

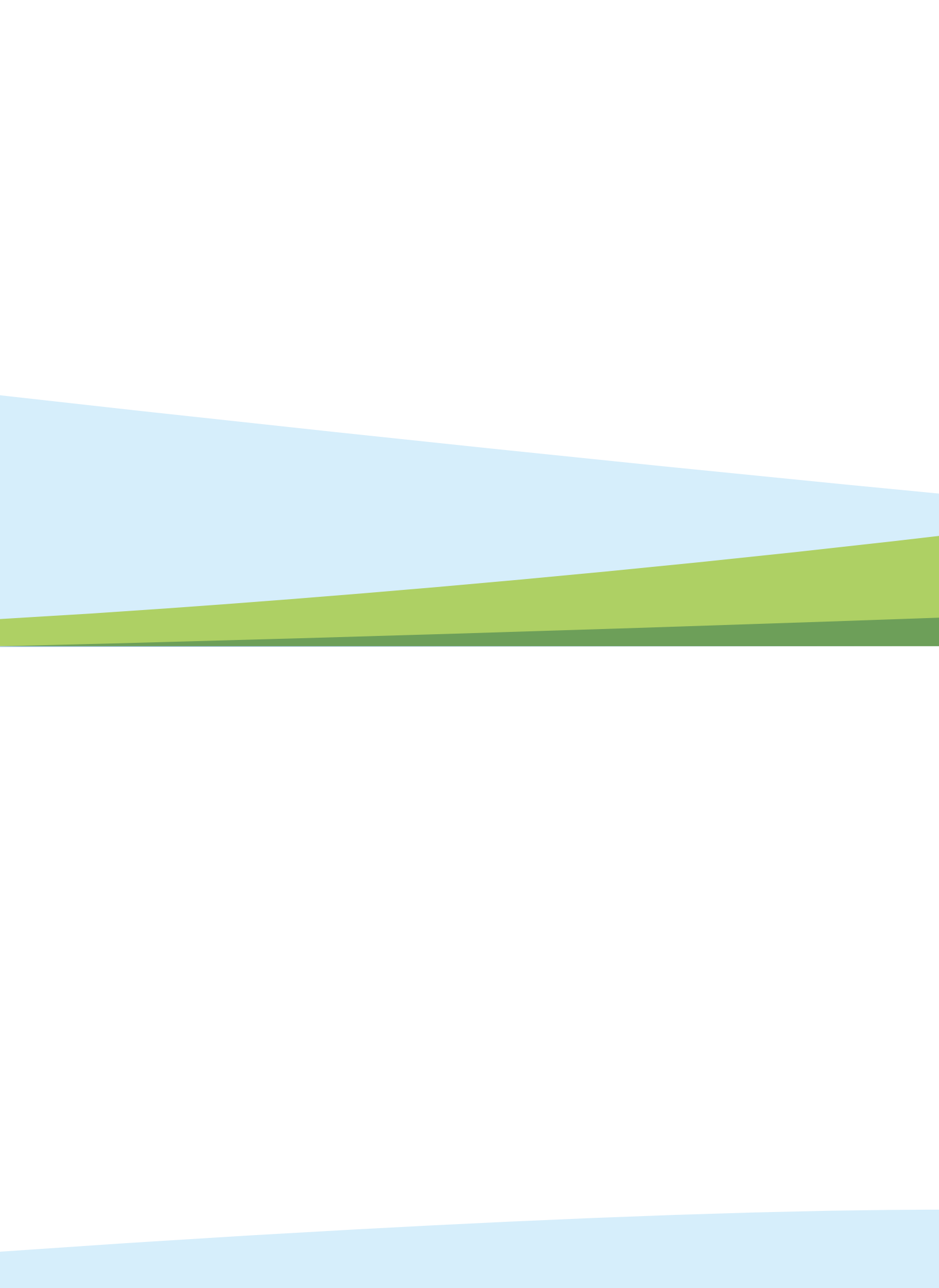


Our Goal:
To Create Value



2013 Sustainability Report

Florida
Ice & Farm Co. 





2013 Sustainability Report

Our Goal: To Create Value



About our fifth report...

For fifth year in a row, Florida Ice & farm Co. (FIFCO) presents its Sustainability Report and also communicates how the company interacts with its target groups, explains how it responds to their expectations and interests and describes how it contributes or aims to contribute to improving the communities where it operates and to preserving the environment.

Since 2008, year when FIFCO decides to become a Triple Bottom Line company, sustainability has been the strategic axis that has permeated and defined the company's way of doing business. Creating economic, social and environmental value becomes the company's pivotal objective.

In a disciplined and systematic manner, the company measures and evaluates its efforts in all three dimensions, fulfilling its duty of holding itself accountable before the different groups it interacts with.

In this report, FIFCO has the opportunity to evaluate its contribution as a social actor, by relating its efforts and particular initiatives to the specific contexts where it operates, identifying social and environmental challenges, both local and regional. The company records its achievements and the extent of its impact, but also its opportunities to contribute more powerfully to national and even global objectives.

This annual report is prepared under the Global Reporting Initiative (GRI) G4 guidelines in essential conformity. It collects environmental, social and economic indicators relevant to the operations performed during the October 2012 - September 2013 tax period comprising all FIFCO operations carried out in Costa Rica, Guatemala and El Salvador: *Florida Bebidas*, *Musmanni*, *Industrias Alimenticias Kern's* and *Florida Inmobiliaria* (Reserva Conchal). The G4 Implementation Manual was used to collect them.

The scope of this report is the same as the previous one. The beer strategic unit North American Breweries, acquired in October 2012 is not included in the report; however, FIFCO prepared an initial opinion on social and environmental topics in order to define the company's first steps on sustainability matters.

Our previous reports



2009 | Level B



2010 | Level A+



2011 | Level A+



2012 | Level A+

The contents of this report were defined based on the following criteria: congruency and continuity with that reported in the 2011-2012 period, the definition of materiality according to interviews and consultation process to our target groups, update of our sustainability strategy, as well as achievements and key programs of the prior period.

This year, the company goes from a complete audit to a specific verification of the materiality processes and the participation of the target groups, reporting per the G4 guidelines, in a more flexible and transparent way. Such accompaniment and verification was performed by the **Vincular Center for Social Responsibility and Sustainable Development of the School of Commercial Engineering of the Pontifical Catholic University of Valparaíso**. This center specializes in the development and implementation of social responsibility management tools and is devoted to applied research, consulting and technological transfer, skills training and public policy management to promote sustainability. It constitutes a Latin American benchmark given its experience integrating social responsibility into the management of various private companies and government institutions.

It participates in the processes performed to normalize social responsibility at an international level, highlighting its participation in the development of the ISO 26000 guidance on Social Responsibility and in different task forces called by the Global Reporting Initiative (GRI).

The specific objectives of the consulting and verification services of the Vincular Center were:

1. A critical reading of the 2013 Sustainability Report to align the structure and contents with the G4 methodology of the Global Reporting Initiative.
2. Verify the reporting key processes, such as materiality analysis and stakeholders' participation.
3. Identify the improvement opportunities associated to an action plan proposal so FIFCO may elaborate G4 reports at an Exhaustive level. Likewise, the analysis aims to identify the opportunities to improve the management and integration of the sustainability settings within the company.

As part of the deliverables, this report includes the letter issued by the Vincular Center on page 133.



CLICK HERE TO FIND OUR PREVIOUS REPORTS AND SUPPLEMENTARY INFORMATION TO THIS EDITION.



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FIFCO's 2013 Sustainability Report is available in the company's webpage www.florida.co.cr.
For any question or suggestion regarding this report, please contact:

FIFCO Directorate of Corporate Relations
Tel: (506) 2437-7770 | 2437-7291 | email: maria.robles@fifco.com

2013 in figures



2.700

PRODUCTS

4.407

ASSOCIATES



2.400

SHAREHOLDERS



9

PRODUCTION
PLANTS



13

DISTRIBUTION
CENTERS



3,434

SUPPLIERS
IN OUR CHAIN



Mensaje from the President of the Board of Directors



WILHELM STEINVORTH H.
PRESIDENTE DE LA JUNTA DIRECTIVA FLORIDA ICE & FARM CO.

We proudly present our fifth Sustainability Report, the first prepared using the Global Reporting Initiative's (GRI) G4 methodology. This year we present our achievements in the three dimensions: economic, environmental and social with the same transparency that has characterized our previous reports, making the most of the G4 methodology to further into topics that are significant to our company

This Report's data collection and drafting processes allowed us to recognize publicly our strengths, as well as the challenges or areas of opportunity we must focus on to approach such consonant operation in economic, social and environmental terms.

During the last decade (2003-2013), Florida Ice & Farm Company obtained outstanding results in terms of growth and profitability and focused on becoming a total beverage company. At the end of the 2012-2103 financial year, such goal had been reached, since the company competes in all of the most important beverage categories and exceeded the scale of one thousand million dollars in net sales.

This year was marked by expansion and significant growth through the incorporation of new businesses, especially of the company North American Breweries (NAB) and the organic growth of enterprises in Costa Rica and Guatemala. In this way, the company was able to reach a sales volume of over 86 million equivalent boxes and net sales for 552,667 million colones, which represent a 59% growth versus the previous year. Such growth is mainly due to the incorporation of nine-month results in the United States beer business (NAB).

Specifically in the food and beverage business in Costa Rica (Florida Bebidas), this was a complex period, marked by moderate growth, but with an operating profit that closed 7.6% below the previous year. This was mainly due to the increasing smuggling of alcoholic beverages, to the entry of undervalued beers into the country that generate unfair competition, to a consumption slow-down due to the economic environment and to a significant increase in input prices, particularly, electricity.

In order to address these challenges forcefully, the company developed a comprehensive plan to work hand in hand with the Costa Rican government against the smuggling and tax evasion of certain imported beers. At the same time, it implemented a plan to improve its competitiveness seeking efficiency and productivity in all its operations. As part of this plan and as a subsequent fact, on November 15, 2013, the company had to release 170 associates, who besides receiving all the work benefits established by the law and depending on the specific situation of each, were accompanied and guided through the transition process towards new positions and reinsertion in the labor market, and were given an additional severance package. The changes in the processes with a more efficient structure turn Florida Bebidas into a more expeditious and better-prepared organization capable of facing future challenges.

Although the beer business in the United States is out of the reach of this report, North American Breweries

(NAB) contributed an important growth in sales and EBITDA to Florida Ice & Farm Co. In this way, the 9-month contribution to FIFCO's financial results represented a 35 million increase in equivalent boxes, an increase in sales for 168,764 million colones and an increase in the EBITDA for 12,375 million colones. Likewise, the EBITDA generated by NAB was approximately equivalent to the financial expenses related to the company's acquisition; this allowed FIFCO, who financed 100% of the brewing company acquisition in the United States, to generate the additional flow to cover the interest of such debt. It is worth noting that these results were especially due to Labatt beer's good performance and a double-digit growth of Seagram's Escapes.

The Musmanni corporation not only brought to Florida the chance to venture in the production and marketing of bread and bakery products, but also to transform some of its points of sale into convenience stores. As a result, at the 2012-2013 year-end closing, there are 41 Musmanni *Mini Supers* and a new marketing and operating structure to provide specialized service to both business segments: bakeries and convenience stores.

The real estate business obtained very positive results during this period. The Westin Golf Resort & Spa hotel in Playa Conchal attained double-digit growth in the number of guests and operating profit, achieving once again this year the highest customer satisfaction rates among all Westin Resorts in Latin America.

On the other hand, residential product sales in Reserva Conchal increased over 55% compared to the previous year, thanks to the collocation of an additional ten percent of the *Llama del Bosque* project, upon completion of the *Cortez Amarillo* project and upon sale of 80% of available inventory, as well as the presale of 8 of the 20 condominium units of the *Roble Sabana* project. This adds to a relevant contribution made by the sale of two lots of the new *Condominio Industrial Logístico RC*, located in El Coyol, Alajuela.

During this period, characterized by the integration of new businesses and the search for efficiency opportunities and process simplification, the progress of our sustainability initiatives was also very significant.

The results of the subsidiary companies were accompanied by a satisfactory performance of our investments in beer and packaging companies, through Florida Capitales.

In the internal social dimension we were able to certify Florida as a Great Place to Work® and we rank number 19 among 300 companies in Central America and the Caribbean. Additionally, we launched a valuable proposal for our associates, a competencies and leadership program for over 200 associates holding leadership positions, a managerial skills program for 40 senior managers and we completed 95,000 hours of training for our employees. In terms of occupational health and safety, we were able to implement a proactive management model that allowed closing the period with the best results ever obtained, with a 1.64% accident rate.

To create social value, we invested 6.5% of FIFCO's net income in social investment (94% strategic) and we completed over 56,700 hours of volunteer work, placing FIFCO once again as the leading company in corporate volunteering in the region. The most significant initiative in the social sphere was undoubtedly the creation of Nutrivida: the first social enterprise of Central America and which we developed in alliance with Nobel Peace Prize Professor Muhammad Yunus. The social enterprise's mission is to eradicate undernutrition in Costa Rica and reduce malnutrition in Central America and Haiti. In addition, a Dual Education pioneer program was created in the hotel, inspired in the German model, which aims to train professionals in hotel management and reduce unemployment and improve the quality of life of the young people of Santa Cruz, in Guanacaste.

In the environmental dimension, we made progress in the five strategic environmental areas: water, solid waste, carbon, biodiversity and value chain. In the Water Neutrality initiative, we were able to close the period with 4.32-hectoliter water consumption per hectoliter of beverage produced (20% less than the previous year); we opened a sewage treatment plant in the *Industrias Alimenticias Kern's* plant in Guatemala and we implemented rainwater-harvesting projects in two deposits and in one public high school in Heredia.

As for solid wastes, we could reuse over 99.2% of wastes in all our operations and we recycled 57% of the containers we placed in the market, converting Florida into the region's leading company in container recycling. In terms of carbon neutrality, key progress was made to attain our goal of becoming a Carbon Neutral company by 2017.

Through the actions expressed, we reiterate our commitment to the expectations of the different groups the company interacts with in one way or another. We hope our readers find the information reported useful, hoping to create a communication channel that will allow us to know different opinions regarding the route adopted by the company in terms of sustainability.

Wilhelm Steinvorth H.
President of the Board of Directors
Florida Ice & Farm Co.

Organization's Profile

Florida Ice and Farm Company (FIFCO) is a Costa Rican public 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, a business involved in retailing and investing practices. Its head office is located in Costa Rica and has operations in Guatemala, El Salvador and recently in the United States by acquiring the company North American Breweries (NAB) in October 2012 (out of the scope of this report)..

Originally a beer company, FIFCO diversified its beverage portfolio during the 90s and currently has over 2,700 products, among them beer, wine, liquor, flavored alcoholic beverages, as well as bottled water, juices, refreshments, nectars, teas, carbonated drinks, energy drinks, dairy products, beans, preserves, tomato sauce and bread products.

It has a total of 4,407 regular associates and 2,400 shareholders, none of which owns more than 10% of the company's total shares.



Over
2,700
products



4,407
regular associates



2,400
shareholders



Our Mission

To become the leading company in the beverage and preserve industries in Central America, in terms of creating economic, social and environmental value in benefit of our customers, associates, shareholders and the communities where we operate.



Some of our brands

BEER

- Imperial,
- Pilsen,
- Bavaria,
- Rock Limón
- Heineken
- Bohemia,
- Káiser
- Corona (México)
- Toña (Nicaragua)
- Gallo (Guatemala).



FLAVORED ALCOHOLIC BEVERAGES

- Smirnoff Ice®
- Smirnoff Black Ice®
- Cuba Libre
- Bamboo (Nicaragua)



BOTTLED WATER

- Cristal



JUICES, REFRESHMENTS AND TEAS

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



ENERGY DRINKS

- Maxxx Energy
- Sobe Adrenaline Rush®
- Jet



SPORTS DRINKS

- Gatorade®,
- Maxi Malta



CARBONATED DRINKS

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



MILK AND DIARY PRODUCTS

- Mú!



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.



LIQUORS

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



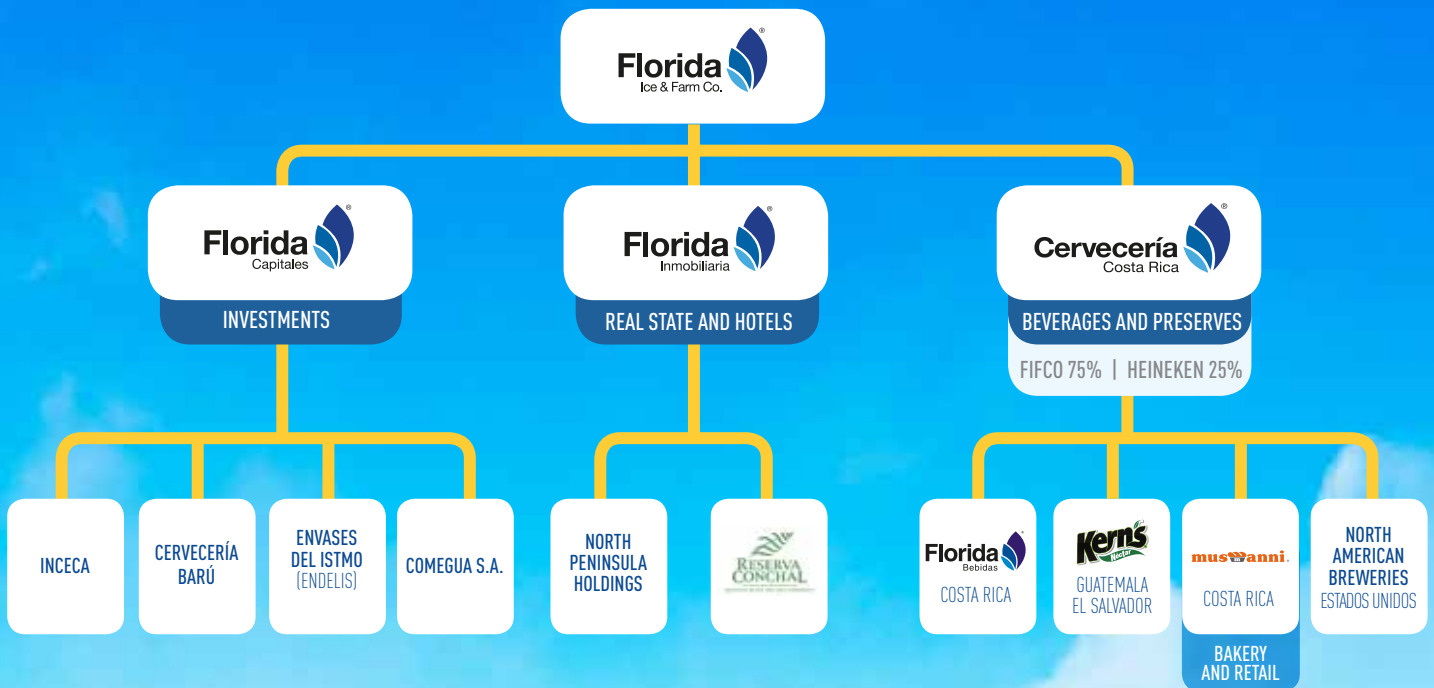
FOOD PRODUCTS

Ducal, Kern's, Musmanni



FIFCO and its subsidiaries

G4-17



Changes in the organization

FIFCO recently experienced an intense expansion agenda in order to come closer to its vision of becoming a total food product company with more agile and efficient operating processes. This agenda included key transactions and situations, one of which occurred out of the period reported:

a) Acquisition of North American Breweries (October 2012): This venture marks a milestone in FIFCO’s history, not only due to the size of the transaction, but also to the growth potential it means to break into the world’s major beer market.

b) Business Units: This year the categories are separated into independent organizational structures: Beer and Flavored Alcoholic Beverages; Refreshments and Dairy Products; Wines and Distilled Beverages; and Food Products. Such change aims to have each category’s task force provide a better service to the customer and consumer, achieving greater focus at a medium and long term.

c) Subsequent Event: In November 2013, amidst a complex commercial scenario and after an exhausting strategic planning process, 170 associates, both in operating and mid-level and managerial positions, left their charges.

Our Markets



A
ECUADOR



B
UNITED STATES



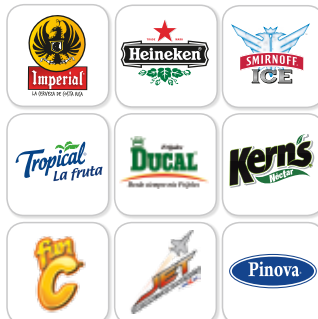
C
ETHE CARIBBEAN



D
COLOMBIA



E
CENTRAL AMERICA



F
CHINA



G
AUSTRALIA



Certifications obtained



→ Florida Bebidas Costa Rica

- Environmental Management System ISO 14001:2004 for *Productora La Florida* in its Beer Production Plant, Water and Non-Carbonated Refreshments Plant (known as Cristal Plant) and the Carbonated Beverages Plant (*Embotelladora Centroamericana Ltda.*)
- The Beer Plant maintained GMP/HACCP, ISO/INTE 17025:2005 and LSS certifications during the 2012-2013 period
- Carbon footprint ISO 14064-1
- Ecological Blue Flag award granted by the AyA (Costa Rican Water and Sewer Institute), under the *Micro-basin* category for the Beer Plant and Tropical Plant operations
- Ecological Blue Flag award granted by the AyA), under the Actions to *face climate change* category to operate *Florida Vinos y Destilados* (wines and distilled beverages)

→ Grupo Musi, operation of *Premezclas Industriales para Panadería (PINOVA)*

- Environmental Management System ISO 14001:2004
- Carbon footprint ISO 14064-1
- Rights of use of country's brand "Carbon Neutral" granted by Costa Rica's MINAE (Ministry of Environment and Energy)

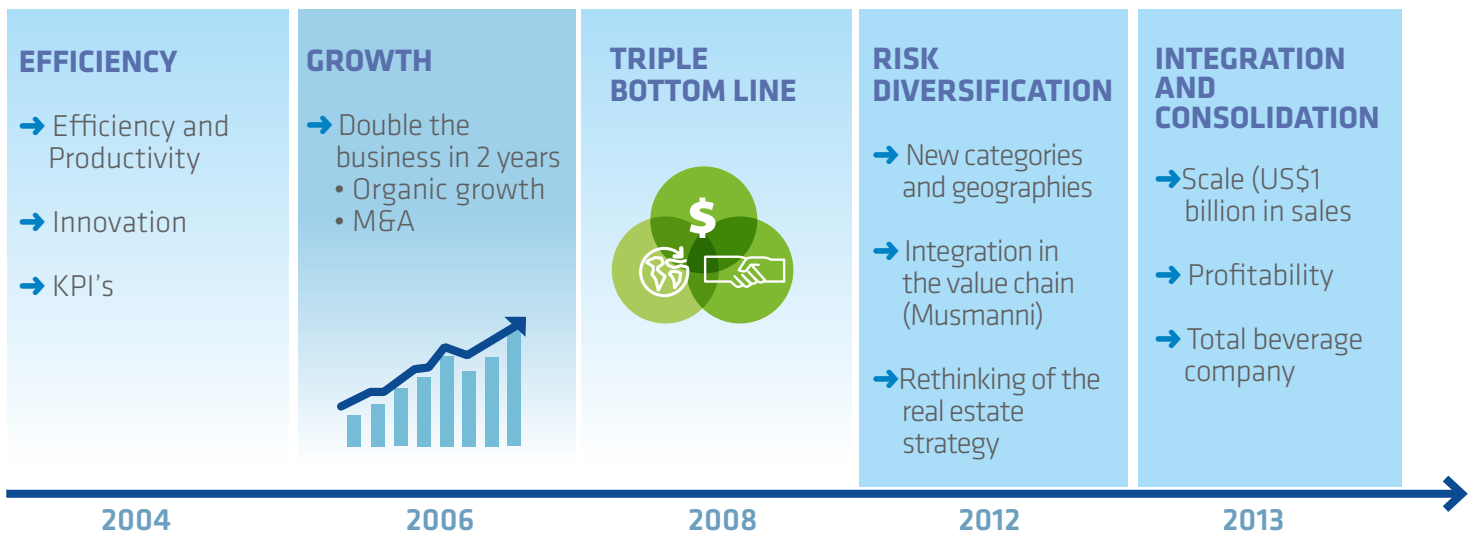
→ Reserva Conchal

- Environmental Management System ISO 14001:2004 for the operation of Hotel Westin Resort Spa&Golf
- Certification of Tourist Sustainability (5 leaves awarded by the Costa Rican Tourism Board (ICT)
- Ecological Blue Flag award granted to Reserva Conchal by the AyA under the *Communities* category, to Playa Conchal under the Beaches category and to Conchal Mixed Wildlife Refuge under the *Natural Protected Areas* category
- Audubon Certification for the Golf Course

Sustainability: Our Essence

During the decade of 2003-2013, Florida Ice and Farm Company obtained outstanding results in terms of growth and profitability; likewise, it focused on achieving the goal of becoming a total beverage company. At the 2012-2013 year end the goal had been achieved, since the company competes in all the most relevant beverage categories, with a meaningful participation.

FIFCO's Strategic Phases during the Last Decade



The acquisition, at the end of 2012, of the beer company North American Breweries (NAB) is a milestone during this diversification period. As a result of this expansion stage, during the 2012-2013 period the company focused on the integration and consolidation of these new businesses, seeking synergies and operating efficiency.

