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Designing  
the Future

TOWARDS FIFCO 2020

FIFCO'S 2016 INTEGRATED REPORT



—  
Designing  
the Future

TOWARDS FIFCO 2020

FIFCO'S 2016 INTEGRATED REPORT



Red Pacto Global Costa Rica

# How to read this report?

DISCLOSURE GRI 102-45, GRI 102-46

For third year in a row, our 2016 Annual Report is prepared using the Integrated Report methodology, following the guidelines of the International Integrated Reporting Council (IIRC). This report presents the company's economic, social and environmental performance, while providing a summary of how FIFCO creates value in financial and non-financial terms.

FIFCO complements the IIRC's guide and recommendations by reporting according to the indicators of the Global Reporting Initiative (GRI) Standards: Exhaustive option and with the guiding principles of the United Nations Global Compact and makes reference to the relationship between the company's strategy and the Sustainable Development Goals (SDG).

The company reports the financial statements for the fiscal year between October 2015 and September 2016 of all FIFCO operations in Costa Rica, Guatemala, El Salvador and the United States: Cervecería Costa Rica, Musmanni, Industrias Alimenticias Kern's, North American Breweries (NAB), *Florida Inmobiliaria* (real estate) and Florida Capitales (capitals). Certain sections

of this report include data from El Salvador. However, this is not a "significant operation" for FIFCO, since it has six collaborators and most initiatives are not applicable.

This report gives us the opportunity to let our shareholders and other stakeholders know how all areas are interrelated and interact with one another, by identifying the multiple ways in which the company creates present and future value. At the same time, the report helps evaluate the organization's contribution as a social actor by linking its efforts and initiatives with the specific contexts in which it operates, and by identifying social and environmental challenges, both at a local and regional level.

The content of this report was defined based on the following criteria: congruency and continuity with that reported in the 2014-2015 period, the definition of materiality according to interviews and a consultation process carried out with our stakeholders, update of our sustainability strategy, as well as achievements and key programs of the prior period.

FIFCO's 2016 Integrated Report is available at:

[www.fifco.com](http://www.fifco.com)

and

[www.fifcosostenible.com](http://www.fifcosostenible.com)

If you have any questions or suggestions regarding this report, feel free to contact

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Cover art: "Plantación"

HOW TO READ THIS REPORT?

REPORTING ACCORDING TO THE *GLOBAL REPORTING* INITIATIVE:  
*EXHAUSTIVE OPTION*

Through its corporate strategy, FIFCO aims for sustainable development. As a way to hold itself accountable for this sustainable development aspiration, FIFCO publicly reports its impacts – positive and negative – in economic, social and environmental terms. To do so, it reports according to the **Global Reporting Initiative (GRI) Standards, published on October 19, 2016.**

The GRI Standards define a common language for the organizations and stakeholders through which the organization's economic, social and environmental impacts are communicated. These, conceived as an evolution of the G4 indicators mainly regarding structure are designed to improve the comparability and quality of the information presented, as a form of transparency and accountability. Reports of this kind provide a balanced and reasonable representation of an organization's negative and positive contributions.

This report is prepared applying the 10 principles established by the GRI, both in terms of content and quality:

**Content Principles**

- Stakeholder Participation
- Sustainability Context
- Materiality
- Completeness

**Quality Principles**

- Precision
- Balance
- Clarity
- Comparability
- Reliability
- Timeliness

## HOW TO READ THIS REPORT?

Likewise, the **International Integrated Reporting Council** suggests that an integrated report should provide answers to each of the following six questions, in order to demonstrate how such information is interconnected:

### GENERAL FACTS AND BUSINESS MODEL

#### What does FIFCO do and how do we create sustainable value in the short, medium and long term?

FIFCO is a Costa Rican public corporation established in 1908 and mainly engaged in the production and distribution of beverages and food products in Central America, the Caribbean and the United States, as well as in real estate transactions in the province of Guanacaste, Costa Rica, and investing practices. Its head office is located in Costa Rica and it has operations in Guatemala, El Salvador and the United States.

For 9 years now, FIFCO has been operating under triple bottom line goals, where

sustainability is the company's transversal axis, the driving force behind innovation and continuous improvement. Currently, it has over 1,500 products and presentations, a total of **6,581** regular, temporary and part-time associates, and 2,260 shareholders, none of which has more than 10% of the company's total shares.

In the 2014 period, FIFCO defines its new corporate purpose and value proposal: Share with the world a better way of living. In 2016, the company takes important steps, confirming its commitment to create an internal alignment in all business units with the corporate purpose, the company's strategic north and a defined leadership model.

### STRATEGIC OBJECTIVES

#### Where is FIFCO heading and how will it get there?

FIFCO aims to lead any categories in which it competes, through the development of economically sound proposals entailing a minimal or positive impact for society and the environment. Innovation, business and operational excellence, the development of categories and an entrepreneurial culture become the means to achieve our corporate goal.

HOW TO READ THIS REPORT?

**CORPORATE GOVERNANCE**

**FIFCO's corporate governance and how it relates to the sustainability strategy?**

FIFCO is governed by the **Corporate Governance Voluntary Code** created in 2009. This code is mandatory for the company and our entire staff. The code contains the system by which the company is led, under the principles of transparency, accountability and sustainability. Every year, a compliance report is prepared on the Code's different elements, including compliance with the code of investor relations. Such report is certified by an external certified public accountant and published along with the annual financial statements.

**OPERATIONAL CONTEXT**

**Under which circumstances does the company operate, contemplating key supplies and relationships the operation depends on?**

FIFCO's operation is exposed to very diverse contexts, not only at a geographical level, for having operations in 4 countries (Costa Rica, Guatemala, El Salvador and the United States), but also by participating in different industries, categories and segments. The world tendencies and discussions regarding food, beverage, nutrition, alcohol in society, tourism, convenience stores, among others, are transcendental circumstances for the business. The rational use of supplies or raw materials ensure the company's sustainable operation in the future. Likewise, an effective dialogue with our stakeholders is fundamental for an authentic creation of economic, social and environmental value.

**PERFORMANCE**

**What was the company's performance in relation to the strategic goals?**

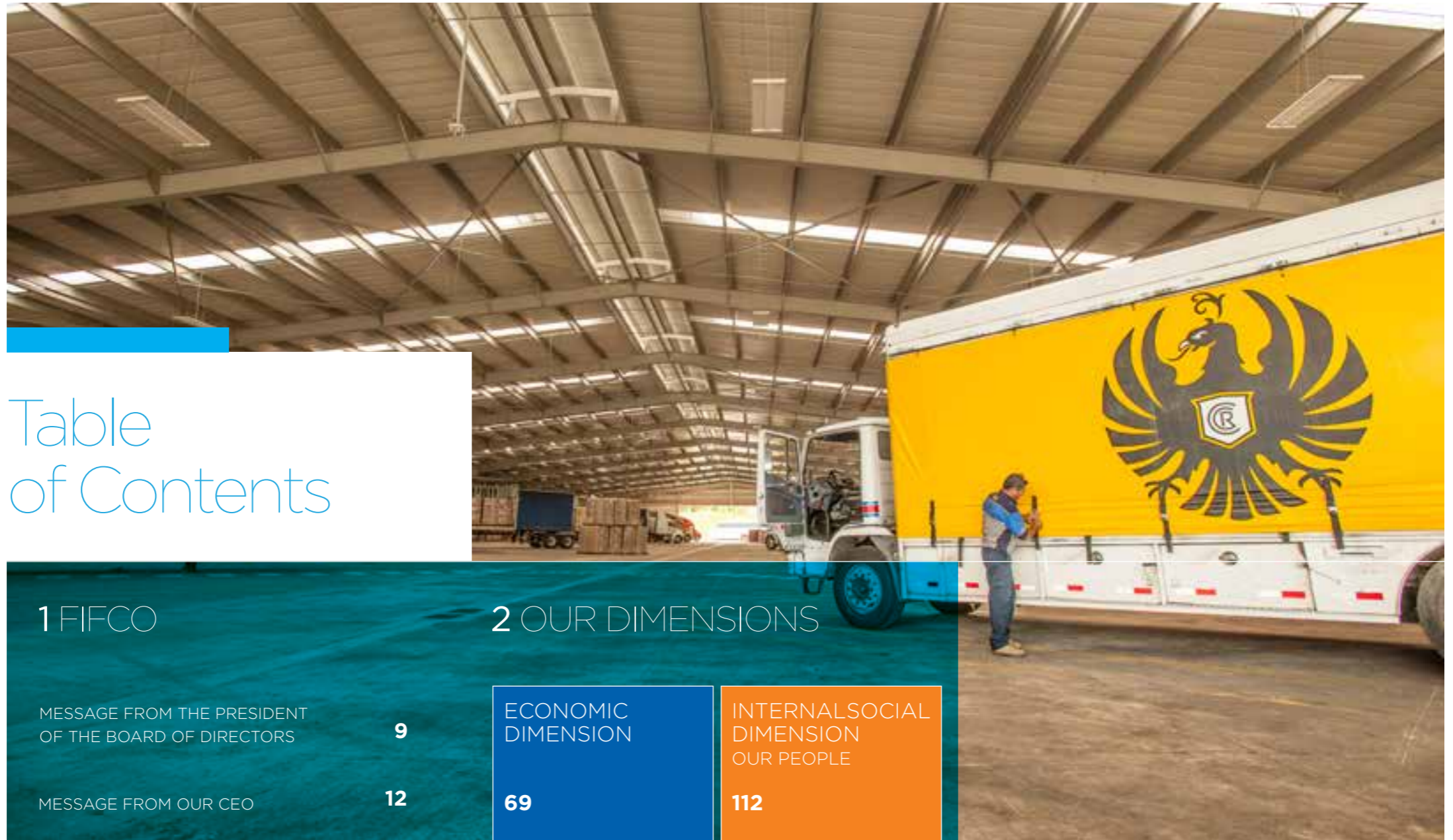
FIFCO's economic, social and environmental performance during 2016 was positive: more improvements and higher earnings than last year's were reported. The financial and non-financial achievements obtained in the three dimensions are listed throughout this report, demonstrating our commitment to providing products and services of the highest quality with minimal impact on our environment, while creating value in the communities where we operate.

**LOOKING AHEAD**

**What opportunities and challenges might FIFCO encounter?**

FIFCO establishes as its "North Star" *Enhancing every beverage consumption occasion*; this guides our actions and to achieve it we have defined a series of commitments towards 2020, classified into three strategic objectives:

1. Double Sales and Profitability
2. Be Champions with our communities, our employees and with smart consumption (CEC Champions)
3. Reach a positive balance (Water, Emissions and Waste Positive, WEW Positive)



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FIFCO

## Board of Directors

WILHELM STEINVORTH HERRERA	PRESIDENT
RODOLFO JIMÉNEZ BORBÓN	VICE PRESIDENT
ARTURO ALEXIS LORÍA AGÜERO	SECRETARY
ANDRÉ GARNIER KRUSE*	TREASURER
JOSÉ ROSSI UMAÑA*	VOTING MEMBER
EDNA CAMACHO MEJÍA*	VOTING MEMBER
SERGIO EGLOFF GERLI*	VOTING MEMBER
ROBERTO TRUQUE HARRINGTON*	STATUTORY AUDITOR

\*Independent members of the Board of Directors

### AUDIT COMMITTEE

ROBERTO TRUQUE\*  
ARTURO ALEXIS LORÍA  
JOSÉ ROSSI\*

### REAL ESTATE COMMITTEE:

WILHELM STEINVORTH  
RODOLFO JIMÉNEZ  
ARTURO ALEXIS LORÍA

### COMPENSATION COMMITTEE

WILHELM STEINVORTH  
RODOLFO JIMÉNEZ  
JOSÉ ROSSI  
EMILIA AMADO



**WILHELM STEINVORTH H.**  
PRESIDENT OF THE BOARD  
OF DIRECTORS  
FIFCO



## Message from the President of the Board of Directors

Dear Shareholders,

During the last decade, Florida Ice & Farm Co. has grown and evolved in a very significant way, going through a stage of seeking greater efficiency, productivity and economic growth, which was later complemented by a stage of integrating new categories and geographies. However, two visionary decisions were made during the last 10 years and marked the way of doing business and FIFICO's future. First, the decision made in 2008 was to merge our business strategy with our social responsibility strategy to become a Triple Bottom Line company and second, the decision made in 2014 was to find FIFICO's purpose: "Share with the world a better way of living."

In line with our company's growth and evolution, last year presented outstanding results in the three dimensions, but more importantly, it was a year characterized by the personal growth of our leaders and a year focused on designing FIFICO's new strategy.

In regards to financial results, the company reached record numbers in volume, sales and profitability. Over 92 million equivalent boxes of beverages and over 53 thousand tons of food products were placed in the markets where we operate. The year's net sales closed at 664,181 million colones, the operating profit increased 16.6% and the net profit attributable to shareholders increased 22% compared to the prior fiscal year, closing at 55,932 million colones.

## MESSAGE FROM THE PRESIDENT OF THE BOARD OF DIRECTORS

These excellent financial results are mainly due to our beverage businesses in Central America and the United States, to the bread making (Musmanni) and convenience stores businesses, as well as to the Hospitality business and to the partner companies in Nicaragua and Panama.

Specifically, in our Beer & FAB (Flavored Alcoholic Beverages), as well as our refreshments businesses, the results of sales and profitability growth were driven by an intense agenda of innovation, construction and brand strengthening and an important improvement in the business execution model. In addition, the economic performance was accompanied by the development of an agenda of brands with a purpose led by our brand *Imperial*.

Nevertheless, the wines and spirits business faced the negative impact of alcoholic beverage smuggling, which currently represents 18% of the total alcoholic beverage market in Costa Rica. Fortunately, Congress approved an anti-smuggling law, which we hope will yield results in terms of control and our company has joined efforts with other companies, chambers and the government to combat together such a negative phenomenon for the country.

The North American Breweries business showed a double-digit increase in sales and profitability led by the stabilization of *Labatt* and an important growth of *Seagram's Escapes*, as well as of *Genesee*.

The food business in Guatemala faced very important challenges in the manufacturing area; therefore, despite showing an increase in sales volume and good business performance in general, it did not show an increase in operating profit compared to the prior fiscal year. In response to these challenges, a complete

restructuring of the production plant was made, and it is starting to give positive results.

Musmanni had a double-digit growth in the bread category and in terms of operating profit. It was also possible to consolidate the convenience stores business and the relationship with franchise partners was improved. The hotel business showed an important growth in terms of occupancy, operating profit and net profit.

These results of our businesses in Central America and the United States were complemented with a very satisfactory performance by our investments in beer companies in Nicaragua and Panama (INCECA and Cervecería Barú). In the case of COMEGUA, this company had a more modest growth due to a price adjustment in the customers with supply contract.

In regards to the environmental dimension, this was a year characterized by an improvement in the performance of practically all our businesses. It is especially worth mentioning the certification obtained by the *Westin Resort & Spa Playa Conchal* hotel as the first Carbon Positive hotel in the region, as well as the excellent performance of the recycling operation in Costa Rica, which reached a recovery percentage of 60%, historical record, and which positions us as leaders in the region. Nevertheless, it is important to highlight the challenge we face in using plastic in our containers. Although in 2016 we were able to collect more than 50% of all the plastic we placed in the market, it is still one key challenge for our industry and our company. We are working hard on an agenda for PET challenge solutions. Our objective is to take the lead in world tendencies and our consumers' expectations regarding eco-friendly containers.

In the external social dimension, this year we

reached a record strategic social investment level, placing FIFCO among the world's leading companies. During this fiscal year, we could also complete 60,000 hours of volunteer work for a total of 400,000 hours accumulated. Additionally, the first days were spent with our shareholders, a milestone that marks the beginning of our volunteering path with stakeholders and which we hope will include our suppliers, customers and consumers in years to come.

Our social impact agenda still has as a priority the improvement of alcoholic beverage consumption patterns and the promotion of smart consumption. In this arena, 2016 was characterized for educating our associates and customers as smart consumption ambassadors, as well as creating campaigns and joint work with beer, FAB, wines and spirits brands to deliver a clear and consistent smart consumption message to our consumers.

Further, our social enterprise Nutrivida continues increasing its impact on the nutrition of Costa Ricans through its business model, where we donate a plate of food for every bag of product a person purchases. In this fiscal year, we also signed an agreement with the IDB to strengthen Nutrivida's network of women. We were also able to close the first year of implementation of the *Florida Oportunidades* program in all our businesses in Costa Rica and we hope to start its implementation in Guatemala in 2017.

Clearly, one of the most outstanding elements of the 2016 period was focusing on the development of our leaders and on changing the way they obtain their results. This year was all about experiencing the new leadership model, challenging hierarchies and begin working more actively through all businesses. In other words,

## MENSAJE DEL PRESIDENTE DE LA JUNTA DIRECTIVA

for the first time we could develop strategies created by transformational teams that included gender diversity, age, hierarchical level, business unit, etc. These teams, which also included members of our Board of Directors and external advisors, worked to develop strategies that use synergies among the businesses and all the potential FIFCO has as corporation. All the initiatives developed to take care of our associates had an impact on the *Great Place to Work index*, where we obtained 84 points in the leadership index and positions us as one of the 10 leading companies in Central America and the Caribbean.

All of FIFCO's economic, social and environmental results are reflected in our 2016 Integrated Report. This report has been verified by the Vincular Center of the Pontifical Catholic University of Valparaíso, Chile and certified by the Global Reporting Initiative as an Exhaustive G4 report (maximum possible level). It is also endorsed by the International Integrated Reporting Council and we comply with the guiding principles of the United Nations Global Compact, besides reporting consistently with the UN's Sustainable Development Goals. In addition, it is worth noting that this year FIFCO is part of the "Gold Community" GRI.

Another significant achievement of this period was designing a strategy for the next 4 years: **FIFCO 2020**. This strategy will guide us in coming years and gives proof that FIFCO not only wants

to lead the regional agenda, but also that we are capable of challenging ourselves and of setting our own standards regarding which is the best way of doing business and even dream beyond what the world's leading companies are doing.

I want to congratulate on behalf of the entire board of Directors each one of FIFCO's associates, but especially its leaders, who this year have been capable not only of delivering growth results in all the dimensions, but also of starting a path to grow as leaders and design our company's next evolution stage.

The results of the 2015-2016 period show our commitment to you, our shareholders, of delivering economic value and they additionally show our commitment of doing business in a special and unique way, were at the same time we generate economic, social and environmental value for all our stakeholders. This year we have shown that FIFCO is a centennial company capable of reinventing itself to show to the business world that there is a better way of doing business and that at the same time one can grow as a company, one can share with the world a better way of living. This journey is just beginning. There is still a long way to go and many things need to be done, but we are focused on our goal and eager to create a Costa Rican business model that can be shared and improved, not only here, but in any part of the world.

**Wilhelm Steinvorth H.**  
PRESIDENT OF THE BOARD OF DIRECTORS



FIFCO

## Message from Our CEO

**RAMÓN MENDIOLA S.**  
CHIEF EXECUTIVE OFFICER - FIFCO

This year, 2016 has been characterized for delivering outstanding results and double-digit growth in the three dimensions under which we operate, but certainly there are two achievements in this year's development worth mentioning.

First, we managed to implement a new leadership model in which we work collaboratively, in interdisciplinary teams and which cross business divisions and where exploration and co-creation are key elements.

## MESSAGE FROM OUR CEO

This new leadership model has enabled us to reach not only growth and development goals in each one of FIFCO's businesses, but it has also allowed us to reinvent ourselves as leaders and seek our associates' overall wellbeing.

The second greatest achievement was designing the company's future: our FIFCO 2020 strategy. This strategy for the next 4 years defines very ambitious economic, social and environmental goals, and it indicates us how we will be able to achieve them. This strategy is very special because it marks significant progress in social and environmental matters like becoming a company that generates positive net value. In other words, we will go beyond Carbon Neutrality, Water Neutrality and Zero Solid Wastes to design a business model that breaks the paradigms of traditional capitalism and embarks us in a new era of generating positive environmental and social value.

This strategy marks a new era in FIFCO's history, a company which has been able to challenge itself to redefine how a company's success is measured: from a traditional approach of maximizing economic value for shareholders towards an holistic approach where economic value can be created for all its stakeholders at the same time as social and environmental positive value.

I invite you to read our third Integrated Report for the 2016 period. This report recounts how we contribute to create value in financial and non financial terms, presenting our commitments, contributions and challenges in business, social and environmental matters.

**Ramón Mendiola S.**



FIFCO

## Executive Committee

<b>RAMÓN MENDIOLA SÁNCHEZ</b>	CHIEF EXECUTIVE OFFICER
<b>CARLOS MANUEL ROJAS KOBERG</b>	CHIEF FINANCE AND CORPORATE SERVICES OFFICER
<b>ROLANDO CARVAJAL BRAVO</b>	REGIONAL DIRECTOR OF THE FOOD AND BEVERAGE DIVISION
<b>KRIS SIRCHIO</b>	DIRECTOR OF NORTH AMERICAN BREWERIES
<b>SCARLET PIETRI VERENZUELA</b>	DIRECTOR OF HUMAN RESOURCES
<b>GISELA SÁNCHEZ MAROTO</b>	DIRECTOR OF CORPORATE RELATIONS
<b>HELMUTH SAUTER ORTIZ</b>	DIRECTOR OF THE REAL ESTATE DIVISION
<b>JAVIER SIBAJA OVIEDO</b>	DIRECTOR OF MUSMANNI
<b>MARIEL PICADO QUEVEDO</b>	DIRECTOR OF LEGAL SERVICES
<b>FABRIZIO PAPAIANI MARTÍNEZ</b>	CORPORATE AUDITOR

# Key Performance Indicators

## KEY FINANCIAL INDICATORS

(in millions of colones)

	as of September 30 de 2016	as of September 30 de 2015	Variation %
<b>Results</b>			
Net sales (without direct taxes)	664.181	623.288	7%
Cost of sales	334.984	328.665	2%
Gross profit	329.197	294.623	12%
Operating profit	111.663	95.796	17%
Net profit	71.649	58.177	23%
Net profit attributable to shareholders	55.932	45.856	22%
Dividends paid to shareholders	23.907	21.531	11%
<b>General Balance</b>			
Current assets	213.274	199.740	7%
Non-current assets	673.234	654.123	3%
Total assets	886.508	853.863	4%
Short-term liabilities	166.659	132.856	25%
Long-term liabilities	333.575	369.757	-10%
Total liabilities	500.234	502.613	0%
Working capital, net of investments and onerous obligations	102.544	114.091	-10%
Total equity	386.274	351.250	10%
Net equity, attributable to shareholders	340.565	308.069	11%
Capital in outstanding shares	93.734	93.967	0%
<b>Indicators per share (in colones) adjusted by increase in capital</b>			
Number of outstanding shares (in thousands)	937.340	939.672	0%
Operating profit	119,13	101,95	17%
Net profit attributable to shareholders	59,38	48,53	22%
Dividends	25,50	22,90	11%
Carrying value	363,33	327,85	11%

**KEY FINANCIAL INDICATORS**

(in millions of colones)

	as of September 30 del 2016	as of September 30 del 2015	Variation %
<b>Net income</b>			
Sales of beverages	564.512	531.823	6%
Sales of food products	68.594	63.299	8%
Sales of real estate	27.903	25.331	10%
Others	3.172	2.835	12%
<b>Tangible assets</b>			
Properties, plant and equipment, net	245.353	239.512	2%
Investment in associates	56.236	50.961	10%
<b>Human Resource</b>			
Number of Employees	6.581	6.324	4%
<b>Reasons</b>			
<b>Operating profit</b>			
on Net sales (without direct taxes)	16,8%	15,4%	
on Total equity	28,9%	27,3%	
<b>Net profit</b>			
on Net sales (without direct taxes)	10,8%	9,3%	
on Total assets	8,1%	6,8%	
<b>Net profit attributable to shareholders</b>			
on Net equity	16,4%	14,9%	
<b>Dividend</b>			
on Net profit attributable to shareholders	42,7%	47,0%	
Reason of current liquidity	1,28	1,50	



**CONSOLIDATED RESULTS FOR THE YEAR ENDED SEPTEMBER 30, 2016 AND 2015**  
(in millions of colones)

	2016	2015	Variation	
			Absolute	%
<b>Net sales</b>	<b>664.181</b>	<b>623.288</b>	<b>40.893</b>	<b>7%</b>
Cost of sales	334.984	328.665	6.319	2%
<b>Gross profit</b>	<b>329.197</b>	<b>294.623</b>	<b>34.574</b>	<b>12%</b>
Operating expenses	217.534	198.827	18.707	9%
<b>Operating profit</b>	<b>111.663</b>	<b>95.796</b>	<b>15.867</b>	<b>17%</b>
Other expenses/(Income), net	10.097	13.498	(3.401)	-25%
<b>Profit before taxes</b>	<b>101.566</b>	<b>82.298</b>	<b>19.268</b>	<b>23%</b>
Income tax	29.917	24.121	5.796	24%
<b>Net profit</b>	<b>71.649</b>	<b>58.177</b>	<b>13.472</b>	<b>23%</b>
Minority interest	15.717	12.321	3.396	28%
<b>Net profit attributable to shareholders</b>	<b>55.932</b>	<b>45.856</b>	<b>10.076</b>	<b>22%</b>



FIFCO

**FIFCO | WORKING CAPITAL, NET**

	as of September 30 2016	as of September 30 2015	Variación %				
<b>Results</b>							
	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>Var</b>
Cash and cash equivalents	65.902	64.207	59.190	39.046	40.181	54.290	(14.109)
Accounts receivable, net (note 9)	54.955	51.526	51.371	60.068	42.650	30.637	12.013
Inventories	63.565	60.978	66.272	67.730	44.036	33.981	10.055
Advances to suppliers	3.109	3.033	2.859	3.682	3.439	4.760	(1.321)
Expenses paid in advance (note 11)	23.216	17.256	15.598	12.709	8.836	8.091	745
					-	-	
<b>Current assets</b>	<b>210.747</b>	<b>197.000</b>	<b>195.290</b>	<b>183.235</b>	<b>139.142</b>	<b>131.759</b>	<b>7.383</b>
<b>Less</b>							
<b>Net assets from onerous investments</b>	<b>210.747</b>	<b>197.000</b>	<b>195.290</b>	<b>183.235</b>	<b>139.142</b>	<b>131.759</b>	<b>7.383</b>
Accounts payable (note 19)	55.837	40.469	46.455	54.896	26.766	22.384	4.382
Accrued expenses (note 20)	30.474	27.060	23.627	20.684	14.226	14.592	(366)
Benefits to employees	-	-	1.773	1.662	1.516	1.353	163
Income tax payable	10.975	5.665	7.485	3.890	5.459	4.385	1.074
Other taxes payable	7.686	7.758	7.391	10.877	6.363	5.672	691
Advances received from clients	3.231	3.502	2.859	2.898	2.206	1.241	965
<b>Current liabilities</b>	<b>108.203</b>	<b>84.454</b>	<b>89.590</b>	<b>94.907</b>	<b>56.536</b>	<b>49.627</b>	<b>6.909</b>
<b>Net working capital</b>	<b>102.544</b>	<b>112.546</b>	<b>105.700</b>	<b>88.328</b>	<b>82.606</b>	<b>82.132</b>	<b>474</b>

FIFCO

# Comments on Financial Statements

## NET SALES:

Net sales increase 6.6% mainly as a result of the sales in the beverage business and specifically in the beer and spirits categories in all the geographies where we operate. In the food segment, sales increase 8.4%, mainly in beans and more bread volume in own and franchised stores. The real estate segment reflects a 10.2% increase mainly due to an improvement in occupancy and greater average rate of Westin Hotel.

## COST OF SALES:

The cost of sales increases 1.9%, primarily due to an increase in the sales volume of food and beverages, net of efficiencies in raw material purchases and productivities in all plants.

## OPERATING EXPENSES:

Operating expenses increased 9.4%, below the growth in gross profit, mainly in the item sales and distribution and marketing (greater support to brands) to support the increase in sales of the different business segments. In administrative expenses, the increase is mainly due to the hiring of new organizational talents, in line with the company's growth.

## OPERATING PROFIT:

The operating profit grew 16.6%, primarily owed to the beverage business in Central America and the United States, as well as the real estate business in Costa Rica.

## OTHER NET EXPENSES (INCOME):

The other expenses (income) decrease by 25.2%, mainly due to the absence of extraordinary expenses incurred in 2015, as well as greater profits in partner companies, particularly INCECA (including non-recurring extraordinary income in the period) and Cervecería Panamá.

## NET PROFIT ATTRIBUTABLE TO SHAREHOLDERS

The net profit closed with a 22.0% increase owed to the company's organic growth, as well as greater results in partner companies.

**CONSOLIDATED BALANCE SHEET AS OF SEPTEMBER 30, 2016 AND 2015**  
(Millions of Colones)

	September		Variation	
	2016	2015	Absolute	%
<b>ASSETS</b>				
<b>Current assets:</b>				
Cash and cash equivalents	63.246	61.676	1.570	2,5%
Investments in financial instruments	2.656	2.531	125	4,9%
Accounts receivable, net	54.955	51.526	3.429	6,7%
Inventories	63.565	58.827	4.738	8,1%
Available for sale properties (short term)	2.527	2.283	244	10,7%
Others	26.325	22.897	3.428	15,0%
<b>Total current assets</b>	<b>213.274</b>	<b>199.740</b>	<b>13.534</b>	<b>6,8%</b>
<b>Long-term assets:</b>				
Investment properties	56.944	56.205	739	1,3%
Permanent investments	56.236	50.961	5.275	10,4%
Properties, plant and equipment, net	245.353	239.512	5.841	2,4%
Intangible assets	182.924	176.651	6.273	3,6%
Goodwill	90.497	88.907	1.590	1,8%
Others	41.280	41.887	(607)	-1,4%
<b>Total long-term assets</b>	<b>673.234</b>	<b>654.123</b>	<b>19.111</b>	<b>2,9%</b>
<b>TOTAL ASSETS</b>	<b>886.508</b>	<b>853.863</b>	<b>32.645</b>	<b>3,8%</b>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Short-term debt	58.456	49.947	8.509	17,0%
Accounts payable	55.837	40.469	15.368	38,0%
Accrued expenses and other obligations	30.474	25.515	4.959	19,4%
Advances received from clients	3.231	3.502	(271)	-7,7%
Others	18.661	13.423	5.238	39,0%
<b>Total current liabilities</b>	<b>166.659</b>	<b>132.856</b>	<b>33.803</b>	<b>25,4%</b>
<b>Long-term liabilities</b>				
Long-term bank loans, without current portion	272.340	307.247	(34.907)	-11,4%
Deferred income tax	59.496	60.965	(1.469)	-2,4%
Financial instruments held for risk management	1.739	1.545	194	12,6%
<b>Total long-term liabilities</b>	<b>333.575</b>	<b>369.757</b>	<b>(36.182)</b>	<b>-9,8%</b>
<b>Total Liabilities</b>	<b>500.234</b>	<b>502.613</b>	<b>(2.379)</b>	<b>-0,5%</b>
<b>EQUITY</b>				
<b>Equity</b>				
Share capital	93.967	94.471	(504)	-0,5%
Less: shares in treasury, face value	233	504	(271)	-53,8%
<b>Capital in outstanding shares</b>	<b>93.734</b>	<b>93.967</b>	<b>(233)</b>	<b>-0,2%</b>
Additional paid-in capital	54	54	-	0,0%
Reserves	52.917	50.616	2.301	4,5%
Retained earnings	193.860	163.432	30.428	18,6%
<b>Total equity attributable to parent company</b>	<b>340.565</b>	<b>308.069</b>	<b>32.496</b>	<b>10,5%</b>
Non-controlling interest	45.709	43.181	2.528	5,9%
<b>Total Equity</b>	<b>386.274</b>	<b>351.250</b>	<b>35.024</b>	<b>10,0%</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>886.508</b>	<b>853.863</b>	<b>32.645</b>	<b>3,8%</b>

FIFCO

## Comments on the main variations made to the balance sheet

### CURRENT ASSETS:

Current assets increased 6.8%, mainly sustained by more receivables due to the increase in sales volume and more inventories/prepaid taxes as a result of the increase in beverage production and sales, especially in Costa Rica.

### LONG-TERM ASSETS:

The long-term assets item remained stable (a 2.9%) increase, mainly due to an increase in the update of the value of investments in partner companies due to better results, investments in Furniture, Plant and Equipment, net, and update of intangibles and commercial loans as a result of the exchange rate when converting to the Company's functional currency.

### SHORT-TERM ASSETS:

The short-term assets item increased by 25.4%, mainly due to an increase in short-term loans for working capital, as well as a greater current proportion of the debt (net of bond payment), the increase in accounts payable to suppliers due to an increase in the sales/inventory volume, and income taxes payable due to better results..

### LONG-TERM LIABILITIES:

Long-term liabilities showed a 9.8% reduction, especially due to lower leverage.

### EQUITY ATTRIBUTABLE TO PARENT COMPANY

Equity attributable to the owners of the controlling company grew by un 10.5%, mainly due to income accrual, as well as an increase in reserves derived from an update of investments in partner companies and the conversion of businesses different to the Company's functional currency.



S E C T I O N

1

FIFCO



# Organization's Profile



## FIFCO

Costa Rican corporation, established in 1908, mainly engaged in the production and distribution of beverages and food products in Central America, the Caribbean and the United States, as well as in real estate transactions in the province of Guanacaste, Costa Rica, and other types of investments.



## OPERATIONS

Our head office is located in Costa Rica and we have operations in Guatemala, El Salvador and the United States. We have **9 production plants** and **15 distribution centers**. Our value chain is comprised of **5,555 local and international suppliers**. We export our products to **11 countries** around the world.



## CATEGORIES AND PRODUCTS

Originally a beer company, FIFCO diversified its beverage portfolio during the 90s and currently has over **1,500 products**, among them: beer, wine, liquor, flavored alcoholic beverages, as well as bottled water, juices, refreshments, nectars, teas, carbonated drinks, energy drinks, milk, beans, preserves, tomato sauce and bread products.



## SUBSIDIARIES

**Cervecería Costa Rica:** Comprised of *Florida Bebidas*, *Industrias Alimenticias Kern's*, Musmanni and North American Breweries.

**Florida Hospitalidad:** Real estate projects in Costa Rica, Reserva Conchal and North Peninsula Holdings, among others.

**Florida Capitales:** Investments in container production and brewing businesses in Central America.



## OUR PEOPLE

FIFCO is comprised of **6,581 associates** and **2,260 shareholders** none of which possess more than 10% of the Company's total shares.

# FIFCO and its subsidiaries

DISCLOSURE GRI 102-45

FIFCO

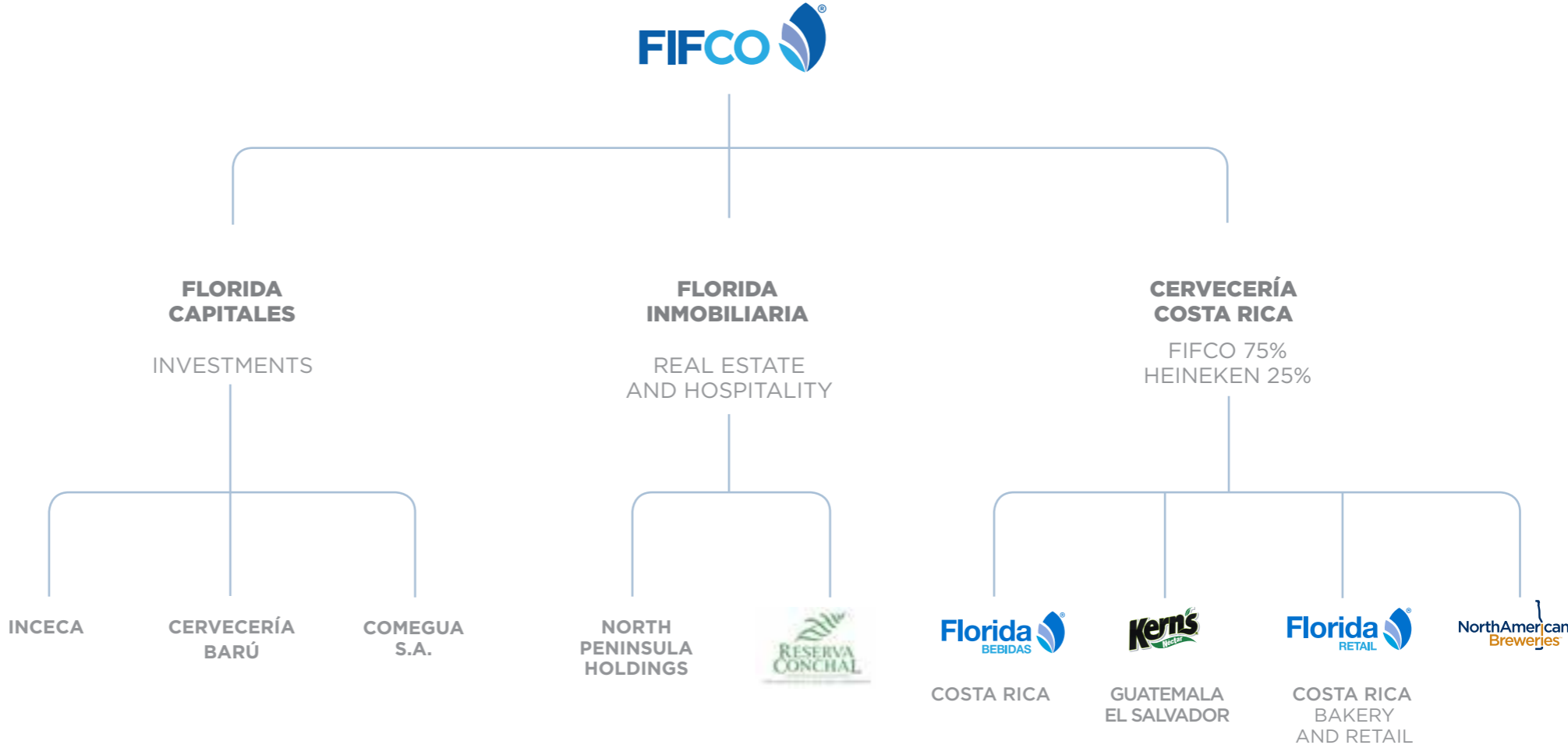
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# Our Categories and Products

FIFCO



## 1 BEER

- Imperial
- Pilsen
- Bavaria
- Rock Limón
- Heineken
- Bohemia
- Káiser
- Toña
- Gallo
- Labatt
- Genesse

## 2 FLAVORED ALCOHOLIC BEVERAGES

- Smirnoff Ice®
- Smirnoff Black Ice®
- Cuba Libre
- Bamboo

## 3 WATER, JUICES, REFRESHMENTS AND TEAS

- Tropical
- Tampico
- Kern's,
- Ducal
- Fun-C
- SunTea
- Vitaloe
- Cristal

## 4 ENERGY DRINKS

- Maxx Energy
- Sobe Adrenaline Rush®
- Jet

## 5 SPORTS DRINKS

- Gatorade®
- Maxi Malta

## 6 CARBONATED DRINKS

- Pepsi®
- 7 Up®
- H2OH!®
- Evervess®
- Milory
- Pepsi Light®
- Diet 7 Up®
- Mirinda®
- MUG®

## 7 MILK AND DAIRY PRODUCTS

- Mú!

## 8 LIQUORS

- Johnnie Walker®
- Flor de Caña®
- Smirnoff®
- Bailey's® entre otros.

## 9 FOOD PRODUCTS

- Ducal
- Musmanni
- Kern's

## 10 WINES

- Concha y Toro®
- Navarro Correas®
- Trivento®
- Riunite®
- Marqués de Cáceres®
- Freixenet®
- Blue Nun®
- Frontera®
- Clos de Pirque®
- Maipo®
- Palo Alto®
- Kendall Jackson® entre otras entre otros.

## 11 HOTELS AND REAL ESTATE

- Reserva Conchal
- North Peninsula Holdings

# Our Markets



FIFCO



## A ECUADOR



## B UNITED STATES



## C THE CARIBBEAN



## D COLOMBIA



## E CENTRAL AMERICA



## F AUSTRALIA



## G SWITZERLAND

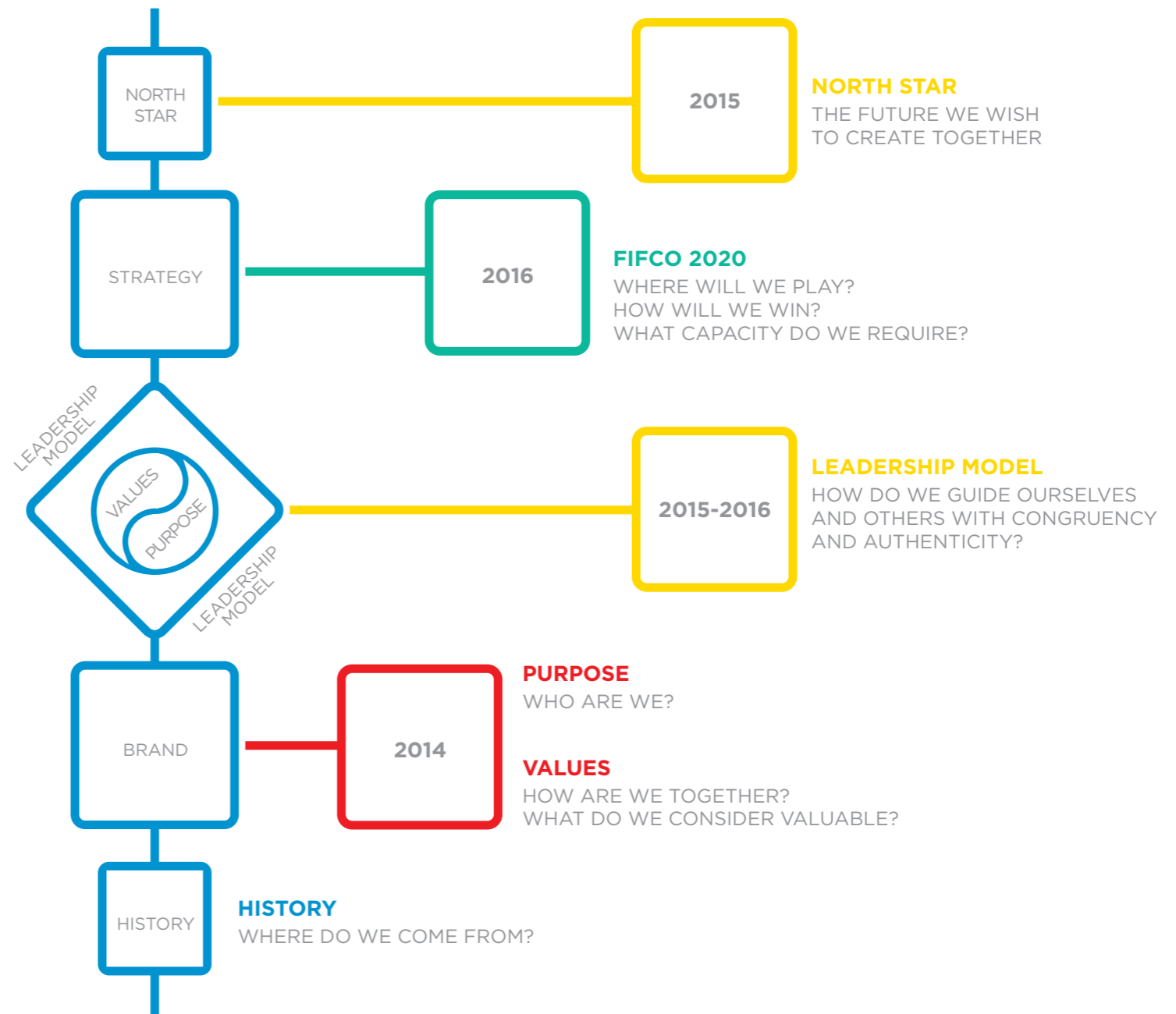


# Our Strategy

## OUR LEAD TOWARDS PROGRESS

About a year ago, we took on the task of finding our corporate purpose and our strategic framework. Deep in our hearts, we knew that our Triple Bottom Line strategy was special and had generated specific results, but we still had to find a purpose that could take us to the next transformation level as a company.

Our strategic framework was created from within our own company. It captures the essence of our organization, it is based on our history and highlights what makes FIFCO truly special. This key strategic framework is for the future that will align our hearts (our purpose) and our actions (our strategy). Together, the purpose and strategy allow us to create a new leadership model and develop our brand, inspiring us to do business in ways that will improve the lives of future generations.



# Our Purpose



## WHO ARE WE

At FIFCO, we define a really ambitious purpose. By living our purpose, we will be able to contribute to the quality of life of all our stakeholders and of society as a whole. Our purpose is our organization’s creative source, what drives us and makes us different.

Transforming our company and living our purpose is a journey, rather than a destination. The essence of this trip is to get to know who we are and the difference we can make in the world. Although our purpose is powerful, it is also fragile and can get lost among the pressures of everyday work.

## OUR VALUES

Our values are the guiding principles of who we are and how we will interact as a company with all our stakeholders and society in general. Our values are the way how we make our dream come true as a company and how we live our purpose.



## Our North Star

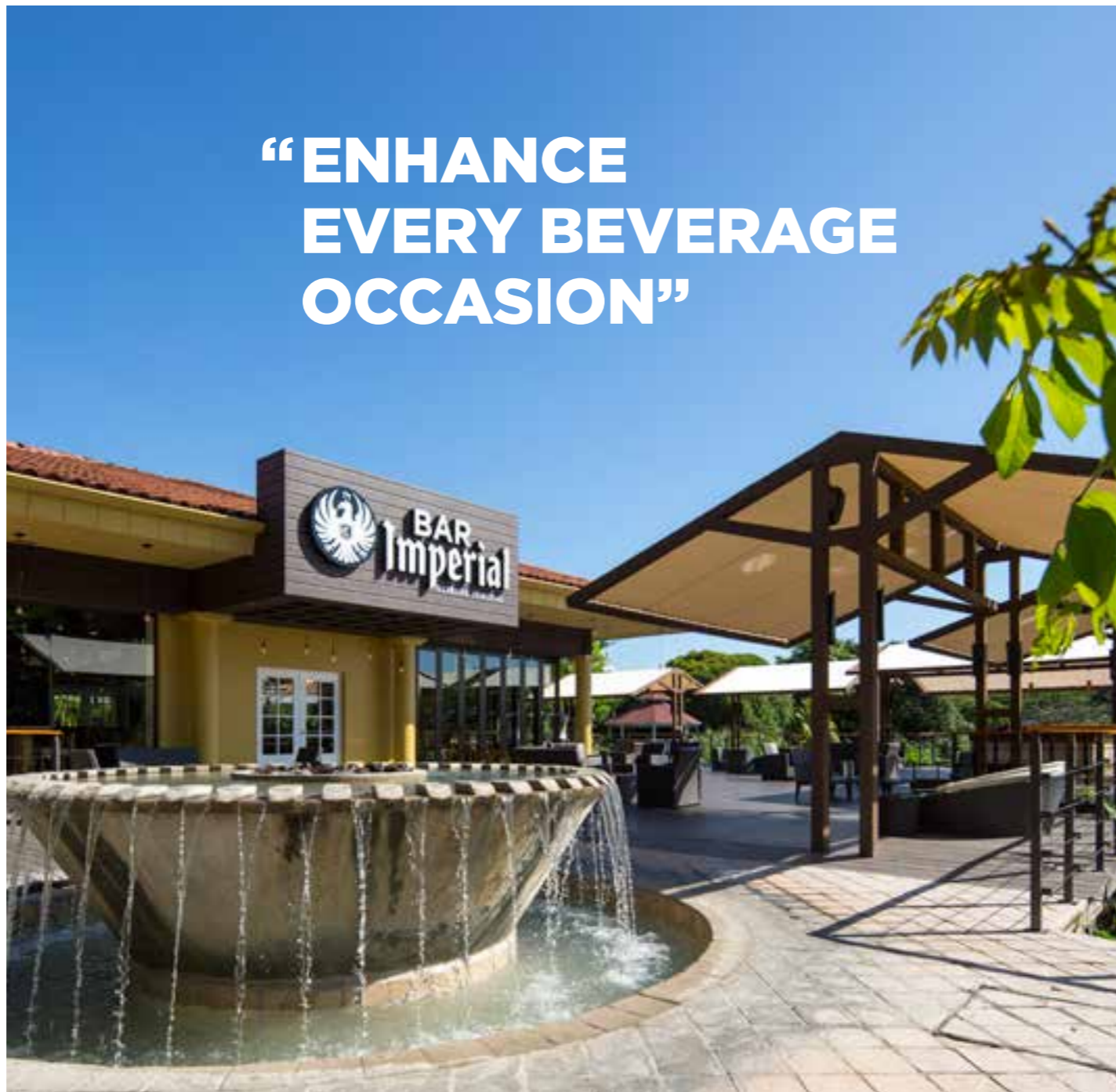
**“ENHANCE  
EVERY BEVERAGE  
OCCASION”**

With our purpose at the center of all our actions, we have a “North Star,” a clear picture of where we are going. This is about all of us knowing what business we collectively want to create beyond any momentary business results.

Our dream is to reconcile and create synergies among our three main businesses. In all our businesses we will “host” our customers and our beverages will provide the perfect vehicle for the best hosting.

We will expand in concentric circles from our core (beverages) and leverage the other FIFCO businesses in ways that enhance our main business: beverages.

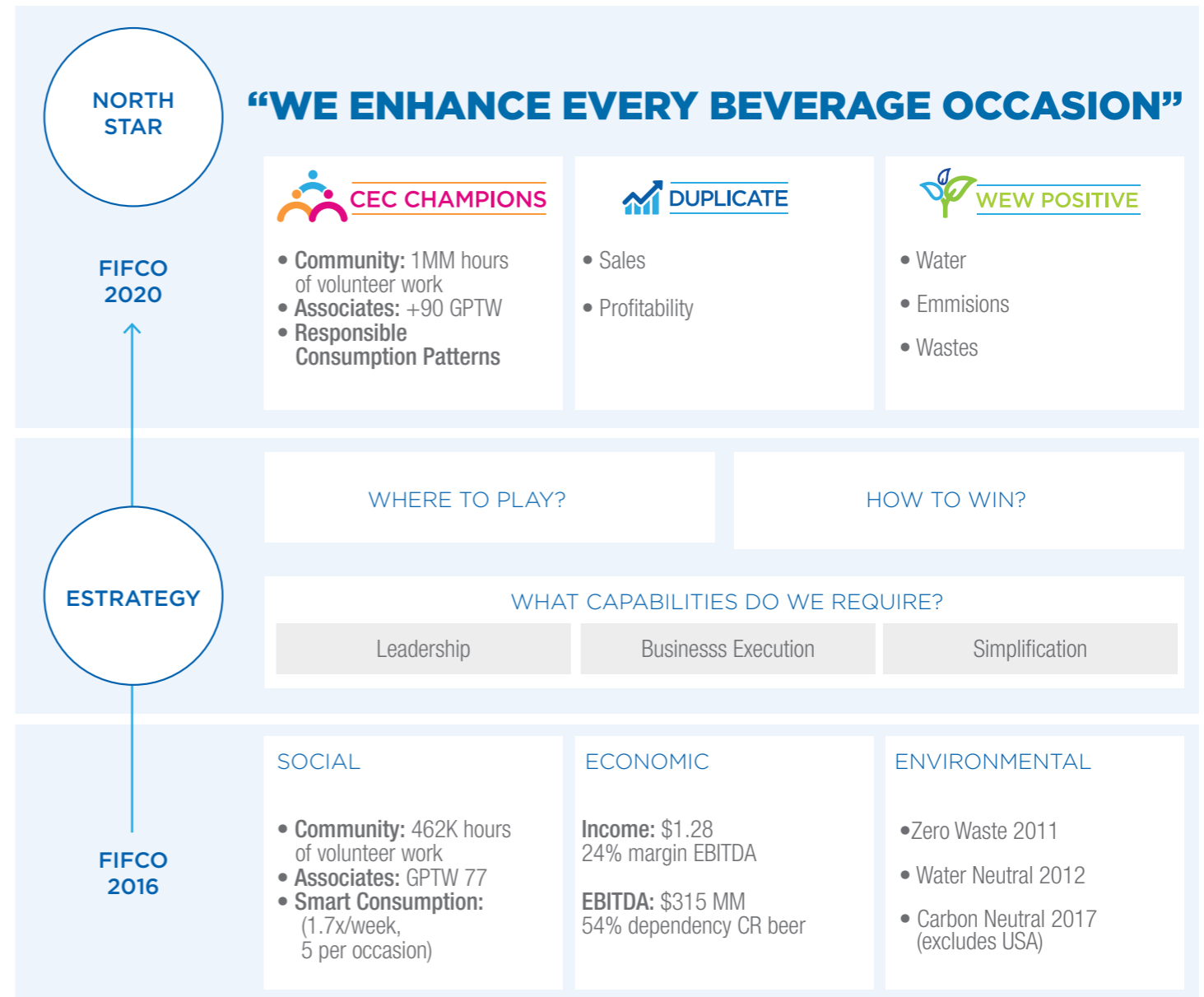
FIFCO



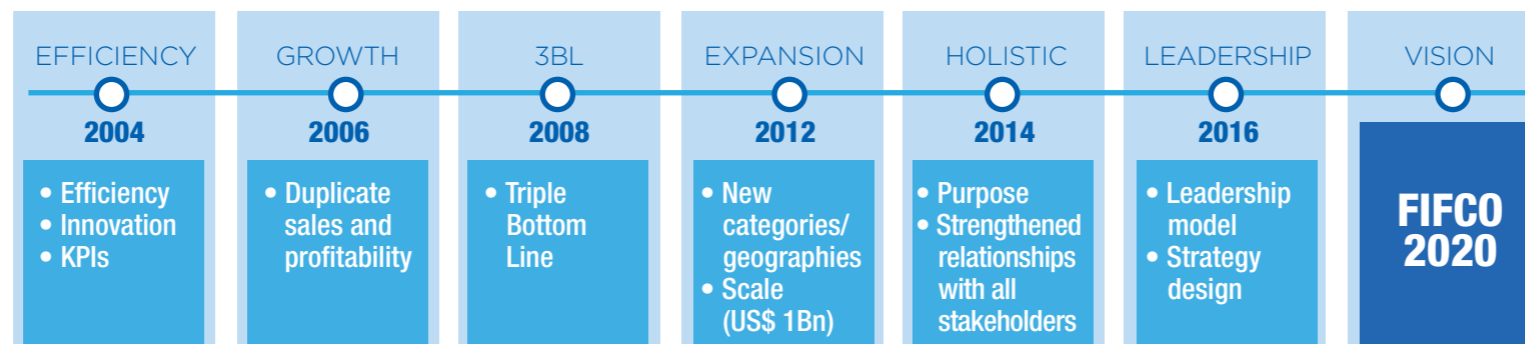
# FIFCO 2020

We are an integral beverage company with a direct route to the market that intentionally makes visible its purpose and Triple Bottom Line strategy.

