

SUSTAINABILITY
REPORT
2010





SUSTAINABILITY REPORT
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SCOPE OF THE SUSTAINABILITY REPORT

This report describes the main areas of development of the Ibersol Group throughout 2010 according to economic, environmental and social performance as was also the case in the 2007, 2008 and 2009 reports.

The **scope of this report** covers Ibersol SGPS, SA, with regard to its business in Portugal during 2010, which represented 75% of the Group's turnover for the year. In some cases, as a way of explaining information and context and whenever relevant, we provide details of the Group as a whole and information from previous years. In order to gain a more comprehensive understanding of the Ibersol Group's performance over the years this report should be read alongside reports from previous years.

In drawing up this report we followed the GRI3* guidelines.

Since the first edition of this report the Ibersol Group has been concerned that its communication be a faithful representation of its reality and that it should enable stakeholders to follow its development over several financial years.

With this in mind, the communication of this report has been changed to match the Annual Report and Accounts in terms of format and content. Therefore this fourth edition of the report has reduced content and aims to make for easier viewing and understanding of the report and the Ibersol Group's activities.

The report is structured according to the main fields of development that guide Ibersol's sustainability with one chapter for each and its indicators presented in an integrated manner. The People field, which thus far has been set out in the "School for Life" chapter has a similar structure in 2010, however as one of its usual themes was central to 2010, the chapter's name was changed to "A Good Place to Work," without affecting its content.

This sustainability report gives an account of the Ibersol Group's performance by supporting the relationship and dialogue as well as the trust we build with our stakeholders. We consider it to be a crucial document in communicating our path to sustainability to our stakeholders, and in making a pledge to them to *do better!*

* Global Reporting Initiative 3rd version

THE VALUE OF THE REPORT FOR IBERSOL

Reporting our Social Responsibility practices with regard to Sustainability should be an ongoing process, which neither begins nor ends with the publication of this report, and should be part of the organisation's day-to-day relationship with its stakeholders. Our values, strategy and practices are the guidelines of our reporting process.

VALIDATION

All the processes mentioned throughout this report, as well as the indicators set out in it, are systematically audited both internally and externally. The financial information was audited by the Chartered Accountants ahead of publication of the Annual Report and Accounts. Additionally, once this report is published the assessment and opinion of our stakeholders is made available, with a view to improving the reporting process on a continual basis.

COMPLEMENTARY INFORMATION

Further information on the financial performance of Ibersol can be found in previous Annual Reports and Sustainability Reports, which can be accessed on our website at www.ibersol.pt, as well as general and complementary information about Ibersol.

ACKNOWLEDGEMENTS

The first acknowledgement from this Board of Directors is addressed to all of the Group's employees, because their dedication and enthusiasm has been fundamental for the pursuit of the goals we defined.

We acknowledge with appreciation the collaboration provided over the course of the financial year by the Banking Establishments and by our other partners.

We likewise wish to thank all our shareholders for the trust placed in Ibersol. The Fiscal Council, Auditors and Chartered Accountant must also be recognised for their assiduous cooperation and manifest capacity for dialogue during their supervision and examination of the company's management.

Porto, 30th March, 2011

The Board of Directors

António Carlos Vaz Pinto de Sousa

António Alberto Guerra Leal Teixeira

Juan Carlos Vázquez-Dodero

IBERSOL ATTITUDE







IBERSOL ATTITUDE

[BEING A BENCHMARK
IN THE MODERN
FOODSERVICE MARKET IN
PORTUGAL AND SPAIN IS
THE VISION THAT DRIVES
THE IBERSOL GROUP. WE
FEEL THAT OUR ATTITUDE
AND INCREASING
KNOWLEDGE CAPITAL
WILL TAKE US ON THAT
JOURNEY!]

The values and principles that guide our sustainability are always in our minds. We are therefore preparing for the day to day running of our business to be based on transparent, ethical and responsible decisions that create value and build cooperative and trusting relationships with our stakeholders.

We recognise the importance of our **stakeholders** in building the success of the organisation, and with this in mind we continually seek ways of improving interchange in order to better understand their needs and expectations.

This approach to our relationships has made it possible to monitor more effectively the business' risks and opportunities as well as to implement solutions that meet the needs of all sides, and take into account economic, social and environmental interests.

The **Customer** is at the heart of our business management so that in the future the concepts and services we create will be in line with their wishes, needs and resources!

Our **People** make our business possible and that is why we focus our greatest efforts on them! People who are passionate about their brands make customers passionate, too! We have set up a *School for Life* where everyone can learn and demonstrate their Talent, whilst also developing the skills that are essential to the business.

Our practices Feed our Customers' trust in our Brands! Our culture and processes are guided by the requirements of the ISO 22000 **Food Safety Management** System, encompassing the entire value chain and implement strict food safety and nutrition programmes.

We are mindful of our business and our responsibility **making a positive social and environmental impact!** We create bonds with society and promote its development alongside the day to day running of our business. We have developed a philosophy geared towards respect for the environment, through rationalisation, reutilisation and recycling of the resources we use.

In these five pillars of sustainability we never forget that we *always want to do better!*

This is how we express our
ATTITUDE!

Beyond the business, a way of
living and making others live
well!

COMMITMENTS

The sustainability of the business is confirmed on a day to day basis by management practices that are based on the company's values and principles.

[WE ARE A MULTI-BRAND GROUP OPERATING IN PORTUGAL AND SPAIN IN THE FOODSERVICE SECTOR, WE RESPECT QUALITY, SAFETY AND THE ENVIRONMENT, WE AIM TO ENSURE APPROPRIATE RETURN ON INVESTMENT FOR OUR SHAREHOLDERS BY MAKING USE OF QUALIFIED AND MOTIVATED HUMAN RESOURCES WHO ARE FOCUSED ON FULLY MEETING CONSUMER NEEDS.]

OUR VALUES

- We Believe in and Value our People
- We Exist for our Customers
- We Enjoy Sharing
- We Always Strive for Better
- We are Enthusiastic in our undertakings.



PILLARS ON WHICH THE PROCESS OF BUILDING THE TRUST OF OUR STAKEHOLDERS ARE BASED:







SUSTAINABILITY PRINCIPLES

BUILDING RELATIONSHIPS OF TRUST

Our stakeholders help us find the way!

We establish relationships of trust founded on our ethical commitment and based on fair and transparent communication as well as on our real interest, together with our partners, in always doing our best for the partnership and for its future...

- Return on value and TRUST on all sides
- Continuous improvement and SEARCH FOR EXCELLENCE
- Enthusiasm in our undertakings and creating BUSINESS OPPORTUNITIES
- Being happy to SHARE and encourage best practices
- COOPETITIVE Partnerships
- Anticipating and preparing for the FUTURE.

PROVIDING CUSTOMERS WITH PLEASURABLE EXPERIENCES

Our customers are our inspiration and the reason for our existence! We want to provide every customer with a pleasant experience, by welcoming them and meeting their needs in an unexpected way on every visit. Open and continuous dialogue and real interest in understanding our current customers as well as those we want to attract is our teams' driving force...

- PLEASUREABLE Experiences
- TAKING CARE of and understanding every CUSTOMER
- Zero complaints
- Magic in the FLAVOUR
- SAFE product and information
- Contributing to HEALTHY LIFESTYLES.

BEING A SCHOOL FOR LIFE

Our people make the Group's dream a reality on a day to day basis and are at the heart of our goals! We want to give everybody the same opportunities for happy growth and development, challenge and ambition, by providing them with a culture, and the educational tools and processes for establishing autonomy in their lives...

- Employment, learning, education, and ENHANCEMENT
- Recognition of excellence and MERIT
- HAPPINESS within the TEAM
- Respect for difference and EQUALITY OF OPPORTUNITIES
- Active involvement in SOCIETY
- A GOOD PLACE to Work.

CREATING RESTAURANTS THAT CONNECT WITH OUR CUSTOMERS

Our restaurants are where everything happens and connects us! We want each and every one of them to represent Ibersol's values on a day to day basis, applying a managerial mind-set of economy and effectiveness where every process creates value and ensures food quality and safety with minimum waste and impact on the environment. Our restaurants are staffed by happy, skilled and responsible

teams focused at all times on offering our customers moments of Pleasure and Connection...

- Food Safety with 100% TRUST
- Zero waste
- HAPPY Service
- PLEASURE for each Customer
- Zero Accidents
- ENVIRONMENTAL Protection
- INNOVATION.

RESPECTING AND IMPROVING THE WORLD IN WHICH WE LIVE

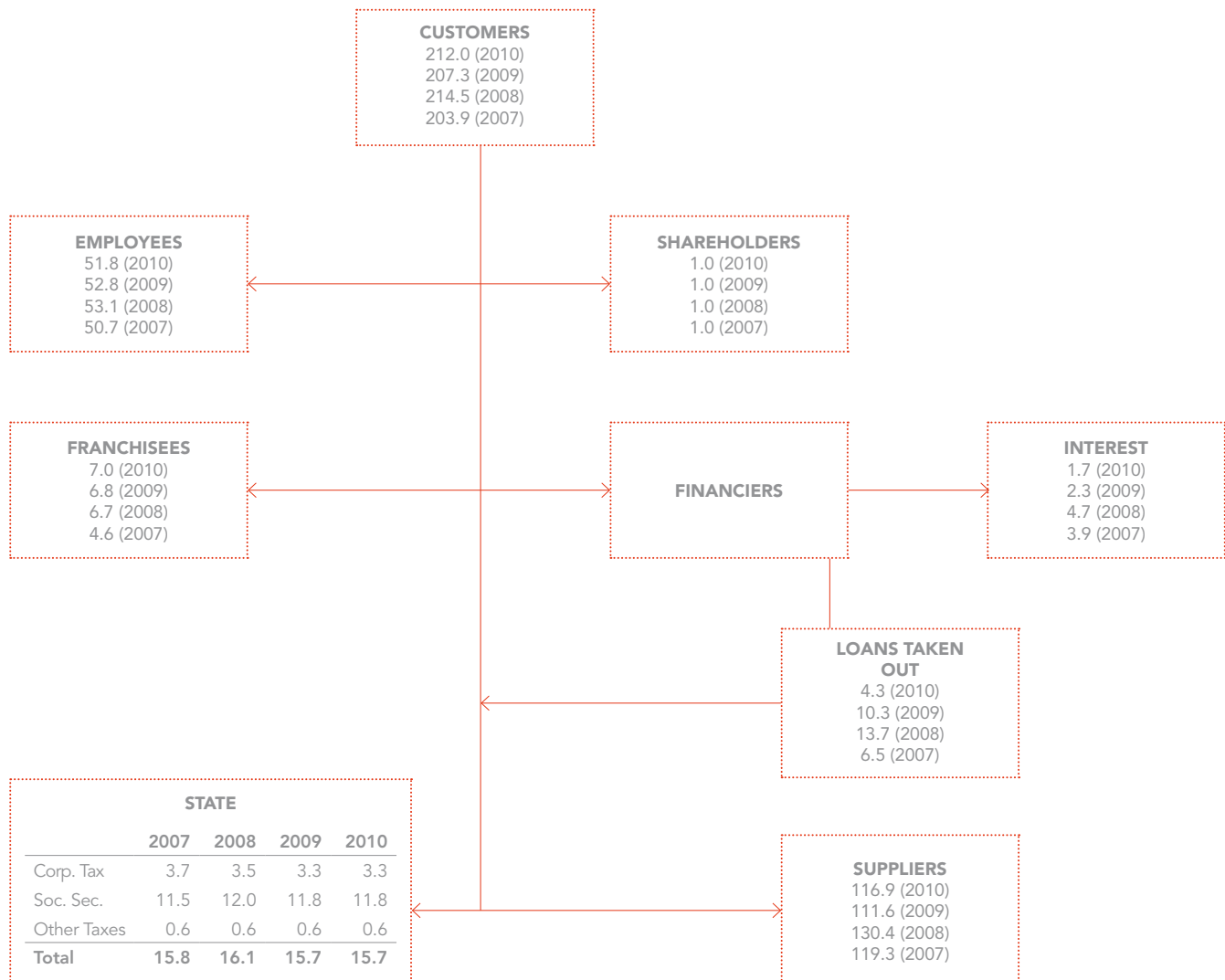
The world in which we live is a reality that we count on every day! We want to give back what the world gives to us every day, by taking part in and contributing to the positive development of communities and the environment, thus ensuring that both this and future generations can continue to enjoy the wealth of their resources...

