR Programs with local communities				●		●	
Ethics and transparency in business management	●	●		●		●	
RELEVANT ISSUES							
Supplier assessment and development			●				
Energy efficiency						●	●
Work-life balance		●					
Diversity and equal opportunity		●					
Temporary employee management		●		●			
Fight against child labor				●		●	
Customer service					●		
Food security				●	●	●	
Fair competition						●	
PRIORITY/RELEVANT ISSUES							
Promoting social responsibility in the supply chain			●		●		
Promoting healthy life habits (fresh citrus fruit)		●	●	●	●	●	●

8.3 ▶ Commitment to the United Nations Global Compact

After four years of San Miguel's adhering to the United Nations Global Compact, we reaffirm our commitment accounting for the work we do on each of the 10 Principles of this initiative, which covers Labor Rights, Human Rights, Environment, and Fight against Corruption.

Based on the document "Making the Connection", which relates the GRI guidelines with the Global Compact Principles, this Report presents a new "Communication on Progress" or COP to show San Miguel's compliance with this global initiative.

8.4 ▶ Sustainability Indicators

Table according to the guidelines used in this 2015 Sustainability Report Process:

- GRI - Global Reporting Initiative - G4 Guidelines - "In accordance" criterion, "Core" option.
- Social Responsibility International Standard - ISO 26000
- United Nations Global Compact.

GRI Table

San Miguel's 2015 Sustainability Report was prepared pursuant to the "In accordance" with the GRI G4 Guidelines core option. The table below shows the responses to the requirements of the GRI G4 Guidelines under the in accordance "core" option, and some contents required for the "comprehensive" option are additionally included. At the same time, it shows the relationship with the COP criteria of the United Nations Global Compact and the ISO 26000 certification.

No external assurance has been conducted for San Miguel's 2015 Sustainability Report.

GENERAL BASIC CONTENTS			
General Basic Contents	Section/Response	ISO 26000 Clause	United Nations Global Compact
STRATEGY AND ANALYSIS		4.7, 6.2, 7.4.2	
G4-1: Statement from the most senior decision-maker of the organization about the relevance of sustainability to the organization and the organization's strategy for addressing sustainability.	Letter from the CEO		
G4-2: Description of key impacts, risks, and opportunities.	Commitment to the SUSTAINABLE DEVELOPMENT GOALS. Achievements and Challenges 1.1		
ORGANIZATIONAL PROFILE		6.3.10, 6.4.1 - 6.4.2, 6.4.3, 6.4.4, 6.4.5, 6.8.5, 7.8	
G4-3: Name of the organization.	We are San Miguel		
G4-4: Primary brands, products, and services.	5.1		
G4-5: Location of the organization's headquarters.	Back cover, Note 1		
G4-6: Countries where the organization operates.	We are San Miguel		
G4-7: Nature of ownership and legal form.	Note 2		
G4-8: Markets served.	We are San Miguel, 5.2		
G4-9: Scale of the organization.	We are San Miguel, San Miguel in Numbers, 1.1, 4.1		
G4-10: Breakdown of employees of the organization.	4.1		Principle 6
G4-11: Percentage of total employees covered by collective bargaining agreements.	Note 3		Principle 3
G4-12: Description of the organization's supply chain.	2.2		
G4-13: Significant changes during the reporting period regarding the organization's size, structure, ownership and its supply chain.	Note 4		
G4-14: Reporting whether and how the precautionary principle is addressed by the organization.	Cover repetition, 1.2.		
G4-15: Externally developed economic, social and environmental principles or other initiatives to which the organization subscribes or which it endorses.	Cover, 8, Back cover repetition		
G4-16: Memberships of associations and national or international advocacy organizations.	1.5		
MATERIAL ASPECTS AND BOUNDARIES		5.2, 7.3.2, 7.3.3, 7.3.4	
G4-17: List of entities included in the organization's financial statements and other equivalent documents.	Note 5		
G4-18: Process for defining the report content and the Aspect Boundaries.	8.1, 8.3, Back cover repetition		
G4-19: List of material Aspects.	8.1		
G4-20: For each material Aspect, the Aspect Boundary within the organization.	Note 6		
G4-21: For each material Aspect, the Aspect Boundary outside the organization.	Note 6		
G4-22: Report of the effects of any restatements of information provided in previous reports, and the reasons for such restatements.	Note 7		
G4-23: Significant changes from previous reporting periods in the scope and aspect boundaries.	Note 8		
STAKEHOLDER ENGAGEMENT		5.3	
G4-24: List of stakeholders engaged by the organization	1.4, 8.2		
G4-25: Basis for selection of stakeholders with whom to engage.	8.2, Note 9		
G4-26: Reporting of organization's approach to stakeholder engagement.	Achievements and Challenges 1.4 - 4.10.5 - 4.11 - 5.4 - 6.1		
G4-27: Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.	Achievements and Challenges 4.10.5 - 4.11 - 5.4 - 6.1		