During the period reported, the company takes some time for strategic planning, identifying the objectives and goals for 2020 as part of the company. In line with our Triple Bottom Line strategy, a series of commitments for each one of the three dimensions are made public. They are showed in the following graph:



## OUR EVOLUTION IN THE LAST DECADE



# Our Impacts

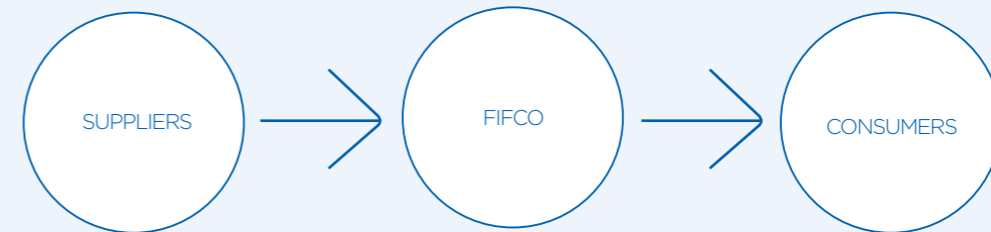
We have identified ten main impacts throughout the four links of our value chain: our suppliers, our operations, customers and consumers. The economic, social and environmental impact on our value chain vary depending on the stage.

FIFCO

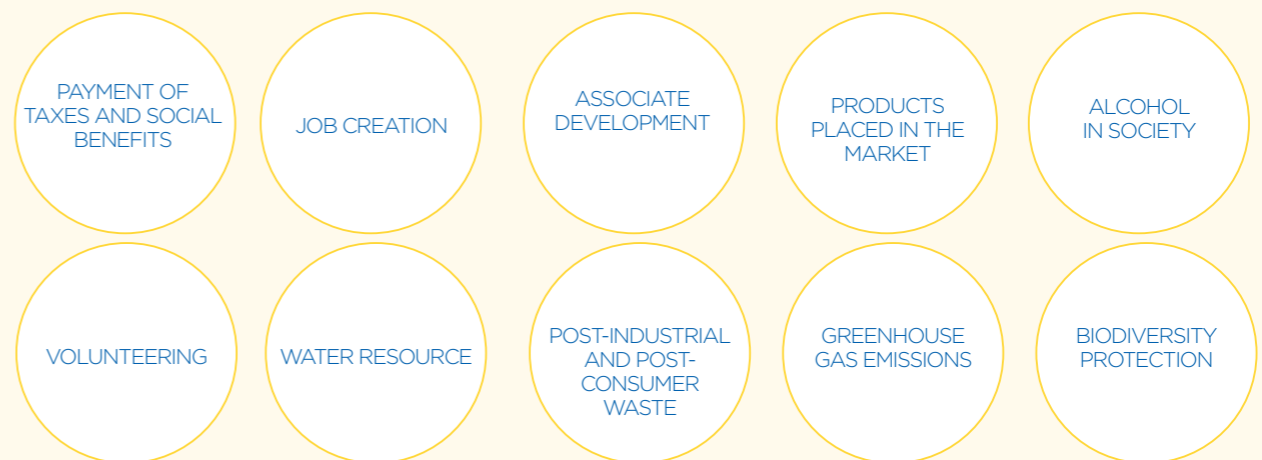
## OUR PURPOSE

WE SHARE WITH THE WORLD A BETTER WAY OF LIVING

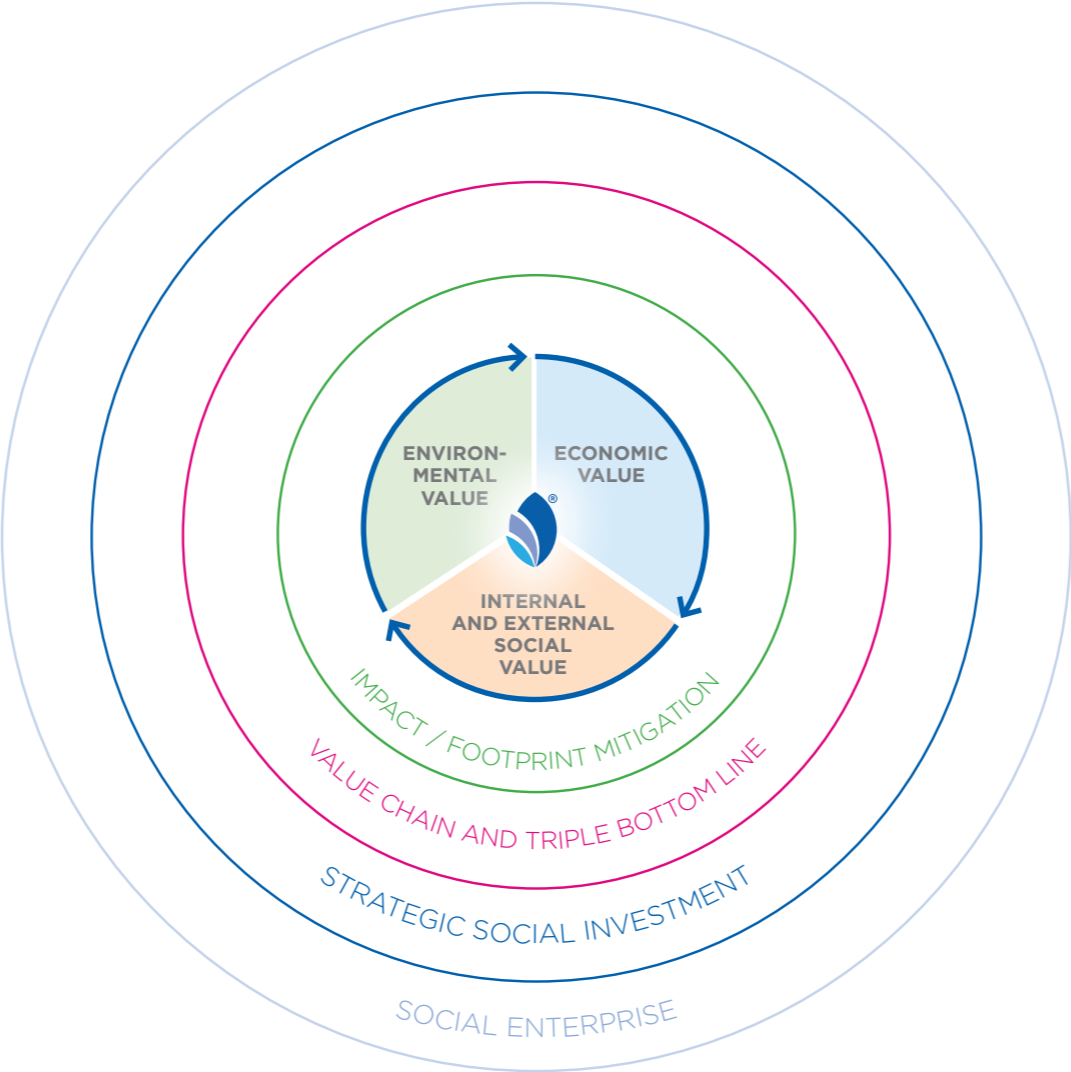
## OUR VALUE CHAIN



## OUR IMPACTS



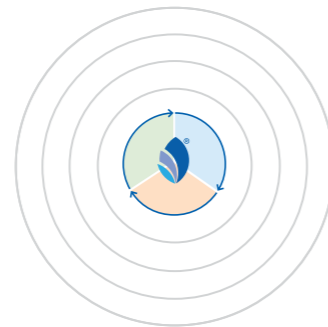
# Our Sustainability Model



FIFCO



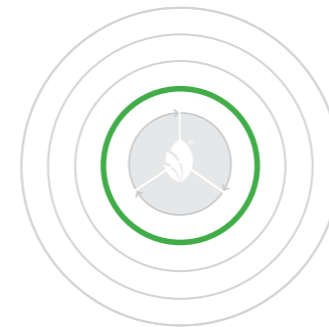




**TRIPLE BOTTOM LINE STRATEGY**

The Triple Bottom Line strategy, adopted in 2008, seeks to measure results or profits on a monthly basis, not only in economic terms but also from a social and environmental standpoint. A fundamental part of our strategy is the measurement of our employees' performance through the Triple Bottom Line Balanced Scorecard, where the variable compensation of our executives depends 60% on economic indicators, 30% on social indicators and 10% on environmental indicators.

Great part of the efforts of the year reported focused on the implementation of this measuring method in the new business units. In addition to Eco-Florida and in a similar way, specific indicators, such as Eco-Reserve, Eco-Pan, and Eco-Industrias Alimenticias Kern's, as well as specific indicators for the *Florida Lácteos* (dairy products) and Florida Vinos y Destilados (wines and spirits) businesses, both part of Florida Bebidas (Eco-Florida) indicators, are developed. Similarly, a proposal for the United States brewing business, Eco-NAB, is developed, which will be reported in 2016.



**IMPACT/FOOTPRINT MITIGATION**

Based on consultations with our stakeholders, we identified FIFCO's social and environmental footprints. In regards to the environmental dimension, we work on three strategic themes: solid waste disposal, water and energy consumption. As for the Social Dimension, the main theme is the use of alcohol in a harmful manner, which is a topic we rigorously address. The specific projects to cope with each of our footprints are detailed later in this report.



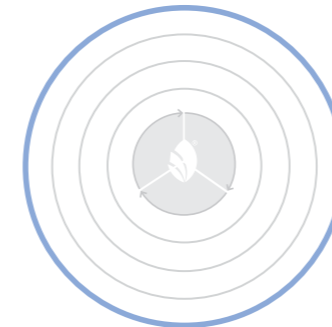
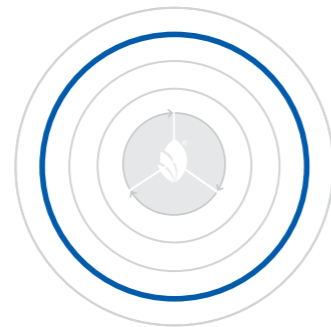
**VALUE CHAIN AND TRIPLE BOTTOM LINE**

We put a lot of effort into having our value chain also adopt the Triple Bottom Line strategy in its operations; in other words, that it will measure with the same rigor its social and environmental impacts, both negative and positive. Through our Sustainable Purchases and Customers program, we execute strategies to raise awareness among these two stakeholders of our value chain about the environment and society, while we help create value to be more competitive in the labor market.

FIFCO



NUESTRO MODELO DE SOSTENIBILIDAD



**STRATEGIC SOCIAL INVESTMENT**

In social terms, the company's priority is to offer our associates competitive working conditions that promote comprehensive development, both personally and professionally. To achieve this, the company has set ambitious goals and developed programs centered on training and development, occupational health and safety, and maintaining an organizational culture to serve as a model.




At an external level, as a way of coming closer to the communities where we want to operate and of offsetting our operating footprints, FIFCO invested 6.5% of its net profit in strategic social investment. FIFCO proactively recognizes the impact of alcohol on society and develops a forceful strategy: it addresses different fronts with specific messages for every type of population (minors, pregnant women, elders, among others) who, in one way or another, relate to alcoholic beverages. Further, through the "Elegí Ayudar" (I Chose to Help) volunteer program, we provide society and any causes related to our key projects with the company's most valuable resource: our human capital.

**SOCIAL ENTERPRISE**

According to Muhammad Yunus, Nobel Peace Prize, a social enterprise is born and differs from a traditional company as it aims to tackle a social or environmental problem while moving away from the mere creation of profit.

In November 2013, Nutrivida is launched and becomes the first social enterprise in Central America. It is a non-profit company aimed at eradicating malnutrition in Central America and Haiti. Nutrivida was founded by Florida Ice & Farm Co. in partnership with Yunus Social Business. Later in this report, under the External Social Dimension section, we provide more information about this milestone in the Central American business community.

# Our Business Model: Triple Bottom Line Goals

DIMENSIÓN	ESTRATEGIC OBJECTIVES	DESCRIPTION
ECONOMIC	 <b>DUPLICATE</b>	Duplicate: <ul style="list-style-type: none"> <li>• Sales</li> <li>• Profitability</li> </ul>
SOCIAL	 <b>CEC CHAMPIONS</b>	Be champions in the following topics: <ul style="list-style-type: none"> <li>• Smart Consumption</li> <li>• Employees</li> <li>• Community</li> </ul>
ENVIRONMENTAL	 <b>WEW POSITIVE</b>	Be able to achieve neutrality and go beyond attaining a positive balance in: <ul style="list-style-type: none"> <li>• Water</li> <li>• Emissions</li> <li>• Waste</li> </ul>



# Our Strategy and the Sustainable Development Goals (SDG)

In September 2015, the United Nations establishes 17 Sustainable Development Goals as a way of defining global priorities and aspirations for 2030. These represent an unprecedented opportunity to eliminate extreme poverty and address other global problems. Governments around the world, including the countries where we operate, come together and agree to make an active contribution. We, companies, are no exception and play a relevant role to achieve the actual mobilization of this agenda.

**On September 9, 2016 FIFCO formally commits by signing in a National Agreement for Sustainable Development Goals, signed in San José, Costa Rica.**

Being this the first year of the SDGs, FIFCO incorporates them in its strategy making an initial assessment of the impacts of our operations on them, we recognize if we make a positive or negative impact and identify which actions we should take to maximize that positive impact or minimize, compensate and even generate positive value to manage negative impacts.

## OUR IMPACT ON SDGs

FIFCO'S POSITIVE OR NEGATIVE IMPACT ON SDGS



- The company's impact is positive
- The company's impact is neither positive nor negative
- The company's impact is negative

Our Triple Bottom Line strategy defines strategic goals for the three dimensions under which we operate: Economic, Social and Environmental Dimensions. **At the same time, these strategic objectives trigger a series of initiatives and projects to achieve the corporate goals established.** This table reflects how each one of these strategies is related to one of the 17 SDGs, either as a positive contribution or as a response/process to address a negative impact caused by our operation. The initiatives either minimize or offset that initial impact or simply generate positive value.

### OUR STRATEGY AND THE SUSTAINABLE DEVELOPMENT GOALS

Dimensión	Triple Bottom Line Goal	SDGs we impact	Some examples of how we manage the impact	Page
Environmental	Efficient use of the water resource	6, 12, 15, 17	Projects of Water Neutrality, Rainwater Harvesting and Desalination Plant	154
	Efficient use of energy and reduction of greenhouse emissions	7, 12, 13, 15, 17	Emission reduction project	154
	Correct management of solid waste	12, 13, 14, 15, 17	Zero Waste Project and Post-Consumer Recycling Program	154
Internal Social	Target culture	3, 5, 10, 17	Great Place to Work y Programa Estar Bien	112
	Strategic alignment			112
	Talent development	4, 8, 9	Entrepreneurship Program and Training Program	112
External Social	Smart Consumption	3, 12, 17	Program to promote Smart Consumption of alcoholic beverages in society	134
	Social Investment	1, 2, 3, 4, 10, 11, 12, 13, 14, 15, 17	"Elegí Ayudar" (I Chose to Help) volunteering program, Social Enterprise Nutrivida, Dual Education and Florida Oportunidades (Florida Opportunities), among others.	134
	Ethics and Transparency	11, 16, 17	Ethics Code, Customer Service, Integrated Report, among others.	134
Economic	Economic Value Added (EVA)	8, 9		69
	Market leadership	8, 9, 12, 17		69
	Growth in sales and profitability	8, 9		69

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## Changes in the Organization

### A. October 2016

Competitiveness Management is created as part of the Finance and Administration Directorate. .

### B. July 2016

Florida Bebidas, Mexican corporation Grupo LALA and Coopeleche establish a tripartite strategic alliance. Grupo LALA acquires the Florida Bebidas Dairy Plant in San Ramón de Alajuela, plant where it will produce its own line of products; besides its line Mú!, Florida Bebidas will continue marketing and distributing the brand Mú! in the national territory and, additionally, it will distribute LALA products



## CERTIFICATIONS AND ACKNOWLEDGEMENTS

- *Esencial Costa Rica* License for the brands: *Tropical, Imperial Exportaciones* and *Agua Cristal*
- FSSC 22000 Food Safety System Certification, Cristal Plant
- Safety System Certification OHSAS 18001, Pepsi Plant and Cristal Plant
- Excellence in Environmental Performance, Pepsicola Internacional, Pepsi Plant
- AIB International and QAS, compliance with PEPSICO franchise requirements, Pepsi
- IRAM 323 (HACCP) and IRAM 324 (Good Manufacturing Practices) safety certifications, Planta Cerveza (beer plant)
- •NDICARSE Self-Assessment of the Association of Enterprises for Development, scored 96/100
- ISO 14001:2004 Environmental Management System
  - Productora La Florida (Beer and Non-Carbonated Beverages Production Plant)
  - Embotelladora Centroamericana (Pepsi Carbonated Beverages Bottling Plant)
  - Distribuidora la Florida (Distribution Centers in the Greater Metropolitan Area)
  - Pinova
- Westin Hotel Conchal Plant
- Distribuidora La Florida (Distribution Centers in the Greater Metropolitan Area and Recycling plant)
- ISO 14046 Water Footprint
  - Florida Bebidas Costa Rica
  - Agua Cristal
  - Cerveza Imperial
- ISO 14064 Carbon Footprint
  - Pinova
  - The Westin Golf Resort & Spa Playa Conchal
  - Florida Bebidas
- INTE 12:06:01 Carbon Neutrality Verification System
  - Pinova
  - The Westin Golf Resort & Spa Playa Conchal
- INTE ISO 14067:2015 Product Carbon Footprint
  - Imperial Beer
- Ecological Blue Flag awarded by the AyA (Costa Rican Water and Sewer Institute)
  - Categoría Playas, Playa Conchal
  - Communities Category, Reserva Conchal Community
  - Protected Areas (Conchal Mixed Wildlife National Refuge)
  - Microbasins Category, *Productora La Florida- Río Segundo Transept*
- Tourist Sustainability Certification awarded by the ICT (Costa Rican Tourism Board)
  - Hotel Westin Playa Conchal Resort, Golf & Spa (5 Leaves, maximum score)
- Audubon Certification for Golf Westin Playa Conchal Resort, Golf & Spa golf course
- Flag of the AyA Health Quality Seal, Operators Category, for Cristal Plant
- Excellence Regional Supplier in Central America and Regional Groceries Supplier awarded to Florida Bebidas by Walmart
- Social Responsibility in Action Award: AMCHAM. Category: Collaborators with the *Florida Oportunidades* program

## Commitment to external initiatives

- Member of the **Circle of Enterprises** of the Latin American Corporate Governance Roundtable. This group is promoted by the Organization for Economic Co-operation and Development (OECD) and the International Finance Corporation (IFC). The Circle is comprised of 15 companies from five countries that have shown their leadership and adopted good corporate governance practices.
- Member of the **“Global Growth Companies”** initiative of the World Economic Forum. Created in 2007, this community aims to engage dynamic, high-growth companies that have the potential to become leaders of tomorrow’s industry and the driving force behind economic, social and environmental change.
- Member of the Global Reporting Initiative’s **Gold Community**
- Member of the Global Reporting Initiative’s Organizational Stakeholders. As such, FIFCO is part of the nucleus of multiple “Stakeholders” of the GRI network, vital for the GRI’s maintenance as an independent and democratic organization.
- Member of the United Nations’ **Global Compact** since 2014.
- Signatories of the **National Agreement for the Compliance of the Sustainable Development Goals in Costa Rica**, 2016.

### PRECAUTIONARY APPROACH IN FIFCO

According to the Rio Declaration on Environment and Development, the **precautionary approach** consists of the fact that the lack of scientific certainty must not be used as a reason to delay the adoption of efficient measures to prevent environmental degradation.

This principle is supported by the environmental dimension of FIFCO’s Triple Bottom Line strategy. Its Corporate Environmental Policy details the company’s commitment to protect the environment, and prevent and avoid any negative impact.



## ORGANIZATIONS WE ARE PART OF

The different associations, guilds and voluntary initiatives that FIFCO supports and participates in are related to both the core business and those that endorse its sustainability:

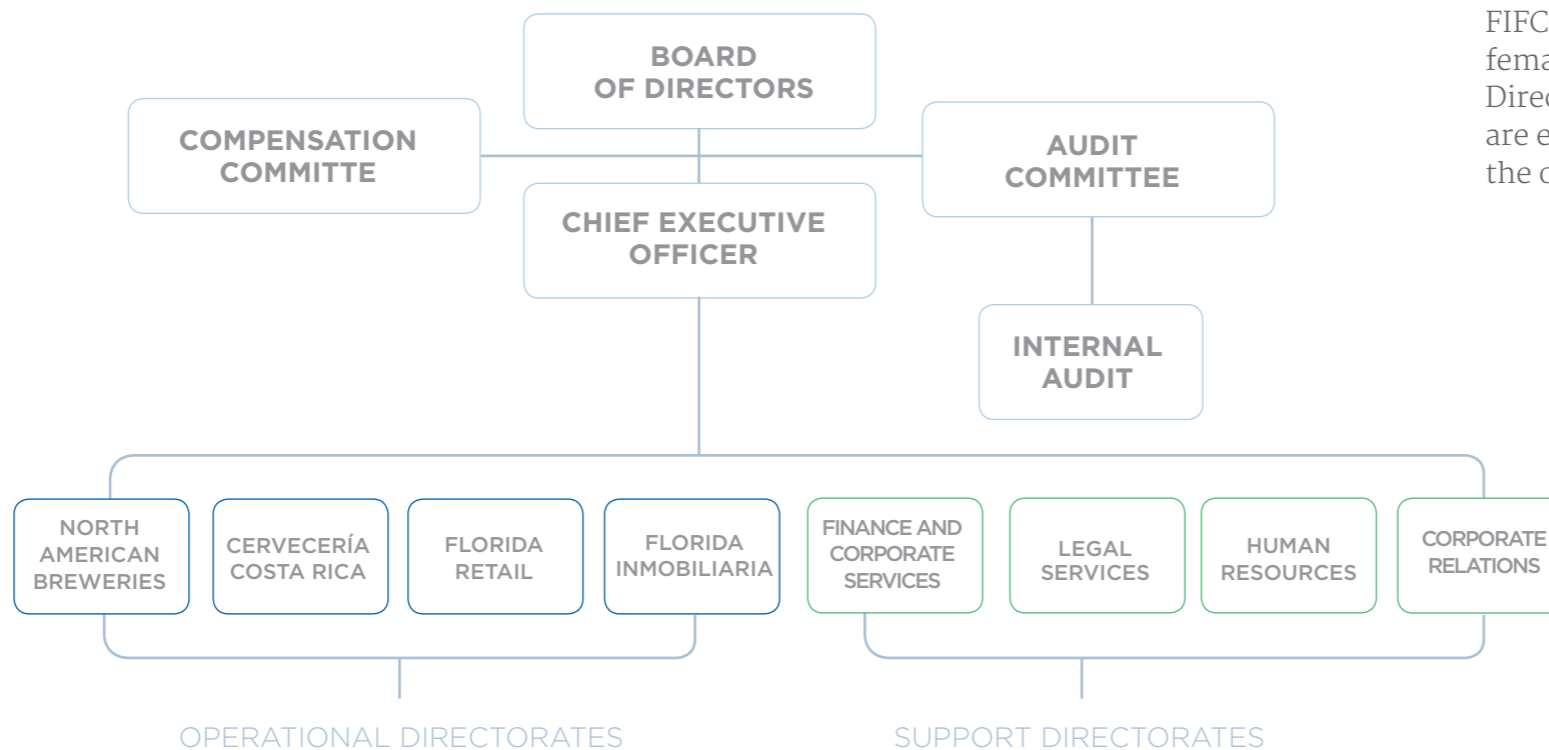
- Alcohol and Tobacco Tax and Trade Bureau (TTB)
- Alliance for Waste Recovery in Costa Rica
- American Society of Brewing Chemists (ASBC)
- Association of Enterprises for Development (AED)
- Association of Producers and Importers of Alcoholic Beverages of Costa Rica (APIBACO)
- Beer Institute
- National Stock Exchange
- Costa Rican Chamber of Securities Issuers
- Costa Rican Chamber of Commerce
- Chamber of Commerce of Heredia
- Chamber of Industries
- Costa Rican Food Industry Chamber (CACIA)
- Chamber of Retailers
- Guanacaste Chamber of Tourism (CATURGUA)
- National Chamber of Milk Producers
- *Cerveceros Latinoamericanos* (Latin American Brewers)
- Costa Rican American Chamber of Commerce (AmCham)
- World Economic Forum
- National Institute of Advertising
- Master Brewers Association of America (MBAA)
- Organizational Stakeholders, Global Reporting Initiative
- Redcicla
- Local Network, Global Compact Costa Rica
- Siebel Institute
- Costa Rican Union of Chambers and Associations in the Private Business Sector (UCCAEP)

# Corporate Governance

The Corporate Governance establishes the rules and policies governing the actions of our organization's directors. It regulates the acts of the Board of Directors and Management to ensure safe and transparent operations carried out by these leading figures, protects the company's interests, while recognizing the stakeholders' right to guarantee balanced management and control.

**The Board of Directors** is the highest Corporate Governance body and represents the Shareholders' Assembly. They hold a total of 12 regular meetings during the year where topics, such as finance, performance of Business Units are discussed, as well as others relating to human talent management, and projects with social and environmental impact. If necessary, special meetings are called. One hundred percent of the members of the Board of Directors are from Costa Rica; none of the members hold executive positions within the organization, further, all of them are over 45 years old. In addition, FIFCO complies with Costa Rican laws regarding female representation and diversity in Boards of Directors. The members of the Board of Directors are evaluated based on their level of attendance to the ordinary and extraordinary meetings.

## FIFCO'S ORGANIZATIONAL STRUCTURE



CORPORATE GOVERNANCE

The **Compensation Committee** establishes specific policies in terms of remuneration and other benefits granted to the members of the Board of Directors and executives. Such policies may consider aspects such as goals, individual performance and the Company's performance, in general, under a **Balanced Scorecard (BSC)** methodology that weights the achievement of goals and metrics in the economic, commercial, and social dimension, volunteering, social investment projects and environmental impact indicators.

The **Audit Committee** promotes the supervision and responsibility (accountability) of the financial area. It ensures that the executive team develops and implements effective internal controls, that the internal audit complies with its role and that external auditors, through their own review, are

able to evaluate the practices of the executive team and the internal audit, if applicable. FIFCO's shareholders have various mechanisms for communicating their concerns to the Board, including a fixed item on the Annual Meeting agenda. Each semester, shareholders are provided with a report containing the latest results achieved.

As for associates, there is an internal audit-level procedure through which they can express concerns or complaints to the highest Corporate Governance body. In the case of Industrias Alimenticias Kern's in Guatemala, there is a workers' union contributors can freely join. This union is the highest organ of employee representation and negotiation before the company's senior management.

**ATTENDANCE TO BOARD OF DIRECTORS MEETINGS**

Directivo	Meeting No.											
	2562 Oct '15	2563 Nov '15	2564 Dec '15	2566 Jan '16	2567 Feb '16	2568 Mar '16	2569 Apr '16	2570 May '16	2571 Jun '16	2572 Jul '16	2573 Aug '16	2574 Sep '16
Wilhelm Steinvorth Herrera	●	●	●	●	●	●	●	●	●	●	●	●
Rodolfo Jiménez Borbón		●	●	●	●	●	●	●		●	●	●
Arturo Loría Agüero	●	●	●	●	●	●	●	●	●		●	●
Jorge Rossi Umaña	●	●		●	●	●		●		●	●	●
Edna Camacho Mejía	●	●		●	●	●	●	●	●	●	●	●
Sergio Egloff Gerli	●		●	●		●	●		●	●		
André Garnier Kruse	●		●	●	●		●		●	●		
Roberto Truque Harrington	●	●	●		●	●	●	●	●	●	●	●

**THE CORPORATE GOVERNANCE VOLUNTARY CODE**

FIFCO is governed by the **Corporate Governance Voluntary Code** created in 2009. This code is mandatory for the company and our entire staff. The code contains the system by which the company is led under the principles of transparency, accountability and sustainability. Every year, a compliance report is prepared on the different elements of the Code, including compliance with the code of investor relations. Such report is certified by an external certified public accountant and published along with the annual financial statements.

FIFCO's Corporate Governance Voluntary Code establishes the following sections:

- I. Integration
- II. Operation
- III. Audit Committee
- IV. Compensation Committee
- V. Internal Controls and Board of Directors
- VI. Share purchase and sale
- VII. Investor Relations
- VIII. Annual Compliance Report on Corporate Governance
- IX. Adoption and dissemination of the Code



Annual Reports on Corporate Governance can be accessed by the public and are found in FIFCO's website under the Investors section

[www.fifco.com](http://www.fifco.com)

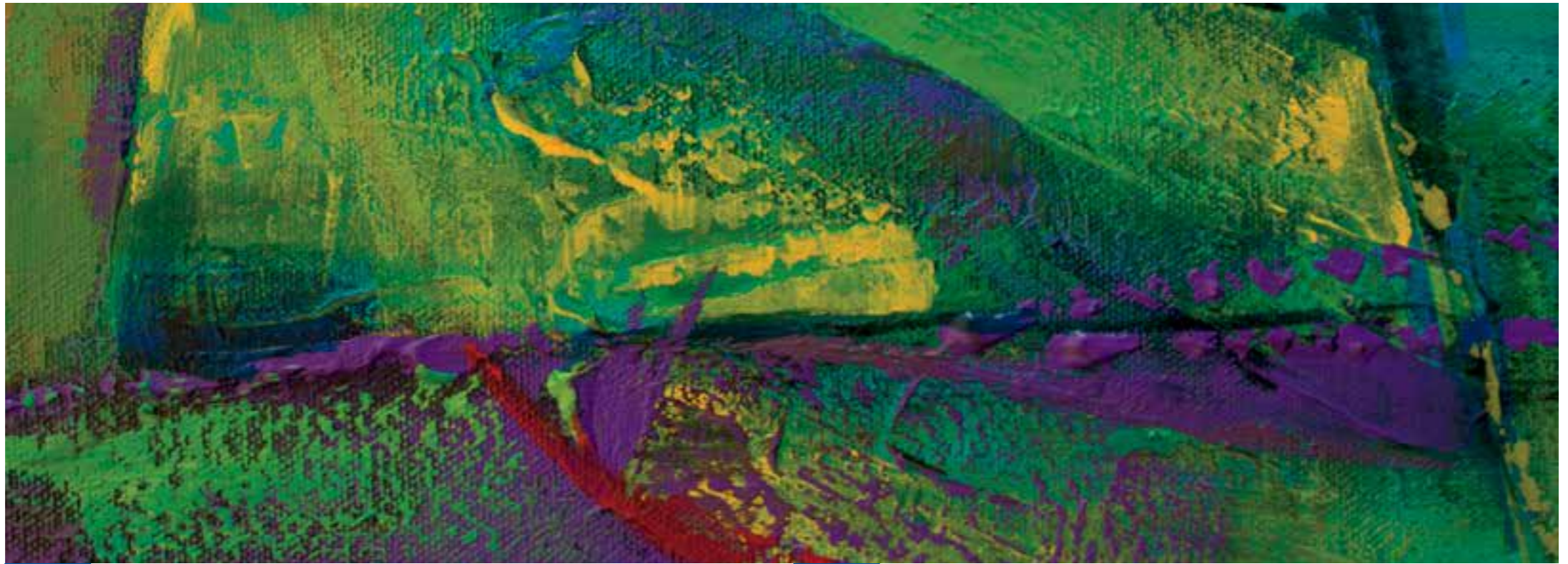
## CORPORATE GOVERNANCE

## SUSTAINABILITY AND OUR BOARD OF DIRECTORS

- The Board of Directors meets monthly, reviews and approves the main challenges and projects of the three dimensions under which the company operates: economic, social (internal and external) and environmental.
- The definition of materiality, as well as the collection of disclosures to report in accordance with the GRI Standards: exhaustive option, contemplated an exclusive meeting with the Board of Directors. In this meeting, the new methodology of the company's third Integrated Report is presented.
- The CEO and the Directorate of Corporate Relations share with the Board of Directors on a quarterly basis the progress regarding the collection, wording and design of the report, as well as the main findings and respective action plans.
- The Directors and Managers of each Strategic Business Unit should include in their monthly reports performance indicators relating to staff management (Internal Social Dimension), social investment and volunteering (External Social Dimension), as well as environmental indicators (use of materials, water and energy consumption, greenhouse gas emission, waste management, among others). Similarly, management has the opportunity to express its concerns in terms of economic, social and environmental issues. These concerns are captured in writing in the minutes recorded for each Board meeting session, together with their agreements and respective deadlines.
- The Compensation Committee appointed by the Board of Directors approves the evaluation and variable compensation proposal embodied in the Balanced Scorecard (BSC). Depending on the associates' position, they are evaluated at different ratios through the BSC methodology that reflects the company's commitment to mitigate the impact and/or generate value in three dimensions: economic, social and environmental.



Fabrizio Papianni, FIFCO's Corporate Auditor, was chosen for second year as President of the **Companies Circle**. The Companies Circle is a unique initiative launched in May 2005 in Sao Paulo, Brazil by recommendation of the Latin American Corporate Governance Roundtable. Companies Circle is a network of public officials, investors, non-governmental institutions, stock markets and associations, as well as other persons interested in improving the region's corporate governance. The 12 members of the Companies Circle gather a group of important Latin American companies that have adopted good corporate governance practices in order facilitate the private sector's entrance in the corporate governance development efforts and share their experiences between them and with other companies of the region and beyond.



FIFCO

FIFCO's effort of betting on a triple bottom line strategy comes from recognizing that the company has a long-term role in society and that its decisions have impacts that go beyond generating economic or financial results. These results are necessary, but not enough to coexist on a long term with society and the planet. In this context, sustainability is the most valuable tool for the company to be able to align its decisions with a broader vision of its contribution

EDNA CAMACHO | MEMBER OF THE BOARD OF DIRECTORS

The Board of Directors recognizes that successful companies in unsuccessful societies are not sustainable. Therefore, FIFCO must not only continue setting the pace regarding what a company must do in order to be socially and environmentally responsible, but it must also set the bar higher so the sustainability management results will have increasing impact on our society

JORGE ROSSI | MEMBER OF THE BOARD OF DIRECTORS

## CORPORATE GOVERNANCE

## CODES OF CONDUCT

The following FIFCO codes of conduct are applicable and mandatory for all subsidiaries, departments and associates, and all have been published in our website [www.fifco.com](http://www.fifco.com)

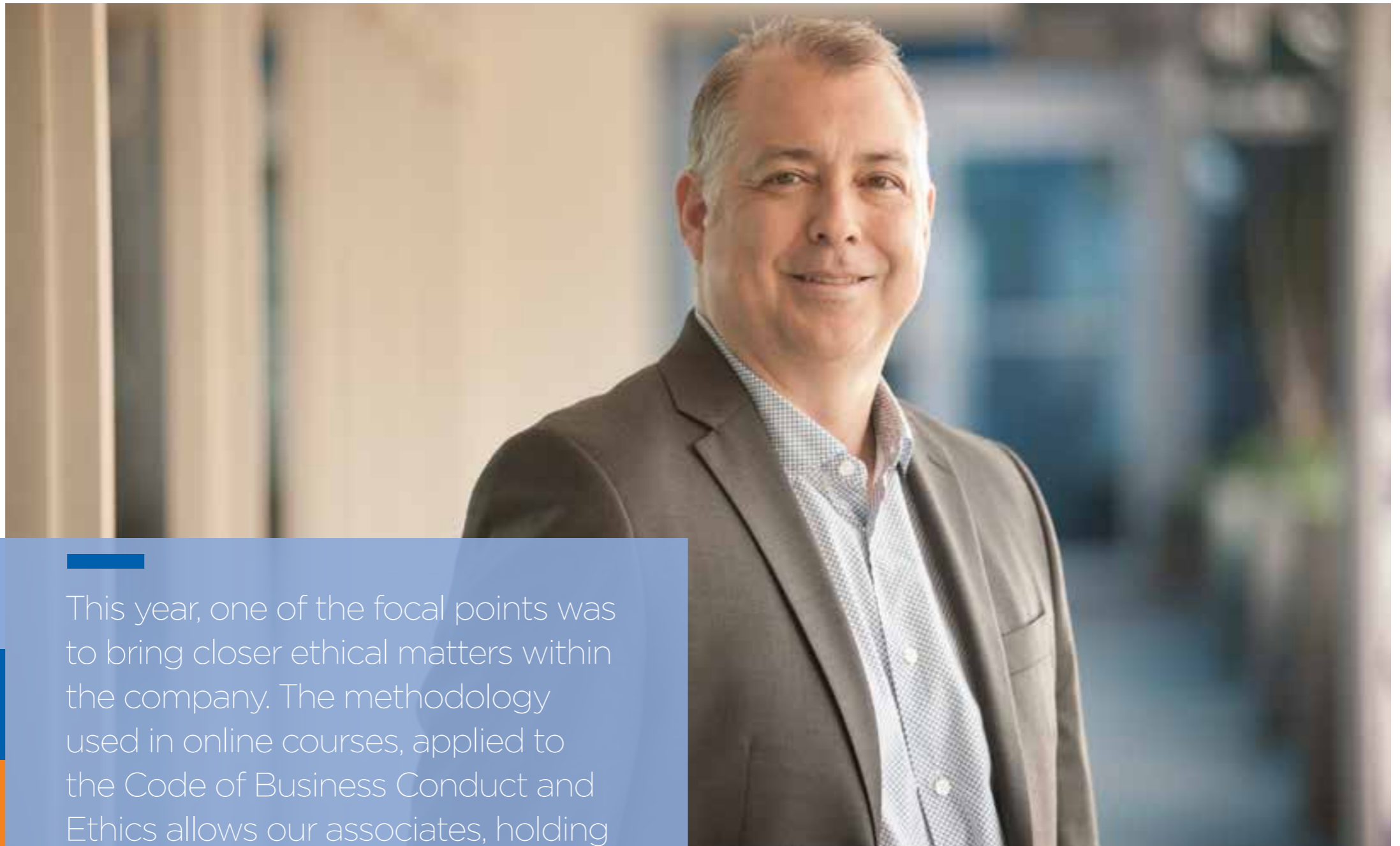
- Code of Business Conduct and Ethics
- Responsible Supplier Code
- Corporate Environmental Policy

FIFCO



### E-LEARNING OF THE CODE OF BUSINESS CONDUCT AND ETHICS

In line with the global trends regarding educational and cognitive methodologies, FIFCO offers several online courses to educate and inform different stakeholders. During 2016, the online version of the Code of Business Conduct and Ethics is launched.

  
FIFCO

This year, one of the focal points was to bring closer ethical matters within the company. The methodology used in online courses, applied to the Code of Business Conduct and Ethics allows our associates, holding both operational and administrative positions, to assimilate a rapid and dynamic learning experience.

**FABRIZIO PAPIANNI**  
CORPORATE AUDITOR

# Consulting Our Stakeholders

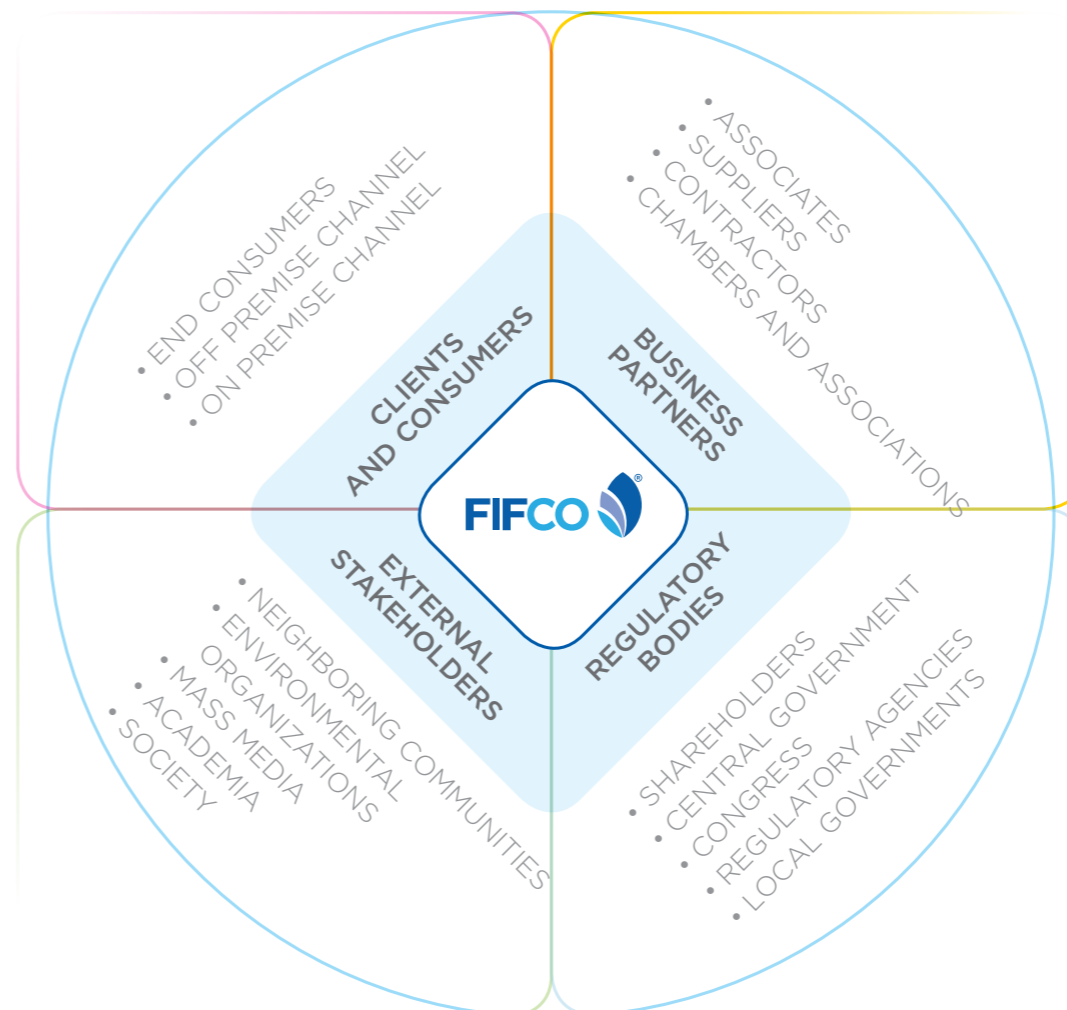
DISCLOSURE GRI 102-40, GRI 102-42, GRI 102-43

Stakeholders are those groups that have a relationship with and a special interest in the organization; they can be or are affected by its actions, objectives or policies.

Every year, the company analyzes which stakeholders are critical for its functioning. The analysis includes evaluating and prioritizing several criteria like influence rate or level on the business (organizational capacity, level of exposure and conviction), as well as its relationship with the business's continuity; that is, the potential risk level they represent (physical, regulatory and reputational).

An effective dialogue with our stakeholders is essential to create true social and environmental value under a Triple Bottom Line approach. This approach allows us to cope with expectations and respond to these shared challenges.

## WHO DO WE RELATE TO?





CONSULTING OUR STAKEHOLDERS

DISCLOSURE GRI 102-43 Y GRI 102-44

**About the consultation process:**

Every two years, a survey is applied to those stakeholders with whom the company holds a relationship. This survey is conducted by an external supplier, and the most recent was carried out in September and October 2015 by Dichter & Neira consultants. Its results enable us to realign priorities and create specific projects to approach the expectations of the groups examined. These results are analyzed and pondered by the company's Chief Executive Officer, the executive committees and managements. Such valuable information on what stakeholders think and expect serves as the basis for guiding FIFCO's actions and priorities, and to define our commitments with our stakeholders.

**FIRST STEPS  
IN THE UNITED STATES**

NAB gives its first steps applying this type of studies. During 2016, stakeholders are identified and prioritized. In 2017, the results and findings of the first stakeholders study for our US operation will be reported.

El estudio se dividió en cuatro consultas específicas por Unidad Estratégica de Negocio (UEN): Florida Bebidas (Costa Rica), Musmanni, Reserva Conchal e Industrias Alimenticias Kern's. El objetivo general era: determinar la percepción, conocimiento y expectativas de los todos los públicos de interés- considerados prioritarios-, hacia las iniciativas y programas de responsabilidad social empresarial que desempeñan cada una de las unidades de negocio.

Los principales hallazgos y conclusiones por Unidad Estratégicas de Negocio se resumen en el Reporte Integrado 2015.

**Customer Satisfaction**

In parallel, a survey was made with Florida Bebidas (Costa Rica) customers to assess the **level of customer service satisfaction** offered by the company in open (bars and restaurants) and closed (liquor stores, minimarkets and self-service chains) market channels. The study consisted on conducting a face-to-face survey with 800 customers, based on quantitative and qualitative questions. The objectives of this study are:

- a. Evaluate "on premise" (open) and "off premise" (closed), patented and non-patented channels, to understand the company's perception as supplier, compared to other suppliers.
- b. Measure the importance of the attributes that make a supplier good and/or the best.
- c. Evaluate the strengths and weaknesses of Florida Bebidas as supplier.

Periodically, spaces are created with our immediate communities, achieving dialogue sessions with rewarding results. During 2016, there were encounters with the following communities: :

- Brasilito and neighbors of Reserva Conchal, Guanacaste, Costa Rica
- Echeverría Community, Heredia, Costa Rica
- Neighbors of Kern's Industrial Plant, Guatemala City, Guatemala

CONSULTING OUR STAKEHOLDERS

DISCLOSURE GRI 102-43

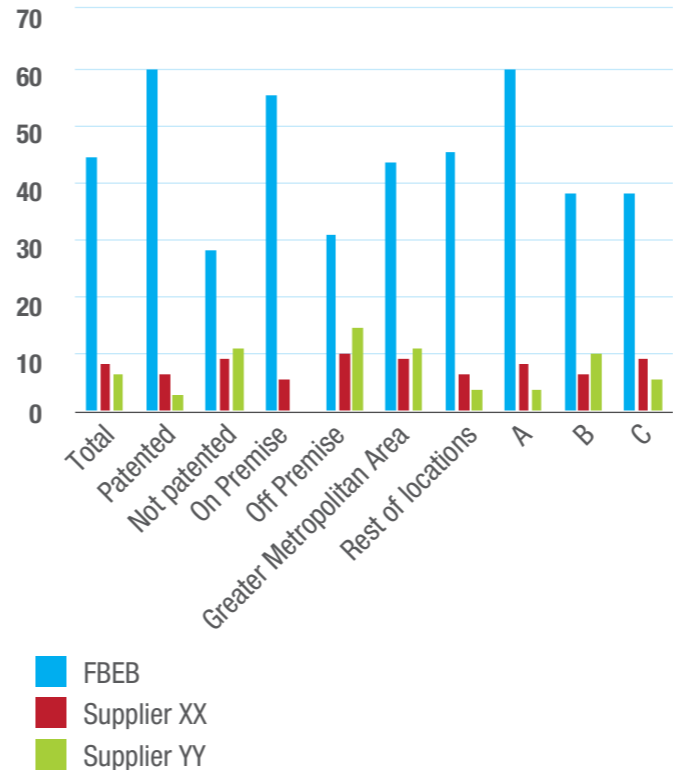
Among the main conclusions are:

- The Customer Satisfaction Index for 2016 is of 75%, two percentage points under the index obtained in 2015. Despite the reduction, Florida Bebidas shows the highest levels of satisfaction compared to its direct competitor.



BEST SUPPLIER

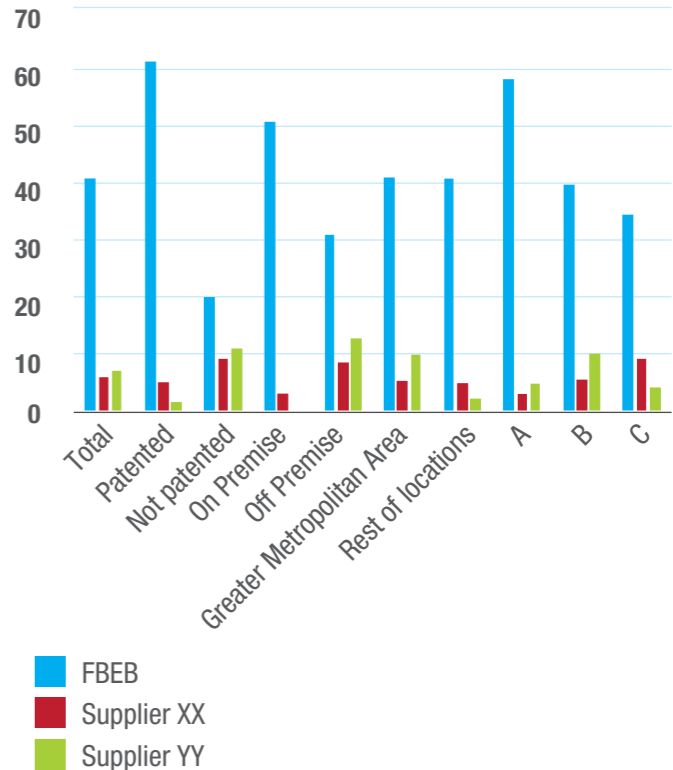
FLORIDA BEBIDAS COSTUMERS  
OCTOBER 2016.



For 44%, Florida Bebidas is the best of its suppliers and this percentage is significantly higher among: Patented, On Premise and among other establishments classified in Level A.

MAIN SUPPLIER

FLORIDA BEBIDAS COSTUMERS  
OCTOBER 2016.



CONSULTING OUR STAKEHOLDERS

COMMUNICATION CHANNELS

Different mechanisms are established to promote an open and agile communication with our stakeholders.

- Daily
- Weekly
- Monthly
- Quarterly
- Annual

Stakeholders	Information channel	Participation channel
Associates	Email ●	Direct support line: email and telephone ●
	Encounters by department and total company ● ● ●	Encounters by department and total company ● ● ●
	Boards ●	Performance assessment ●
	Website ●	Surveys ● ●
	Intranet ●	One-on-one sessions ●
	Integrated Report ●	Microclimate ●
	We are FIFCO newsletter ●	Mobile app/ Yammer ●
	Mobile app/ Yammer ●	
Suppliers	Online suppliers website ●	Online suppliers website ●
	Face-to-face encounters ●	Customer Service Lines ●
	Website ●	Online chat ●
	Integrated Report ●	Face-to-face encounters ●
Customers	Integrated Report ●	Face-to-face encounters ●
	Face-to-face encounters ●	Líneas de Servicio al Cliente ●
	Website ●	Online chat ●
		Face-to-face encounters ●
Consumers	Integrated Report ●	Survey ●
	Face-to-face encounters ●	Líneas de Servicio al Cliente ●
	Website ●	Online chat ●
	Social Networks ●	Social Networks ●
Communities	Social Networks ●	Customer Service Lines ●
	Integrated Report ●	Face-to-face encounters ●
	Email ●	Email and letters ●
	Encuentros presenciales ●	Studies/Surveys ●
		Customer Service Lines ●
Government, trade groups and media	Social Networks ●	Customer Service Lines ●
	Website ●	Online chat ●
	Integrated Report ●	Face-to-face encounters ●
	Email ●	Email and letters ●
	Face-to-face encounters ●	Studies/Surveys ●

## Generating Value



As a corporate citizen, we seek to migrate from minimizing our impacts to creating positive value in the communities where we operate. We can identify value creation in each of the dimensions and strategic goals under which we work. The different stakeholders with whom we interact become direct or indirect beneficiaries of the financial, intellectual, human, social and environmental value we have created.