- BE INVOLVED in the community and educate
- Open doors to integrate and DEVELOP
- Save and manage resources EFFICIENTLY
- Reduce, Re-use, Apprize and Recycle
- Extend the use of environmental criteria to the entire value chain.

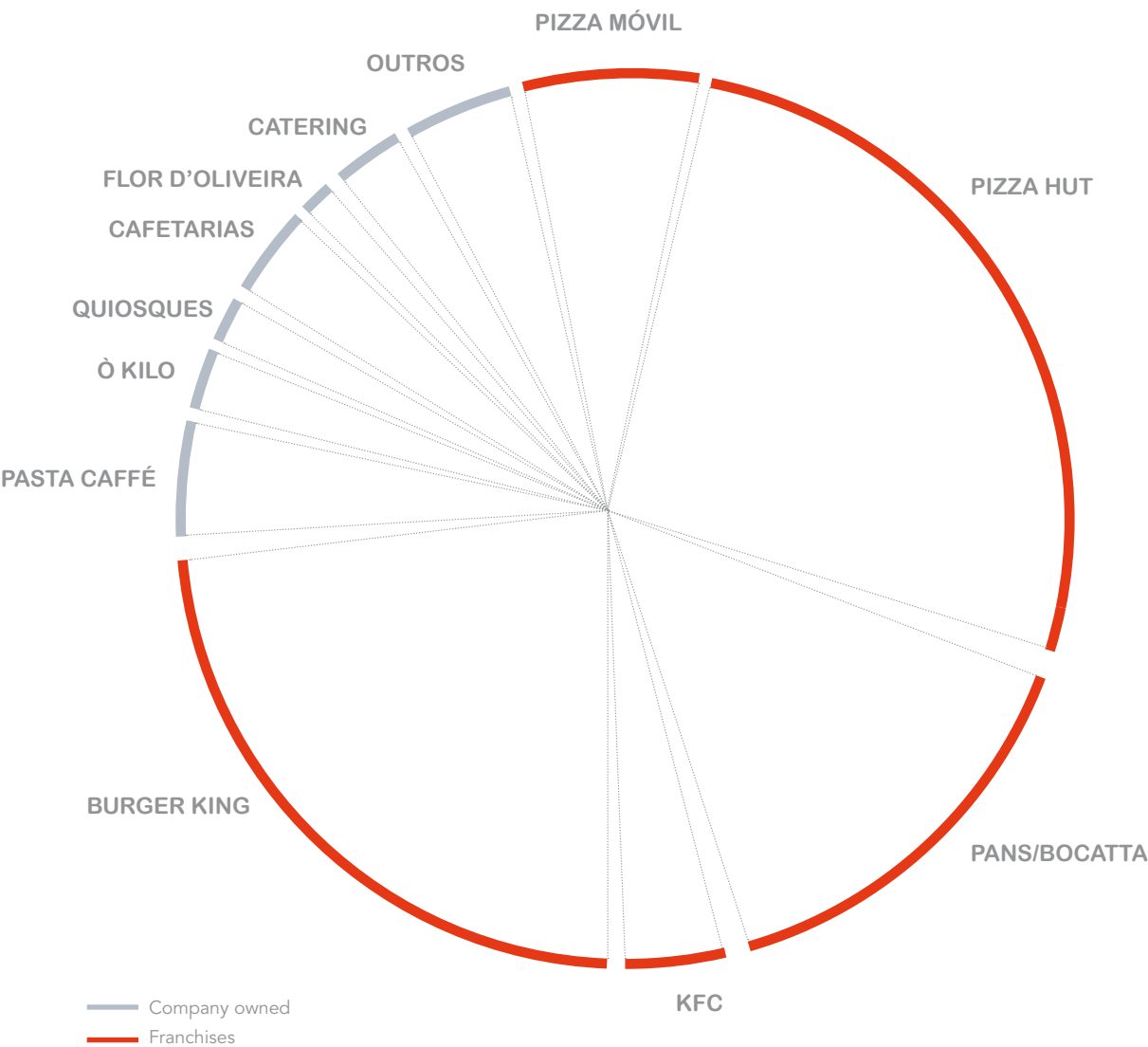
2010 PERFORMANCE INDICATORS

DISTRIBUTION OF VALUE BY STAKEHOLDER

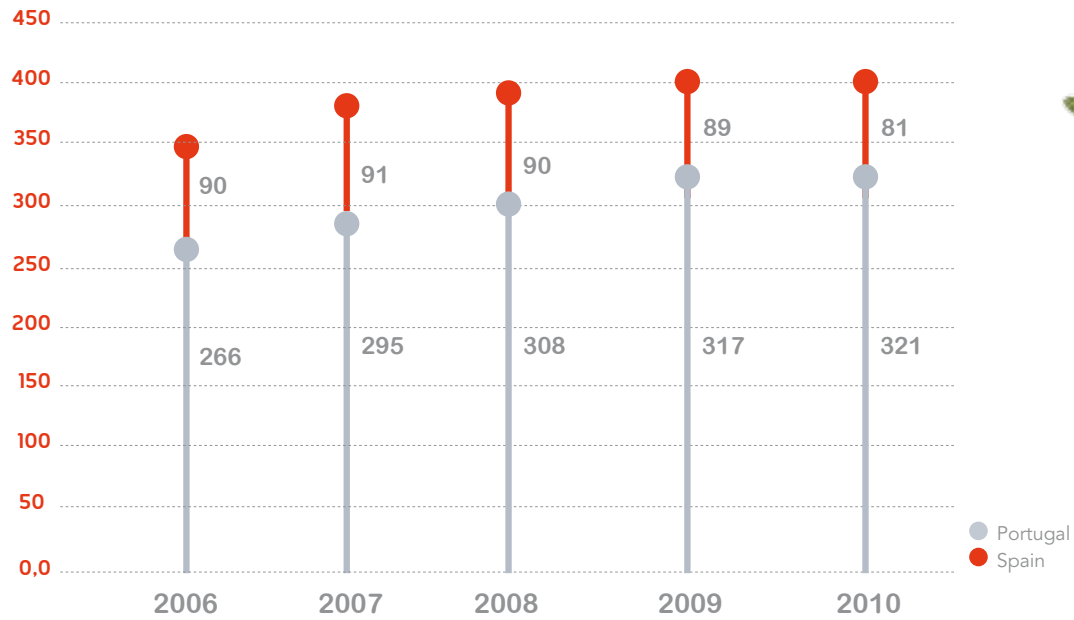
Consolidated figures in millions of euros (for Portugal and Spain)



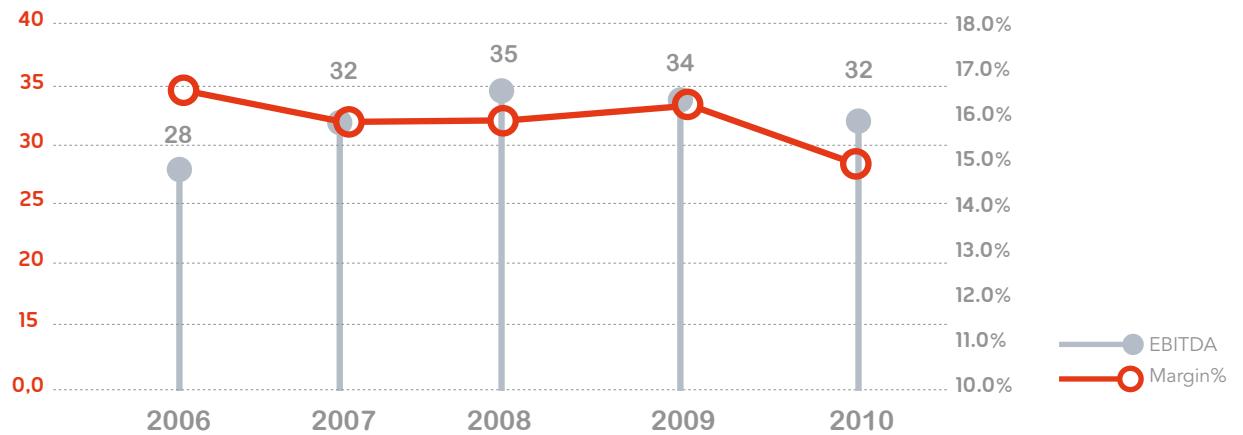
Sales distribution by Brand



Number of Company Owned Units



EBITDA



The first - Pizza Hut – restaurant opened in 1990 and today the Group is...

426 multi-brand restaurants:

322 in Portugal (mainland and islands)

104 in Spain

Customers

212,000,000 Euros in sales in Portugal and Spain

32,000,000 transactions

3,000,000 customers

5,309 transactions per employee

1.58 Customer complaints per **100,000** transactions

People

6,028 Employees

4,690 in Portugal and **1,338** in Spain

52% Female employees

2,531 employees gave the opinion about their satisfaction with the company

92 employees involved in Training

59 hours of Training on average per Team Managers

432,822 total Training hours

18,992 hours of Training in Health and Safety

4,316 hours of "Thinking Customer" Training

Product Responsibility

29 units ISO 22000 certified and 100% of brands represented

1,100 external Food Hygiene and Safety audits and

3,600 internal audits

3,100 laboratory controls of products

3,000 raw materials and products providing nutritional information

50,000 registrations on the *Viva Bem* website

235,667 page views on the *Viva Bem* website

Community and the Environment

25,127 hours of Voluntary training

71,000 euros of donations for social activities

6,300 Kg of donated food products

100% selective separation of solid waste and cooking oil

296 tons of oil for Biodiesel

440 tons of CO₂ emissions prevented

RISK MANAGEMENT

Risk management is a fundamental factor for the sustainable development of the Ibersol Group and is part of all of its procedures. It is the responsibility of all participants at all levels within the company.

Ibersol has a results-based management system grounded on a set of monitoring objectives and indicators, founded on a set of action plans and programs that seek continuous improvement for increasing the effectiveness and efficiency of key processes and operations, based on cost savings, minimising waste as well as increasing productivity, profitability and overall satisfaction.

The definition of the strategy and its overall objectives are led by the Executive Committee in conjunction with the Management teams of each central business and functions unit, based on the evaluation of results on a regular quarterly basis. Similarly, wide ranging decisions are analysed on a monthly basis by the executive committee and each one of the company's departments.

Existing business portfolio risks are evaluated at strategic planning level, including the development of new business proposals and relevant types of projects, with subsequent definition of strategies for the management of these risks.

Risk management is carried out on a continuous basis prior to all management decisions, based on political and strategic procedures as well as objectives and processes already consolidated at Ibersol, including the necessary accuracy and transparency levels of information generated by the management control system: Financial-accounting, human resources, quality, purchases, logistics and marketing. The generated and analysed information enables identification of critical process points and any potential risks associated with already taken, or to be taken, decisions, supporting future management decisions.