GENERAL BASIC CONTENTS			
General Basic Contents	Section/Response	ISO 26000 Clause	United Nations Global Compact
REPORT PROFILE		7.5.3, 7.6.2	
G4-28: Reporting period	Back cover repetition		
G4-29: Date of most recent previous report	Back cover, Note 10		
G4-30: Reporting cycle.	Note 11		
G4-31: Provide the contact point for questions regarding the report or its contents.	Back cover		
G4-32: In accordance with the Guidelines option the organization has chosen, GRI Index for the chosen option and reference to the External Assurance Report.	8.1, Note 13		
G4-33: Organization's policy and current practices with regard to external assurance for the report.	Note 12		
CORPORATE GOVERNANCE		6.2, 7.4.3, 7.7.5	
G4-34: Governance structure of the organization, including committees.	1.1, 1.3		
G4-35: Process for delegating authority for sustainability from the highest governance body to senior executives and selected employees.	1.3, Note 13		
G4-36: Executive-level positions or positions with responsibility for economic, environmental and social topics, and whether post holders report directly to the highest governance body.	1.3, Note 13		
G4-38: Composition of the highest governance body and its committees.	1.1		
G4-39: Report whether the chair of the highest governance body is also an executive officer.	Note 14		
G4-41: Processes for the highest governance body to ensure conflicts of interest are avoided and managed.	Note 15		
G4-43: Measures taken to develop and enhance the highest governance body's knowledge of economic, environmental and social topics.	1.1, 1.3		
G4-44: Processes for evaluation of the highest governance body's performance with respect to governance of economic, environmental and social topics.	1.1, Note 16		
G4-46: Highest governance body's role in reviewing the effectiveness of the organization's risk management processes for economic, environmental and social topics	3.1.2, 4.11		
G4-50: Nature and total number of critical concerns that were communicated to the highest governance body	Note 39		
G4-51: Remuneration policies for the highest governance body and senior executives.	1.1, Note 16		
G4-52: Process for determining remuneration.	Note 17		
ETHICS AND INTEGRITY		4.4, 6.6.3	
G4-56: Statements of mission, values and codes of conduct.	2.1		Principle 10
G4-57: Internal and external mechanisms for seeking advice on ethical and lawful behavior, and matters related to organizational integrity, such as helplines.	2.1		Principle 10
G4-58: Internal and external mechanisms for reporting concerns about unethical or unlawful behavior, and matters related to organizational integrity, such as whistleblowing mechanisms or hotlines.	2.1		Principle 10