### ECONOMIC DIMENSION

- Job creation in the communities and countries where we operate
- Profit generation for our shareholders
- Wealth distribution throughout our value chain
- Contribution to business development and economic growth in the countries where we operate
- Payment of corresponding taxes
- Promotion and support to national industry and businesses
- Development of high quality products, innovation and development of categories and segments that promote fair competition
- Promotion of public policies and fair regulation

## GENERATING VALUE

**SOCIAL DIMENSION**

- Placement of quality products and services
- Job creation and related benefits
- Promoting healthy alcohol consumption patterns, initiatives focused on reducing harmful consumption patterns
- Knowledge and best practice transfer
- Promoting the wellbeing of our associates and other stakeholders
- Local socio-economic development
- Development and promotion of teaching methodologies
- Inclusion of sensitive populations
- Addressing the domestic child undernutrition problem
- Promoting human rights and optimal working conditions
- Sense of satisfaction and self-esteem among our associates and other stakeholders related to our programs
- Commercial/operational growth of our suppliers and customers
- Dissemination and promotion of corporate social responsibility as a way of doing business

**ENVIRONMENTAL DIMENSION**

- Knowledge creation and transfer
- Development and promotion of new technologies with less environmental impact
- Contribution to the country's overall and environmental goals
- Empowerment and training of communities and other key stakeholders on environmental issues
- Protection and conservation of natural resources
- Reduction of environmental risks
- Raising awareness and providing environmental education

# Our Priorities (Materiality)

DISCLOSURE GRI 102-44, GRI 102-46, GRI 102-48, GRI 102-49

According to the Global Reporting Initiative, materiality or material aspects are those having direct or indirect impact on the organization's ability to create, preserve or share economic, social and environmental value, either for itself, its stakeholders or society in general.

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According to the IIRC, an integrated report must reveal information about the issues that substantially affect the organization's capacity of creating value in the short and medium-term. This analysis, becomes a valuable input for our strategic planning processes and a more efficient focus of our resources on issues that are critical for each business unit's economic, social and environmental sustainability.

FIFCO defines a specific materiality matrix for Florida Bebidas (Costa Rica), Musmanni, Reserva Conchal and Industrias Alimenticias Kern's (Guatemala). In 2016, the material topics for the NAB operation are preliminarily identified; however, these will be reported in 2017.

These relevant aspects are defined not only considering the inputs of the Stakeholder Study and the Customer Service Study (SMART) mentioned in this report, but also analyzing for every topic or indicator identified by the

Global Reporting Initiative (GRI) and/or by the company their impact on the operation (SBU) and the importance assigned or granted to each one of these topics or aspects by the respective stakeholders.

For the matrices of this period, there were no significant changes in the relevant topics compared to previous reports.

## Management of material topics

The material topics identified for every business unit become the central axis of the management of said Unit, being reflected in both the annual plans and the establishment of policies, commitments, goals, objectives, key indicators, responsible persons, resources required and grievance mechanisms.

The annual and monthly follow-up of the management of these material topics occurs within the Strategic Alignment platform, exposed in the Internal Social Dimension, on page 112. Specific actions, such as projects and programs to address and manage each one of the material topics are explained in each one of the dimensions of our Triple Bottom Line strategy (either Economic, External Social, Internal Social or Environmental) the topic belongs to, according to the classification by color presented on pages 55 and 56 where the corresponding matrices appear.

The evaluation of the management approach is made through a methodology known as Strategy Meet Up, where each unit uses a specialized software to give monthly follow-up to the efficacy, behavior and evolution of each indicator. These indicators respond to a specific material topic

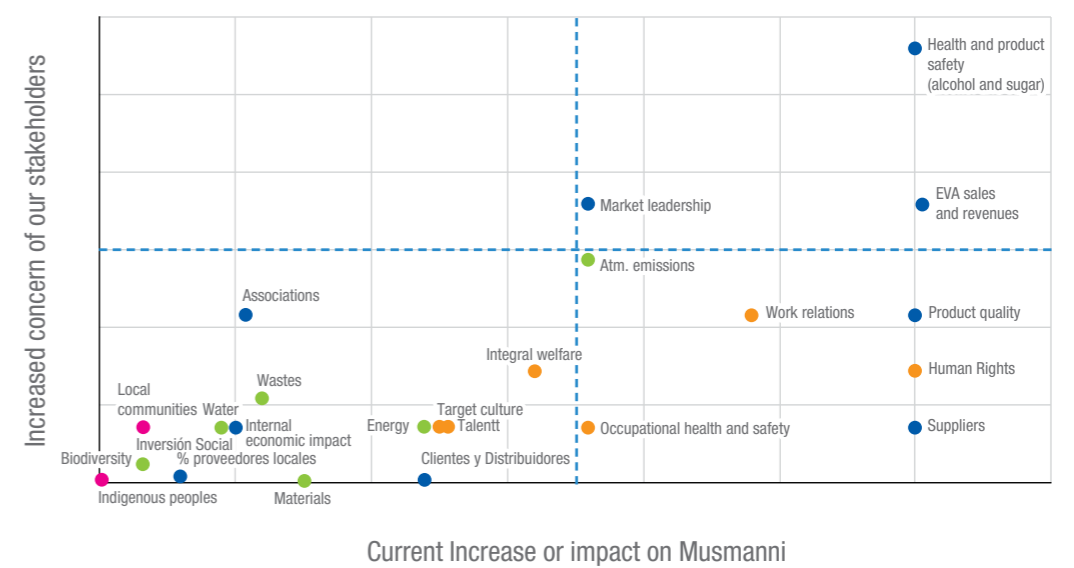
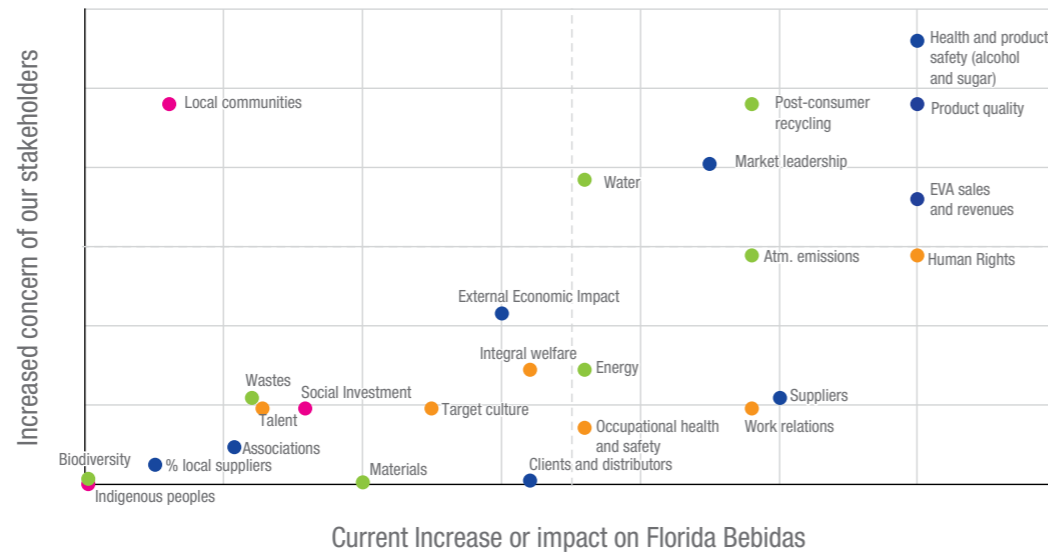
OUR PRIORITIES

DISCLOSURE GRI 102-44, GRI 102-47

FLORIDA BEBIDAS | MATERIALITY MIX 2016

MUSMANNI | MATERIALITY MIX 2016

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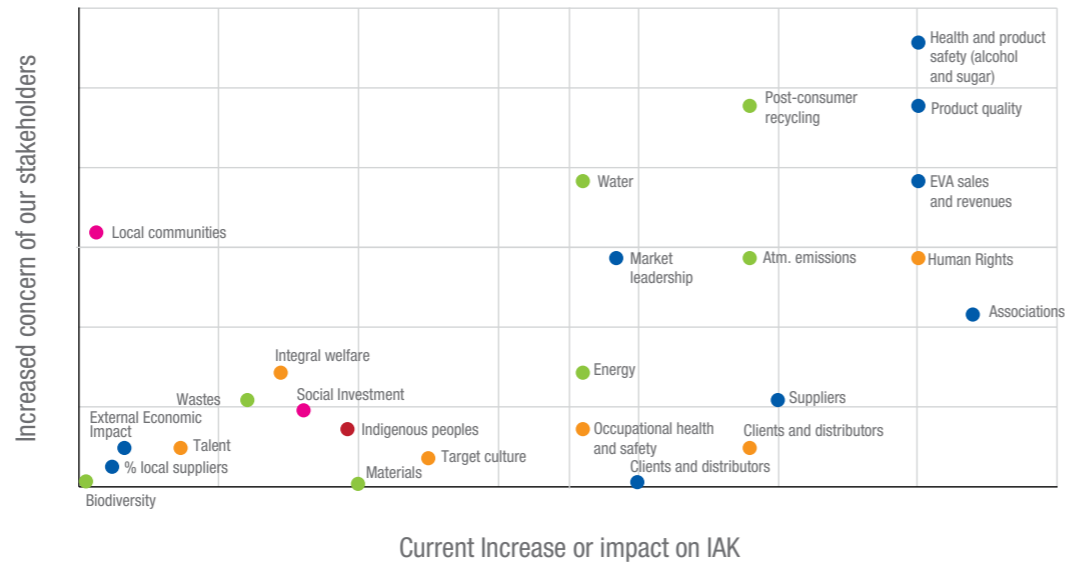


- Environmental Dimension
- External Social Dimension
- Internal Social Dimension
- Economic Dimension

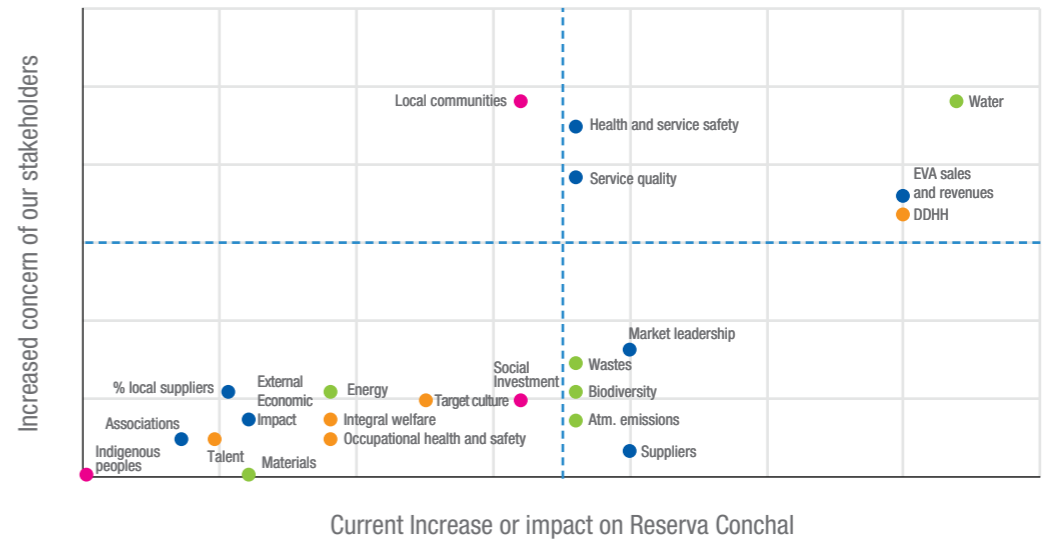
OUR PRIORITIES

DISCLOSURE GRI 102-44, GRI 102-47

INDUSTRIAS ALIMENTICIAS KERN'S | MATERIALITY MIX 2016



RESERVA CONCHAL | MATERIALITY MIX 2016



- Environmental Dimension
- External Social Dimension
- Internal Social Dimension
- Economic Dimension



OUR PRIORITIES

DISCLOSURE GRI 103-1-B; GRI 103-1-C

MATERIALITY IN OUR VALUE CHAIN

Material Aspect	Our suppliers				Our associates and operations				Our customers		Our consumers			Not material	
Materials	●	●	●	●											
Energy	●	●		●		●	●	●	●	●					
AWater	●		●	●	●		●	●							
Biodiversity							●							●	●
Emissions	●	●	●	●	●	●	●	●							
Wastes	●	●	●	●	●	●	●	●							
Post-consumer recycling									●		●	●	●		●
Impact of our suppliers	●	●	●	●											
Impact of our customers											●	●	●		●
Local communities					●	●	●	●							
Health and product safety (alcohol and sugar)									●	●	●	●	●		●
Work relations	●	●	●	●	●	●	●	●							
Occupational health and safety	●	●	●	●	●	●	●	●							
Talent management					●	●	●	●							
Human Rights	●	●	●	●	●	●	●	●	●	●	●	●	●	●	
Association and collective bargaining					●	●	●	●							
Indigenous populations				●				●					●	●	●
Integral welfare					●	●	●	●							
Target culture (living by the values)					●	●	●	●							
Economic Value Added (EVA)					●	●	●	●							
Sales and revenues					●	●	●	●							
Product quality	●	●	●	●	●	●	●	●	●	●	●	●	●	●	
Market leadership/participation					●	●	●	●							
Strategic social investment					●	●	●	●							
External economic impact	●	●	●	●					●	●	●	●			
Percentage products and local services	●	●	●	●											

Note: The material internal aspects are marked under the column titled "Our associates and operations"

● Florida Bebidas ● Musmanni ● Reserva Conchal ● Industrias Alimenticias Kern's

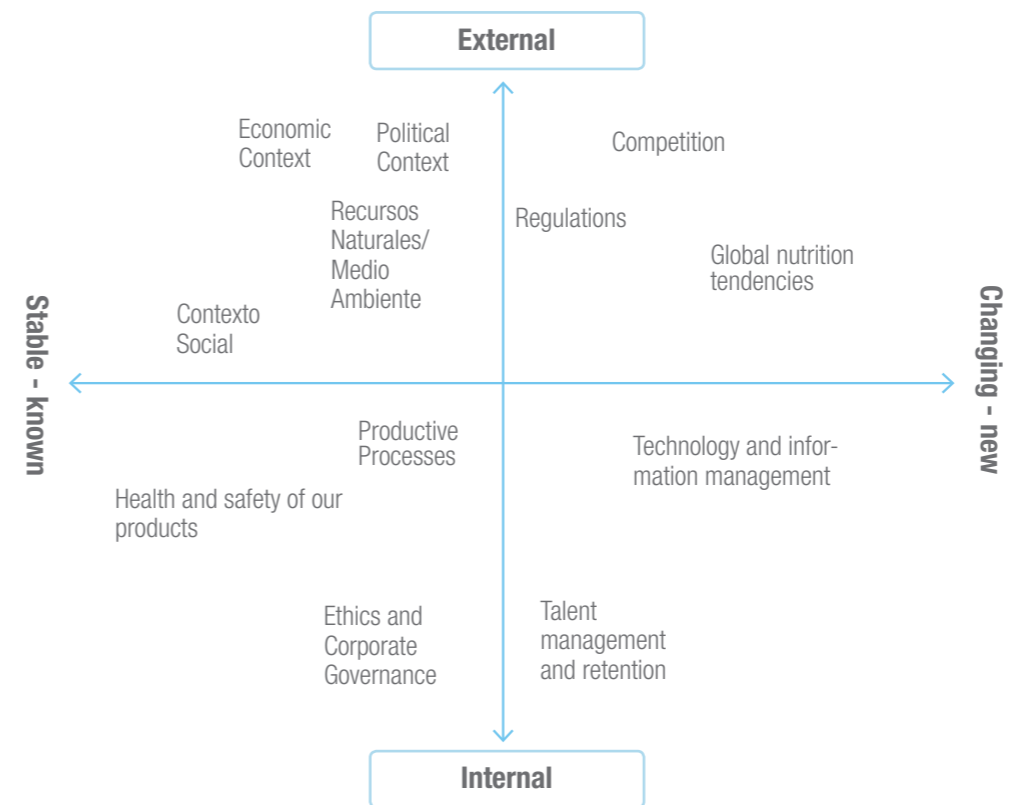
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# Risks

Risk management entails the identification, measurement and administration of those risks that may affect the normal conduct of business and its equity. Its purpose is to guarantee that the goals established by the company are met and the shareholders' resources are protected, since:

- it aims at financial feasibility by supporting the operation's efficiency
- it mitigates negative effects when a risk incident occurs
- it allows to optimize the funding sources available

The Board of Directors, along with the administration, participates in the risk identification process, as well as in the creation of policies and protocols for their management. The Board of Directors identifies which is the role of the directors and other parties involved in case of risk, crisis management, among others.



During 2016, there was important progress with the drafting of Corporate Risk Policies, which will be reported in 2017.

# Capitals

All organizations depend on various forms of capital to be successful. The International Integrated Reporting Council classifies the following capitals:

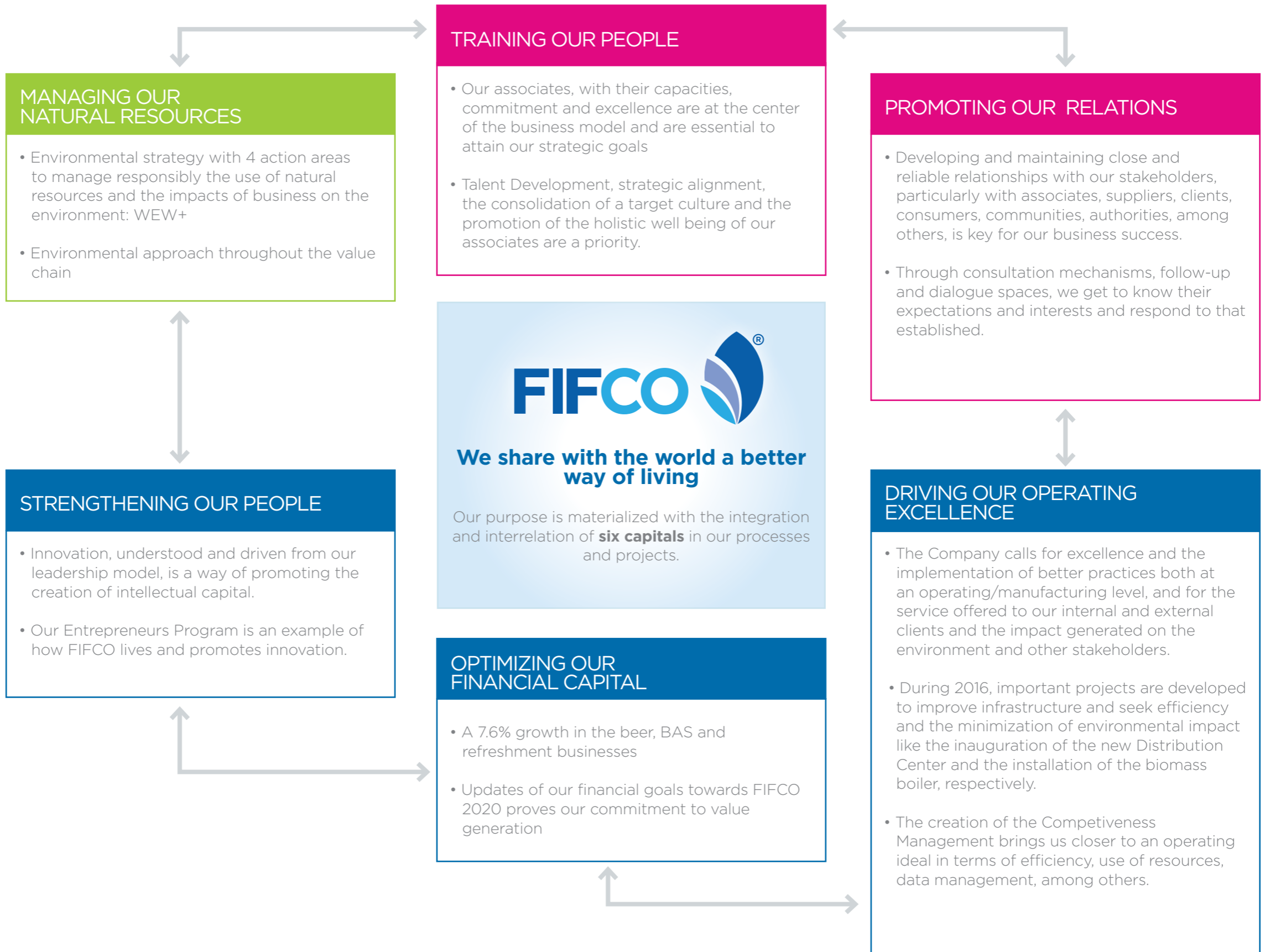
- **Financial Capital:** Funds available to produce goods or provide services, obtained through financing or generated through its operations.
- **Industrial Capital:** Manufactured physical objects available to be used in the production of goods or provision of services.
- **Intellectual Capital:** Intangibles based on the organization's knowledge. Contemplates: intellectual property and organizational capital.
- **Human Capital:** Competences, capacities and experiences of persons and their motivations to innovate.
- **Social and Relational Capital:** All renewable and non-renewable environmental resources and processes provided by the goods and services that sustain an organization's past, current or future prosperity. It includes: air, water, soil, minerals, biodiversity and ecosystem health.
- **Natural Capital:** All renewable and non-renewable environmental resources and processes provided by the goods and services that sustain an organization's past, current or future prosperity. It includes: air, water, soil, minerals, biodiversity and ecosystem health.

## The Vincular Center for Social Responsibility and Sustainable Development

For third year in a row, the company goes from a complete audit to a specific verification of the stakeholders' materiality and participation processes, reporting per the GRI Standards: exhaustive option in a more flexible and transparent way; the same will be performed by the **Vincular Center for Social Responsibility and Sustainable Development of the School of Commercial Engineering of the Pontifical Catholic University of Valparaíso.**

As part of the deliverables, this report contemplates the letter issued by the Vincular Center on pages number 202 and 203

FIFCO



## TRAINING OUR PEOPLE

### CONTEXT

**Our associates are the center of our business model, strategy and understanding of sustainability. Both in 2008 and in 2016, FIFCO's commitment to the development and well-being of our human talent is confirmed both in 2008 and in 2016.**

Our corporate purpose faithfully reflects FIFCO's new vision, a vision in which organizational culture and the way of working are characterized by recognizing and celebrating achievements with authenticity; a company where people come first and live the purpose, supported by the trust and progress of its people; a company that shares and promotes sustainability as the correct way of adding value to the communities and countries where it operates. In addition, FIFCO defines itself as a company that works with processes and makes simple decisions, is creative and innovative, challenges traditional ways; a company that takes revolutionary ideas to the market, that sets trends and seeks creative solutions to problems.

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### Inputs

- A work force of 6,581 associates
- Leadership model; as leaders we contribute to create a better way of living and we are a positive influence to others.

### Activities

- Great Place to Work Certification with an 84 point score
- Optimize the internal and external recruitment strategy
- Develop and implement the new leadership model
- Implement our associates' integral welfare 360 strategy through the "Estar Bien" (Being Well) program and strict standards of Health and Occupational Health
- Implement mechanisms that promote greater strategic alignment
- Promote diversity focusing on gender equality (greater female recruitment), sign the San José Agreement on non-discrimination of LGBTI people and hiring persons with disabilities.

### Output

Description	2016	2015	2014
Number of direct jobs created	6.581	6.324	6.097
Rate of accidents with injuries	<b>IAK:</b> • Females (no records) • Males: 0,09% <b>Costa Rica:</b> • Florida Bebidas: 1,04% • Musmanni: 3,37% • Reserva Conchal: 2,97% <b>NAB:</b> 6,63%	<b>IAK:</b> • Females 1,44% • Males: 0,66% <b>Costa Rica:</b> • Florida Bebidas: 1,55% • Musmanni y Reserva Conchal: no record <b>NAB:</b> 6,57%	<b>Costa Rica:</b> • Florida Bebidas: 2,37%  Results of other operations: no record
Training hours	76.833,88	37.944,44	50.055
Great Place to Work rating	Confidence index: 87 Leadership index: 84	Confidence index: 85 Leadership index: 82	Confidence index: 76 Leadership index: 70
Number of associates impacted by the leadership program	180	160	200

## PROMOTING OUR RELATIONSHIPS

### CONTEXT

**An effective dialogue with our stakeholders is fundamental for an authentic creation of economic, social and environmental value, under a Triple Bottom Line approach. This approach allows us to manage expectations, as well as respond to these shared challenges.**

Every two years, those stakeholders the company interacts with are consulted. It is carried out by an external supplier using a quantitative and qualitative methodology. In addition to this consultation, other studies are performed to cover the stakeholders that are most relevant to the operation.

In parallel, and often as a result of these same consultation processes, the company maintains a strict agenda regarding social investment, volunteering, and strategic participation of its closest stakeholders in programs and projects that promote the generation of social, environmental and economic value.

### Inputs

- Formal consultation mechanisms and establishing dialogue spaces with critical stakeholders
- Results of the study for Florida Bebidas, Musmanni, Reserva Conchal and Kern's
- Positive evaluation and connection of our associates with their leaders and with the company's purpose
- Recognition among specialized stakeholders of the company's main initiatives in terms of sustainability

### Activities

- Perform the Stakeholder Study and the SMART study, which evaluates the level of service perceived by the company's customers
- Conduct the associate satisfaction survey, Great Place to Work, as well as evaluate the level of commitment of associates to the Corporate Purpose
- Create dialogue spaces with neighboring communities
- Record complaints about the operation
- Maintain and extend the Sustainable Purchases and Customers Programs addressed to the company's suppliers and customers, respectively
- Maintain the corporate volunteering program: Elegí Ayudar (I Chose to Help). Shareholders' participation in volunteer work, extend the program to customers.
- Education efforts and promote smart alcohol consumption habits among sensitive groups like minors, parents and high school teachers
- Create public-private alliances as a way of maximizing impact and promoting greater collaboration with the Government, other public entities and even civil society organizations
- Sign the National Agreement for the Compliance of the Sustainable Development Goals assuming a public commitment to contribute to achieve the SDGs.

### Output

Description	2016	2015	2014
Percentage of Net Profit dedicated to Strategic Social Investment	8%	6.324	5.880
Hours of volunteer work	62.672	57.948,67	50.781
Persons impacted by Smart Consumption initiatives	+578.000	+198.000	+50.000
Number of suppliers in the Sustainable Purchase Program	232	182	88
Number of complaints filed (total operation)	2.077*	1.148	1.148
Number of public-private alliances	37	35	30

## DRIVING OUR OPERATIONAL EXCELLENCE

### CONTEXT

**As a multinational company of beverages, food and retail service and hospitality, we aim at high quality levels applied to our operations. Strict standards both for manufacturing practices, as well as for guest service protocols, and customer service in general are imperative for business continuity.**

The company seeks excellence and to implement best practices at a manufacturing level and in the service provided to our internal and external clients. Likewise, it aims to minimize as far as possible the negative impact generated on the environment and other stakeholders, if any, and hopes to have a positive impact generating value in the communities where we operate.

FIFCO

### Inputs

- Properties, installations and operations in 4 countries: Costa Rica, Guatemala, El Salvador and the United States
- 9 Production Plants, 15 Distribution Centers
- 1,256 hectares in Guanacaste, Costa Rica used for real estate and hotel projects
- 234 points of sale of the Florida Retail operation
- Construction of 2 recreational parks in neighboring communities, Parque La Carpio and Parque Dos Cercas, San José, Costa Rica

### Activities

- Creation of the Competitiveness Management
- Inauguration of the new Distribution Center in the western part of the country for operations of Florida Bebidas in Costa Rica
- Installation works begin for the new biomass boiler for the beer operation in Costa Rica
- Construction works begin for the first seawater Desalination Plant in Costa Rica
- Placement of solar panels/investment on clean energy infrastructure
- Beginning of renovation/works in production plant in Rochester, New York
- Conclude the design of the first Hotel W Costa Rica
- Remodeling 7 points of sale of the Florida Retail operation
- Invest in renovation and new stores under the Musmanni Mini Súper and Musi format

### Output

Description	2016	2015	2014
Opening points of sale, Florida Retail	7 (remodeling)	21	24
Investing in operation expansion works	+\$81 million	50.961 million colones	51.309 million colones
Investing in renewable energy works	\$66.000,00	\$120.000,00	\$120.000,00

## OPTIMIZING OUR FINANCIAL CAPITAL

### CONTEXT

**Globally, the change of government in the United States, the implications after the United Kingdom's withdrawal from the European Union and the ongoing monetary policy actions to dynamize the economy, have generated greater uncertainty regarding interest rates, flow of foreign currency and exchange rates.** Opposite to what occurred in other countries, Costa Rica has not suffered an important devaluation of its currency in the last months and, on the other hand, the fiscal imbalance is still the main issue to deal with in face of the sustainability of external financing and stable internal conditions. Central America in general has shown a stable growth.

The slow economic growth of the country's main business partners compared to previous years limit a better performance with our exports to the United States and Europe. However, it is expected that this environment will become more dynamic next year and grow more to place our brands more forcefully in international markets.

### CONSOLIDATED BALANCE SHEET AS OF SEPTEMBER 30, 2016 AND 2015 (Millions of Colones)

	September		Variation	
	2016	2015	Absolute	%
<b>ASSETS</b>				
<b>Current assets:</b>				
Cash and cash equivalents	63.246	61.676	1.570	2,5%
Investments in financial instruments	2.656	2.531	125	4,9%
Accounts receivable, net	54.955	51.526	3.429	6,7%
Inventories	63.565	58.827	4.738	8,1%
Available for sale properties (short term)	2.527	2.283	244	10,7%
Others	26.325	22.897	3.428	15,0%
<b>Total current assets</b>	<b>213.274</b>	<b>199.740</b>	<b>13.534</b>	<b>6,8%</b>
<b>Long-term assets:</b>				
Investment properties	56.944	56.205	739	1,3%
Permanent investments	56.236	50.961	5.275	10,4%
Properties, plant and equipment, net	245.353	239.512	5.841	2,4%
Intangible assets	182.924	176.651	6.273	3,6%
Goodwill	90.497	88.907	1.590	1,8%
Others	41.280	41.887	(607)	-1,4%
<b>Total long-term assets</b>	<b>673.234</b>	<b>654.123</b>	<b>19.111</b>	<b>2,9%</b>
<b>TOTAL ASSETS</b>	<b>886.508</b>	<b>853.863</b>	<b>32.645</b>	<b>3,8%</b>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Short-term debt	58.456	49.947	8.509	17,0%
Accounts payable	55.837	40.469	15.368	38,0%
Accrued expenses and other obligations	30.474	25.515	4.959	19,4%
Advances received from clients	3.231	3.502	(271)	-7,7%
Others	18.661	13.423	5.238	39,0%
<b>Total current liabilities</b>	<b>166.659</b>	<b>132.856</b>	<b>33.803</b>	<b>25,4%</b>
<b>Long-term liabilities</b>				
Long-term bank loans, without current portion	272.340	307.247	(34.907)	-11,4%
Deferred income tax	59.496	60.965	(1.469)	-2,4%
Financial instruments held for risk management	1.739	1.545	194	12,6%
<b>Total long-term liabilities</b>	<b>333.575</b>	<b>369.757</b>	<b>(36.182)</b>	<b>-9,8%</b>
<b>Total Liabilities</b>	<b>500.234</b>	<b>502.613</b>	<b>(2.379)</b>	<b>-0,5%</b>
<b>EQUITY</b>				
<b>Equity</b>				
Share capital	93.967	94.471	(504)	-0,5%
Less: shares in treasury, face value	233	504	(271)	-53,8%
Capital in outstanding shares	<b>93.734</b>	<b>93.967</b>	<b>(233)</b>	<b>-0,2%</b>
Additional paid-in capital	54	54	-	0,0%
Reserves	52.917	50.616	2.301	4,5%
Retained earnings	193.860	163.432	30.428	18,6%
<b>Total equity attributable to parent company</b>	<b>340.565</b>	<b>308.069</b>	<b>32.496</b>	<b>10,5%</b>
Non-controlling interest	45.709	43.181	2.528	5,9%
<b>Total Equity</b>	<b>386.274</b>	<b>351.250</b>	<b>35.024</b>	<b>10,0%</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>886.508</b>	<b>853.863</b>	<b>32.645</b>	<b>3,8%</b>



## STRENGTHENING OUR INNOVATION

### CONTEXT

**Innovation, understood and driven from our leadership model, is a way of promoting the creation of intellectual capital.**

The innovation is applied to the way of doing business in general, from processes at an internal and external level, as well as the creation of new services and products.

### Inputs

- Patented technologies and products
- Our procedures and services
- Our brands and their reputational value
- Our human resource
- Organizational culture and leadership model
- Intangible assets

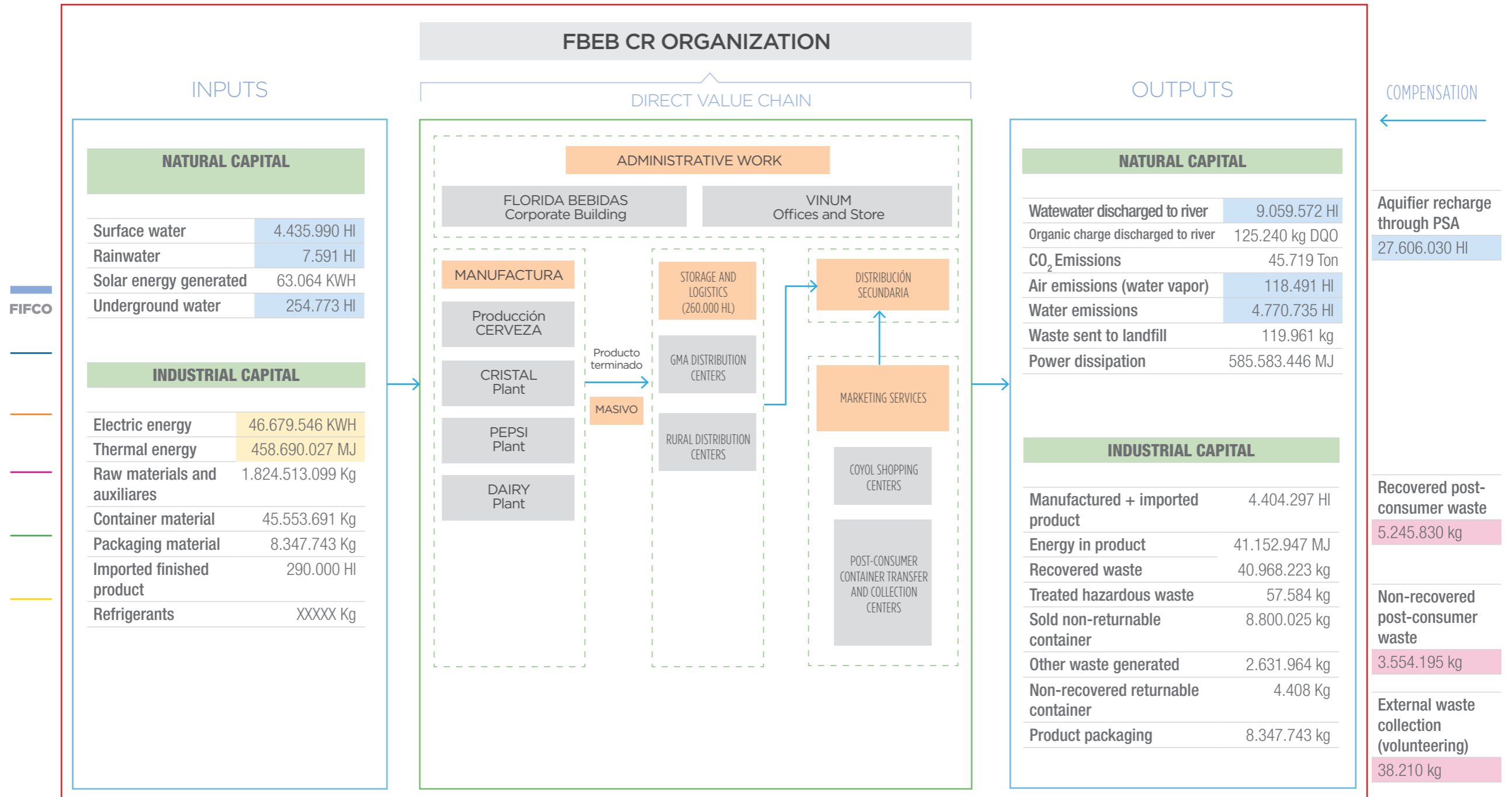
### Activities

- Launching of 23 new products, which represented 6.3% of the sales volume and 7.8% of the business's total sales value.
- Second consecutive year of the Entrepreneurs Program
- "Story Telling" workshops for our associates
- Solution Teams to address different areas and special projects

### Output

Description	2016	2015	2014
% of total sales volume	3,1% beer 1,2% refreshments 9,3% food products	NR	NR
% of sales value	2,6% beets 1,3% refreshments 4,1% food products	23	27
Number of launches	32 en total: ● 8 beers ● 17 refreshments ● 7 food products	NR	NR
Number of projects in process (production	● 23 beers ● 45 refreshments ● 16 food products	NR	NR
Number of projects in process, "Entrepreneurs" program	167	350	Program did not exist

## MANAGING OUR NATURAL RESOURCES



## CAPITAL FLOW ANALYSIS: NATURAL RESOURCES

Reduction of the basin's natural flow through water outlets in the form of product and air emissions.

Increase of organic charge to the river due to waste water discharges. Although it is true that all discharges comply with the maximum discharge allowed by local laws, they are charges that the body of water did not have and they are transferred from the industrial capital of raw material and supplies.

Transformation of part of the surface water into finished product, which increases the industrial capital and reduces the natural capital.

Electric and thermal energy, through the use of fuels, along with the use of refrigerants in the process, generate greenhouse gas emissions that become part of the natural capital in atmospheric gases.

### Industrial Capital

Transformation of raw material, auxiliaries, packaging and containers in finished products. Part of these materials are transformed into post-industrial and post-consumer waste.

The electric energy taken from the industrial capital becomes industrial capital as power dissipation and one fraction is energy

“contained” in the product due to the indispensable processes of its intervention in productive processes, like the preparation and mixing of juices and carbonated drinks and the blowing of PET bottles. Power dissipation includes the power used in machinery and lighting.

Thermal energy is taken from industrial capital and divided into power for transportation and process energy. The first is dissipated in the process as part of the industrial capital. The second is in part dissipated within the productive process, but on the other hand remains as part of the product due to the brewing process, without which the subsequent fermentation process would not be possible.

### Financial Capital

There is a negative financial capital flow in inputs due to the purchase of raw material, containers, packaging, water and energy that transform into the organization's industrial capital. When this product is sold, the company's industrial capital is reduced due to the product inventory's outputs, but the financial capital is then regained due to the income received from the sale of manufactured and distributed products.



FIFCO



SECTION

2

FIFCO

OUR PERFORMANCE BY DIMENSION

- ECONOMIC DIMENSION
- INTERNAL SOCIAL DIMENSION: OUR PEOPLE
- EXTERNAL SOCIAL DIMENSION: SOCIAL INVESTMENT
- ENVIRONMENTAL DIMENSION



ECONOMIC DIMENSION

# Economic Dimension

# Business drivers and context

## OUR RESOURCES

### Committed associates

After the 2014 strategic planning process, in 2015 we reap the rewards of this organizational alignment. Being together with a new corporate purpose translates into better work conditions, our business's development, the results obtained and how we face challenges as an organization

### Our brands

Our brands become the vehicle to interact with our consumers. The preference of our brands ensures business sustainability. The commercial and marketing plans of our brands are positioned in the strategy and corporate goal of leading the category and the market.

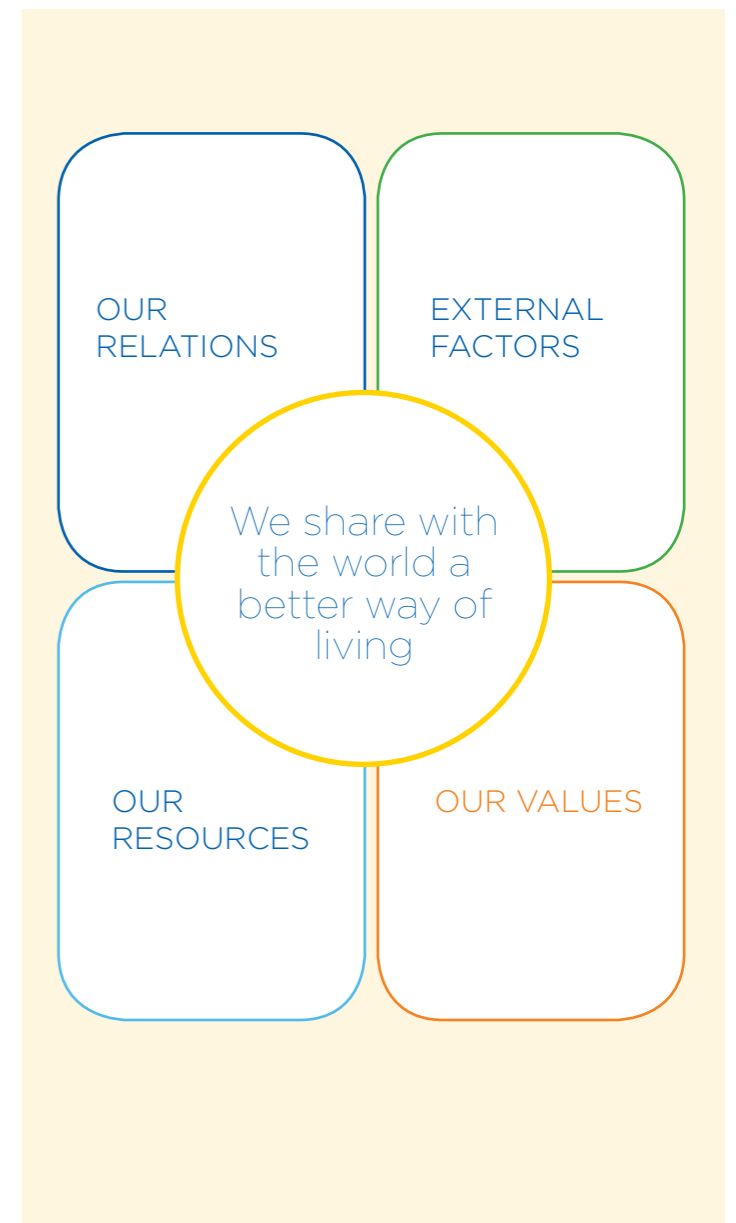
### Innovation with a purpose culture

We were privileged with the enthusiasm of this company's talent, committed to new values and a new agenda to promote, in a modern approach, more participatory associates. Internal entrepreneurship is made real with the *Emprendedores, Innovación con Propósito* (Entrepreneurs, Innovation with a Purpose) program. The company uses its most valuable resource, its associates, to innovate in terms of processes, products and services, generating value simultaneously in the three dimensions where we operate.

### Financial discipline

A culture of savings and financial discipline guarantees appropriate creation of economic value, coupled with a conscious use of supplies and materials.

ECONOMIC DIMENSION



## IMPULSORES Y CONTEXO DEL NEGOCIO

## EXTERNAL FACTORS

**Global economy/Macroeconomic variables/  
Competition**

Globally, the change of government in the United States, the implications after the United Kingdom's withdrawal from the European Union and the ongoing monetary policy actions to dynamize the economy, have generated greater uncertainty regarding interest rates, flow of foreign currency and exchange rates. Opposite to what occurred in other countries, Costa Rica has not suffered an important devaluation of its currency in the last months and, on the other hand, the fiscal imbalance is still the main topic to deal with in face of the sustainability of external financing and stable internal conditions. Central America in general has shown a stable growth.

The slow economic growth of the country's main business partners compared to previous years limit a better performance with our exports to the United States and Europe. However, it is expected that this environment will become more dynamic next year and grow more to place our brands more forcefully in international markets.

We must highlight the increasingly competitive environment in which we do business, notably in our main business category: beer. We have not only observed important changes in the configuration of the international beer market, with bigger participants with greater coverage, but competition has also increased with small craft beer participants. The company must remain alert and anticipate changes to adapt to consumer needs, in a more accelerated way.

**Price of key inputs**

The price of our supplies has a direct impact on our competitiveness. Throughout the year we maintained open a negotiation agenda with our suppliers, always looking for benefits for both parties. The cost of certain supplies lowered, translating into more competitiveness and very conservative price increases, enabling more competitiveness for the portfolio, and efficiency in the production lines.

**Regulations and political environment**

As a company with operations in several countries and as participant in various categories and industries, FIFCO is exposed to multiple regulations and legal contexts. Participation in chambers and other professional associations is key to timely monitor critical issues for the company's operations. It is worth mentioning that the company does not receive economic aid from the government for its operations.

Illegal trade, as well as the creation of new taxes, are relevant topics for the operations based in Costa Rica.

In Guatemala, the political environment is a relevant factor to be considered, contributing to lack of confidence and uncertainty among consumers and the business sector in general.

**Natural resources**

Like all companies, in order to operate, FIFCO depends on the availability of natural resources such as water. For this reason, FIFCO promotes their rational use and sets stringent environmental goals and programs, specifically in terms of post-industrial waste, post-consumer waste, water resources and energy/greenhouse gas (GHG) emission.

## OUR VALUES

- **Imagination**
- **Celebration**
- **Sustainability**
- **Passion for winning**

IMPULSORES Y CONTEXO DEL NEGOCIO

OUR RELATIONS

**Consumers**

Being able to identify the needs, preferences and priorities of our consumers, ensures brand loyalty, both to our products and the company as a whole. The ability to anticipate and provide top quality products offering value added, recognized by our consumers, validates the sustainability of the business.

**Customers**

Fair trade relations seeking to create value and "win-win" situations help us ensure the growth of our brands.

**Shareholders**

The administration seeks to carry out a clear and assertive relationship with its shareholders, systematically sharing the company's performance in the three dimensions under which it operates: economic, social and environmental.

**Associates**

FIFCO's 6.581 associates are the engine and heart of the company. Ensuring their wellbeing is a corporate priority. Creating spaces and feedback mechanisms allows us to identify opportunities for improving and managing these relationships, which results in high performance by the organization as a whole.

**Suppliers**

The Company builds valuable relations with its business partners, key allies in the company's value chain. We seek to ensure the growth and development of our suppliers, through different programs, such as: the Sustainable Purchasing Program, which stands by our business partners through the implementation of improvements in social and environmental matters. For all operations in Costa Rica and Guatemala, 29% of expenses are to international suppliers and 71% is spent on local suppliers: where the good or service is produced.

**Communities**

Safe, vibrant and successful communities play a crucial role in our business. The company promotes the welfare and progress of the communities where it operates.



We focus on maintaining FIFCO as a company that complies with and promotes at an internal level and in its value chain, the laws and regulations of the countries where we operate

**MARIEL PICADO**  
DIRECTOR OF LEGAL SERVICES

ECONOMIC DIMENSION





**ECONOMIC DIMENSION**

We are committed to act as facilitator to reach the business objectives, ensuring an agile and reliable operating environment, anticipating risks and opportunities and co-creating 3BL solutions with all our customers.

**CARLOS MANUEL ROJAS**  
FINANCIAL DIRECTOR

## Economic Dimension

During the 2015–2016 fiscal year, historical highs were reached at a volume, sales and profitability level. Net sales increased 6.6% to a total of 664,181 million colones and the operating profit increased 16.6% for a total of 111,663 million colones.

Such growth was triggered by higher sales volumes in the main categories, such as beer, flavored alcoholic and non-alcoholic beverages, as well as higher bread sales and a better performance of the hospitality business. In the same way, the projects related to productivity and efficiency in the purchase of raw materials partially compensated the higher expense required by the variable effect on sales, strengthening the brands and improving the business model.

Net profit attributable to the shareholders grew 22.0% when compared to the previous period, closing in 55,932 million of colones. The operating results, along with the better performance of the related companies in Nicaragua and Panama, as well as the absence of non-recurrent extraordinary expenses for 2015, triggered this growth.

The financial results show a better leverage condition since the Company was able to realize the totality of its commercial management, and also reduce the total debt level in 10.3% when compared to 2015 yearend. This decrease is equivalent to \$68.2 million dollars in the total debt balance.



ECONOMIC DIMENSION

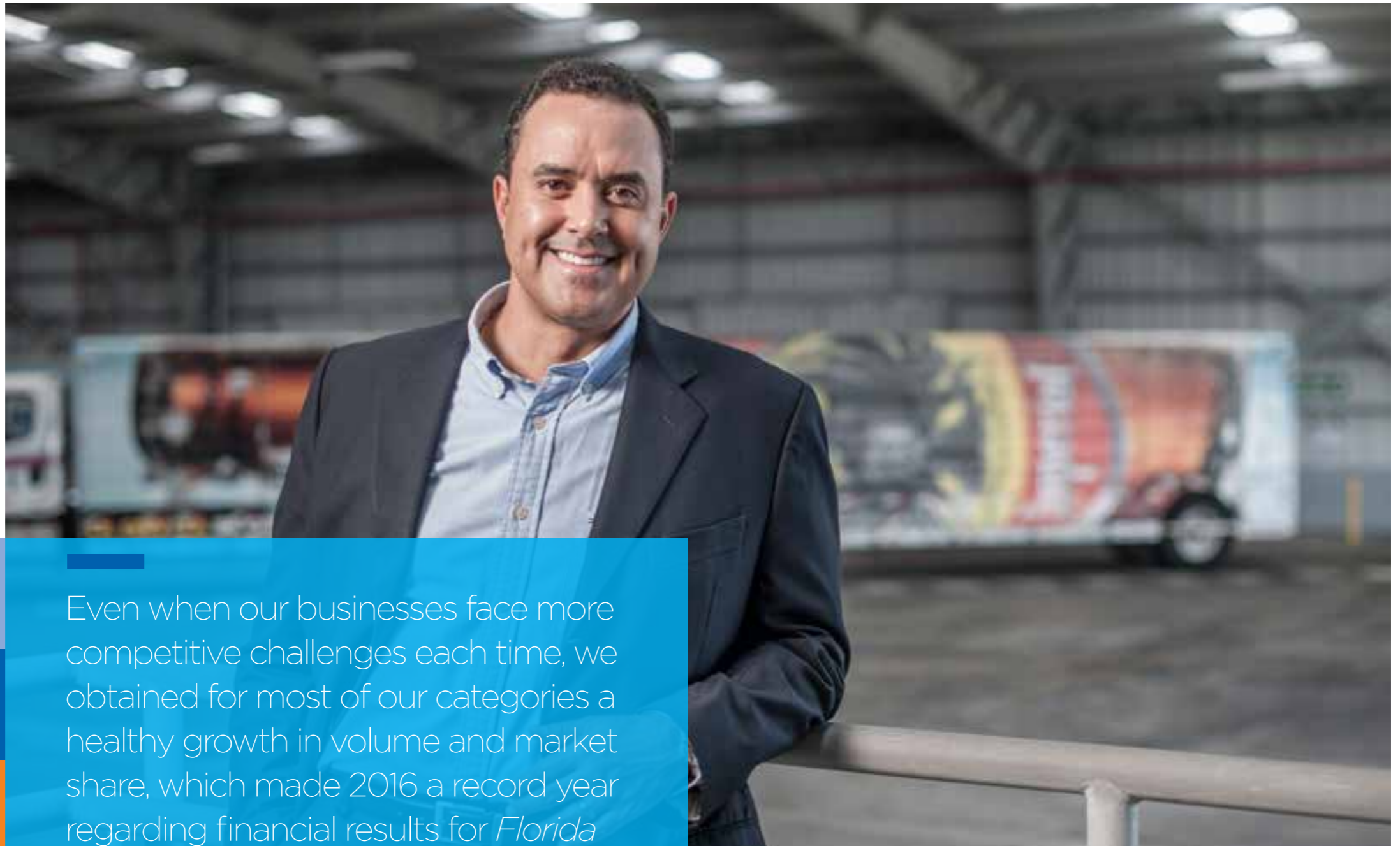


ECONOMIC DIMENSION

2016 showed an each time more competitive environment, mainly in our main business category, which is beer. Not only have there been important changes in the configuration of the beer market worldwide, each time with larger participants and wider coverage, but also small participants who manufacture handcrafted beer have become new competitors. The Company should remain attentive and anticipate changes in order to adapt faster to the consumer needs.

The Company obtained record figures regarding volume, sales, and profitability, placing more than 92 million equivalent beverage boxes and more than 53,000 tons of food. Net sales closed in 664,181 million. This growth was triggered by an agenda that includes innovation, construction, and strengthening of the brands, as well as improvements in the commercial models of each business unit.

# Florida Bebidas y Alimentos



ECONOMIC DIMENSION

Even when our businesses face more competitive challenges each time, we obtained for most of our categories a healthy growth in volume and market share, which made 2016 a record year regarding financial results for *Florida Bebidas y Alimentos*.