The management risks in terms of the objectives of each business proposal are identified and evaluated in terms of operational planning, including the planned management actions of these risks, then being included and monitored as part of business plans and functional units.

With regard to the security risks of tangible assets and people, policies and standards have been defined as well as implementing effective compliance monitoring, including the carrying out of external audits for all units while ensuring that preventative and corrective measures of the identified risks have been set in place.

Evaluation of the Group's key internal control systems is carried out on a regular basis in order to guarantee compliance with established procedures.

These processes enable identification of potential internal and external risks that could influence sustainability at business, people, customer and environment level, anticipating any possible implications, consequences and decisions.

All of the identified risk control mechanisms are supported by internal written standards and procedures, in which the rules, responsibilities and means of communication for each one of these are defined. Additionally, the Ibersol Management Standards that support all programs and their respective training content within Ibersol – Best Practices Teams – describe the best practices

to adopt for each individual employee throughout his/her daily working routine.

Given the specific nature of the business, there are certain areas of risk in which current management is the responsibility of a number of functional departments, namely:

FOOD QUALITY AND SAFETY RISK

This area of risk is coordinated by the Quality Control Department, by means of key control mechanisms:

- Qualification and Selection of Suppliers and Products, as well as the Periodic Supplier, Products and Services Control Program
- Implemented Tracking System Guarantee
- Control of the Productive Process at the Units, by means of the HACCP System
- Skills Development System in Food Safety
- Maintenance and Monitoring of the Measuring Devices Systems
- Food Crises Management System, enabling full round-the-clock monitoring of the existing food warning systems, in addition to immediate action as and when necessary
- Continued Improvement System, supported, among other instruments, by: External Audit Programs at all

of the Group's units; Programme for microbiological analysis of the final products by means of sampling per accredited external entity; Complaint Handling System; Mystery Shopper Program; and Internal Audit Programme within the framework of indicators related to Food Safety

- The *Viva Bem* programme, by which the Group informs the customer about its Food Safety System, as well as providing opportunities for healthier eating habits, assuring the customer as clearly as possible about any necessary information for making the most appropriate choices in terms of a good lifestyle.



HEALTHY AND SAFETY RISK AT WORK

This area of risk is coordinated by the Human Resources Department, by means of a number of key control mechanisms:

- Written information and awareness provided to all employees about possible risks that may occur at the workplace, as well as on how to adopt preventive behaviour for avoiding possible occupational accidents
- Training in Workplace Safety practices, carried out during the Reception phase and integrated within the Management Practices Training Manuals
- Implementation of a network of organised health and safety at the workplace services, in accordance with the type of external services in question
- Assessment of safety risks in the workplace at business level
- Quarterly safety at work audits at all of the units
- Safety Audit plan from the shopping mall in which the stores are located
- Plan of corrective and preventative measures defined and implemented within the units
- Occupational Accidents Insurance for all employees
- Mandatory regular medical checkups.
- Allocation of Health Insurance for higher level employees
- Allocation of Personal Accident Insurance for higher level employees.

FINANCIAL RISK

This area of risk is coordinated by the Financial Department and consists of monitoring the volatility of financial markets, especially that of interest rates. The main associated risks and the respective control mechanisms are:

Interest Rate

Since the Group does not possess remunerated assets with significant levels of interest, profits and overall cash flow relative to the financing of activities are substantially different to fluctuations in interest rates found on the market. Fixed rate loans expose the Group to the fair value risk associated with the interest rate. In terms of the current level of interest rates, the Group's long-term financing policy is one of totally or partially fixing these interest rates.

Credit

The Group's main set of activities involve transactions made with cash or using debit/credit cards, not presenting a high level of risk in this respect. The Group has a set of policies that limit the amount of credit offered to customers, ensuring that credit card sales are only permitted for those customers with appropriate credit ratings.

Liquidity

The company seeks to maintain an appropriate level of equity capital in relation to a large proportion of the company's business characteristics (cash sales and supplier credit), thereby ensuring continuity and expansion. Capital structure balance is monitored based on the financial leverage ratio defined as: $\text{net remunerated debt} / (\text{net remunerated debt} + \text{equity capital})$ with the objective of keeping this within a range of 35% to 70%.

ENVIRONMENTAL RISK

This area of risk is coordinated by the Quality Department, its main area of activity being the implementation of policies relating to Ibersol sustainability principles, so that processes and procedures are guaranteed across the board. The Standards Manual that supports training activities and events at units is essentially aimed at the intelligent use of electrical energy and the recycling of used materials and oils.

A GOOD PLACE TO WORK







A GOOD PLACE TO WORK

A YOUNG AND GROWING TEAM!

4,690 EMPLOYEES IN PORTUGAL AND 1,338 IN SPAIN

INCREASE IN AVERAGE EMPLOYEE AGE TO 28

GENDER EQUALITY, WITH 52% FEMALE EMPLOYEES

QUALIFICATIONS BETTER THAN 12TH GRADE ROSE BY 21.3% WITHIN THE MANAGEMENT TEAMS

ROTATION OF RESTAURANT MANAGEMENT TEAMS DOWN 0.6%

100% OF MANAGEMENT TEAMS INVOLVED IN PERSONAL TRAINING AND TEAM TRAINING ACTIVITIES

92 HOURS OF TRAINING ON AVERAGE PER EMPLOYEE

BEST IBERSOL SATISFACTION RESULTS SINCE 2005!

In view of the increase in unemployment, from 9.5% in 2009 to 10.8% in 2010, together with rising inflation, of particular impact in terms of food products, Ibersol has still been able to maintain the number of active jobs as well as its investments in the development and enhancement of our staff.

We believe that we play a very important role in providing employment for the youth population, seeking to combine studies with

professional activities, seeking out that very first job, or for young people with difficulties in defining a career path due to low levels of formal schooling and lack of educational qualities. Our ambition is to respond to our customer's expectations; yet more demanding and varied in their requirements each time around, maintaining a high level of focus on the development of training facilities and procedures, becoming better aligned and more suited to business requirements,

as well as overseeing the development of staff, even better equipped at serving the Customer.

With the aim of getting that much closer to our customer in 2010, we gave high priority to reviewing our means of communication and overall customer understanding, thereby changing our standards to a requirement level similar to that we place on ourselves. To this end, we reviewed the customer satisfaction evaluation measures. The implementation of these new measures involved the entire operational structure of our entire business, from Strategic Reflection with Top and middle Management, to training on the job at our restaurants, providing all personnel with adequate training in successfully employing more meaningful Customer relationships, the **Thinking Customer Programme**. The impacts of this programme are reflected in the Food Health and Safety, Mystery Shopper and Customer Complaints qualitative results.

Concentrating on the essentials, the leadership teams have continued to be a priority. Thus, the career structuring programs for **Developing Restaurant Managers** and **Coordinators** have been monitored in detail in order to increase the skills and competitiveness of our teams. Currently, 100% of our Restaurant Managers and Coordinators are certified at the appropriate

Career level, by means of standardised Company management tools aimed at improving best management practices at Ibersol restaurant facilities.

The **New Opportunities Programme** launched by Ibersol Group in 2007 has been monitored ever more closely in order to support our own staff so that they may overcome their own difficulties and look toward the future with increased levels of confidence.

In 2010 we gave particular attention to the changes and social difficulties of our employees, making a greater effort to become more involved and get that much closer to our staff, through the reinforcement of positive messages and levels of trust, through internal communication and by **connecting our staff to local communities, supporting the integration of the youth workforce into the work market and voluntarily training young members of staff at schools, or providing them with other types of educational support.**

We can highlight the overall satisfaction of our employees as **Ibersol's main source of recognition in 2010. Considering the current international social and economic context, Ibersol has obtained its best results in 6 years, across all assessed categories.**

CHANGES IN THE NUMBER OF EMPLOYEES BY GENDER IN PORTUGAL:

Gender	2005	2006	2007	2008	2009	2010
Female	2,147	2,268	2,539	2,563	2,493	2,452
Male	1,936	1,977	2,125	2,171	2,194	2,238
Total	4,083	4,245	4,664	4,734	4,687	4,690

CHANGES IN THE NUMBER OF EMPLOYEES BY AGE GROUP IN PORTUGAL:

Age Group	2005	2006	2007	2008	2009	2010
< 18 years	213	233	221	180	127	112
18 to 25 years	2,220	2,237	2,410	2,367	2,305	2,229
26 to 30 years	790	799	860	917	908	918
31 to 35 years	422	494	563	611	639	666
> 35 years	438	482	610	659	708	765
Total	4,083	4,245	4,664	4,734	4,687	4,690

CHANGES IN TURNOVER RATE (%)

Turnover	2007	2008	2009	2010
Group	101.3	95.9	73.2	72.7
Units	105.1	99.3	75.8	75.5
Business Structure and Shared Services	18.1	12.7	7.2	5.4
Management Teams	24.6	26.8	16.9	16.3

EMPLOYEE DESCRIPTION BY EDUCATIONAL LEVEL

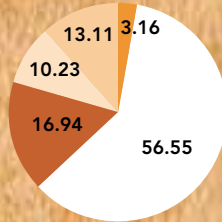
Academic Qualifications	2009		2010	
	Nº	%	Nº	%
< 12 th grade	2,919	62.28	2,841	60.58
≥ 12 th grade	1,768	37.72	1,849	39.42
Higher Education	311	6.64	323	6.89
Total	4,687	100.00	4,690	100.00

EMPLOYEE DESCRIPTION BY CAREER STAGE

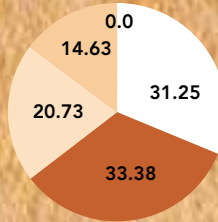
AGE GROUP

- < 18 years
- 18 to 25 years
- 26 to 30 years
- 31 to 35 years
- > 35 years

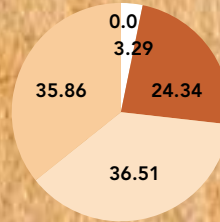
Operation (%)



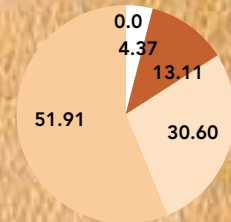
Shift Management (%)



Unit Managers (%)

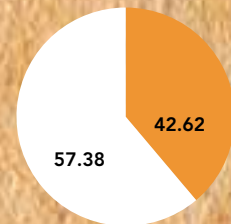
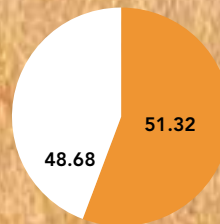
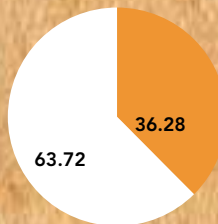
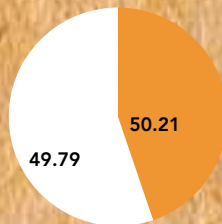


Business structure and Shared Services (%)



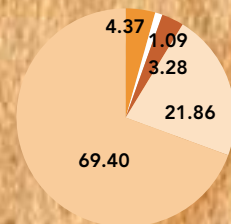
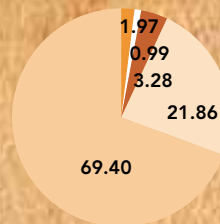
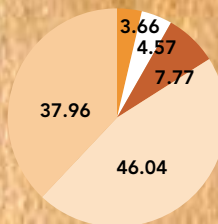
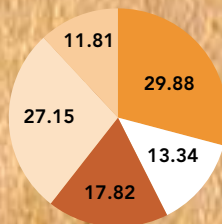
GENDER

- Female
- Male



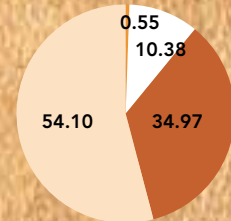
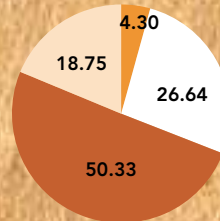
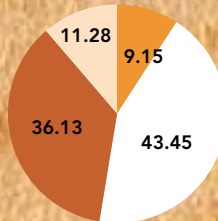
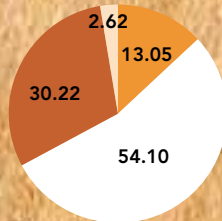
TIME WITH COMPANY

- < 6 months
- 6 to 12 months
- 1 to 2 years
- 2 to 4 years
- > 4 years



QUALIFICATIONS

- < 9th grade
- 9th grade
- Secondary
- Higher Education



Our increasingly demanding business efforts in recruiting the right people with a personal profile geared towards the customer, hand in hand with continued investment in developing required skills by means of training programmes have now started to reap results in terms of the structural skill levels of our members of staff, in particularly for that of our Restaurant Management Teams. At Operator level, the number of employees having 12th grade education increased by 2.1%; at Restaurant Management Team level (Shift Management and Unit Managers), the number of employees educated above 12th grade increased by 21.3%, with employees having attained a level of higher education rising by 2%.