SPECIFIC BASIC CONTENTS					
Material Aspects	Information on the management approach and indicators	Page/ Response	Reasons for Omission	ISO 26000 Clause	United Nations Global Compact
ECONOMY					
Economic Performance	Management approach	1.2 - 1.3 - 2.1			
	G4-EC1: Direct economic value generated and distributed.	We are San Miguel, San Miguel in Numbers - 7.2		6.8.1 - 6.8.2, 6.8.3, 6.8.7, 6.8.9	
	G4-EC4: Financial assistance granted by government entities.	Note 18			
ENVIRONMENT				6.5.1 - 6.5.2	
Energy	Management approach	6 - 6.1			
	G4-EN3: Energy consumption within the organization.	6.3.3 - 6.4 Note 19	Note 20	6.5.4	Principle 7, 8
Water	Management approach	6 - 6.1			
	G4-EN8: Total water withdrawal by source.	6.3.1 - Note 21	Note 22	6.5.4	Principle 7, 8, 9
Biodiversity	Management approach	6 - 6.1- 6.9 - 8.1			
	G4-EN11: Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	6.9		6.5.6	Principle 8
	G4-EN12: Description of the most significant impacts of activities, products, and services on biodiversity in protected areas or areas of high biodiversity value outside protected areas.	6.9		6.5.6	Principle 8
Effluents and Waste	Management approach	6 - 6.1 - 8.1			
	G4-EN22: Total water discharge by quality and destination.	6.3 Note 19	Note 20	6.5.3, 6.5.4	Principle 8
	G4-EN23: Total weight of waste by type and treatment method.	6.5 - 6.6		6.5.3	Principle 8
	G4-EN24: Total number and volume of significant spills.	Note 23		6.5.3	Principle 8
Compliance	Management approach	6 - 6.1.1			
	G4-EN29: Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	Note 24		4.6	Principle 8
General	Management approach	6 - 6.1 - 8.1			
	G4-EN31: Breakdown of environmental protection expenditures and investments.	6.1		6.5.1-6.5.2	Principle 7, 8, 9
Supplier Environmental Assessment	Management approach	2.2 - 8.1			
	G4-EN32: Percentage of new suppliers that were screened using environmental criteria.	2.2.2 - 2.2.3 Note 25	Note 26	6.3.5, 6.6.6, 7.3.1	Principle 8
LABOR PRACTICES AND DECENT WORK				6.4.1 - 6.4.2	
Employment	Management approach	4 - 8.1			
	G4-LA1: Total number and rates of new hires and mean employee turnover by age group, gender and region.	4.1		6.4.3	Principle 6
	G4-LA2: Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation.	4.2 - 4.6			
Company/Labor Relations	Management approach	4.1			
	G4-LA4: Minimum notice period(s) related to organizational changes.	Note 36		6.4.3, 6.4.5	Principle 3
	G4-FP3: Percentage of work time lost due to labor conflicts, strikes and/or lockouts, by country.	Note 37 - Note 3			

SPECIFIC BASIC CONTENTS					
Material Aspects	Information on the management approach and indicators	Page/ Response	Reasons for Omission	ISO 26000 Clause	United Nations Global Compact
Health and Safety at Work	Management approach	4 - 4.10			
	G4-LA5: Percentage of workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.	4.10		6.4.6	
	G4-LA6: Type and rates of injuries, occupational diseases, lost days, absenteeism and number of work-related fatalities, by region and by gender.	4.10.6	Note 38	6.4.6, 6.8.8	
Training and Education	Management approach	4 - 4.8 - 8.1			
	G4-LA10: Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	4.8			
	G4-LA11: Percentage of employees receiving regular performance and career development reviews, by gender and by employee category.	4.8			Principle 6
Diversity and Equal Opportunity	Management approach	4 - 4.3 - 8.1			
	G4-LA12: Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity.	4.3			Principle 6
Equal Remuneration for Women and Men	Management approach	4 - 4.5 - 8.1			
	G4-LA13: Ratio of basic salary and remunerations of women to men by employee category and by significant locations of operation.	4.5		6.3.7, 6.3.10, 6.4.3, 6.4.4	Principle 6
Supplier Assessment for Labor Practices	Management approach	2.2 - 8.1			
	G4-LA14: Percentage of new suppliers that were screened using labor practices criteria.	Note 25	Note 26	6.3.5, 6.4.3, 6.6.6, 7.3.1	
HUMAN RIGHTS				4.8, 6.3.1 - 6.3.2	
Non-discrimination	Management approach	3 - 3.1.1 - 3.1.2			
	G4-HR3: Number of cases of discrimination and corrective actions taken.	Note 27		6.3.6, 6.3.7, 6.3.10, 6.4.3	Principle 6
Child Labor	Management approach	3 - 8.1			
	G4-HR5: Operations and suppliers identified as having potential risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor.	3.2 Note 28		6.3.3, 6.3.4, 6.3.5, 6.3.7, 6.3.10, 6.6.6, 6.8.4	Principle 5
Assessment	Management approach	3			
	G4-HR9: Total number and percentage of operations that have been subject to human rights reviews or impact assessments.	Note 29		6.3.3, 6.3.4, 6.3.5	Principle 1
Supplier Human Rights Assessment	Management approach	3 - 3.2			
	G4-HR10: Percentage of new suppliers that were screened using human rights criteria.	3.2 Note 25	Note 26	6.3.3, 6.3.4, 6.3.5, 6.6.6	Principle 2
Human Rights Grievance Mechanisms	Management approach	2.1 - 3.1 - 3.2			
	G4-HR12: Number of grievances about human rights impacts filed, addressed, and resolved through formal grievance mechanisms.	Note 30		6.3.6	Principle 1
SOCIETY					
Local Communities	Management approach	7			
	G4-SO1: Percentage of operations with implemented local community engagement, impact assessments, and development programs.	Note 31		6.3.9, 6.5.1 - 6.5.2, 6.5.3, 6.8	Principle 1