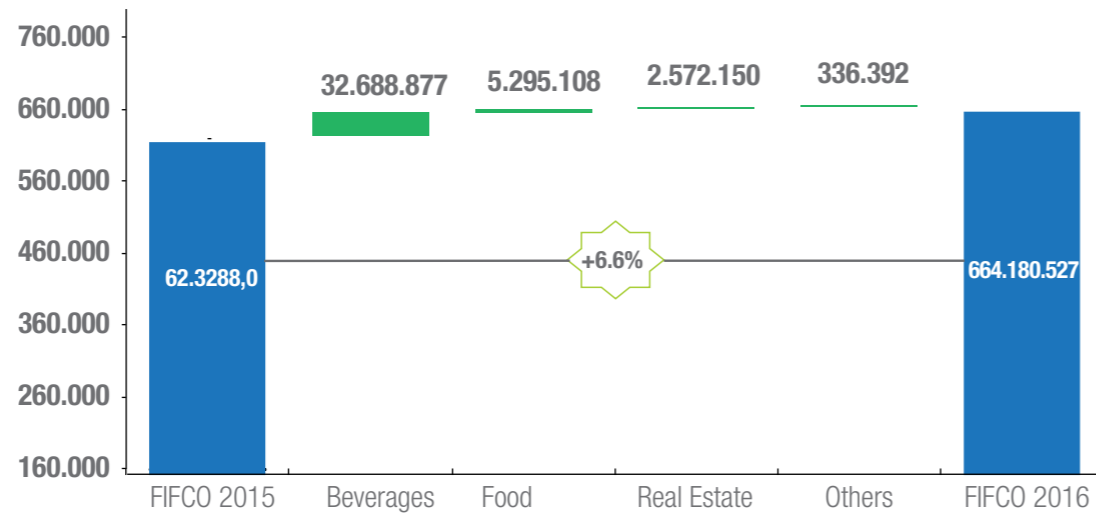
**ROLANDO CARVAJAL**

REGIONAL DIRECTOR OF THE FOOD  
AND BEVERAGE DIVISION

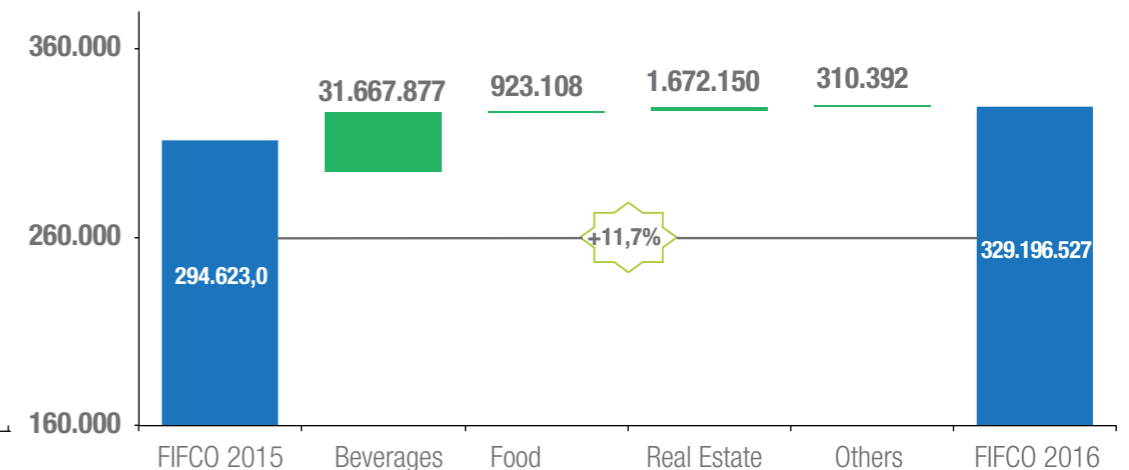
FLORIDA BEBIDAS Y ALIMENTOS

# Commercial Performance

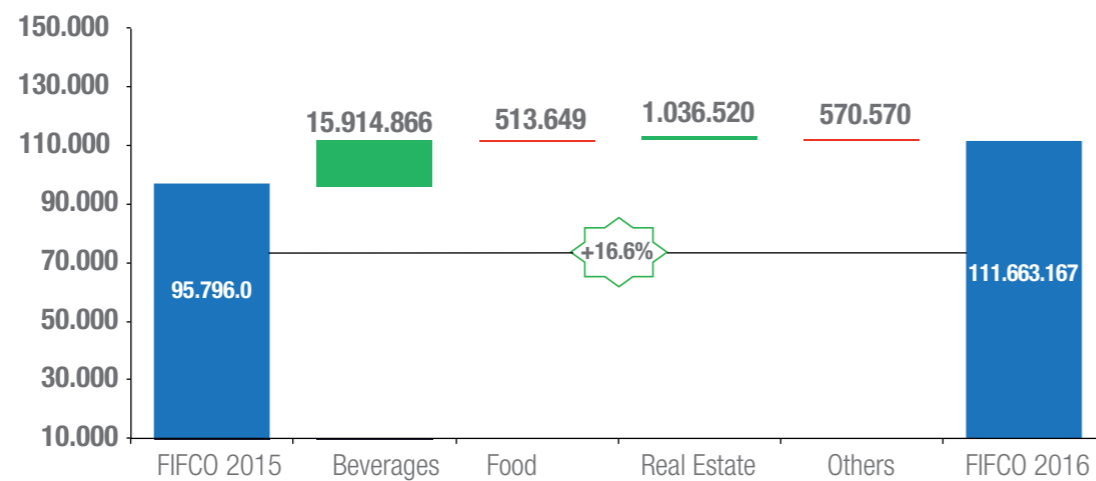
FIFCO | NET SALES BY SEGMENT



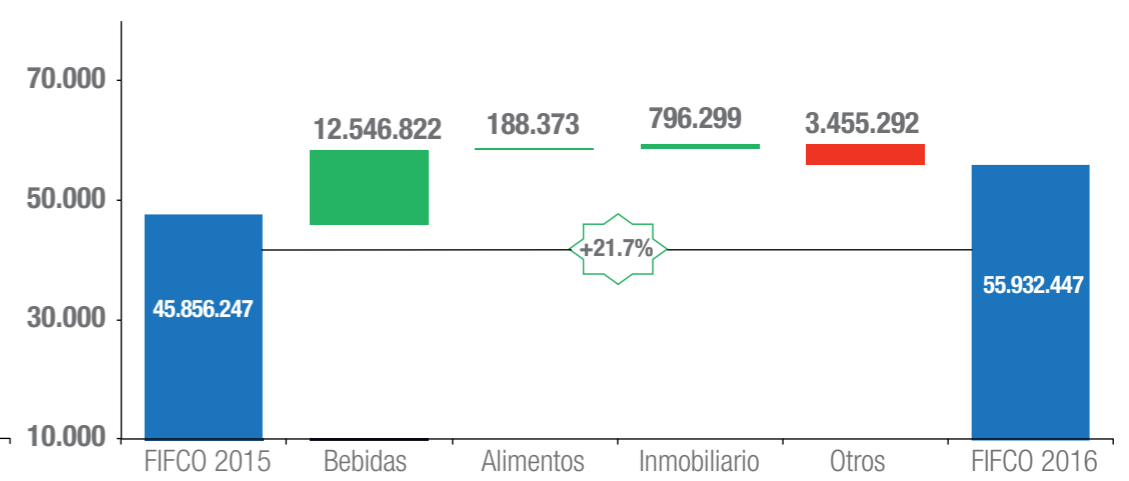
FIFCO | GROSS PROFIT



FIFCO | OPERATING PROFIT



FIFCO | NET PROFIT

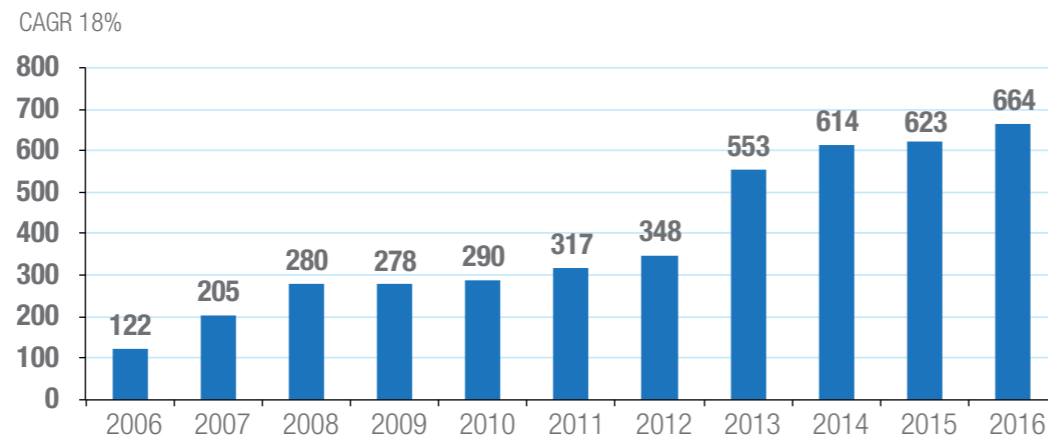


ECONOMIC DIMENSION

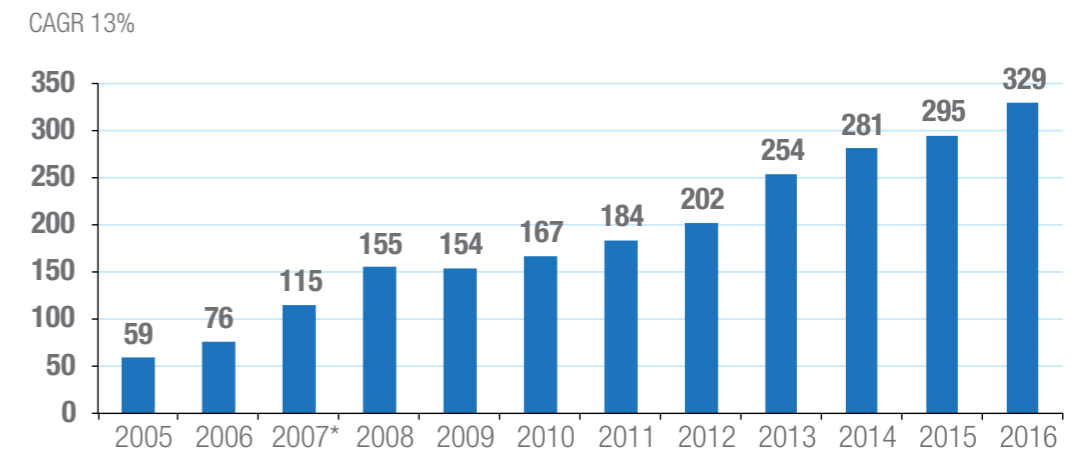
FLORIDA BEBIDAS Y ALIMENTOS

FIFCO | HISTORY OF COMMERCIAL PERFORMANCE

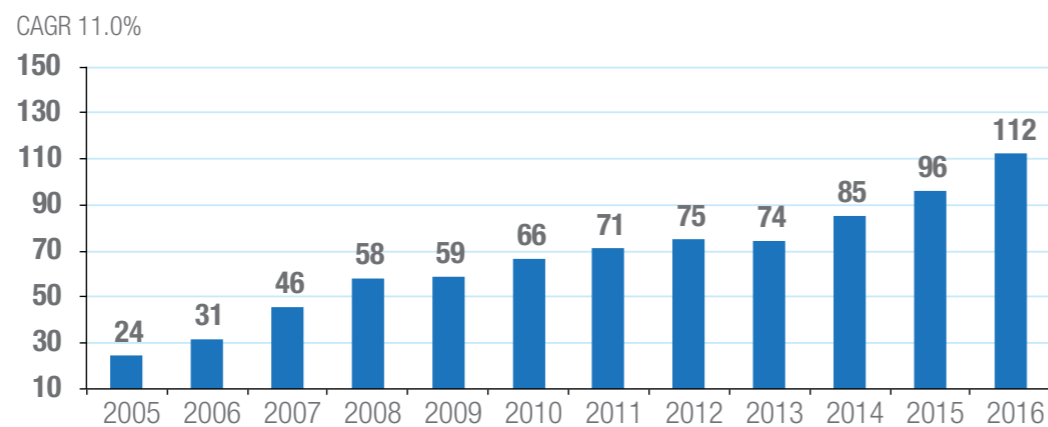
NET SALES  
IN MILLIONS OF COLONES ₡)



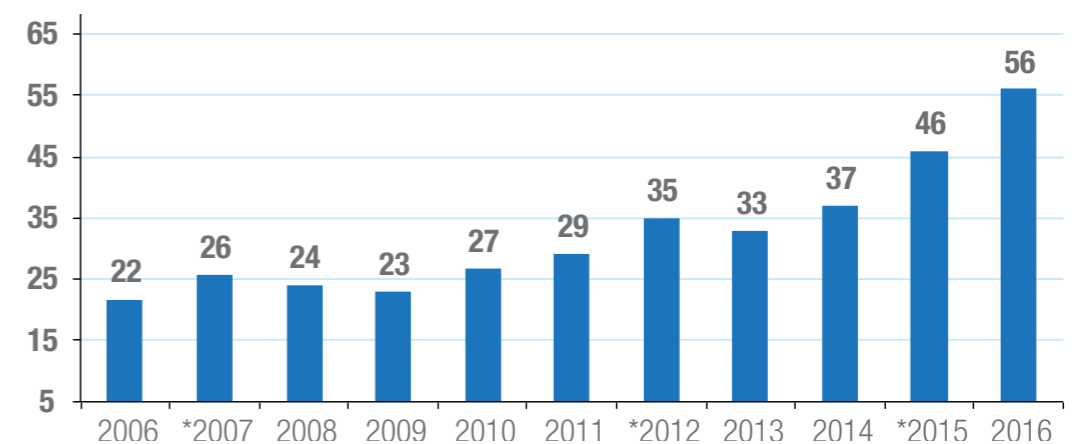
GROSS PROFIT  
IN MILLIONS OF COLONES ₡)



OPERATING PROFIT  
IN MILLIONS OF COLONES ₡)



ADJUSTED NET PROFIT  
IN MILLIONS OF COLONES ₡)



\*Comparable, excluding extraordinary changes

ECONOMIC DIMENSION

FLORIDA BEBIDAS Y ALIMENTOS

**Innovation**

2016 was characterized for innovation in all business units, both for new products, as well as reformulations, new presentations, and improvements regarding procedures and services. With the feedback from our consumers, their preferences, the commercial needs of our customers, worldwide trends, the recommendations established by international organizations as the World Health Organization, and incorporating global challenges as those addressed by the United Nations Sustainable Development Goals, is that the Company innovates, searching for a portfolio that is each time more balanced and current.



**NEW NON-ALCOHOLIC BEER**

In 2016, **Imperial CERO** was launched, a beverage with 0.05% alcohol content that preserves all the goodness of the brand.

**ECONOMIC DIMENSION**

**INNOVATIONS AND SALES IN 2016**

	Beer	Beverages	Food Products
% of the total sales volume	3.1%	1.2%	9.3%
% of the sales value	2.6%	1.3%	4.1%
Number of projects in process	23	45	16
Number of launches	8	17	7

## Flavored Alcoholic Beverages and Beer

The Flavored Alcoholic Beverages and Beer (FAB) Unit reports a growth of 7% when compared with the previous year and a record year in terms of profitability. In line with last year, flavored alcoholic beverages report a significant growth in sales and profitability.

The significant preference for our brands was a constant, which gives clear proof of a robust and balanced portfolio in styles and prices. During 2016, more than 1,000 patent holders are added, and as part of the commercial agenda, relevant changes are implemented to management and service of our customers, in order to improve the sales experience and provide them with higher value added.

Pilsen remains as the second most important brand of our portfolio, contributing a growth of 6.5% in sales when compared to last year, reversing in this way a decrement trend that the brand was showing. During 2016, Pilsen set the standard in the way of relating to and interacting with consumers. Through campaigns such as Moviembre, launched for a second consecutive year, the interest of the brand to go beyond and closer, with 360 implementation that included the donation of a part of the sales made to the Hematology-Oncology Unit of Hospital México in Costa Rica, is confirmed.

The good relationship existing between the brand and the culture of barbecue resulted in the successful campaign known as “República Parrillera” (Barbecue Republic), which intentionally promotes food in a way that intends to end up with a Smart Consumption opportunity. At the same time, throughout the year the brand remained very active in social networks and other channels, which translated into an increase both in sales as well as in preference by the consumers.



ECONOMIC DIMENSION



FLAVORED ALCOHOLIC BEVERAGES AND BEER

**Imperial, Costa Rica's Beer**

An important part of the growth is driven by the Imperial family, with a growth of 7.3% compared to the previous year, which consolidates Imperial as the beer with the greatest market share locally. At the end of this year we ask ourselves, who has not raised a glass with a friend? Or actually, who has not made a toast with Imperial? In this country, we have many reasons to raise a glass and drink a toast, and our goal is to learn and show for whom or why we drink a toast. That is why, through our campaign "Águilas Arriba", we portray the toast of "ticos" (Costa Ricans) to the new year.

To kick off the summer, an outdoor campaign was launched, where Imperial invited its consumers to visit our beaches and enjoy responsibly. We also start the year with one of the most popular festivals in Costa Rica: the Palmares festival, known in Spanish as "las fiestas de Palmares." The *Barra Imperial* was one more time the meeting place for many international artists, concerts, and unique experiences for those who visited.

Anticipating the growth that Imperial Silver will bring, the first summer campaign of the year is launched under the name "Apúntate" (Join us).

Imperial joins the independence festivities during the month of September with a campaign named "Celebra tu Independencia" (Celebrate your Independence Day!), which launched a special-edition packaging. This celebration did not only stay here; it was also celebrated in New York, Boston, and New Jersey, where most Costa Ricans live in the United States.

**ECONOMIC DIMENSION**

**IMPERIAL DEFINES ITS PURPOSE**

**"We toast to a better Costa Rica!"**

With the desire of transcending in a more sustainable way, this year Imperial made the decision to define its purpose, which provides a guideline to keep working in function of a better Costa Rica.

**IMPERIAL AND SMART CONSUMPTION**

In order to adjust to the trends and needs of the consumers, Cervecería Costa Rica launches Imperial Cero, a non-alcoholic drink (with 0.05% alcohol content) that preserves all the goodness of Imperial, such as taste, hop anti-oxidants, as well as zinc and other vitamins. Imperial Cero tries to reach out to those who enjoy the taste of Imperial, but who, due to different reasons, prefer an option with non-alcoholic content.

As part of its innovation agenda, the brand relaunches "Aguilitas", which refers to the regular Imperial and Imperial Silver beers but presented in returnable 250-mililiter glass bottles. This new option is part of the brand efforts to satisfy and adjust to the needs of the consumers, and at the same time, it promotes new opportunities for beer consumption,



always aligned with a smart consumption of drinks with alcoholic content. Imperial embarked on the task of working on a beer and food platform, trying to find Costa Rica's best "chifrijo." The campaign had available a digital platform that encouraged interaction among consumers and the co-creation of content.

FLAVORED ALCOHOLIC BEVERAGES AND BEER



Our Premium portfolio joins also the growth streak, reporting +4.18% compared to last year, which continues to dominate the consumer's preference. By continuing to build the Premium brand and with a constant innovation agenda in 2016, Bavaria launches a new "sleek" can presentation, and in this way, it becomes the only Premium brand in the Central American region that offers this type of presentation.

Heineken joined the global strategy from Costa Rica, implementing the Champions League campaign and a successful execution of the Heineken Beach Party, with an attendance of more than 1,000 people.

As in the previous year, the trend of keeping a good mix between returnable and non-returnable packages continues. Liter presentations Off, as well as the 350 ml returnable presentation and the 750 ml presentation in the On channel, contribute to the goal of making the beer category more accessible to the end consumer. In order to complement these efforts, a campaign is launched in points of sale and outside regarding returnability.

The imported beer segment had a positive performance, favored by the value added by brands such as Budweiser and Corona.

The Micro Brewing Company, with its Domingo 7 brand, is able to consolidate itself in the Costa Rican market by growing both in terms of sales as well as in consumer preference. Special editions are added to the portfolio. The brand launches two new handcrafted beers created for two specific clients: WalMart and Hard Rock Café Costa Rica, under the brands Da-Wal, a light, lager-type beer, and K-púa, a summer ale, respectively.

**INTERNATIONAL RECOGNITION**

Two of the handcrafted beers of the Domingo 7 brand, from the Micro Brewing Company, obtained an award at the end of 2016 during the renowned event "Copa Cerveza de América," which was held in Santiago de Chile. More than 1,040 different beers were participating at the event, where 86 were from Costa Rica, and the Conejo Mago beer, under the American Indian Pale Ale category (a category historically known as the most competitive), and the Mano Roja beer, under the Irish Red Ale category, were recognized in the contest, obtaining gold and bronze medals, respectively.



ECONOMIC DIMENSION

FLAVORED ALCOHOLIC BEVERAGES AND BEER

**Flavored Alcoholic Beverages**

With a double-digit growth shown in the Flavored Alcoholic Beverage segment (FAB), it is confirmed that Costa Rica is not an exception in this worldwide trend, which rendered record sales for the Company. The highlight is the growth of 20.7%, compared to last year, for Smirnoff Ice in the domestic market as well as in exports. With its presentations, Raspberry and Guaraná, this beverage consolidates itself as the segment leader.

Bliss joins the innovations with its summer editions: Watermelon, Calypso, and Aloha, now in the “sleek” can presentation.



**EXPORTS**

The export strategy of our brand, **Imperial**, obtained great results in 2016. The brand is consolidating itself within the US market, reaching 12%-growth in sales, when compared to last year. The good results are associated with the implementation of the ambassador program, as well as with paying closer attention to key geographies, which translate in volume growth and acceptance by distributors and customers.

The export of flavored alcoholic beverages adds to the overall growth trend shown by this category.

ECONOMIC DIMENSION

FLAVORED ALCOHOLIC BEVERAGES AND BEER

**Wines and Spirits**

During 2016, the Wines and Spirits division (*Vinos & Destilados*) suffered the negative impact of alcoholic beverage smuggling, which currently represents 18% of the total market of beverages with alcoholic content in Costa Rica. Therefore, it did not experience any growth in the operating profit when compared to last year.

The Unit reported significant growth in categories such as Champagne and Cognac. In the same way, it implemented a robust innovation agenda, both in presentations as well as in categories and non-traditional origin wine, such as Uruguay and Israel. This innovation agenda contributed 2% of sales volume.

Regarding commercial terms, the unit implemented *Proyecto Estrella*: a new business management model for sales, which accomplished important results regarding effectiveness and scope of sales, as well as a double digit increase in the daily sales averages, both for wine as well as for spirits.



**ECONOMIC DIMENSION**

**ILLEGAL MARKET: RESULTS OF THE EUROMONITOR INTERNATIONAL STUDY**

The report "Analysis of the Alcoholic Beverage Illegal Market" was prepared by the firm Euromonitor International, and it analyzed the market of illegal beverages in our country. The study concluded that in Costa Rica, from 2012 to 2015, there was an 11%-increase in consumption of smuggled beverages, which reveals an 18%-incidence of illegal trade practices for alcoholic beverages in the country. The consumption of false products increased 9%,

caused mainly by a greater availability of them, especially low-cost vodka.

As a result of the above, and working hand in hand with the industry's local association, the Company implemented a strict work agenda, along with the assistance of authorities and other labor associations, with the purpose of fighting these illegal practices.

FLAVORED ALCOHOLIC BEVERAGES AND BEER

ECONOMIC DIMENSION





# North American Breweries (NAB)

**ECONOMIC DIMENSION**

The growth of North American Breweries showed for second consecutive year a double digit growth in sales and profitability led by the stabilization of Labatt, an important growth of Seagram's Escape and Genesee, as well as the implementation of a plan to relaunch the handcrafted beer businesses, as a result of experiencing a downward trend in our brands under such category.

The unit reported an excellent year in terms of supply chain, obtaining important savings, in addition to great progress in the project to modernize the main operations plant located in Rochester, New York.





ECONOMIC DIMENSION

For the second year in a row, North American Breweries obtains a double-digit growth in all triple bottom line indicators.

**KRIS SIRCHIO**  
CEO | NORTH AMERICAN BREWERIES

NORTH AMERICAN BREWERIES (NAB)

ECONOMIC DIMENSION



These accomplishments add up to a strict agenda focused on human talent management, obtaining a significant improvement in the general satisfaction levels of the employees. This agenda will be explained in detail in the chapter denominated “Internal Social Dimension.”

As in FIFCO, as corporation, the Unit committed to define its strategic plan for the next four years, NAB 2020.

Imperial in the United States: see Export chart in page number 83.



ECO-BREWERY DISTRICT

The governor of the state of New York, Andrew Cuomo, visited our plant, located in Rochester, to inform that the government will invest \$9.5 million in the Genesee Eco-Brewery District. The project includes installing one of the most modern systems worldwide to manufacture beer, the expansion of the Genesee Brew House” restaurant, an activity room, and others. The goal is to create an Eco-Beer District that will become a sustainable destination to manufacture, try, and learn about beer.



# Refreshments and Dairy Products

## Refreshments and Dairy Products

In 2016, the Unit of Refreshments and Dairy Products finishes in line with our “North Star”, focusing and analyzing more each brand, channel, geography, and consumption opportunity, in order to better enhance each of those consumption opportunities, achieving a double-digit growth both in sales and in profitability.

Our brand Tropical contributes to this growth at a rate of 24% more than the previous year, obtaining a double-digit growth both for teas as well as refreshments. During 2016, the campaign for the “Verano” brand, as well as the new ice tea can presentation, stand out.

Carbonated drinks reported a double-digit growth when compared to last year. A new Pepsi campaign, the relaunch of the 7up image, along with a skillful management of new technologies and social network contribute to the category’s dynamism.

2016 is a transcendental year for the brand Mú!, which reported a moderate growth in sales compared to last year. The acquisition of the dairy production plant by Grupo Lala establishes the beginning of a new scheme for the brand. You can obtain more information in the Relevant Changes section in page 38.



REFRESHMENTS AND DAIRY PRODUCTS

With the launch of Jet 350ml and the good performance of the brands Maxxx and Sobe Adrenaline Rush, the company is able to consolidate as a leader of energy drinks.

In the water category, Cristal recovers leadership and launches the campaign “Árboles Centenarios” (Centennial Trees), saving more than 100 trees in the metropolitan area.

Gatorade launches its 350ml presentation as a price strategy and portfolio that generates a

better relationship between the brand and its consumers through communication, for example through packaging. The brand remains active all year with campaigns, as well as a sports marketing agenda, participating in the country’s main sports events.

In the markets of North Central America, as well as in Nicaragua and Panama, we achieve double-digit growth for the tea category with the brands Sun Tea Life and Tropical, respectively, presenting as well a favorable growth for the nectar category.

ECONOMIC DIMENSION



BRANDS WITH PURPOSE

Consistent with our purpose and corporate value, the Unit **focuses more on products and packaging, offering healthier proposals and lighter packaging.** Also, company-wide we are obtaining more efficient production costs that result in lower environmental impact.



150 CENTENNIAL TREES WERE CURED IN SAN JOSÉ

Along with the Municipality of San José and thanks to the support of consumers, Agua Cristal cured 150 centennial trees in different points of the city.

**40 volunteers of Florida Bebidas** donated 256 hours of work to cure symbolic trees of the capital.





ECONOMIC DIMENSION

The food business in Guatemala faced important challenges in the manufacturing area; therefore, regardless of a growth in sales volume and a good commercial performance in general, it did not show growth regarding operating profit when compared to the previous fiscal year. In the case of Kern's in Guatemala, a full restructuring of the production plant took place, and it has already started to render positive results.

Despite strong competition in the category, Ducal ratified its leadership through the Central American region by obtaining important growth in sales volume when compared to last year and by consolidating leadership for the ready-to-eat bean segment in the US market. The presentation of "Chub" showed very positive performance in the Central American market.

## Industrias Alimenticias Kern's

During the reporting period, important efforts were made to maximize the production levels and to attain an outstanding control of material losses.

INDUSTRIAS ALIMENTICIAS KERN'S

The brand Kern's had a consistent sales performance throughout the reported period, defining the focus by channel and geography.

For the Costa Rican market, there is double-digit growth both for Ducal and Kern's. The individual consumption presentations had an important contribution in the Guatemalan market. For the United States, sales performance obtains an outstanding double-digit growth when compared to last year, contributing with an important growth in the presentations of canned beans and sauces.



ECONOMIC DIMENSION



**ECONOMIC DIMENSION**

After some intense periods with openings and an introspection process, Florida Retail experiences a much more stable 2016, where innovation was a constant with very good results. Double-digit growth is reported in the period for both operating profit and growth in the sales of bread.

With a total of 146 franchises, 70 “Mini Súpers” (small grocery stores), and 11 bakeries, Florida Retail confirms its position as the store and bakery chain with greater presence in the Costa Rican market. Also, double-digit growth is reported regarding the number of transactions compared to last year.

## Florida Retail - Musmanni



In response to the integration process of Musmanni to FIFCO, the unit acquires the name of Florida Retail, a name that encompasses the operation of both convenience stores and bakeries, as well as the industrial bread plant. At an external level, the stores keep the name *Musmanni Mini Súper*, and bakeries also keep the name *Musmanni*.





ECONOMIC DIMENSION

In 2016, innovation was the constant denominator, both in products and in formats. We aim at satisfying our customers' preferences and providing an excellent purchasing experience.

**JAVIER SIBAJA**  
DIRECTOR OF FLORIDA RETAIL

FLORIDA RETAIL - MUSMANNI

**Convenience Stores**

In line with previous years, 2016 confirms the migration of consumers to convenience and proximity formats, with an increase of **16% in the number of daily visits** to this type of formats, when compared to the previous year. Following our “North Star,” **convenience stores become a relevant platform to display the rest of the FIFCO brands**, especially water, refreshments, milk, and beverages with alcoholic content, contributing to our ambition to “Enhance each beverage opportunity.”



**MUSI**

As part of an evolution in our value proposal for the consumer, **the new Musi convenience stores open to the public.** The development of this brand responds to the continuous improvement of the unit and a greater alignment with the “North Star.” During 2016, three new stores opened under this brand.

**ECONOMIC DIMENSION**



**INNOVATION OF THE YEAR: MELCOCHÓN CERO**

Innovation in products and format were constant; however, the launch of Melcochón Cero stands out. The well-known Melcochón **has no fat, no sugar, low sodium, no saturated fats nor cholesterol**, in addition to become the first Musmanni product that is packed in a paper bag. This innovation added dynamism to both formats, complementing the portfolio with an option that is in line with the nutritional needs

and trends of our consumers, as well as with the recommendations from worldwide organizations associated with food topics. *Melcochón Cero* marks a before and after since it is the one of a series of innovations focused on providing a greater balance to the current bakery supply.

FLORIDA RETAIL - MUSMANNI



**Franchises**

2016 was a key year to create new and better communication channels with our franchisees. As part of a 360 plan, we administered the first survey to our business partners for the franchise model. Thanks to this survey, we identified important areas of opportunity, and a series of initiatives and projects were implemented to use the format's potential, trying to obtain a win-win situation with our business partners. Some of these initiatives include: **creation of a franchise management, new mechanisms and communication spaces, a training plan, improvements in business conditions, spaces for co-creation and innovation, among others.**

As a result of studying our current bakery offer and the subsequent co-creation among administrative staff, franchisees, and external consultants, the **“Model Bakery”** is created. This new concept of bakeries seeks for a closer relationship and warmer shopping experience, rescuing a homemade-like environment but at the same time a more modern one.



ECONOMIC DIMENSION





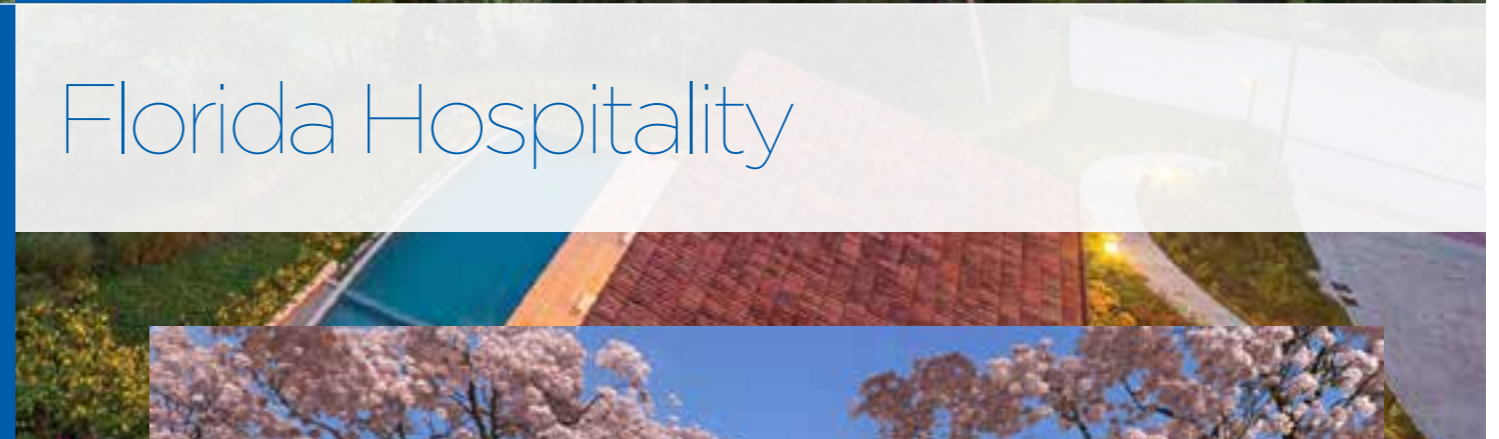
**ECONOMIC DIMENSION**

The unit reports growth in operating profit of 130% compared to the last year, which reveals a much higher profitability of the hotel. There is 7% increase in the occupancy of The Westin Golf Resort & Spa Playa Conchal, and in the same way, the real estate business reports 10% increase in occupancy for the Reserva Conchal Condominium Rental Program, when compared to last year.

During 2015, the contract to open the W Costa Rica, Reserva Conchal Hotel was signed, the first one of the W chain in the country. In 2016, the design stage of the hotel is concluded.

A new real estate product is also launched: Condominio Aromo, located within the Reserva Conchal property.

# Florida Hospitality





ECONOMIC DIMENSION

The hotel operation of Reserva Conchal, which manager is the Starwood chain, aligns to our sustainability strategy based on the triple bottom line, that is to say, we intend to generate value in economic, social, and environmental terms. Having taken a step further and becoming the first carbon positive hotel makes us very proud.

**HELMUTH SAUTER**

DIRECTOR OF FLORIDA HOSPITALITY

FLORIDA HOSPITALITY

**Water: 360° Approach**

For some years now, FIFCO has managed a proactive agenda to overcome the water supply crisis caused by the drought that affects Guanacaste, Costa Rica.

The agenda consists not only of the existent initiative focused on a **rational use of the resource in our operations**, but also of complementary proactive measures.

During the reporting period, Reserva Conchal **materializes the donation to the Costa Rican Water and Sewer Institute (AyA) for the well field and infrastructure of the Nimboyores Aqueduct**. This donation will serve as basis for an aqueduct project to be developed by AYA, which intends to supply demand for human consumption of drinking water in residential, commercial, and tourist sectors of the communities located in the coastal areas of the canton of Santa Cruz, Guanacaste.

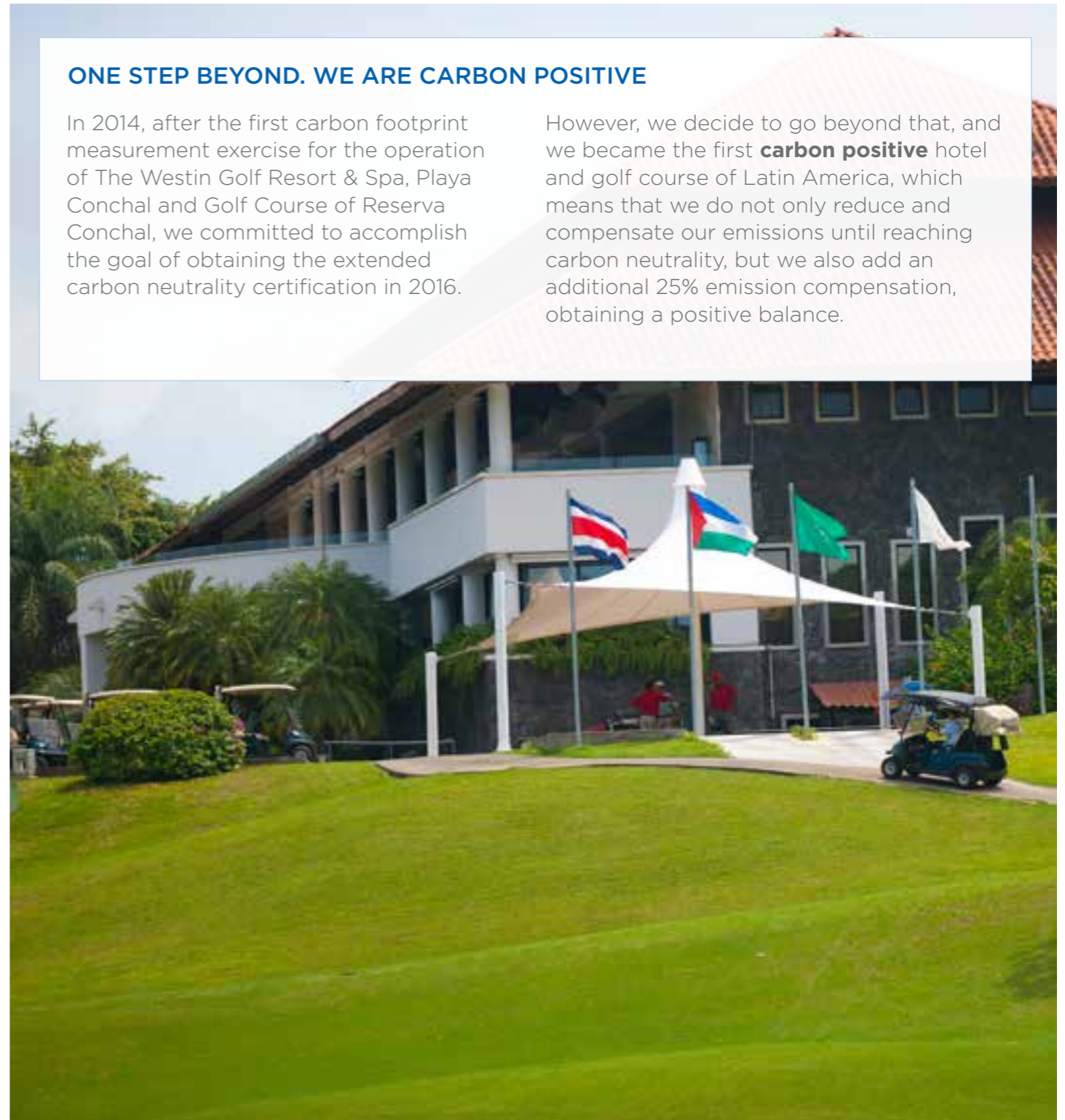
At the same time, the construction and installation of the modules for the **first water desalination project in the country** is completed. It will start operating at the end of the 2017 calendar year.

ECONOMIC DIMENSION

**ONE STEP BEYOND. WE ARE CARBON POSITIVE**

In 2014, after the first carbon footprint measurement exercise for the operation of The Westin Golf Resort & Spa, Playa Conchal and Golf Course of Reserva Conchal, we committed to accomplish the goal of obtaining the extended carbon neutrality certification in 2016.

However, we decide to go beyond that, and we became the first **carbon positive** hotel and golf course of Latin America, which means that we do not only reduce and compensate our emissions until reaching carbon neutrality, but we also add an additional 25% emission compensation, obtaining a positive balance.





## COMEGUA

The operating results for 2016 report an increase in the sales volume; however, the net sales decreased 1% compared to last year due to a price adjustment in customers with whom a supply agreement exists. This results in a downward growth of 3.4% in net profit compared to the previous period.

# Florida Capitales

ECONOMIC DIMENSION

FLORIDA CAPITALES

**INCECA**

During the year, INCECA firmly continued the management path addressed to develop value in the economic, social, and environmental dimensions.

From the economic perspective, there is 9%-increase in sales of beer and 25% increase in refreshments when compared to last year, obtaining a double-digit net profit growth

Regarding **business topics**, the following stand out:

- A successful first Toña Beer Festival
- The creation of an independent distribution company: CDN
- Convenience stores grew 10% in sales compared to the previous year

Regarding the social and environmental agenda, the following stand out:

- Implementation of the first Personal and Professional Development diagnosis among employees
- *Fundación Victoria* and INPROCRES were able to teach more than 5,000 workshops, impacting more than 140,000 people
- INCECA became the first “Water Neutral” company of Nicaragua

**ECONOMIC DIMENSION**

**Cervecería Panamá “El Barú”**

During the 2016 fiscal period, *Cervecería Barú* Panamá consolidates its double-digit growth both in sales as well as in profitability. At market share level, it continues to consolidate its position within the Panamanian beer industry.

The Panama franchise and the brand Soberana freshened up their image. Both changes were very well received by the consumers. In the supply chain, there are important improvements regarding cost management, and there is a logistic transformation that translates into a coverage increase.

**In terms of sustainability**, “El Barú” reports:

- 50% participation of its employees in the Volunteer Program
- *Barú Oportunidades* will be implemented, a program addressed to eliminate poverty within the Company’s labor force
- In environmental terms, an important improvement takes place in the reduction of water consumption and in carbon emissions



# More on Our Operations

## PRODUCT RESPONSIBILITY

**ECONOMIC DIMENSION**

### Quality and Safety of Our Products

100% of the products FIFCO manufactures are evaluated to verify their impact on the health and safety of customers. This verification is made using different methodologies, such as: Integrated Internal Audits, hazard programs such as *Hazard Analysis* and *Critical Control Points* (HACCP), Good Manufacturing Practices, verification of production batches, and physicochemical and microbiological analyses, all detailed in the respective management systems. Systematically, we seek improvements in the formulation and development of our products in terms of quality and safety offered.

### Responsible Labeling of Our Products

100% of the products we manufactured and marketed during 2016 provide correct and accessible information on their labels or

packaging according to the current legislation and regulation established by the Ministry of Health, Ministry of Economy, Industry and Trade, and the Technical Regulations of Central America, among others. Every packaging includes:

- Name of food product
- List of ingredients
- Nutrition facts (when applicable)
- Net content
- Name and address of manufacturer
- Country of origin
- Batch identification number
- Expiration date
- Health registration number
- Product benefits
- Customer service telephone number
- Recycling program logo

The industrial bakery products of the Florida Retail- Musmanni operation are packed in

bulk for later processing, and therefore, they are not subject to labeling standards regarding pre-packed food products. However, all boxes have a label with the name of the product, the production date, the recommended date of use, the lot number, the consecutive box number, and the net weight. Also, customers are provided with technical fact sheets for each product, which explain the ingredients and allergens present in the product, as well as the preparation method and the storage recommendations.

At Industrias Alimenticias Kern's, 100% of the product labeling complies with the Central American regulation, RTCA for general labeling, nutritional labeling (which is voluntary), food additives, and net content.

Our NAB products comply with the corresponding labeling laws established for such geography.

MORE ON OUR OPERATIONS

The following table shows whether the labeling of the products requires the following data or not. It is important to notice that between 2015 and 2016, this information has not changed:

**INFORMATION REQUIRED IN LABEL (TABLE 1)**

	2016	
	Should report:	Should not report:
Origin of the components of the product or service	IAK, Cristal, ECSA, Dairy	NAB
Content, especially in those matters regarding substances that can have some environmental or social impact		
Safety instructions for the product or service		
Elimination of the environmental or social impact or product		
Others (explain)		

The percentage of significant services and product categories that have been subject to the evaluation procedures according to the procedures mentioned in the previous table are:

**PERCENTAGE OF CATEGORIES AND PRODUCTS SUBJECT TO EVALUATION ACCORDING TO TABLE 1**

Plant	Percentage
NAB	0%
Cristal Plant	100%
Beer Plant	100%
Kern's Plant	100%
Musmanni Plant	100%

**Matters Resulting from Non-Compliance**

During the reporting period, no matters resulting from non-compliance with standards or internal codes regarding health and safety of our products or labels have been reported in any of our operations. Through the First Contact Center (CPC, for its name in Spanish), we receive complaints from the market, which are communicated to the respective Quality Assurance Department. This department is in charge of analyzing each one of the complaints and providing the customer and/or end consumer the corresponding response. The Quality Assurance Department, along with the company's Legal Department, identify and make sure that the regulatory requirements regarding the declaration of ingredients and labeling of products are met.

The Musmanni bakery plant performed the ISO-9000 recertification audit. Such audit disclosed two minor non-conformances. Regarding claims, 115 claims were received, which means 118% less, and regarding the percentage of boxes recognized to customers through NC due to quality problems, it was reduced from 0.06 % to 0.03%. All claims were heard and analyzed, and the corresponding corrective measurements were taken. During 2016, no non-compliances regarding the standards or voluntary codes associated with health and safety of the products and services were reported at the production unit of Kern's and NAB.

**Our Commitments**

Besides complying with the respective regulation in terms of quality and safety, in line with our triple bottom line strategy we make public the following commitments:

- a. **Develop initiatives that promote access to food products that are economically accessible and healthy, promoting wellbeing in the communities**

During 2016, Nutrivida complemented its portfolio with two new products to offer a total of eight fortified products, specifically developed to address child malnutrition and undernutrition in Costa Rica. You can obtain more information on Nutrivida in the External Social Dimension section.

ECONOMIC DIMENSION

## MORE ON OUR OPERATIONS

**b. Develop products with low content of saturated fat, trans fat, sodium and added sugar**

During 2016, progress continued in the incorporation of products with low content of sugar, fat and sodium. Aligned with the food marketing regulation in public educational centers, known as “*Decreto de Sodas*” (Cafeteria Decree,) lighter products were developed. The launch of *Melcochón Cero*, a bread low in fats and sodium and free of sugar, stands out during this period.

**c. Develop consumer goods that contain nutritional ingredients such as fiber, vitamins, minerals or other functional food additives**

Products with vitamins and minerals added or functional additives have become necessary for consumers. 100% of Tropical products, as well as beans, sauces and nectars from Kern's contain essential vitamins and minerals, besides being high in fiber, proteins and antioxidants.

**d. The Company seeks to increase the number of products in our portfolio that have a lower impact on the environment**

The Wines and Spirits unit has set the tone updating its portfolio by incorporating some certified brands like Organic and/or Biodynamic. Wineries try to offer added value to their products through features such as lighter bottles, labels and boxes made with recycled paper, organic grapes, the inclusion of environment-friendly processes, reforestation programs, among others. Some of these wineries are: Hacienda Araucano, Viña Concha y Toro with its Sunrise brand, Bodega Antiyal, Vida Orgánica, Planeta, Marqués de Cáceres Bio, Los Árboles de Navarro Correa and Palo Alto. The segment and our brands have been growing, and we are influencing our customers to provide them with more space than the one they currently have.

The Company defines an agenda to address the topic of materials, specifically plastics, in our products. You can find more information in the “Environmental Dimension” section of this report.



## Customer Service

The production of goods and services of the highest quality is a cross-cutting theme and shared goal throughout the entire corporation. FIFCO publicly commits with its business partners, customers and consumers to offer products and experiences of a consistent and reliable quality.

The Company has mechanisms and protocols along the commercial chain to ensure proper compliance with the different rules and standards of quality. As part of the customer service procedure, the company has 4 toll-free Customer Service lines: 800-CERVEZA, 800-CRISTAL, 800-TROPICAL and 800-PEPSIYA. These lines are available to our customers and consumers for any inquiry and are served directly by FIFCO's Customer Service Department. We have a system to register and follow up on SIEBEL-CRM cases, where all the cases and the attention that was given to them are historically documented.

### First Contact Center

- Throughout the period, we received 6,682 calls per month, with an effectiveness average rate of 91%, service levels of 92%, and call abandonment rate of 3%.
- During 2016, no complaints were registered based on the violation of privacy and data leak of customers

FIFCO evaluates its complaint mechanisms through monthly indicators presented to the different businesses. In addition, we participate in internal and external audits for this process.



CUSTOMER SERVICE

NUMBER OF CLAIMS BY SOCIAL IMPACT

Type of Complaint	2014	2015	2016
Total complaints by product (customers)	325	312	606
Total complaints by product (consumers)	859	836	1.471
Total complaints Kern's products (120 customers and 313 end consumers)	N/A	N/A	433
Total complaints - logistics (customers)	N/A	N/A	54
<b>Total</b>	<b>1.184</b>	<b>1.148</b>	<b>2.077</b>

**Note for 2016:** The increase in complaints of the product are mainly related to dairy products. The complaints related to logistics are included until this year, and starting on June 2016, complaints related to Kern's products start to be received in the CRM.

ECONOMIC DIMENSION

The platform was in charge of receiving calls on environmental matters, which were submitted to the Environmental Management Department. For this period, we had a complaint related to a dairy plant; we followed up on it through the Environmental Department, and it was resolved satisfactorily. This year we had four complaints made by neighbors of the Industrias Alimenticias Kern's plant; different departments of the Company have been involved in this issue and have been following up on the matter. Meetings were held with the community in order to implement an improvement plan and actually improve social harmony among the parties.

In the same way, Musmanni has its own Customer Service, focused on responding to inquiries, complaints and comments both from franchisees and from end users. The telephone numbers of the Service Platform are the following: 2437-7626, Mejoras Comapam and 2437-7634, Musmanni, Customer Service. Both protocols cover matters regarding the quality of products and services provided.

Some of the social impact complaints received were related to poor driving of our drivers (97 complaints), 58 of these complaints were satisfactorily resolved, 11 are still pending at the end of the period, and 28 were not responded by those who filed them. We received 53 complaints for property damage, caused mainly by company trucks, and 41 of these complaints were effectively resolved, 7 are still pending at the end of the period, and no response was obtained in 4 of the cases. Finally, although they were not complaints, we received more than 368 consultations regarding employment matters (39 through the webpage "Contact us" section, and the remaining 328 came in through the "live chat" both of Costa Rica and Kern's). At NAB, no social impact complaints were reported.

During 2016, the First Contact Center takes over customer service for the Wines and Spirits Unit. We acknowledge the need of unifying the existing customer service procedure for other businesses, such as Musmanni and Reserva Conchal. Currently, these businesses have their own Customer Service, and they manage it differently; therefore, the documentation for the totality of the incoming cases is not available.

CUSTOMER SERVICE

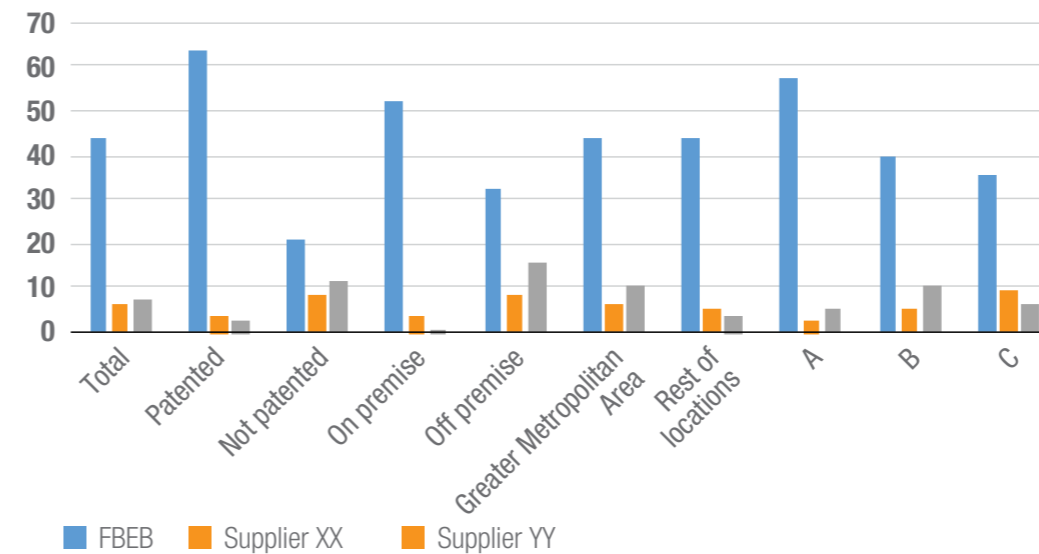
**Customer Satisfaction Index (CSI)**

- The 2016 Customer Satisfaction Index (CSI) corresponds to 75%. For the year before, 2015, it was 77%. Despite the decrease, Florida Bebidas records the highest satisfaction levels when compared to direct competition.
- When analyzing the top 10 of the most relevant features (flexibility, commitment, promotions, etc.), we see that Florida obtains performance scores above 75% in 5 of those 10 features.

It is important to point out that during the evaluation made this year, no questions were made regarding Corporate Social Responsibility, innovation, leadership, and others. Results cannot be compared on a year-by-year basis because the bases of the study change every year.

**ECONOMIC DIMENSION**

**MAIN SUPPLIER | FLORIDA BEBIDAS CUSTOMERS | OCTOBER 2016**



Florida Bebidas is the main supplier for 43% of the channels, and it is the one mentioned the most among those with patent, On Premise, and channels classified as A level (most relevant customers as to sales volume, among other factors), the same as last year. For 44%, Florida Bebidas is the best of its suppliers, and this percentage is significantly higher among: licensed channels, On Premise, and among others, A-level businesses. You can find more information in the section “Consulting our stakeholders.”

# Value Chain

For six consecutive years, we have incorporated FIFCO's value chain within our sustainability strategy, in order for them to improve their environmental and social performance and reduce their footprints. It is for this reason that FIFCO develops and implements the Sustainable Supplier and Purchasing Programs.

## Sustainable Purchasing

The suppliers that are part of this program are subject to different evaluations and audits based on the ABC in Sustainability procedure, taking into account social (child labor, Human Rights, ethics, occupational health, among others) and environmental criteria. Starting last period, suppliers of our suppliers will be taken into account to go beyond in our value chain. To obtain more information on the program's methodology, please refer to our 2015 FIFCO Integrated Report, pages 98 and 99.

Based on the score received by each supplier, we will determine the follow-up to be provided, as well as recognition according to the progress (FIFCO "leaves" identify status and performance).