IBERSOL, A SCHOOL FOR LIFE



[OUR GREATEST CHALLENGE IS HAVING PEOPLE WHO CAN ENSURE THE SUCCESSFUL CONCLUSION OF IBERSOL BUSINESS DEALS, AS WELL AS BEING RECOGNISED FOR OUR BEST INTERNATIONAL CORPORATE TRAINING PRACTICES.]

We have now set up the Ibersol School, guided by values and principles, providing training, the nurturing of special talent, careers and personal and professional development, so that best practices and the organisational knowledge gained today can ensure our competitiveness for tomorrow, in a fair and transparent manner. We want to create jobs, where employees can grow on a personal and professional level, so that those who work here now, have worked here in the past or are likely to work here in the future will recognise the value of being part of Ibersol.



WHAT CAN OUR EMPLOYEES EXPECT FROM THE IBERSOL SCHOOL?

1. AT IBERSOL WE BELIEVE IN THE SKILLS AND POTENTIAL OF OUR EMPLOYEES!

We have therefore created development opportunities based on the preparation of individualised training plans, enabling each employee to acquire new knowledge and skills and therefore progress in their career.

2. AT IBERSOL WE WANT OUR ENTIRE WORKFORCE TO EVOLVE WITH CONFIDENCE!

We therefore have a training programme for every individual career phase, in which employees with identified potential can expand their skills towards new employment duties, ensuring that we know what is expected of us at all times, in addition to the challenges likely to be placed in front of us.

3. WE INVEST IN MANAGEMENT TRAINING!

By ensuring that all employees are certified in programs related to their specific employment duties as well as that of any previously relevant roles, we can therefore be sure that all managers are properly prepared and therefore able support the development of their teams. All of our managers have training/coaching skills, enabling them to pass on information about best practices in the most efficient manner possible, having a cascading effect.

4. AT IBERSOL WE REALLY WANT OUR WORKFORCE TO LEARN!

We therefore combine classroom training with on-the-job training, ensuring that everyone learns in the same way. Management support and monitoring, as well as on-the-job training are the key ingredients for achieving good Ibersol results.

5. AT IBERSOL WE VALUE PEOPLE WHO INVEST IN THEIR OWN CAREERS!

We define the minimum qualification levels for each career development program, ensuring we are able to provide opportunities to those employees who try the hardest to achieve their career objectives. We also fund training programmes for those that wish to advance their career even further.

6. WE INVEST IN EMPLOYEE IMPROVEMENT THROUGH QUALIFICATION!

We aim to increase the skill levels and qualifications of our workforce, ensuring that working for Ibersol is an opportunity for all. We have therefore developed agreements with Centros de Novas Oportunidades throughout the entire country, enabling all employees to progress with confidence, get their skills accredited and acknowledged and grow with us!

7. AT IBERSOL SCHOOL, TRAINING IS CERTIFIED!

So that training programmes may have recognised value on the work market and the career paths that we help to build provide valuable professional skills for our employees, not only do we guarantee our DGERT (General Directorate for Employment and Labour Relations) certification, by working with the best possible training practices, but we also develop partnerships with entities that allow us to recognise these programmes.





[IN 2010 WE PROVIDED AN AVERAGE OF **92 HOURS OF TRAINING PER EMPLOYEE**. IN THE AREA OF HEALTH AND SAFETY WE GAVE 18,992 HOURS OF TRAINING. 650 WORKERS WERE INVOLVED IN 'THINKING CUSTOMER' TRAINING.]

THINKING CUSTOMER TRAINING

Training Method	Amount of Training	Number of Participants
1. Motivational talk on Thinking Customer to each Brand structure and Restaurant Managers		
2. Thinking Customer Practice – for Brand structure and Restaurant Managers		
3. Thinking Customer Practice for Operator Managemet Team	4,316	650
4. Follow-up on Training Programme		
5. Evaluation of Results and Feedback		

¹ The Training indicators only consider activities taking place in Portugal.



Thinking Customer Programme
"We want an ever improving relationship with the Customer, reviewing our standards for this very purpose, changing our evaluation processes and training our teams into having newer and more demanding attitudes".

CORPORATE ACADEMY

	Knowledge Areas	Amount of Training	No. of Participants	Partners
Developing Coordinators	Team Management	968	11	IPAM – The Marketing School
	Marketing and Sales			
	Financial Management			
	Risk Management			
	Training People			



The Coordinator Development Programme prepares employees with identified potential to take on specific Coordination roles at our Restaurants. At the present time, 100% of our Restaurant Coordinators Team is certified in this programme, which is a total of 41 Coordinators throughout Portugal and Spain.

3rd Edition of the of Coordinator Development Programme with partner IPAM
"We want to improve Ibersol Group's human capital, our managers therefore needing to have the right ATTITUDE and be capable of transforming others and the organisation, in addition to being the best managers in the restaurant industry."

TRAINING RESTAURANTS

	Knowledge Areas	Amount of Training	No. of Employees
Welcome	Values, principles and practice at Ibersol	23,475	2,729
	Product		
	Service	317,948	17,131
	Equipment		
Operational Programme	Product Responsibility	880	44
	Preparing Champions	1,088	34
	II GT Operation	140	10
	Operational Training	416	52
	CT Operational Training	1,824	57
Developing Managers	Team Development		
	Leadership		
	Training Trainers		
	HR Management	56,998	3,613
	Sales		
	Financial Management		
Health and Safety	Food Safety		
	HACCP –ISO 22000		
	Hygiene and Safety at Work	18,992	5,875
	First Aid		
	Fire Fighting		
ICT's	Linux productivity tools	272	21
	Knwoledge Management – Ibersol Portal	236	59
	Open Office	408	17
Labour Code and Administrative HR Management	Labour Code - drawing up legal schedules	1,152	144
	Human Resources Administrative Management	1,176	84
	New Labour Code	208	13
	HR – recruitment, selection and admissions processes	325	13
Languages	English	1,664	26
	Spanish	336	7
Total (Amount of Training)		427,538	29,929

*The 2010 Training programme had the support of POPH.



NEW OPPORTUNITIES 2010

No. of people in the process	140
No. of people certified	22



We want to recognise the career paths followed by our employees and encourage them to continue investing in their development with confidence.



Study Visits to Restaurants

We want to support young people into shaping their future, exploring the world of work!" We therefore welcome school visits to our restaurants. We want the passion we have for our own brands to spread out through Colleagues, Customers and potential future Employees!



Porto de Futuro Project

Our managers also voluntarily train students at professional training schools, teaching the science or technology educational component of the professional restoration technician course.

INTERNSHIPS

Internships	2009		2010	
	No. Internships	Amount of Training	No. Internships	Amount of Training
Curricular	15	11,880	47	15,175
Professional	7	14,784	9	11,912
Study Visits	40	320	46	368
	62	26,984	102	27,455

VOLUNTARY WORK

	Volunteer Training in Schools	Amount of Training	No. of Students	Hours of Training
Food Technology	Oenology, Organoleptic Tests	7,584	12	632
Management and Control	Communication and Marketing, Sales Analysis, Menu Engineering			
Restaurant/Bar Service and On-the-Job Training				

WELL-BEING AT IBERSOL

[WE WANT TO
KNOW WHAT OUR
EMPLOYEES THINK WE
CAN DO TO IMPROVE
THEIR OVERALL
JOB SATISFACTION
AND SENSE OF
COMMITMENT WITH
THE COMPANY.]

Ibersol conducts a *Tenha a Palavra* listening survey every year in order to assess the perceptions of our employees in relation to the Organisation, intending to cover the entire workforce and their respective units, so that they are able to put across their opinions and provide suggestions on Group activities in complete confidence.

Conducting this survey allows Ibersol to maintain closer contact with its employees, enabling deeper understanding of personal needs and expectations, becoming a key process in defining Ibersol's Employee Management strategy.



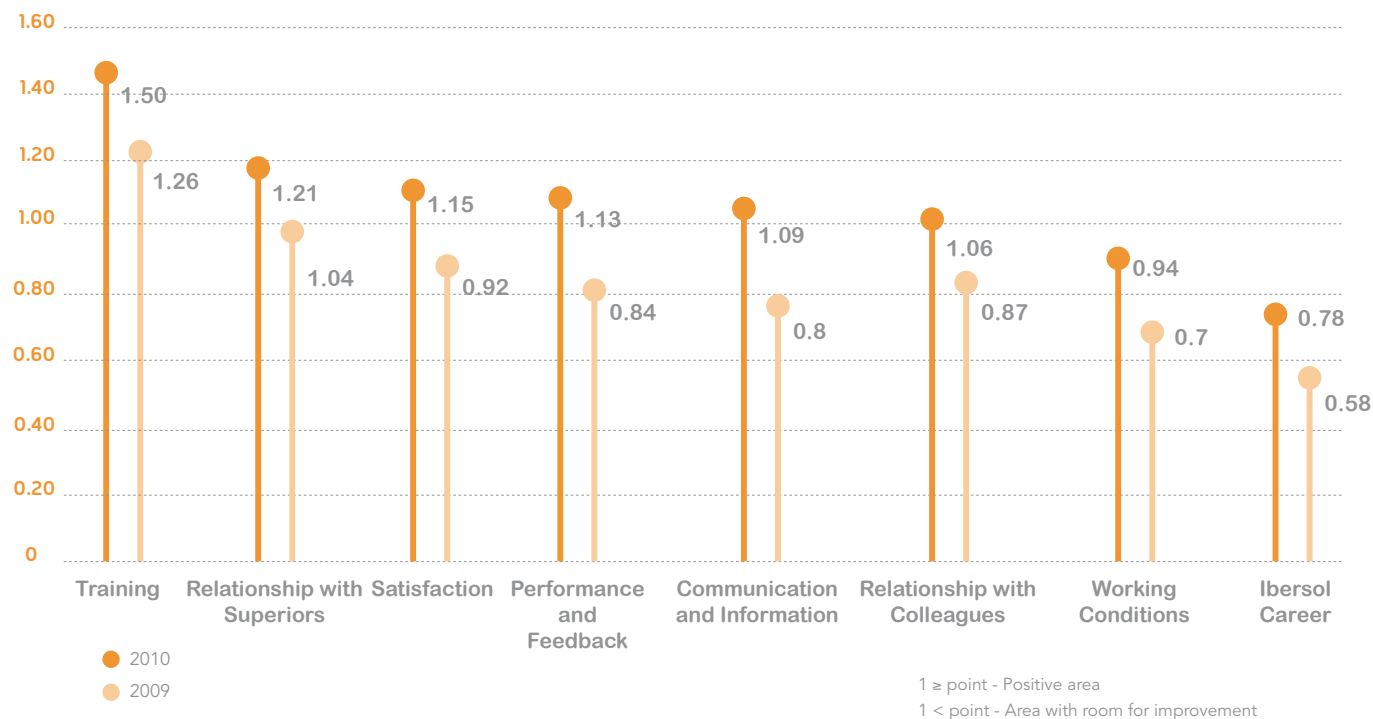


In 2010, the *Tenha a Palavra* survey had a participation level of **2,531 employees²**, representing an **overall involvement level of 55%**. In terms of career stages 49.3% of the Operation employees and 74.5% of the Management Teams employees participated in the survey.