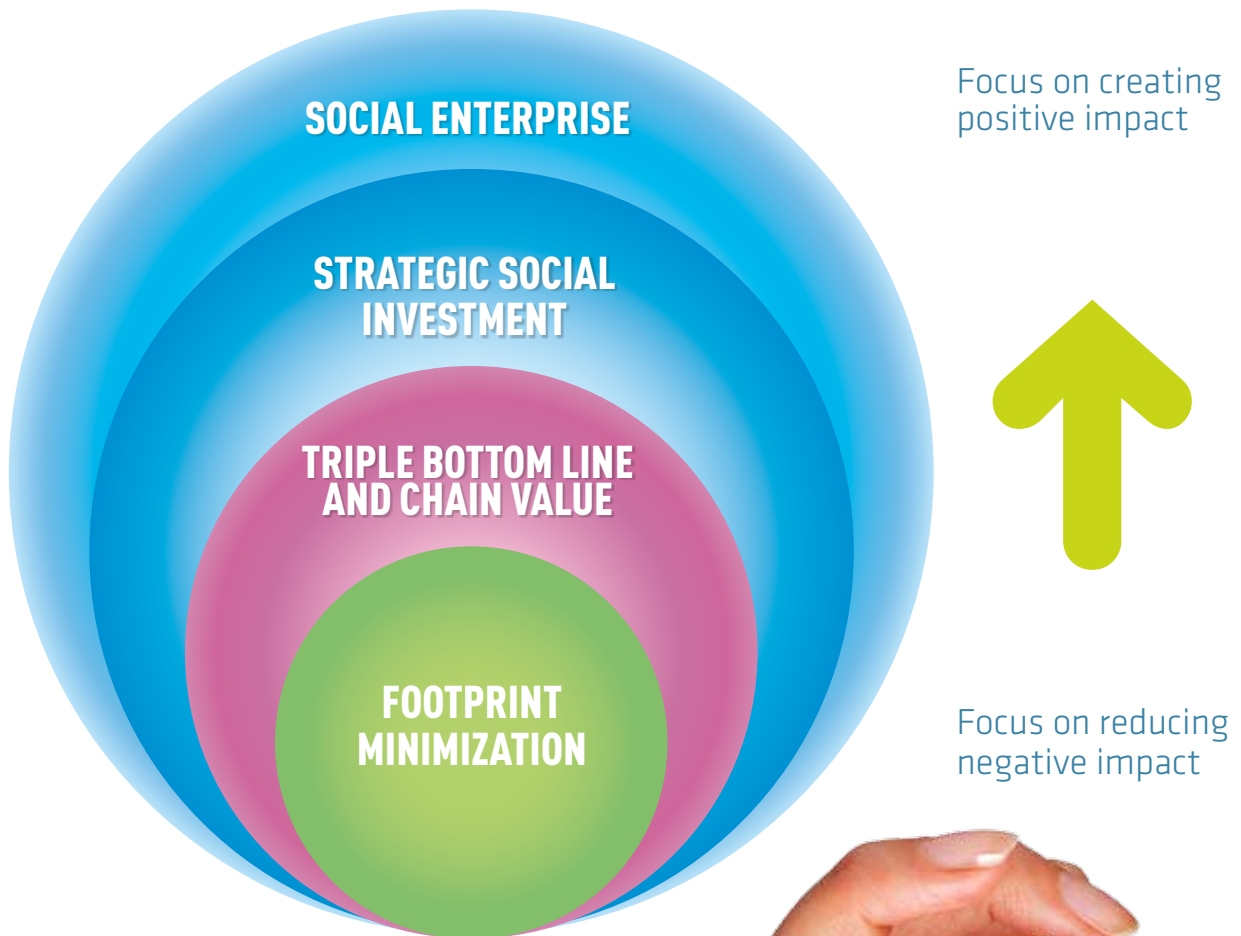
In the Economic Dimension, this was a complex period, marked by moderate growth due to a challenging commercial scenario, with increasing smuggling, consumption slow-down due to the economic environment and to a significant increase in input prices, particularly, electricity. In order to address these challenges forcefully, the company developed a plan to improve its competitiveness seeking efficiency and productivity in all its operations.

During this period our sustainability initiatives showed significant progress. The company consolidates as a total beverage company while creating value in economic, social and environmental aspects.

Our sustainability strategy defines the company's course: from an approach centered on reducing our footprints to an approach centered on creating positive impact on the societies where we operate. Such evolution is expressed in a 5-stage model:

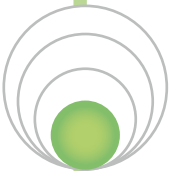
- 1) Footprint minimization
- 2) Triple bottom line
- 3) Value chain
- 4) Social investment
- 5) Social enterprise

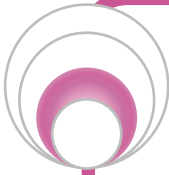
FIFCO and Sustainability



Footprint minimization

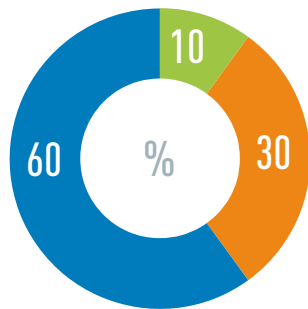
Since 2008 we identified our operation's main social and environmental footprints. They have been validated through consultations to our target groups. In the Environmental Dimension we work in four strategic topics: elimination of post-industrial waste, post-consumption waste, water and energy consumption. In the Social Dimension, the main issue is harmful alcohol consumption, which we address rigorously. The specific projects to address each one of our footprints are described later.





Triple Bottom Line

The Triple Bottom Line strategy adopted in 2008 aims to measure on a monthly basis the results or profit generated not only in economic, but also in social and environmental terms. An essential part of our strategy is measuring our associates' performance using the Triple Bottom Line Balance Score Card, where the variable remuneration of our executives depends on 60% of economic indicators, on 30% of social indicators and on 10% of environmental indicators.



- Economic indicators
- Social indicators
- Environmental indicators

Most of the efforts of the year reported focused on the implementation of this measuring method in the new business units. Further, from Eco-Florida and similar to this, specific indicators are developed for *Reserva Conchal*, *Pinova* (Musmanni), *Industrias Alimenticias Kerns*, *Florida Lácteos* and *Florida Vinos y Destilados*. Likewise, a proposal for the United States beer business, Eco-NAB, is developed during the period and will be reported next year.

Value Chain

The prime challenge of a company that aims to operate under a sustainability-framed strategy is to be able to have a positive influence on its value chain; i.e. take this value chain beyond its direct operation.

Through different methods we intend to share our business vision not only among the entrepreneur community, but also guide and support our suppliers and other strategic allies, in facing and assuming their social and environmental challenges assertively.



With the "Sustainable Procurement" program, we help our suppliers who have a greater impact or relevance so they may incorporate best practices in their processes or services. Through personalized attention we not only obtain the acknowledgement and signature of the Florida's Responsible Supplier Code, from 100% of the suppliers of Florida Bebidas de Costa Rica and of *Industrias Alimenticias Kern's* in Guatemala, but a notable improvement was attained in its work, social and environmental practices. The achievements and challenges of the Sustainable Procurement Program is detailed later in this report, under the Economic Dimension section.



Social Investment

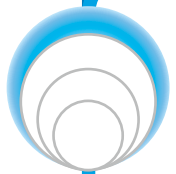
In social terms, the company's priority is to offer our associates competitive work conditions that promote integral development, at both a personal and professional level. To achieve this, the company sets ambitious challenges and develops programs focused on training and development, health and occupational safety and maintaining a model organizational culture. As an example of the above, Florida invested an average of 21.13 hours of training per associate and continues improving its occupational health and safety practices to reach a 1.64% accidentability rate; likewise, it maintained its "Great Place to Work" certification.

The company breaks paradigms and seeks to create social value, more than mitigate

As a way to strengthen the relationship with the communities where we operate and to compensate our operative footprints, FIFCO invested 6.5% of its profit in strategic social investment, being among the 1% of the leading companies worldwide which invest over 5% according to Boston Consulting Group.

or compensate our operation's footprints. At an external level, the company proactively recognizes the impact of alcohol on society and develops a powerful strategy: it addresses different fronts delivering specific messages to every type of population (minors, pregnant women, senior citizens among others) who in one way or another are exposed to beverages with high alcohol content.

The company's most valuable resource: human capital is made available to society and to causes related to our key projects through the "Elegí Ayudar" (I Chose to Help) volunteer program. By completing a total of 56,173 hours of volunteer work, FIFCO consolidates as the leader of volunteer work in Central America.



Social Enterprise

According to Muhammad Yunus, Nobel Peace Prize, a social enterprise is created and is different from a traditional company by aiming to address a social or environmental problem, instead of maximizing profit. As a subsequent event, Nutrivida the first Central American social enterprise opens in November 2013. This is a non-profit organization capable of creating social value and contributing to the local and world problems in an innovating and integral manner. Later in this report, under the External Social Dimension section, there is further discussion about this milestone in the Central American entrepreneurial community.

Triple Bottom Line Goals

Dimensions	Goals	Lines of Action
<p>1 Environmental</p>	<p>Improve Florida's environmental performance</p>	<ul style="list-style-type: none">  Efficient use of water source  Efficient use of energy and reduction of greenhouse effect gas emissions  Adequate solid waste management
<p>2 Social</p>	<p>Internal Improve the quality of life of our associates and their families</p>	<ul style="list-style-type: none">  Target culture: live by the values  Occupational health and safety  Talent development
	<p>External Have a positive impact on society</p>	<ul style="list-style-type: none">  Promote responsible alcohol consumption  Strategic social investment  Transparency and ethics
<p>3 Economic</p>	<p>Generate economic value for our shareholders and other groups</p>	<ul style="list-style-type: none">  Create Economic Value Added (EVA)  Market leadership  Growth in sales and profit



CLICK HERE TO FIND THE CORPORATE GOVERNANCE ANNUAL REPORTS

Corporate Governance

Corporate Governance establishes norms and policies under which our organization’s different directors operate.

It regulates the actions of the Board of Directors and the Administration as a way to ensure a safe and transparent operation among these figures; it protects the company’s interests while recognizing the shareholders’ rights, looking for balanced management and control.

Florida Ice and Farm Co. is governed by the **Corporate Governance Volunteer 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 a certified public accountant and published along with the annual financial statements.

FIFCO’s Corporate Governance Volunteer Code establishes the following, among other topics:

1. The President of the company’s Board of Directors and the general manager cannot be the same person.
2. A number of members of the Board of Directors who must be independent must be established, as well as other criteria or circumstances that may eventually exclude a member to be considered independent.
3. The communication mechanisms available to the shareholders and employees to communicate recommendations or indications to the highest corporate governance body are described in detail.
4. The procedures introduced to avoid conflicts of interest in the highest corporate governance body are established.
5. The relevant principles for the company’s economic, environmental and social performance.



Our Board of Directors and Sustainability

- The definition of materiality, as well as the collection of indicators of the new Global Reporting Initiative’s G4 methodology considered an exclusive session with the Board of Directors, which learned about the main implications of reporting under these new guidelines.
- The Directorate of Corporate Relations shares every quarter with the Board of Directors the progress made regarding the report’s collection, drafting and design, as well as the major findings and respective action plans.
- With the same accuracy and discipline customary in reviewing the company’s financial results, the main challenges and projects of the internal social, external social and environmental dimensions are presented.

Board of Directors and Committees

The Board of Directors is the highest Corporate Governance body and represents the Shareholders' Assembly

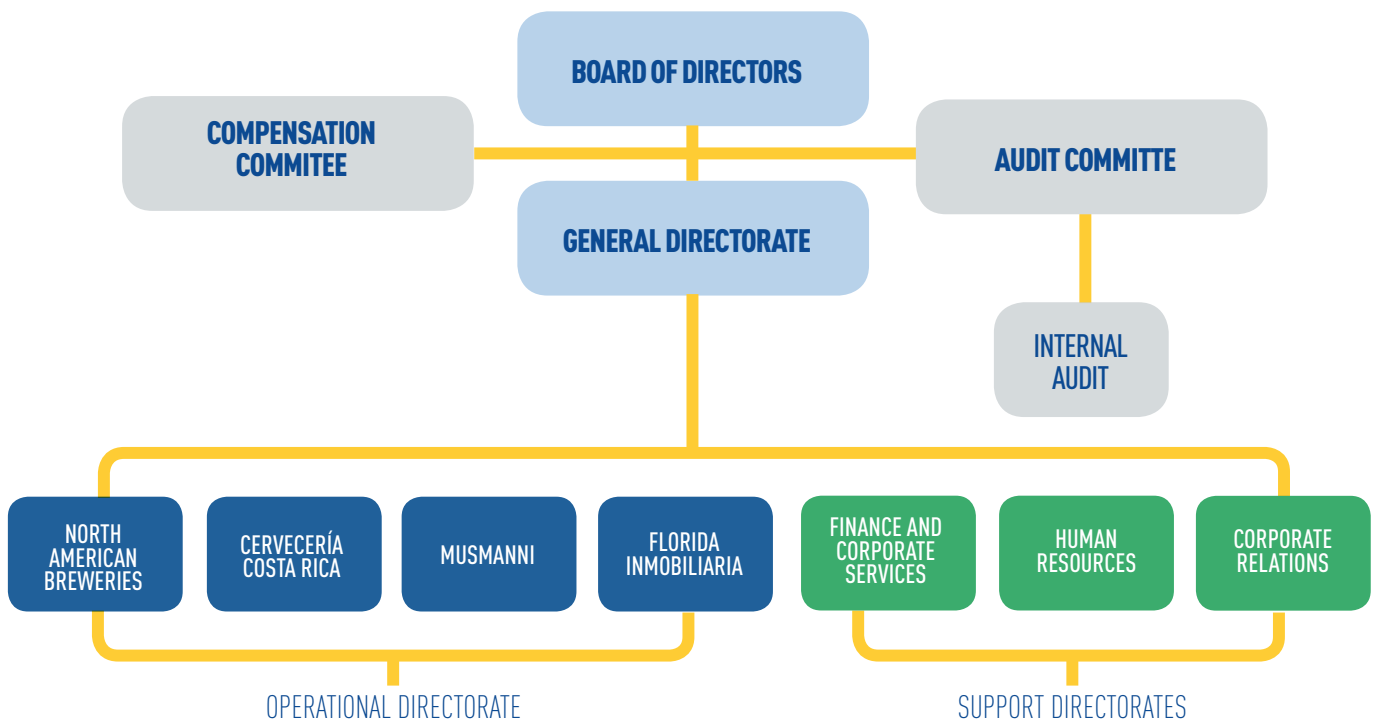
The **Compensation Committee** establishes the specific policies on remuneration and other benefits granted to the members of the Board and Directors and executives. Said policies may consider aspects such as the goals, individual performance and the company's performance in general.

FIFCO's **shareholders** have several mechanisms to communicate their concerns to the Board of Directors, among them, a definite space in the Annual Meeting's agenda and an a shareholder service office. Every semester, they are informed about the results obtained to date.

The **Audit Committee** promotes the supervision and responsibility (accountability) of the financial area. It makes sure the executive team develops and executes effective internal controls, that the internal audit fulfills its duties and that the external auditors evaluate, through its own review the practices of the executive equipment and the internal audit, if required.

As for the **associates**, there is a procedure at an Internal Audit level, where they can express their concerns or claims to the highest Corporate Governance body. In the specific case of *Industrias Alimenticias Kern's*, in Guatemala there is a union the associates can freely affiliate to. This union is the highest body representing workers and negotiations with the company's senior management.

FIFCO's Organizational Structure





Codes of Conduct

The following FIFCO codes of conduct are of mandatory application and compliance by all its subsidiaries, departments and associates. All of them are published in our website: www.florida.co.cr.

- Code of Ethics and Business Conduct
- Responsible Supplier Code
- Code for Self-Regulation in Advertising
- Corporate Environmental Policy

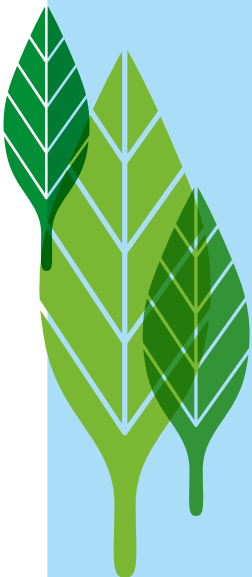
Commitment with external initiatives

- **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 Financial Corporation (IFC). The Circle is comprised of 15 companies of 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.
- **“Organizational Stakeholders” Member** of the Global Reporting Initiative. As such, FIFCO is part of the nucleus of various stakeholders of the GRI network, essential to maintain the GRI as an independent and democratic organization.

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 belong to

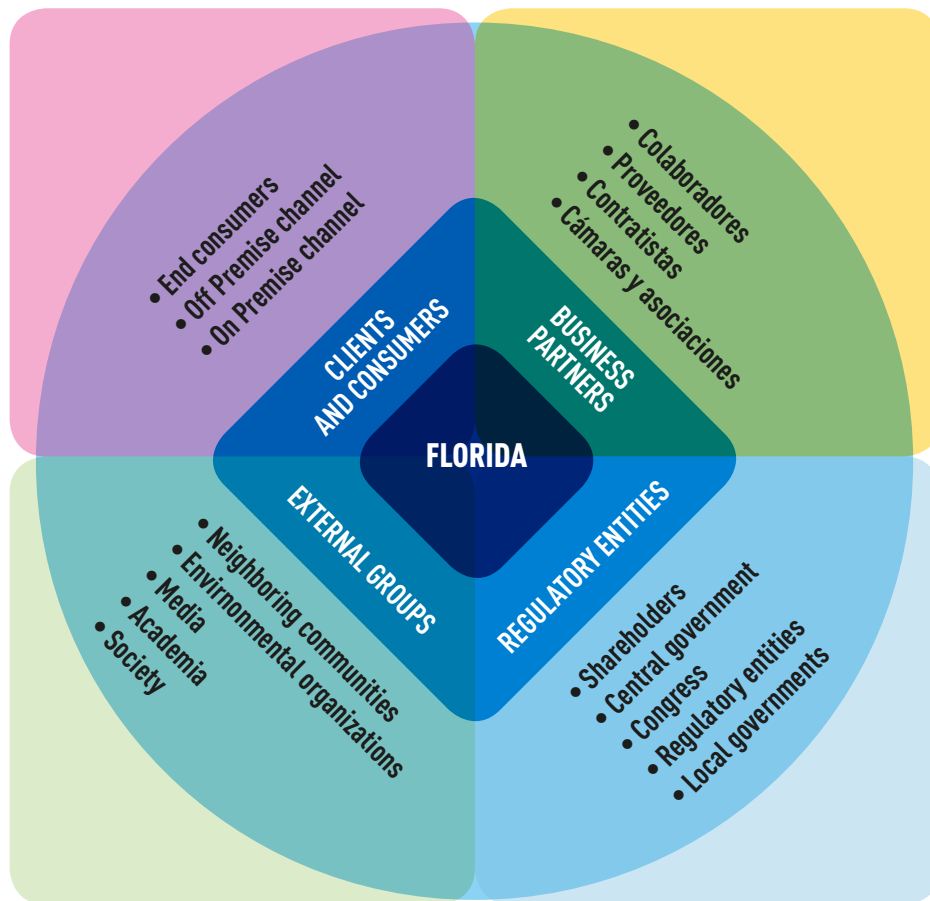
- Alliance for waste valorization in Costa Rica
- Entrepreneurial Association for Development (AED)
- National Stock Exchange
- Costa Rican Chamber of Security Issuers
- Costa Rican Chamber of Commerce
- Chamber of Commerce of Heredia
- Chamber of Industries
- Costa Rican Chamber of Food Industry (CACIA)
- Chamber of Retailers and Related Businesses
- Latin American Brewers
- Costa Rican-American Chamber of Commerce (AmCham)
- World Economic Forum
- National Institute of Advertising
- Redcicla
- Costa Rican Union of Chambers and Associations of Private Business Sector (UCCAEP)
- Organizational Stakeholders, Global Reporting Initiative

Consulting our target groups

G4-24

Target groups are those groups which are related to the organization and have a special interest in it, and which are affected or may be affected by its actions, objectives or policies. An effective dialogue with our target groups is crucial to truly create social and environmental value under a Triple Bottom Line approach. This method allows us to handle expectations as well as provide responses to these shared challenges.

Who do we related with?



Each year, we consult our target groups to learn about their expectations regarding FIFCO's management. Such consultation is applied under a quantitative and qualitative methodology by an external supplier, the most recent applied by the Citizen's Institute of Knowledge. The results of this study enable us to realign priorities and create specific projects to come closer to the expectations of the groups under analysis. The report consults the target groups of *Florida Bebidas*, *Reserva Conchal*, *Industrias Alimenticias Kern's* and, for the first time during the reported period, the strategic business unit *Musmanni* was included.

The results of these consultations are subject to analysis and reflection by the company's General Direction, executive committees and management. This valuable information about what the groups think and expect serves as a basis to guide FIFCO's fields of action and priorities and to make strategic decisions in all three dimensions.

Main findings and recommendations from our target groups

G4-27

LEADER- SHIP

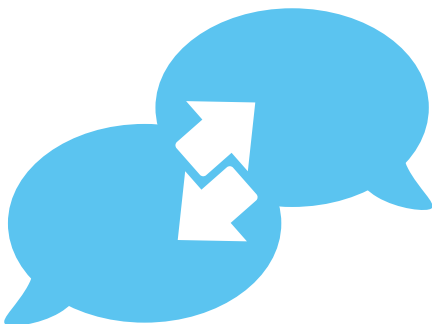
Our groups recognize Florida's commercial leadership and, therefore, its duty as an enterprise, to engage and actively participate in the construction of a more fair, prosperous and safer society.

SUSTAIN- ABILITY

SUSTAINABILITY FIFCO is a model and benchmark company in terms of sustainability. However, little is known about this matter, particularly about the role of companies as creators of social and environmental value. Against this background, the company decides to lead education and public discussion on which should be the real contribution of the entrepreneurial community, urging and inspiring more companies, NGOs, government authorities and institutions to explore a collaboration environment, pursuing the social, environmental and economic prosperity of the companies where we operate.

COMMU- NICATION

The study shows the need to communicate in a more aggressive way our achievements, projects and initiatives. We must share in a more assertive, systematic and accessible manner with our clients, consumers, neighbors, government authorities, NGOs and business chambers Florida's role and the value created. Stakeholders expect Florida to take advantage of its products as a means to inform and raise awareness about social and environmental problems, promoting a change in the behavior of consumers and the market in general, in regards to global issues, like adequate waste disposal and climate change.



COHER- ENCE

The groups consulted expect the same level of commitment to sustainability in all our businesses. The leveling and implementation of the Triple Bottom Line strategy in the business units recently acquired is a priority that the company assumes proactively. Sustainability is the corporation's cross-cutting priority; the implementation of this strategy must be adapted to the nature of each business unit.

ENVI- RON- MENT

It is worth mentioning that the groups consulted recognize Florida's leadership in environmental matters. The relationship or link between FIFCO, sustainability and the environment occurs spontaneously and consistently.

The expectations of the groups consulted vary depending on the business. In a broad sense and being *Florida Bebidas/Alimentos* (beverages and food products) the most renowned business in Costa Rica, package placement in the market is a popular topic. Package recovery and adequate disposal is a priority for consumers and clients; these expect Florida to contribute with and lead the solution to this local problem. The efficient use of water, greenhouse-effect gas emission and energy savings are essential topics for some of the groups consulted. There is great interest from the entrepreneurial community, mass media and NGOs to collaborate in large-scale and impact environmental projects. Organizations and the academic sector propose efforts geared towards educating youngsters and children on environmental matters.



ALCOHOL IN SOCIETY

As captain of the beer, wine and distilled beverage segment in Costa Rica, our groups expect Florida to lead education and promotion on intelligent consumption of alcoholic beverages. Initiatives and preventive programs addressed to minors and road safety are a priority. When having to face a group that is more informed and exposed to all kinds of messages, the need for innovative programs that transmit continuity, have scientific support and are present in traditional media and social networks, becomes evident.

SOCIAL INVEST- MENT

FIFCO is well known for its social investment programs, specifically its contribution to the development of neighboring communities. There is a need to create more programs focused on nearby communities that are influenced by the presence of the different Business Units, ideally under collaboration and long-term relations schemes.

The volunteer program is known and considered a model among the entrepreneurial community. An important lesson is that in terms of social investment, our groups' expectations are very diverse, showing little knowledge of our priorities as a company in this chapter. In Costa Rican society, there is still confusion between philanthropic actions and social value creation.



FLORIDA BEBIDAS

For the beverage and food product unit, the most relevant topics for its groups are:

- Alcohol in society
- Containers used and placed in the market
- Rational use of water resource
- Greenhouse-effect gas emissions

Topics described above as relevant findings.

RESERVA CONCHAL

The most relevant topic for the neighbors and communities located near our real estate project in Guanacaste, Costa Rica, is water resource availability. In view of the interest shown in this topic, which has become evident in the last studies, the company has proactively sought not only greater operative efficiency, but also compensation of this impact through different projects and the company's engagement in discussing such problem at a national level.

There is great interest from owners and neighbors in participating in actions and projects; i.e., living the "social and environmental sustainability" experience.

KERN'S

The Guatemalan context largely defines our groups' expectations in terms of sustainability. There is lack of information regarding the environmental achievements obtained, as well as our social investment initiatives or programs and, therefore, the space to communicate and share knowledge about our Triple Bottom Line strategy. On the other hand, we find a great opportunity to start programs focused on addressing child malnutrition, a significant problem in Guatemala.

MUS-MANNI

Both, clients and franchisees of the retail sales operation, Musmanni, recognize the opportunity points of sale provide to educate on environmental matters and promote the citizens' participation and involvement.

Our priorities (materiality)

G4-18, G4-19, G4-20, G4-21, G4-22, G4-23, G4-25 y G4-26

According to the Global Reporting Initiative, the materiality or relevant aspects are those with a direct or indirect impact on the organization's capacity to create, preserve or share economic, social and environmental value, either for itself or for its target groups or society in general.

What are material aspects?

In brief, it means to **identify, prioritize and communicate the progress and challenges** of those areas that are most relevant for the company and the target groups we relate with.

This analysis, resulting from the reporting process, becomes a valuable input for our strategic planning processes and in this way focus our resources in a more efficient way on those issues that are critical for the company's economic, social and environmental sustainability.

Since the consolidation of our Triple Bottom Line strategy in 2008, every year the company identifies and validates the most relevant topics for each Business Unit and its respective target groups.

How was the process?

The year 2008 was an important year for the company, not only because we decided to adopt a Triple Bottom Line strategy, but also because with this approach we were able to define our goals and priorities for the following 5 years. These goals remained valid for both the company and our groups and society in general. The relevance and pertinence of these corporate objectives are validated every year through consultation to our target groups.

This report stems from input such as our Strategic Plan and consultation to the groups, as well as continuity and congruence of that reported during the 2011-2012 period. After reviewing the relevant topics and the GRI methodology, the different areas and pertinent business units are consulted. The above is completed with interviews to directors, mid-level and other key positions. The analysis and prioritization describes the economic context and variables of both, the communities and countries where we operate and at a regional and even international level.

Reporting under the G4 methodology shows an area of opportunity in the process to define materiality. We must seek to identify such opportunity based on the company's strategic vision and not based on the collection of indicators of the GRI guide, as was previously made with the G3 guideline. In addition, we recognize that we can still improve the indicator collection procedure and outreach in the different Business Strategic Units.