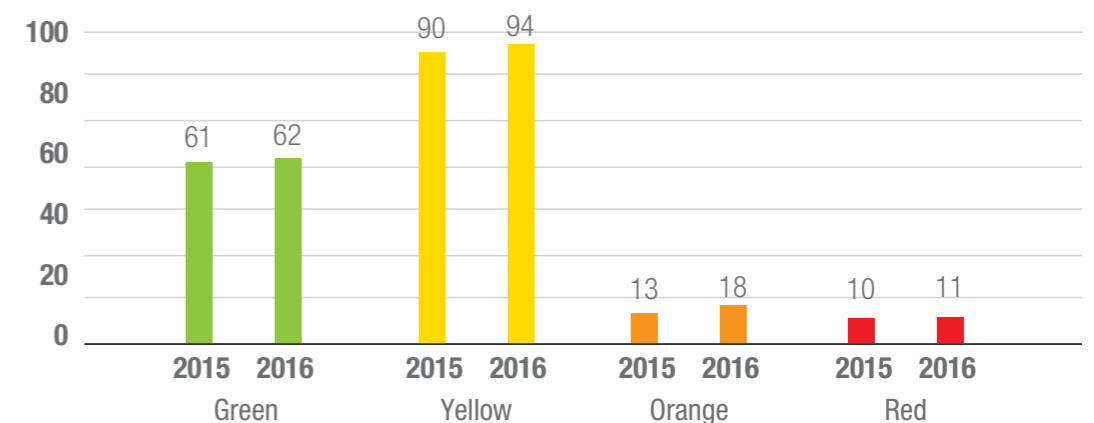


ECONOMIC DIMENSION

## SUPPLIER SUSTAINABILITY RANKING

Color Code	Score	Type of Florida supplier
Green	Grade $\geq$ 90	
Yellow	Grade $\geq$ 70 y $\leq$ 89	
Orange	Grade $\geq$ 60 y $\leq$ 69	
Red	Grade $\leq$ 59	N.A.

## RANKING OF FIFCO SUPPLIERS EVALUATIONS



VALUE CHAIN

**MAIN RESULTS FOR 2016 – SUPPLIERS**

- During this period, sales for more than \$304 million were reported at FIFCO. Out of this amount, 34% corresponds to suppliers within our Sustainable Purchasing Program
- 53% of the evaluated suppliers were certified during audits in one of the following management systems: environment, security, quality, innocuousness, Human Resources, or civil security.
- 100% (516) of the new suppliers during the period signed and accepted to comply with FIFCO's Environmental Policy and Responsible Supplier Code
- The suppliers improved their scores in 82% (compared to 68% of the previous period) due to follow-up and compliance with the action plans
- The relationship with one supplier was discontinued during this period since it obtained a score under 60 points and also because it did not show immediate improvement and attention to the requisites. However, such supplier was eager in improving performance, and the relationship was subsequently renewed
- 3% of the suppliers of Florida Bebidas for this period were certified as Small and Medium-Sized Entities (SMEs)
- 13% of the companies in the Program are led by women
- During the period, audits to key suppliers were performed along with the audit team and the Innocuousness and Quality Management System of the Beverage Unit, which provided a better technical criterion
- At the end of the period, the event “Recognition to Three-Leave Suppliers” was held. This event recognizes FIFCO's suppliers that are part of the Sustainable Purchasing Program and who obtained a score above 90 points for the 2014-2015 and 2015-2016 periods.

**ECONOMIC DIMENSION**

**REACHED SUPPLIERS THROUGH SUSTAINABLE SHOPPING PROGRAM**

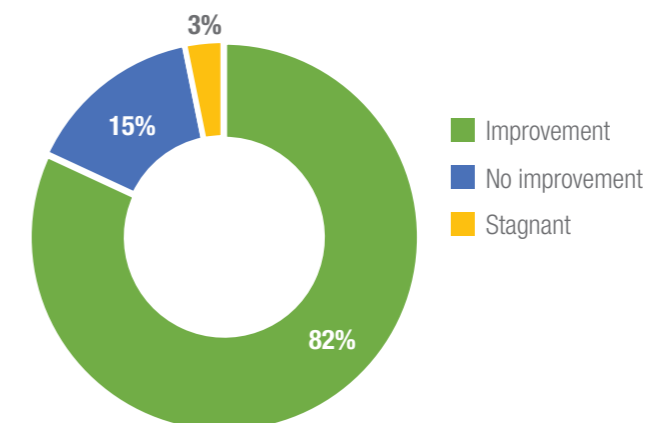
Business unit	2011	2012	2013	2014	2015	2016
Florida Bebidas	24	48	44	67	137	178
IAK		4	6	8	15	17
Musmanni			5	4	7	6
Reserva Conchal				9	10	31
<b>Total</b>	<b>24</b>	<b>52</b>	<b>55</b>	<b>88</b>	<b>172</b>	<b>232</b>

**Note:** The number of suppliers included are shown on a cumulative basis year by year, but there may be suppliers who leave the program, and these ones are not accounted for.

**FIFCO | NUMBER OF NEW SUPPLIERS**

Country	2015	2016
Costa Rica	488	393
Guatemala	183	122
El Salvador	7	1
<b>Grand Total</b>	<b>678</b>	<b>516</b>

**FIFCO | SUPPLIERS SHOWING IMPROVEMENTS 2016**

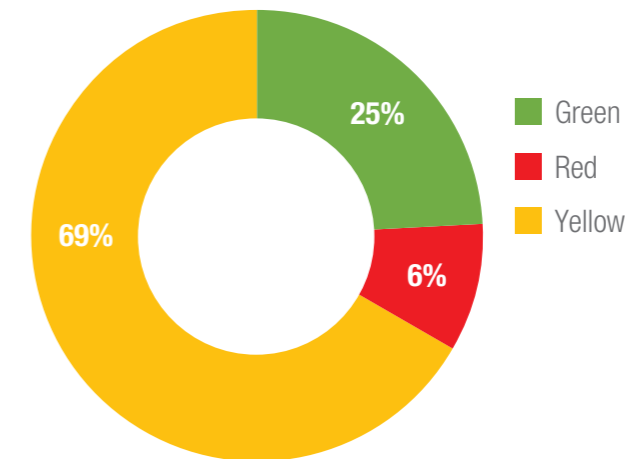


VALUE CHAIN

**2016 MAIN RESULTS**  
SUPPLIER'S SUPPLIER

In 2016, we continue with the project to evaluate the suppliers from our suppliers, among them, those from the milk cooperative of *Florida Lácteos*, goods and services for chemical products, spare parts for vehicles, cold equipment, and leasing services. All of them received satisfactory results, except for one dairy farm, which ranked as “red.”

**FIFCO | SUPPLIER'S SUPPLIER RANKING 2016**



**FIFCO | SUPPLIERS APPROACHED IN THE PROGRAM ACCORDING TO CATEGORY AND BUSINESS - 2016**

ECONOMIC DIMENSION

Company	Active Suppliers	Invoicing US\$	ABC Sustainability	Suppliers Approached	Sample	CATEGORY	FBEB	%	IAK	%	Conchal & Westin	%	Musmanni	%
Florida Bebidas	2.144	255.477.191	147	178	8%	Green	48	33%	9	69%	5	25%	0	14%
IAK	540	66.447.151	13	17	3%	Yellow	74	50%	4	31%	14	70%	2	86%
Reserva Conchal/Westin	328	23.650.808	20	31	9%	Orange	15	10%	0	0%	0	0%	3	0%
Musmanni	451	24.958.541	6	6	1%	Red	10	7%	0	0%	1	5%	0	0%
<b>Grand total</b>	<b>3.899</b>	<b>371.030.197</b>	<b>186</b>	<b>232</b>	<b>6%</b>	<b>TOTAL</b>	<b>147</b>	<b>100%</b>	<b>13</b>	<b>100%</b>	<b>20</b>	<b>100%</b>	<b>7</b>	<b>100%</b>




# Sustainable Customers

Just as with the Sustainable Purchasing Program for the company's suppliers, FIFCO started two years ago the Sustainable Customer Program, with the purpose of allowing such targeted audience to improve its economic, social, and environmental performance and to be aligned to the Company's corporate strategy. This is the second period that formally reports the results because the first year it was only a pilot plan. Informing about the program was accomplished through the Sales team, and clients were invited to participate in it.

Evaluation consists of visiting each point of sale and evaluating the social practices in human rights, infrastructure, occupational health and safety, relations with the community, as well as environmental practices. The scores received by each client determine their performance on sustainability. To obtain more information about this program's strategy and methodology, please refer to our FIFCO 2015 Integrated Report, page 104.

This 2016, there were improvement opportunities that allowed the evaluated points of sale to implement good sustainable practices to reduce their environmental and social footprint and improve their performance through the program's consulting.

## FIFCO | CUSTOMER SUSTAINABILITY RANKING

Category	Final Score	Performance
Green	Note ≥ 90	
Yellow	Note ≥ 70 y ≤ 89	
Orange	Note ≥ 60 y ≤ 69	
Red	Note ≤ 59	N.A.

### Main Results – 2016 Sustainable Customers

- 23 customers of Florida Bebidas and 47 customers of Musmanni (versus 33 and 28 of 2015, respectively) were evaluated, and we took advantage to create awareness on the integral use of waste and to answer questions regarding sustainability.
- Most of them obtained two leaves in the evaluation, which translates into a positive performance that presents important improvement opportunities. Four of the customers of Florida Bebidas obtained a score above 90 points



ECONOMIC DIMENSION



Internal Social  
Dimension

OUR PEOPLE



INTERNAL SOCIAL DIMENSION



# CEC CHAMPIONS

Champions with our Community, our Employees and Smart Consumption

FIFCO recognizes its role as corporate citizen with important social impacts. From the creation of jobs, physical presence in different communities, to the placement of hundreds of products and services in the different markets, all involve social footprints. FIFCO assumes this responsibility trying to go beyond and aims to generate value for each one of the stakeholders it interacts with.

Such value generation is achieved through different mechanisms and programs. Integrating the three dimensions under which we work to address the footprints caused by our operation. To define these initiatives, we take as starting point the strategic relationship with our line of business (if we are actually addressing a footprint or negative impact caused by our processes, products or services), the internal, local and global problems related to those topics are considered strategic, as well as the regulatory tendencies/global policies, like the Sustainable Development Goals.



During 2016, FIFCO incorporates new goals and compromises for 2020 on Smart Consumption, its employees and communities where it operates.

OUR PEOPLE



OUR PEOPLE

# Our people

INTERNAL SOCIAL DIMENSION



A closer relationship, sensitive and generous leaders, impartial and reliable, are the main results from the Great Place to Work certification we received this year. During the last years, we have grown consistently 4% in the confidence index, above the company's average growth in our category. This year, we went up 12 percent points thanks to the delivery and connection our leaders have obtained and to the company's general efforts to guarantee a productive, stimulating and fun work environment

**SCARLET PIETRI**  
DIRECTOR OF HUMAN RESOURCES

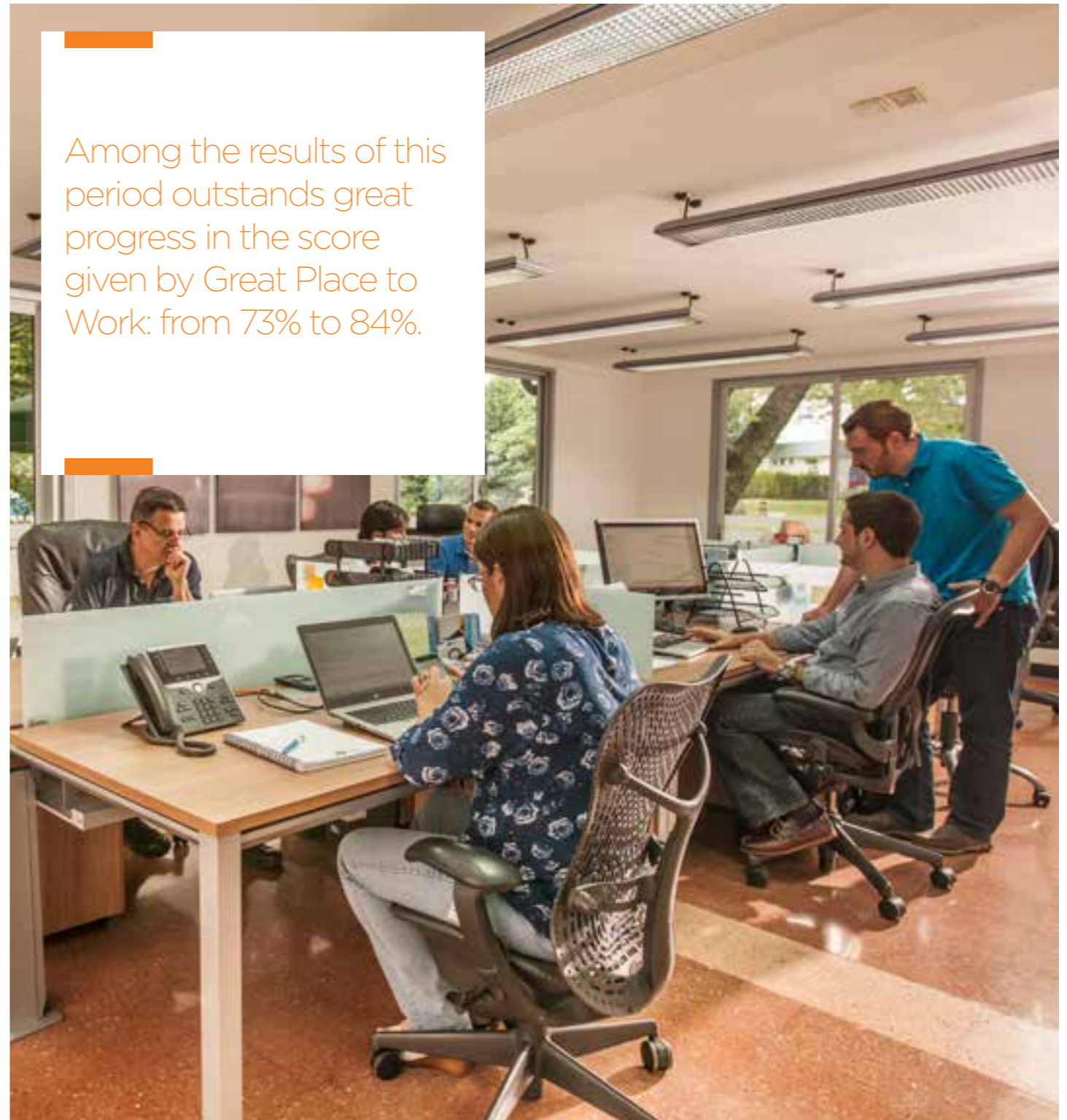
OUR PEOPLE

**Our purpose, our values and our leadership model**

2016 was key to FIFCO's consolidation on how it lives the corporate purpose, how values permeate our behaviors and how the leadership model influences our teams' decisions, processes and performance.

Considering global tendencies, as well as the particularities of our workforce, the company takes actions to adjust to these different realities and needs in the best possible way. At the same time, it seeks to replicate and implement the best practices in place, working with intent topics such as culture and organizational alignment, workforce diversity, gender equality, and greater female presence in leadership positions typically held by men. During 2016, the company takes its first steps in incorporating people with some kind of disability.

Among the results of this period outstands great progress in the score given by Great Place to Work: from 73% to 84%.





## Our Target Culture

### Once again we were certified as a Great Place to Work

This year, for fourth year in a row, we received an extended certification from the Great Place to Work organization. Our results place us in 9th place in the Region and in second place in Costa Rica under the category of companies with over 500 associates, with 84% certification.

These results are mainly leveraged on the leaders' effort to implement standardized leadership practices within the company, such as one-on-one meetings, monthly group meetings, public acknowledgements associated to values and the consistent celebration of achievements, which increased our leadership index by 12 points.

### HOW WE DID IT



- ONE-ON-ONE MEETINGS



- GROUP ALIGNMENT

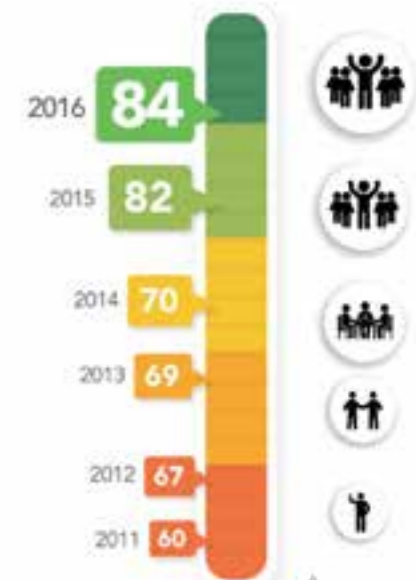


- PUBLIC ACKNOWLEDGEMENTS ASSOCIATED TO COMPANY VALUES



- CELEBRATION OF ACHIEVEMENTS

### LEADERSHIP EVOLUTION



OUR PEOPLE

## OUR TARGET CULTURE



All business units showed important growth, especially the Supply Chain, which leadership also impacts the largest number of persons in our company. Its success has been achieved by increasing the leadership practices and carrying them out regularly and with discipline. Initiatives such as “Acercádonos” (Coming Closer), which is a practice used to approach groups; “A lo que vinimos” (What we came for), daily briefings and “Microclimas” (Microclimates), two-way meetings for group discussion about group improvement areas, are only a few examples of how this group focused on associates’ management.

**Celebration with content** is something we have reinforced this year as a company, celebrating with true strength and joy all the reasons we have, like the **company’s triple bottom line results, our people’s achievements and important dates** and certainly, **national festivities**.

### United States

This business unit worked to increase enthusiasm for the purpose and corporate values. It conducted a midterm survey to measure the associates’ level of commitment, with fairly positive results. More than 150 persons participated in a comprehensive program to explore the company’s leadership model. Seventy leaders participated in the management course and 99% of the managers took an online course on how to create work environments that are positive and free of harassment and discrimination. The “Pints of Praise” recognition program was initiated, and 1,400 recognitions were given as a way of living the corporate values.

In 2017, NAB will work harder on developing the initiatives to improve culture and commitment, besides a program to recognize those employees who have taken action regarding values and corporate purpose; lastly, a response plan will be implemented for the feedback received from the confidence survey conducted in 2016.



## The integral welfare of our employees

The company is committed to guarantee a safe workspace, at the same time we promote the integral welfare and quality of life of our associates, understood in physical, emotional, psychological and financial terms

### A. OCCUPATIONAL HEALTH AND SAFETY

#### Costa Rica and Guatemala

In Costa Rica, there is a Corporate Health and Occupational Safety Policy for the Florida Bebidas and Musmanni Units. Such policy is available in the company's intranet, under the policies and procedures section, besides the National Mental Health Policy.

One hundred percent of the employees in Costa Rica are covered by the joint formal health and safety committees for directorates and employees. In addition, brigades give assistance to the communities in case any internal emergency causes damage to third parties. These committees help and control the occupational health and safety programs. In Guatemala, the committees operate with managements and headquarters and they represent supervisors and operators, besides themselves. Seventy nine percent of the workers are represented in the joint formal health and safety committees; this applies to regular, administrative and operational associates; these committees still do not represent temporary associates. Finally, in the case of the United States, the working and administrative committee, like the Safety committee, represents 75% of the total workforce. Both committees have representatives of the main departments.

THE INTEGRAL WELFARE OF OUR ASSOCIATES

**Costa Rica:** This year, the objective was to maintain a safe workplace through the execution of programs, regulations and operational controls that reduce the hazard level of the risks identified in the hazards matrix of each work area, seeking to become a company free of occupational lesions and diseases. For this objective, we set the goal of achieving an accident rate for the beverage operation in Costa Rica of 1.51% during 2016. The result obtained was: 1.04% for this business, 3.3% for Musmanni and 2.97% for Reserva Conchal.

**Guatemala:** The main objective was to create awareness among the different leaders on the importance to support the occupational health and safety agenda, which was fulfilled satisfactorily. A 0.09% accident rate was achieved.

**United States:** For this year, the objective of this business unit regarding occupational health and safety was to increase its figures and the quality of the “almosts” and complete a thorough review of the documents about the Work Safety Analysis. A 6.63% rate is achieved.

OUR PEOPLE

FIFCO | ACCIDENTS RATE

Description	Guatemala		Costa Rica	United States
	Female	Male		
Types of lesions	No lesions	Cuts, burns, contusions	Muscle diseases – skeletal, caused by manual handling of loads and repeated movements	Lacerations, slipping, stumbling, falls, sprains, ergonomic lesions and physical strain
Rate of accidents with lesions	None recorded (1.44% in 2015)	0.09% (0.66% in 2015)	Florida Bebidas: 1,04% (1,55% en el 2015) Musmanni: 3,37% Reserva Conchal: 2,97%	6.63% (6.57% in 2015)
Rate of professional diseases	There is no control over this information		No control is kept separating illnesses from accidents. Accident control registers both following the Costa Rica's Occupational Risk law	1.25 (1.44 in 2015)
Rate of lost days	0 (0,005 in 2015)	0,001 (0,002 en el 2015)	0.78 (0.75 in 2015)	None recorded
Absenteeism rate			0.41	71.6 days (122 in 2015)
Mortal victims	No deaths were reported in the reporting period			

**Note:** In the United States, lesions occurred 90% in men and 10% in women. In addition, no lesions were reported in contractors during the year. The absenteeism rate was calculated at 1%. The system used to communicate the lesions are those set forth in the GRI 2000-20011 guide, version 3.1. In Costa Rica, the regulatory system used to communicate and register accidents is the SO-017 procedure, Reporting of occupational accidents and incidents and occupational diseases, which is audited by OHSAS 18001, where there is a slip in place to report occupational accidents and incidents to investigate the causes of those accidents and execute corrective measures to avoid the event's recurrence. Likewise, in order to communicate the accidents to the personnel and learn from them, recommendations are given explaining the accident, what caused it, the lessons learned and the corrective measures to be implemented; these recommendations are given through the directors to all the operational levels of the organization. The most common incidents are related to muscle diseases – skeletal, caused by manual handling of leads and repeated movements. In Guatemala, ILO agreements are respected through compliance with the regulation of the Social Security Institute of Guatemala.



THE INTEGRAL WELFARE OF OUR ASSOCIATES



**OTHERS -  
OCCUPATIONAL HEALTH AND SAFETY**

Occupational Health and Safety issues covered by collective agreements with the unions do not apply for the operation in Costa Rica, since there are no unions in this country.

**Guatemala:** In the local formal agreements with the union, they actually cover 100% health and safety issues. This is established in the Collective Agreement on Work Conditions.

**Estados Unidos:** There are formal agreements with the unions that cover health and safety issues. Some issues covered in these agreements include the use of personal protection equipment, joint health and safety committee among employees and the direction, involvement in the Safety Committee, participation in health and safety audits and accident investigation, as well as training and compliance mechanisms available through the management and joint working committee.

THE INTEGRAL WELFARE OF OUR ASSOCIATES

**ESTAR BIEN (BEING WELL) PROGRAM**

The Integral Welfare agenda in Costa Rica, Guatemala and the United States is led by the Human Resources department. During 2016, follow-up and continuity is provided to the programs launched in 2015:

**Costa Rica**

The objectives and goals of the business units based in Costa Rica were:

1. Maintain the physical health pillar through the physical conditioning program
2. Continue with the nutritional counseling program.
3. Prevent chronic illnesses and motivate a culture of healthy habits
4. Provide psychological support to the associates with any emotional and/or mental need.

Currently, in Costa Rica the program covers:

- Medical services
- Nutrition services
- Psychology services
- Physical well-being agenda

**Guatemala**

An initial evaluation is made to implement a solid program in this matter.

**United States**

In the United States, there are policies on integral welfare and life-work balance. In line with this commitment to ensure good balance, policies on schedule flexibility and telecommuting have been improved, in addition to rest spaces and areas within the offices.

Some objectives and actions of the Integral Welfare program were:

- 1) Improve the physical health of employees.
- 2) Implement initiatives to improve life-work balance for our employees.
- 3) Energize our employees through better work environments that promote collaboration.
- 4) Celebrate more achievements.
- 5) Regarding personal development, we refocused on professional training. The goal was to empower employees so they could increase their capacities.
- 6) Increase enthusiasm for corporate values and purpose.
- 7) The entire compensation strategy was revised to be more in line with the corporate strategy in order to provide employees with a more appropriate compensation level. Further, an employee recognition program was implemented, for those who went the extra mile.



THE INTEGRAL WELFARE OF OUR ASSOCIATES

**B. FLORIDA OPORTUNIDADES**

During 2016, FIFCO continues with its Florida Oportunidades (Florida Opportunities) program. This program, created in May of 2014, aims to eradicate extreme poverty within FIFCO's workforce, starting with the associates of the Florida Bebidas unit and then extending it to Musmanni and Reserva Conchal.

The data provided by the initial diagnosis showed that 3.2% of the population surveyed is in the poverty line.

We were able to improve the quality of life of hundreds of our associates, as well as the quality of life of their families through public-private alliances, facilitating access in four main areas: housing, education, healthy lifestyle and financial services. For the time being, it is only implemented in Costa Rica; however, it will soon be replicated in the other geographies where we operate.



**FLORIDA OPORTUNIDADES**

**MOST RELEVANT ACTIONS OF 2016**

	Costa Rica
<b>Housing</b>	<ul style="list-style-type: none"> <li>• 12 houses remodeled</li> <li>• 5 houses built</li> <li>• 6 under construction</li> <li>• 13 cases studied</li> <li>• 1 Housing Expo</li> <li>• 18 cases for 2016, in process of financial improvements to start bonus process</li> </ul>
<b>Educación</b>	<ul style="list-style-type: none"> <li>• 64 school bonuses</li> <li>• 2 scholarships</li> <li>• 15 wives of associates are trained</li> </ul>
<b>Finanzas</b>	<ul style="list-style-type: none"> <li>• Debt readjustments: 3 of 8 necessary</li> <li>• Indebtedness: 4 families reduce debt by 100%</li> <li>• Starting process with financial godfathers and plans in Musmanni and Reserva Conchal</li> </ul>
<b>Salud</b>	<ul style="list-style-type: none"> <li>• 67 families with general medical exams</li> <li>• Support in emergency issues for the children of the associates and for the associate affected by traffic accident</li> <li>• Food vouchers provided in Musmanni and Reserva Conchal</li> <li>• 98 families with food vouchers</li> </ul>

**OUR PEOPLE**

**2016 RESULTS**

154 = 860

ASSOCIATES BENEFITTED

PERSONS INDIRECTLY

- **100%** of the population received life skills, financial and legal workshops along with their partners.
- **72%** of the participants have Financial Godfathers who are voluntary collaborators

**NUMBER OF PERSONS BENEFITTED BY PILLAR AND BUSINESS UNIT, CUMULATIVE**

Education	Florida Bebidas	Musmanni	Reserva Conchal	Total
Housing	31	12	8	51
Healthy lifestyle	24	0	1	25
Finance	77	26	27	130
Finanzas	77	26	27	130



## Organizational Alignment and Associate Development

OUR PEOPLE

**Costa Rica:**

In this period, the following training was provided: admission, leadership, English, entrepreneurship, General Equivalency Diploma, Quality, Safety, Story Telling, Sales, Marketing, among others.

**Guatemala:**

Training was provided focusing on managers and middle managements under the leadership program. For workers, the only training provided was for admission.

**NUMBER OF TRAINING HOURS**

Level	2014	2015	2016
Workers	40.205	30.148,33	66.954,88
Mid-level	7.838	6.563,12	8.901
Management	2.012	1.232,99	978
<b>Total Hours</b>	<b>50.055</b>	<b>37.944,44</b>	<b>76.833,88</b>

ORGANIZATIONAL ALIGNMENT AND ASSOCIATE DEVELOPMENT

**Estados Unidos:**

We have focused on the workers' development by providing training within the company, as well as external courses to increase their professional development. Further, online professional development courses were provided and the Cicerone development program was continued to certify our experts in the beer industry. In this operation, 388 hours were dedicated during the period to training in policies and procedures related to those human rights that are relevant to the company's operations. The rest of the operations did not have training related to Human Rights.

**FIFCO | AVERAGE OF ANNUAL TRAINING HOURS**

BY WORKER

Location	Worker		Middle Managements		Management	
	Female	Male	Female	Male	Female	Male
Costa Rica	26,61	17,10	34,94	2,61	3,71	0,38
Guatemala	0,1	1,17	8,45	53,32	1,4	6,56
United States	Information not available					

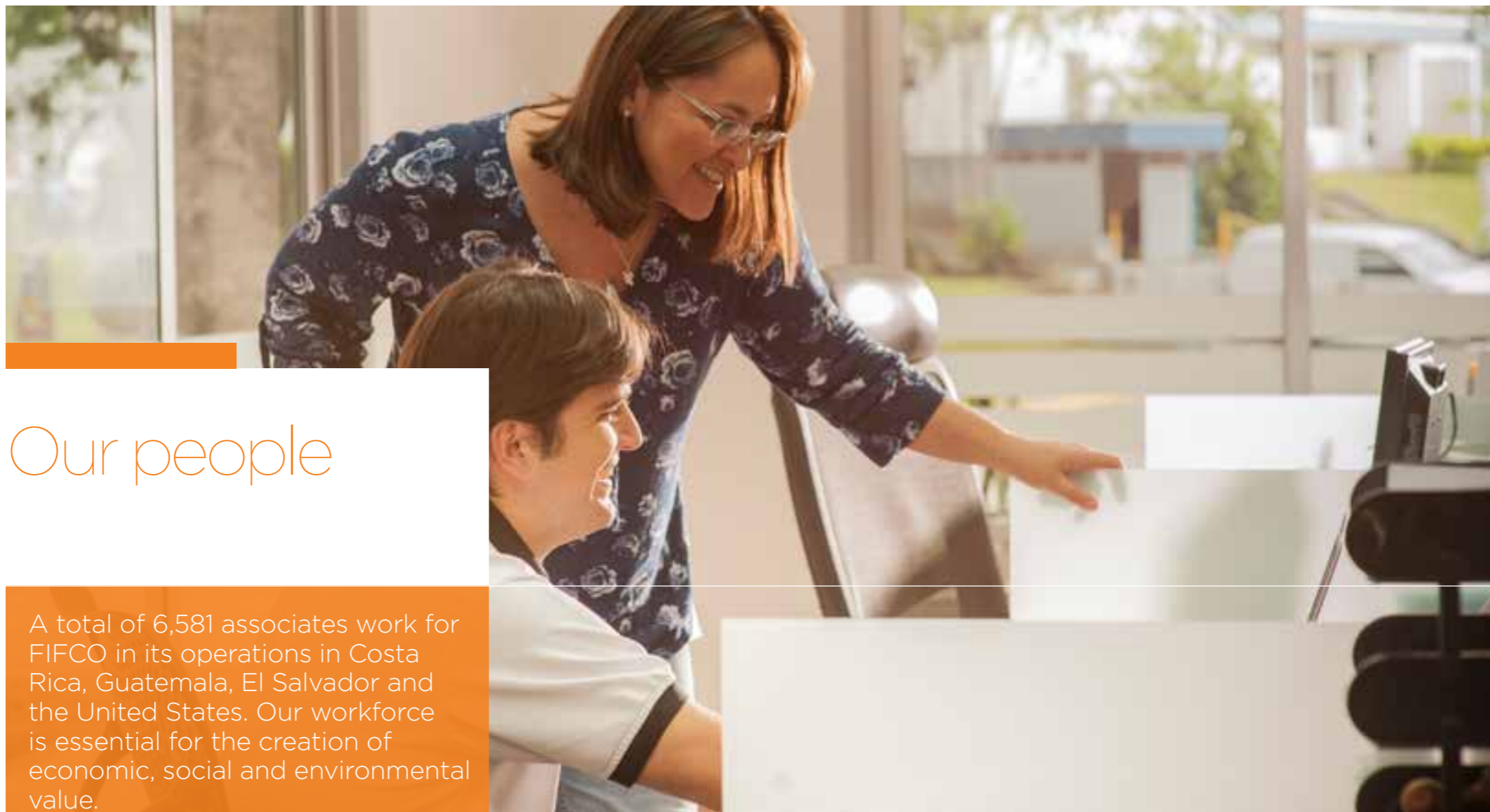
**Note:** In NAB, the training hours are not registered; however, 23 different course were provided during the period with the participation of 336 persons compared to 500 from last year.

**“INNOVATION WITH A PURPOSE”  
ENTREPRENEURS PROGRAM**

This year, the Entrepreneurs Program is continued. As part of our corporate values, the program promotes imagination as a valued behavior within the company. Over 200 associates participated in the program, completing 22 projects focused on production practices, product innovation and services as well as the simplification and improvement of procedures. The incorporation of Triple Bottom Line criteria stood out this year in most proposals.



**Emprendedores**  
Innovación con propósito



## Our people

A total of 6,581 associates work for FIFCO in its operations in Costa Rica, Guatemala, El Salvador and the United States. Our workforce is essential for the creation of economic, social and environmental value.

OUR PEOPLE

### FIFCO | TOTAL ASSOCIATES

País	2014	2015	2016
Costa Rica	4,525	4,515	4,797
United States	1,120	1,123	1,073
Guatemala & El Salvador	452	686	711
<b>Total</b>	<b>6,097</b>	<b>6,324</b>	<b>6,581</b>

## OUR PEOPLE

**FIFCO | NUMBER OF TOTAL REGULAR, TEMPORARY AND PART-TIME ASSOCIATES  
BY GENDER AND LOCATION, 2015 VERSUS 2016**

	2015					2016				
	Permanent Contract		Temporary or Part-Time Contract		Total	Permanent Contract		Temporary or Part-Time Contract		Total
	Females	Males	Females	Males		Females	Males	Females	Males	
Costa Rica	771	3,561	44	139	4,515	867	3,661	26	243	4,797
Guatemala & El Salvador	65	407	4	210	686	63	426	6	216	711
United States	156	617	171	179	1,123	177	667	130	99	1,073
<b>Total</b>	<b>992</b>	<b>4,585</b>	<b>219</b>	<b>528</b>	<b>6,324</b>	<b>1,107</b>	<b>4,754</b>	<b>162</b>	<b>558</b>	<b>6,581</b>
Total minus temporary					<b>5,577</b>					<b>5,861</b>

**Note:** In 2016, 62 persons were removed from the Berkley operation (North American Breweries). The hiring of part-time or temporary associates is subject to the demand's conditions

**FIFCO | NUMBER OF ASSOCIATES BY JOB POSITION ACCORDING TO PERMANENT CONTRACTS**

Position	2015							2016							
	United States		Costa Rica		Guatemala & El Salvador		Total	Position	United States		Costa Rica		Guatemala & El Salvador		Total
	Females	Males	Females	Males	Females	Males			Females	Males	Females	Males	Females	Males	
Workers	31	380	407	2,624	50	309	<b>3,801</b>	Workers	37	406	628	3,035	45	324	<b>4,475</b>
Mid-level	81	132	166	429	14	84	<b>906</b>	Mid-level	95	123	199	508	18	88	<b>1,031</b>
Management	41	74	24	86	1	14	<b>240</b>	Management	40	91	33	106	0	14	<b>284</b>
Directors/ Managers	3	31	3	6			<b>43</b>	Directors/ Managers	5	47	7	12	0	0	<b>71</b>
Others	0	0	171	416			<b>587</b>	Others	0	0	0	0	0	0	<b>0</b>
<b>Total</b>	<b>156</b>	<b>617</b>	<b>771</b>	<b>3,561</b>	<b>65</b>	<b>407</b>	<b>5,577</b>	<b>Total</b>	<b>177</b>	<b>667</b>	<b>867</b>	<b>3,661</b>	<b>63</b>	<b>426</b>	<b>5,861</b>

**Note:** In the operations, there are no independent workers; however, there are employees who work in the facilities as outsourced service (for example, the cleaning staff).

OUR PEOPLE

**FIFCO | REINCORPORATION FROM MATERNITY/PATERNITY 2016**

	Guatemala		United States		Costa Rica Reserva Conchal		Costa Rica Florida Bebidas		Costa Rica Musmanni	
	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male
Had the right to maternity or paternity leave	4	21	5	14	13	19	14	107	18	6
Exercised right to maternity or paternity leave	4	21	5	14	13	19	14	107	18	6
Returned to work after maternity or paternity leave	4	21	5	14	13	19	14	107	12	6
Returned to work after maternity or paternity leave and kept their job twelve months after their reincorporation	4	18	5	14	10	14	14	83	12	6
Reincorporation and retention rates of employees on maternity or paternity leave	100%	86%	100%	100%	77%	74%	100%	78%	67%	100%

**Note:** All have the right to maternity leave; however, only those who could exercise such right during the year are recorded. In the case of males from IAK, Reserva Conchal, Florida Bebidas and Musmanni, they have 2 days of paternity leave and always return; nevertheless, during the reporting period they left the company.



OUR PEOPLE

**Remuneration**

**Costa Rica:** Two salary increases were applied each semester. During the first semester the company's personnel from operational levels received 0.5% more than professionals, chiefs, managers and directors, since it is the population most affected by the increase in the cost of life. For the second semester, the semestral increase was the same for all company levels

**Guatemala:** The annual percentage increase is the same for the best paid person and for the payroll average, 4.2%.

**Estados Unidos:** The General Manager received a 3% raise like in the previous period; however, the associates received this year 3.9% compared to 3.1% from last year.



**OUR BALANCED SCORECARD**



Depending on the position and unit they belong to, associates are evaluated through the Balanced Score Card, a method that reflects the company's commitment to generate value in three dimensions: economic, social and environmental. This evaluation structure is reinforced in the monthly strategic alignment meetings presented in this report.

OUR PEOPLE

**FIFCO | BENEFITS FOR ASSOCIATES**

**COSTA RICA**

- ◆ Cafeteria service
- ◆ Company doctor
- ◆ Life insurance
- ◆ Scholarships for higher education
- ◆ Diversified education programs
- ◆ Advance salary payment
- ◆ Royalty payments or product discounts
- ◆ Transportation to the workplace
- ◆ Wellness or Wellbeing Programs

- ◆ Cafeteria service
- ◆ Life insurance
- ◆ Salary advance
- ◆ Product discount
- ◆ Transportation service to the workplace
- ◆ Vacation bonus

**ADDITIONAL BENEFITS FOR BUSINESS UNITS IN COSTA RICA**

- ◆ Disability or invalidity coverage
- ◆ Maternity or paternity leave
- ◆ Retirement fund
- ◆ Shares (for permanent managers of Florida Bebidas)
- ◆ Performance bonus: for all regular employees, except supervisors, professionals and operational workers of Reserva Conchal
- ◆ Worker association

**UNITED STATES**

- Health and wellness plan
- For full-time employees, excluding part-time and temporary employees:

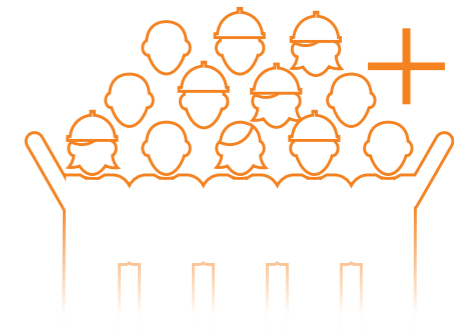
- ◆ Medical insurance
- ◆ Dental insurance
- ◆ Vision insurance
- ◆ Flexible spending accounts
- ◆ Employee assistance program
- ◆ Disability insurance
- ◆ Life and accident insurance
- ◆ Retirement savings plan
- ◆ Paid time off
- ◆ Paid vacation
- ◆ Union license
- ◆ Free volunteer time

- ◆ Severance advance payment (for regular employees of Florida Bebidas)
- ◆ Car allowance (Florida Bebidas managements)
- ◆ Housing allowance (for Reserva Conchal employees who have been transferred from San José)
- ◆ Life insurance (for high-level authorities and managers. In the case of Musmanni, it also applies to supervisors and professionals)
- ◆ Medical insurance (managers and high-level authorities)

**GUATEMALA**

Through the labor union, its members receive allowance for food, medical and dental care, vacation bonus and universal compensation, among others. In addition, the personnel is entitled to:

- ◆ Staggered vacation
- ◆ Cooperative
- ◆ Productivity bonus
- ◆ Eye care
- ◆ Health Fairs that also benefit relatives



OUR PEOPLE

DISCLOSURE GRI 102-41

**Freedom of Association**

In the countries where we operate, we respect the freedom of association established by the local labor law, as well as the agreements ratified by the International Labor Organization (ILO). In the case of Costa Rica, the company recognizes the great value of the Solidarity Movement and its valuable contributions to the country's development. During the year, no strikes or labor disputes were reported in any of the countries where FIFCO operates.

FIFCO has this type of organizations, all of them with voluntary affiliation.

**About the Unions**

If there are operational changes that may affect collective agreements, a minimum number of weeks is stipulated to notify in advance members about such agreements. The Guatemala operation has a collective agreement establishing the period of notice, consultations and negotiations in 8 weeks. In the United States, no prior notice is required for those environments without union. Generally, if there is any change in the operations a prior notice is sent between two and four weeks before the event. In the case of Costa Rica, this does not apply since there is no union.

In FIFCO, the periods of notice are applied according to each country's labor law, regardless of occurring or not due to organizational changes.

OUR PEOPLE

**FIFCO | ORGANIZATIONS OF VOLUNTARY AFFILIATION**

PERCENTAGE OF AFFILIATED ASSOCIATES

Country	Type of Agreement	2015	2016
Costa Rica	Asociación Solidarista Lala (ASOLALA)	89%	79%
	Asociación Solidarista de Empleados de Reserva Conchal y Afines (ASORESERVA)	95%	96%
	Asociación Solidarista de Empleados de Panificadora Nacional (ASEPAN)	73%	77%
	Asociación Florida (ASOFLORIDA)	85.27%	85.4%
	Asociación Solidarista de Vinos y Destilados (ASOVINDES)	90%	77%
Guatemala	Kern's Workers Union	39%	39%
United States	There are 5 different unions	23%	32%

OUR PEOPLE

**Human Rights**

FIFCO supports and promotes respect for Human Rights both in its direct operation as well as in its value chain.

The company uses as reference the **United Nations International Bill of Human Rights** composed of three instruments: The Universal Declaration of Human Rights, The International Covenant on Civil and Political Rights, and the International Covenant on Economic, Social and Cultural Rights. In addition, FIFCO considers the principles established in the **United States Global Compact**.

Our **Code of Ethics and Business Conduct**, embodies the corporate commitment to Human Rights, by highlighting, among other issues, the prohibition and disciplinary measures in the following cases:

- Discrimination due to gender, ethnical group, sexual orientation, age, political or religious beliefs, different capacities or abilities, marital status, among others
- Physical, psychological abuse or forced labor
- Abuse and/or sexual harassment.

Further, the Code recognizes the rights of all children to be protected against economic exploitation, and the company respects the laws of every country where it operates in terms of minimum age for employment.



In Guatemala, according to the Collective Agreement of IAK's Workers Union and the country's laws, the company has available positions for the workers' children under the indenture contract modality. In this way, youngsters between 16 and 18 years old may participate as apprentices of a trade in different areas of the company. In the reported period, Kern's covered 6 vacant positions in this category.

**In none of FIFCO's operations during the period reported, were incidents of discrimination or human rights-related complaints filed.**

**Indigenous peoples**

This topic is very important for our operation in Guatemala, since 36.5% of the country's population is indigenous. During the period reported no incident of human rights violation against indigenous peoples is reported. An action pending is that of promoting and being more explicit as a company, in supporting and defending human rights and equality of conditions for these groups.

Regarding our Commercial Chain, the "Sustainable Purchase" and "Sustainable Client" programs include social variables related to compliance and respect of human rights.

OUR PEOPLE

In the reporting period, FIFCO signs the Declaration of San Jose. About 18 companies and organizations committed to 10 principles against discrimination due to sexual orientation, identity and gender expression in favor of promoting the Human Rights of lesbian, gay, transsexual, transgender and intersexual persons (LGBTI). Likewise, companies and organizations committed to publicly endorse the Declaration and comply with its principles.



Costa Rica: FIFCO signs commitment against sexual discrimination and in favor of promoting Human Rights.

**DECLARATION OF SAN JOSE**

- 1 The organization undertakes to promote Human Rights and equality among LGBTI persons.
- 2 The organization undertakes to eliminate discrimination due to sexual orientation, identity and gender expression and to create safe and healthy work spaces for all its male and female associates.
- 3 The organization undertakes to carry out actions to raise awareness and educate its internal stakeholders regarding Human Rights and respect for LGBTI persons.
- 4 The organization undertakes to support LGBTI-related leaders and groups in promoting inclusive workspaces.
- 5 The organization undertakes to respect the Human Rights of LGBTI persons and their strategies and marketing, communication and advertising actions.
- 6 The organization undertakes to bring to light the endorsement of this declaration and its principles through its mass media and institutional diffusion.
- 7 The organization undertakes to promote respect for the rights of LGBTI persons in product and service planning as well as customer service.
- 8 The organization undertakes to establish mechanisms to receive, follow and solve claims and faults related to the Human Rights of LGBTI persons and any case of discrimination in its sphere of influence.
- 9 The organization undertakes to establish indicators to measure continuous improvement in terms of work inclusion and respect for the rights of LGBTI persons.
- 10 The organization undertakes to support or participate in at least one activity to promote the human rights of LGBTI persons developed by a third party once a year.



# Social Investment

EXTERNAL SOCIAL DIMENSION

According to our FIFCO 2020 vision, the company confirms its commitment to promoting Smart Consumption (SC), as well as to developing the communities where we operate.

SOCIAL INVESTMENT



The period constitutes a record year for our efforts in terms of strategic social investment, dedicating 8% of our net profit to generating social and environmental value.

**GISELA SÁNCHEZ**

CORPORATE AFFAIRS DIRECTOR

SOCIAL INVESTMENT

SOCIAL INVESTMENT



Smart Consumption

During 2016, there is important progress in the Smart Consumption agenda, not only by implementing initiatives focused on education and promoting the adoption of responsible alcohol consumption habits, but also by extending their scope and promoting smart consumption of other products in our portfolio. First steps were taken and efforts were made in promoting healthy and balanced lifestyles among the consumers of our products, contemplating non-alcoholic beverages and food products.



SMART CONSUMPTION

SMART CONSUMPTION | MAIN RESULTS FOR 2016

Projects	2015	2016
	Results	Smart Consumption Results
Massive campaign and Smart Consumption fan page in Facebook	<p><b>“Tomá Mejor” (Drink Better) campaign is launched:</b></p> <ul style="list-style-type: none"> <li>+138 thousand persons benefited</li> <li>+1 million web impressions</li> </ul>	<p><b>“#EsMejorPlan” (It is a better plan) campaign is launched:</b></p> <ul style="list-style-type: none"> <li>+445 thousand persons benefitted</li> <li>+17 million web impressions</li> <li>Fan page in Facebook with +24,600 likes</li> </ul>
E-learning “Responsibility in Action”	Design stage	Launched in 7 points of sale with experiential training
E-learning “Embajador del Consumo Inteligente” (Smart Consumption Ambassador)	Design stage	<ul style="list-style-type: none"> <li>Launched through the new digital platform</li> <li>Direct approach to consumers through experiential platforms (cooking classes and gastronomic tours)</li> </ul>
E-learning “Aprendo a Manejar” (I learn how to drive)	<ul style="list-style-type: none"> <li>The page obtained +58,500 fans</li> </ul>	<ul style="list-style-type: none"> <li>User-friendly digital course</li> <li>30,934 persons completed the course</li> <li>Fan page in Facebook obtained 71,900 fans</li> </ul>
Participation in education, cultural and gastronomy fairs	<ul style="list-style-type: none"> <li>International Design Festival</li> <li>Art City Tour</li> <li>Oktoberfest</li> <li>TEDx</li> <li>The Prost Biergarten, an internal event focused on beer pairing, took place</li> </ul>	<ul style="list-style-type: none"> <li>FID and TEDx</li> <li>Gastronomy fairs in the GMA</li> <li>Internal gastronomy and cultural fair “La Avenida”</li> <li>10,000 persons benefitted from all the activities</li> </ul>
Participation in events of our brands and products containing alcohol	Initiated with the presence of our beer and flavored alcoholic beverages brands in their events	<ul style="list-style-type: none"> <li>Continuity and expansion of SC presence in the events featuring our brands of alcoholic beverages</li> <li>Scope: +14,500 persons</li> </ul>

SOCIAL INVESTMENT

SMART CONSUMPTION

**SMART CONSUMPTION | MAIN RESULTS FOR 2016**

Projects	2015	2016
	Results	Results
<b>Events to promote other beverage occasions</b>	The first events under the “Beer City Tours” format were implemented	<ul style="list-style-type: none"> <li>• Incorporation of wines and spirits</li> <li>• 8 events to promote new beverage occasions, addressed to internal and external stakeholders were implemented: 2 Beer City Tour, 2 Wine City Tour, 2 Beer Live Cooking and 2 Wine Live Cooking.</li> </ul>
<b>Strategic alliances and agreements</b>	The agreement with the Ministry of Public Education (MEP) was maintained and one was created with the National Learning Institute (INA)	The agreement with MEP and INA were maintained and a strategic alliance with the Public Force of the Ministry of Security was obtained
<b>ZERO ALCOHOL IN MINORS</b>		
<b>Visits to schools</b> (event that promotes zero alcohol consumption in minor students)	<ul style="list-style-type: none"> <li>• Scope: 885 students from 5 private schools</li> </ul>	<ul style="list-style-type: none"> <li>• Scope: 4,660 students from 15 public and private schools</li> </ul>
<b>Talks to parents in schools</b> to promote and raise awareness regarding alcohol consumption in their children)	<ul style="list-style-type: none"> <li>• 25 volunteers</li> <li>• 362 hours of talks</li> <li>• 12 schools</li> <li>• Scope: 709 parents</li> </ul>	<ul style="list-style-type: none"> <li>• 32 volunteers</li> <li>• 392 hours of talks</li> <li>• 16 schools</li> <li>• Scope: 1,287 parents</li> </ul>
<b>Zero sale of alcoholic beverages to minors in points of sale</b> (volunteering to raise awareness among the closed product channel)	263 points of sale of the Greater Metropolitan Area (GMA) were trained	<ul style="list-style-type: none"> <li>• 27 volunteers</li> <li>• 280 hours training points of sale</li> <li>• 281 points of sale of the GMA</li> </ul>
<b>Training seminar</b> (with international expert in alcohol and adolescence)	<ul style="list-style-type: none"> <li>• Training of 79 professionals in guidance, psychology, education and government institutions</li> <li>• Expert gave a talk to parents of companies and schools</li> </ul>	<ul style="list-style-type: none"> <li>• 40 professionals were trained in the same areas of 2015</li> <li>• Visits to mass media</li> </ul>

**SOCIAL INVESTMENT**

SMART CONSUMPTION



This year, the Smart Consumption massive campaign #EsMejorPlan focused on two main recommendations: take water between drinks and eat while eating. The SC program was also able to reach the target audience through experiential encounters managing to activate the program in massive events of different types.

SOCIAL INVESTMENT

SELF-REGULATION

Florida Bebidas, including the Wines and Spirits division, develops all of its commercial communication (brand advertising, promotional activities and materials) under the guidelines of the **Self-Regulation Advertising Code of the Costa Rican Association of Alcoholic Beverages Producers and Importers (APIBACO)**.

In addition, **as part of the Latin American brewers organization, Cerveceros Latinoamericanos, and aligned with the World Health Organization (WHO)**, we express our commitment to work in the following areas:

- I. Development and update of study on alcohol consumption patterns in Latin America.
- II. Promoting responsible consumption and moderation as a drinking pattern among those healthy adults who have decided to consume beer.
- III. Development of new products with low or no alcohol content.
- IV. Empowerment of our employees, suppliers and customers to act as ambassadors of this commitment.
- V. Consolidation of self-regulatory systems (Code of Principles and Manuals) to perform commercial communications, events and responsible marketing activities.
- VI. Contribution towards eradicating consumption in sensitive populations.
- VII. Promoting the eradication of consumption among minors.
- VIII. Promoting road safety.
- IX. Promoting the elimination of alcohol illegal sale and consumption



During the reporting period, no incident resulting from any non-compliance with marketing communication regulations (advertising, promotion and sponsorship) by FIFCO took place.



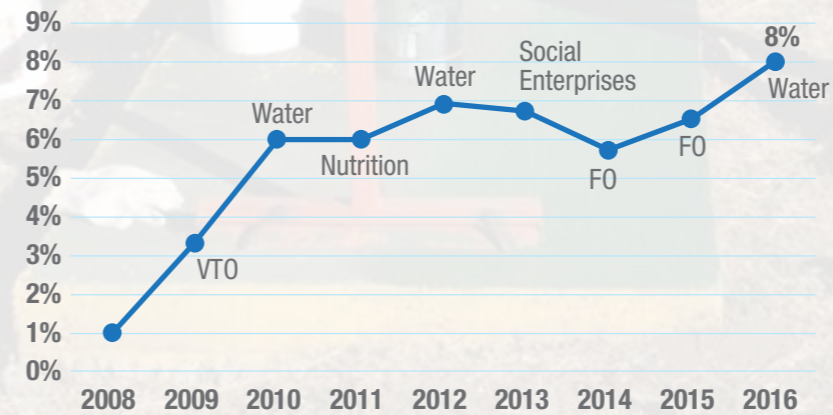
# Strategic Social Investment:

## OUR COMMUNITIES

Through different programs and initiatives, FIFCO shares with the world a better way of living. As a corporate citizen, we do more than contribute philanthropically and mitigate our operational footprints, focusing on social investment and contributing to national and global causes in a strategic manner.