The 2010 survey results demonstrated that **all of the areas analysed within the survey were evaluated at a positive level by our employees.**

² The 'Tenha a Palavra' survey indicators are only shown for Business Operations within Portugal.

RANKING OF AREAS OF IMPROVEMENT – GENERAL

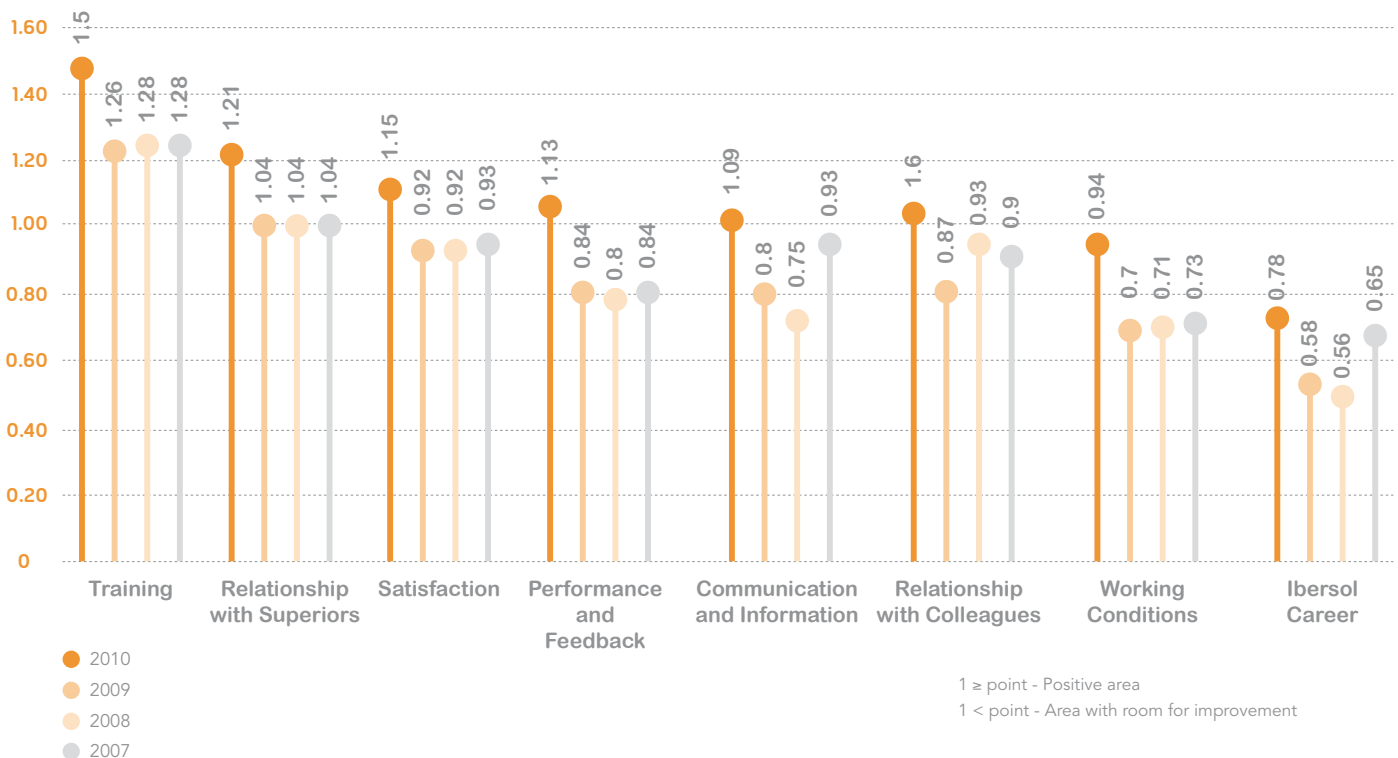


In a year of great socio-economic changes, Ibersol has managed to get the best ever results in terms of the **Tenha a Palavra** operation.

The rankings awarded by our employees reflected the entire range of activities implemented by the Group, namely those of 'Training', 'Communication and Information', 'Performance and Feedback' and 'Working Conditions'.

2010 was also marked by the highest ranking increases ever in relation to previous years, in which our employees ranked each one of eight different areas under analysis within the survey.

DEVELOPMENT OF THE **TENHA A PALAVRA** RESULTS (2007-2010)



In addition to the questionnaire, the *Tenha a Palavra* survey card allows employees to make more extensive comments. In 2010, our **employees submitted 326 comments suggesting improvements**, mostly regarding Communication and Information, Working conditions and Careers, to be considered in our planning for 2011.

With the further objective of understanding how we can improve employee relationships and involvement with the Organisation, in addition to the *Tenha a Palavra* survey, the Ibersol Group created a new study: The "**Commitment to Ibersol**" project, developed in partnership with the University of Minho. Thus Organisational Commitment is defined as the psychological relationship between the employee and the Organisation itself, and is determined by 3 components: **Affective**, **Normative** and **Calculative**, which may assume different intensities, influencing the decision to remain in the Organization.

After analysing 2,531 questionnaires, we found that all three points under analysis were above the midpoint in the scale, showing that employees feel, in one way or another, a level of commitment towards Ibersol (having an average of 4.79 on a scale of 1 to 7, with a standard deviation of 1.4). However, we shall first await the results of 2011 so that we may better understand how to improve employee commitment towards Ibersol.



HEALTH AND SAFETY IN THE WORKPLACE³

In 2010, we registered a total of 337 accidents in the workplace, of which 29 represented accidents *in itinere*.

28% of the accidents were due to falls or loss of balance, with a further 24% classified as road accidents (6% *in itinere*). Similarly, 17% of claims stemmed from cuts, while falls or collisions with objects were responsible for 10% of all registered accidents.

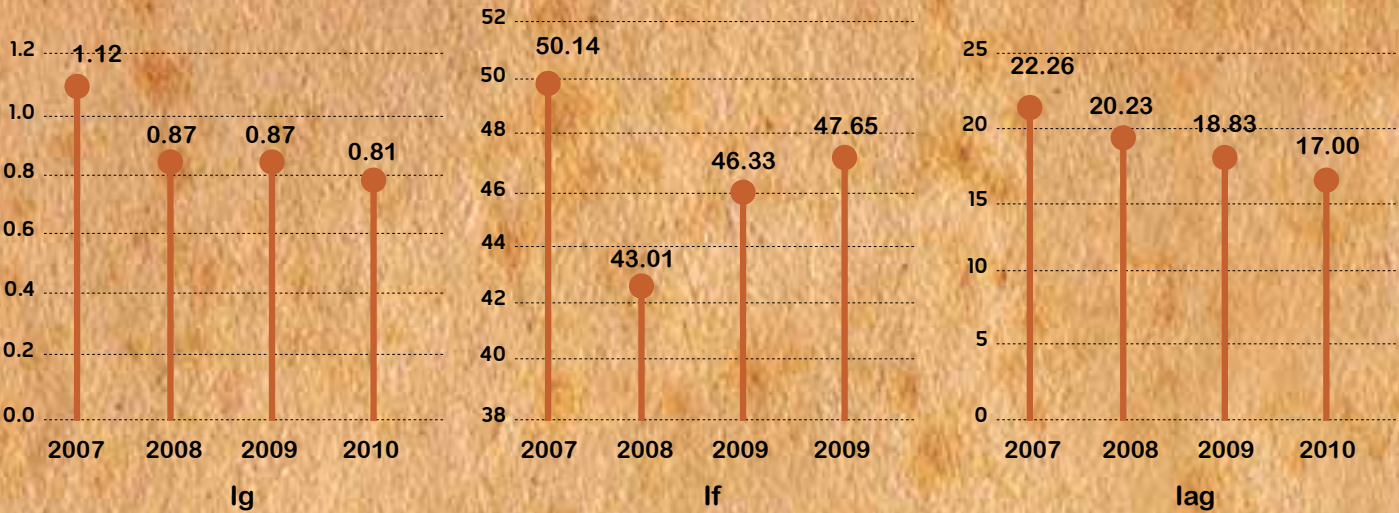
As was the case over the last three years, 2010 also registered no accidents resulting in death through activities at Ibersol.

However, because we believe that prevention in the workplace is one of the major factors in contributing to a reduction in accidents, we therefore intend to train our employees during 2011 in order to strengthen this factor.

[In 2010:

- We had 1,173 hygiene and safety at work audits, carried out by external auditors
- We improved the severity index of occupational accidents (Ig) despite the frequency index (If) having increased
- We improved the index of assessment of severity of occupational accidents (Iag) by 10%.]

³ HHSW Indicators are presented for Portugal only.



$$Si = \frac{\text{Nr. Days lost}}{\text{Nr. Hours worked}} \times 1,000$$

$$Fi = \frac{\text{Nr. Work Accidents}}{\text{Nr. Hours worked}} \times 1,000,000$$

$$Isa = \frac{\text{Severity Index (Si)}}{\text{Frequency Index (Fi)}} \times 1,000$$

	2007	2008	2009	2010
Severity Index (Si)	1,12	0,87	0,87	0,81
Frequency Index (Fi)	50,14	43,01	46,33	47,65
Index of Severity Assessment (Isa)	22,26	20,23	18,83	17,00

IBERSOL EM MOVIMENTO EM 2010

(IBERSOL ON THE MOVE IN 2010)

We want to “meet” our own people, so we’ve therefore brought a combination of social activities and recreation, responsibility and solidarity to our daily working activities.

We promote travelling and meetings between different business units, creating opportunities so our corporate culture and values may be strengthened on a daily basis.

2010 once again saw participation in a number of events aimed at bringing together employees and local communities, supporting local causes, sharing happiness and educating others, expressing a Civic and Caring Attitude.

2010 saw an employee initiative in producing a book of illustrated Christmas Tales, with proceeds from the sale being internally redistributed for Operation Red Nose.

Thank You All!



The Activities that our employees like the most: National Football Championship and Bike Tour.



Lady's Race:
Doing well by doing well for ourselves!



Employee Christmas Party and Circus Event, supporting IPSS in its various activities



Ibersol Parents and Children Christmas Tales

RESPONSIBILITY FOR THE PRODUCT





FOOD QUALITY AND SAFETY

Our commitment to the customer means ensuring the highest standards of **Food Quality and Safety** across our complete product range, promoting Healthy Eating habits.

Each ingredient is therefore submitted to rigorous quality control throughout the preparation cycle in order to preserve its original characteristics, in a way that our Customers fully deserve!

This process includes the selection of the **best suppliers and finest raw materials** (including prior approval of suppliers and ingredients); **transportation and storage control** (temperature, packaging and validity / certified logistics provider) and the **control of restaurant operations** by means of the HACCP system (all products being controlled on a daily basis at every stage, from initial receipt, storage, handling and preparation, display and distribution).