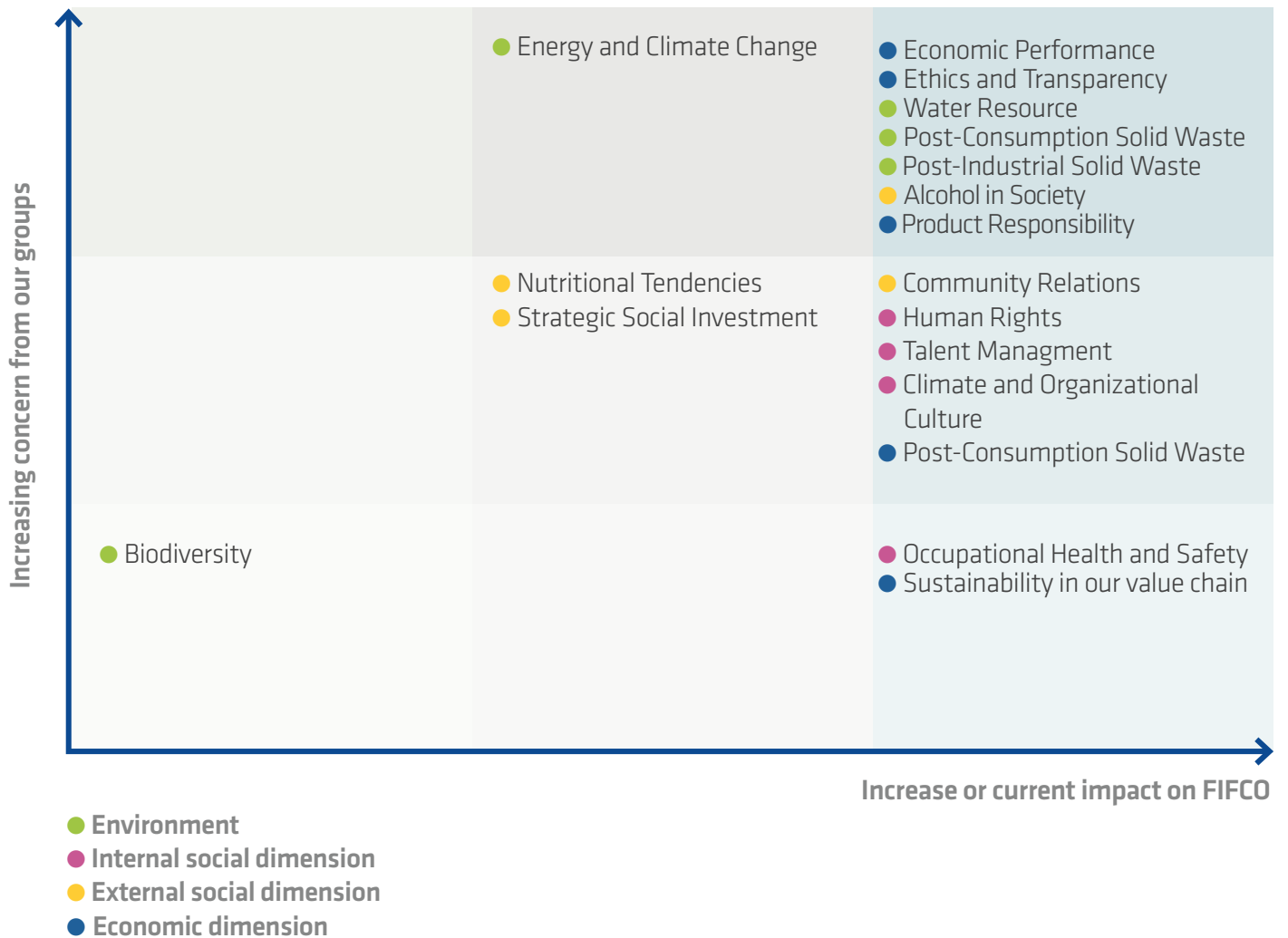


The aspects that are relevant for the company are fully reported. The G4 methodology enables us to broaden the scope in matters that are strategic and a priority for the company such as indicators related to Human Rights and the special section on product responsibility

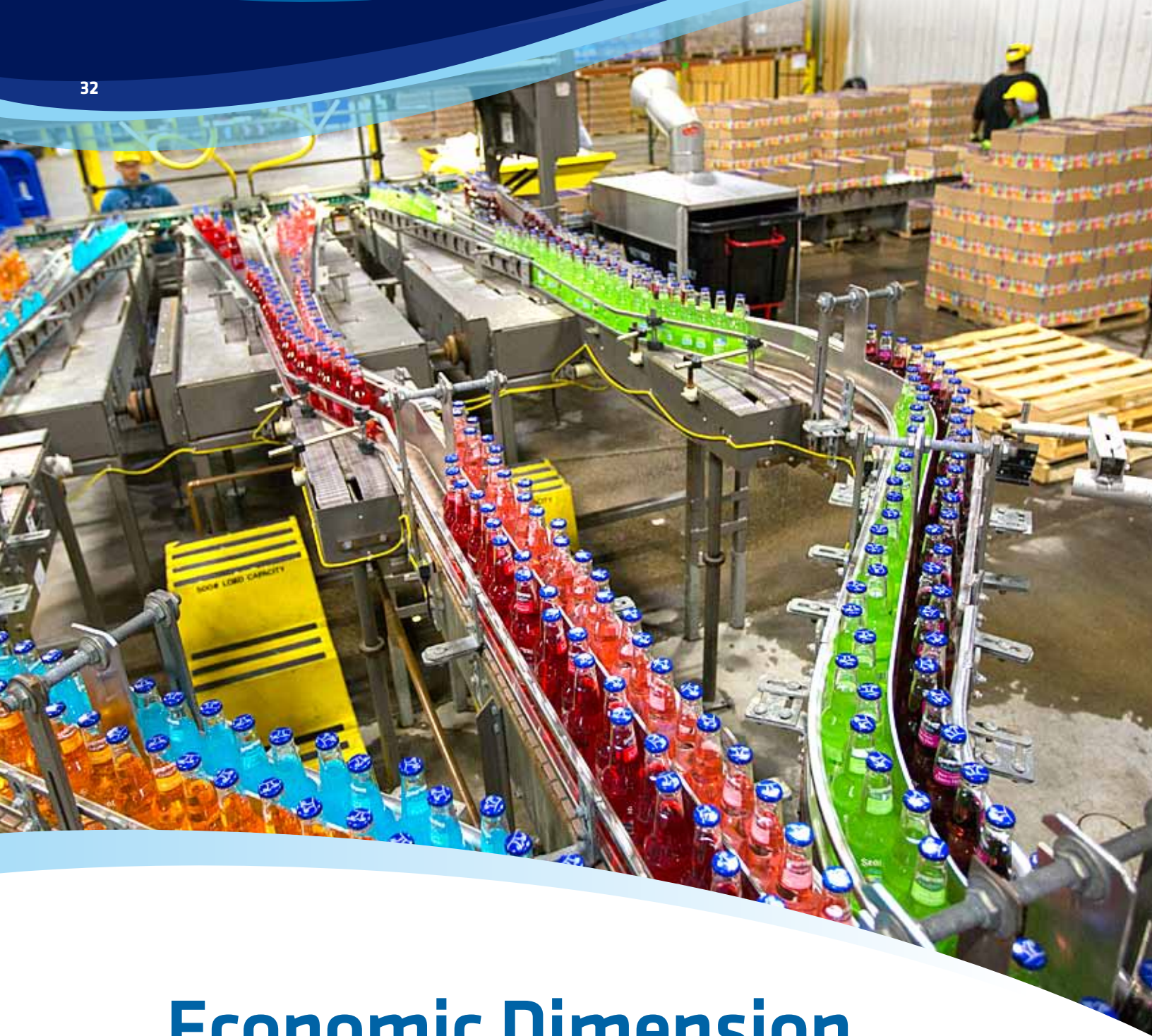


What do we consider “material”?

2013 Materiality Mix



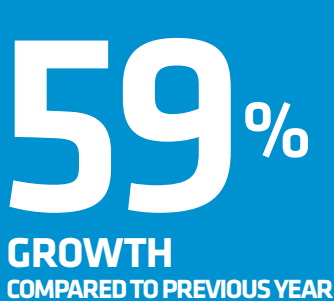
*The material aspects identified include the Business Strategic Units with greatest relevance and impact within FIFCO’s operation



Economic Dimension

Our Triple Bottom Line strategy seeks to create value in a sustainable and holistic way. This implies that we aim to be commercially competitive and leaders, while we incorporate social and environmental variables in our operations.

En números





Our goals in the Economic Dimension

- Economic value creation and distribution
- Market leadership
- Sales and profit growth



The 2012-2013 period was a year characterized by business expansion and geographic diversification. Among the most important achievements is the acquisition of the United States beer company North American Breweries (NAB), as well as the opening of several points of sale under the *Musmanni Mini Súper* format; the good results obtained by the hotel business and the organic growth of the food and beverage units, both in Costa Rica and in Guatemala. The company was able to reach a sales volume of over 86 million equivalent boxes and net sales for 552,667 million, which represents a 59% growth compared to the previous year.

For the food and beverage business in Costa Rica (Floridas Bebidas), this was a complex period, marked by moderate growth, closing with a 7.6% operating profit. This was mainly due to the increasing smuggling of alcoholic beverages (Costa Rica is the fourth country with the highest rate of illicit trade in the region), unfair competition and slowdown in consumption caused by a complex economic and commercial environment. In addition, there was a significant increase in input prices, particularly, electricity, increasing competition among imported beer and the entry into force of the law on

The NAB acquisition was a milestone not only for the company, but also for the country. The company diversifies its risk to venture in new geographies and categories, providing an opportunity to enter a huge market.



Ramón Mendiola
Chief Executive Office



alcoholic beverage trade, a regulation that had a negative impact on our clients.

In view of this situation, the company developed a comprehensive plan, which includes a powerful strategy to combat illegal trade along with the government, the industry and the most relevant business chambers. The company underwent diagnosis and a strategic planning process, looking for operating agility and efficiency. Based

on this plan and as a subsequent event, on November 15, the company had to release over 170 associates.

Such decision is made as a last resort in response to challenging commercial situations and a complex economic environment.

Economic Context

- The economy grew at a slower rate and unequally in each sector.
- The dollar’s strengthening compared to the colon, favored importers.
- The consumer was more cautious due to unemployment and an increase in the basic food basket price.

Contexto del mercado

- The illegal market of distilled beverages and beers accounts for 22% in the country, turning Costa Rica into the fourth country with the highest rate in Latin America.
- Unfair competition in categories that are relevant for the company.
- Law on Alcoholic Beverage Trade, know as “Law on Patents” and other regulations affected significantly many of our clients.
- Aggressive competition with low-cost schemes (global and regional).
- Increase of certain key inputs, like electricity.

As part of the release, and in addition to all the work benefits established by the law, the company accompanied and guided those former employees through the transition process towards new positions and reinsertion in the labor market.





Our Business Units

The water, refreshment, juices, nectars, carbonated drinks and functional drinks categories maintained a healthy growth and gained market share in the different segments in the Central American region.

With its Mú! brand, *Florida Lácteos* (dairy products) continues aspiring to position itself in this highly competitive category. The product was preferred by part of the consumers, leveraged by the support received by being part of Florida's products.

It is worth mentioning that during this tax period, *Florida Bebidas y Alimentos* gave a big strategic step by separating the organizational structures of the following categories:

- a) Beer and Flavored Alcoholic Beverages
- b) Refreshments and Dairy Products
- c) Wines and Distilled Beverages
- d) Food Products

The purpose of this change is to improve the performance of the work forces in each category before the client and consumer to strengthen its approach at a medium and long term.





In general, FIFCO currently has **new strengths and new challenges** by venturing into the new beer market in the United States and by incorporating new businesses and categories. The above implies **major challenges** for the **sustainability agenda**, being footprint identification required in each transaction, as well as leveling and standardization of social and environmental practices, a priority.



In the case of Musmanni, the unit fulfilled its objective to venture in the convenience store format and have presence in new and different places in Costa Rica. The above, while it successfully incorporated social and environmental variables to its operation, which will be described further in this report.

The real estate business obtained very positive results during this period. Both The Westin Golf Resort & Spa hotel, in Playa Conchal, and the Reserva Conchal residential project grew in terms of occupation and sales, respectively.

Investments in beer and packaging companies through *Florida Capiales* increased satisfactorily.

KEY PERFORMANCE INDICATORS

KEY FINANCIAL INDICATORS

(in millions of colones)

	as of September 30, 2013	as of September 30, 2012	Variation %
Results			
Net Sales (without direct taxes)	552,667	348,308	58.7%
Cost of Sales	299,105	146,572	104.1%
Gross profit	253,562	201,736	25.7%
Operating Profit	74,395	74,855	-0.6%
Net Income	43,937	58,529	-24.9%
Net Income attributable to Shareholders	33,594	45,280	-25.8%
Dividends to Shareholders	19,391	19,309	0.4%

General Balance

Current Assets	192,785	141,853	35.9%
Non-Current Assets	620,234	363,184	70.8%
Total Assets	813,019	505,037	61.0%
Current Liabilities	121,966	85,617	42.5%
Long-term Liabilities	377,756	117,909	220.4%
Total Liabilities	499,722	203,526	145.5%
Working Capital, Net of Investments and Onerous Obligations	88,328	82,606	6.9%
Total Equity	313,297	301,511	3.9%
Net Equity, attributable to Shareholders	274,538	262,580	4.6%
Net Capital Stock (in Outstanding Shares)	37,911	37,988	-0.2%

Indicators per Share (in colones)

Number of Outstanding Shares (in thousands)	379,111	379,880	-0.2%
Operating Profit	196.24	197.05	-0.4%
Net Income attributable to Shareholders	88.41	118.84	-25.6%
Dividends	50.50	50.00	1.0%
Book Value	724.16	691.22	4.8%

Net Income

Beverage Sales	458,702	281,111	63.2%
Food Sales	61,587	43,509	41.6%
Real Estate Sales	27,750	20,091	38.1%
Other Sales	4,628	3,597	28.7%

*Data verified by an audit made by Deloitte, December 2013

Our Products

During the last years, Florida has been determined to become a total beverage company, participating in the most relevant segments of this category. With **over 2,700 products** in our portfolio and a significant market share in each one of the segments where we compete, we can proudly say that we have attained such objective.

The company's objective is to offer top quality products, guaranteeing not only compliance with the pertinent laws regarding manufacturing, labeling and marketing, but FIFCO as a whole also pursues to go beyond, incorporating, more each day, social and environmental variables to our portfolio, by transferring this value to the product itself.

Product Responsibility

Successfully incorporating sustainability criteria into our products, contemplates variables of a very different nature. Our consumers' needs and preferences have evolved; we are facing a more informed consumer whose priorities have been redistributed, a consumer in search for holistic wellness and, thus, adequate products for such lifestyle. We have gradually adjusted our portfolio to offer a wider variety of this type of products and have the consumer realize the link between our products and our sustainability strategy.

The following variables and product characteristics have greater strategic relevance in the current and future plans of the different portfolios for the different segments managed:

Raw material, inputs and final product certified as organic or with relevant environmental practices or certifications:

- The Wine and Distilled Beverage Unit has played a key role updating its portfolio by incorporating several brands certified as Organic and/or Biodynamic. Wineries intend to offer value added to their products through features such as lighter bottles, labels and recycled-paper boxes, organic grapes, incorporating environment-friendly processes, and reforestation programs, among others. Some of these wineries are: *Hacienda Araucano*, *Viña Concha y Toro*, *Bodega Antiyal*, *Vida Orgánica*, *Planeta* and *Palo Alto*.



Nutritional Content

- The progress in the incorporation of products low in sugar, fat and sodium has been very significant during this period. It is important to consider that during the last years, Costa Rica has implemented regulations on the nutritional content of products; for example, regulating food product marketing in public schools: “Decree for School Cafeterias”.
- The line of refreshments and teas, formed by 16 flavors and 51 presentations has recognized and successfully incorporated our consumers’ preferences, as well as nutritional variables and world tendencies, attaining a 25% sugar reduction in 100% of the products. The challenge for the next periods lies in assertively communicating this progress to our consumers.
- The refreshment portfolio effectively incorporates products with lower energy content, the same as dairy products, under the presentation Mú! partly-skimmed and skimmed milk. Imperial and Bavaria Light beers, both low in calories and alcohol content, have gained relevance in this category’s portfolio. Also in the Beer portfolio, Kaiser is the only beer without alcohol content produced in Costa Rica.



- Consumers frequently look for products that provide an additional benefit, value added for their health in harmony with that holistic lifestyle they long for. Products with vitamins and minerals or functional nutritional additives have become a need for consumers. One hundred percent of Tropical products, as well as Kern’s beans, sauces and nectars contain essential vitamins and minerals, besides being products high in fiber, proteins and antioxidants.

Vitaloe, a product made with organic aloe (30%) has successfully positioned itself in the market.

Consumers look for healthy products at a fair price, with good flavor, and at the same time, they value the high percentage of organic aloe in Vitaloe, as well as its nutritional properties



Mú! flavored milks contain vitamins A, C, D, B2, folic acid and are low in calories. Their flavors are: “Choco Dichoso” (Lucky Chocolate), “Sorpresa de Fresa” (Strawberry Surprise), “Granizado Sensación” (Kola Slush Sensation) and “Avena Macarena” (Macarena Oats). The product has been approved by the Ministry of Public Education (MEP) and is recommended to be part of schoolers’ lunchboxes.



Healthy Talks



As part of the Corporate Volunteer Program “Elegí Ayudar” (I Chose to Help), our Florida Bebidas and Musmanni volunteers gave talks on nutrition to over **3,970** boys and girls of neighboring schools and high schools.

Moderate Wine and Beer Consumption



NUTRITIONAL CONTRIBUTIONS

Vino

As part of the most recent acquisitions, Florida adds to its portfolio over 700 labels of wine from various countries of origin. It has been shown that this millenary drink provides healthy adults with multiple **health benefits**:

- **Wine has many health-benefitting properties**, among them: tannins, natural substances, astringent and bitter that help keep the arteries cleaner contributing to prevent cardiovascular diseases.
- **The skin of black grapes contains a wide variety of phenolic compounds** (phenolic acids, flavonoids and resveratrol), which have a great capacity to protect LDL lipoproteins from oxidation, inhibiting bad cholesterol. Likewise, resveratrol may help delay aging and prevent diseases like Alzheimer's.
- **Most beneficial substances accumulate in the grape's skin.** Red wine is more beneficial than white wine due to its elaboration process and the great assets it uses from the grape when the latter becomes wine.



Beer

The nutritional qualities of beer are being studied since the previous century and correspond precisely to the **nutrients found in its ingredients**.

Some of its benefits for a healthy adult are:

- **Low calorie (energy) content** compared to other fermented or distilled alcoholic beverages.
- **Presence of complex B vitamins** (riboflavin, pyridoxine, niacin and folic acid).
- **Minerals** such as phosphorous, magnesium, sodium, potassium and silicon.
- Other biological compounds such as **polyphenols** (substances found in plants and that may reduce the risk of heart disease and cancer)¹.



The moderate and responsible consumption of alcoholic beverages must be within the limits pre-established by the World Health Organization, by population, sex, age and health condition.

Characteristics of beer that support your contribution to nutrition

- Various scientific studies reveal the presence of **follic acid** (folate) in beer. This nutrient is important to prevent severe anemia².
- **Magnesium** (very important for bone strengthening) is present in beer³.
- **Silicon**, on the other hand, is also present in beer and plays a significant role in the bone formation process and in collagen production. Beer contains approximately 36 mg/L of silicon that comes from malt, which is extracted during the maceration process. Based on this scientific evidence, beer has been proposed as the most important silicon source in western diet⁴.
- **Its low sodium content** turns it into a consumption (moderate and responsible) alternative among persons who like to drink it and must keep a low-salt diet.

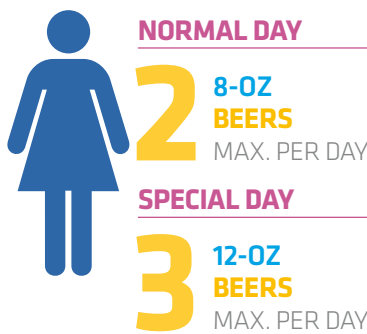


What is the key behind beer's contribution to nutritional content, what kind of consumption must occur and what is the measure?

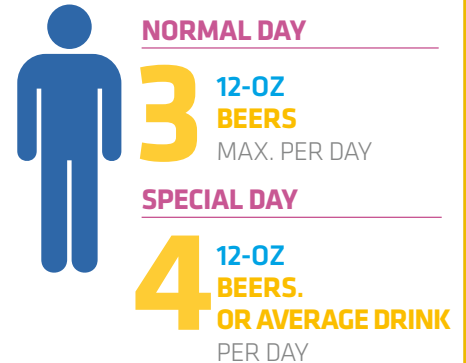
For a healthy adult to be able to take advantage of the health benefits beer provides, it must be consumed with **moderation and intelligence**. For this, age, sex and daily activity must be considered.

CONSUMPTION SUGGESTION

Adult Women



Adult Men



The consumption recommendation for women will always be a little lower than for men, due to the differences in body built.

SOME RECOMMENDATIONS

- 1 The liver only has the capacity to process one drink per hour; therefore, **it is not recommended to have more than one beer per hour.**
- 2 For men and women, it is recommended to **refrain from drinking at least once a week.**
- 3 **Drinking accompanied by healthy eating** is recommended, in this way, alcohol will not reach the stomach alone.
- 4 It is recommended to **drink one glass of water** between drinks.
- 5 **Alcohol consumption is not recommended in the case of sensitive populations.** These populations include minors, pregnant women, persons who are taking medication or have a physical condition incompatible with alcohol consumption and persons who will drive a vehicle.
- 6 Drinking is not recommended at all in **situations of stress and depression**

Labeling

One hundred percent of our products include accurate and available information according to the laws and regulations in force established by the Ministry of Health, the Ministry of Economy, Industry and Trade and the Central American Technical Regulations.



- Food product's name
- List of ingredients
- Nutritional information (if applicable)
- Net content
- Manufacturer's name and address
- Country of origin
- Lot identification number
- Expiry date
- Health registry
- Product's benefits
- Customer Service telephone number
- Recycling Program's logo
- Food safety certificates

One hundred percent of the products manufactured by FIFCO are evaluated to verify their impact on customer health and safety. Such verification is carried out through different methodologies like: Integrated Internal Audits, programs such as Hazard Analysis and Critical Control Points (HACCP), Good Manufacturing Practices, production lot verifications, and physical-chemical and microbiological analyses, all of them described in the relevant management systems.

Muhammad Yunus
Nobel Peace Prize
2006



Nutrivida
Nutrición con el mejor sabor

Access to healthy food products and support to vulnerable communities

Nutrivida is created to address undernourishment, lack of micronutrients (vitamins and minerals) also called “hidden hunger”, first in Costa Rica and then in the rest of Central American countries and Haiti. Undernourishment may manifest in different ways depending on the cause, severity and duration. In the case of Costa Rica, the main micronutrient deficiencies were found to be zinc and iron.

The social enterprise’s target market are Costa Ricans living under the line of poverty and extreme poverty, especially boys and girls between 6 months and 2 years. Most of this target population is found in Segment E (constituted by the population referred to as the country’s poor class, with monthly income under 100 thousand colones per month, equivalent to \$198 per month).

Currently, Nutrivida’s products are marketed in more than 1,000 retail stores, among them, *pulperías*, mini-marts, Musmanni stores and independent supermarkets, distributed by the company DISAL (part of Grupo Pelón) through the *Mamás pro Nutrición* (MANU) (Moms pro Nutrition) network, comprised of over 400 women heads of households with low income, who become microentrepreneurs and receive a source of income. Gradually, and through different alliances, it is expected to expand the saleswomen network to more vulnerable communities in the country and by 2015, market the products in at least two Central American countries.



Nutrivida developed 3 fortified food products great in flavor and of high nutritional quality: an infant cereal, an instant chicken soup and a powdered beverage, as well as a complete meal (*Nutri pack*, which contains beverage and soup).

Poverty in the region

Poverty in Central America ranges from 67.4% in Honduras to 21.6% in Costa Rica; 10% of households are in social exclusion and 7.8% live in extreme poverty (350,000 persons, mostly children and youngsters). Nutrition is essential to lead a healthy life. In Central America, 1,796,000 boys and girls under 5 years old suffer chronic malnutrition (34.9%) (State of the Region, 2012).

COSTA RICA

Boys and girls under 5 years old are affected by **chronic malnutrition**

2.7%

Customer Service

The production of goods and services of the highest quality is a cross-cutting topic and an objective shared in the entire corporation. Florida publicly commits with its business partners, customers and consumers to provide products and experiences of consistent and reliable quality. The company has mechanisms and protocols throughout the business chain to ensure adequate compliance with the different rules and standards of quality..

As part of the Customer Service procedure, the company has 4 Customer Service toll-free telephone numbers. These lines are available to our customers and consumers for any inquiry and are attended directly by the Customer Service Department of Florida Ice and Farm Co.

During the 2012-2013 period, 1,573 product claims were filed as follows: 506 claims received in points of sale and 1,064 from end consumers.

Likewise, Musmanni has a Customer Service department of its own, centered on attending inquiries, claims and comments from both, franchisees and end consumers.

Both protocols cover topics related to product quality and service provided.



Customer Service Lines

FIFCO

- 800-CERVEZA
- 800-CRISTAL
- 800-TROPICAL
- 800-PEPSIYA

MUSMANNI

- 2437-7626 IMPROVEMENTS COMAPAM
- 2437-7634 MUSMANNI COSTUMER SERVICE

Product Claim by Period

2010 - 2011	2011 - 2012	2012 - 2013
2,480	1,569	1,573





Sustainable Procurement

The main goal of a company that aims to operate focused on sustainability is **to have a positive influence on its value chain**, take such value creation beyond its direct operation, while ensuring the continuity of the productive chain and the marketing and therefore the prolongation of the business.

Through different methods, we seek to share our business vision, not only among entrepreneurs, but we also want to guide and support our suppliers, customers and other strategic allies in rightly facing and assuming their social and environmental challenges.

The **Sustainable Procurement** program is a strategic project within the Economic Dimension through which FIFCO leads a process of continuous improvement among its suppliers to promote value creation in three dimensions: economic, environmental and social.

About the program

The economic, environmental and social impact of the company's active suppliers is determined each year under a pre-established methodology. Those who represent higher incidence in our environmental and social footprint as part of the company's value chain are selected and included in our Sustainable Procurement Program. The selected suppliers, part of our Sustainable Suppliers "ABCs", must meet a series of requirements and steps:

1. Begin by communicating and accepting the Code during the supplier registration process.
2. Self-evaluation process in terms of legal, social and environmental compliance.
3. Documentary verification and visiting the site to evaluate the degree of compliance with the sustainability requirements we have allocated to different products and services.