**SOCIAL INVESTMENT**

PERCENTAGE OF OUR PROFIT INTENDED FOR SOCIAL INVESTMENT



**8%** OF OUR NET PROFIT

IS INVESTED IN ENVIRONMENTAL AND SOCIAL PROJECTS

OUR COMMUNITIES

The following are the results of our main programs:

**“Elegí Ayudar” volunteer program**

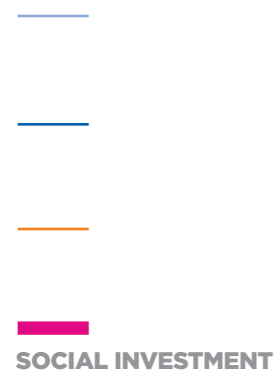
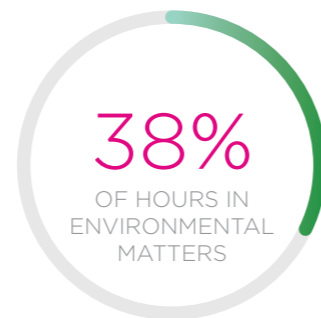
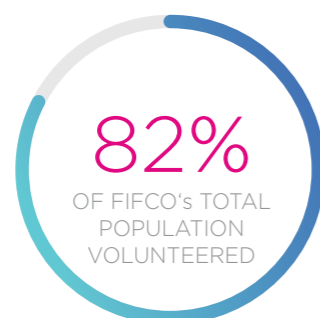
After 8 years of being launched and of being a pioneer in Costa Rica and Guatemala, and after being recently incorporated to NAB, the “Elegí Ayudar” program obtains a **total of 62,672 hours of volunteer work during 2016**, with 82% coverage of our work force. This number adds to the total hours that have been reported throughout eight years, for a total of **402,253 hours**.

During the reporting period, three volunteer days were carried out with the company’s shareholders.

**TOTAL HOURS**

**62,672**  
HOURS OF VOLUNTEER WORK DURING 2016

**402,253**  
402,253 HOURS ACCUMULATED



It is a way to engage directly in the company’s social and environmental initiatives and thus contribute to the country’s development.

SHAREHOLDER VOLUNTEERING | FIFCO

OUR COMMUNITIES

**FIFCO | COMPARATIVE TABLE OF THE ELEGÍ AYUDAR PROGRAM RESULTS**

Country	Hours 2015	Hours 2016
Volunteer hours goal	53,030	55,912
Hours completed	57,948.67	62,672
Distribution of environmental hours	18,542.29	23,990
Distribution of social hours	39,406.38	38,682
Employee coverage	89%	82%



**FIFCO | ELEGÍ AYUDAR 2016 RESULTS**

Description	Florida Bebidas	NAB	IAK	Musmanni	Reserva Conchal	FIFCO
Hours completed in 2016	41,502	7,798	5,116	5,248	3,008	62,672
<b>Hours</b>						
Active employees	40,311.5	7,798	4,784	5,096	2,749	60,738.5
Inactive employees	1,190		332	152	259	1,933.5
<b>Employees</b>						
Total Regulars (Employees with less than three months of working for the company or temporary employees are not added)	2,898	1,142	454	4630	169	5,293
<b>Coverage percentage</b>						
Employees who did volunteer work	98%	80%	34%	46%	100%	82%
<b>Environmental hours</b>						
% of hours in relation to the goal	18,416	4,194	32	644	704	23,990
% hours related to the footprint, in relation to total environmental hours						(38%)
<b>Social hours</b>						
% of hours in relation to the goal	23,086	3,604	5,084	4,604	2,304	38,682
% hours related to the footprint, in relation to total social hours						(62%)

**FIFCO | COVERAGE OR PARTICIPATION OF ASSOCIATES IN ELEGÍ AYUDAR PROGRAM**

Place	Participation (%) in 2016
Florida Bebidas	98%
NAB	80%
Musmanni	46%
IAK	34%
Reserva Conchal	100%

SOCIAL INVESTMENT

## OUR COMMUNITIES

## PROJECTS BY BUSINESS UNIT

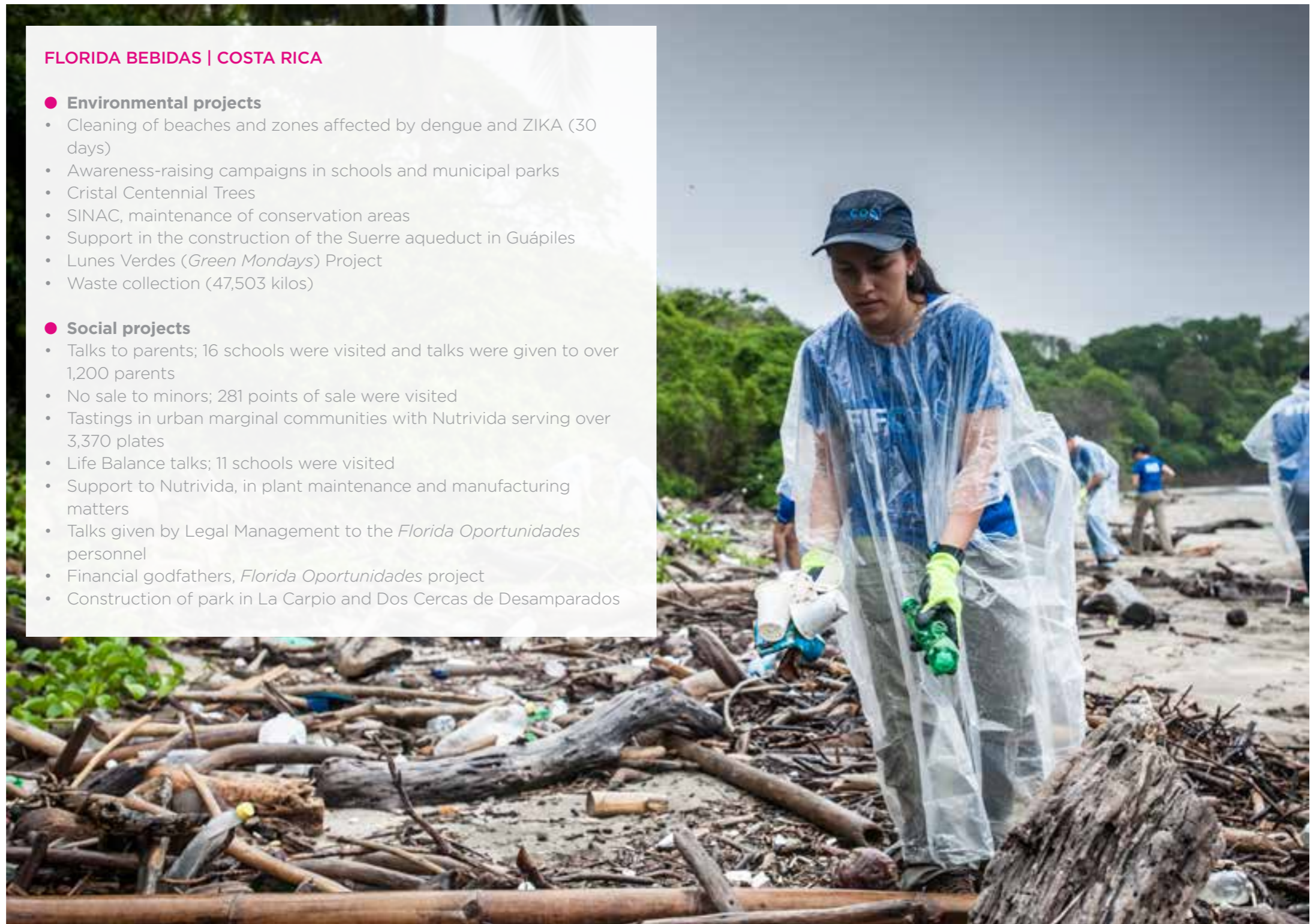
## FLORIDA BEBIDAS | COSTA RICA

- **Environmental projects**

- Cleaning of beaches and zones affected by dengue and ZIKA (30 days)
- Awareness-raising campaigns in schools and municipal parks
- Cristal Centennial Trees
- SINAC, maintenance of conservation areas
- Support in the construction of the Suerre aqueduct in Guápiles
- Lunes Verdes (*Green Mondays*) Project
- Waste collection (47,503 kilos)

- **Social projects**

- Talks to parents; 16 schools were visited and talks were given to over 1,200 parents
- No sale to minors; 281 points of sale were visited
- Tastings in urban marginal communities with Nutrivida serving over 3,370 plates
- Life Balance talks; 11 schools were visited
- Support to Nutrivida, in plant maintenance and manufacturing matters
- Talks given by Legal Management to the *Florida Oportunidades* personnel
- Financial godfathers, *Florida Oportunidades* project
- Construction of park in La Carpio and Dos Cercas de Desamparados



OUR COMMUNITIES

PROJECTS BY BUSINESS UNIT

**RESERVA CONCHAL**

Volunteers fulfilled the strategic objectives defined by the business; that is, the footprint of these activities go hand in hand with the business's footprint.

● **Environmental Projects**

- Cleaning of beaches and communities
- Monkey Park animal rescue center: improvement of parking areas, trails, cages and green areas
- Awareness-raising campaigns for visitors and neighbors of Playa Brasilito and Conchal regarding biodiversity, forest fires and waste management
- Protection of turtles, eggs and turtle hatcheries
- Support to the Municipal Recycling Center of Santa Cruz, in waste classification

● **Social Projects**

- Guanacaste Food Bank: painting of facilities, product classification, food loading and unloading
- Support to maintain the infrastructure that gives shelter to children, elders, CEN-CINAI and community centers, near Reserva Conchal

**MUSMANNI**

- The volunteers of this business found support in the Florida Bebidas program like the Food Bank and Waste Collection. The projects from this business were improvements in parks like Barrio Corazón de Jesús, Parque Vindas and Barrio Luján; as well as initiatives with the Municipality of San José training children in classifying recoverable residues.



SOCIAL INVESTMENT



OUR COMMUNITIES

PROJECTS BY BUSINESS UNIT

**INDUSTRIAS ALIMENTICIAS KERN'S | GUATEMALA**

Our volunteers have supported sensitive populations in the community of Zacapa, through clinical attention of malnutrition, nursing home, children and in diners of the landfills of such zone.

IAK associates supported Guatemala's Food Bank in preparing food packages for families in need. It is worth mentioning that the only group of volunteers linked to the business's footprint is that developed with Guatemala's Food Bank.

**NORTH AMERICAN BREWERIES | ESTADOS UNIDOS**

These are the activities done during NAB's second volunteering year:

● **Environmental Projects**

- Participation in Earth Day (cleaning of trails and waste collection)
- Planting trees and embellishing the parks in the city of Rochester, the community's mayor designated the "Tap it Forward Day", in honor to the contribution made by NAB to the community
- Maintenance of "The Nature Conservancy" parks
- Repair of the "Shelburne Museum" area

● **Social Projects**

- Support in Foodlink, preparing products in bags/baskets, for Rochester families in need
- Alliance with organizations supporting children and families coming from cities outside Rochester to treat some illness



SOCIAL INVESTMENT

OUR COMMUNITIES

**"ELEGÍ AYUDAR" AND SDGS**



**ELEGÍ AYUDAR**



The volunteering activities of the "Elegí Ayudar" program contribute to the UN's Sustainable Development Goals. The goals with the highest contribution are:

- Alliances to achieve the SDGs
- Sustainable Cities and Communities
- Production and Responsible Consumption
- Lives of terrestrial ecosystems
- Health and Well-being
- Zero Hunger
- Quality of Education
- Clean Water and Sanitation
- Climate Action



**SOCIAL INVESTMENT**

SOCIAL INVESTMENT

**Nutrivida**

Costa Rica reports that 29% of children under 2 years old suffer zinc deficiency and between 40% and 70% of the babies between 6 months and 2 years in 18 of the country's municipalities, suffer iron deficiency (anemia). The lack of zinc increases the risk in girls and boys of suffering diseases such as diarrhea, pneumonia and malaria, while lack of zinc can increase maternal death and reduce cognitive capacity of girls and boys. According to experts, undernutrition during the first two years of age can put at risk the life of children, as well as compromise their physical, motor and cognitive development. The opportunity to improve children's nutrition is more important during the first one thousand days of life, from the moment pregnancy starts (nine months before birth), until the child is 2 years old. This is the period when children require better nutrition for their development.

Large part of this target population is found in Segment E (comprised of the population classified as the country's poor class; with monthly incomes below 100 thousand colones, equivalent to \$198 per month), according to the Joint Social Welfare Institute, IMAS. In order to achieve this objective, 9 fortified nutritional products of high nutritional value have been developed: an infant cereal, an instant chicken noodle and vegetables soup, 2 chicken bouillons and 4 powdered drinks with orange, apple, peach and lemon flavors, as well as a NutriPack, a package with a complete meal containing soup and beverage.



**NEW PRODUCTS**

The products are marketed by Distribuidora La Florida and are mainly placed through:

- Institutional sales
- Sales in open markets in over 1,000 points of sale (mini supermarkets, grocery stores or pulperías and supermarkets)
- Sales through the Moms Pro Nutrition Network (MANU Network), through which women living in conditions of social vulnerability are given the opportunity of entering the labor market to become microentrepreneurs, product sellers. 1% of the products are sold through this network.



This year, **Té Nutrivida** with peach and lemon flavors in 1 kg institutional presentation was withdrawn from the market. The first sale was made to the National Production Council and to certain schools. **Consomé Max** (bouillon) is another institutional product sold in kg presentation; it is fortified and has a very low price. The products launched at the end of 2015 like the bouillon and the lemon and orange beverages contributed to a great sales volume this year.

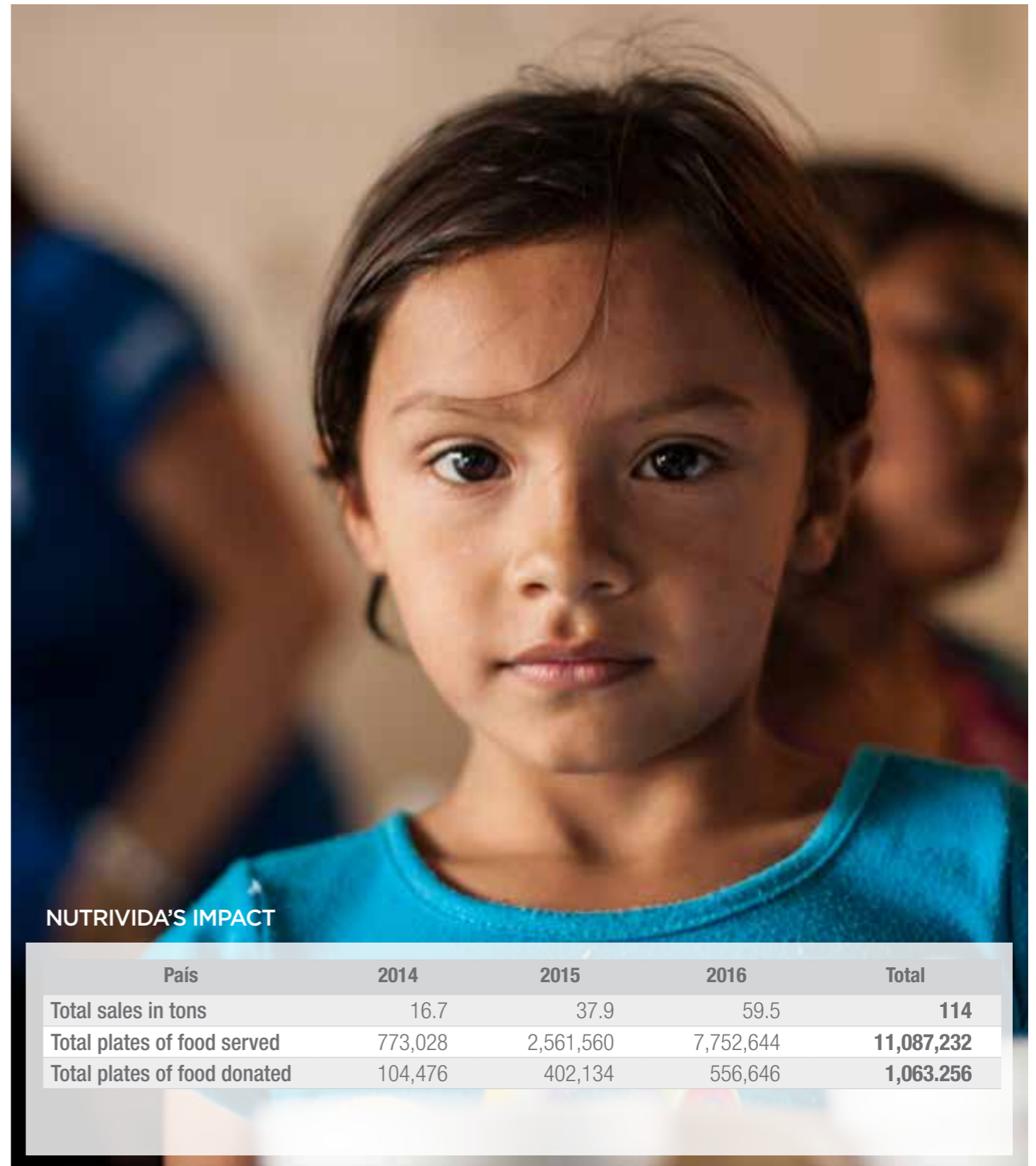
NUTRIVIDA

For various reasons, the MANU Network decreased its participation and during 2016 actions are analyzed to help this network grow and benefit more families in the country. At the end of the study period, a process was initiated with the Inter-American Development Bank to invest in a strategic plan to help the MANU Network be more successful in Costa Rica. Despite this, the MANU Network's presence is achieved in different communities through *Fundación Mujer*.

To extend its impact, Nutrivida coordinated alliances and strategic promotions during the study period. From the total plates donated since Nutrivida began operating, these correspond to 2016:

- 11.020 plates: *Manitas Llenas de Esperanza*
- 81.940 plates: Public schools of the Ministry of Public Education (República de Haití, Los Filtros, Quince de Setiembre, General Manuel Belgrano González, José Trinidad Mora Valverde, José Cubero Muñoz, Los Ángeles and UPE)
- 370.000 plates: *Aldeas Infantiles SOS* in partnership with Auto Mercado
- 800 plates: Children's Day activity in partnership with Repretel
- 600 plates: through corporate volunteers
- 66.250 plates: PANI Ciudad Neily, Escuela Carmen Lira, Escuela Calle Víquez, Church in Guápiles, Escuela Nazareth, Colegio de la Masión Nicoya, Red de Cuido CIDAI Puntarenas, Hogar de Niños Alma, Indigenous Community of Talamanca and Hogar de Ancianos San Carlos.
- 1.500 plates: *Obras del Espíritu Santo*
- 11.382 plates: these plates of food were donated to several organizations after the reporting period.

SOCIAL INVESTMENT



NUTRIVIDA'S IMPACT

País	2014	2015	2016	Total
Total sales in tons	16.7	37.9	59.5	114
Total plates of food served	773,028	2,561,560	7,752,644	11,087,232
Total plates of food donated	104,476	402,134	556,646	1,063.256

NUTRIVIDA

In parallel, Costa Rican telecommunications companies Kölbi and Repretel along with Nutrivida created an alliance to feed and nourish Costa Ricans suffering from undernutrition, especially undernutrition caused by poor nutrition during the first one thousand days of life, period known as the “1,000 Day Window.” Under the name “1,000 Day Challenge” the campaign brought Costa Ricans together to fight against child undernutrition especially in indigenous populations. Besides buying products, consumers could send during several months a text message with the phrase “1,000 Day Challenge” to the number 6040 to donate 500 colones or to the number 6161 to donate 1,000 colones (a little less than \$1 and \$2, respectively).



SOCIAL INVESTMENT



As part of its strategic promotions, Nutrivida launched a massive advertising campaign to raise awareness among consumers that by buying a package of any Nutrivida product, the company was committing to donate a plate of food to someone in need. This initiative was called “**Buy one, donate one**” and had a very positive response.



INVERSIÓN SOCIAL

**Dual Education Program**

The learning areas offered in this period were professional technician in food and beverage service (waiter-bartender) and hotel kitchen technician (Cook B). The program for waiters was suspended in this period, since the other programs had more acceptance from students; therefore, we focused on those with greater demand. This program has only been applied in Reserva Conchal; however, some hotels of the province have expressed their interest in developing the dual program in certain specialties.

In the 2016 period, 35 young people graduated as part of the dual training program, of which 31 have been incorporated into the regular hotel staff even before graduation due to their professional quality. The others express their interest in continuing their studies specializing even more in their disciplines or to obtain a job in another tourist company of the region. Of the students graduated in cooking, 100% were hired by the hotel and of the students who graduated as waiter-bartender, almost 89% were hired by the hotel. At the end of the period all students were still finishing their studies in the program and meanwhile, the remaining 11% seek employment in other hotels in the area, taking advantage of the high season year-end.

The experience during this period showed that of the two disciplines that were offered, cooking continues to maintain the highest number of hirings, reflected in the 100% hiring of students by the hotel in 2015. In addition, the level of bar and lounge hirings increased constantly, also



“I feel that this has been a very beautiful and enriching experience for us students, we have learned a lot, in the practical aspect and in the theoretical, about everything that comes with the bar and lounge. It is very motivating to feel this desire to overcome us and thanks to our learning many doors will open in the labor market ”

DANIELA  
PROFESSIONAL WAITRESS-BARTENDER  
PROGRAM, 2016

**DUAL TRAINING GRADUATES (2014-2016)**

Training	2014	2015	2016	Total
Waiter-Bartender	15	13	17	45
Cook	18	18	18	54
Hotel Housekeeper	17	-	-	17
<b>Total</b>	<b>50</b>	<b>31</b>	<b>35</b>	<b>116</b>

encouraged by the process of complementary training in areas such as beer, wine and coffee. The selection process to complete the two training groups of 2017 culminated in November 2016 with the incorporation of 40 new students, youngsters from the community.



## INVERSIÓN SOCIAL



### Ethics and Transparency

Ethics and transparency are a fundamental and a cross-cutting part of FIFCO's operation. There is integrity and honesty in every action; they are the core of the business.

Our **Code of Ethics and Business Conduct** addresses the topic in a conclusive manner by specifying what are those behaviors expected from our associates, reporting and complaint mechanisms in place, as well as how it is dealt with corruption.

The organization has created a management post in charge of enforcing the Code of Ethics represented in the figure of the Statutory Auditor. The members of the governing body, the

employees and the business partners are trained in code of ethics and the most important policies for the company. These training sessions are offered systematically every 2 years, in addition to the training offered during the induction process already mentioned.

All the members of the governing body, the employees and the business partners must read and sign the Code of Ethics and a slip of the same that is filed in the dossier belonging to the company officer. Said code applies to all units in Costa Rica, El Salvador and Guatemala; NAB is governed by its own code.

Regarding corruption matters, the business units in Costa Rica and Guatemala were evaluated. In Costa Rica's operations, there were 6 potential

corruption cases to be evaluated (compared to 66 in the 2014-2015 period). Of these, one was for product misappropriation, three for money misappropriation and two for receiving benefits from suppliers /clients. In the case of Guatemala, a potential corruption case was detected, due to benefits received from suppliers /clients. It is important to remember that in the company no sanction or fine has been reported so far due to non-compliance with laws and regulations. During this period, donations were not executed in cash, but the new donation policy and procedure was defined, allowing the departments involved to have greater control and traceability of the process. When a team needs to make a donation, they will now be able to enter a site on the company's intranet or mobile application and make their request for approval.

ETHICS AND TRANSPARENCY

**FIFCO's Code of Ethics and Business Conduct addresses the following topics:**

- Responsibilities: Ethics and communication, compliance with regulations, protection of the Company's assets, integrity and accuracy in accounting records, fair and diverse labor practices, discrimination and harassment, employment of minors, personal conduct.
- Representing the company before clients and external groups: fair and equal treatment, with clients and suppliers; political proselytism; public appearances.
- Privacy and confidentiality: Confidential Information, private information about stock market, customers and associates.
- Conflicts of interests: Commercial transactions with third parties, gifts and recreational activities, investments, external business activities, use of the Company's name or facilities, corporate opportunities.
- Other important provisions: Antitrust laws, environmental and occupational health commitment, communicating suspicious activities and/or evidence of money laundering
- Implementation of the code and sanctions

- 1) Personally: either before the Internal Audit, Security or Human Resources departments (applicable to FIFCO as a whole).
- 2) Through the reporting form available in the intranet under the Ethics section (applicable only to Costa Rica and Guatemala)
- 3) Confidential ethics line: this line is answered by a supplier and the calls may be anonymous; therefore, it has become the reporting tool most widely used by the Organization's employees (applicable only to Costa Rica and Guatemala).
- 4) Through other areas in the organization: they are received by the areas and transferred to the Audit Department for investigation (applicable to FIFCO as a whole)

Inquiries or calls are transcribed and directed to the Audit Department, where they are given the appropriate follow-up in a maximum period of 15 days. Sometimes the queries are forwarded to Human Resources, when it is this area's competence; finally, the response is sent to the person who made the query.

FIFCO's staff is aware of the existence of this confidential ethics line, and also knows they can make direct queries to authorized personnel in the Human Resources ethics area.

As part of the induction process, trainings on the topic are provided to the staff, emphasizing and ensuring process confidentiality. Within the Code of Ethics there is a policy that reprisals may not be taken against people who file some kind of complaint.

For the reporting period, a total of 20 complaints have been received, of which six correspond to complaints related to Human Resources issues and 14 to issues related to possible non-compliance with the Code of Ethics. Of the total number of complaints, 13 have already been solved. This advisory mechanism requires greater disclosure, so it is expected that the live entry from October 2016 of ethical e-learning will increase the number of complaints received. The number of complaints received by this route versus the previous period decreased by 30%.

**SOCIAL INVESTMENT**



ETHICS AND TRANSPARENCY

**Anti-Corruption Policies**

In the reporting period, policies and procedures to combat corruption have been reported as follows:

**COMMUNICATION OF ANTI-CORRUPTION POLICIES**

Country	Description
Costa Rica	871 new arrivals have been reported in Costa Rica, which represent 22% of active employees. A total of 491 suppliers registered in Costa Rica signed the Responsible Supplier Code, which is a document that includes the main sections of the Code of Ethics.
Guatemala	94 people have been informed about this issue during this period, representing 19% of the total active employees. A total of 149 suppliers registered during the period 2015-2016 in Guatemala and six in El Salvador, signed the Responsible Supplier Code, which is a document that includes the main sections of the Code of Ethics.
Estados Unidos	No records available

**CORRUPTION CASES BY COUNTRY**

Country	Number of cases
Costa Rica	6
Guatemala	1
United States	No records available



# Environmental Dimension

ENVIRONMENTAL DIMENSION

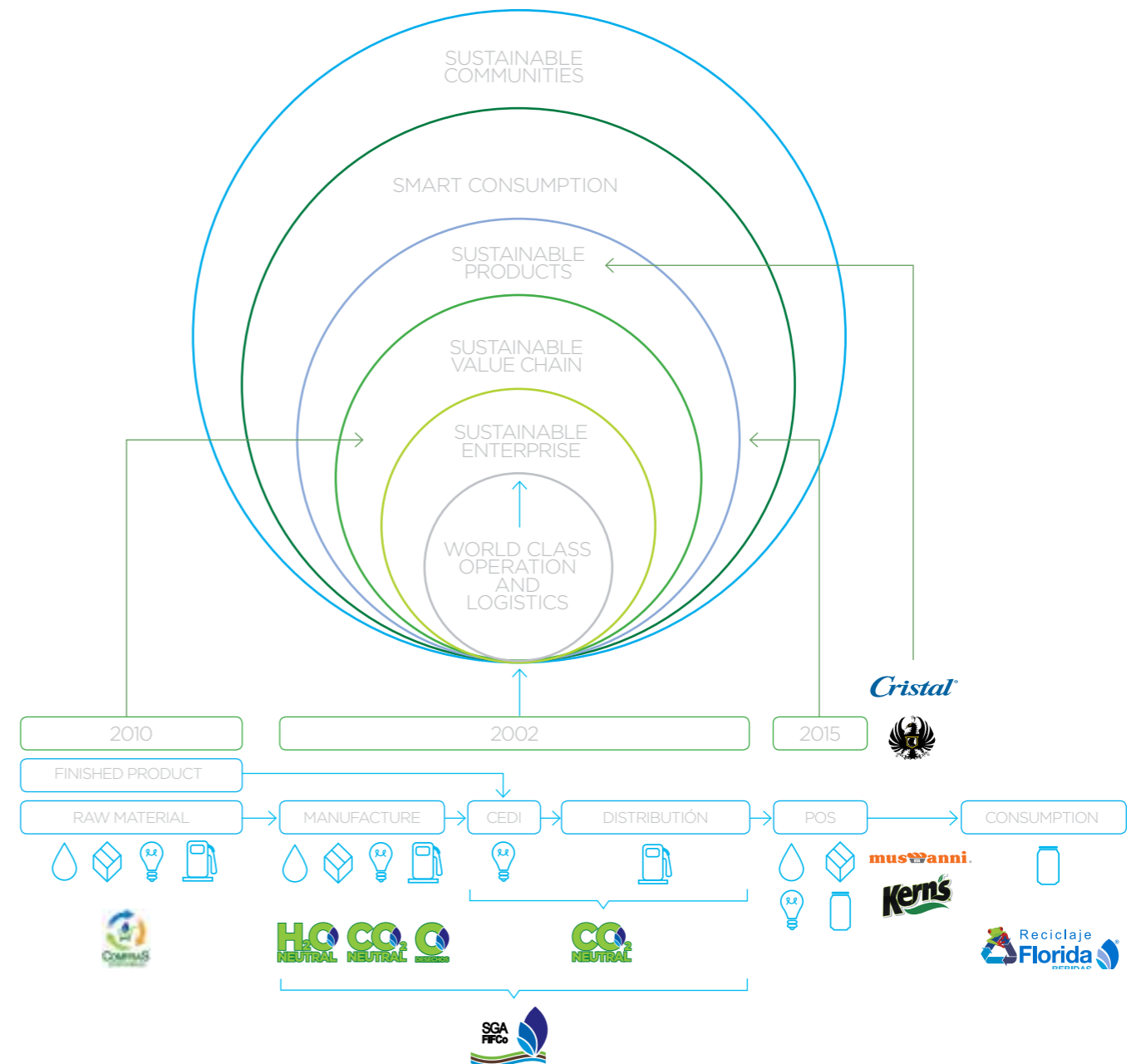
# Environmental Dimension

During 2016, faithful to our corporate environmental strategy we continued aiming to improve the environmental performance of our operations, and thus generate environmental added value to our business, society and various stakeholders we relate with.

Our strategy, addressed in four areas of action (water resource, waste management, energy and emissions and biodiversity) is implemented through four clearly defined strategic projects: Water Neutral, Carbon Neutral, Zero Waste and Post-Consumer Recycling, all of them implemented under a certifiable environmental management system, based on international (ISO 14001/14064/14046 and Audubon) and local environmental standards (Blue Flag Ecological Program and Tourist Sustainability Certification), also focusing on our value chain to provide our clients and suppliers with the best economic, environmental and social practices through our Sustainable Purchase and Customer programs, so they can incorporate our management model in their strategy and operation.

**ENVIRONMENTAL DIMENSION**

## OUR ENVIRONMENTAL STRATEGY



ENVIRONMENTAL DIMENSION

During the last two periods, a number of changes in our sustainability management were implemented, which leads us to a more comprehensive and inclusive approach in our value chain. This will allow us, in the future, to evolve towards an even more sustainable model, which includes the production and marketing of products that integrate environmental and social elements throughout the product's life cycle, as we stated in our sustainability vision.

We formally maintain in FIFCO's Triple Bottom Line strategy the goals of the Sustainable Purchase and Customer initiatives, which focused on creating more environmental and social value in the value chain of the business operations and units controlled by FIFCO.

Our global indicator for environmental performance, "Eco-FIFCO", which measures our environmental performance in all our business units closed this year in 103%.

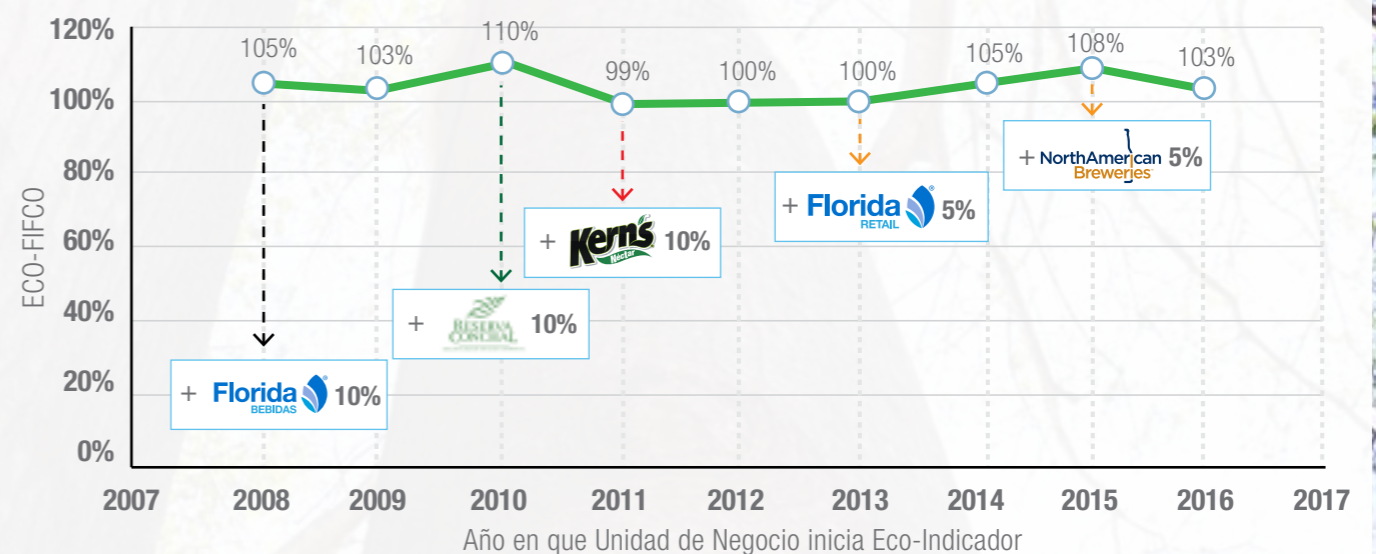
This means that at a global level, the environmental goals established by FIFCO were met. These are some findings:

- The food and beverage operations in Costa Rica and the United States maintain or improve their environmental performance compared to last year.
- Despite the above, FIFCO's environmental performance is reduced by 5 percentage points due to the environmental performance of the food and beverage operations in Guatemala and the hotel operation in Costa Rica. In Reserva Conchal, there is a decrease in the human water consumption and waste indicators in Hotel Westin Playa Conchal. On the other hand, Guatemala meets only the water goal and implementation of the Environmental Management System; there is a decrease in the thermal water and waste indicators.

ENVIRONMENTAL DIMENSION



"ECO-FIFCO" ENVIRONMENTAL PERFORMANCE INDICATOR



Note: The percentage next to each business unit is the Eco-Indicator's weight within each business's Balance Score Card.

## Materials

The responsible and efficient management of all the materials used to manufacture our products is part of the commitments undertaken by FIFCO in its Environmental Policy. In the report on the use of materials, we include three categories of materials for the food and beverage business:

- Raw materials and supplies
- Containers
- Packaging
- Other supplies: starting this period, auxiliary materials are included, such as cleaning chemical substances, lubricants, among other materials required in the production process.

From this variety of materials identified and quantified, we determine which are renewable (for example, water) and non-renewable (containers with materials derived from petroleum, such as plastic or from mineral sources, like glass and aluminum).

In total, **2,305 million kilograms** of materials were used during the period, of which **79%** belong to the renewable materials category. From all these materials, recovered materials are identified; they substitute virgin material in the manufacture of glass containers for up to 20% and corrugated packaging for up to 15%, at a maximum. In addition, aluminum cans contain between 15% and 25% of recycled material, as well as a maximum of 18% in stainless steel siphons. In the case of aluminum cans, the percentage of recycled material is higher than 75% and 20% of recycled material is used in plastic boxes, with the particularity that it is supplied by the company



itself as waste boxes that are classified, separated, grounded and mixed again with virgin resin for their manufacture. For these indicators, only beverage manufacturing operations carried out in Costa Rica are reported. For the other business units and operations, this indicator is under construction.

For more information about our Sustainable Packaging strategy, consult our 2015 Integrated Report, pages 159 and 160.

# Water and sanitation

Florida Bebida's continues overseeing its operations under the Water Neutrality approach reached in 2012. The food and beverage operations in Costa Rica and the industrial bread making operation have achieved this condition, while the others are still in process, measuring and reducing its consumption.



To know more about our Water Neutrality strategy, consult page 161 of the 2015 Integrated Report.

## Water sources

For the food and beverage operations in Costa Rica, water is captured from different sources; the most innovative is rainwater harvesting introduced two years ago and used by five Distribution Centers in Costa Rica. Spring water is used for the products, the underground for productive processes and aqueducts supply other Distribution Centers and administrative areas. In the case of Guatemala, as well as Reserva Conchal, 100% of the water sources are of underground origin, while in the case of the Musmanni plant and NAB, water is provided by the local aqueduct.

## Measurement and control

Operational water consumption of food and beverage operations in Central America (water usage plus the water included in the product) for this year is of **21.6 million hectoliters of**

## TOTAL WATER WITHDRAWAL BY SOURCE

	2015	2016
Surface water	7.76%	24.19%
Municipal Aqueduct	1.66%	1.39%
Rainwater Harvesting	0.02%	0.03%
Underground waters	90.56%	74.39%
Total	100.00%	100.00%

**water** compared to 20.1 million of the previous period. This represents **4.05 liters of water** for each liter of food and beverage produced and distributed, compared to 4.03 liters of the previous period. The efforts made mainly in the production facilities in implementing projects for the rational use, reuse, water recycling and staff awareness-raising regarding the use of this important resource, allowed the control of water expenditure, **it was practically possible to maintain the absolute water consumption in relation to the previous year despite the increase in production.**

**4.05** LITERS OF H<sub>2</sub>O PER LITER OF FOOD AND BEVERAGE PRODUCED.

Despite the increase in production, it was possible to maintain the absolute water consumption compared to 2015.

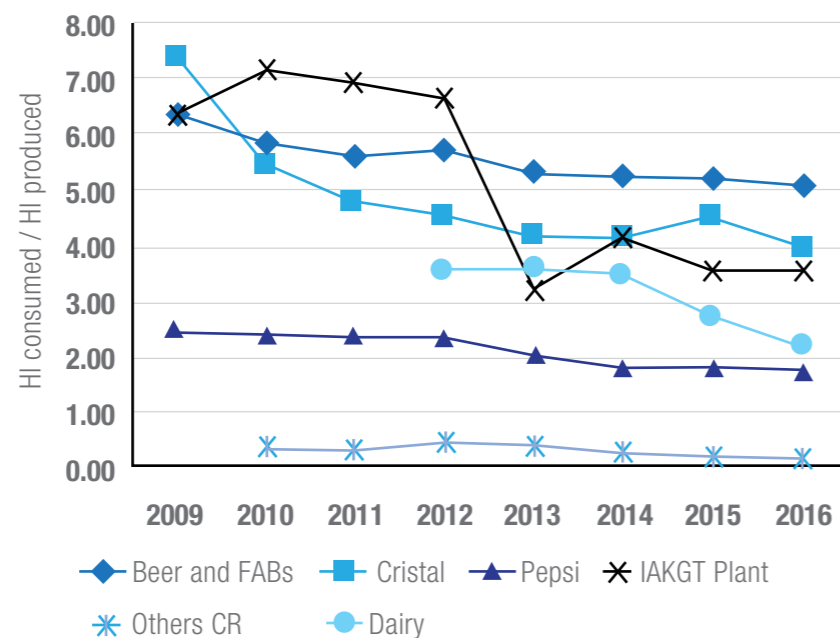
WATER AND SANITATION

WATER CONSUMPTION BY PRODUCTION FACILITY

Facility	Absolute Consumption (hl water)	HI produced/sold	Consumption Indicator (hl water/hl product)
Beer and FABs	10,485,960	2,061,962	5.09
Cristal	5,236,420	1,337,576	3.91
Pepsi	1,587,860	889,920	1.78
Dairy	213,760	99,454	2.15
Others in CR	813,711	4,404,297	0.18
<b>SUBTOTAL Costa Rica</b>	<b>18,334,950</b>	<b>4,404,297</b>	<b>4.16</b>
IAK Plant Guatemala	3,284,088	930,853	3.53
<b>TOTAL FBEB</b>	<b>21,619,037</b>	<b>5,335,150</b>	<b>4.05</b>

The graph below shows the improvement in consumption per hectoliter produced achieved in all facilities for the reporting period.

WATER CONSUMPTION IN FACILITIES 2016



The water footprint verification process, both of organization and of product, is of the first third party-verified processes at a regional level. Verification is done for the 2015 fiscal year water inventory. The limits of the organization focus on operational and financial control, that is, all activities from the operation over which it has control. The defined impact categories are water scarcity footprint, eutrophication and ecotoxicity. The products evaluated in the period were Agua Cristal and Imperial Beer.

- Florida Bebidas' Water Footprinting Inventory results for the defined scope correspond to 17,089,424.00 hectoliters (4.40 hl w/hlpr).
- It is concluded that the assessment of this water scarcity footprint inventory corresponds to 77,516 hectoliters (0.020 hlwe/hl pr).
- There is a clear and significant reduction in the assessment of the water scarcity footprint inventory since scarcity indices (WSI) in the regions in which the organization operates are areas of low water stress.
- It is concluded that the greatest water scarcity footprint impact is on the operations of non-alcoholic carbonated beverages given the water stress in that area.



WATER AND SANITATION

The water footprint of the Agua Cristal product according to the defined impact categories, scarcity, eutrophication and ecotoxicity and according to the presentations included is the following:

**AGUA CRISTAL | WATER FOOTPRINT ACCORDING TO IMPACT CATEGORY**

Water Impact	Units	355ml	600ml	600ml "Sports Cap"	1000ml "Sports Cap"	1750ml "Sports Cap"	1750ml Tapa Plana
Flat Top	600ml	9,87	13,13	15,11	19,22	26,60	25,02
"Sports Cap"	1000ml "Sports Cap"	1750ml "Sports Cap"	1750ml Flat Top	464,06	654,67	992,76	933,45
Water Inventory	Litros	136,14	166,22	168,18	233,60	317,18	296,60
Scarcity Footprinting	H2O eq	3.11	3.37	4.88	4.88	7.29	5.53

The above is relevant information for consumers since they can base their choice of product, introducing the environmental variable as a selection criterion, not only before other brands in the market but also within different presentations of the same product.

Another important element regarding the **product's water footprint** is that the greatest footprint of the entire value chain is found in the procurement and manufacture of raw materials, containers and packaging. For example, for the Agua Cristal 1 liter presentation, 90% of the footprint corresponds to this category and only 21% corresponds to the production and distribution operations as part of the direct value chain. The remaining 3% corresponds to the sales stages at the points of sale, consumption and final disposal of the packaging, of which 32% of the containers are recovered and used as raw material to produce new containers.

**IMPERIAL BEER PRESENTATIONS**

As mentioned above, for this period **Imperial Beer was additionally included within the scope of products with measured and verified water footprinting.** All the presentations of this brand were included:

- Imperial can 350ml (12oz)
- Imperial can 473ml (16oz)
- Imperial returnable glass 350ml
- Imperial disposable glass 350ml
- Imperial returnable glass 750ml
- Imperial returnable glass 1000ml





WATER AND SANITATION

PRODUCT WATER FOOTPRINT EXAMPLE: AGUA CRISTAL 1 LITER PRESENTATION

	Unit	Total	Raw Materials.1000 ml 100% RPET	Production 1000 ml 100 RPET	Distribution 1000 SC 100% RPET	Points of Sale 1000 ml 100 % RPET	Final Disposal1000 SC ml 100 % RPET
Fresh Water Eutrophication	mg P eq	19.22	18.64	1.71	5.32	1.03	-7.49
Fresh Water Eco-toxicity	mg 1,4-DB eq	654.67	558.73	25.76	257.85	127.02	-314.69
Inventory	Liters	233.60	204.48	6.27	55.98	9.76	-42.89
Degradation Footprint	H2O eq	4.88	4.41	0.10	0.91	0.16	-0.70

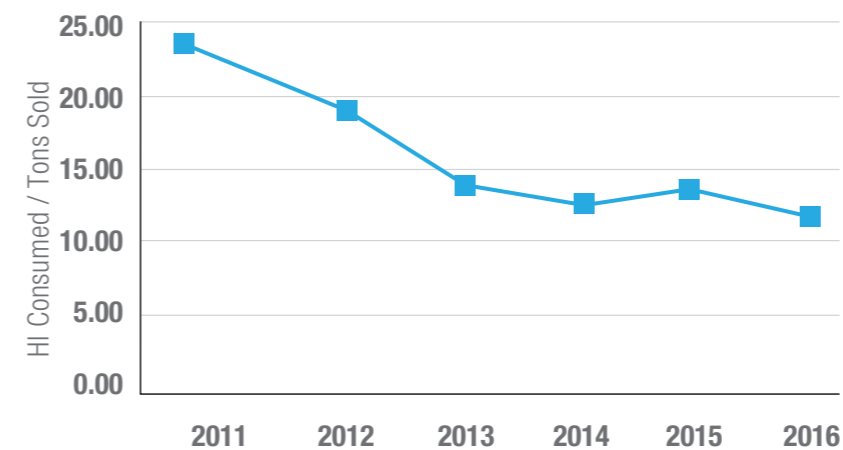
On the other hand, our operation in the **United States** consumed a total of 15,175,479 hl (7,67 hlw/hlpr) at its main operation in Rochester, NY.

As for the water inventory of **Florida Retail's** (Musmanni) **industrial operation**, 212,660 hl of water consumed is reported, representing 11.52 hl of water per ton produced. Water consumption in this facility is consistently decreasing year after year, which is shown in the graph below.

FLORIDA RETAIL'S INDUSTRIAL OPERATION WATER CONSUMPTION:

Year	Water Consumption (Hl/ton produced)
2011	23.00
2012	19.00
2013	13.50
2014	12.10
2015	12.80
2016	11.52

FLORIDA RETAIL WATER CONSUMPTION



## WATER AND SANITATION

Among the projects that allowed the reduction in the last year, together with good consumption practices, is included the reuse of treated waste waters from the treatment system to clean the floors in external areas such as in the surroundings and in the collection center.

Water management in **Reserva Conchal** in this period has posed a huge challenge for the organization. The weather phenomenon “El Niño” affecting the North Pacific area of the country where the project is located has reduced the area’s rainfall in the last three years, affecting the recharge of local aquifers and reducing water availability. Reserva Conchal has adapted its processes and activities, as well as reinforced consumption control to adjust to the current availability and ensure the operation’s continuity and sustainability. Water consumption of Reserva Conchal in its areas of operation, hotels (The Westin Golf Resort & Spa Playa Conchal), residential condominiums and golf course accounted for **8.37 million hectoliters of water**, of which 47% is used for human consumption and the remaining 53% for irrigation. It should be noted that in the irrigation of the golf course water reuse is incorporated as described in detail below.

An important advance of this period is that Reserva Conchal has the permits for the construction and installation of a **seawater desalination plant** (3 modules of 500 m<sup>3</sup> per day each), which starts operations at the end of 2016 to supply potable water to the project. Although it was scheduled to begin in December 2015, problems with the piping installation delayed commissioning. This project will be the first project of this nature in Costa Rica to enter into operation.



Desalination plant in Reserva Conchal

WATER AND SANITATION

**Reduction**

**Reducing water consumption is an essential part for reaching the Water Neutrality position. Some milestones and findings during this period are:**

- The Dairy Products Plant and warehousing and logistics operations recorded in absolute terms a reduction in water consumption
- The Beer, Refreshments and Pepsi Plants of Costa Rica, increased their consumption in absolute terms, mainly due to new water requirements in the production process. In spite of this, the consumption per unit produced in these facilities is less in all cases due to a greater efficiency in the process
- Pepsi Plant remains one more year as the most efficient operation in terms of water consumption per unit produced, being also one of the best among the PepsiCo system with 1.78 hl of water per hl produced
- NAB went from 6.97hl to 6.58 hl of water per hl produced, an excellent indicator of the migration to the triple bottom line strategy.
- The Florida Retail (Musmanni) Plant achieved in this period a net consumption reduction of 4,960 hectoliters
- Reserva Conchal decreased consumption by 1.9 million hectoliters for a 19% reduction to reach 582 l/pd and 728 m3/hl per year. The practice of using treated waste water from the waste water treatment plant remains the first source of water for irrigating the golf course. Among the most important initiatives in the short and medium term are the following:

- Redesigning irrigation systems
- Redesigning golf course maintenance areas
- Automation of the water supply system for irrigation, registration and control of consumption per user

Among the **main initiatives implemented** that allowed these results are:

- Treatment system to reuse the water from pasteurizers in the Beer Plant, as well as to reuse the effluent in the treatment plant for the sludge pressing process.
- Water re-circle circuit in non-critical processes such as lubrication of pumps in line 1 and line 9, from the rinses of fillers in the Refreshments Plant
- Time reduction of rinsing in Cristal Plant and in different processes in Pepsi
- Reuse of rinses and reduction of washing cycles in Dairy Products Plant
- Improvements in rainwater harvesting systems in rural distribution centers to optimize their operation, as well as a better control of consumption and reduction of use for irrigation
- Creation of a platform for the use of discard drums at the East GMA distribution center

**The total volume of water that the organization has recycled or reused corresponds to 126.855 m<sub>3</sub>** during the 2016 period in the Florida Bebidas operation in Costa Rica. This represents 7% of the total water captured.

For this calculation, we took into consideration water recovery by condensate return in boilers, recovery from container “rinser”, re-use ring for pump lubrication, re-use in treatment plants and rainwater harvesting. The information for these calculations was taken in the following order:

1. Reading of consumption meters when available on the site of use
  - a. Rainwater Systems
  - b. Return of condensate in boilers
  - c. Recovery water from container “rinser”
2. Calculations and estimates with reference information:
  - a. Generation of rainwater by the catchment area and rainfall data of the National Meteorological Institute
  - b. Recovery of cooling tower water by capacity of the equipment for hours of use
  - c. Return of condensate by calculating the water that is replenished and the kilograms of steam generated by the boilers
  - d. Water recovery in treatment plants for working hours of equipment using water

## WATER AND SANITATION

## ABSOLUTE CONSUMPTION OF WATER AND REDUCTION IN COSTA RICA, 2015 VS. 2016

Facility	Absolute Consumption (hl water)			Consumption indicator (hl water/hl produced)	
	2015	2016	Reduction 2016 vs 2015	2015	2016
Beer and FABs	9,513,244	10,485,960	972,716	5.19	5.09
Cristal	5,156,300	5,236,420	80,120	4.50	3.91
Pepsi	1,229,200	1,587,860	358,660	1.84	1.78
Others in CR	867,919	810,949	-56,970	0.22	0.18
Dairy	240,752	213,760	-26,992	2.70	2.15
<b>SUBTOTAL Costa Rica</b>	<b>17,007,415</b>	<b>18,334,950</b>	<b>1,354,526</b>	<b>4.38</b>	<b>4.16</b>
Guatemala Food Plant	3,068,418	3,284,088	215,670	3.56	3.53
<b>TOTAL CCR</b>	<b>20,075,833</b>	<b>21,619,037</b>	<b>1,543,204</b>	<b>4.23</b>	<b>4.05</b>

**In general terms, an improvement in water consumption per unit produced of 4% was achieved compared to the previous year.** In all food and beverages operations in Costa Rica, the trend of reduction in consumption per unit produced is maintained, reflecting the importance and commitment of the organization in the reduction pillar within the Water Neutrality strategy.

WATER AND SANITATION

**Compensation**

Florida Bebidas continues its external water footprint compensation by protecting watersheds through the mechanism of Payments for Environmental Services (PSA's) of the National Forestry Financing Fund (FONAFIFO), an institution attached to the Ministry of Environment and Energy of Costa Rica (MINAEC). In addition, Florida Bebidas covers a certain area of water recharge in the Alta del Barva Watershed in the province of Heredia. The company protects 757.5 hectares of watersheds; 80 hectares less than the previous period, since a change was made in the compensation strategy for the launch of the desalination plant operation in Reserva Conchal, which injection of fresh water into the hydrological system is considered part of the compensation of this business's water footprint and will even have a positive impact in the coastal aquifers from where the real estate project is supplied.

For more information about our water footprint compensation, refer to the FIFCO 2015 Integrated Report.

**Treatment of effluents**

Waste water treatment systems of all the facilities are in continuous and normal operation. In this period, two initiatives were created: one in the Beer Plant and another in the Refreshments Plant for effluent reuse in processes of the same treatment system operation, specifically

**2016 WATERSHED PROTECTION**



in the sludge pressing processes prior to its final recovery. The waste waters of The Westin Golf Resort & Spa Playa Conchal are still used for irrigation of the complex' golf course, what also reduces the entire project's fresh water consumption. In regards to the industrial waste waters of the Florida Retail industry operation, these are not discharged to any receiving body or sewer; on the contrary they are reused internally in the cooling systems.