SPECIFIC BASIC CONTENTS					
Material Aspects	Information on the management approach and indicators	Page/ Response	Reasons for Omission	ISO 26000 Clause	United Nations Global Compact
Fight against Corruption	Management approach	We are San Miguel 2.1			
	G4-SO5: Confirmed incidents of corruption and actions taken.	Note 32		6.6.1 - 6.6.2, 6.6.3	Principle 10
Anti-Competitive Behavior	Management approach	2.1			
	G4-SO7: Total number of legal actions for anti-competitive behavior, anti-trust or monopoly practices and their outcomes.	Note 33			
Supplier Assessment for Impacts on Society	Management approach	2.2 - 3.2			
	G4-SO9: Percentage of new suppliers that were screened using criteria for impacts on society.	3.2			
Healthy and Affordable Food	Management approach	We are San Miguel 5 - 5.3 - 5.4			
PRODUCT RESPONSIBILITY					
Customer Health and Safety	Management approach	5 - 5.4 - 5.5 - 8.1			
	G4-PR2: Number of incidents of non-compliance with regulations concerning the impacts of products and services on the health and safety of customers.	Note 34		4.6, 6.7.1 - 6.7.2, 6.7.4, 6.7.5, 6.8.8	
Product and Service Labeling	Management approach	Achievements and Challenges - 1.2 - 5 5.3 - 8.1			
	G4-PR4: Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.	Note 35		4.6, 6.7.1 - 6.7.2, 6.7.3, 6.7.4, 6.7.5, 6.7.9	
	G4-PR5: Results of surveys measuring customer satisfaction.	5.4			

Notes

Note 1: San Miguel's headquarters are located in Buenos Aires, Argentina.

Note 2: SA San Miguel Agrícola, Ganadera, Industrial, Comercial, Inmobiliaria y Financiera.

Note 3: 72.35% of employees are covered by collective bargaining agreements in Argentina. 21% of employees are covered by collective bargaining agreements in South Africa.

Note 4: No significant changes occurred in 2015 in the organization's supply chain.

Note 5: All the entities listed in the financial statements are included in this Report.