RESULTS OF OUR RESPONSIBILITY FOR THE PRODUCT ACTIVITIES:

Innovation in terms of processes;

Continuous improvement of the Food Quality and Safety System:

Ongoing challenge for the internal and external teams involved;

Communication to consumers about the good practices that the Group has employed over the years, in a credible and sociably responsible manner, emphasizing our market persistence, as well as contributing to **better consumer eating habits**.

- **1.58 Complaints per 100,000 transactions**
- 4,100 + Mystery Shopper audits /year, with an **assessment increase from 90.7% (2009) to 92.5% (2010)**
- 1,100 + FHS audits, carried out by external entities
- 3,100 + laboratory controlled products
- 3,600 + internal audits



- Certification and Monitoring of 100% of Suppliers and products, being especially relevant during an economic crisis - **234 suppliers and 6,924 active product references**
- Training in Food Safety, in key organisation processes and customer service
- Waste recycling (cooking oil) = **296 tons in 2010** (compared to 260 tons in 2009)
- **3% increase in overall volume of packaging waste**
- Communication through the employee Portal, integrating all good practices for processes at each restaurant.

In 2008 we achieved **NP EN ISO 22000** certification; the most demanding food safety standard applicable to the restaurant and catering industry.

In 2010 we continued our quest for certification of all Ibersol Group brands and concepts.

SPECIFIC RESULTS REGARDING NP EN ISO 22000 CERTIFICATION

Further certification has been achieved through the integration of a further nine Ibersol Group units, resulting in the expansion of the "Management of Ibersol Group food chain restaurant operations in addition to providing restaurant / catering services at its units" concept, with the entire active Ibersol Group food chain now being fully certified.

Certified units: Burger King Dolce Vita Porto; Café Sô Carvalhos North/South; Astrolábio Coffee Shop / Dolce Vita Porto Coffee Kiosks; KFC Dolce Vita Porto; Multi-brand Sol Ovar North/South; Ò Kilo Dolce Vita Porto; Pans & Company Dolce Vita Porto; Pasta Caffé Dolce Vita Porto; Pizza Hut Colombo; Pizza Hut Dolce Vita Porto; Pizza Hut Lagos; Catering Estádio do Dragão; Meeting Point Terminal 1 Lisbon Airport; Spoon Terminal 1 Lisbon Airport (Pizza Hut, Pans & Company, Oregano, Go To Café); Cockpit Drinks & Tapas Terminal 1 Lisbon Airport; Connection Coffee / Food Bar Terminal 2 Lisbon Airport; Sky Plaza Terminal 2 Lisbon Airport.

New Units in 2010: Sintra Central Production Unit; Vog Tec Maia; Pizza Hut Matosinhos; Pizza Hut Foz; Pizza Hut NorteShopping; Pasta Caffé NorteShopping; Ò Kilo NorteShopping, Burger King Colombo; KFC NorteShopping.

IBERSOL A PRIZE WINNER AT THE NUTRITION AWARDS



THE IBERSOL RECEIVED THE 1ST HONOURABLE MENTION WITHIN THE FOOD QUALITY AND SAFETY CATEGORY

The prize was awarded to the **“Responsibility for the Product”** project, acknowledging Ibersol Group for its rigorous, complete and integrated approach and for continuous improvement in matters related to safe and balanced product offerings to the end client. This project includes the **ISO 22000 standard** Food Safety System certification, as well as the **Viva Bem Program**, a strong informational and educational component on healthy food and lifestyles: **O Bom faz Bem**.

The **Nutrition Awards** are an initiative with the Nutrition sector, aimed at rewarding, recognizing and disseminating information about the projects, products and services of entities and/or institutions that contribute to and are most actively involved in Nutrition Innovation and Research into Nutritional Sciences.

This prize is the result of the work carried out over the last 12 years and recognises the daily efforts of those who assume the 'Product Responsibility'.



Honourable Mention Certificate



Handing out of Awards Session

The organisers of the Nutrition Awards received 154 applications.

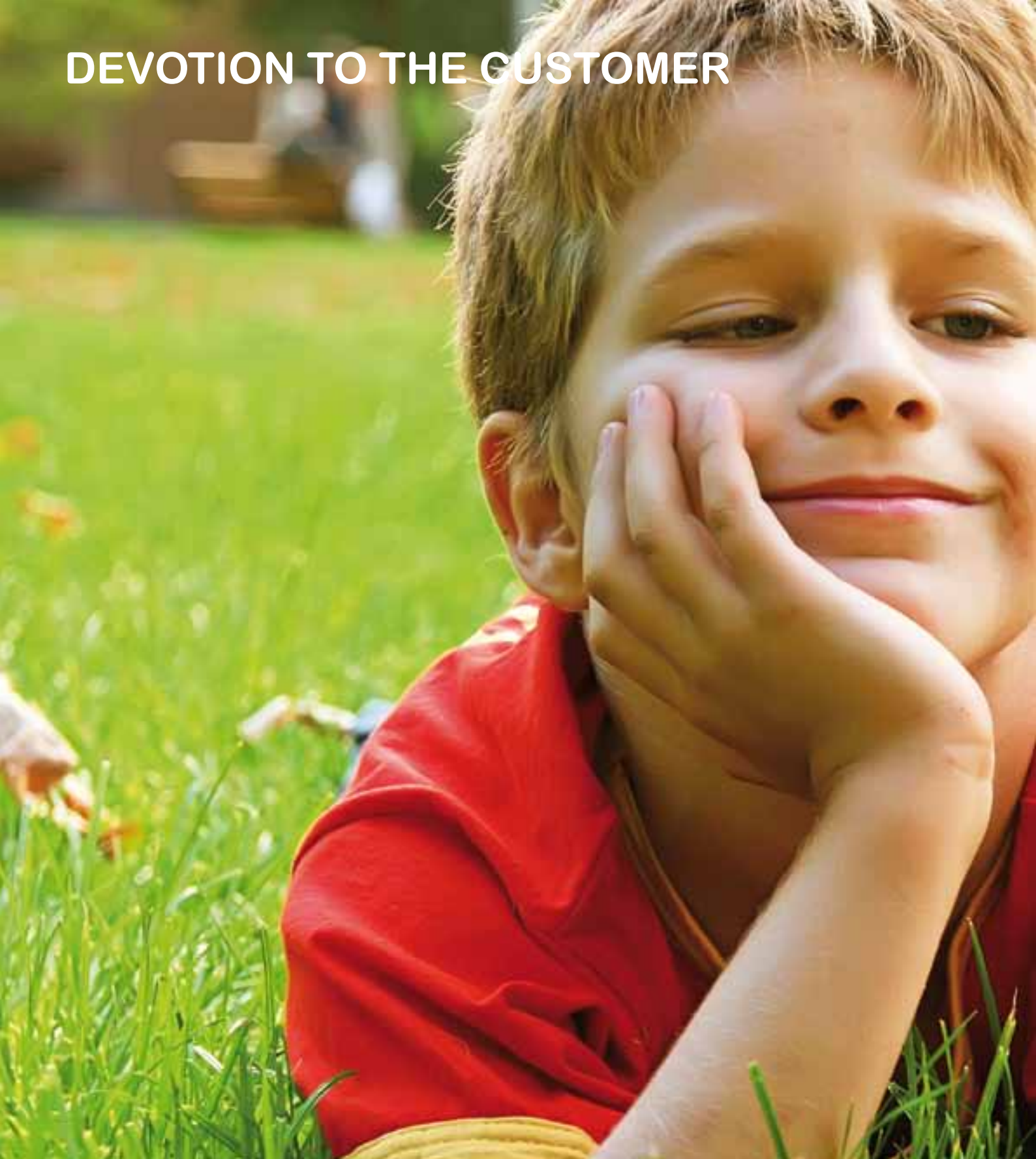
We are the only public foodservice Group to receive this prize!

The Nutrition Awards are sponsored by the Health Ministry, ASAE, the Portuguese Association of Nutritionists and the Education Ministry.

Visit www.nutritionawards.pt to find out more.



DEVOTION TO THE CUSTOMER





FROM THINKING TO ACTING CUSTOMER

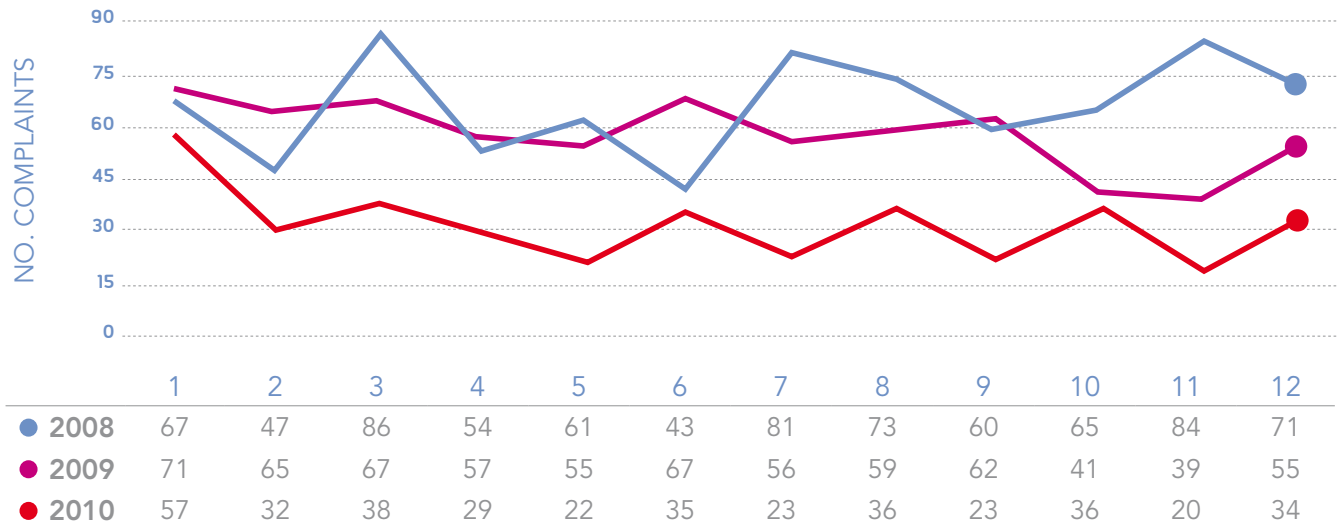


One of our priorities in 2010 was to develop a process that would allow us to understand the Customer more systematically, aimed at discovering value solutions that could respond in advance, thereby ensuring business sustainability.

We believe that the role of the Customer in guiding our business is fundamental and that is why we pay close attention to **knowing and understanding everything about our Customers**, through fully open channels that are close to the Customer, from the restaurant to the home, with all the means available to us. The system for monitoring and listening to the Customer has been developed in a way that helps us to find solutions to problems so that we may determine the needs and trends of customers in real time.

In 2010 we made even more stringent measures for assessing Customer satisfaction, changing the type of behaviour shown by Ibersol towards the customer. All measuring instruments were reviewed by brand. A training programme and subsequent training of teams has been developed for all brands in order to change behaviour according to what is expected by the customer, with particular emphasis on service and hospitality, the - **Thinking Customer Program**.

COMPLAINTS PER MONTH / TREND ANALYSIS



	2008	2009	2010
No. Complaints in Q4	792	694	385
Compl. Per transaction (100.000)	2.9	2.9	1.58

	2008	2009	2010
Monthly Average	66	58	32

Customer complaints⁴ dropped by 44%, from 2009 to 2010. The Hospitality area continues to be an area for investment as well as an opportunity for further improvement.

⁴ The Complaint indicators presented are only considered for activities taking place in Portugal.



VIVA BEM!