FIFCO's value chain is comprised of **3,434 suppliers** who provided us with goods and services during the 2012-2013 tax period. The main categories are: raw material and packaging, machinery and finished product.

The payments policy defined in FIFCO is at least 30 days for suppliers. However, the company is negotiating better credit conditions for its value chain.

After three years of implementing the Sustainable Procurement Program at the end of the financial year the Responsible Supplier Code has been communicated to 100% of the new suppliers and all of them have been ascribed to it.



CLICK HERE FOR OUR RESPONSIBLE SUPPLIER CODE

4. Define compliance note. This note determines the type of supplier in a “Florida leaves” ranking, which goes from one to three leaves, being this last level the highest possible level of compliance.
5. Identify gaps for each one of the areas evaluated.
6. Develop a customized action plan for those suppliers who obtain one or two leaves. They are given due follow-up until the gaps identified are closed or the term of the next evaluation expires. Business relations with those suppliers that do not obtain the minimum of one leaf or whose performance reflects serious legal breaches are discontinued.

Said Code promotes rational and efficient use of the inputs we acquire from our suppliers and its purpose is to have them adopt and implement good business, social and commercial, practices in their businesses. The Code covers six sections: Business Conduct, Economic Value Generation, Human Rights, Work Practices, Society and Environment.

During this period, 100 suppliers join the Florida Bebidas Purchase Program (23 more compared to 2012).

Their incidence in Florida Bebidas’s indirect social and environmental footprint in Costa Rica is relevant. For this identification, the environmental and social aspects and impacts of the different goods and services provided by the suppliers to the Company were systematically analyzed. The suppliers selected prepared a first self-evaluation to get to know their business practices, a process continued by 93 of the suppliers selected. This was followed by a review and documentary delivery. Further, 51 of our 100 ABC suppliers are already working on the second stage, which consists of an onsite inspection, elaboration and execution of an action plan through which our suppliers, guided by Florida, will be able to improve their environmental and social practices to continue as the company’s suppliers. These suppliers are classified according to the scores obtained in the evaluations and they are given a specific number of leaves that symbolize their performance. A total of 8 suppliers ended commercial relations with the company for not adjusting to the sustainable guidelines for suppliers.

Industrias Alimenticias Kern’s continued the Sustainable Procurement Program for 19 of the suppliers with highest incidence in the business, 4 of which are already in the action plan stage.

Sustainable Procurement			
Business Unit	2011	2012	2013
Florida Bebidas CR	59	79	100
Kern’s	-	10	19
Pinova (Musmanni)	-	-	12
Reserva Conchal	-	-	10
Total FIFCO	59	89	141

The Sustainable Procurement Project was implemented in 2013 in Musmanni's industrial bread operation, *Premezclas Industriales para Panadería* (PINOVA) and Reserva Conchal. The first step was the elaboration of the Sustainability ABCs for suppliers of these two Business Units and from that moment on, the most relevant suppliers were selected. Currently, they are working with 10 suppliers, 4 of which are already in the second stage.

Among the challenges of this program, we acknowledge the following:

Program's expansion: While we communicate our commitments to sustainability to 100% of the suppliers registered, we only address a small percentage of the active suppliers through the Program. We must seek mechanisms that will enable us to expand the program's coverage, in such a way that we can replicate sustainability practices throughout our value chain.

Development of new suppliers: There are suppliers who, after a poor evaluation and/or reasonable period of time to close gaps, do not improve their performance or alignment with Florida's sustainability policies.

It is the case of suppliers of one single product or service, which immediate or medium-term replacement is limited. This poses a major challenge: identifying or creating suppliers that share our business philosophy.

This year, a pilot plan was implemented with the company's customers, under a similar scheme called **Sustainable Customers**.

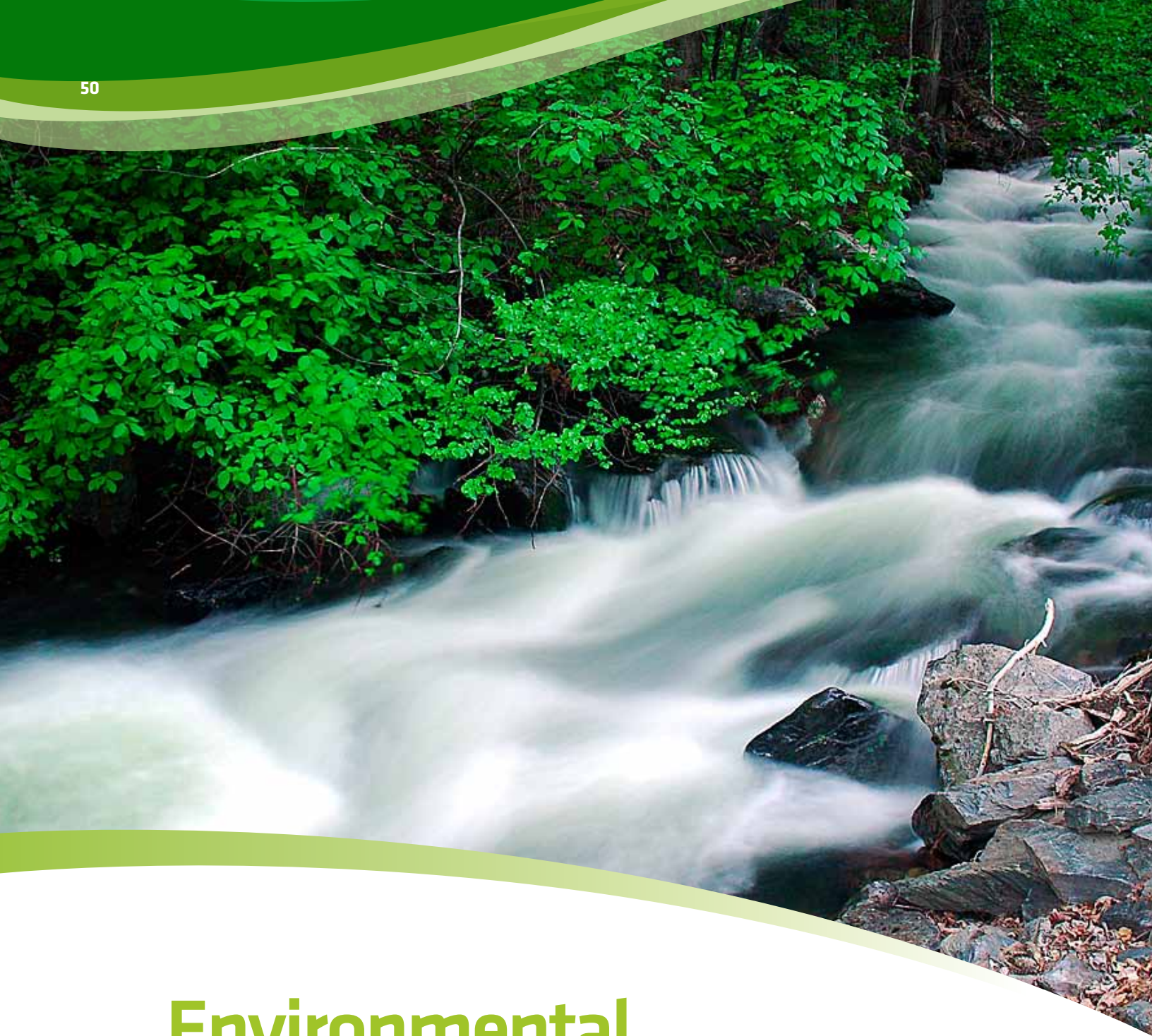


For three years, FDC has been working hand in hand with Florida in its Sustainable Procurement program. At first the challenge seemed huge, but with time and teamwork we have advanced in our “to do’s” and we have seen them as aspects to improve. We have found in Florida a strategic partner for our growth and especially in our continuous improvement. Programs like this motivate its supplier chain to improve all possible areas: economic, internal social, external social and environmental.



Ariel Calvo

CFO of Corporación FDC Técnica Industrial S.A.
Company participating in the Sustainable Procurement program



Environmental Dimension

According to our Triple Bottom Line strategy, Florida Ice & Farm Co. works in its environmental dimension with the same emphasis and excellence it uses to create economic and social value, and even goes beyond what the legislation requires in the countries where it operates.

In figures



4 WATER NEUTRAL / CARBON NEUTRAL / ZERO WASTE / POST CONSUMPTION RECYCLING

STRATEGIC PROJECTS

4.32 LITERS OF WATER FOR EVERY LITER OF BEVERAGE / FOOD PRODUCED AND DISTRIBUTED

19% FLORIDA BEBIDAS

IMPROVEMENT IN THE CONSUMPTION OF THE WATER RESOURCE COMPARED TO PREVIOUS YEAR

22%

REDUCTION OF OUR WATER FOOTPRINT IN THE PINOVA OPERATION

792.5 HECTARES

PROTECTION OF AREAS WITH HYDRIC RELEVANCE THROUGH FONAFIFO

99.2%

RESIDUES SENT TO ANY CURRENT OF SUBSEQUENT ASSESSMENT

0.8%

WASTE SENT TO LAND FILL

11 CLEANUP DAYS IN THE GREATER METROPOLITAN AREA

8 RECYCLING PROGRAM COLLECTION ROUTES

RECYCLING PROGRAMS

+300

EXTERNAL COLLECTION CENTERS

57.3%

NON RETURNABLE PACKAGING RECOVERED

12 COMPACTION EQUIPMENT

SUPPLY TO RECYCLING PROJECTS



Our environmental strategy

According to our Triple Bottom Line strategy, Florida Ice & Farm Co. works in its environmental dimension with the same emphasis and excellence it uses to create economic and social value, and even goes beyond what the legislation requires in the countries where it operates.

Since 2009, the company has a Corporate Environmental Policy, which covers all food and beverage operations in Central America, as well as real estate operations in Costa Rica. In this policy, Florida recognizes its responsibility and assumes a series of commitments to improve the environment.

Likewise, the environmental performance of all of FIFCO's business units is measured through various indicators, each one of them with a specific value within the respective Balanced Score Card. Besides the measurement, follow-up and assessment, at the end of every period, the goals for these indicators are established for the following period.

➔ In the reported period, no legal administrative sanctions or fines are presented by the government's institutions in charge of supervising compliance with environmental laws.

This year stands out for major advances in environmental matters in the bread Business Units, Grupo Musmanni and its bread plant *Premezclas Industriales para Panadería* (PINOVA) and in our hotel operation, Reserva Conchal along with Westin Playa Conchal Hotel.

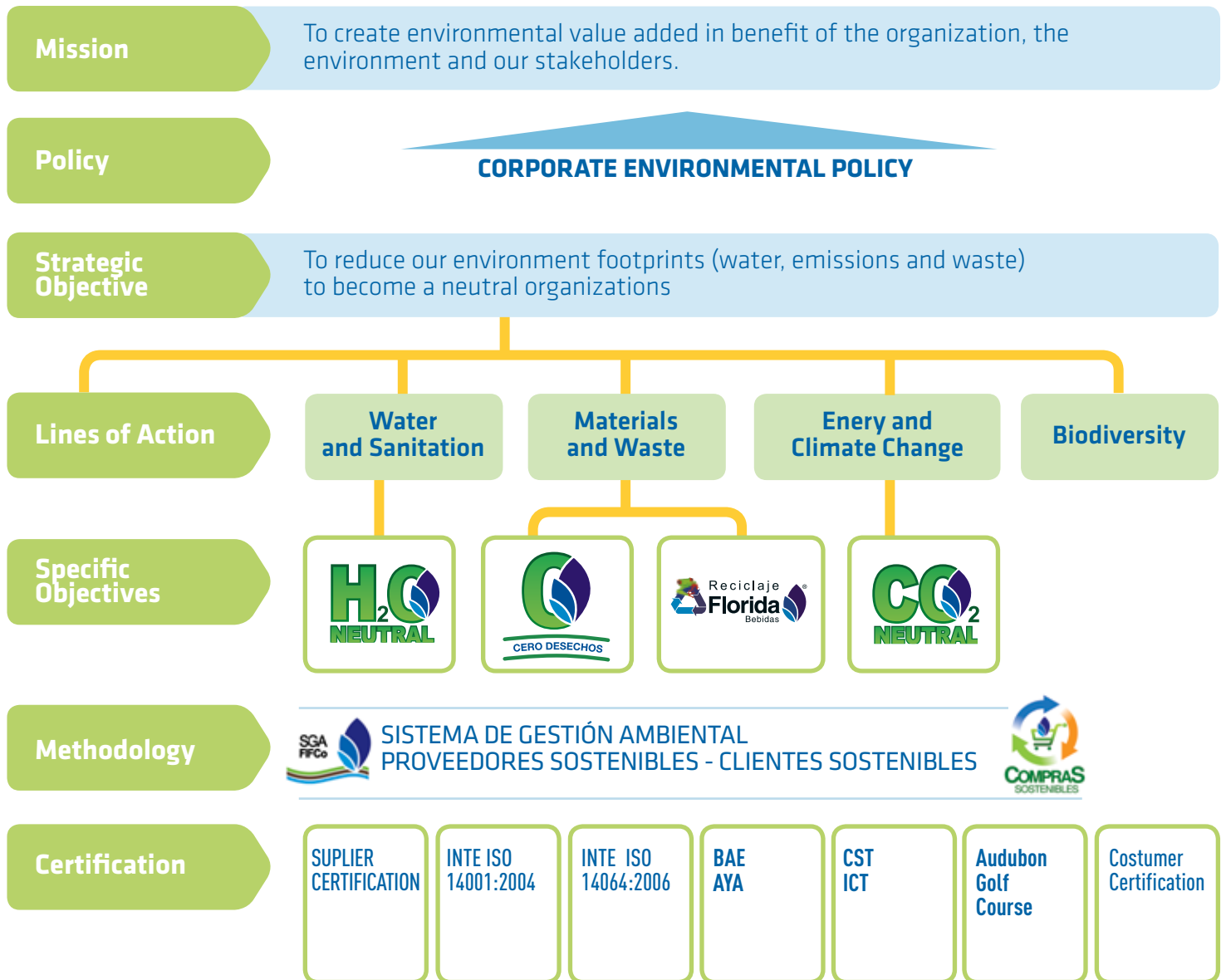
Just as relevant is the continuity and constant improvement in the food and beverage business in Costa Rica and Guatemala.

FIFCO's environmental strategy, addressed in four areas of action: water resource, waste management, energy and emissions and biodiversity, is implemented through 4 strategic projects: **Water Neutral, Zero Waste, Post-Consumer Recycling and Carbon Neutral.**



All the projects are implemented under a certifiable management system, based on international environmental standards (ISO 14001/14064) and under the *responsible suppliers* approach (Sustainable Procurement) in our supply chain.

Environmental Strategy



Although the US beer operation, North American Breweries, is excluded from this report, 2013 was a pivotal year, since an initial diagnosis is made to the operation's most relevant production center, located in Rochester, New York. The main challenges and steps to follow are identified in order to gradually level the environmental performance of the Business Unit regarding the other operations.

Certifications and Environmental Management System



After the internal and external audit processes carried out by the Costa Rican Institute of Technical Standards (INTECO) and the Spanish Association for Standardization, both plants property of Productora La Florida S.A., the Beer and Cristal plants, maintain their Environmental Management System certification under the ISO 14001:2004 standard.

The Pepsi plant concluded its improvement works in infrastructure to increase control and reduce environmental risk (specifically improvements in chemicals warehouse and improvements in the reception and storage of bunker fuel) to certify this facility on November 2013.

The finished product's storage and distribution (Distribuidora La Florida S.S.) increased the ISO 14001:2004 implementation to 85% in 2013, execution that will conclude in 2014 for its certification the next period.

The food and beverage plant of *Industrias Alimenticias Kern's* in Guatemala also increased the percentage of compliance with the requirements based on ISO Standard 14001:2004 to 30%.

In the 2012-2013 period, true to our commitment to carbon neutrality, Florida Bebidas externally certified its carbon footprint through ISO standard 14064-1 and PINOVA's industrial bread operation, becoming one of the first companies in Costa Rica to obtain such certification, an award publicly recognized by the Costa Rican Ministry of the Environment, Energy and Telecommunications.

All these certification and implementation processes are based on the systematic execution of actions such as the identification of environmental aspects and impacts, the identification and evaluation of legal requirements, education and awareness raising action among our staff, operation's control, follow-up and measurement, audits and reviews by the Senior Management.

Westin Playa Conchal Hotel, located in the property of Reserva Conchal, maintained the ISO 14001:2004 certification.

The operation obtained the Certification for Sustainable Tourism (5 leaves) awarded by the Costa Rican Tourism Board (ICT) and maintained the Ecological Blue Flag (BAE) certification awarded by the AyA (Costa Rican Water and Sewer Institute) under the Beaches category, with Playa Conchal (two stars) and for Reserva Conchal under the *Coastal Community* category (going from three to four stars), as well as the Audubon environmental certification for the golf course within the project.

The Ecological Blue Flag certification was also obtained with three stars for the Conchal Mixed Wildlife Refuge.

As a standardization effort among operations, Reserva Conchal started the requirement implementation process under the ISO standard and reached 15% implementation.





Use of materials

When consulting our target groups, increasing concern is perceived from the placement of containers in the market, as well as from the use of natural resources, specifically water, being these two issues mentioned as one of our operation’s main footprints.

Before this, FIFCO adopts as a priority the responsible and efficient management of all the materials used to manufacture our products, laying down this commitment in our Environmental Policy.

Throughout our operation, we identify three types of materials:



Raw materials and inputs
Water and all materials dissolved or in suspension in the product like concentrates, additives and aromas



Containers
Primary container, such as aluminum cans, PET, HDPE plastic and polycarbonate containers, glass bottles and stainless steel siphons, lids, seals and labels



Packaging
Carton and plastic boxes, pallets, plastic covers

From this wide variety of materials identified and quantified, those that are **renewable** (for example, water) and those that are non-renewable (containers with materials derived from petroleum (plastic) or from mineral sources (glass and aluminum) are grouped.

In total, the following materials were used in FIFCO’s food and beverage operations:

1.987.348 t

O F M A T E R I A L S

O F W H I C H



97.93%

ARE RENEWABLE

From all these materials, recovered materials substituting virgin material in the manufacture of glass containers for up to 20% and corrugated packaging for up to 15%, at a maximum, are identified. 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 exception that it is supplied by the company itself as waste boxes that are later classified, separated, grounded and mixed again with virgin resin for their manufacture.

Our sustainable container agenda



Florida Bebidas aims to close its own cycle of containers and residues, placing the Company at the forefront in the use of environment-friendly containers in its products. Continuity is given to the incorporation of resin recycled in the production of PET plastic containers, up to 50% in typical Florida brands, like Cristal water and Tropical drinks and up to 15% in PepsiCo carbonated drinks. This project incorporates 50% of raw material from the container as recycled resin called R-PET, which is obtained from transforming used beverage containers into food-grade recycled resin. The recycled resin is obtained from the same containers recovered through Florida's Recycling Program. In addition, Cristal water was made available to the consumer in returnable glass bottles.

Post Industrial Waste and Zero Waste



Although the General Law for Integral Waste Management entered into force in 2012, in Costa Rica there is still incipient waste classification and separation practices, mainly at a residential and commercial level. Product of the recovery of 99% of internal waste generated by Florida Bebidas, 97 tons of waste are kept from reaching the landfills each day, a daily volume equivalent to the volume a population of 100 thousand inhabitants would generate. Such initiative has a significant repercussion, not only in the environment, but also in society; on one hand, the charge municipal collection would represent is eliminated by managing these residues and, on the other hand, the life of the landfills is extended. From the social perspective, these 97 daily tons are reintroduced in a new productive current that generates work and chains in the different waste recycling and reuse practices.

THIS IS HOW WE PROCESS

- STEP 1 MEASURE
- STEP 2 REDUCE
- STEP 3 COMPENSATE



Since 1998, Reserva Conchal has a successful Composting Project. The fertilizer generated is used in gardening and soil improvement activities.



Post Industrial Waste

FLORIDA BEBIDAS

Period	2011			2012			2013		
Facility	kg OSW	kg OSW/ hl pr	% reuse	kg OSW	kg OSW/ hl pr	% reuse	kg OSW	kg OSW/ hl pr	% reuse
CCR Plant	124,740	0.075	98.62%	77,317	0.046	98.98%	54,727	0.033	99.2%
Tropical Plant	25,452	0.026		9,617	0.009		5,773	0.005	
PEPSI Plant	31,670	0.050		15,354	0.024		5,390	0.008	
Others Costa Rica	207,671	0.064		185,766	0.055		168,321	0.044	
Subtotal Costa Rica	389,533	0.119		288,054	0.085		234,211	0.068	
Kern's Guatemala	NA	NA	NA	NA	NA	NA	714,799	0.864	
Sub Total Bebidas y Alimentos CA									

MUSMANNI

Período	2011			2012			2013		
Facility	kg OSW	kg OSW/t sd	% reuse	kg OSW	kg OSW/t sd	% reuse	kg OSW	kg OSW/t sd	% reuse
PINOVA	190,680	14.32	ND	139,856	9.69	65.00%	46,740	2.95	82.9%
POS	NA	NA	NA	NA	NA	NA	NA	NA	NA
Sub Total Bread making & Retail									

kg: kilograms

t sd: tons sold

OSW: ordinary solid waste sent to landfill/garbage dump as final disposal site

NA: Not available



Through the identification, classification and separation in the source of reusable waste, Florida adequately manages in all its facilities post-industrial waste (in production plants) and post-operative waste (warehouses, administrative offices, commercial services operations, etc.). From the total amount of residues and waste generated by all of Florida Bebidas operations in Costa Rica, 99.2% was sent to some current of subsequent valorization (reuse, recycling, animal feed or energy recovery). Only 0.8% (232,171 kg) is sent to a landfill (in the GMA) or to a controlled and authorized garbage dump (in rural areas), which represents only 61 grams of waste per hectoliter produced and distributed. Fifty-six metric tons of residues were no longer sent for final disposal, compared to the previous period, thanks to the improvements regarding waste classification and separation carried out in 2013.

Actions developed

Among the main actions developed to attain this objectives, the following stand out:

- Rejection and/or reduction of packaging material in inputs and raw materials which could later be converted into waste
- More recycling stations in the facilities for waste classification and separation
- Installation and operation of waste transfer centers in the Beer Production Plant, the Distribution Center and the Pepsi Production Plant

Recognition of the waste footprint in our different business units



Industrias Alimenticias Kern's in Guatemala systemizes for second year in a row the amount of solid waste sent to the authorized final disposal site, which was 864 grams per hectoliter producer



In *Premezclas Industriales para Panadería PINOVA*, Musmanni's industrial bread making operation, the measurement of post-industrial waste was 46.7 TM per year, being, due to its magnitude, the main environmental footprint of this business unit. Despite the above, a 67% improvement was achieved in this indicator compared to 2012 thanks to the continuity of the Post-Industrial Waste Management Program in this facility.



Musmanni faces a major challenge for the next period, the implementation of a waste management program in 232 of the unit's stores. to be succesful, as a first step, several related inquiries were included in our most recent Target Group Study and a pilot plan is being prepared in several points of sale.



This year, the operation makes its first quantification, recording 0.89 kg OSW (ordinary solid waste)/hl of manufactured product. The operation attains 56% recovery of the waste generated.



The waste footprint of Reserva Conchal's operations is 11.4 TM per year (this information does not include the waste generated by condominium owners, which are actually generated within the property, but are not Reserva Conchal's responsibility). For the first year, the waste generated in the Hotel was quantified: 229.1 TM for 0.52 kg per person/day

Offsetting our post-industrial waste footprint

The partial external offset of the footprint of Florida Bebidas post-industrial waste, which cannot be reduced internally is made through the **cleanup sessions** of public spaces in communities and beaches. For this, a total of 11 cleanups sessions were carried out in the Greater Metropolitan Area and the Central Pacific. A total of 13,479 kg of reusable waste was recovered and sent for recycling and energy recovery and 7,078 kg of ordinary waste, which were disposed adequately in a landfill. The cleanups are developed by Florida Bebidas associates through its Volunteer Program “Elegí Ayudar” (I Chose to Help) in coordination with several government institutions and community organizations.



Hazardous waste

In regards to hazardous waste, its adequate management is a priority for FIFCO, since it has high potential of generating significant environmental impact when managed properly. In the company, only 0.14% of the waste is classified as hazardous.