Note 6:

Material issue	Priority/Relevant issue	Influenced stakeholders*	Internal impact	External impact
Long-term business strategy	P	A, E, P, Col, MA	x	x
Efficient use of water	P	Col, MA, C	x	x
Effluent management	P	Col, MA, C	x	x
Waste management	P	Col, MA, C	x	x
Sustainable soil management	P	Col, MA, C	x	x
Biodiversity protection	P	Col, MA, C	x	x
Talent attraction and retention	P	E, MA	x	
Occupational Health and Safety	P	E	x	
CSR Programs with local communities	P	Col, G, C		x
Ethics and transparency in business management	P	A, E, Col, G	x	x

Material issue	Priority/Relevant issue	Influenced stakeholders*	Internal impact	External impact
Supplier assessment and development	R	P		x
Energy efficiency	R	G, MA	x	x
Work-life balance		E		
Diversity and Equal Opportunity	R	E	x	
Temporary employee management	R	E, Col	x	x
Fight against child labor	R	Col, G, C	x	x
Customer service	R	Cl		x
Food security	R	Col, Cl, G, C		x
Fair competition	R	G	x	x
Promoting social responsibility in the supply chain	P, R	P, Cl		x
Promoting healthy life habits (fresh citrus fruit)	P, R	E, P, Col, Cl, G, MA, C	x	x

* **References:** A: Shareholders and corporate governance. C: Community. Cl: Customers and consumers. G: State Government and Public Authorities. MA: Environment. P: Suppliers. Col: Associates. E: the State.

Note 7: No significant statements of information provided in previous reports have been made.

Note 8: No significant changes occurred during the year.

Note 9: In order to identify and select stakeholders, we rely on the 6 CSR dimensions of San Miguel related to Material Issues of ISO 26000 Standard.

Note 10: The previous Sustainability Report was published in 2014.

Note 11: Our Sustainability Report is made on an annual basis.

Note 12: No external assurance has been conducted for San Miguel's 2015 Sustainability Report.

Note 13: The Sustainability, Quality and Institutional Relations Department is the area that arranges the activities related to the sustainable development. The strategic initiatives of all executive areas include making their objectives consistent with the company's Sustainability management. San Miguel Board delegates in the CSR Committee the preparation and execution of the company's Comprehensive Sustainability plan. Every end of year, said committee presents the programs executed.

Note 14: The Chair of the Board is not an executive officer at San Miguel.

Note 15: The conflict of interest issues are presented and discussed if necessary in bimonthly meetings in the Executive Committee, which is composed by members of the board and executive directors.

Note 16: Remuneration of Board members is fixed based on the responsibilities taken, the time devoted, professional competence and reputation and the value of the services in the market. It has a fixed performance component and is aligned with the remunerations of the market. The external consulting firms with which we work only provide the wage structures and comparative data from other companies and the general market. They are not involved in determining wages and are independent from the management. As from 2015, the company's management team undertook the commitment to incorporate a new specific performance objective on Sustainability that will impact on its variable remuneration and will be oriented towards the management of the 6 dimensions on which this report is based: Corporate Governance; Labor Practices; Environment; Social Investment; Customers; and Value Chain. Directors will later include in their relevant reports the guidelines to determine the specific objectives so as to embed Sustainability throughout the company's management.

Note 17: The Compensations and Benefits Area prepares the different compensation scenarios, including information from surveys, studies, consulting firm analyses, official indexes, etc. and the HR Director, together with the General Manager, present such scenarios to Shareholders and support each of the scenarios proposed. Shareholders study the scenarios and make the decision to choose one or other strategy taking into account the constant movement of the market and the production, sales, cost indicators, etc.

Note 18: No significant financial assistance was received from governments.

Note 19: This indicator is partially reported as there are no quantitative data available for operations in Uruguay and South Africa.

Note 20: San Miguel is undergoing a process to standardize its management model and its indicators in order to cover all countries through a new Management model.

Note 21: This indicator is partially reported as there are no quantitative data for water withdrawal by source, which we will try to report on next publications.

Note 22: Due to the lack of measuring instruments (flow meters) in the field, we could not obtain this information in 2015. In 2016, we will start with the required measurements.

Note 23: No significant spills have taken place in any of our operations.

Note 24: No incidents have been reported in 2015.

Note 25: We will develop a tool to assess suppliers on environment, labor practices and impact on society.

Note 26: For the time being, we do not conduct in-person audits on our suppliers to assess them on environment, labor practices and impact on society.

Note 27: No incidents of this type were reported in 2015.