To see the water discharge according to its quality and destination, see Standard GRI 306-1

# Post industrial Waste and Zero Waste



## IN SEARCH FOR A CIRCULAR ECONOMY

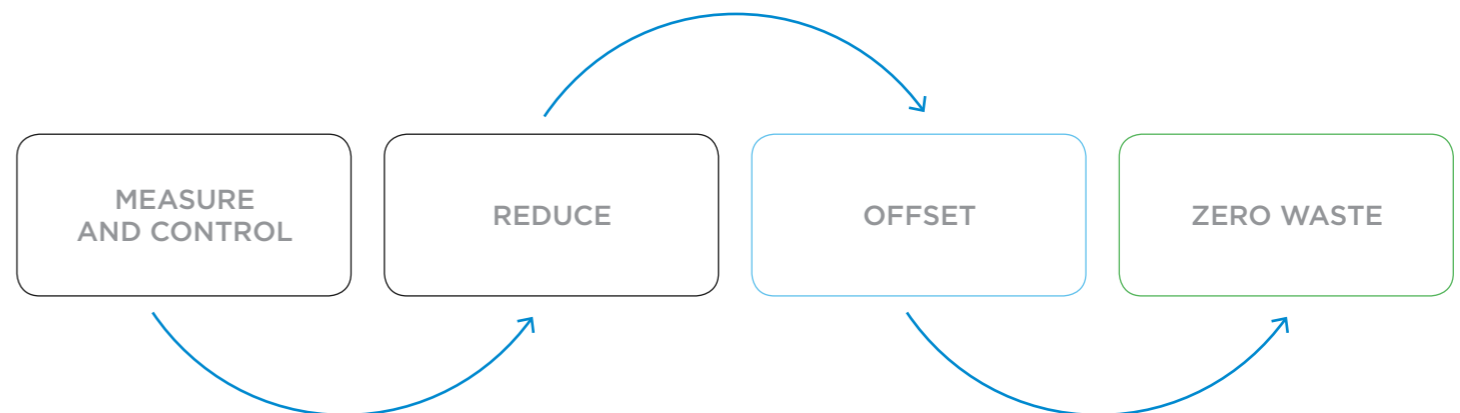
FIFCO continues with its Zero Waste strategy for the 2016 period and is maintained through the identification, classification and separation at the recoverable waste source in all its facilities, with an adequate management of post-industrial waste (in the production plants) and post-operational (storage warehouses, administrative offices and own shops, commercial service operations, etc.).

FIFCO's waste strategy is based primarily in eliminating and reducing the waste generated and then it is prioritized between reusing and recycling (physical, chemical and thermal) over other final disposal options such as landfills and other authorized disposal sites whenever possible.

This initiative is implemented through three stages: measure and control, reduce and offset.

To learn more about FIFCO's Zero Waste Strategy and the hierarchy of waste, see pages 168 and 169 of our 2015 Integrated Report

### STAGES OF OUR WASTE STRATEGY



### SOME WASTES THAT ARE PART OF OUR SUSTAINABILITY CLOSE LOOP

- Malt bran
- Post-industrial glass (Cullet) and non-returnable glass
- Post-consumer PET containers that are transformed into recycled resin
- Plastic boxes to deliver products
- Pallets, cans from Endelis supplier, cartons, Crown Cork lids, plastic containers of EcoLab chemicals: these materials are returned to provider for reuse

POST INDUSTRIAL WASTE AND ZERO WASTE

Of all the residues and waste generated by all Florida Bebidas operations in Costa Rica, **99.71%** was sent to some subsequent recovery stream (reuse, recycling, animal feed or energy recovery) compared to 99.4% of the previous period. The remaining 0.29% (119,961kg), referred to as ordinary waste, was sent to a landfill (in the GAM) or to a controlled and authorized dump (in the Rural Area). This last percentage represents a reduction of **66,936 kg with respect to the 2015 period.**



The operations of Florida Bebidas in Costa Rica closed the period with a generation of only 27 grams of waste per hectoliter sold, 43% less than in the 2015 period.

**TOTAL WEIGHT OF WASTE BY TYPE DURING 2016**

Type of waste	%	Amount (kg)
Bran	34,1	14,120,925.00
Co-processable	1,5	601,548.00
Yeast	17,1	7,099,050.00
PTAR sludge	17,5	7,253,605.00
Ordinary	0,29	119,960.90
Hazardous	0,1	57,584.40
Malt dust	0,1	55,560.00
Recyclable	23,2	9,606,890.90
Reusable	6,1	2,513,358.90
<b>Grand total</b>	<b>100%</b>	<b>41,428,483.10</b>

ENVIRONMENTAL DIMENSION

POST INDUSTRIAL WASTE AND ZERO WASTE

**ORDINARY WASTE REDUCTION IN THE LAST THREE YEARS, BY PRODUCTION PLANT**

Facility	OSW Generation (kg)		
	2014	2015	2016
CCR Plant	33,541	18,479	3,092
Cristal Plant	2,608	2,351	1,717
PEPSI Plant	3,578	2,869	1,831
Dairy Plant	83,968	52,142	24,913
Others	154,471	111,057	88,409
<b>TOTAL</b>	<b>278,166</b>	<b>186,897</b>	<b>119,961</b>

**Among the main achievements of this period are:**

- Improvement in separation and classification of post-industrial waste
- Creation and improvement of collection centers and stations in the facilities
- Recovery of new types of waste and destinations

The results of this period follow the same trend present since 2008 when the implementation of this program started, which reflects and evidences the systematic work and sustained effort made by the company.

**Milestones of 2016**

- The Dairy Products Plant reduced its waste indicator sent to landfill by hectoliter produced by 57%.
- The Logistics area and the Distribution Centers continue to be the largest contributors to the post-industrial waste footprint by 74% and the Dairy Plant by 21%.
- Industrias Alimenticias Kern's recovers the dehydrated sludge of the treatment plant through its use in agriculture as composting; additionally co-processing with the local cement company and the use of bean residues for animal feed are institutionalized; thanks to this, the waste sent to the authorized disposal site was reduced by 27% .
- The Musmanni Plant reduced by 17% the rate of waste generation per ton, thanks to the recovery of new materials and improvements in terms of waste separation and classification.
- The Westin Golf Resort & Spa Playa Conchal hotel operation recovers 74% of all the waste generated, being animal feed with organic residues and composting production the main uses of largest volume. It is important to note that Reserva Conchal has its own composting project for the production of the bokashi organic fertilizer, entirely used in the project's gardens and green areas.



POST INDUSTRIAL WASTE AND ZERO WASTE



ENVIRONMENTAL DIMENSION

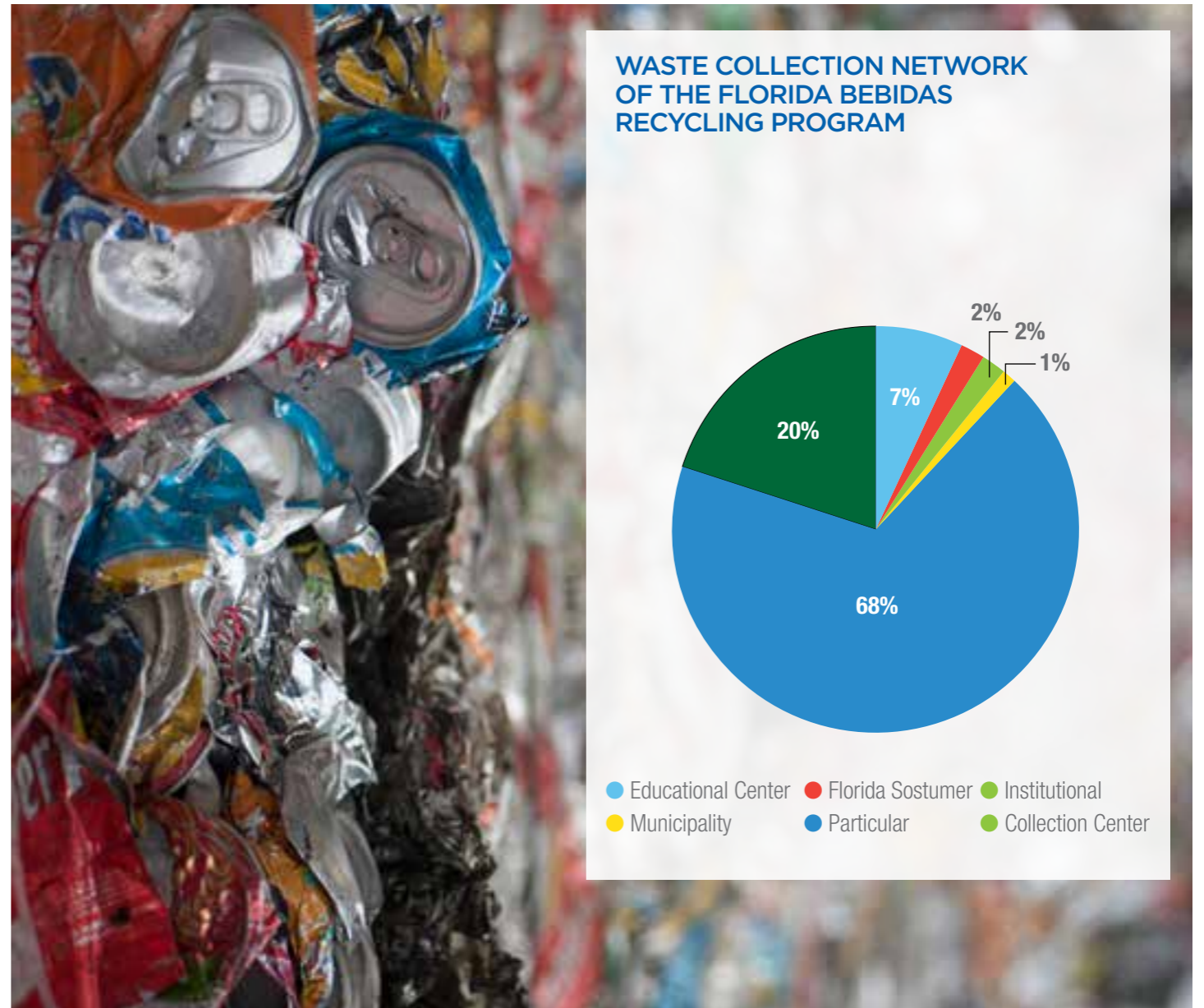
# Post-Consumer Container Recycling



Florida Bebidas' **partial external compensation of post-industrial waste remaining footprint** which cannot be reduced internally is carried out by **implementing cleanup days of public spaces** and beaches. The cleaning days are developed by FIFCO collaborators through the "Elegí Ayudar" volunteering program, in coordination with different state institutions and community organizations. Among the main collection activities of the period was the solid waste management at the la Eco-Romería 2016 in Costa Rica.

Since 1995, FIFCO promotes through its **Recycling Program**, a culture where the consumer discards their non-returnable containers correctly. This program has been the one with greater recognition and trajectory in Costa Rica and its objective is to recover and dispose, through recycling, those non-returnable containers that the consumer discards of any trademark. The FIFCO 2015 Integrated Report shows more details about this program beginning on page 172.

In this period, **the program went from having 754 suppliers which classify and separate containers to 832 in 2016**. Of the total number of suppliers, 562 are private individuals that do not operate as collection centers. This collection network is of great importance for the program, since it is through these stakeholders that it is possible to increase the amount and quality of post-consumer waste, raise awareness among populations, among others



ENVIRONMENTAL DIMENSION

POST-CONSUMER CONTAINER RECYCLING

**PERCENTAGE OF PRODUCTS SOLD AND THEIR PACKAGING MATERIALS THAT ARE RECOVERED AT THE END OF THEIR USEFUL LIFE | BY PRODUCT CATEGORY, 2015 VS. 2016.**

Type of container	TM recovered		Percentage of collection	
	2015	2016	2015	2016
PET and HDPE	2,238	2,674	50%	49%
Aluminum	1,207	1,565	51%	59%
Tetra Pak	666	731	150%	154%
Tinplates	76	274	34%	130%
<b>Total</b>	<b>4.197</b>	<b>5.245</b>	<b>55%</b>	<b>60%</b>

**PERCENTAGE OF POST-CONSUMER MATERIAL COLLECTION**

In general terms, **the collection rates for each material, increased with respect to 2015.** This is the growth percentage, in order of priority, of the collection according to the type of material:

1. **HDPE:** 883%
2. **Tinplate:** 96%
3. **Aluminum:** 8%
4. **Tetra Pak:** 4%
5. **PET:** suffered a 2% decrease

**Milestones of 2016**

- **38,210 kg of recyclable material** was collected in **mass events** such as Eco-Romería 2016 and beach clean-ups. This year there was a **23% increase in collection.**
- In partnership with the Tetra Pack Company, **13 recycling stations were donated** to different communities in Costa Rica to help citizens classify their waste; the investment was \$28,000 USD.
- **Three bus stops** were built out of recycled material in alliance with the Municipality of Alajuela in Costa Rica and with the Agua Cristal campaign #DelladoVerde.
- **107 containers (30) or recycling stations** were donated to institutions that have recycling initiatives in the country, for a total of 287 containers in two years in order to improve waste classification.
- The 23 compaction units placed in 13 external recycling projects in 2015 are kept. During this period we began the process of installing 5 new compaction units and 5 glass breakers in similar projects. This equipment enable these recycling initiatives to handle material and optimize the space available in their collection centers, as well as to make **more efficient** the logistics of transporting the collected material.
- **A 20.17% increase of post-consumer containers** was recovered, compared to that collected in the 2015period, surpassing in 1,058,495 kg of containers to reach 5,245,830 **total kg** in this 2016.

# Energy, emissions and carbon neutrality

## Electrical Energy

The net consumption per unit produced grew in this period due to new products with higher energy requirements, as well as new energy requirements in the processes. However, the Dairy Plant achieved a reduction in energy consumption and in all cases there was less energy intensity per unit produced than the previous year.

### Some energy efficiency initiatives and savings projects for the period were:

- Improvements in the generation and use of compressed air in the Beer Plant and the Refreshments Plant.
- LED lighting in administrative areas in the Pepsi and Dairy Plants.
- Calibration and automation of the hydro-pneumatic tank pump shutdown and reduction of the pressure and operational demand of the compressors in the Dairy Plant.
- Installation of lower consumption lighting systems to replace Metalarc systems
- Maintenance of the photovoltaic solar system in the Marketing Services' facilities in Coyo de Alajuela and in the Distribution Center in Liberia, Guanacaste, Costa Rica which continue in normal operation.

## REDUCTION OF ENERGY CONSUMPTION

Facility	Consumption ee (kWh)			Consumption indicator (kWh/hl produced)	
	2015	2016	Reduction 2016 vs 2015	2015	2016
CCR Plant	20,119,734	21,631,650	1,511,916	10.97	10.49
Cristal Plant	11,441,787	12,796,813	1,355,026	9.99	9.57
PEPSI Plant	3,892,322	4,836,024	943,702	5.82	5.43
Dairy Plant	1,489,732	1,481,858	-7,874	16.72	14.90
Others in CR	5,654,874	5,933,201	278,327	1.46	1.35
SubTOTAL CR	42,598,449	46,679,546	4,081,097	10.97	10.60
IAK Plant Guatemala	8,869,977	8,758,065	-111,912	10.29	9.41
<b>TOTAL FBEB</b>	<b>51,468,426</b>	<b>55,437,611</b>	<b>3,969,185</b>	<b>10.85</b>	<b>10.39</b>

ENERGY, EMISSIONS AND CARBON NEUTRALITY

**Some milestones and findings in 2016:**

- The **plant in Guatemala reduced by 9% the consumption of electrical energy**, being the one of greater reduction of the food and beverages business, thanks to improvements and efficiencies obtained in the compressed air system in this facility.
- Musmanni Plant's net consumption of electrical energy increased due to new energy requirements of the production process. Despite this, **the consumption per ton produced was reduced by 7% compared to 2015** thanks to the areas' good practices as well as the establishment of a consumption measurement system in the medium voltage line, allowing better control of the Plant's behavior.
- The hotel The Westin Golf Resort and Spa Playa Conchal increased its occupancy this year and despite that, **it generated a 4% energy consumption saving compared to the previous year.**
- The NAB operation reduced its consumption; however **it was due to the reduction in production and it is not accounted for as savings.**

**Thermal Energy**

Thermal energy consumption, fossil fuels, is used to generate steam (bunker) and for transport (gasoline, diesel, LP gas and Jet A1). Thermal energy consumption in its different forms represents to a great extent the main factor of Florida Bebidas' carbon footprint, hence the importance for its control and reduction.

- Beer Plant: consumption increased due to new requirements in production processes. However, there was a reduction of boiler purges made by a reverse osmosis system, as well as a reduction in steam consumption for cooking.
- Reserva Conchal: consumption was reduced 4% in LP Gas by various saving initiatives.
- Musmanni Plant: consumption increased by 27% due to increased by-product production requiring baking.
- IAK Plant in Guatemala: consumption increased by 4.6% over the previous year, due to the loss of efficiency in food lines influenced by the continuous change of formats in the production line, given the increase in the production of this category.

- Refreshments, Pepsi and Dairy Plants: consumption was reduced by initiatives such as:
  - Improvement in pasteurization processes
  - Isolation of the daily bunker tank and decrease in the use of steam for the labeling of some Pepsi Plant products
  - Improvement in the insulation of pipes in the Dairy Plant as well as optimization of the ice-cream process to reduce steam consumption

# Greenhouse Gas Emissions

FIFCO is increasingly close to meeting its commitment to be carbon neutral in its operations and this year continued to focus on reducing the carbon footprint. The main components of this footprint are still the consumption of thermal and electrical energy and refrigerant gas consumption.

The carbon footprint is determined through the application of the international protocols ISO 14064 and the WRI (World Resources Institute) Greenhouse Gas Protocol.

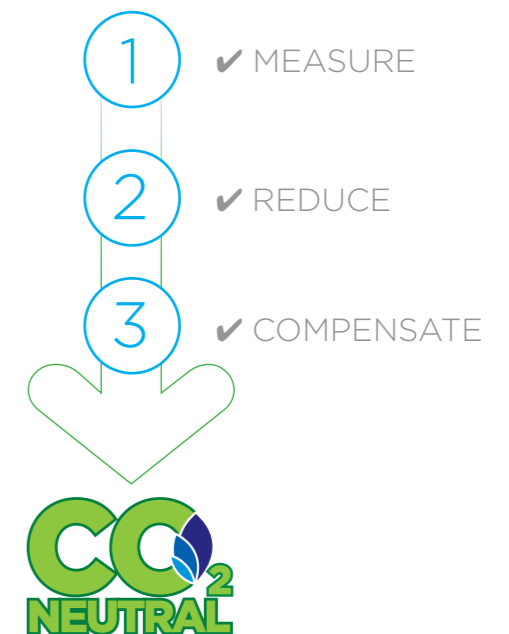
Greenhouse gas emissions derive mainly from the consumption of fossil fuels (bunker, diesel, gasoline, and LP gas), refrigerants consumption, electrical energy consumption and the product of local and foreign air travel. Reduction of emissions is based on energy efficiency, substitution of fossil fuels for clean energy (solar and biomass) recovery and replacement of refrigerant gases, treatment of our wastewater and reduction of the amount of solid waste sent to the landfill, etc. The final **compensation** of the remaining carbon footprint is done through the implementation of external clean energy projects or through forest carbon sequestration.

FIFCO's food and beverage operation in Costa Rica again performed the third party verification covering all direct operations of Florida Bebidas

in Costa Rica, from the entry of raw materials into the manufacturing process, to the product's distribution. Carbon footprint measurement includes all direct emissions (Scope 1), indirect emissions (Scope 2) and some indirect emissions of Scope 3. The carbon footprint for 2015 was 45,718.69 tons of CO<sub>2</sub>e.

**In 2016, the contracting process for the substitution of bunker for biomass in the Beer Plant was defined.** This improvement is expected to come into operation by the end of 2017. The emission factor calculated according to the Emission Measurement Protocol was also finalized and incorporated in the calculation of the distribution and vehicle fleet footprint. With this process, **the carbon footprint calculation was improved in these sources of Scope 1, which makes the process more precise.**

Among the initiatives to reduce emissions are, in addition to the above mentioned improvements in electrical and thermal energy consumption:



## TOTAL EMISSIONS

2015	2016
47,266.61 ton CO <sub>2</sub> e	45,718.69 ton CO <sub>2</sub> e
Reduction of -1,547.92 ton CO <sub>2</sub> e - 3% Improvement	

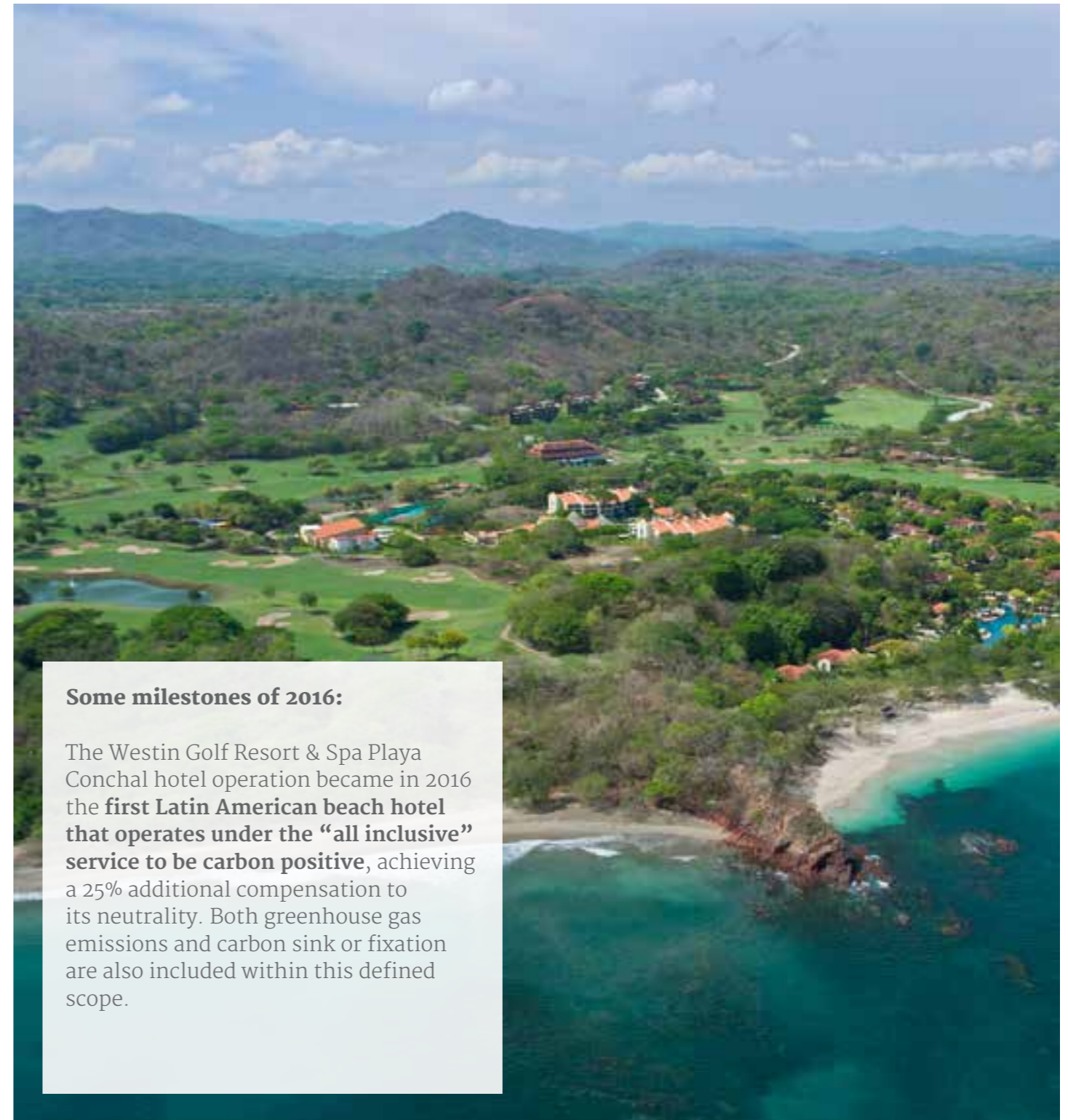
ENVIRONMENTAL DIMENSION

## GREENHOUSE GAS EMISSIONS

- Reduction and improvement in the use of refrigerants in the Dairy Plant
- Capturing refrigerants from destroyed cold chambers
- Continuity of the Fleet Management Economic Driving Program (Efficient Driving, Codes and Mechanics)
- Operational improvements in the Distribution area that reduce diesel consumption

**The Florida Retail (Musmanni) production plant** was awarded the Carbon Neutrality Certificate under the INTE 12-01-06 standard for third consecutive year. For this year, the reported carbon footprint was 2593.98 tons of CO<sub>2</sub>e, 978 tons of CO<sub>2</sub> more than in 2015 due to the increase in the rate of leakage of refrigerant gases from the final product cold storage equipment. Reductions were made through the installation of solar panels. There is an action plan to reduce carbon emissions from the use of refrigerants that will begin at the end of 2017.

ENVIRONMENTAL  
DIMENSION



#### Some milestones of 2016:

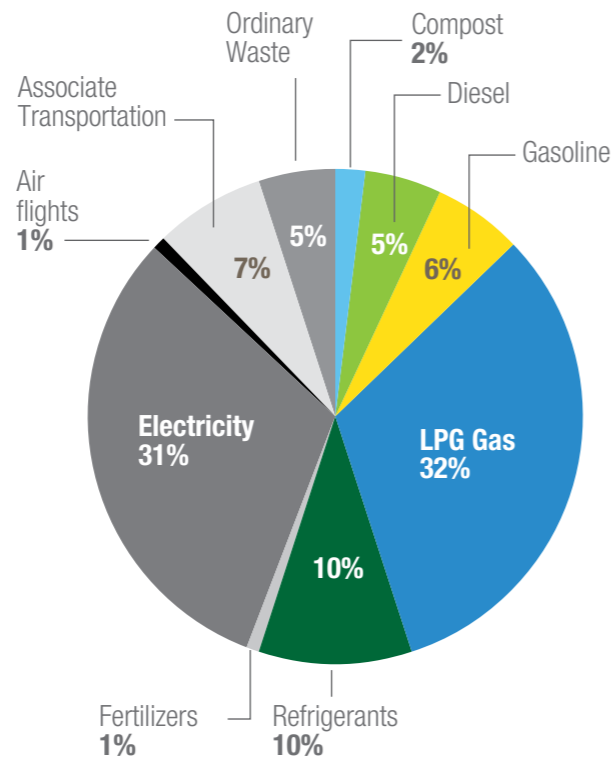
The Westin Golf Resort & Spa Playa Conchal hotel operation became in 2016 the **first Latin American beach hotel that operates under the “all inclusive” service to be carbon positive**, achieving a 25% additional compensation to its neutrality. Both greenhouse gas emissions and carbon sink or fixation are also included within this defined scope.

GREENHOUSE GAS EMISSIONS

**Measurement**

The 2014 fiscal year was selected as the measurement's base year. For this year a total of 4,880 tons of CO<sub>2</sub>e is quantified. The following graph shows the distribution of the emission sources.

**EMISSION SOURCES DISTRIBUTION**



ENVIRONMENTAL DIMENSION

**Reduction**

The reduction of 1,295 tons of CO<sub>2</sub>e in 2015 is due to projects such as:

- Installation of a new heat exchanger for the utilization of residual heat, control and reduction of leaks in cooling systems, optimization of the guest transport roll within the Resort and other energy efficiency initiatives.
- The change in the emission factor in the country's electricity generation, due to the reduction of the thermal factor of 2015 compared to 2014 also had a positive and beneficial effect on the carbon footprint. With this reduction, the carbon footprint up to 2015 declined to 3,586 ton CO<sub>2</sub>e.

**Internal carbon fixation**

Within Reserva Conchal, there are 265 coverage hectares of three types: shrubs and scrubland (49.2 ha), scrubland in transition to secondary forest (87.10 ha) and secondary forest (129.0 ha). This forest coverage captures CO<sub>2</sub>, by fixing this gas present in the atmosphere and incorporating it into its plant mass as carbon through photosynthesis. This same process releases oxygen into the environment as a result of carbon fixation. Given this process, this particular forest is called a carbon sink, which is managed under

a natural regeneration forest scheme. Annually, this forest coverage fixes in average 3,033 tons of CO<sub>2</sub> per year, for a rate of 11.24 tons of CO<sub>2</sub>/ha. This carbon fixation medicine is also performed under an established representative sampling protocol in 16 measurement plots distributed in the sink area.

**Compensation**

Mitigation of the remaining carbon footprint is done by external compensation of the non-reduced or fixed emissions. There are different mechanisms to perform this compensation. In the case of the Hotel Westin Playa Conchal we opted for compensation in the local carbon market via the Costa Rican Carbon Units, known as CCUs, through the acquisition of carbon credits for a total of 1,720 tons of carbon or CCUs.

**Other atmospheric emissions**

Other reported atmospheric emissions include nitrogen oxide and sulfur dioxide, which are different from greenhouse gases and are related to the quality of the fuels used as well as the combustion efficiency of the equipment where they are used.

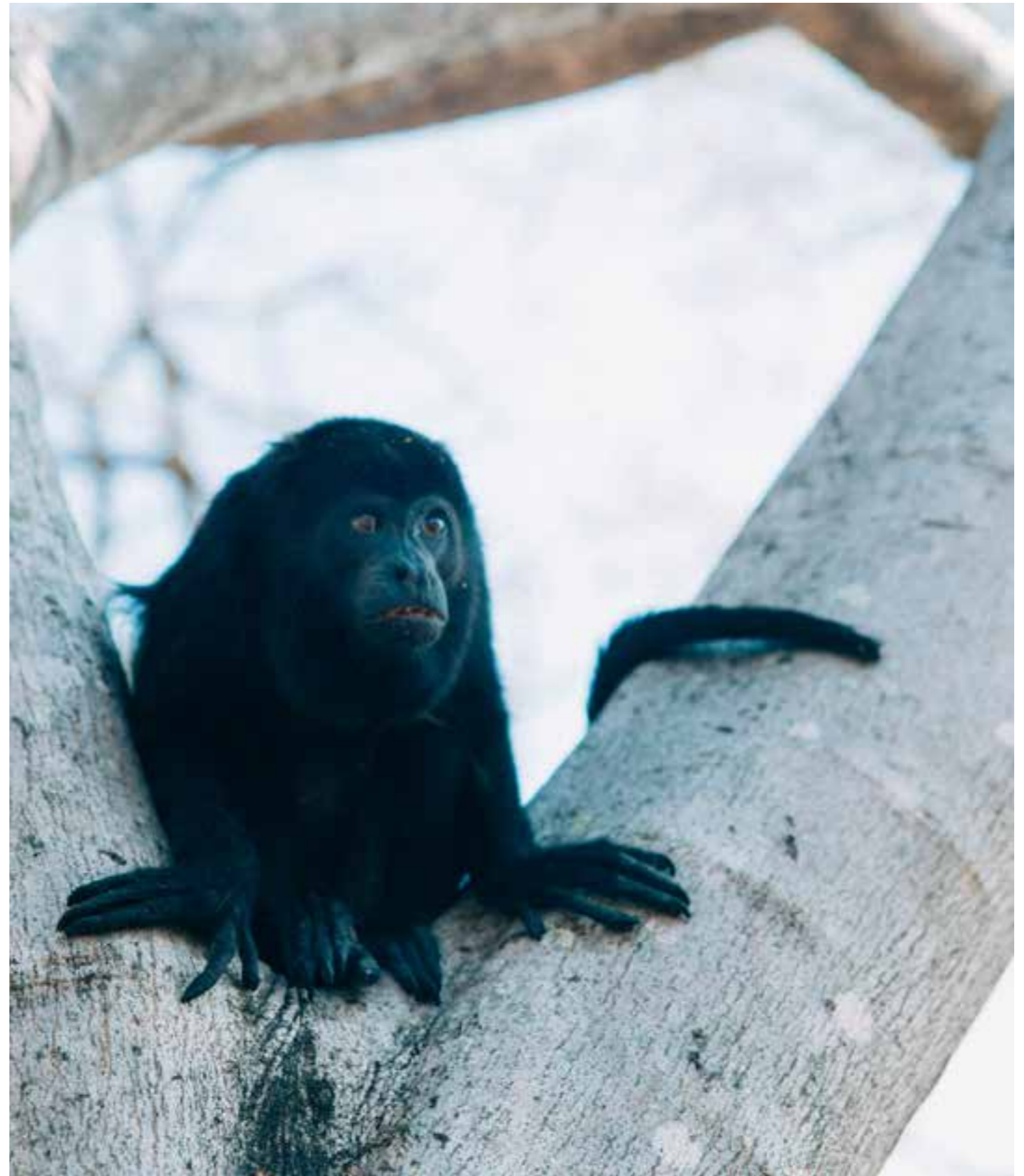


## Biodiversity

None of the facilities owned or leased for food and beverage operations are adjacent, contain or are located in protected areas and unprotected areas of great value to biodiversity. The Beer, Tropical, Pepsi plants and the Regional Distribution Center of Guápiles are adjacent to surface water bodies and the Costa Rican Forestry Law establishes as protected area the boundary margin with the water body from the river bank, 10 m into the property in rural areas (the three Production Plants) and 15m in the Guápiles RDC for being located in rural area; however, these areas are not considered of high biodiversity.

The Reserva Conchal project is located adjacent to the maritime-terrestrial zone, mangrove and the mangrove lagoon; however, and as in the previous case, they are not considered areas of high biodiversity. In spite of the above, the real estate project develops different initiatives for the protection of diverse zones both outside and within its property for the protection of biodiversity.

No significant direct impact on biodiversity is reported in protected natural areas or in unprotected high biodiversity areas, derived from FIFCO activities, products and services in protected areas and in areas of high biodiversity value in zones outside the protected areas. In an indirect way, the improper handling of post-consumer containers by the consumers causes



BIODIVERSITY

them to reach surface water bodies (rivers and seas) which can affect biodiversity; however and to mitigate this impact, is that FIFCO has its own Recycling Program.

FIFCO protects habitats both within its properties and in extensions of land outside it. In the case of the Beer Plant and Tropical Plant, these allocate a percentage of their area for the protection of their water sources, which has a positive impact on the area's biodiversity. For its part, Reserva Conchal allocates 60% of the property for private reserve, currently under natural regeneration.

Externally, FIFCO, aware of the importance of natural resources, especially forest coverage in protecting biodiversity but also water resources, scenic beauty and carbon fixation, has invested since the year 2001 in the protection of watersheds through environmental service certificates.

This mechanism ensures the environmental services necessary for the development of its activity, as well as guaranteeing that the funds effectively reach the owners and areas of their interest through verification of the use and application of resources. To this end, FONAFIFO's Environmental Services Certificates (CSA) have been acquired.

Reserva Conchal has invested since 2006 in the protection of the Matapalo and Lajas River basins as areas of influence of the real estate project, as well as in the water recharge area of the resort's water supply wells. This mechanism protects a total of 329 hectares, of which 170ha are located in the Lajas River watershed, 100ha in the Matapalo River watershed and 59ha in the recharge area. A research project approved by the Tempisque Conservation Area is currently



being developed to assess the health status of the raccoon and pizote populations on the property in conjunction with the Veterinary Hospital of the National University. In addition, an investigation of the forest that surrounds the golf course is carried out with INISEFOR of the National University in order to determine its current state to propose in the future a project for the enrichment of species concordant with the area's forest type, in turn allowing the connectivity of ecosystems. Likewise, another research is conducted to determine the state and growth of the mangroves in the zone from Playa Grande to Brasilito.

Reserva Conchal officialized since 2009, the creation of the Conchal Mixed National Wildlife Refuge, located in Cabo Velas District, Santa Cruz, Guanacaste, where the real estate development is located. The refuge has an area of 39.75 hectares (28.29ha owned by the real estate development and 11.46ha State's Natural Heritage) of dry forest in transition to humid, with a mangrove, estuary (Puerto Viejo) and lagoon of the same mangrove. This refuge was created with the aim of conserving and restoring ecosystems associated to the mangrove and surrounding forest, incorporating the local interest for environmental issues, as well as the interest to preserve the

BIODIVERSITY

scenic beauty of the site for entertainment and recreation, for both the residents of nearby communities and for national and foreign tourists. FIFCO activities do not pose threats to the endangered plant and animal species included in the IUCN's "Red List and in the national records for the conservation of species in the conservation areas where our facilities are located. However, the GRI 304-4 disclosure describes the species that are endangered living within our area of operation.

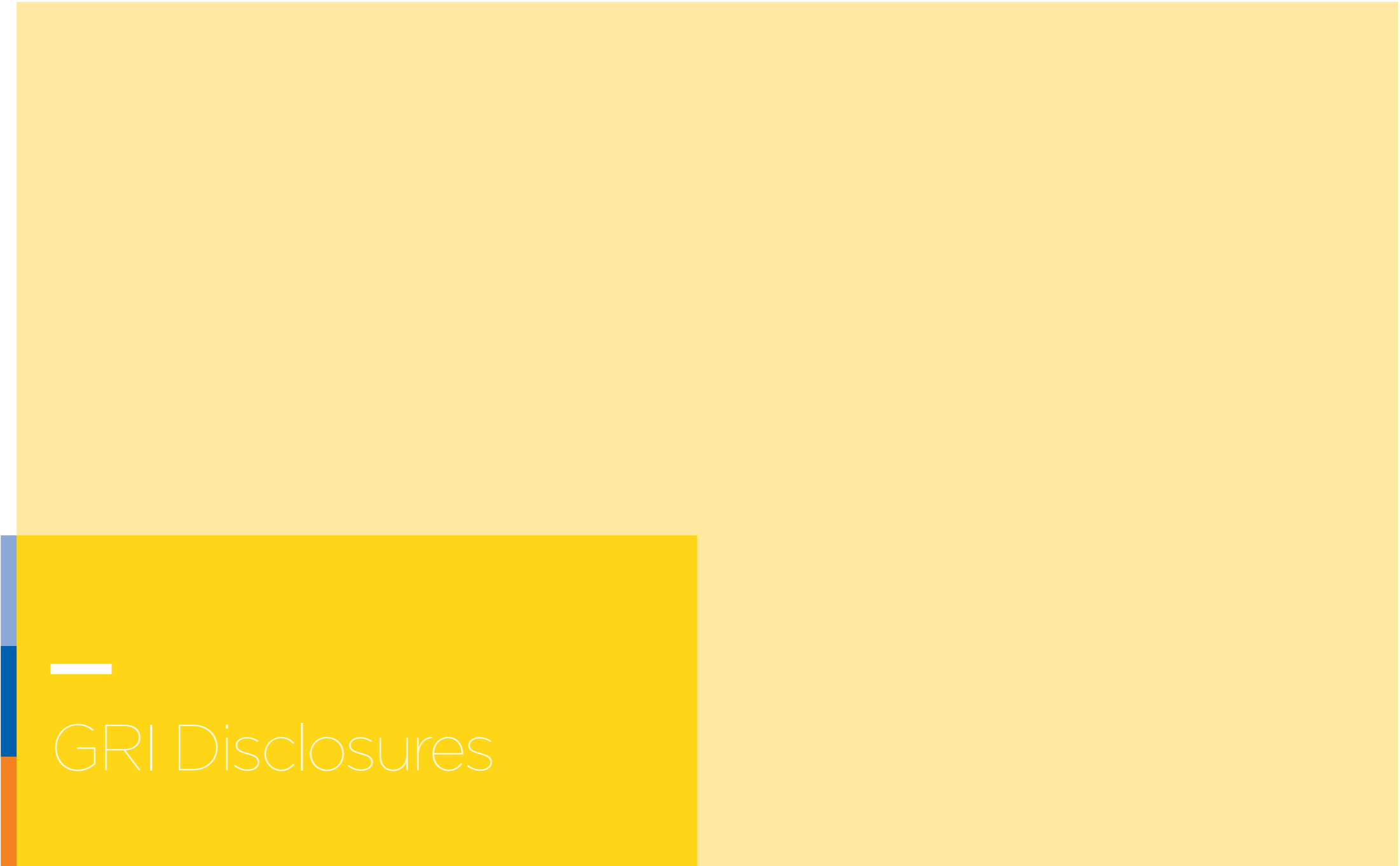
**Complaints, Allegations and Sanctions**

During the period none of FIFCO's business units has been subject to administrative or judicial sanctions related to environmental issues in the countries where we operate. Regarding complaints, in particular with the treatment plant of the industrial operation in Guatemala, despite fully complying with local legislation regarding the quality of the discharge and sound emissions, there have been several complaints due to noise and odor generation, some well-founded based on the operation of the treatment system itself, others not. Irrespective of this, a plan for improvements and approach to neighboring communities has been generated and implemented to address this issue, which has been successful so far, improving the relationship with immediate communities. This plant has a new activated carbon odor treatment system, both in the treatment plant area and in the boilers' area, which were built voluntarily by the organization to improve control and prevent emissions coming from the process areas.

**THE MAIN ACTIVITIES CARRIED OUT IN THE BIODIVERSITY AXIS FOR THE REPORTING PERIOD WERE AS FOLLOWS**

- Follow-up of the infrastructure project for the Refuge's bridges, 5 ramps were placed and another bridge was built, providing our visitors easy access.
- 245 people including national and international guests, school, high school and university students were attended.
- Continuity of the Green Future Project in which children of the surrounding communities are made aware of environmental issues.
- The plant nursery has 1 year since its creation, 336 species of different trees have been reproduced such as mahogany, Guanacaste, Cenízaro, Saíno, Carao among others.
- 7 cleaning campaigns were coordinated in surrounding areas of the Refuge.
- Research studies were completed in the permanent plots of the forest and mangrove.

In the case of Florida Retail's industrial operation, a lawsuit filed by a neighbor against the previous owner of this operation is in the process of conciliation before the Administrative Environmental Court in Costa Rica. Since the acquisition by FIFCO of this operation, there has been no environmental incident, on the contrary, under the new administration this facility has obtained its environmental certification ISO 14001 and Carbon Neutrality INTE 06-12-01 which allows controlling aspects and preventing environmental impacts resulting from this operation.



# GRI Disclosures



GRI DISCLOSURES  
AND ANNEXES

# GRI Disclosures

## GRI CONTENT INDEX



GRI Standard	GRI Standard Number	Disclosure	Page	Omissions	External Assurance
GRI 102: General Disclosures 2016	102-1	Name of the organization	3		No
GRI 102: General Disclosures 2016	102-2	Activities, brands, products, and services	5, 23 y 25	Note: FIFCO does not market any product in dispute or prohibited.	No
GRI 102: General Disclosures 2016	102-3	Location of headquarters	5 y 23		No
GRI 102: General Disclosures 2016	102-4	Location of operations	5 y 23		No
GRI 102: General Disclosures 2016	102-5	Ownership and legal form	5 y 23		No
GRI 102: General Disclosures 2016	102-6	Markets served	5, 23 y 26		No
GRI 102: General Disclosures 2016	102-7	Scale of the organization	5, 15 - 23		No
GRI 102: General Disclosures 2016	102-8	Information on employees and other workers	127		No
GRI 102: General Disclosures 2016	102-9	Supply chain	212		No
GRI 102: General Disclosures 2016	102-10	Significant changes to the organization and its supply chain	38		No
GRI 102: General Disclosures 2016	102-11	Precautionary Principle	40		No
GRI 102: General Disclosures 2016	102-12	External initiatives	40		No
GRI 102: General Disclosures 2016	102-13	Membership to associations	41		No
GRI 102: General Disclosures 2016	102-14	Statement from senior decision-maker	9-13		No
GRI 102: General Disclosures 2016	102-15	Describe the key impacts, risks, and opportunities	31 y 58		No
GRI 102: General Disclosures 2016	102-16	Values, principles, standards, and norms of behavior	151		No
GRI 102: General Disclosures 2016	102-17	Mechanisms for advice and concerns about ethics	152		No
GRI 102: General Disclosures 2016	102-18	Governance structure	42		No
GRI 102: General Disclosures 2016	102-19	Delegating authority	6		No

GRI Standard	GRI Standard Number	Disclosure	Page	Omissions	External Assurance
GRI 102: General Disclosures 20166	102-20	Executive-level responsibility for economic, environmental, and social topics	44		No
GRI 102: General Disclosures 2016	102-21	Consulting stakeholders on economic, environmental, and social topics	43 y 48		No
GRI 102: General Disclosures 201616	102-22	Composition of the highest governance body and its committees	8, 42 y 43		No
GRI 102: General Disclosures 2016	102-23	Chair of the highest governance body	42		No
GRI 102: General Disclosures 2016	102-24	Nominating and selecting the highest governance body	43		No
GRI 102: General Disclosures 2016	102-25	Conflicts of interest	43		No
GRI 102: General Disclosures 20166	102-26	Role of highest governance body in setting purpose, values, and strategy	42 y 44		No
GRI 102: General Disclosures 2016	102-27	Collective knowledge of highest governance body	44		No
GRI 102: General Disclosures 20166	102-28	Evaluating the highest governance body's performance	43		No
GRI 102: General Disclosures 2016	102-29	Identifying and managing economic, environmental, and social impacts	44		No
GRI 102: General Disclosures 2016	102-30	Effectiveness of risk management processes	58		No
GRI 102: General Disclosures 2016	102-31	Review of economic, environmental, and social topics	44		No
GRI 102: General Disclosures 2016	102-32	Highest governance body's role in sustainability reporting	44		No
GRI 102: General Disclosures 2016	102-33	Communicating critical concerns	43 y 44		No
GRI 102: General Disclosures 2016	102-34	Nature and total number of critical concerns	44		No
GRI 102: General Disclosures 2016	102-35	Remuneration Policies	42-44		No
GRI 102: General Disclosures 2016	102-36	Process for determining remuneration	-	Omission due to confidentiality	No
GRI 102: General Disclosures 2016	102-37	Stakeholders' involvement in remuneration	42		No
GRI 102: General Disclosures 2016	102-38	Annual total compensation ratio	-	Omission due to confidentiality: the company does not share this information to protect the data of its associates.	No
GRI 102: General Disclosures 2016	102-39	Percentage increase in annual total compensation ratio	129		No

GRI Standard	GRI Standard Number	Disclosure	Page	Omissions	External Assurance
GRI 102: General Disclosures 2016	102-40	List of stakeholder groups	48		Vincular Center for Social Responsibility and Sustainable Development, School of Commercial Engineering of the Pontifical Catholic University of Valparaíso. See page 200.
GRI 102: General Disclosures 2016	102-41	Collective bargaining agreements	131		
GRI 102: General Disclosures 2016	102-42	Identifying and selecting stakeholders	48		Vincular Center for Social Responsibility and Sustainable Development, School of Commercial Engineering of the Pontifical Catholic University of Valparaíso. See page 200.
GRI 102: General Disclosures 2016	102-43	Approach to stakeholder engagement	48-50		Vincular Center for Social Responsibility and Sustainable Development, School of Commercial Engineering of the Pontifical Catholic University of Valparaíso. See page 200.
GRI 102: General Disclosures 2016	102-44	Key topics and concerns raised	49, 54-56		Vincular Center for Social Responsibility and Sustainable Development, School of Commercial Engineering of the Pontifical Catholic University of Valparaíso. See page 200..
GRI 102: General Disclosures 2016	102-45	Entities included in the consolidated financial statements	3 y 24		Vincular Center for Social Responsibility and Sustainable Development, School of Commercial Engineering of the Pontifical Catholic University of Valparaíso. See page 200.

GRI Standard	GRI Standard Number	Disclosure	Page	Omissions	External Assurance
GRI 102: General Disclosures 2016	102-46	Defining report content and topic boundaries	3 y 54		Vincular Center for Social Responsibility and Sustainable Development, School of Commercial Engineering of the Pontifical Catholic University of Valparaíso. See page 200.
GRI 102: General Disclosures 2016	102-47	List of material topics	55-56		Vincular Center for Social Responsibility and Sustainable Development, School of Commercial Engineering of the Pontifical Catholic University of Valparaíso. See page 200.
GRI 102: General Disclosures 2016	102-48	Restatements of information	54		Vincular Center for Social Responsibility and Sustainable Development, School of Commercial Engineering of the Pontifical Catholic University of Valparaíso. See page 200.
GRI 102: General Disclosures 2016	102-49	Changes in reporting	54		Vincular Center for Social Responsibility and Sustainable Development, School of Commercial Engineering of the Pontifical Catholic University of Valparaíso. See page 200.
GRI 102: General Disclosures 2016	102-50	Reporting period	3		No
GRI 102: General Disclosures 2016	102-51	Date of most recent report	3		No
GRI 102: General Disclosures 2016	102-52	Reporting Cycle	3		No
GRI 102: General Disclosures 2016	102-53	Contact point for questions regarding the report	3		No
GRI 102: General Disclosures 2016	102-54	Claims of reporting in accordance with the GRI Standards	3		No
GRI 102: Administrative Scope 2016	102-55	GRI context index	181-190		No
GRI 102: General Disclosures 2016	102-56	External assurance	59		No
GRI 103: Management Approach 2016	103-1-a	Explanation of the material topic and its boundary	54		No



GRI Standard	GRI Standard Number	Disclosure	Page	Omissions	External Assurance
GRI 103: Administrative Scope 2016	103-1-b 103-1-c	Explanation of the B2:G141 topic and its boundary	57		Vincular Center for Social Responsibility and Sustainable Development, School of Commercial Engineering of the Pontifical Catholic University of Valparaíso. See page 200.
GRI 103: Administrative Scope 2016	103-2	The management approach and its components	54		No
GRI 103: Administrative Scope 2016	103-2-c	Number of complaints about social impacts that have been filed, addressed and solved through formal grievance mechanisms	106, 132 y 179		No
GRI 103: Administrative Scope 2016	103-3	Evaluation of the management approach	54		No
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	15-21		No
GRI 201: Economic Performance 2016	201-2	Financial implications and other risks and opportunities due to climate change	213		No
GRI 201: Economic Performance 2016	201-3	Defined benefit plan obligations and other retirement plans	205		No
GRI 201: Economic Performance 2016	201-4	Financial assistance received from government	71		No
GRI 202: Market Presence 2016	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	206		No
GRI 202: Market Presence 2016	202-2	Proportion of senior management hired from the local community in places where significant operations are developed	42		No
GRI 203: Indirect Economic Impacts 2016	203-1	Development and impact of Infrastructure investments and types of services	-	No investments in infrastructure projects were made during the period.	No
GRI 203: Indirect Economic Impacts 2016	203-2	Significant indirect economic impacts and their reach	52		No
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	72 y 213		No
GRI 205: Anti-corruption 2016	205-1	Number and percentage of centers where the risks related to corruption and significant detected risks have been assessed	151		No
GRI 205: Anti-corruption 2016	205-2	Communication and training policies and procedures about anti-corruption	151 y 152		No
GRI 205: Anti-corruption 2016	205-3	Corruption cases confirmed and actions adopted	-	There were no cases of this type in the reporting period.	No

GRI Standard	GRI Standard Number	Disclosure	Page	Omissions	External Assurance
GRI 206: Anti-competitive Behavior 2016	206-1	Number of claims for anti-competitive behavior, monopoly practices or against free competition and results	71	There were no demands of this type in the reporting period.	No
GRI 301: Materials 2016	301-1	Materials used by weight or volume	157		No
GRI 301: Materials 2016	301-2	Percentage of recycled input materials used	157		No
GRI 301: Materials 2016	301-3	Percentage of products sold and its packaging materials recovered at the end of its shelf life, by product category	171		No
GRI 302: Energy 2016	302-1	Energy consumption within the organization	214		No
GRI 302: Energy 2016	302-2	Energy consumption outside of the organization	211		No
GRI 302: Energy 2016	302-3	Energy intensity	211 y 215		No
GRI 302: Energy 2016	302-4	Reduction of energy consumption	172		No
GRI 302: Energy 2016	302-5	Reductions in energy requirements of products and services	-	There were no cases of this type in the reporting period.	No
GRI 303: Water 2016	303-1	Water withdrawal by source	158		No
GRI 303: Water 2016	303-2	Water sources significantly affected by withdrawal of water	211		No
GRI 303: Water 2016	303-3	Percentage and total volume of water recycled and reused	163		No
GRI 304: Biodiversity 2016	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	177		No
GRI 304: Biodiversity 2016	304-2	Significant impacts of activities, products, and services on biodiversity	177		No
GRI 304: Biodiversity 2016	304-3	Habitats protected or restored	177		No
GRI 304: Biodiversity 2016	304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	211 y 217		No
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	172		No
GRI 305: Emissions 2016	305-2	Energy indirect (Scope 2) GHG emissions	172		No
GRI 305: Emissions 2016	305-3	Other indirect (Scope 3) GHG emissions	172		No
GRI 305: Emissions 2016	305-4	GHG emissions intensity	218		No
GRI 305: Emissions 2016	305-5	Reduction of GHG emissions	174		No
GRI 305: Emissions 2016	305-6	Emissions of ozone-depleting substances (ODS)	219		No
GRI 305: Emissions 2016	305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	219		No
GRI 306: Effluents and Waste 2016	306-1	Water discharge by quality and destination	221		No
GRI 306: Effluents and Waste 2016	306-2	Total weight of waste, by type and treatment method	167		No

GRI Standard	GRI Standard Number	Disclosure	Page	Omissions	External Assurance
GRI 306: Effluents and Waste 2016	306-3	Significant spills	222		No
GRI 306: Effluents and Waste 2016	306-4	Transport of hazardous waste	211		No
GRI 306: Effluents and Waste 2016	306-5	Water bodies affected by water discharges and/or runoff	-	Omission: NA	No
GRI 307: Environmental Compliance 2016	307-1	Non-compliance with environmental laws and regulations	179		No
GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	109		No
GRI 308: Supplier Environmental Assessment 2016	308-2	Negative environmental impacts in the supply chain and actions taken	108		No
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	207		No
GRI 401: Employment 2016	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	130		No
GRI 401: Employment 2016	401-3	Parental leave	128		No
GRI 402: Labor/Management Relations 2016	402-1	Minimum notice periods regarding operational changes	131		No
GRI 403: Occupational Health and Safety 2016	403-1	Workers representation in formal joint management– worker health and safety committees	119		No
GRI 403: Occupational Health and Safety 2016	403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	120		No
GRI 403: Occupational Health and Safety 2016	403-3	Workers with high incidence or high risk of diseases related to their occupation	-	Omission: NA	No
GRI 403: Occupational Health and Safety 2016	403-4	Health and safety topics covered in formal agreements with trade unions	121		No
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	125		No
GRI 404: Training and Education 2016	404-2	Programs for upgrading employee skills and transition assistance programs	124		No
GRI 404: Training and Education 2016	404-3	Percentage of employees receiving regular performance and career development reviews, classified by gender and professional category	208		No
GRI 405: Diversity and Equal Opportunity 2016	405-1	Composition of government entities and payroll breakdown by professional category and sex, age, minority they belong to and other diversity indicator	42 y 127		No
GRI 405: Diversity and Equal Opportunity 2016	405-2	Ratio of basic salary and remuneration of women to men, classified by professional category and by significant activity locations	209		No

GRI Standard	GRI Standard Number	Disclosure	Page	Omissions	External Assurance
GRI 406: No discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	-	Omission: there were no cases of this type in the reporting period.	No
GRI 407: Freedom of Association and Collective Agreements 2016	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk and measures adopted to defend such rights	131		No
GRI 408: Child Labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labor	132		No
GRI 409: Forced Labor 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	-	There were no cases of this type in the reporting period.	No
GRI 410: Safety Practices 2016	410-1	Security personnel trained in human rights policies or procedures	-	Omission: No training of this type was reported in this period.	No
GRI 411: Rights of Indigenous Peoples 2016	411-1	Incidents of violations involving rights of indigenous peoples and measures adopted	132		No
GRI 412: Human Rights Assessment 2016	412-1	Operations that have been subject to human rights reviews or impact assessments	-	Omission: No center has been subject to evaluation regarding human rights.	No
GRI 412: Human Rights Assessment 2016	412-2	Training for employees on Human Rights policies and procedures	125		No
GRI 412: Human Rights Assessment 2016	412-3	Number and percentage of significant investment contracts and agreements that include human rights clauses or that have been subject to analysis regarding human rights	-	Omission: no investment contracts or agreements were reported.	No
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	134-153		No
GRI 413: Local Communities 2016	413-2	Operations with significant actual and potential negative impacts on local communities	179		No
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	108		No

GRI Standard	GRI Standard Number	Disclosure	Page	Omissions	External Assurance
GRI 414: Supplier Social Assessment 2016	414-2	Negative social impacts in the supply chain and actions taken	108		No
GRI 415: Public Policy 2016	415-1	Political contributions, by country and recipient	151		No
GRI 416: Customer Health and Safety 2016	416-1	Assessment of the health and safety impacts of product and service categories	102		No
GRI 416: Customer Health and Safety 2016	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services, classified by the type of result of such incidents	103		No
GRI 417: Marketing and Labeling 2016	417-1	Requirements for product and service information and labeling	102		No
GRI 417: Marketing and Labeling 2016	417-2	Incidents of non-compliance concerning product and service information and labeling	103		No
GRI 417: Marketing and Labeling 2016	417-3	Incidents of non-compliance concerning marketing communications	139		No
GRI 418: Customer Privacy	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	105		No
GRI 419: Socioeconomic Compliance 2016	419-1	Non-compliance with laws and regulations in the social and economic area	151		No

# Annexes

GRI DISCLOSURES  
AND ANNEXES



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# Prosecutor's Office Report

GRI DISCLOSURES  
AND ANNEXES



21 de noviembre de 2016

Señor  
 Wilhelm Steinvorth Herrera  
 Presidente Junta Directiva  
 Florida Ice & Farm Co. S.A. y Subsidiarias  
 Presente

Estimado señor:

De conformidad con lo establecido en el Artículo 197 del Código de Comercio y conforme a lo que disponen los estatutos de Florida Ice & Farm Co. S.A. y Subsidiarias, me permito presentar a usted el informe de las actividades que, como Fiscal de la compañía, he realizado durante el período 2015-2016 y le solicito que el mismo sea del conocimiento de la Junta Directiva y de la Asamblea General de Accionistas que se llevará a cabo el 15 de diciembre de este año.