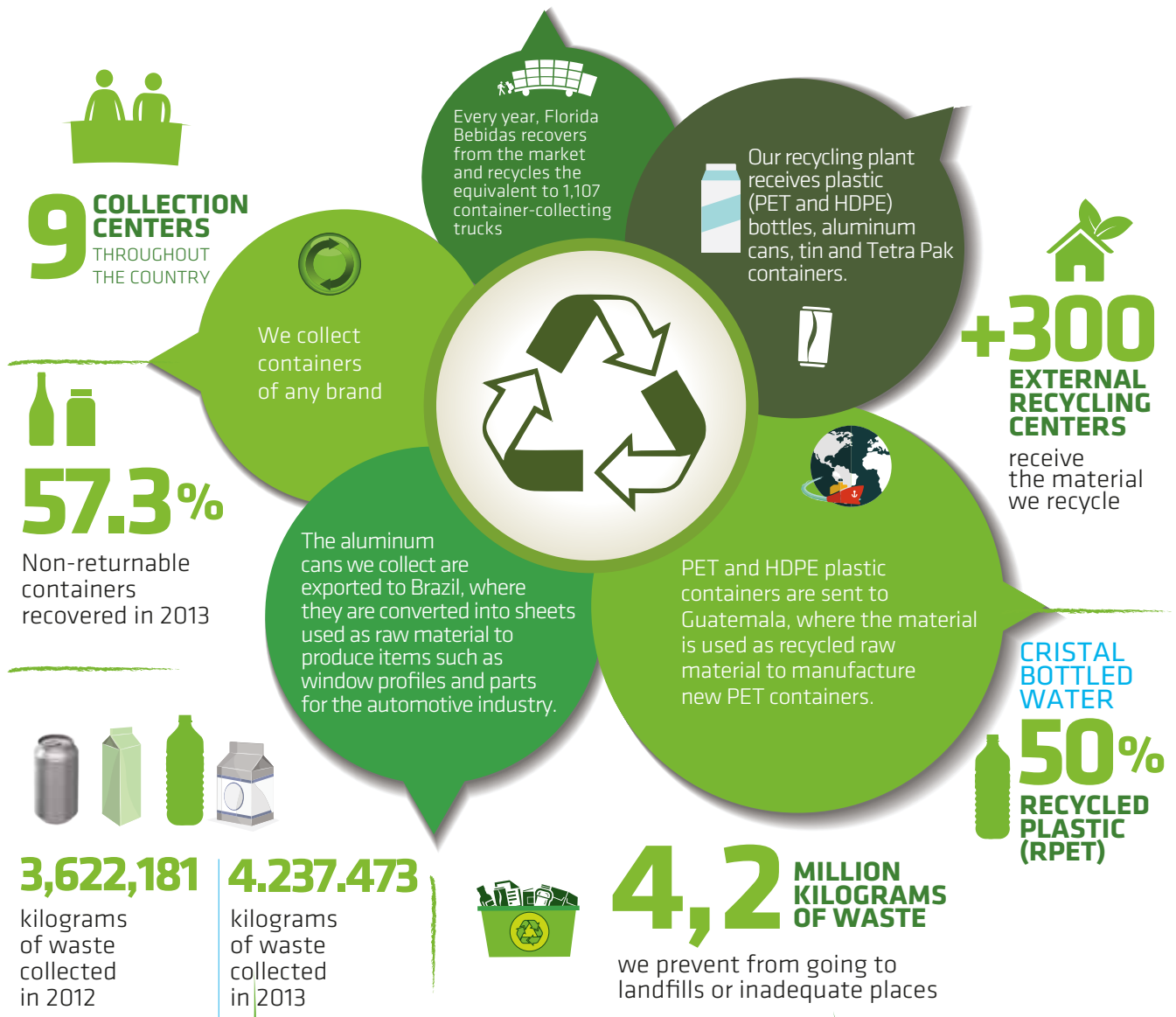
The company does not provide internal treatment to any type of hazardous product. These are classified separately, stored temporarily and transported by a manager authorized for treatment and final disposal activities. The organization does not export waste considered hazardous by international conventions.



Post-consumer container recycling



Florida mitigates the environmental impact of its business operation in Costa Rica through its own **Post-Consumer Container Recycling Program**



Post-Consumer Recycling

Period	2011		2012		2013	
Type of packaging	t recovered	% collection	t recovered	% collection	t recovered	% collection
PET	1,254	30.4%	1,618	40.0%	1,637	40.6%
HDPE	458	122.2%	695	185.9%	1,093	300.4%
Aluminum	983	46.8%	1,126	49.6%	1,236	52.3%
Tetra Pak	181	72.4%	183	61.2%	250	77.4%
Tin	ND	ND	ND	ND	22	7.1%
Total	2,876	42.0%	3,622	51.9%	4,238	57.3%

t: metric tons

% collection: kg recovered / kg sold

Other efforts

In addition, to this date, the following have been placed under *commodatum*



- 2 FROM LOCAL GOVERNMENTS
- 5 FROM PRIVATE PROJECTS
- 6 FROM COMMUNITY PROJECTS

The equipment facilitates handling materials and optimizing the space available in the collection centers of these recycling activities. Likewise, they make more efficient the logistics of transporting the collected material. Finally, a total of 546 containers were provided to various Recycling Programs for their classification and separation.



The education and participation of our consumers and costumers regarding recycling is key to achieve greater impact and close the containers cycle.



Gerardo Miranda
Environmental Manager



During this period more post-consumer containers from each type of material were recovered compared to the previous year, exceeding by **615.3** metric tons of containers and totaling **4,237,473** kg in 2013..

22,105kg
RECOVERED

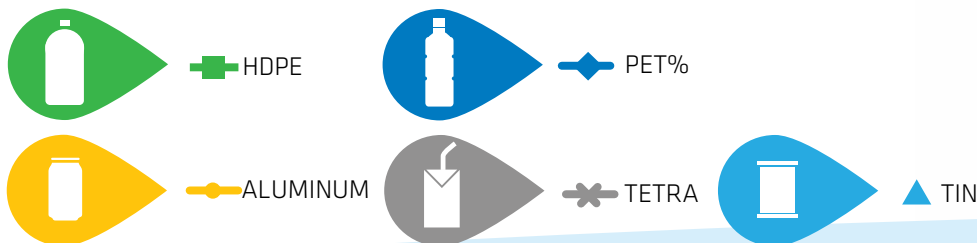
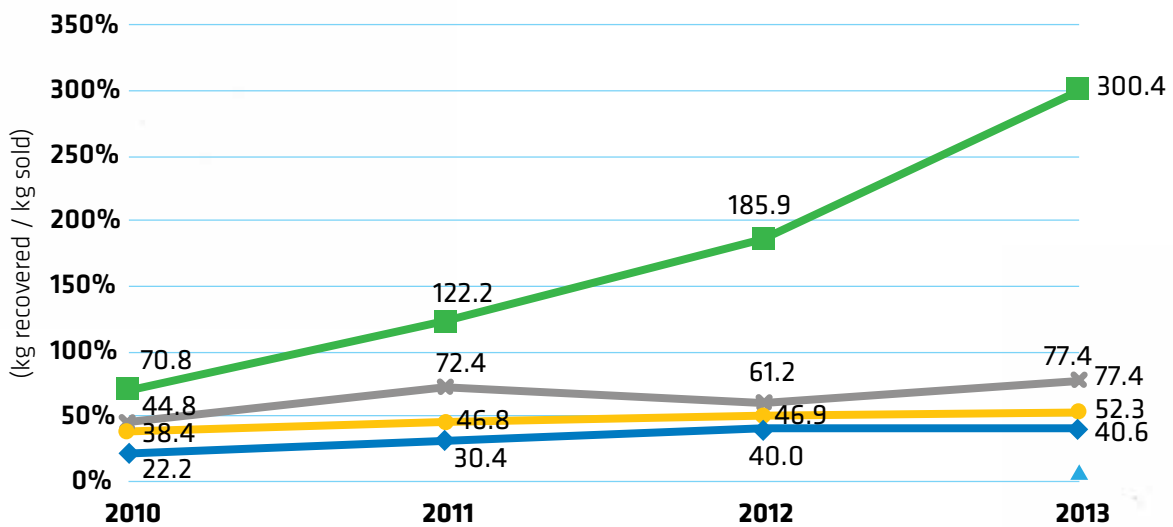


Tin recovery



This period consolidated the collection of tin containers marketed by the Company in its different presentations of Kern's juices and Ducal food products, where 22,105 kg of tin are recovered from the market, accounting for 71% of the product marketed in this type of packaging. Such collection is carried out for second year in a row. Although this is a low collection volume, it increased 50% compared to the previous year.

Percentage of post-consumer container recovery





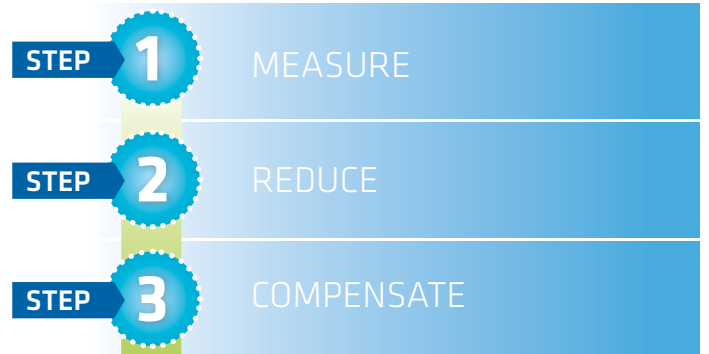
Water Neutral

Costa Rica is a country privileged with water production (31,300 m³/person per year); however, we have poor infrastructure and management in some population centers and sites of various economic activities to provide the resource in the amount and quality required.

FIFCO's water consumption is significant, not only for being a key input in its processes, but also for being raw material for many of its products. In view of this, Florida has endeavored to measure, reduce and compensate its environmental footprints regarding water consumption. As an example, the water Florida saves in its internal processes allows third parties to use it for other purposes. In addition, Florida has promoted water supply programs that benefit communities lacking such essential resource, creating a positive impact on the quality of life of the members of those communities.

The aquifer recharge areas where a large part of the Greater Metropolitan Area replenishes itself, including our operation, are currently under the threat of the unplanned growth of urban centers and residential projects. In response to this threat, Florida makes an effort to protect and preserve the most relevant recharge areas. Only Florida contributes 14.7% of FONAFIFO's payments for environmental services to protect the water resource of the entire country. We hope more and more countries will join this innovative public-private initiative.

THIS IS HOW WE PROGRESS



Water

FLORIDA BEBIDAS

Period	2011		2012		2013	
Facility	Absolute consumption (hl water)	Indicator (hl water/hl produced)	Absolute consumption (hl water)	Indicator (hl water/hl produced)	Absolute consumption (hl water)	Indicator (hl water/hl produced)
Beer Plant	9,265,349	5.6	9,617,844	5.72	8,825,426	5.32
Cristal Plant	4,633,020	4.7	4,287,816	4.51	4,871,660	4.18
PEPSI Plant	1,530,800	2.43	1,539,070	2.35	1,323,500	2.06
Others	1,289,384	0.32	1,584,867	0.47	1,373,418	0.36
Subtotal Costa Rica	16,718,553	5.04	17,029,597	5.16	16,394,004	4.33
Kern's Guatemala	5,445,867	6.92	5,848,630	6.64	2,495,436	3.13
Subtotal Food and Beverages	22,164,420	5.41	22,878,227	5.46	18,889,440	4.12

MUSMANNI

Period	2011		2012		2013	
Facility	Absolute consumption (hl)	Indicator (hl/ t sold)	Absolute consumption (hl)	Indicator (hl/ t sold)	Absolute consumption (hl)	Indicator (hl/ t sold)
PINOVA	310,170	23.3	272,050	18.8	213,480	13.5
RETAIL PDV's	NA	NA	NA	NA	NA	NA
Sub Total Bread Making & Retail	310,170	23.3	272,050	18.8	213,480	13.5

kg: kilograms

t sd: tons sold

OSW: ordinary solid waste sent to landfill/garbage dump as final disposal site

NA: Not available

From a sanitation perspective, by discharging its waste water with quality parameters well below the maximum limits established by the local laws, Florida contributes significantly to reducing the organic and inorganic charge the watershed receives; unfortunately, this is one of the most polluted watersheds of Central America, caused by untreated local and commercial GMA waste water discharges (in 2012, only waste water discharges produced by 3.6% of the population were treated).

Florida continues overseeing its operations under water neutrality management reached in 2012. This commitment implies measuring 100% of the water

consumption in our operations, reducing consumption up to a technically feasible standard and based on best practices worldwide, to finally compensate the remaining water footprint externally. This year, our water footprint measurement was improved and extended to internal levels, mainly by installing new water meters in the Cristal Refreshment Plant and the PEPSI Plant. This type of measurements by process areas or even by equipment enables us to learn more details about water consumption in the different operations and thus focus on the consumption reduction efforts in areas with greater opportunities.

This year's operating footprint (use of water during the production process plus the water included in the product) is **18.9 million hectoliters of water**, which represents 4.32 hectoliters of water per hectoliter of food product and beverage produced and distributed. Thanks to the effort made mainly in the production facilities by implementing rational use of water, reuse, recycling and staff awareness-raising projects, **absolute water consumption was reduced by 4.47 million hectoliters of water** (5.47 hl of water per hl produced in 2012), **which represents 19% improvement compared to the previous year**. The great contribution was made by the IAK Plant thanks to a process of change in the water supply pipeline system

ABSOLUTE WATER CONSUMPTION WAS REDUCED BY

4.47 MILLION HECTOLITERS OF WATER



Innovating for our environment

IN THIS PERIOD, WE HIGHLIGHT THE EXECUTION OF SEVERAL

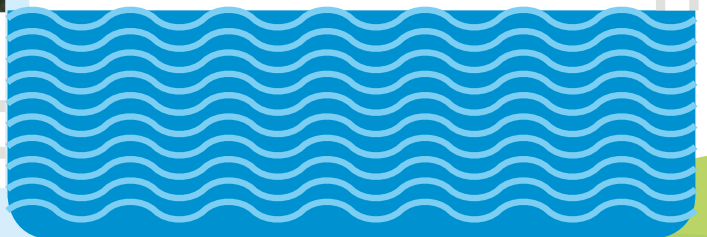
→ Rainwater Harvesting Projects

These projects consist of collecting rainwater that falls on roofs of buildings; the water is diverted into the gutters and drainpipes to a catchment tank, the water is stored and then used for a specific purpose, which may be: to be used in toilets, to clean floors, and wash cars, among others. Throughout the year, these types of projects were implemented in deposits and commercial services facilities. Externally, the first Water Harvesting Project was developed in *Liceo Flores* education center, located in one of the communities near our production plants.

→ THE PEPSI PLANT INSTALLED VARIOUS systems that allow reusing water from bottle washing machines

in box washers, modifications in cleaning processes and proper water resource management.

→ IN WESTIN PLAYA CONCHAL HOTEL, wastewater is still being used to **water its golf course**, which reduces the project's fresh water consumption by **7.6%**.



El agua en nuestros diferentes negocios



For a second year in a row, the water footprint was calculated in *Premezclas Industriales para Panadería*, industrial area of Grupo Musi, which represents 213,480,050 hl of water (13.5 hl of water per ton produced), which stands for a 22% improvement compared to the previous year.



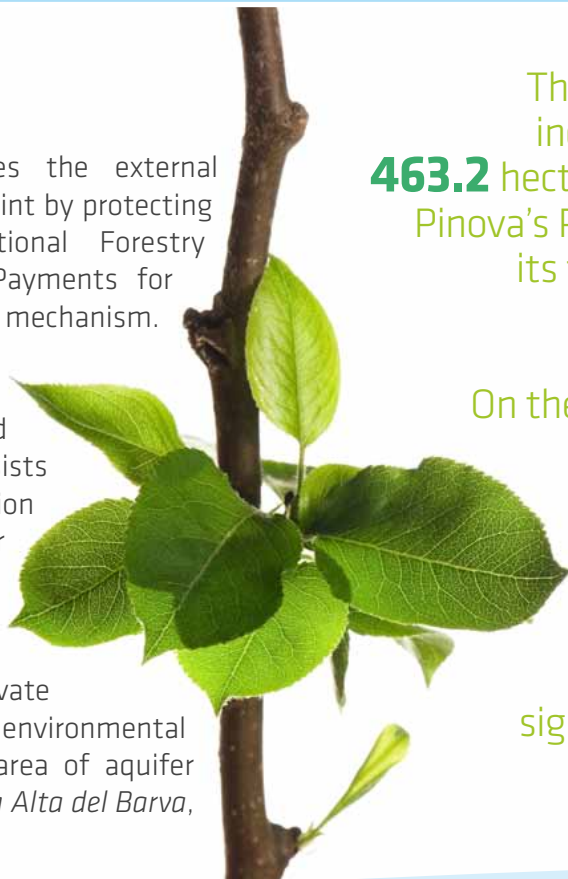
In a 100% systematized way, the water footprint of Reserva Conchal is reported for its areas of hotel operation and golf course, which corresponds to 9.7 million hl of water, of which 39% is used for human consumption and the remaining 61% for irrigation. It is worth mentioning that irrigation is reduced by using treated wastewater for the purposes.



In 2013, water consumption was first measured in the *Florida Lácteos* (diary products) operation, which accounted for 288,641 hectoliters (3.54 hl water/hl produced). Although a reduction goal had not been established for this year of operation, besides measuring such consumption systematically, a 3% reduction was achieved compared to previous year.

Offsetting our water footprint

In 2012-2013, Florida continues the external compensation of its water footprint by protecting watersheds through the National Forestry Financing Fund's (FONAFIFO) Payments for Environmental Services (PSAs) mechanism. FONAFIFO is an institution recognized by the Costa Rican Ministry of Environment and Energy (MINAE). This system consists of granting a monetary recognition to forest owners in aquifer recharge areas for rainwater collection and its infiltration back to the subsoil. Since 2001, Florida became the first private company to acknowledge forest environmental services by covering a specific area of aquifer recharge in the watershed *Cuenca Alta del Barva*, in the province of Heredia.



This year, the coverage area increased by 15 ha reaching **463.2** hectares by incorporating the Pinova's PSAs from compensating its footprint in the *Río Virilla* watershed.

On the other hand, the PSAs in *Río Matapalo* and *Río Lajas* in Guanacaste has remained in **329,3** hectares for a total of **792.5** hectares of production in highly significant areas in terms of aquifer recharge.



Water Treatment

From all the water FIFCO uses in its production processes and operations, most returns to the ecosystem as wastewater. Wastewater is that water treated through physical, chemical and biological methods, which allow their discharge to superficial bodies of water, under parameters that are monitored following a pre-established frequency and methodology.

The following advances are reported for wastewater treatment:

- **Conclusion of the expansion and remodeling works** in the water treatment plant of *Embotelladora Centroamericana* (PEPSI).
- **The treatment plant of the Liberia Deposit** had a successful start in its first year of operation. The treated water is reused to irrigate green areas.
- **Conclusion of the construction and commissioning** of the new wastewater treatment plant of *Industrias Alimenticias Kern's* in Guatemala, a system currently operating with 98% efficiency, comfortably exceeding the maximum limit allowed by local laws.
- Due to the nature of the operation, Florida Lácteos **undertakes as a priority the treatment of wastewater** and guides its actions to optimizing management in this regard.
- Wastewater generated by Westin Playa Conchal Hotel continues being used to irrigate its golf course, which reduces fresh water consumption by 7.6%.



Energy, emissions and carbon neutrality



In August 2011, Florida assumed the public commitment to become carbon neutral by 2017, four years before the country's commitment. Since 2009, we have been measuring our carbon footprint based on the INTE ISO 14064 standard.

To fulfill such commitment, the company incorporates a series of actions focused on reducing emissions. Among the most relevant::

- Achieve greater energy efficiency
- Substitute fossil fuels for clean energy (solar and biomass)
- Recover refrigerant gases
- Raise awareness and provide training on energy use and greenhouse gas generation

At a national level, FIFCO is one of the main consumers of electricity and an important actor in fossil fuel consumption for production and distribution processes. Acknowledging its impact and assuming its responsibility, the company has endeavored

to measure, reduce and offset its environmental footprints, being innovation a common factor in the three stages mentioned. As an example of this, Florida has developed one of the first projects of solar energy distributed in the country. Although it is a project with low generation capacity, it has led the way to develop other larger initiatives in the private sector..

Florida's three main operations in Costa Rica (beverages and food products, industrial bread making and hotel operation) contribute 0.5% of the country's carbon footprint. Despite the carbon footprint's increase year by year, during the last three years, Florida has managed to reduce the carbon footprint of these three operations by 11.6%. Although the impact of such reduction on the country's footprint is insignificant, (-0.06%), Florida's leadership in this matter and assuming a personal commitment with carbon neutrality 4 years before the country's goal, has turned Florida into a benchmark on this topic.



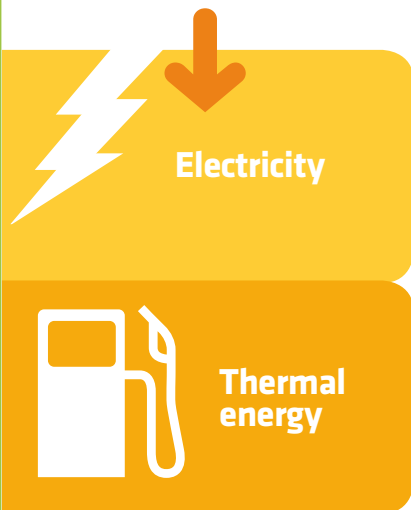
FIFCO's success during the last years and being recognized by our customers and other target groups as a key business partner is owed to some degree to our great distribution and marketing capacity throughout Costa Rica. The latter implies a great challenge in terms of energy, emissions and our commitment to Carbon Neutrality for 2017. To fulfill such commitment, the company executes a rigorous greenhouse-effect gas measuring, reduction and compensation program described below.

As a distribution company, we focus on administrating challenges such as fleet management, route planning and logistics efficiency.



Energy Use

Florida's operations consume two types of energy



Electricity is used mainly for lighting purposes and to cool and operate equipment. While Florida Bebidas is one of the great energy consumers in Costa Rica, such consumption represents a minimum percentage of our carbon footprint. The above since Costa Rica's energy matrix is based on 90% of renewable energy. The situation is different in our operations in Guatemala, where although the operation in that country does not represent high power consumption there, the generation of greenhouse-effect emissions due to power consumption is considerable, since the local energy matrix is based only 64% on renewable energy.

Energy consumption in our operations

Regarding power consumption and although the power indicator per unit produced could be reduced to 10.32 kWh/hl produced for the entire beverage and food operation in the region, power consumption increased compared to 2012 by 911 MWh for a 1.97%-2% annual increase. Such situation was created by new energy-consuming processes mainly in the PEPSI and Kern's plants. In the case of the IAK Plant, the change in the beverage/food product production ratio with different energy factors by product type has great influence on this result.

On the other hand, one of the main PINOVA environmental footprints identified and quantified is its power consumption, with 6,855 MWh per year and 433 kWh/ton of product produced.

The main power consumption in *Florida Inmobiliaria* is reflected in the operation of Westin Playa Conchal Hotel with 11,651,000 kWh (26.42 kWh/person per day).

On the other hand thermal energy as fossil fuel consumption is used to generate vapor (bunker fuel) and transportation (gasoline, diesel, LP gas and Jet A1). Thermal energy consumption in its different forms represents 71.2% of Florida's carbon footprint, hence its importance to control and reduce the footprint.

Thermal energy consumption by *Florida Inmobiliaria* closed in 34,055 MJ per year, mainly due to the transportation of people and LP gas for the Hotel's boilers.

PINOVA's thermal consumption shows the smallest magnitude among Florida's operations with 2,810,624 MJ in 2013.

FIFCO Absolute power consumption

65,767
MWh



FIFCO Absolute thermal consumption

34,055
MJ



Electricity

FLORIDA BEBIDAS

Period	2011		2012		2013	
Facility	Absolute consumption (MWh)	Indicator (kWh/hl produced)	Absolute consumption (MWh)	Indicator (kWh/hl produced)	Absolute consumption (MWh)	Indicator (kWh/hl produced)
Beer Plant	17,954	10.84	18,812	11.19	19,205	11.57
Cristal Plant	10,156	10.31	10,799	10.24	10,605	9.09
PEPSI Plant	3,198	5.08	3,498	5.34	3,430	5.35
Others	3,483	1.07	5,566	1.64	5,724	1.51
Subtotal Costa Rica	34,791	10.98	38,675	11.40	38,964	10.3
Kern's Guatemala	6,917	8.79	7,675	8.71	8,298	10.02
Subtotal Food and Beverages CA	41,707	10.54	46,350	10.85	47,261	10.32

MUSMANNI

Period	2011		2012		2013	
Facility	Absolute consumption (MWh)	Indicator (kWh/ t produced)	Absolute consumption (MWh)	Indicator (kWh/ t produced)	Absolute consumption (MWh)	Indicator (kWh/ t produced)
PINOVA	6,116	459	6,607	458	6,855	433
RETAIL PDV's	NA	NA	NA	NA	NA	NA
Sub Total Bread Making & Retail	6,116	459	6,607	458	6,855	433

FLORIDA INMOBILIARIA

Period	2011		2012		2013	
Facility	Absolute consumption (MWh)	Indicator (kWh/pd)	Absolute consumption (MWh)	Indicator (kWh/pd)	Absolute consumption (MWh)	Indicator (kWh/pd)
Westin Playa Conchal	11,319	29.15	11,115	28.45	11,651	26.42
Operaciones Reserva Conchal						
NPH	0	0	0	0	0	0
Sub Total Real Estate and Hotel	11,319		11,115		11,651	

FLORIDA ICE & FARM

Period	2011		2012		2013	
Facility	Absolute consumption (MWh)	Indicator (kWh/ hl produced)	Absolute consumption (MWh)	Indicator (kWh/ hl produced)	Absolute consumption (MWh)	Indicator (kWh/ hl produced)
TOTAL FIFCO	59,142	NA	64,072	NA	65,767	NA

Thermal Energy

FLORIDA BEBIDAS						
Period	2011		2012		2013	
Facility	Abs. consump. (GJ)	Indicator (MJ/hl produced)	Abs. consump. (GJ)	Indicator (MJ/hl produced)	Abs. consump. (GJ)	Indicator (MJ/hl produced)
Beer Plant	191,179	115.47	192,855,346	114.67	184,059	110.9
Cristal Plant	68,724	69.78	66,043,909	62.55	73,425	62.95
PEPSI Plant	7,713	12.25	7,005,050	10.7	7,118	11.11
Vehicle fleet & Others	297,276	90.91	238,235,951	70.23	250,036	66.09
Sub Total Costa Rica	566,189	173.14	504,140,257	148.61	514,639	136.02
Kern's Guatemala	65,966	83.80	70,344,046	70.83	72,413	87.48
Sub Total Food and Beverages CA	632,154	155.81	574,484,303	134.4	587,052	128.02

MUSMANNI						
Period	2011		2012		2013	
Facility	Abs. consump. (GJ)	Indicator (GK/ t produced)	Abs. consump. (GJ)	Indicator (GK/ t produced)	Abs. consump. (GJ)	Indicator (GK/ t produced)
PINOVA	2,890	218	2,741	190	2,562	162
RETAIL PDV's	NA	NA	NA	NA	NA	NA
Sub Total Bread Making & Retail	2,890	218	2,741	190	2,562	162

FLORIDA INMOBILIARIA						
Period	2011		2012		2013	
Facility	Abs. consump. (GJ)	Indicator (MJ/pd)	Abs. consump. (GJ)	Indicator (MJ/pd)	Abs. consump. (GJ)	Indicator (MJ/pd)
Westin Playa Conchal			36,114		34,055	
Reserva Conchal Operations	0	0	0	0		
NPH						
Sub Total Real Estate and Hotel	0		36,114		34,055	

FLORIDA ICE & FARM						
Period	2011		2012		2013	
Facility	Abs. consump. (MWh)	Indicator (kWh/ hl produced)	Abs. consump. (MWh)	Indicator (kWh/ hl produced)	Abs. consump. (MWh)	Indicator (kWh/ hl produced)
TOTAL FIFCO	589,942	NA	574,523,158	NA	623,669	NA

Towards carbon neutrality

Greenhouse gas emissions come mainly from fossil fuel consumption (bunker fuel, diesel, gasoline and LP gas), refrigerant and power consumption. This footprint is measured based on the ISO 14064-1 international standard, which, as previously described, was verified by one third, encompassing Florida Bebidas entire value chain from the manufacturing process to the product’s distribution.