The Ibersol Group strives to promote habits that contribute to healthy lifestyles whilst simultaneously ensuring, as transparently as possible, that Customers receive the information they need in order to make the most informed choices.

Healthy eating means having a **Balanced, Varied, Safe and Complete** diet. Our value proposal for the customer includes **variety, balanced, safe and complete meals, but without foregoing the pleasure of eating.**

Launched in 2007, the *Viva Bem* Programme is based on responsible, transparent and clear communication with the Customer and Consumer, and is committed to ensuring food safety for every product whilst also providing variety and maximum quality ingredients and products. It also covers each customer's enthusiasm for the Brand whilst promoting physical activity, which is an essential part of a healthy lifestyle.

VIVA BEM ACTIVITIES 2010

1. Because of our genuine passion for the Customer, we seek to improve our knowledge and understanding of the population and its healthy and safe eating habits. Therefore, in 2010, we continued to strengthen our commitment towards educating the consumer, helping to fight obesity, promoting physical activity and balanced menu opportunities, more consciously adapted to individual needs – www.vivabem.pt.

In July 2010 we developed an activity for all restaurants, ***Viva Bem, Semana a Semana, o Bom Faz Bem!***, based on the disclosure of the **Weekly Health Plan**, which we provided to all of our customers.

2. In 2010 **SOL joined the Viva Bem Programme**, and thus the entire Travel industry now being able to offer nutritional information and healthy and balanced meals to its customers.

3. In addition to nutritional information we have also integrated **food allergy information** into our communication media for all *Viva Bem* brands.

4. In 2010 we focused our attention on the "little ones" due to healthy eating habits

being more easily adopted by the younger population and because of increased motivation to make decisions at a younger age. We therefore updated the Children's Menus at 6 Viva Bem brands, providing varied and balanced choices in line with the guidelines set out on the food balance wheel and diet recommendations for children.

The image shows two examples of the 2010 Weekly Plan, titled "Semana a Semana, o Bom Faz Bem!". Each plan is a grid with columns for different meal types: Breakfast, Lunch, Dinner, Snacks, and Beverages. The rows represent different brands: Ibersol, Ibersol Kids, Ibersol Baby, Ibersol Baby Food, Ibersol Baby Snacks, and Ibersol Baby Beverages. The plans are color-coded and include nutritional information and a list of ingredients.

2010 Weekly Plan – *Semana a Semana, o Bom Faz Bem!*

We resumed the distribution of Weekly Plans, reinforcing the importance of variety and balance in a healthy diet, adapted to the lifestyle of our customers, helping them to make more conscientious decisions when making food choices.

RESULTS OF THE VIVA BEM PROGRAMME

- **3,000 + raw materials and products with nutritional and allergy information**
- Consolidation of the nutritionally balanced **Children's Menu** proposal
- **1,500 + products with nutritional and allergy information** published at retail outlets and on the *Viva Bem* website
- around **50,000 Customers registered** with the programme
- The *Viva Bem* website has nutritional information and guidance for adopting a healthy lifestyle, with a total of **235,667 page hits**
- Strengthening communication support at point of sale with nutritional information and respective Brand product datasheets
- Campaigns for involving customers in the Programme: ***Semana a Semana, o Bom Faz Bem!***
- **Ibersolpedia** – a section of the Ibersol Website dedicated to sharing information on healthy diets and healthy lifestyles
- **Ibersoltas** (internal publication) – providing information on *Viva Bem* content.

HANDS ON THE WORLD





COMMUNITY ENGAGEMENT

TOGETHER WITH AMI WE WILL SAVE HUNGRY CHILDREN AROUND THE WORLD

AMI in Sao Tome and Principe | “Hand in hand for Caué” Nutrition Project

In Portugal throughout 2008 and 2009, Ibersol took part in a solidarity initiative together with AMI (International Medical Assistance), fundraising to fight world hunger together with our own employees and customers.

With the motto “Join us and AMI to save hungry children,” the initiative took place in unison with our Customers and we raised a total of 290,000 Euros to support the Fight Against World Hunger, particularly to aid

the most disadvantaged countries. Of the total amount collected, 50% was donated by our customers and 50% by the Ibersol Group.

Of the amount collected, 145,000 Euros was used for additional support to the **AMI “Hand in hand for Caué” nutrition project in São Tomé and Príncipe.**

Using the donations made throughout 2008 and 2009 AMI was able to carry out work to equip the Angolares Health Centre kitchen, as well as providing a nutritionist in 2010 to assist with dietary advice during mother-child visits, as well as supporting sick patients interned at the Angolares Health Centre.

The Nutritional Support Centre is essential for monitoring cases from the communities and for tracking the nutritional indicators of the local population, as well as being an ideal place for holding working group meetings on nutritional matters.

General Plan of Activities 2010

1. Develop Strategies for Nutritional Intervention
2. Boost community cooperation to promote health
3. Promote Improvement of Knowledge and Practices in Healthcare Provision

Targets met in 2009/2010

Mothers: 16

School Dinner Ladies 10

Teachers: 13

Pupils: 547

Hygiene Officials: 8

Inhabitants of Caué district: around 5,501

Screening of malnourished children

Nutrition appointments in the whole of Caué district

One Nutrition Support Centre opened

AMI in Portugal | Portugal Meals Project

In 2010, the Ibersol Group launched a campaign to collect donations for the neediest members of the Portuguese population with the motto, **"Those who come to our restaurants help feed those in need,"** and provided hot meals at Porta Amiga (Friendly Door) centres and AMI Night Shelters, as part of an initiative to fight poverty in Portugal.

Involvement in this initiative on the part of Ibersol for the third consecutive year continues the public-private effort in fighting against world hunger, contributing to the enhancement of global awareness relative to the problems of global hunger as well as the activities of the voluntary donations movement, focused on providing significant aid for the Programme Against Hunger, particularly in Portugal.

With the involvement of more than 5,000 of our employees and through contributions made by customers, **38,000 Hot Meals, to the value of 106,000 Euros** were distributed.

The campaign asked for a minimum donation of 20 Euro cents from Customers visiting Ibersol Group restaurants, which continuing the Company's involvement in social responsibility activities, also contributed to this particular cause.

The results of this activity were only possible because of the involvement and commitment of AMI, our employees, customers and the media.

Thank You Everyone!



Campaign "Those who come to our Restaurants help feed those in need"

PORTO DE FUTURO



The, *Porto de Futuro* project brings together the synergy and efforts of Porto City Council, 17 school groups, Greater Porto companies and the Regional Board of Education of the North of Portugal. The aim of this initiative is to promote improvement in the educational system based on good management practices throughout the business environment and, above all, to explore and develop potential arising from established partnerships.

In 2010 we boosted our relationship with the *Porto de Futuro* project, Porto schools and all of our partners. We are involved in the project on three different levels, which are detailed in the following Action Plan:

2009/2010 ACADEMIC YEAR

Intervention levels	Actions carried out
1 Promotion of healthy eating habits	Coordination of the <i>Viva Bem</i> programme, including syllabus content of the Restaurant Technician courses in addition to other schooling programmes.
2 Education/Training	<p>Continuation of the project:</p> <ul style="list-style-type: none">- Raising awareness of Ibersol internal teams to join the project.- Coordination between the school and the company to define methodologies.- Continual supervision, evaluation and improvement.- Preparation of subjects (theoretical, theoretical-practical and practical).- Training, supervision, evaluation and Recognition.- Organisation and participation in activities such as the Schools Christmas party, ceremony to offer uniforms and end-of-year lunch.- Participation in Class Council meetings- Providing 632 hours of Training in 2010 (in food technology, Management and Control, Restaurant and Bar Services, and Training in a practical context.
3 Crossover projects in the areas of Entrepreneurship and Citizenship	<ul style="list-style-type: none">- Participation in a mini-internship programme as part of Project <i>Consegui! (I Did It Project!)</i>, including participation of 11 students from the EB 2/3 Nicolau Nasoni School.- Junior Achievement: 6 volunteers from Ibersol taught three classes as part of the "Family" Programme and one group as part of the "Community" Programme – for Primary Schools, to a total of 100 students;- School Learning (Empreendu) Project The Ibersol Group provided lunch for 6 people as a prize for the team winning one of the Project stages.- School Rugby Project: The Ibersol Group provided 150 afternoon snacks and 150 lunches on 13th February and gave away 300 afternoon snacks on 20th March.

In the Education/Training pillar the Ibersol training team over these two academic years provided 1,060 hours of training, translating into 12,720 hours of training, for the Professional Restaurant Technician Course.

This cooperation is determined taking into account that Ibersol possesses a training and development structure that is capable of supporting these young people in building positive expectations regarding their careers, but also because of Ibersol's career structure, that can help young people with their development and can support their integration into the job market.

The following Brands units were involved in this training: Pans & Company Pizza Hut, Pasta Caffé, Kiosks, Burger King, Ò Kilo and KFC, located at the Dolce Vita Antas Shopping Centre, and the TecMaia, Central Kitchen, as well as the Human Resources, Legal, Quality and Logistics Departments.

Junior Achievement

In 2010, for the second time, we were involved in the Junior Achievement project, which is carried out by the Aprender a Empreender Association (Learn to be Entrepreneurial Association). 6 volunteers from the Ibersol group took part in this activity, which provides various training programmes to **100 primary school pupils**, designed to develop their entrepreneurial skills. We believe that by sharing values and knowledge with children and teenagers, we offer a small contribution to the future of these generations.



Junior Achievement - 2010 Activities



Food Donations

Within the scope of the catering services in F.C. Porto's Dragão Stadium in the city of Porto, Ibersol established an agreement with the Association Migalha de Amor – Coração da Cidade, a non-profit Private Charitable Institution, to collect and transport donations, particularly food and beverages, after the conclusion of the events that take place at the Stadium.

In 2008 this cooperation permitted the collection of 2,122 Kg of food products and helped provide food for disadvantaged people related to this association. **In 2009 we increased food products donated though our catering activities to 6,000 Kg.**

In 2010, the Ibersol Group, as well as donations in Porto to the Migalha de Amor Association, also managed to support the Vida e Paz (Life and Peace) Community, via the Silva Carvalho Catering company and, in Algarve, Obra da Nossa Senhora das Candeias, via Solinca Catering, making a total of 6,300.72 Kg of food.

Charitable Christmas

Because we enjoy sharing, Christmas 2010 offered the perfect opportunity to put this into practice! We feel that sharing helps us to grow and improve!!

Christmas Circus with more Smiles...

2010 was another year in which we took Ibersol families and their children to the Christmas Circus along with some children, young people and adults from several charitable institutions, by gifting them with 632 joy tickets.

Giving instead of Receiving...

This year we brought together our partners and employees to give what we usually receive! We gave our Christmas gifts to Operação Nariz Vermelho (hospital entertainment charity) and to Acreditar – Association of Parents and Friends of Children with Cancer, worth a total of 12,100 Euros.

Company	Charity	Food Donation (Kg)
Silva Carvalho <i>Catering</i>	Associação Migalha de Amor	5,600.72
	Comunidade Vida e Paz	500
Solinca	Nossa Sra. Das Candeias	200
Total		6,300.72



Environmental Protection

The adoption of good environmental management practices is an Ibersol Group priority achieved by encouraging responsible and proactive behaviour in resource and waste management.

Waste Management⁵

Since starting its activity, the Group has invested in consolidating its waste recycling system, consistently ensuring selective disposal of 100% of packaging waste material and used cooking oil recycling.

With regard to this, we would like to note that all the Group's companies have a Packaging and Imports Certificate, contributing towards development of the national waste management system, coordinated by Sociedade Ponto Verde and all the Group's units are registered in the Verdoreca system and perform the selective collection and disposal of packaging waste produced.