En las reuniones mensuales de la Junta Directiva, la Administración presenta un informe en el cual, aparte de mostrar los estados financieros de cada mes, se hace una reseña sobre el avance de las metas y el cumplimiento de los objetivos para el período que corresponde. Dicha información es discutida y analizada ampliamente en el seno de la Junta Directiva y esta fiscalía da fe de que las recomendaciones y sugerencias que se emiten son acatadas por la Administración. Durante el año la Junta Directiva sesionó en doce ocasiones en forma ordinaria. En el control de la gestión administrativa y financiera de la organización, la Junta Directiva se apoya en la labor de la Auditoría Corporativa, la cual trabaja bajo un plan anual debidamente aprobado y monitoreado por el Comité de Auditoría, el cual celebró cuatro reuniones durante el período.

Con base en las revisiones efectuadas de los estados financieros, se puede afirmar que la contabilidad ha sido llevada en forma ordenada y al día, de acuerdo con las Normas Internacionales de Información Financiera, de manera que los estados financieros representan razonablemente la posición financiera y el resultado económico de las operaciones de Florida Ice & Farm Co. y sus subsidiarias, en el período anual finalizado el 30 de setiembre de 2016, situación que se ratifica con el informe de la auditoría externa realizada por la firma Deloitte con fecha 15 de noviembre 2016.

Con base en la opinión de los auditores externos y de la Auditoría Corporativa, así como en mi participación en las sesiones de Junta Directiva y del Comité de Auditoría puedo afirmar que, en general, la administración, la contabilidad y la operación de Florida Ice & Farm Co. S.A. y sus subsidiarias, se desarrollan dentro de parámetros de eficiencia y orden adecuados, y que los informes reflejan razonablemente la situación de la empresa y sus resultados al cierre del período 2015-2016. Asimismo, doy constancia de que tanto los acuerdos de Asamblea de Accionistas como de la Junta Directiva se han cumplido y que las actas se han consignado en los libros correspondientes y están debidamente firmadas.

Atentamente,

Roberto Truque Harrington  
 Fiscal de la Junta Directiva





# Corporate Governance Report



**GRI DISCLOSURES  
AND ANNEXES**



Centro Corporativo El Cafetal  
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La Ribera, Belén, Heredia  
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## INFORME DE LOS AUDITORES INDEPENDIENTES

A la Junta Directiva y Accionistas de  
Florida Ice & Farm Company, S.A.

Hemos auditado los estados financieros consolidados que se acompañan de Florida Ice & Farm Company, S.A. y Subsidiarias ("la Compañía"), los cuales incluyen los estados consolidados de situación financiera al 30 de setiembre de 2016 y 2015, los estados consolidados de pérdidas y ganancias y otros resultados integrales, de cambios en el patrimonio y de flujos de efectivo que les son relativos, para los años que terminaron en esas fechas, así como un resumen de las políticas de contabilidad significativas y otras notas explicativas.

### *Responsabilidad de la Administración por los Estados Financieros Consolidados*

La Administración es responsable por la preparación y presentación razonable de estos estados financieros consolidados de conformidad con las Normas Internacionales de Información Financiera y por aquel control interno que la Administración determine necesario para permitir la preparación de estados financieros consolidados que estén libres de errores materiales, tanto por fraude como por error.

### *Responsabilidad de los Auditores*

Nuestra responsabilidad es expresar una opinión sobre estos estados financieros consolidados con base en nuestras auditorías. Realizamos nuestras auditorías de acuerdo con las Normas Internacionales de Auditoría. Dichas normas requieren que cumplamos con los requerimientos éticos y que planifiquemos y realicemos la auditoría para obtener seguridad razonable de que los estados financieros consolidados no contienen errores importantes.

Una auditoría involucra realizar procedimientos para obtener evidencia de auditoría sobre los montos y revelaciones en los estados financieros consolidados. Los procedimientos seleccionados dependen del criterio del auditor, incluyendo la evaluación de riesgos de errores importantes en los estados financieros consolidados, ya sea debido a fraude o error. Al hacer esta evaluación de riesgos, el auditor considera los controles internos relevantes de la Compañía en la preparación y presentación razonable de los estados financieros consolidados, para diseñar procedimientos de auditoría apropiados en las circunstancias, pero no con el propósito de expresar una opinión sobre la efectividad del control interno de la Compañía. Una auditoría incluye también evaluar lo apropiado de las políticas contables utilizadas y la razonabilidad de las estimaciones contables hechas por la Administración, así como la evaluación de la presentación general de los estados financieros consolidados.

## Deloitte.

Consideramos que la evidencia de auditoría que hemos obtenido es suficiente y apropiada para proporcionar una base para nuestra opinión de auditoría.

### Opinión

En nuestra opinión, los estados financieros consolidados que se acompañan presentan razonablemente, en todos los aspectos importantes, la situación financiera consolidada de Florida Ice & Farm Company, S.A. y Subsidiarias al 30 de setiembre de 2016 y 2015, su desempeño financiero consolidado y sus flujos de efectivo consolidados para los años que terminaron en esas fechas, de conformidad con las Normas Internacionales de Información Financiera.



Lic. Luis Guillermo Rodríguez Araya - C.P.A. No.1066  
Póliza No.0116 FIG 7  
Vence: 30 de setiembre de 2017  
Cancelado Timbre de Ley No.6663, €1.000



15 de noviembre de 2016

## FLORIDA ICE AND FARM COMPANY, S.A. Y SUBSIDIARIAS

Estados Consolidados de Situación Financiera  
(En Millones de Colones)

30 de setiembre de 2016 y de 2015

<u>Activos</u>	<u>Nota</u>	<u>2016</u>	<u>2015</u>
Efectivo y equivalentes de efectivo	4	¢ 63.246	61.676
Inversiones en instrumentos financieros	5	2.656	2.531
Cuentas por cobrar, neto	6	54.955	51.526
Inventarios	7	63.565	58.827
Anticipos a proveedores		3.109	3.033
Desembolsos pagados por anticipado	8	23.216	19.407
Propiedades disponibles para la venta		2.527	2.283
Porción circulante documentos por cobrar a largo plazo	9	-	457
<b>Total activo circulante</b>		<b>213.274</b>	<b>199.740</b>
Documentos por cobrar a largo plazo	9	6.653	7.082
Propiedades de inversión	10	56.944	56.205
Inversiones en asociadas y otras	11	56.236	50.961
Inmuebles, planta y equipo, neto	12	245.353	239.512
Activos intangibles	13	182.924	176.651
Crédito mercantil	14	90.497	88.907
Otros activos		3.001	2.411
Impuesto sobre la renta diferido activo	24b	31.626	32.414
<b>Total activo largo plazo</b>		<b>673.234</b>	<b>654.123</b>
<b>Total Activos</b>		<b>¢ 886.508</b>	<b>853.863</b>
<b><u>Pasivos y Patrimonio</u></b>			
Préstamos bancarios a corto plazo	15	¢ 28.084	16.382
Porción circulante de los préstamos bancarios a largo plazo	16	30.372	28.871
Porción circulante de los bonos por pagar a largo plazo	17	-	4.694
Cuentas por pagar	18	55.837	40.469
Gastos acumulados y otras obligaciones	19	30.474	25.515
Impuesto sobre la renta por pagar		10.975	5.665
Otros impuestos por pagar		7.886	7.758
Adelantos recibidos de clientes		3.231	3.502
<b>Total pasivo a corto plazo</b>		<b>166.659</b>	<b>132.856</b>
Préstamos bancarios a largo plazo, excluyendo la porción circulante	16	217.090	251.997
Bonos estandarizados por pagar a largo plazo, excluyendo la porción circulante	17	55.250	55.250
Impuesto sobre la renta diferido pasivo	24b	59.496	60.965
Instrumentos financieros mantenidos para la administración del riesgo		1.739	1.545
<b>Total pasivo a largo plazo</b>		<b>333.575</b>	<b>369.757</b>
<b>Total Pasivos</b>		<b>¢ 500.234</b>	<b>502.613</b>
<b>Patrimonio:</b>			
Capital en acciones comunes	20	¢ 93.967	94.471
Menos: acciones en tesorería a su valor nominal		233	504
Capital en acciones en circulación		93.734	93.967
Capital adicional pagado		54	54
Reservas		52.917	50.616
Utilidades no distribuidas		193.860	163.432
<b>Total patrimonio atribuible a los propietarios de la controladora</b>		<b>340.565</b>	<b>308.069</b>
Participaciones no controladoras		45.709	43.181
<b>Total patrimonio</b>		<b>386.274</b>	<b>351.250</b>
Contingencias y compromisos	29, 30	-	-
<b>Total Pasivos y Patrimonio</b>		<b>¢ 886.508</b>	<b>853.863</b>

Las notas que acompañan a los estados financieros consolidados son parte integral de los mismos.

**FLORIDA ICE AND FARM COMPANY, S.A. Y SUBSIDIARIAS**  
**Estados Consolidados de Pérdidas y Ganancias y Otros Resultados Integrales**  
**(En Millones de Colones)**

Por los años terminados el 30 de setiembre de 2016 y de 2015

	Nota	2016	2015
<b>Ventas netas</b>	28	€ 664.181	623.288
Costo de las ventas		334.984	328.665
<b>Utilidad bruta</b>		<b>329.197</b>	<b>294.623</b>
Gastos de operación:			
Ventas y mercadeo	21	155.402	144.223
Generales y administrativos	22	62.132	54.604
<b>Total gastos de operación</b>		<b>217.534</b>	<b>198.827</b>
<b>Utilidad de operación</b>		<b>111.663</b>	<b>95.796</b>
Otros gastos (ingresos):			
Gastos financieros		25.022	24.712
Ingresos financieros		(1.838)	(1.659)
Diferencias de cambio, neto		1.287	(2.518)
Ganancia en participación de asociadas, neto	11	(13.428)	(12.026)
Otros, neto		(946)	4.989
<b>Otros gastos, neto</b>		<b>10.097</b>	<b>13.498</b>
<b>Ganancia del año antes de impuestos</b>		<b>101.566</b>	<b>82.298</b>
Impuesto sobre renta:			
Corriente	24	32.939	25.078
Diferido	24	(3.022)	(957)
<b>Total impuesto sobre la renta</b>		<b>29.917</b>	<b>24.121</b>
<b>Ganancia del año</b>		<b>€ 71.649</b>	<b>58.177</b>
<b>Otros resultados integrales:</b>			
Partidas que pueden ser reclasificadas posteriormente al resultado del año:			
Diferencias de cambio al convertir negocios en el extranjero – propietarios de la controladora		3.219	(4.652)
Diferencias de cambio al convertir negocios en el extranjero – participación no controladora		696	(30)
Reserva por cobertura		(88)	(981)
Partidas que no pueden ser reclasificadas posteriormente al resultado del año:			
Realización en el superávit por revaluación		(1.036)	(575)
<b>Otros resultados integrales del período después del impuesto</b>		<b>2.791</b>	<b>(6.238)</b>
<b>Resultado integral total del período</b>		<b>€ 74.440</b>	<b>51.939</b>
<b>Ganancia atribuible a:</b>			
Propietarios de la controladora		55.932	45.856
Participaciones no controladoras		15.717	12.321
		<b>€ 71.649</b>	<b>58.177</b>
<b>Resultado integral total atribuible a:</b>			
Propietarios de la controladora		58.027	39.648
Participaciones no controladoras		16.413	12.291
		<b>€ 74.440</b>	<b>51.939</b>
<b>Utilidad básica por acción</b>	20d	<b>€ 59,38</b>	<b>48,53</b>

Las notas que acompañan a los estados financieros consolidados son parte integral de los mismos.

## FLORIDA ICE AND FARM COMPANY, S.A. Y SUBSIDIARIAS

Estados Consolidados de Cambios en el Patrimonio  
(En Millones de Colones)

Por los años terminados el 30 de setiembre de 2016 y de 2015

	Saldo 30 de setiembre de 2015	Resultado Integral del periodo	Dividendos pagados	Absorción de acciones en tesorería	Compra de acciones en tesorería	Asignación de reserva legal	Saldo 30 de setiembre de 2016
Capital acciones	₡ 94.471	-	-	(504)	-	-	93.967
Acciones en tesorería	(504)	-	-	504	(233)	-	(233)
Capital adicional pagado	54	-	-	-	-	-	54
<b>Reservas:</b>							
Superávit por revaluación	32.129	(1.036)	-	-	-	-	31.093
Reserva legal	19.557	-	-	-	-	206	19.763
Reserva por cobertura	(981)	(88)	-	-	-	-	(1.069)
Ajuste por conversión de estados financieros	(89)	3.219	-	-	-	-	3.130
<b>Total Reservas</b>	<b>50.616</b>	<b>2.095</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>206</b>	<b>52.917</b>
Utilidades no distribuidas	163.432	55.932	(23.907)	-	(1.391)	(206)	193.860
<b>Patrimonio atribuible a los propietarios de la controladora</b>	<b>308.069</b>	<b>58.027</b>	<b>(23.907)</b>	<b>-</b>	<b>(1.624)</b>	<b>-</b>	<b>340.565</b>
Participaciones no controladoras	43.181	16.413	(13.885)	-	-	-	45.709
<b>Total Patrimonio</b>	<b>₡ 351.250</b>	<b>74.440</b>	<b>(37.792)</b>	<b>-</b>	<b>(1.624)</b>	<b>-</b>	<b>386.274</b>
	Saldo 30 de setiembre de 2014	Resultado Integral del periodo	Dividendos pagados	Absorción de acciones en tesorería	Compra de acciones en tesorería	Asignación de reserva legal	Saldo 30 de setiembre de 2015
Capital acciones	₡ 94.778	-	-	(307)	-	-	94.471
Acciones en tesorería	(307)	-	-	307	(504)	-	(504)
Capital adicional pagado	54	-	-	-	-	-	54
<b>Reservas:</b>							
Superávit por revaluación	32.704	(575)	-	-	-	-	32.129
Reserva legal	19.443	-	-	-	-	114	19.557
Reserva por cobertura	-	(981)	-	-	-	-	(981)
Ajuste por conversión de estados financieros	4.563	(4.652)	-	-	-	-	(89)
<b>Total Reservas</b>	<b>56.710</b>	<b>(6.208)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>114</b>	<b>50.616</b>
Utilidades no distribuidas	141.765	45.856	(21.531)	-	(2.544)	(114)	163.432
<b>Patrimonio atribuible a los propietarios de la controladora</b>	<b>293.000</b>	<b>39.648</b>	<b>(21.531)</b>	<b>-</b>	<b>(3.048)</b>	<b>-</b>	<b>308.069</b>
Participaciones no controladoras	39.915	12.291	(9.025)	-	-	-	43.181
<b>Total Patrimonio</b>	<b>₡ 332.915</b>	<b>51.939</b>	<b>(30.556)</b>	<b>-</b>	<b>(3.048)</b>	<b>-</b>	<b>351.250</b>

Las notas que acompañan a los estados financieros consolidados son parte integral de los mismos.

**FLORIDA ICE AND FARM COMPANY, S.A. Y SUBSIDIARIAS**  
**Estados Consolidados de Flujos de Efectivo**  
**(En Millones de Colones)**  
**Por los años terminados el 30 de setiembre de 2016 y de 2015**

	2016	2015
<b>Fuentes (uso) de efectivo:</b>		
<b>Actividades de operación:</b>		
<b>Ganancia del período</b>	<b>¢ 71.649</b>	<b>58.177</b>
Partidas que no requieren efectivo:		
Depreciación y amortización	32.480	29.872
Diferencial cambiario no realizado	1.882	638
Ganancia en venta de propiedades	311	-
Participación en ganancias de compañías asociadas	(13.428)	(11.147)
Estimación para cuentas de dudoso cobro	541	429
Impuesto sobre la renta diferido	(3.022)	(957)
Impuesto sobre la renta corriente	32.939	25.078
Gasto por intereses	25.022	24.712
<b>Efectivo provisto antes de cambios en el capital de trabajo</b>	<b>148.374</b>	<b>126.802</b>
Cambios en el capital de trabajo:		
Cuentas por cobrar	(3.104)	251
Anticipos a proveedores de equipo	(76)	(174)
Inventarios	(5.275)	5.294
Desembolsos pagados por anticipado	(3.809)	(1.658)
Otros activos	(590)	-
Cuentas por pagar	15.266	(4.441)
Gastos acumulados y otras obligaciones	2.395	1.495
Otros impuestos por pagar	(72)	367
Adelanto recibidos de clientes	(271)	643
<b>Efectivo provisto por las operaciones</b>	<b>152.838</b>	<b>128.579</b>
Pago de intereses	(24.093)	(24.547)
Pago de impuesto sobre la renta	(27.629)	(26.898)
<b>Efectivo neto provisto por las actividades de operación</b>	<b>101.116</b>	<b>77.134</b>
<b>Actividades de inversión:</b>		
Dividendos recibidos	7.654	8.288
Inversiones en instrumentos financieros	(125)	481
Adiciones a inmuebles, planta y equipo e intangibles	(44.405)	(28.664)
Efecto en otros activos	(1.294)	1.110
Venta inversión en asociadas	-	3.223
Efecto de la disposición de activos	3.539	11.155
<b>Efectivo neto usado para las actividades de inversión</b>	<b>(34.631)</b>	<b>(4.407)</b>
<b>Actividades de financiamiento:</b>		
Proveniente de préstamos bancarios	28.083	19.401
Amortizaciones de deuda	(54.328)	(47.612)
Adquisición de acciones en tesorería	(1.624)	(3.552)
Disminución de la participación no controladora por dividendos pagados	(13.885)	(9.025)
Dividendos pagados	(23.907)	(21.531)
<b>Efectivo neto usado para las actividades de financiamiento</b>	<b>(65.661)</b>	<b>(62.319)</b>
<b>Aumento en el efectivo y equivalentes de efectivo</b>	<b>824</b>	<b>10.408</b>
Efectivo y equivalentes de efectivo al inicio del período	61.676	56.178
Ajuste por conversión de estados financieros	748	(4.910)
<b>Efectivo y equivalentes de efectivo al final del período</b>	<b>¢ 63.246</b>	<b>61.676</b>

Las notas que acompañan a los estados financieros consolidados son parte integral de los mismos.



# Independent Review Report

**GRI DISCLOSURES  
AND ANNEXES**





### Informe de Revisión Independiente

El Centro Vincular de Responsabilidad Social y Desarrollo Sostenible de la Pontificia Universidad Católica de Valparaíso, Chile, en adelante "Vincular", fue contratado por Florida Ice & Farm Co. (FIFCO) con el fin de llevar a cabo la verificación externa de los procesos de materialidad y participación de las partes interesadas del Reporte Integrado 2016 de FIFCO, correspondiente, al periodo vigente entre el 01 de octubre de 2015 al 30 de septiembre de 2016.

#### Alcance y Objetivo

Los objetivos específicos del proyecto fueron:

1. Verificar los procesos claves de la elaboración del reporte, como el análisis de materialidad y la participación de las partes interesadas.
2. Llevar a cabo una lectura crítica del Reporte Integrado 2016, para apoyar a FIFCO en el aseguramiento de la calidad del reporte según las metodologías del IIRC (International Integrated Reporting Council) y GRI (Global Reporting Initiative) bajo la opción en concordancia "exhaustiva".
3. Identificar las oportunidades de mejora para el próximo Reporte Integrado. Igualmente, dicho análisis busca identificar tanto las oportunidades de mejora en la gestión como la integración de los ámbitos de sostenibilidad en la empresa.

Nuestro trabajo no contempló el análisis y verificación de datos cuantitativos en el reporte, sean éstos datos financieros, sociales o ambientales.

#### Metodología y Procesos

Realizamos las siguientes actividades para el proceso de verificación:

- Revisión del reporte integrado, específicamente lo que respecta a los contenidos reportados para los *disclosures* GRI 102-40; GRI 102-42 a GRI 102-49; GRI 103-1; cotejando nivel de cumplimiento con los requisitos de los *GRI Sustainability Reporting Standards 2016* (publicado el 19 de octubre de 2016), los principios de materialidad y participación de las partes interesadas, incluyendo nivel de coherencia en razón de los resultados de las entrevistas y análisis de información secundaria.
- Presentación de los resultados de la verificación y las oportunidades de mejora a los directores y ejecutivos de FIFCO.

#### Conclusiones

FIFCO mantuvo las mismas matrices de materialidad de 2015 para cada Unidad de Negocio en Costa Rica y Guatemala, y durante 2016 desarrolló el proceso de materialidad del North American Breweries. De esta manera FIFCO tiene identificado los temas más relevantes con base a la realidad y negocio de cada Unidad.

FIFCO ha comprometido formalmente con los Objetivos de Desarrollo Sostenible (ODS) y por primera vez en su Reporte Integrado 2016 se muestra cómo se ha incorporado los ODS en su estrategia a través de una valoración inicial de los impactos positivos y negativos que sus operaciones tienen en cada uno de los 17 Objetivos.

Cabe señalar que el tercer Reporte Integrado de FIFCO ha mejorado sustancialmente la incorporación de conceptos fundamentales de la metodología de IIRC como "los capitales" y la creación de valor en el corto, mediano y largo plazo. Se muestra un análisis del contexto, insumos, actividades y resultados relacionados con cada uno de los seis capitales. Esto muestra cómo la empresa está creando valor en todas las unidades de negocio y su compromiso de la empresa en seguir avanzando en una gestión de triple utilidad.



### Recomendaciones

Adicionalmente a esta carta de verificación, Centro Vincular ha entregado a FIFCO un informe acompañado de una presentación de oportunidades de mejora, tanto desde la perspectiva de la elaboración del reporte como respecto a la gestión de temas de sostenibilidad en la compañía.

Destacamos las siguientes recomendaciones:

- Seguir profundizando el vínculo entre los temas materiales y los ODS con el fin de reportar concretamente el impacto de las Unidades de Negocio en los Objetivos y Metas pertinentes.

Dante Pesce

Director Ejecutivo, Centro Vincular  
Pontificia Universidad Católica de Valparaíso  
Diciembre 2016

### Declaración de Independencia

Centro Vincular es un referente latinoamericano, especializado en el desarrollo e implementación de instrumentos de gestión de Responsabilidad Social, dedicado a la investigación aplicada, consultoría y transferencia tecnológica, formación de competencias y gestión de políticas públicas para promover la sostenibilidad.

Centro Vincular confirma su total independencia de Florida Ice & Farm Co., quedando exenta de sesgos y/o cualquier conflictos de interés con la compañía. El equipo de Vincular fue seleccionado por este proyecto basado en su amplio conocimiento, experiencia y calificaciones técnicas.

# Other social disclosures

GRI DISCLOSURES  
AND ANNEXES

DISCLOSURE GRI 201-3

**FIFCO | SOCIAL BENEFITS PROGRAM BY COUNTRY**

**COSTA RICA**

- There is a benefit plan, defined in the Workers' Protection Law No. 7983. This plan is a supplement to the Disability, Old Age and Death Regime of the Costa Rican Social Security Fund for retirement.
- By means of this law, the company makes a contribution equivalent to 3% of each employee's salary for the consolidation of a supplementary pension scheme.
- Unemployment Fund: Through the Solidarity Association, the company contributes 1% of each employee's salary for this purpose, while the worker contributes 2%.

**GUATEMALA**

- Each month, a contribution is made to the retirement program -established by social insurance- which corresponds to 10.67% on wages paid.
- Voluntary retirement program: Any worker, who wishes to leave the company voluntarily, can do so and benefit their relatives in hiring their services.

**EL SALVADOR**

- The company makes a contribution to the pension program which corresponds to 6.50% of the wages paid.

**ESTADOS UNIDOS**

- Retirement savings program, the company makes a contribution equivalent to 100% of the 3% of employees' contributions and 50% of the following 2% of employees' contributions. All employees belonging to the union and security personnel participate in a Defined Benefits pension plan, administered by the union to which they belong. The union Teamster, Plumber, Sheetmetal and security personnel participate in the Teamster New York Union pension plan. Employees of the engine room and Steam Plant are in separate plans. These plans are mandatory and the employer makes all contributions.

## SOCIAL DISCLOSURES

## DISCLOSURE GRI 202-1

**FIFCO | RELATIONSHIP BETWEEN THE STARTING SALARY BY GENDER AND LOCAL MINIMUM SALARY AT LOCATIONS OF SIGNIFICANT OPERATION, 2016**

North American Breweries				
Location	Currency	Minimum State Wage	Starting Salary Company	Relationship Company / Country's Minimum 2016
Buffalo	USD	9	14	1.6
Burlington Brewery	USD	9.6	12	1.3
Burlington Office	USD	9.6	14	1.5
Burlington Retail	USD	9.6	10	1.0
Portland Brewery	USD	9.75	12	1.2
Portland Office	USD	9.75	20	2.1
Portland Retail	USD	9.75	9.75	1.0
Rochester Brewery	USD	9	12	1.3
Rochester Office	USD	9	12	1.3
Rochester Retail	USD	9	7.25	0.8
Seattle Office	USD	13	22	1.7
Seattle Retail	USD	13	13	1.0
Florida Bebidas				
Unit	Currency	Country's Minimum Salary	Starting Salary Company	Relationship Company / Country's Minimum
I SEM 2016	Colones	288,386.69	293,727.35	1.02
II SEM 2016	Colones	289,828.62	295,195.99	1.02
Grupo Musmanni				
Unit	Currency	Country's Minimum Salary	Starting Salary Company	Relationship Company / Country's Minimum
I SEM 2016	Colones	288,386.69	290,738.73	1.01
II SEM 2016	Colones	289,828.62	292,192.43	1.01
Industrias Alimenticias Kern's en Guatemala				
Unit	Currency	Country's Minimum Salary	Starting Salary Company	Relationship Company / Country's Minimum
I SEM 2016	Quetzales	2,284.15	2,623.00	1.15
II SEM 2016	Quetzales	2,284.15	2,623.00	1.15

**Note:** Contractors or outsourced contractors are sub-contracted by suppliers and in most cases these people are paid wages above the minimum. In NAB for example, the minimum wage for labor is \$9 per hour and the contractor is paid \$12 per hour.

## SOCIAL DISCLOSURES

## DISCLOSURE GRI 401-1

## FIFCO | TURNOVER OF PERMANENT WORKERS BY AGE, GENDER AND AREA 2015 VS. 2016

Country	United States				Costa Rica and Guatemala			
	2015		2016		2015		2016	
	Women	Men	Women	Men	Women	Men	Women	Men
Age Range								
Under 30	3	9	71	52	219	366	116	286
Between 30 and under 50	4	19	22	54	165	386	127	313
50 or more	0	14	5	22	11	50	8	43
<b>Total annual turnovers</b>	<b>7</b>	<b>42</b>	<b>98</b>	<b>128</b>	<b>395</b>	<b>802</b>	<b>251</b>	<b>642</b>
Total employees	327	796	307	766	836	3.968	742	3.655
<b>Average annual turnover by gender</b>	<b>2%</b>	<b>5%</b>	<b>32%</b>	<b>17%</b>	<b>47%</b>	<b>20%</b>	<b>34%</b>	<b>18%</b>

**Note:** The average annual turnover by gender is calculated = total layoffs / total employees. In the case of NAB it includes all employees, both permanent and temporary; for the rest of the countries only the permanent ones since this is how the company collects the information.

## FIFCO | RECRUITMENT OF PERMANENT WORKERS BY AGE, GENDER AND AREA 2015 VS. 2016

Country	United States				Costa Rica and Guatemala			
	2015		2016		2015		2016	
	Women	Men	Women	Men	Women	Men	Women	Men
Age Range								
Under 30	15	24	78	83	165	447	221	563
Between 30 and under 50	8	19	42	59	137	361	151	365
50 or more	1	9	3	16	2	23	5	12
<b>Total annual recruitments</b>	<b>24</b>	<b>52</b>	<b>123</b>	<b>158</b>	<b>304</b>	<b>831</b>	<b>377</b>	<b>940</b>
Total employees	327	796	307	766	836	3968	742	3.655
<b>Contratación promedio anual</b>	<b>7%</b>	<b>7%</b>	<b>40%</b>	<b>21%</b>	<b>36%</b>	<b>21%</b>	<b>51%</b>	<b>26%</b>

**Nota:** La contratación promedio anual se calcula = total de contrataciones / total de empleados. En el caso de NAB se incluye la totalidad de los colaboradores, tanto fijos como temporales, para el resto de los países sólo los fijos ya que así es cómo la empresa recopila la información.

SOCIAL DISCLOSURES

DISCLOSURE GRI 404-3

**FIFCO | PERCENTAGE OF EMPLOYEES WHO HAVE RECEIVED REGULAR EVALUATION OF PERFORMANCE AND CAREER DEVELOPMENT OVER THE REPORTING YEAR, BROKEN DOWN BY GENDER AND PROFESSIONAL CATEGORY, IN THE PERIOD 2015-2016**

Country	Operator		Middle Management		Managerial		Directors	
	Female	Male	Female	Male	Female	Male	Female	Male
Costa Rica	100%	100%	100%	100%	100%	100%	100%	100%
United States	100%	100%	100%	100%	100%	100%	100%	100%
Guatemala	0%	0%	100%	100%	100%	100%	Not applicable	

**Note:** The information of Costa Rica is for the 2014-2015 period, since the data is generated in December of each year. It is important to note that the persons who entered in the last 6 months of the evaluation period and the temporary ones are not included.

SOCIAL DISCLOSURES

DISCLOSURE GRI 405-2

**FIFCO | RELATIONSHIP BETWEEN THE BASE SALARY BY CATEGORY, GENDER AND LOCATION, 2016**

Reserva Conchal, Florida Bebidas and Musmanni			
Position	Men	Women	Relationship*
Management	VS		1.09
Specialists, Supervisors and Headquarters	VS		1.03
Assistants and Analysts		VS	0.9
Operators	VS		1.1
Industrias Alimenticias Kern's			
Management	VS		1.26
Specialists, Supervisors and Headquarters	VS		1.07
Assistants and Analysts	VS		1.07
Operators	VS		1
North American Breweries			
Directors	VS		0.74
Management		VS	1.01
Specialists, Supervisors and Headquarters	VS		0.99
Assistants and Analysts		VS	1.05
Operators	VS		0.86

(\*) Corresponds to men's base salary divided by women's base salary.  
 VS = Salary Advantage





# Other environmental disclosures

FIFCO | INDICADORES AMBIENTALES 2016

GRI Disclosure Number	UNITS	GRI Disclosure	Summary Result	Details
301-3	Kg	Percentage of products sold and their packaging materials recovered at the end of their useful life.	Results in Table	See Table 301-3
302-1	GJ	Direct electrical and thermal energy consumption	WPC: 65.783 PINOVA: 27.497 NAB-ROC-BVT-PDX: 350.653	See Table 302-1
302-2	GJ	Indirect fuel consumption for outsourced transportation	FBEB CR: 80.418	
302-3	GJ/unit	Energy intensity: electrical and thermal energy consumption per unit of sale	WPC: 0.13 GJ/pd PINOVA: 1.49 GJ/ton NAB-ROC-BVT-PDX: 0.15 GJ/hl pr	See Table 302-3
302-4	GJ	Quantified electrical and thermal energy reduction	WPC: 1.790 PINOVA: -985 NAB-ROC-BVT-PDX: -19.576	See Table 302-4
303-2	Units	Water sources affected by catchment	RC/WPC: 1 important source for local communities	
304-4	N/A	Species (biodiversity)	See "Details" column of this Table	See Table 304-4
305-4	Ton CO <sub>2</sub> e/hl pr	Greenhouse gas emissions intensity	FBEB: -1.250.31 (See Table) Pinova: -13.58	See Table 305-4
305-6	Kg CFC-11 equivalent	Number of ozone depleting substances used	FBEB CR: 574.2 (See Table) PINOVA: 62	See Table 305-6
305-7	Kg de Nox; Kg de SO <sub>2</sub> ; Kg PTS; Kg PM10	Other relevant emissions	NOx: 211908.96 SO2: 515.126	See Table 305-7
306-1	m <sub>3</sub> ; Kg	Total water discharge, according to quality and destination	See "Details" column of this Table	See Table 306-1
306-3	Liters; Kg	Significant spillage of hazardous materials	FBEB Costa Rica: see Table PINOVA: 1 IAK: 0	See Table 306-3
306-4	Liters; Kg	Weight of hazardous waste transported, imported, exported or treated	FBEB CR Treated: 57584.4 Transported: 57584.4 Exported: 3536.4 Imported: 0	N/A

DISCLOSURE GRI 102-9

FIFCO | SUPPLY CHAIN



**Note:** In Costa Rica, during 2016, suppliers invoiced a total of \$304,086,539.00 of which 84% corresponds to local suppliers and the remaining 16% to international suppliers. In Guatemala they invoiced a total of \$66,447,151.00 of which 59% were local suppliers and the remaining 41% were international suppliers.

FIFCO | NUMBER OF SUPPLIERS ACCORDING TO BUSINESS AND TYPE OF COMMERCIAL RELATIONSHIP, 2016.

	Florida Bebidas	Reserva Conchal	Musmanni	IAK
Services	1943	328	373	428
Raw material	99	0	41	39
Packaging	64	0	21	43
Ancillaries	48	0	16	34

DISCLOSURE GRI 204-1

**FIFCO | PORCENTAJE DEL GASTO EN LOS LUGARES CON OPERACIONES SIGNIFICATIVAS QUE CORRESPONDE A PROVEEDORES LOCALES, EN COSTA RICA Y GUATEMALA, DURANTE EL 2016**

Business	2015		2016	
	Local %	International %	Local %	International %
Comapan	10.3%	0.1%	100.0%	0.0%
Pinova	5.9%	0.6%	94.0%	6.0%
Florida Beb	65.9%	76.1%	68.0%	32.0%
IAKGT	14.7%	22.0%	59.0%	41.0%
IAK	0.3%	0.1%	66.0%	34.0%
Reserva	2.9%	1.1%	95.0%	5.0%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100%</b>
<b>Expenditure</b>	<b>67%</b>	<b>33%</b>	<b>70%</b>	<b>30%</b>

**Nota:** The local supplier is defined as the one that provides a product or service to the organization and is based on the same geographical market, i.e. in the same country.

DISCLOSURE GRI 201-2

**FIFCO | ECONOMIC CONSEQUENCES AND OTHER RISKS AND OPPORTUNITIES FOR THE ORGANIZATION'S ACTIVITIES ARISING FROM CLIMATE CHANGE**

The three main risks identified for Costa Rica's food and beverage operations, real estate and hotel development are the possible damages to infrastructure, obstacles and interruptions to production in the supply chain due to natural emergencies (landslides, floods, etc.) and the increase in cost and availability of resources such as water and renewable energy due to their scarcity and higher demand. All of these would have a direct impact on revenue and expenditure of the operations. Although all of these risks are identified primarily as physical, they could lead to regulatory risks and even reputations, if not properly managed by the organization. Regarding the opportunities, the main identified is related to the adoption of new technologies that allow operating more effectively and efficiently with the available resources. The \$1.8M USD investment in the desalination plant described in the Environmental Dimension is a consequence of a project developed as a result of the effects of climate change on the Costa Rican real estate operation.

DISCLOSURE GRI 302-1

**FIFCO | INTERNAL ENERGY CONSUMPTION 2016**

Use	Type of fuel	Facility/ operation	Energy Units (Giga Joules)		
			2015	2016	Reduction 2015 vrs 2016
Heating	Bunker	CCR Plant	177,786.50	200,641.13	22,854.63
		Cristal Plant	74,516.27	72,145.20	-2,371.07
		ECSRL Plant	6,515.68	4,889.45	-1,626.23
		Dairy Plant	8,417.84	8,137.41	-280.42
		IAKGT Plant	80,540.80	98,093.60	17,552.80
Machinery	Diesel/ LP Gas/ Gasoline	Florida Bebidas S.A.	2,865.89	1,173.09	-1,692.80
Vehicle Fleet CR	JET A1	Florida Bebidas S.A.	4,462.89	5,210.00	747.11
	Diesel/Gasoline/ LP Gas			166,493.74	3,770.66
<b>Total</b>			<b>517,828.96</b>	<b>556,783.63</b>	<b>38,954.67</b>

DISCLOSURE GRI 302-3

**ENERGY INTENSITY 2016**

Type of energy	FBEB CR	IAK	WPC	PINOVA	NAB-ROC
Intensity	0.134	0.121	0.13	1.49	0.15
Units	GJ/hl pr	GJ/hl pr	GJ/pd	GJ/ton pr	GJ/hl pr%

2016 Energy Intensity									
Type of Fuel	Internal Energy Consumption 2015			Producción			GJ/Hi		
	(GJ)	Production	TOTAL	FBEB CR	IAK	TOTAL	FBEB CR	IAK	TOTAL
Bunker	285.813	98.094	383.907				0.06	0.11	0.07
LP Gas Fleet	14.934	0	14.934				0.00	0.00	0.00
LP Gas Machinery	1.119	0	1.119				0.00	0.00	0.00
Diesel Fleet	121.263	0	121.263				0.03	0.00	0.02
Diesel Machinery	881	0	881				0.00	0.00	0.00
Gasoline Fleet	30.297	0	30.297				0.01	0.00	0.01
Gasoline Machinery	141	0	141				0.00	0.00	0.00
Jet A1 Fuel	5.210	0	5.210				0.00	0.00	0.00
<b>TOTAL Fuels</b>	<b>459.659</b>	<b>98.094</b>	<b>557.752</b>				<b>0.10</b>	<b>0.11</b>	<b>0.10</b>
Electricity	168.046	31.529	199.575	4.404.297	930.853	5.335.150	0.04	0.3	0.04
<b>TOTAL Energy</b>	<b>627.705</b>	<b>129.623</b>	<b>757.328</b>				<b>0.143</b>	<b>0.139</b>	<b>0.142</b>

## DISCLOSURE GRI 302-4

**2016 QUANTIFIED THERMAL ENERGY REDUCTION**

TÉRMICA (MJ/HI)

YEAR	CCR Plant	Cristal Plant	ECSRL Plant	Dairy Plant	Others in CR	IAKGT Plant
2011	115.14	69.77	12.25		57.76	83.80
2012	114.43	62.46	10.70	95.67	54.52	79.83
2013	110.71	62.72	11.11	104.14	50.08	87.48
2014	104.28	61.88	10.28	92.96	43.49	97.55
2015	96.40	65.06	9.74	94.46	42.97	93.47
2016	97.31	53.94	5.49	81.82	39.33	105.38

DISCLOSURE GRI 304-4

**: THREATENED OR ENDANGERED SPECIES IN THE INFLUENCE AREA OF RESERVA CONCHAL**

FAUNA					
Common Name	Scientific Name	Status	CITES	IUCN Red List	Causes
Anteater	<i>Tamandua mexicana</i>	Threatened		√	Run over and reduction of habitat
Howler Monkey	<i>Alouatta palliata</i>	Threatened	√	√	Run over, electrocuted, food for human consumption, habitat loss
Jabiru	<i>Jabiru mycteria</i>	Endangered	√	√	Reduction of habitat
Armadillo	<i>Dasypus novemcinctus</i>	Threatened	√	√	Reduction of habitat due to elimination of nesting trees, such as “Gallinazo” and “Ceiba”, as well as the draining of wetlands
White-Tailed Deer	<i>Odocoileus virginianus</i>	Threatened		√	Run over and food for human consumption
Puma	<i>Puma concolor</i>	Endangered	√	√	Food for human consumption, hunting
Jaguarundi or Eyra Cat	<i>Puma yagouarundi</i>	Endangered	√	√	Hunting and habitat loss
Ocelot	<i>Leopardus pardalis</i>	Endangered	√	√	Hunting and habitat loss
Olive Ridley Sea Turtle	<i>Lepidochelys olivacea</i>	Endangered	√	√	Egg extraction and food for human consumption
Leatherback Sea Turtle	<i>Dermochelys coriacea</i>	Endangered	√	√	Extraction of eggs and damage of habitat

FLORA					
Common Name	Scientific Name	Status	CITES	IUCN Red List	Causes
Pacific Coast Mahogany	<i>Swietenia humilis</i>	Endangered	√	√	Extraction of precious wood
Cocobolo	<i>Dalbergia retusa</i>	Threatened, extinction is possible		√	Extraction of precious wood
Cenízaro or Rain Tree	<i>Samanea saman</i>	Threatened			Extraction of wood
Guayacán Real	<i>Guaiacum sanctum</i>	Endangered	√	√	Extraction of wood
Tempisque	<i>Sideroxylon capiri</i>	Threatened			Extraction of wood
Palo de Brasil	<i>Haematoxylon brasiletto</i>	Threatened			Extraction of wood
Spanish Cedar	<i>Cedrela Odorata</i>	Threatened		√	Extraction of wood



DISCLOSURE GRI 305-4

**GREENHOUSE GAS EMISSIONS INTENSITY 2016**

Facility	Absolute emissions (ton CO <sub>2</sub> )												Intensity of Emissions (ton CO <sub>2</sub> /hl produced)	
	Scope I			Scope II			Scope III			TOTAL Ton CO <sub>2</sub> e			2014	2015
	2014	2015	Reduction 2015 vs 2014	2014	2015	Reduction 2015 vs 2014	2014	2015	Reduction 2015 vs 2014	2014	2015	Reduction 2015 vs 2014		
CCR Plant	14,653.70	14,377.11	-276.60	2,511.50	2,354.01	-157.49	918.59	1,153.43	234.84	18,083.78	17,884.54	-199.24	0.01032	0.00975
Cristal Plant	5,684.88	5,514.29	-170.59	1,255.25	1,338.69	83.44	3.18	86.12	82.94	6,943.31	6,939.10	-4.21	0.00597	0.00606
PEPSI Plant	486.72	482.47	-4.24	454.97	455.40	0.44	10.37	3.50	-6.87	952.05	941.38	-10.67	0.00148	0.00141
Dairy Plant	1,665.77	1,717.07	51.30	193.73	174.30	-19.43	102.45	63.62	-38.83	1,961.95	1,954.99	-6.96	0.02220	0.02194
Others CR	13,652.35	11,682.22	-1,970.12	751.65	661.33	-90.32	4,921.52	5,655.13	733.61	19,325.52	17,998.69	-1,326.83	0.00515	0.00464
<b>SUB TOTAL CR</b>	36,143.42	33,773.17	-2,370.25	5,167.08	4,983.73	-183.36	5,956.11	6,961.80	1,005.69	47,266.61	45,718.69	-1,547.92	0.0126	0.0118
IAKGT	5,557.52	5,870.61	313.09	3,459.29	3,443.81	-15.48			0.00	9,016.81	9,314.42	297.61	0.01161	0.01081
<b>TOTAL FBEB</b>	45,557.55	39,643.77	-2,057.17	6,273.13	8,427.54	-198.84	6,152.29	6,961.80	1,005.69	56,283.42	55,033.11	-1,250.31	0.0124	0.0116

DISCLOSURE GRI 305-6

**NUMBER OF OZONE DEPLETING SUBSTANCES USED**

Type of refrigerant gas	FREON R22 (50 LB)	FREON R22 (30LB)	R409A (30LB)	R-402B (26 LB)
<i>Kg</i>	112.5	238	12.5	18
<i>ODP</i>	0.05	0.05	0.047	0.033

**Note:** Florida Bebidas uses refrigeration units, mainly in the commercial area for the demonstration and cooling of the drinks, being those of greater use the R134A y el R404A, both with a destructive potential of the ozone layer equal to zero. They are also used in some equipment at industrial level, although the greater use in the Beer Plant is given with ammonia. Florida Bebidas since 2008 does not purchase equipment that uses refrigerant gases that destroy the ozone layer. There is still among the assets some equipment that consumes this type of gases, which are removed from operation once they are damaged and are not subject to repair. In the case of the Industrial Bakery Plant of PINOVA the refrigerant R404 that does not affect the ozone layer continues to be used but also 639.72 kg of R22 were used. As mentioned above, there is an initiative that will allow reducing this gas; however, it is in the process of implementation and it is expected to start at the end of 2017. In the case of the operations IAK and Reserva Conchal this indicator is under the process of construction and data collection.

DISCLOSURE GRI 305-7

**OTHER RELEVANT EMISSIONS 2016**

Source	NOX				SO2			
	Florida Bebidas	IAK	Dairy	Musmanni	Florida Bebidas	IAK	Lácteos	Musmanni
Regular sources	34,691.24	10,983.30	1,058.42					
Forklift	0.05	0.05	0.047	0.033				
Outsourced mobile sources	112.5	238	12.5	18	379,348	120,644	10,858	4,276
Special equipment	0.05	0,05	0.047	0.033				
Own mobile sources	112.5	238	12.5	18				
<b>Total Kg of pollutant</b>	<b>191,217.50</b>	<b>19,466.55</b>	<b>1,058.42</b>	<b>166</b>	<b>379,348</b>	<b>120,644</b>	<b>10,858</b>	<b>4,276</b>

**Note:** With respect to 2015, there is an increase in all sources. This is due to new energy requirements of the production processes and transportation to mobilize the products. In addition, pollutants in particulate form are reported from the fuels consumed.

DISCLOSURE GRI 305-7

**OTHER RELEVANT EMISSIONS  
(POLLUTANTS IN PARTICULATE FORM) 2016**

Source	PTS Y PM10		
	Florida Bebidas	IAK	Dairy
Permanent sources	7,334	5,963	1,295
Outsourced mobile sources	1,448		
Own mobile sources	4,620		
<b>Total Kg of pollutants</b>	<b>13,402</b>	<b>5,963</b>	<b>1,295</b>

ESTÁNDAR GRI 306-1

TOTAL WATER DISCHARGE, ACCORDING TO QUALITY AND DESTINATION

Business Unit	Origin	Type of Wagger	Treatment Method	Destination	Quantity (m³/año)	Outgoing load (kg DQO/año)	Quality
FBEB COSTA RICA	Tropical Plant	Special and ordinary	Primary and secondary, anaerobic and aerobic of activated sludge	Rio Segundo	204,102.75	3,852.80	Treated non-potable water
	CCR Plant	Special and ordinary	Primary and secondary, aerobic of activated sludge	Rio Segundo	558,250.00	89,599.13	Treated non-potable water
	ECSRL Plant	Special and ordinary		Rio Bermúdez	67,739.00	12,863.64	Treated non-potable water
	Dairy Plant	Special and ordinary	Primary and secondary, aerobic of activated sludge	Quebrada Arias	22,375.00	3,970.00	Treated non-potable water
	Recycling Plant and Spill	Ordinary	Primary and secondary, anaerobic (septic tank)	Infiltration	1,884.23	150.74	Treated non-potable water
	Commercial Services	Ordinary		Infiltration	9,011.00	720.88	
	VINDES	Ordinary		Infiltration	3,899.00	311.92	
	CEDI West and Corporate Building	Ordinary	Primary and secondary, aerobic of activated sludge	Rio Segundo	15,776	1,759	Treated non-potable water
	Limón Deposit	Ordinary	Primary	Infiltration	829	61	Treated non-potable water
	Guápiles Deposit	Ordinary		Rio Verde	801	67	Treated non-potable water
	Puntarenas Deposit	Ordinary	Primary physical-chemical	Infiltration	1,488	61	Treated non-potable water
	Liberia Deposit	Ordinary	Primary and secondary aerobe	Infiltration	2,925	306	Treated non-potable water
Rural Deposits without Treatment	Ordinary	Primary and secondary, anaerobic (septic tank)	Infiltration	11,383	911	Treated non-potable water	
IAK	Planta IAK	Special and ordinary	Primary and secondary, aerobic of activated sludge	Municipal sewage	152,790	19,812	Treated non-potable water
Musmanni	PINOVA	Special	None	Reuse		171,09	Treated water for reuse No. 1
Reserva Conchal	Hotel PWC / Reserva Conchal	Ordinary	Primary and secondary, anaerobic (septic tank)	Reuse	276,496	13,825	Treated water for reuse No. 1

DISCLOSURE GRI 306-3

**SIGNIFICANT SPILLAGE OF HAZARDOUS MATERIALS**

CCR		
Type	Spillage of chemical substances and organic material	
Location	Brewing	
Emergency	Volume	Actions
Spillage of silos used hydraulic oil to store sewer system	Approximate volume of 100 l	Perform complete system maintenance Include system review within the preventive maintenance program Order replacement of barrel's pump, so that the pit serves as a containment Equip the silo area with a Kit against spillage
Consequences	Slight contamination of rainwater	
	An approximate volume of 61HL	Training of the operator in preparation of waters and Pepsi products SOP elaboration to prepare waters for Pepsi Notice on spillage product procedures to WWTP
Consequences	Contaminación leve de agua pluvial	
A PEPSI concentrate spillage is detected from the BAS Department to WWTP	An approximate volume of 61HL	Training of the operator in preparation of waters and Pepsi products SOP elaboration to prepare waters for Pepsi Notice on spillage product procedures to WWTP
Consequences	Alteration in the normal operation of the WWTP	

DAIRY		
Type	Spillage of chemical substances (Nitric Acid and Blue Dye Food Grade)	
Location	Hazardous Waste Collection Zone	
Emergency	Volume	Actions
While loading the hazardous waste, the supplier's compactor truck for the management of hazardous waste pressed several bags containing towels with impregnated acid and a container with food coloring, the mixture of both residues caused a reaction in the pit of the truck and the activation of the brigade.	Nitric Acid 68%: 10L Blue Dye Food Grade: 4L	The pit of the truck was drained and the liquid was deposited inside a barrel. Finally, the surface of the pit was cleaned using absorbent towels for spillages. The pit was cleansed and the contaminated material was stored in the warehouse of hazardous waste, for its subsequent management as such. The liquid residue was analyzed, validated and treated in the Plant's treatment plant.
Consecuencias	Spillage of substances (content).	



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