The carbon footprint calculation includes all direct emissions (scope 1), indirect emissions (scope 2) and certain indirect emissions (scope 3). The 2013 carbon footprint was 52,275 ton CO₂e.

The external offset once all the internal effort to reduce our own emissions has been made starting 2015, will be performed by implementing reforestation projects that serve as carbon sinks, clean energy projects that will reduce emissions in the use of fossil fuels and by acquiring carbon credits.

In the case of PINOVA, the carbon footprint verified for this period reaches 1,592 ton CO₂e. This footprint will be reduced to become, after offsetting the remaining footprint, the company’s first Carbon Neutral operation in the next period.



Let’s protect the ozone layer

- For 6 years, Florida Bebidas has not imported or acquired cooling equipment – chambers and dispensers – containing substances that harm the ozone layer.
- Old equipment operating with this type of gases is withdrawn from the market and substituted with others of high energy efficiency and use R-134a and R-404a gases, which do not harm the ozone layer.

Reducing our footprint

In 2013, pilot projects on **the use of biodiesel in the company’s recycling truck fleet and LP gas in the light vehicle fleet**, as well as solar energy use to heat water for boilers and power generation, were performed.

At the end of this period, a power generation system with solar panels was commissioned in the Distribution Center for Finished products in Liberia, Guanacaste.

The solar energy laboratory in the Western Distribution Center, project developed jointly with Ad Astra Rocket Company, continues operating.

Carbon Footprint

FLORIDA BEBIDAS

Period	2011		2012		2013	
Facility	Absolute Generation (t CO ₂ e)	Indicator (t CO ₂ e/hl produced)	Absolute Generation (t CO ₂ e)	Indicator (t CO ₂ e/hl produced)	Absolute Generation (t CO ₂ e)	Indicator (t CO ₂ e/hl produced)
Beer Plant						
Cristal Plant						
PEPSI Plant						
Vehicle fleet & Others						
Sub Total Costa Rica	53,452		52,275		47,740	
Kern's Guatemala						
Sub Total Food and Beverages CA	53,452		52,275		47,740	

MUSMANNI

Period	2011		2012		2013	
Facility	Absolute Generation (t CO ₂ e)	Indicator (t CO ₂ e/ t produced)	Absolute Generation (t CO ₂ e)	Indicator (t CO ₂ e/ t produced)	Absolute Generation (t CO ₂ e)	Indicator (t CO ₂ e/ t produced)
PINOVA	2,000		1,592		1,171	
RETAIL POS			ND		ND	
Sub Total Bread Making & Retail	2,000	0	1,592	0	1,171	0

FLORIDA INMOBILIARIA

Periodo	2011		2012		2013	
Facility	Absolute Gener. (t CO ₂ e)	Indicator (t CO ₂ e/pd)	Absolute Gener. (t CO ₂ e)	Indicator (t CO ₂ e/pd)	Absolute Gener. (t CO ₂ e)	Indicator (t CO ₂ e/pd)
Westin Playa Conchal	5,500		5,129		5,000	
Reserva Conchal Operations						
NPH						
Sub Total Real Estate and Hotel	5,500		5,129		5,000	

FLORIDA ICE & FARM

Period	2011		2012		2013	
Facility	Absolute Gener. (t CO ₂ e)	Indicator (t CO ₂ e/hl produced)	Absolute Gener. (t CO ₂ e)	Indicator (t CO ₂ e/hl produced)	Absolute Gener. (t CO ₂ e)	Indicator (t CO ₂ e/hl produced)
TOTAL FIFCO	60,952	NA	58,996	NA	53,911	NA

Biodiversity

FONAFIFO's Payments for Environmental Services (PSAs), through which Florida covers 777.5 hectares of forest to protect the water resource and reservoir of accrued carbon also favors biodiversity protection and conservation in such areas.

In 2009, Reserva Conchal made official the creation of the Conchal Mixed Wildlife Refuge, located in the Cabo Velas district, in Santa Cruz, Guanacaste. Given its geographic location, the refuge becomes a corridor of high impact for the zone's typical biodiversity. This mixed area is part of the Tempisque Conservation Area of the National System of Conservation Areas (SINAC) of the Ministry of Environment and Energy (MINAEC). The Refuge has an area of 39.75 hectares (28.29 are owned by the real estate development and 11.46 are the government's Natural Heritage) of dry forest with transition to wet forest, a mangrove, its lagoon and an estuary (Puerto Viejo).

During the 2012-2013 period, the refuge's facilities were improved, which enabled opening it to the

public in August 2013, preparing for visits not only from the hotel's guests, but also from groups of students and public in general. This natural refuge obtained the highest possible score (level 5) from the SINAC - Costa Rican National System of Conservation Areas - thanks to adequate biodiversity management in this protected area. Such management was supported by two technical studies, one of economic appraisal and another on ecological aspects, which allowed more technical and scientific knowledge regarding the zone's biodiversity.

Further, in the Beer Plant and the Refreshment Plant, reforestation projects were developed with native species aimed to consolidate the area's biological corridor.





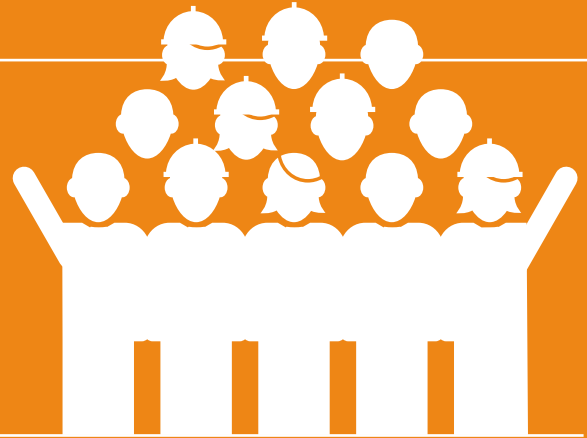
Dimensión Social Interna

The actions focused on our staff are the first step on our way to becoming a sustainable company. Ensuring the wellbeing, safety and development of its associates contributes to Florida's growth and, therefore, to its capacity to have a positive impact on the environment and the communities where we operate.

In figures

4,407

ASSOCIATES



8.85%

ON THE PAYROLL IS PART OF THE
**HEALTH AND OCCUPATIONAL
SAFETY PROGRAMS**



1.64%

ACCIDENTABILITY RATE

• RANKING •

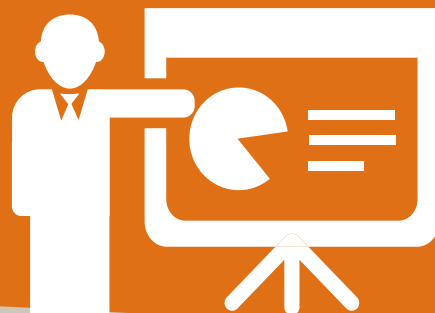
#19

OUT OF 300 COMPANIES
IN CENTRAL AMERICA
& THE CARIBBEAN
CERTIFIED AS

**GREAT PLACE
TO WORK**

95,772

**HOURS OF TRAINING
PROVIDED TO
FLORIDA BEBIDAS
PERSONNEL**



22

ASSOCIATES
PART OF THE
**REFUGEE CONTRACTING
PROGRAM**



40

**YOUNGSTERS
OF
GUANACASTE**
ARE PART OF THE FIRST
**DUAL EDUCATION
PROGRAM**



Towards integral management of human talent

In 2008, as part of our Triple Bottom Line strategy, three goals or lines of action developed in the Internal Social Dimension are defined:



1 Target Culture: live by values

2 Occupational Health and Safety

3 Talent Development

During the 2012-2013 period, the company focused on integrating and leveling its strategy in the new Business Units, while facing different challenges in the business areas and dealing with a complex national scenario. In view of this, the Internal Social Dimension adopts a leading role directing and providing the tools and guidance required to confront the organizational efficiency, cultural adaptation, talent management, evaluation methodology development, occupational health and safety practices standardization processes, among others.



The company is certified as a Great Place to Work, ratifying the pride of working in Florida.



Scarlet Pietri
Human Resources Director

This year, the application of the international evaluation and certification "Great Place to Work" methodology stands out, ranking 19 out of 300 companies in Central America and the Caribbean.

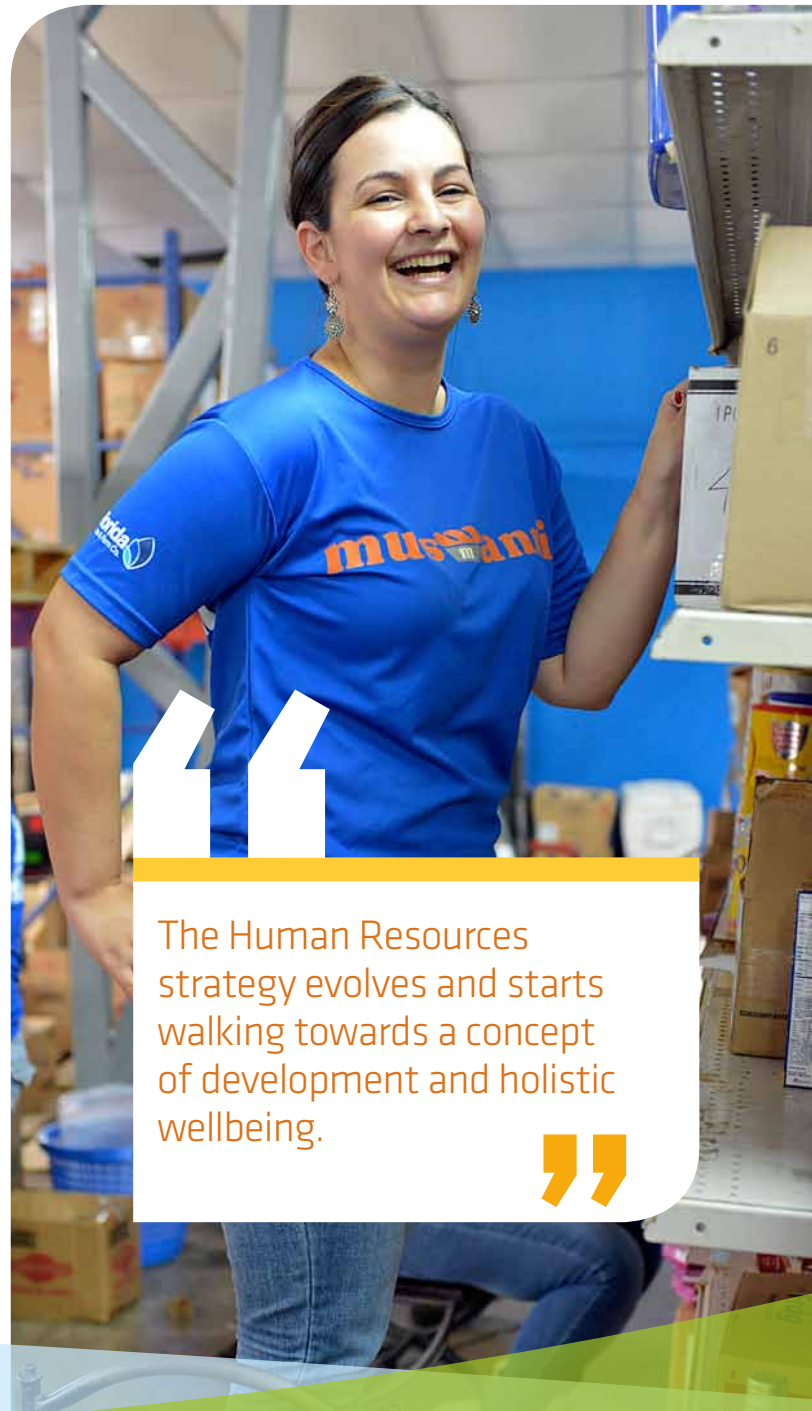
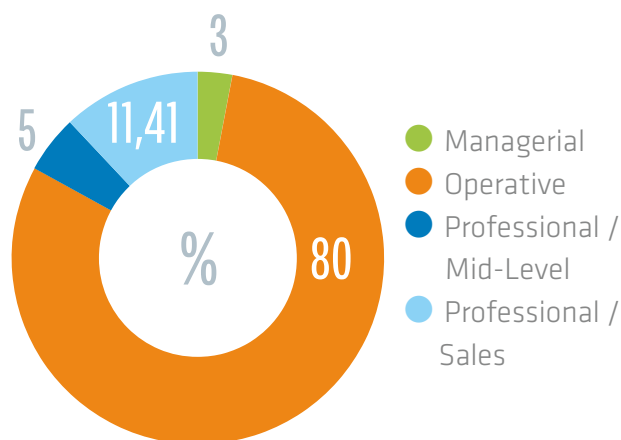
The release of personnel in November 2013 is a relevant subsequent event, since this decision resulted from a simplification process developed during the year reported.

Our People

A total of 4,407 collaborators work for FIFCO in its operations in Costa Rica, Guatemala and El Salvador. Our labor force, comprised of plant workers, bakers, master brewers, winemakers and sellers, is a fundamental part of economic, social and environmental value creation. More than ever, without being Florida an exception, our people recognize the importance of providing optimal conditions for the personal and professional development of its associates.

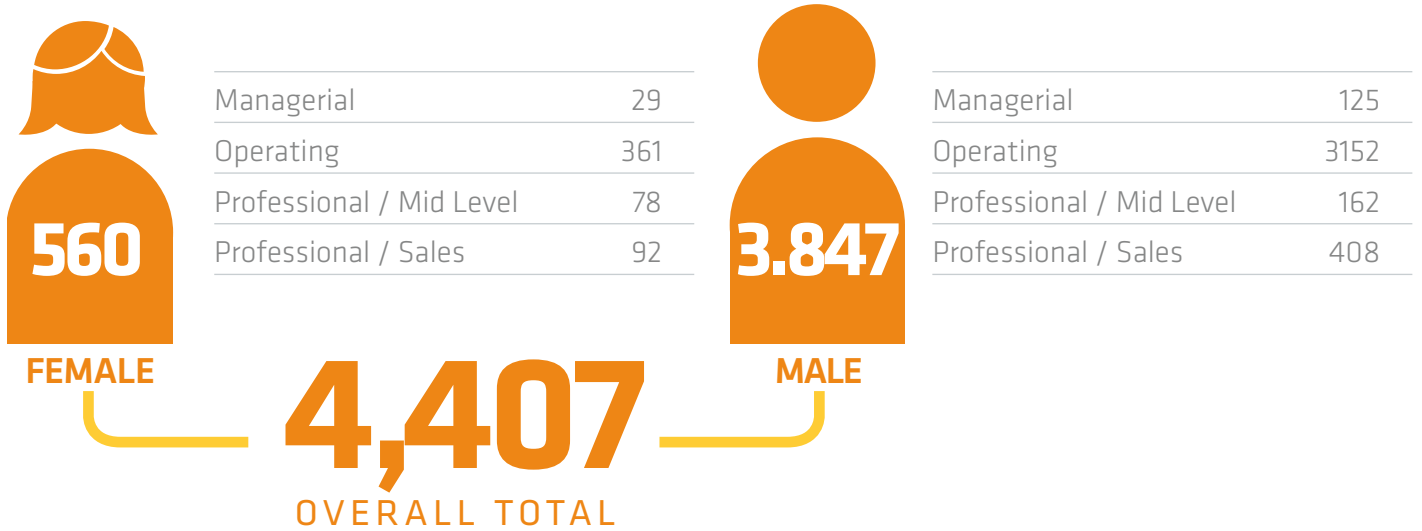


FIFCO associates by category

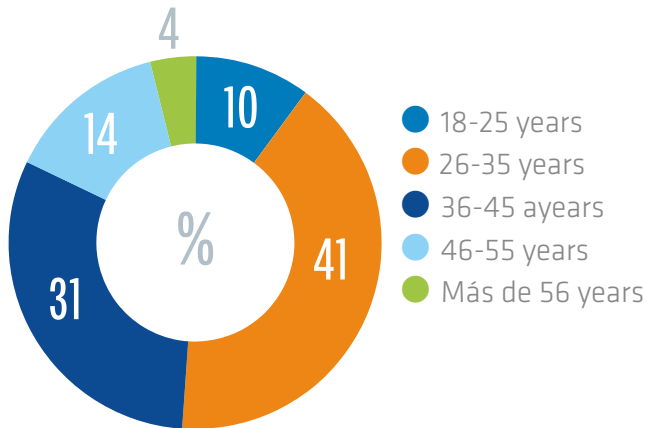


“The Human Resources strategy evolves and starts walking towards a concept of development and holistic wellbeing.”

Colaboradores FIFCO por categorías y género



FIFCO associates by age



Temporary personnel

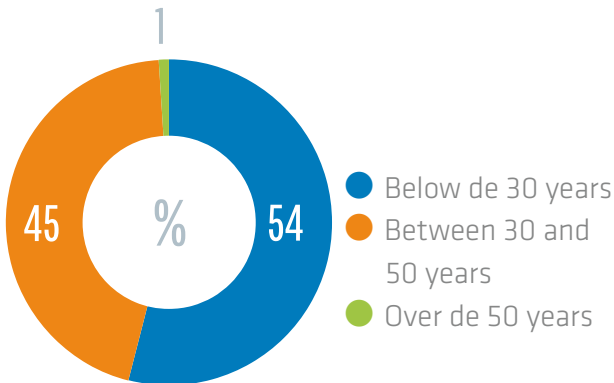
18 - 25 years	107
26 - 35 years	75
36 - 45 years	43
46 - 55 years	4
Overall total	229



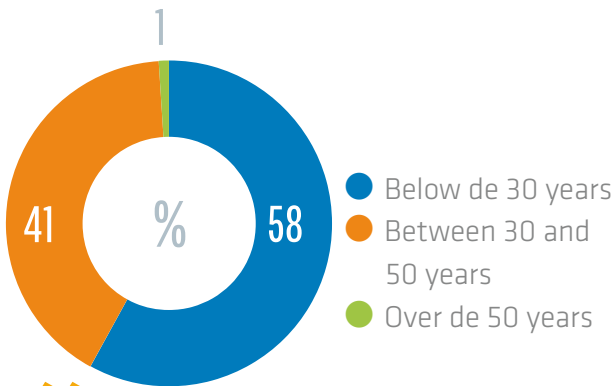
In the period studied for this report, 1,393 persons were hired: 1,185 males and 208 females; the new employments correspond to 32% of the company's payroll.

New workforce by age

MALE



FEMALE

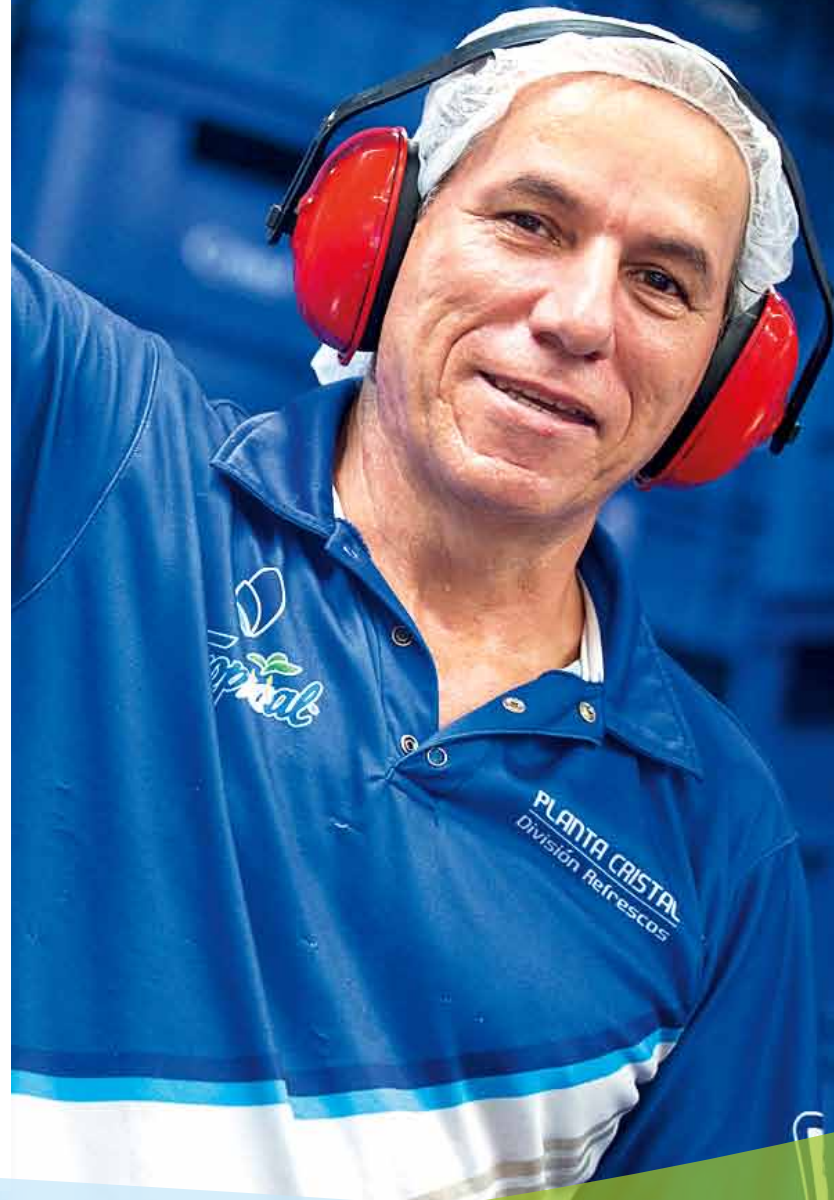


We seek balance and dynamism in our staff, attained by recruiting X and Y generation youngsters, while we use the experience and capacity of older collaborators

Scarlet Pietri
Human Resources Director



18% of FIFCO's personnel is comprised of persons over 45 years old



In 2013, the company reduced 34% of its payroll. It released employees of all areas: management, administrative, plant operating, special events and distribution.

The persons who left received responsible treatment from the company, which in addition to that established by the law included:

- Bonus according to time of service
- Maintenance of medical insurance to its expiration if applicable
- In addition, the operating staff released received a purchase card to be used in supermarkets, valid for the following 6 months, for an amount equivalent to the cost of the basic food basket price for four persons, according to the National Institute of Statistics and Census (INEC).
- Those individuals close to retiring received a scheme similar to the early retirement scheme.
- The company gave support regarding counseling or recommendations while the associates relocated or started a business of their own. *recolocaban o emprendían algún negocio propio.*



Our Balance Score Card

Depending on the associates' position, they are evaluated using the Balance Score Card method, which reflects the company's commitment to generate value in three dimensions: economic, social and environmental.





The standardization of work practices is definitely one of the most important challenges the human resources area faces. Each business unit has particularities, which are recognized and respected; however, the priority this year was to homologate staff management and supervision in recently incorporated units.

An example of the above is education on FIFCO's Code of Ethics for the entire workforce, with special emphasis on new businesses. This code establishes the norms of conduct expected from daily activities within the company.

Other benefits for our collaborators



All regular collaborators, located in Costa Rica and Guatemala receive the following benefits:

- Cafeteria service
- Workplace physician
- Life insurance
- Higher education scholarships
- Diversified education programs
- Royalties or product discounts
- Transportation to the workplace

Our personnel located in Guatemala also enjoys:

- Staggered vacations
- Cooperative
- Productivity bonus
- Eye care
- Health Fairs, extended to the employees' families



Freedom of Association

The countries where we operate respect freedom of association established by local labor laws, 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 Employee Solidarity Association and its valuable contribution to the country's development.

Voluntary-membership organizations

Employee Solidarity Association of Florida Ice & Farm Co. (ASOFLORIDA) 90% of Florida's employees is part of the solidarity Association. ASOFLORIDA offers approximately 18 agreements focused mainly on education and health. For instance, members obtain discounts (between 5 and 15%) in clinics, and university students have access to special discounts (between 10 to 30%) in higher education studies.

Employee Solidarity Association of Reserva Conchal and Related Companies (ASORESERVA) offers agreements on health, business and credit lines. Percentage of associated employees: 95%.

Employee Solidarity Association of National Baking Companies (ASEPAN), which members obtain discounts in the health area, partial university scholarships and commercial agreements. Percentage of associated employees: 67%.

Employee Solidarity Association of Wines and Distilled Beverages (ASOVINDES). Percentage of associated employees: 90%.

In the case of Guatemala, there is a cooperative and the **Kern's Company Workers Union**, one of the oldest in the country. Thirty-eight percent of *Industrias Alimenticias Kern's* collaborators are affiliated to it.

The benefits obtained by the union's members go beyond that established by Guatemalan law. Some of these benefits are: food, clinical/medical, dental care allowance, vacation bonus and universal indemnization, among others.

Likewise, El Salvador has a cooperative formed by associates.

During the year, no strikes or labor disputes are reported in Costa Rica, El Salvador or Guatemala.

In Florida Ice & Farm Co. periods of notice are applied according to each country's labor laws regardless of them occurring due to organizational changes or not.

For example, in Costa Rica, periods of notice are established based on the number of years served in the company and may range from 7 to 30 years, according to the Labor Code. In the case of Guatemala, periods of notice are applied as set forth in Article 83 of this country's Labor Code.

Social benefit programs

COSTA RICA

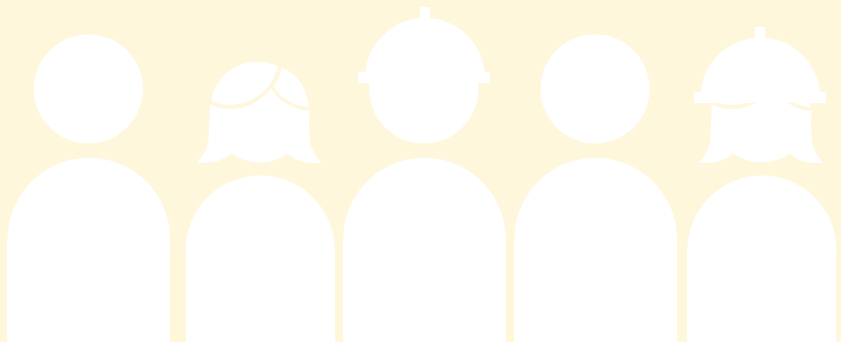
- There is a severance plan, defined in Worker's Protection Law No. 7983. Such plan complements the disability, old age and death regime of the Costa Rican Social Security Fund for retirement
- By means of this law, the company makes a contribution equivalent to 3% of each employee's salary to consolidate a supplementary retirement regime.
- Unemployment fund: Through the Employee Solidarity Association, the company contributes 1% of each employee's salary for this purpose, while the worker contributes 2%.