Note 28: No operations with potential risk for incidents of child labor have been reported.

Note 29: Through the audits of the Ethical Trading Initiative in the three countries where we operate, 100% of operations are subject to assessments related to human rights. The Human Resources Policy and the Code of Ethics are applicable to the entire company in Argentina and Uruguay.

Note 30: No significant grievances about human rights impacts have been filed in 2015.

Note 31: We have implemented local community engagement, impact assessments, and development programs in all the communities where our operations are established.

Note 32: No corruption incidents have been reported in 2015.

Note 33: No legal actions for anti-competitive behavior, anti-trust or monopoly practices have been filed.

Note 34: No incidents related to non-compliance with regulations concerning the impacts of products and services on the health and safety of customers have been reported.

Note 35: No incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling have been reported.

Note 36: The minimum notice period to employees upon significant changes affecting them is one month if length of service is less than or equal to 5 years and 2 months if length of service is greater than 5 years.

Note 37: There were no strikes in Argentina operations in 2015. In South Africa, 2 days were lost due to a strike in the industrial sector.

Note 38: This indicator is not fully reported. Currently, the company is working on the full systematization of these indicators for Argentina and South Africa, as well as the indicators for independent contractors. This information will be included in the next reports.

Note 39: No relevant concerns have been raised to report to the highest governance body.

► Scope and Guidelines of this Sustainability Report

This is our fourth Sustainability Report, which covers San Miguel's period of activities in all its territories: Argentina, Uruguay and South Africa, from January to December 2015.

For a third year in a row, we prepared the Report using the **GRI (Global Reporting Initiative) G4 Guidelines** fulfilling the "In accordance" criterion and applying the "Core" option.

We have defined the use of the **ISO 26000 International Standard** as a guideline to integrate social responsibility in our values and practices.

The company's sustainability management in its six core dimensions and the Sustainability Commitments are based on the Core Subjects of ISO 26000 Standard: Organizational Governance, Labor Practices, Fair Operating Practices, Customer and Consumer Issues, Community Involvement and Development and Environmental Impact.

This Report serves to present Communication on Progress (COP) and to show our support to the United Nations Global Compact.

At the end of 2015, we started to work on the adoption of the **Sustainable Development Goals** launched in September of that year by the United Nations. This Report only informs we have started with that analysis that will continue in 2016.

► More information

- **ISO 26000:**
www.iso.org/iso/social_responsibility
- **GRI G4:**
www.globalreporting.org
- **United Nations Global Compact:**
www.pactoglobal.org.ar
- **Sustainable Development Goals:**
www.un.org/sustainabledevelopment/es/

► Contact us

We welcome your opinions, suggestions, concerns or any other comment related to our management presented in the 2015 Sustainability Report to sustentabilidad@sanmiguelglobal.com.

ACKNOWLEDGMENTS

Just like every year, special thanks are due to our associates for their participation, time and contribution to the hard task of collecting the information that allows us to account for the work we do as regards sustainability.

Buenos Aires, August 2016.



► Our Sustainability Reports



► Our website

www.sanmiguelglobal.com

 SanMiguelGlobal
 @SanMiguelGlobal
 SanMiguelGlobal
 SanMiguelGlobal

.....

This **2015 Sustainability Report** is freely distributed and available to all stakeholders upon request. A digital version is available at www.sanmiguelglobal.com

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

External Facilitator: Reporte Social,
www.reportesocial.com.

.....

HEAD OFFICE

Cazadores de Coquimbo 2860, Torre 2 - Piso 1
(1605) Vicente López - Buenos Aires - Argentina
Tel.: +5411 4721 8300

ARGENTINA

Lavalle 4001
(T4000BAC) San Miguel de Tucumán - Tucumán
Tel.: +54381 451-2600

URUGUAY

Colonia 950, Piso 9
(11100) Montevideo
Tel.: +5982 903 1303

SOUTH AFRICA

Ground 1, B Block, Walmer Park Office Suites
16th Avenue Walmer. Port Elizabeth (6001)
Tel.: +2741 368 9015