GUATEMALA

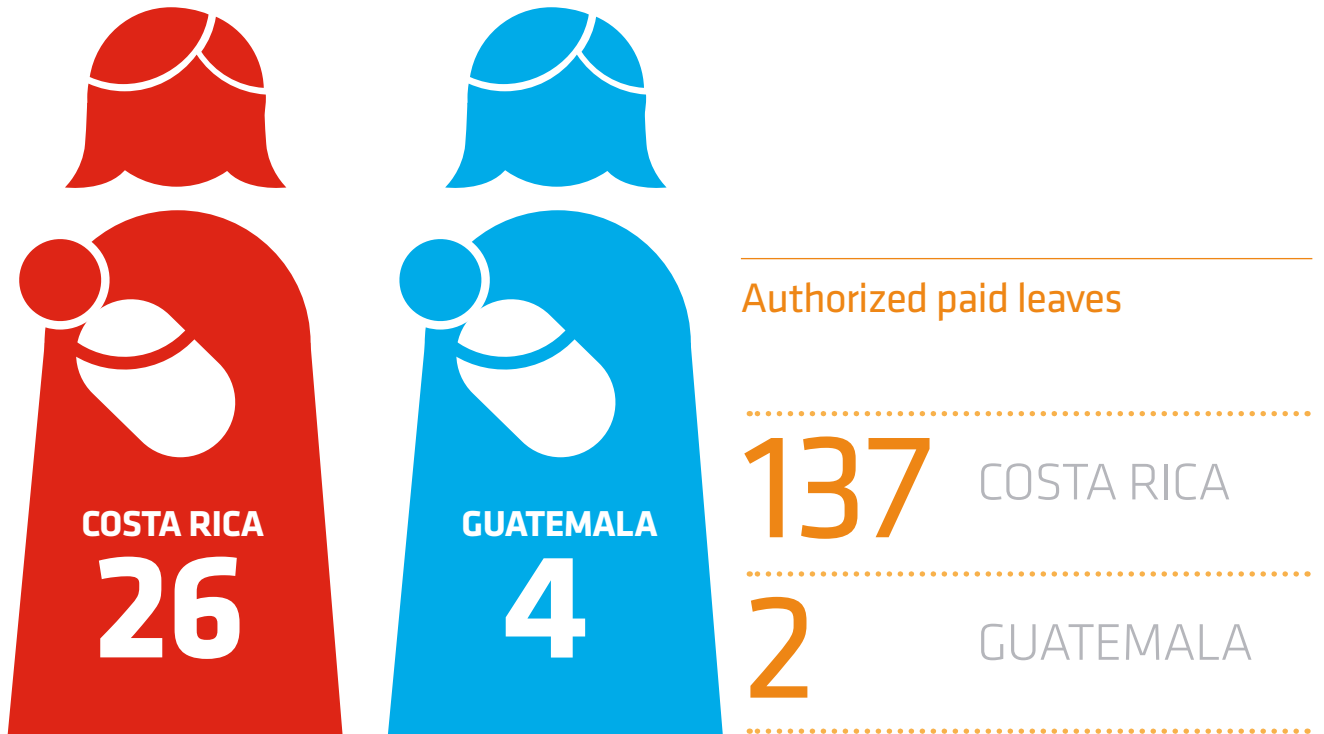
- Every month, a contribution is made to the retirement program (established by the Social Security Fund), which corresponds to 10.67% over the salaries paid.
- Voluntary retirement program: any employee wishing to quit working voluntarily in the company, may do so and benefit his/her relatives in hiring their services.

EL SALVADOR

- Every month, a contribution is made to the retirement program (established by the Social Security Fund), which corresponds to 10.67% over the salaries paid.
- Voluntary retirement program: any employee wishing to quit working voluntarily in the company, may do so and benefit his/her relatives in hiring their services.



FIFCO: Cases of maternity leave during the reported year



Maternity leaves during the reported year

Costa Rica	Cases	Returns from maternity leave	Keep their job	% or returns from maternity leave	% who keep their job
Maternity leave	26	23	15	88%	65%
Paid leave	137	137	108	100%	79%
Guatemala					
Maternity leave	4	4	4	100%	100%
Paid leave	2	2	2	100%	100%

Derechos Humanos

FIFCO supports and promotes respect for Human Rights, knowing the great potential impact it can have as a company, not only in the countries where it operates, but also throughout the entire supply chain. Among the aspects concerning Human Rights, it is worth mentioning non-discrimination, gender equality, freedom of association, collective bargaining, non-recruitment of children and the rights of indigenous people.

The company draws on the International Bill of Human Rights, consisting 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. Our Code of Ethics and Business Conduct embodies the corporation’s commitment to human rights, pointing at, among other subjects, banning and disciplinary measures in situations of:

- **Discrimination** of gender, ethnic group, sexual orientation, age, political or religious beliefs, marital status, among others.
- Physical, psychological **abuse and/or maltreatment** or forced labor.
- **Stalking, harassment or sexual abuse**

Likewise, the Code recognizes the rights of all children to be protected against economic exploitation, and the company respects the laws of each country where it operates regarding the minimum age for hiring employees.

In Guatemala, according to Kern’s Workers Union Collective Agreement and the country’s laws, the company has positions available under the modality of apprenticeship contracts for the children of employees. Thus, youngsters between 16 and 18 can participate in jobs as apprentices in different areas of the company. For the reporting period, Kern’s covered 6 positions in this category.



There is a growing consensus around the world on the need for companies to commit themselves and engage in taking the lead to promote and demand respect for Human Rights.

Scarlet Pietri
Directora de Recursos Humanos



No incidents of discrimination were identified in all of FIFCO’s operations for the period reported.

Regarding our Supply Chain, the program “Sustainable Procurement” contemplates social variables regarding compliance and respect for human rights.

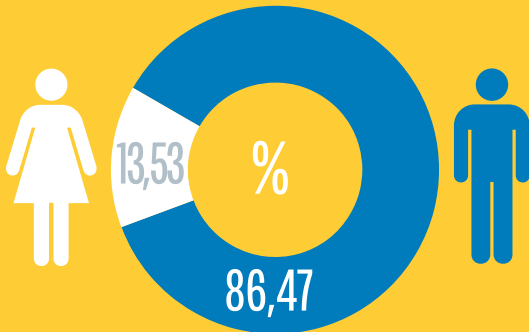


CLICK HERE TO LEARN MORE ABOUT OUR PROGRAM

Our workforce by gender



DUE TO THE NATURE OF THE BUSINESS MOST OF OUR WORKFORCE IS COMPOSED OF MEN.



The company recognized there is an opportunity area in the field of gender representation and is currently working to identify and promote practices to reflect a change in the medium term.

However, through initiatives such as Nutrivida, women under conditions of social vulnerability are offered the opportunity to enter the labor market turning them into micro-entrepreneurs, selling Nutrivida products. **The MANU Moms Pro Nutrition Network** seeks this chain and multiplier effect, especially among housekeepers. The Network started with 100 women and expects to increase its impact through strategic alliances, to bring in more communities, both in the Greater Metropolitan Area, and rural areas.

 [CLICK HERE TO LEARN MORE ABOUT THE MANU NETWORK AND NUTRIVIDA](#)

Indigenous People

This issue is material for our operation in Guatemala, being 36.5% indigenous people in this country. For the period reported, there were no incidents recorded for violation to the rights of indigenous people. Still pending is to promote and be more explicit as a company, in supporting and defending human rights and equal conditions for these groups.



Musmanni's Refugee Program



In 2012, Musmanni ventures into a great effort to support human rights, committed to a more inclusive and fair society. Within the management framework of the United Nations High Commissioner for Refugees (UNHCR), Musmanni partners with the renowned non-governmental organizations RET and ACAI in order to formalize a program to recruit and hire refugees.

Besides the aforementioned program, this Business Unit has given talks aimed at targeting refugees so that they can successfully break into the Costa Rican labor market. In parallel this unit has implemented internal communication campaigns to the rest of the employees educating about the refugee community, promoting respect, solidarity and tolerance.

As part of this project, Musmanni has managed to place 22 individuals, 4 of them are currently point-of-sale administrators.



They are people who really need to work and they appreciate very much this opportunity, turning them into outstanding employees.

This program is our chance to contribute to a more fair and inclusive society.”



Javier Sibaja
Director of Musmanni



Our values

- ➔ Responsibility
- ➔ Innovation
- ➔ Passion
- ➔ Teamwork
- ➔ Acknowledgement





By organizational culture we understand the set of experiences, habits, customs, beliefs and values, which characterize a human group, specifically applied to the restricted area of an organization or institution. The organizational culture has several effects on the behavior of its members and the company as corporate actor. Factors such as the attraction, selection and retention of talent, the degree of commitment, sense of belonging, as leadership styles and decision making are affected by cultural factors. The culture of a company constantly changes, adapting to different conditions or to the internal and external situations it faces.

This year Florida manages to be among the exclusive group of companies certified as “Great Place to Work”. This renowned international certification offers the company the advantage to diagnose its Organizational Culture and Environment applying an international standardized instrument and methodology, focused on leadership practices which in turn allow visibility and understanding of units, departments and teams.

During 2012- 2013 the company is certified with a **71%** score, ranked N°. **19** in our category of companies located in Central America and the Caribbean

This great achievement in measuring the target culture evidences the commitment and focus of employees and, especially, of leaders, during the past period, who positively impacted their teams and work environment.

The “Great Place to Work” study and methodology reveals a high degree of employee satisfaction with the company, great pride in working for Florida and a high sense of responsibility. These are good results that distinguish FIFCO from other companies in the industry and the region.

Among the most important findings, stands the opportunity and importance of working competencies related to leadership between collaborators in management and leading positions. Managing internal communication, among team members, still reveals improvement is needed.



Proactively, through innovation and creativity, Human Resources addresses the relevant findings with a strong action plan. Among the projects implemented the following stand out:



Leadership Program

Basic Leadership and Advanced Coaching

The development of attitudes, behaviors and competencies that enable exercising leadership, and recognition of this, results in improved communication, performance and motivation throughout the organization. Team management, enhancing members' personal and professional skills, contributes not only to the wellness approach that the company seeks, but also to our workforce's overall level of satisfaction.



One to One Sessions

Feedback and assertive communication spaces between managers and their direct reports foster an honest work environment, better management of expectations and the ability to identify areas of improvement and the respective corrective actions.



"Microenvironment" Sessions

These cathartic sessions, sound argument and exchange of opinions among members of the same team, not only allow space for leaders to give practical effect to their knowledge and learning, but also foster conflict resolution and the efficient, transparent and assertive management of situations, strengthening and contributing to a sense of unity, collaboration, respect and empathy

OBJECTIVE

2 Occupation Health and Safety



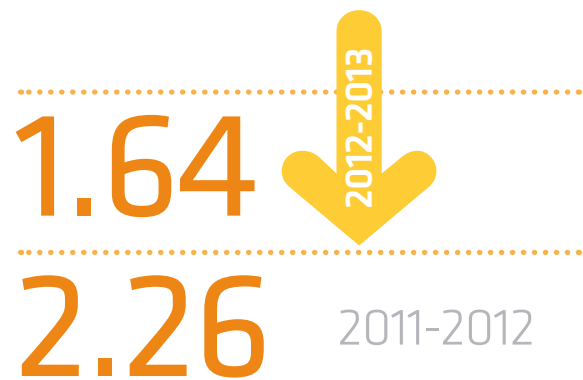

The World Health Organization defines occupational health as a multidisciplinary activity that protects and promotes the health of workers. This management seeks to prevent and reduce risk conditions in labor practices and the workplace. Occupational health is not limited to the associate’s physical conditions; it goes further to consider psychological variables and comprehensive wellness.

As a manufacturing company, producing food products and beverages, occupational safety and health management is a corporate priority. During the last years, Florida was dedicated to control and minimize risk conditions in its operational and production processes.

Again FIFCO leads in the food and beverage industry in rates of occupational safety.

During the reported period, 2012-2013, Florida obtained the **lowest levels of accidents to date.**

Accident rate



Severity rate





8.85%

OF THE PAYROLL OF PERMANENT EMPLOYEES COLLABORATES ON TOPICS RELATED TO **OCCUPATIONAL HEALTH AND SAFETY**

OUR ACTIVITIES INCLUDE

- BRIGADES
- SAFETY PILLARS
- OCCUPATIONAL HEALTH COMMITTEES
- OCCUPATIONAL SAFETY DEPARTMENT

For the next periods, the company seeks to offer its employees more programs that promote a holistic personal development, considering variables of emotional, physical and psychological wellbeing.

OBJECTIVE

3 Talent Development




The company has as a priority to ensure the personal and professional growth of its employees. FIFCO recognizes that the boundaries or separation between the personal and professional life of employees is more and more ephemeral and, therefore, success and good performance of employees is directly related to success and good performance in all other aspects of their lives. This revelation implies a change of focus or approach, including non-traditional variables, which are not strictly limited to labor aspects, but point to a concept of **holistic wellness**. This comprehensive approach by the Human Resources Management requires the company to go beyond, involving specialists, knowledge and non-traditional practices.

This new philosophy, talent development, considers the physical, emotional, economic and professional welfare of our associates It is during this year that the company displayed and took its first steps implementing the strategy.

As part of the above, **training programs** are created and applied in different groups of collaborators, often in response to the important findings of the “Great Place to Work” study. This year, 95,772 training hours were held in all the Strategic Business Units, with an average of 21.13 hours per employee.

HOLISTIC WELLNESS





As mentioned above, the development of competencies related to leadership is transversely a priority in the company. Among the programs for skills management and ongoing training offered this year are:

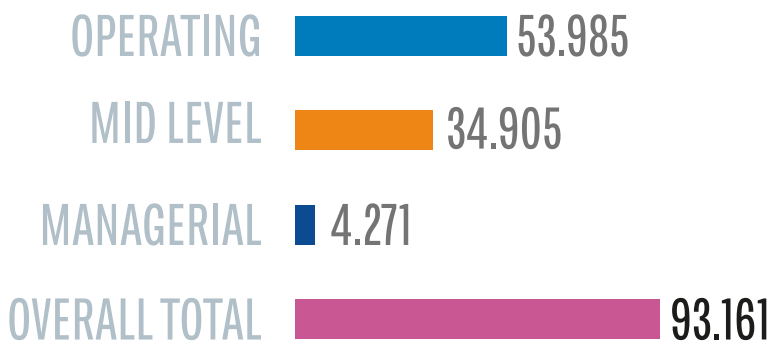
- Leadership Program (Basic Leadership, Coaching, Advanced Leadership)
- Management Skills Program for Managers and Directors
- Management Skills Program for High Potential and High Performance
- English Program
- General Equivalency Diploma Program

Además de cursos en:

- Smart consumption of alcoholic beverages
- Professional Technical Update
- Support Courses for Certifications on: ISO-14001, Hazard Analysis and Critical Control Points (HACCP), Total Productivity Management (TPM), Five S Method (5S), Environmental Management, Good Manufacturing Practices, Emergency Brigades.

Training hours per associate category

FOOD AND BEVERAGE UNIT | FLORIDA BEBIDAS



It is essential for the growth of collaborators to have the opportunity to receive evaluation and feedback on their performance. One hundred percent of Florida Food and Beverages and Musmanni staff receive performance evaluations annually. In Reserva Conchal these are applied only to management personnel revealing an area of opportunity for evaluations to the rest of the personnel.



Local Hiring

The company does not have an explicit policy for hiring local labor; however the hotel operation Reserva Conchal, shows FIFCO's commitment as a company creating economic and social value in the communities where it operates by hiring personnel from communities near the resort.

The National Household Survey of 2012 found that the Chorotegan and Central Pacific Regions are the Costa Rican geographic areas with higher problems of youth unemployment nationwide, being the unemployment rate 21.5% for young people between 15 and 24 years and 11.5% for those between 25 and 35 years.

It is evident that the issue of unemployment in Guanacaste is historical and critical, reason why the company decides to go further and as a subsequent fact launches in early 2014, together with several key partners, an innovative **Dual Education** program. This method alternates theoretical education with practice, in order to

facilitate admission to employment, through four different programs: Professional Technician in Hotel Cuisine, Professional Technician in Hotel Administration, Professional Technician in Food and Beverage Service and Professional Technician in Room Servicing; positions with greater demand in the area's tourism sector.

The project is first implemented in our country by Reserva Conchal and Westin Playa Conchal Hotel, together with the National Learning Institute (INA) and the Costa Rican - German Chamber of Commerce and Industry (AHK). This project started with 20 youngsters of 14 communities of the province and expects to enroll 80 more in the next months.





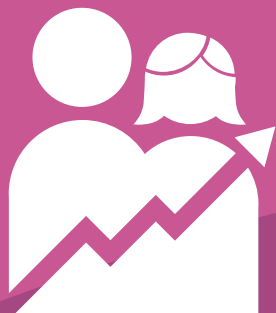
External Social Dimension

In 2008, the company assumes a public commitment: **create social and environmental values** with the same thoroughness and discipline it did in financial terms. After five years, FIFCO breaks paradigms and demonstrates that a company is an actor or corporate citizen capable of contributing not only to the wellbeing of employees and shareholders but also of the communities where it operates by collaborating strategically to national and even global causes.

In figures

6.5%

STRATEGIC SOCIAL INVESTMENT



56,713

HOURS OF VOLUNTEER WORK



\$700,000

SEED CAPITAL CONTRIBUTED BY FIFCO TO CREATE **NUTRIVIDA**



40

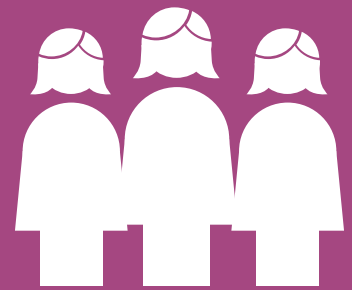
YOUNGSTERS IN THE DUAL EDUCATION PROGRAM



FIRST SOCIAL ENTERPRISE OF CENTRAL AMERICA



Nutrividá



400

WOMEN ENTREPRENEURS FROM MOMS PRO NUTRITION NETWORK • MANU

Creating social value

The External Social Dimension combines all of those initiatives that respond to our social footprints and those programs that strengthen the relationship with our key target groups.

Three main lines of action have been defined in this dimension.



1 Promote smart consumption of alcoholic beverages

2 Have a positive impact on society through strategic social investment

3 Report ethically and transparently its progress towards sustainability

As a company, Florida goes beyond contributing philanthropically and mitigating its operational footprints, by focusing on strategic social investment and evolving into the ultimate expression of value creation, when it addresses in an innovative and sustainable manner social problems through a business model that seeks another type of utility: the social enterprise.



Gisela Sánchez
Director of Corporate Relations





The production and marketing of alcoholic beverages is central to Florida Bebidas operations. As category captain, the company assumes responsibility and leads locally and in the region the impact of alcohol on society.



Alcohol in Costa Rica and the rest of the world

PER CAPITA ANNUAL PURE ALCOHOL CONSUMPTION
ACCORDING TO THE HEALTH WORLD ORGANIZATION

5.4 **COSTA RICA**
One of the lowest in the Latin American region

8.4 **LATIN AMERICA**

10.9 **EUROPE**

7.5 **GLOBAL AVERAGE**



Florida is a company committed to develop initiatives aimed towards significant harmful alcohol reduction.



Gisela Sánchez
Director of Corporate Relations

How did we get to the “Smart Consumption” concept?

Through social research, as a company we recognized that the same consumer demanded justified and reasoned explanations about alcohol in general. The consumer groups surveyed say:



(Study on Consumption of Alcoholic Beverages, FLACSO)

Costa Ricans wanted to know, be informed about: who can drink, who cannot, amounts by gender, how much is too much and why, benefits to health according to scientific research associated with alcohol in a healthy lifestyle, measures by type of drink, etc.

At the end, the group showed interest and confidence in scientifically supported information and in extensive research that has demonstrated from who can and who cannot drink, to what are those benefits associated to moderate consumption distributed weekly by healthy adults. This was also when we understood that “Moderation”, a campaign used in the past, was a restrictive and inconspicuous concept for the consumer.

Given this, the company decided to evolve toward a more powerful and meaningful concept for the public,



Today, **Smart Consumption** is part of the trend, associated to innovation, health, intelligence and happiness. As part of the strategy, focused on the promotion of smart consumption as a lifestyle and in addressing sensitive populations, the company has developed information materials and has participated in key activities.

moving from the concept of Moderate Consumption to **“Smart Consumption, enjoy wisely”**.

Smart Consumption is assumed to be opposite to harmful consumption, the one that brings adverse consequences to the consumer and negative effects on health. Several scientific studies have proved that if there is smart consumption of alcohol beverages, within a balanced lifestyle, the effects on health may be positive for a healthy adult in short, medium and long terms.

Publications, social networks and events

- “Cerveza y mucho más” (Beer and lots more) brochure
- Brochure addressed to youngsters: “La Goma” (Hangover) which addresses the myths about the discomfort caused by harmful use of alcohol.
- Campaigns and social network management like the fanpages “Moderación me Gusta” (I like Moderation) and “Jale por una Birra” (Let’s go for a beer)



DOWNLOAD OUR PUBLICATIONS HERE

Participation in:

- International Beer Day
- Nutritionists Congress
- Activities related to gastronomy and research
- Fieldtrips to schools of the Greater Metropolitan Area with the “Yo versus yo” (Me versus Me) campaign. In alliance with the Ministry of Public Education, the activity aims at educating youngsters about the negative consequences of drinking alcohol at an early age. The message was transmitted to more than 1,500 students.



Road Safety

Proactively, Florida has collaborated for over three consecutive years with the Ministry of Public Works and Transportation (MOPT) and the Road Safety Council (COSEVI) promoting education on road safety. During the reported period, the company directed the mass campaign “Tuanis is...” (It’s coll to...) and participated in the “Pedestrian Operative”, activity aimed at raising awareness on safety and preventive measures pedestrians must take. Parallel to these efforts and as part of the volunteer program “Elegí Ayudar” (I chose to help), road safety talks were offered to more than 2,000 children in schools in Heredia and Alajuela.

Advertising Self-Regulation



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

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

- I. Development and update of the study on alcohol consumption patterns in Latin America.
- II. Promotion of 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, vendors and customers to act as ambassadors of this commitment.
- V. Consolidation of self-regulatory systems (Manuals and Principles Code) to perform responsible commercial communications, events and marketing activities.
- VI. Contribution towards the eradication of 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 reported period, no incident from FIFCO occurred concerning non-compliance with regulations regarding marketing communications (advertising, promotion and sponsorship).

OBJECTIVE

2 Social Investment




During the reported period and as part of value creation in the Social Dimension, FIFCO allocated 6.5% of its net utility as strategic social investment, thus standing at 1% of the world's leading companies in this field, according to a study carried out by Boston Consulting Group (BCG).

One hundred percent of Florida Ice & Farm Company's Business Units, developed strategic social investment programs, impacting positively on collaborators as on communities close to our operations. The rotation of the company's various businesses entails specific impacts and based on these impacts investments are made in projects that seek to reduce or offset such footprints. The company breaks paradigms and looks to create social value by addressing social objectives.

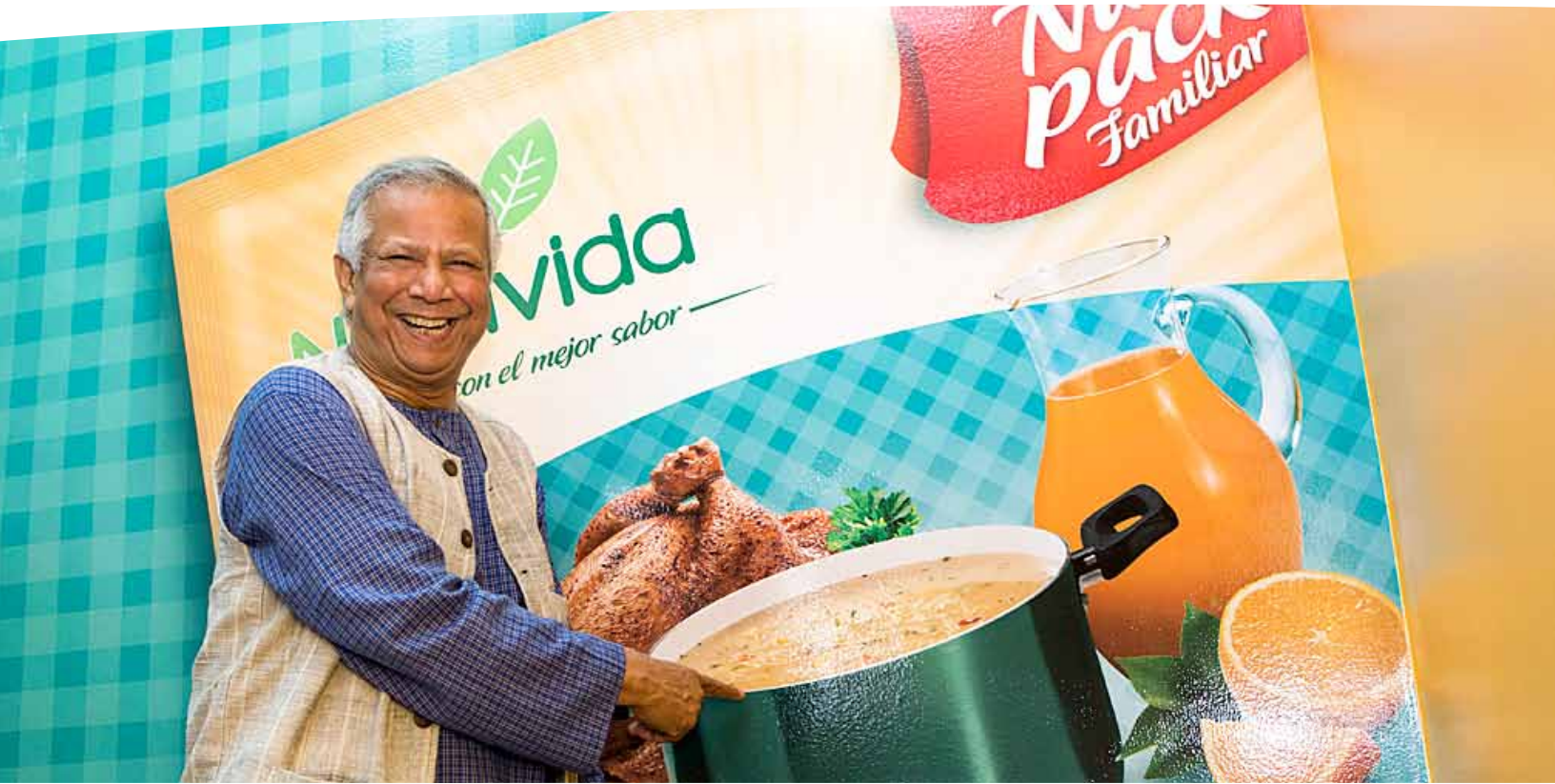
SOME OF THE IMPLEMENTED PROJECTS

→ Social Enterprise | Nutrivida 

Florida Bebidas together with professor Muhammad Yunus created the first social enterprise of Costa Rica, Nutrivida, which aims at eradicating undernourishment in Costa Rica and at significantly reducing malnutrition in Central America and Haiti. As a social enterprise, it does not seek to generate utilities, but to solve a social problem, in this case malnutrition. To achieve this mission, Nutrivida developed three food products, fortified and of high nutritional quality: infant cereal flavored with oatmeal, instant chicken soup and an orange-flavored powdered beverage, also a full meal package (Nutripack, containing beverage and soup).

6.5% OF THE NET PROFIT DESTINED TO SOCIAL INVESTMENT





→ **Rainwater Harvesting** 

The first project was carried out in a public school, being the Liceo Regional de Flores in Heredia the first institution to have such environmental benefit developed by a private company. With this project, the high school saves 8.16 million liters of drinking water per year (equivalent to an average consumption of 23 households).

→ **Dual Education** 

This program is the first of this type nationwide. It started at Reserva Conchal and at the Hotel Westin Resort & Spa in Guanacaste, Costa Rica. This innovative education methodology has the objective of contributing to the development of communities through the training and employment of people in tourism and hospitality. Currently, the program has specialties in: hotel management, room servicing, cuisine and service. Key partners in this program like the National Learning Institute (INA) and the Costa Rican-German Chamber of Commerce ensure its success.

Part of the project was to adapt spaces in the hotel and in Reserva Conchal, and to create a specific facility to replicate reception, restaurant and room areas in order to fulfill and replicate Westin standards, so that learners can practice in real scenarios. This project will benefit 80 young people, currently there are 40 learners enrolled.

→ **Musmanni Communities** 

This project was carried out together with the Ministry of Justice and Peace, the Municipality of Tibás and the Development Association of Cuatro Reinas, with the aim of identifying the needs of the community through a diagnosis in the town of Cuatro Reinas in Tibás. As part of the effort, an investment was made to improve the infrastructure of the Pedagogical Unit of Cuatro Reinas and plans were made to build a multidisciplinary park - 16 thousand square meters- for the community's enjoyment. The building of this area started in March 2014.

→ Training Winners 

About 25 children of Florida Bebidas and Musmanni employees received scholarships to study English at the Costa Rican North American Cultural Center, through the “Formando Triunfadores” (Forming Winners) program. To carry out this project, an internal activity was held to raise funds and an alliance was made with the Costa Rican North American Cultural Center.

→ Helthy Weight 

Along with a group of nutrition experts, a measurement-sizing program of children in marginal urban areas was developed, in addition to nutrition talks given to this population. In the period reported, 3,979 children benefitted.

→ Surf for Youth 

Reserva Conchal supported 13 low-income surfers. We have sponsored through this sport the Surf National Circuit Tournaments in Costa Rica.

→ Food Bank 

Also, as company founder of the first **Food Bank of Costa Rica**, FIFCO made a contribution of seed capital (\$5,000), besides supporting for the second consecutive year with volunteers in the Bank’s operation

In Reserva Conchal, summer camps were held in the community of Brasilito, as a way to motivate the community children with activities related to sports, arts and education



“Elegí ayudar” (I Chose to Help) Volunteer Program

Total volunteer hours

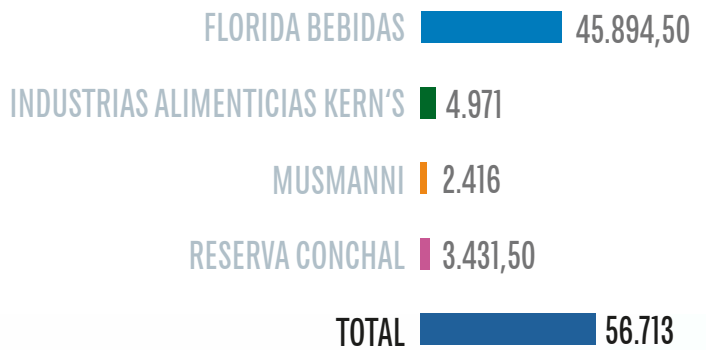
56,713

40,875 Social approach

15,838 Environmental Impact

Volunteer hours

PER BUSINESS UNIT



Results of our volunteers

- We gave talks to **19,769 children** of the Greater Metropolitan Area on different topics:
 - 9,363 hours on Road Safety
 - 3,284 hours on Environmental Education
 - 3,143 on the Art for Peace project
 - 3,979 on the Healthy Height programStaff from Florida Bebidas and Musmanni participated in this activity.

- We collected **13,000 kilograms** of solid waste (PET, HDPE, aluminum and Tetra Pak) in various cleanup sessions in Sarapiquí, Guápiles, Puntarenas, Nicoya, Alajuela, Limón, Liberia and at the Romería (pilgrimage).

- We planted **6,000 trees** and gave maintenance to over 300 tree species, found in the biological corridors near our operations.





→ Florida Bebidas volunteers participated in the **Food Bank of Costa Rica with 10 monthly visits**; in turn, their Kern's fellows contributed supporting the Bank by preparing food packages that are donated to socially-disadvantaged populations.

→ In 2012-2013, **three houses were built for the company's associates**, with the support of Florida Bebidas volunteers. The households are located in Puntarenas, Barva (Heredia) and Guadalupe.

→ Also, Florida Bebidas associates contributed with volunteer hours in the **Tutoring Program in the Triángulo de Solidaridad** community. This program of great impact supports school and high school children with their homework by accompanying and using a relational tutoring methodology.

→ Two houses were built for the **"Sueño de Navidad" (Christmas Dream) project** (organized by the Costa Rican TV channel Teletica and the Lions Club). The houses were built with the support of Florida Bebidas and Musmanni volunteers in the communities of Esparza, Puntarenas and in Grecia, Alajuela.



→ **22 female Florida associates became mentors** for women entrepreneurs who are part of the Moms Pro Nutrition network (MANU). This network is aimed at selling fortified products of the social enterprise Nutrivida in vulnerable populations.

→ Kern's fellows helped build **Hospital Esperanza de Vida in Zacapa, Guatemala**, the hospital benefits per month 150 children suffering from malnutrition.

→ Reserva Conchal fellows conducted **turtle nest care sessions**.

OBJECTIVE

3 Ethics and Transparency



Ethics and transparency represent a **cross-cutting topic** along the operation of Florida Ice and Farm Company. In the different dimensions and in each of our commercial actions, integrity and honesty are essential parts of the behavior expected from directors, managers and associates. These commitments are embodied in our **Code of Ethics and Business Conduct**, code that addresses in a forceful way the issue of corruption.

This policy is carried to our relations with external target groups, either members of the communities where we operate, government representatives, business partners or the media. In the specific case of relations with the government, if necessary, lobbying efforts are made within the framework of applicable legislation and seek to generate positive positions to promote issues of relevance for the company. Likewise, FIFCO makes no financial or in-kind contributions to political parties.

In addition to FIFCO Corporate Governance Policy, the company has proposed that all actions comply with the ethics and transparency requirements stipulated for companies in the United Nations Global Compact.

No court cases were reported regarding corrupt practices brought against the company or against any of its employees or contractors during the reporting period. Neither are business units being reported as analyzed for corruption-related risks. At the moment an incident of corruption is found, the established protocol proceeds.

Regarding penalties and fines for noncompliance to laws and regulations, no case is reported in the period 2012-2013.

GRI Indicators



Correspondence Matrix (G4) (G4)

General Standard Disclosures			
STRATEGY AND ANALYSIS			
		Page	External Assurance
G4-1	Statement from the organization’s highest decision-maker (such as CEO, chair, or equivalent senior position) about the relevance of sustainability to the organization and the organization’s strategy for addressing sustainability.	7,8 y 9	No
G4-2	Description of key impacts, risks, and opportunities.	16, 17, 18 y 19	No
ORGANIZATIONAL PROFILE			
		Page	External Assurance
G4-3	Name of the organization	10	No
G4-4	Organization’s primary brands, products and/or services	12	No
G4-5	Location of the organization’s headquarters	10	No
G4-6	Countries where the organization operates	10	No
G4-7	Nature of ownership and legal form	10	No
G4-8	Markets served (including geographic breakdown, sectors served, and types of customers and beneficiaries)	14	No
G4-9	Organization’s scale	5	No
G4-10	Workforce data	82	No
G4-11	Percentage of total employees covered by collective bargaining agreements	86	No
G4-12	Describe the organization’s supply chain	47	No
G4-13	Significant changes occurred during the reporting period regarding the organization’s size, structure, ownership, or its supply chain	13	No
G4-14	Report how the organization addresses the precautionary approach or principle	23	No
G4-15	Externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses.	23	No
G4-16	Associations the organization belongs to	24	No

MATERIAL ASPECTS AND BOUNDARIES			
		Page	External Assurance
G4-17	Entities included in the organization’s consolidated financial statements or equivalent documents.	13	Vincular Center for Social Responsibility and Sustainable Development, School of Commercial Engineering of the Pontifical Catholic University of Valparaíso. Verification Letter on page number 133 and 135 of this report
G4-18	The process for defining the report’s content and aspect boundaries.	30 and 31	Vincular Center for Social Responsibility and Sustainable Development, School of Commercial Engineering of the Pontifical Catholic University of Valparaíso. Verification Letter on page number 133 and 135 of this report.
G4-19	The material aspects identified in the process for defining the report’s content.	30	Vincular Center for Social Responsibility and Sustainable Development, School of Commercial Engineering of the Pontifical Catholic University of Valparaíso. Verification Letter on page number 133 and 135 of this report.
G4-20	For each material aspect, report the aspect boundary within the organization.	30	Vincular Center for Social Responsibility and Sustainable Development, School of Commercial Engineering of the Pontifical Catholic University of Valparaíso. Verification Letter on page number 133 and 135 of this report.
G4-21	For each material Aspect, report the aspect boundary outside the organization.	30	Vincular Center for Social Responsibility and Sustainable Development, School of Commercial Engineering of the Pontifical Catholic University of Valparaíso. Verification Letter on page number 133 and 135 of this report.

G4-22	The effect of any restatements of information provided in previous reports, and the reasons for such restatements.	30	Vincular Center for Social Responsibility and Sustainable Development, School of Commercial Engineering of the Pontifical Catholic University of Valparaíso. Verification Letter on page number 133 and 135 of this report.
G4-23	Cambios significativos en el alcance y la cobertura de cada Aspecto en relación a los reportes anteriores	30	Vincular Center for Social Responsibility and Sustainable Development, School of Commercial Engineering of the Pontifical Catholic University of Valparaíso. Verification Letter on page number 133 and 135 of this report.

STAKEHOLDER ENGAGEMENT

		Page	External Assurance
G4-24	List of stakeholder groups engaged by the organization.	25	Vincular Center for Social Responsibility and Sustainable Development, School of Commercial Engineering of the Pontifical Catholic University of Valparaíso. Verification Letter on page number 133 and 135 of this report.
G4-25	Basis for selection of stakeholders with whom to engage.	30	Vincular Center for Social Responsibility and Sustainable Development, School of Commercial Engineering of the Pontifical Catholic University of Valparaíso. Verification Letter on page number 133 and 135 of this report.
G4-26	The organization’s approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group .	30	Vincular Center for Social Responsibility and Sustainable Development, School of Commercial Engineering of the Pontifical Catholic University of Valparaíso. Verification Letter on page number 133 and 135 of this report.

G4-27	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns.	26, 27, 28 and 29	Vincular Center for Social Responsibility and Sustainable Development, School of Commercial Engineering of the Pontifical Catholic University of Valparaíso. Verification Letter on page number 133 and 135 of this report.
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REPORT PROFILE

		Page	External Assurance
G4-28	Reporting Period (fiscal or calendar year)	2 y 3	No
G4-29	Date of previous report	2	No
G4-30	Reporting cycle (annual, biennial etc.)	2	No
G4-31	Contact point for questions regarding the report or its contents	3	No
G4-32	Table identifying the page number for the report content	116, 117, 118 and 119	No
G4-33	The organization’s policy and current practices regarding the report’s external assurance	3	

CORPORATE GOVERNANCE

		Page	External Assurance
G4-34	The organization’s governance structure and committees, responsible for making decisions about economic, environmental and social issues	22	No
G4-35	Describe the process for delegating authority for economic, environmental and social issues from the highest governance body to senior executives and certain employees.	21	No
G4-37	Describe processes for consultation between stakeholders and the highest governance body on economic, environmental and social issues. If consultation is delegated, describe to whom and any feedback processes to the highest governance body.	22	No
G4-38	Describe the composition of the highest governance body and its committees	22	No
G4-39	Report whether the Chair of the highest governance body is also an executive officer and, if so, his or her function within the organization’s management and the reasons for this arrangement.	21	No
G4-43	Report the measures taken to develop and enhance the highest governance body’s collective knowledge of economic, environmental and social issues.	21	No
G4-44	Report the processes to evaluate the highest governance body’s performance with respect to governance of economic, environmental and social issues.	21	No

G4-45	Report the highest governance body’s role in identifying and managing economic, environmental and social impacts, risks, and opportunities	21	No
G4-46	Describe the highest governance body’s role in analyzing the efficiency of the organization’s risk management procedures concerning economic, environmental and social issues.	21	No
G4-47	Report the highest governance body’s role in reviewing the effectiveness of the organization’s risk management processes for economic, environmental and social issues.	21	No
G4-48	Report the highest committee or position that formally reviews and approves the organization’s sustainability report and ensures that all material aspects are covered.	21	
G4-49	Describe the process for communicating critical concerns to the highest governance body	21	No
ETHICS AND INTEGRITY			
		Page	External Assurance
G4-56	The organization’s values, principles, standards and norms of behavior such as codes of conduct and codes of ethics.	11, 92 and 114	No
G4-57	The internal and external mechanisms for seeking advice on ethical and lawful behavior, and matters related to organizational integrity, such as helplines or advice lines.	114	No
G4-58	The internal and external mechanisms for reporting concerns about unethical or unlawful behavior, and matters related to organizational integrity, such as escalation through line management, whistleblowing mechanisms or hotlines.	114	No

Specific Standard Disclosures

ECONOMIC CATEGORY				
Material Aspects	Indicators	Page	Omissions	External Assurance
Economic Performance	G4-EC1: Direct economic value generated and distributed	33		No
	G4-EC2: Financial consequences and other risks and opportunities for the organization's activities due to climate change	70		No
	G4-EC3: Coverage of the organization's obligations derived from its benefits plan	85		No
	G4-EC4: Financial assistance received from government agencies	114		No
Indirect Economic Consequences	G4-EC7: Development and impact of infrastructure investments and types of services	101		No
ENVIRONMENTAL CATEGORY				
Material Aspects	Indicators	Page	Omissions	External Assurance
Materials	G4-EN1: Materials by weight or volume	55		No
	G4-EN2: Percentage of materials used that are recycled materials	55		No
Energy	G4-EN3: Internal energy consumption	70 and 71		No
	G4-EN4: External energy consumption	71		No
	G4-EN5: Energy Intensity	71		No
	G4-EN6: Reduction of energy consumption	71		No
Water	G4-EN8: Total water withdrawal by sources	65		No
	G4-EN9: Water sources significantly affected by withdrawal	65		No
	G4-EN10: Percentage and volume of total water recycled and reused.	67		No
Biodiversity	G4-EN11: Operational sites owned, leased, managed in or adjacent to protected areas and areas of high biodiversity value outside protected areas	77	National System of Conservation Areas (SINAC), Ministry of Environment and Energy	No

	G4-EN12: Description of most significant impacts on the biodiversity of protected areas or non protected areas of high biodiversity, arising from the activities	77	No
	G4-EN13: Protected or restored habitats	77	No
Emissions	G4-EN15: Direct greenhouse gas emissions (Scope 1)	75	No
	G4-EN16: Indirect greenhouse gas emissions when generating energy (Scope 2)	75	No
	G4-EN17: Other indirect greenhouse gas emissions (Scope 3)	75	No
	G4-EN18: Intensity of greenhouse gas emissions	75	No
	G4-EN19: Reduction of greenhouse gas emissions	70	No
	G4-EN20: Emissions of ozone-depleting substances	75	No
Effluents and Waste	G4-EN22: Total water discharge by quality and destination	69	No
	G4-EN23: Total weight of waste by type and disposal method	59	No
	G4-EN25: Weight of transported waste, imported, exported or treated deemed hazardous under Basel Convention Annexes I, II, III and VIII, and waste percentage transported internationally	62	No
	G4-EN26: Identification, size, protection status and biodiversity value of water bodies and related habitats significantly affected by water discharges and runoff from the organization	61	No

Products and Services	G4-EN27: Environmental impact mitigation of products and services	77, 66 and 68	No
	G4-EN28: Percentage of products sold and packaging materials that are regenerated at the end of their useful life, by product category	51 and 63	No
Compliance	G4-EN29: Monetary value of significant fines and number of non-monetary sanctions for breach of the legislation and environmental regulations	52	No
Transportation	G4-EN30: Significant environmental impact of transporting products and other goods and materials used for organization's activities, as well as transporting personnel	72	No
Environmental assessment of suppliers	G4-EN32: Percentage of new suppliers assessed according to environmental criteria	47	No
	G4-EN33: Significant actual and potential negative environmental impacts on the supply chain and actions taken	47	No
Environmental Grievance Mechanisms	G4-EN34: Number of grievances about environmental impacts filed, addressed and resolved through formal grievance mechanisms	52	No

CATEGORY: SOCIAL

SUBCATEGORY: LABOR PRACTICES AND DECENT WORK

Material Aspects	Indicators	Page	Omissions	External Assurance
	G4-LA1: Number and rates of recruitment and average employee turnover by age group, gender and region	81, 82 and 83		No
	G4-LA2: Benefits provided to full-time employees that are not provided to temporary or part-time employees by significant locations of operation	85		No
	G4-LA3: Return to work reincorporation levels and retention rates after maternity or paternity leave.	88		No
Occupational Health and Safety	G4-LA5: Percentage of workforce represented in formal joint management-worker health and safety committees that help monitor and advise occupational health and safety programs	87		No

Occupational Health and Safety	G4-LA5: Percentage of workforce represented in formal joint management-worker health and safety committees that help monitor and advise occupational health and safety programs	96	No
	G4-LA6: Type and rate of injuries, occupational diseases, days lost and absence, number of fatalities related to work, by region and by gender.	95	No
	G4-LA8: Health and safety topics covered in formal agreements with trade unions	86	No
Training and Education	G4-LA9: Average hours of training per year per employee, by gender and by employee category	97 and 98	No
	G4-LA10: Programs for skills management and lifelong learning that support the continued employability of employees and assist them managing career endings	98	No
	G4-LA11: Percentage of employees receiving regular performance and career development reviews, by gender and by employee category	98	No
Diversity and Equal Opportunity	G4-LA12: Composition of governance bodies and breakdown of payroll by professional category and gender, age, minority memberships and other diversity indicators	5, 61, 81, 82, 83	No
CATEGORY: SOCIAL			
SUBCATEGORY: HUMAN RIGHTS			
Material Aspects	Indicators	Page	External Assurance
Non-Discrimination	G4-HR3: Total number of discrimination incidents and corrective actions taken	89	No
Freedom of Association and Collective Bargaining	G4-HR4: Identification of significant operations and suppliers where freedom of association and right to collective bargaining may be violated or at significant risk, and actions taken to support these rights	86	No

Child Labor	G4-HR5: Identification of operations and suppliers having significant risk of child exploitation incidents, and measures taken to contribute to eliminate child exploitation	86	No
Indigenous Rights	G4-HR8: Total number of cases of violations involving rights of indigenous people and actions taken	90	No
Evaluation of Suppliers Social Impact	G4-HR9: Total number and percentage of operations that have been subject to human rights reviews or impact assessments	89	No

CATEGORY: SOCIAL

SUBCATEGORY: SOCIETY

Material Aspects	Indicators	Page	Omissions	External Assurance
Local Communities	G4-S01: Percentage of operations with implemented local community engagement, impact assessments and development programs	101, 108, 109, 110, 111, 112 and 113		No
	G4-S02: Operations with significant potential or actual negative impacts on local communities			No
Corruption Prevention	G4-S03: Total number and percentage of operations assessed for risks related to corruption and the significant risks identified	114		No
	G4-S04: Communication and training on anti-corruption policies and procedures	114		No
	G4-S05: Confirmed incidents of corruption and actions taken	114		No
Public Policy	G4-S06: Total value of political contributions by country and recipient/beneficiary	114		No
Compliance	G4-S08: Monetary value of significant fines and number of non-monetary sanctions for non-compliance with laws and regulations	114		No
Grievance Mechanisms for Impacts on Society	G4-S011: Number of grievances about impacts on society files, addressed, and resolved through formal grievance mechanisms	46		No

CATEGORY: SOCIAL				
SUB-CATEGORY: PRODUCT/SERVICES RESPONSIBILITY				
Material Aspects	Indicators	Page	Omissions	External Assurance
Consumer Health and Safety	G4-PR1: Percentage of significant product and service categories for which health and safety impacts are assessed for improvement	44		No
Product and Service Labelings	G4-PR3: Type of information required by the Organization's procedures for product and service information and labeling, and percentage of significant product and service categories subject to such requirements	44		No
FOOD PROCESSING SECTOR SUPPLEMENT				
Material Aspects	Indicators	Page	Omissions	External Assurance
Economic Performance	G4-FP2: Percentage of purchased volume, which is certified by international responsible production standards and other standards, and broken down by standard if material	35 y 40		No
Labor Practices	G4-FP3: Percentage of working time lost due to industrial disputes, strikes or lockouts, by country	86		No
Healthy and Affordable Food	G4-FP4: Nature, scope and effectiveness of any programs and practices that promote access to healthy and affordable foods and welfare for communities in need	40 y 41		No
Consumer Health and Safety	G4-FP6: Percentage of total sales volume of consumer products, by product category, that are lowered in saturated fat, trans fats, sodium and added sugars	41		No
	G4-FP7: Percentage of total sales and volume of consumer products, by category, that contain nutritious ingredients like fiber, vitamins, minerals, phytochemicals or functional food additives	42		No

Product Labeling	G4-FP8: Policies and practices on communication to consumers about ingredients, nutritional information, additives and their function, beyond legal requirements	44	No
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Independent Review Report





Independent Assurance Statement

Vincular Centre for Social Responsibility and Sustainable Development in the Pontifical Catholic University of Valparaíso (Vincular), was commissioned by Florida Ice & Farm Co. (FIFCO) to conduct an independent assurance of the materiality and stakeholder participation processes in the 2013 Sustainability Report, for the period 1 October 2012 to 30 September 2013.

Scope and Objective

The objectives of the project were:

1. Undertake a critical review of the 2013 Sustainability Report, to ensure alignment of the structure and contents with the GRI G4 methodology, in accordance with the “core” option.
2. Verify the indicators related to the materiality and stakeholder participation processes.
3. Identify improvement opportunities and action plans in order for FIFCO to advance to reporting in accordance with the comprehensive option. Additionally, the analysis identifies improvement opportunities in the management and integration of sustainability in the company.

Our work did not contemplate analysis and assurance of any quantitative data in the report, whether financial, social or environmental.

Methodology and Processes

Vincular undertook the following activities in the assurance process:

- Revision of secondary information such as policies, codes, previous annual and sustainability reports, as well as revision of the company’s website in order to understand the sustainability context of the company and the business units involved.
- A site visit to the FIFCO head office in Heredia, Costa Rica in order to conduct interviews with the following positions in the company: President of the Board of Directors; Director of Corporate Relations; Director of Human Resources; Director of Finance; Regional Director of the Food and Beverage Business; Director of the Real Estate Business; Director of Musmanni; Corporate Auditor; Communications Manager; Manager of Environmental Management; Manufacturing Manager; Supply Chain Manager; Communications and Sustainability Coordinator; Social Investment Coordinator; and Responsible Consumption Coordinator.
- Revision of the Sustainability Report, specifically focusing on the contents reported for the indicators G4-17 to G4-27, to ensure compliance with the GRI G4 methodology, the materiality and stakeholder participation principals, and coherence of the report with the results of the interviews and the secondary information.
- Presentation of the assurance results and opportunities for improvement to the FIFCO directors and executives.

Conclusions

As a result of the assurance process, we can conclude that FIFCO’s materiality process for the 2013 Report was aligned with the GRI G4 methodology and identified the more relevant aspects for the company and its stakeholders in sustainability.



With respect to the GRI G4 requirements for stakeholder participation, we can conclude that FIFCO has systematically identified the company’s stakeholders and perform an annual quantitative and qualitative study to identify and update the relevant issues for each stakeholder group across the company’s business units. The company takes into consideration the results of this study as part of their sustainability planning and management, which is an essential part of their business strategy.

Recommendations

In addition to this assurance statement, Vincular produced a report and presentation of improvement opportunities, both from the perspective of the reporting process as well as the management of sustainability within the company.

The following recommendations relate to the materiality and stakeholder participation processes:

- Due to the fact that FIFCO is made up of business units in different industries and countries, it is recommended that they analyse in more detail the limits of the material aspects for each business (related to the indicators G4-20 and G4-21). The main objective of this analysis will be to ensure that the materiality process identifies all the specific current and potential issues for each business unit according to their reality, context and position in the value chain.
- It is recommended that FIFCO evaluate the option to use different and innovative methods to engage with their key stakeholders, in order to deepen and strengthen these relationships; thus identifying and managing the issues that are most relevant to each stakeholder group.

Dante Pesce

Executive Director, Centro Vincular
 Pontifical Catholic University of Valparaiso
 August 2014

Declaration of Independence

Centro Vincular is a reference point in Latin America, specialising in the development and implementation of Social Responsibility management tools, dedicated to applied research, consultancy and technological transfer, skills training and the promotion of public policy on sustainability.

Centro Vincular confirms its total independence from Florida Ice & Farm Co., and is free of any bias or conflict of interest with the company. Vincular’s team was selected for this project based on their wide knowledge, experience and technical qualifications in the area of sustainability and reporting.



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