We would also like to mention an increase of about 3% in the volume of packaging waste in relation to 2009, which is equivalent to the rise in number of meals sold.

Again in 2010, there was a 100% recycling and waste recovery of cooking oil, with approximately 296 tons of waste collected for biodiesel production (as compared to 260 tons in 2009).

⁵ Waste indicators are presented for Portugal only.



2010 YEAR

Type of material	Service packaging		Product packaging/ raw materials		Total packaging	
	Weight (Kg)	VPV(€)	Weight (Kg)	VPV(€)	Weight (Kg)	VPV(€)
Plastic	90,739	20,707	71,424	1,700	162,164	22,407
Paper and cardboard	611,645	52,785	233,818	1,637	845,463	54,422
Steel			22,679	553	22,679	553
Aluminium	3,409	561	3,347	165	6,757	726
Other Materials	1	0.1			1	0.1
Total	705,794	74,052	331,268	4,055	1,037,063	78,108

VARIATION PER TYPE AGAINST 2009

Type of material	Service packaging		Product packaging/ raw materials		Total packaging	
	Weight (Kg)	VPV(€)	Weight (Kg)	VPV(€)	Weight (Kg)	VPV(€)
Plastic	6%	43%	10%	10%	7%	39%
Paper and cardboard	-0.2%	35%	9%	9%	2%	34%
Steel			-5%	-5%	-5%	-5%
Aluminium	128%	208%	-8%	-8%	31%	100%
Other Materials						
Total	0.8%	37%	8%	6%	3%	35%

TOTAL VARIATION AGAINST 2009

Peso				VPV		
	Quantity (Kg)	Variation (Kg)	Variation (%)	Value (€)	Variation (€)	Variation (%)
2009	1,006,527	30,536	3.0	57,670	20,438	35.4
2010	1,037,063			78,108		

PURE: THE 10 COMMANDMENTS OF ENERGY EFFICIENCY

1. ENERGY IS A LIMITED RESOURCE. ACCEPT THIS REALITY!
2. ENERGY RESOURCES ARE PRECIOUS. VALUE THEM!
3. CONSUME LESS AND GAIN THE SAME. BE EFFICIENT!
4. SHOW SOLIDARITY AND PROMOTE ENERGY EFFICIENCY. THE ENVIRONMENT WILL THANK YOU!
5. USE ENERGY JUDICIOUSLY. SAY NO TO CONSUMERISM!
6. CO-GENERATION IS EFFICIENCY IN ENERGY PRODUCTION. USE IT WHENEVER POSSIBLE!
7. IF YOU DRIVE, USE FUEL MODERATELY. PREVENT WASTE!
8. BY PURCHASING EQUIPMENT YOU ARE BUYING FUTURE ENERGY CONSUMPTION. IT IS WORTH CHOOSING WELL!
9. IN THE ABSENCE OF DAYLIGHT USE LOW ENERGY LIGHTBULBS. EFFICIENCY IS WORTHWHILE!
10. IF YOU DON'T NEED DEVICES AND EQUIPMENT, TURN THEM OFF. GIVE CONSUMPTION A REST!

E2Trade Energy Efficiency

Since 2007 the E2Trade project, involving all of our units in Portugal, aims to promote rational and efficient energy use in the Group units, thus contributing towards better cost rationalisation of this resource and, simultaneously, towards lowering both national energy dependency and intensity, along with the corresponding CO₂ emissions.

This project involves all Group units and is supported by the development of skills and the involvement of Brand manager teams in monitoring energy costs and implementing actions to encourage better energy efficiency of all units.

Following the awareness-raising actions conducted in late 2008 the units began to apply rational power use measures by determining on/off plans for the use of installed equipment, adopting best practices for equipment use (such as dishwashing machine use with full load) and small changes to installations to enable the modular use of same (such as division of lighting circuits).

Providing consumption data to consumers / employees made it possible to offer feedback about the effectiveness of the measures taken, with the consequent positive reinforcement of the implemented actions.

Consequently, after seeing drops in electricity consumption of 7.2% in 2008 and 4.7% in 2009, in 2010 we managed to reduce it again by 3.1 %. This reduction represented 438 tons of CO₂ in consumption by a larger number of restaurants.

We would also like to note increased use of renewable energy, which reduced CO₂ emissions by 2.7 tons.

Energy Consumption Table from 2008 to 2010

		2008	2009	2010	Consolidated
Reduced consumption (same units*)	KWh	2,474,000	1,543,064	1,088,940	5,106,004
Reduced consumption (same units*)	%	7.2%	4.7%	3.1%	
Specific CO ₂ emissions	Kg/KWh	0.402	0.402	0.402	
CO ₂ emissions avoided in consumption	Tons	995	620	438	2,053
Production from renewable energy	KWh			6,771	
CO ₂ emissions avoided through production from renewables	Tons			2.7	2.7
TOTAL CO ₂ emissions avoided	Tons			623	440

* varies every year

GRI INDEX



Economic Performance Indicators

Social Performance Indicators – Labour Practices and Decent Work

Social Performance Indicators – Human Rights

Social Performance Indicators – Society

Performance Indicators related to Product Responsibility

Environmental Performance Indicators

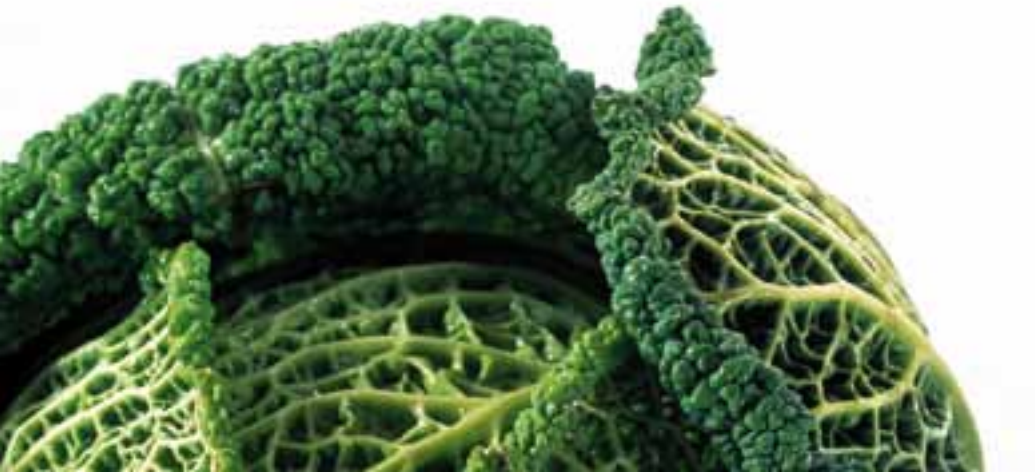
GRI 3 - Economic Performance Indicators

Aspect	Core	Additional	Refers to	Ibersol Performance
Economic	EC1		Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	See 2010 Report and Accounts
	EC2		Financial implications and other risks and opportunities for the organisation's activities due to climate change	See 2010 Report and Accounts
	EC3		Coverage of the organization's defined benefit plan obligations.	Allocation of Health and personal accident Insurance for higher level employees in the Group.
	EC4		Significant financial assistance received from government	In 2010 we received support from the Government as part of the POPH, axis 3.2 and support for 7 level V professional internships.
		EC5	Ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation.	The lowest salary for each professional category defined by AHRESP, and all Group companies follow the same salary table. The minimum salary on the table is equivalent to national minimum wage, and that is the figure set for Apprentices. Thus, all operating units are subject to the same salary rules as they have a similar structure in terms of teams, in which each has at least one Apprentice, and thus each ratio is equal to 1.
	EC6		Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	Whenever a product or service is available from a local supplier, for the stipulated product and service conditions, Ibersol gives priority to local suppliers. However, there is no formal cost proportion policy for local and other suppliers.
	EC7		Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation.	Ibersol carries out its activities in Portugal and Spain only. In 2010, in Portugal, all first line managers are Portuguese. In Spain, the proportion of Portuguese and Spanish first line Project Managers is 1/2, respectively.
	EC8		Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in kind, or pro-bono engagement	Chapter A Good Place to Work (page 24) Chapter Passion for the Customer (page 52) Chapter Hands on the World (page 58)
		EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts.	2010 Report and Accounts Financial flow with stakeholders in Chapter Ibersol Attitude on (page 6).

GRI 3 - Social Performance Indicators - Labour Practices and Decent Work

Aspect	Core	Additional	Refers to	Ibersol Performance
Employment	LA1		Total workforce by employment type, employment contract, and region.	Chapter A Good Place to Work (page 24)
	LA2		Total number and rate of new employee hires and employee turnover by age group, gender,	Chapter A Good Place to Work (page 24)
		LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation.	There is no description of benefits by working hours, but rather by internal career level/role or time working with the Company. Thus only those employees employed by the company for over two years can apply for training grants. Other benefits, such as company car, health insurance, fleet fuel card, mobile phone are provided by type, depending on internal career level.
Labour/ Management Relations	LA4		Percentage of employees covered by collective bargaining agreements.	Ibersol is an AHRESP – Association of Portuguese Hotels and Restaurants and Similar, and the Collective Bargaining Agreement applicable to all of Ibersol's companies is signed by this association and FESAHT – Federation of Unions for Foodservice, Drinks, Hotels and Tourism in Portugal. This being the case, all employees are covered by this Collective Bargaining Agreement.
	LA5		Minimum notice period(s) regarding operational changes, including whether it is specified in collective agreements	In terms of internal processes at Ibersol, there is no minimum notice period for communicating operational changes. All communications about operational changes that involve employees take into consideration what is set out in the law.
Occupational health and safety		LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programmes.	There is no formal workers' commission at Ibersol, specifically for the area of occupational health and safety. There is rather an Occupational Health and Hygiene that implements and accompanies the best practices in this area and brings them together in Ibersol's standards, on which the related training programmes are based. These are all available on the Ibersol website and can be accessed by all employees.
	LA7		Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region and by gender.	• Occupational accidents: At the workplace = 288, In Itinere = 29 total No. of accidents 308
	LA8		Education, training, counselling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	• No. of working days lost due to occupational accidents: at the Workplace = 2,586 and in itinere = 840
		LA9	Health and safety topics covered in formal agreements with trade unions.	Chapter A Good Place to Work (page 24) None

Training and education	LA10	Average hours of training per year per employee by gender, and by employee category.	Chapter A Good Place to Work (page 24)			
	LA11	Programmes for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	Chapter A Good Place to Work (page 24)			
	LA12	Percentage of employees receiving regular performance and career development reviews.	On an operational level performance reviews are carried out every three months, every six months for store management teams and on a business structure and core role level is carried out once a year, covering all employees.			
Diversidade e igualdade de oportunidades	LA13	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity.	See 2010 Report and Accounts			
	LA14	Ratio of basic salary and remuneration of women to men by employee category.				
				F	M	General Average
			Operations	501.64 €	501.12 €	501.38 €
			Shift management	714.53 €	724.24 €	718.06 €
			Unit Management	1,131.94 €	1,203.82 €	1,168.58 €
		Business Structure and Shared Services *	1,363.42 €	2,044.58 €	1,658.59 €	
* the difference in averages is explained by the fact that the administrative team is mainly made up of women, which lowered average salaries.						



GRI 3 - Social Performance Indicators - Human Rights

Aspect	Core	Additional	Refers to	Ibersol Performance
Investment and Procurement Practices	HR1		Percentage and total number of significant investment agreements and contracts that include clauses incorporating human rights concerns, or that have undergone human rights screening.	None
	HR2		Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken.	None
		HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	Chapter A Good Place to Work (page 24)
Non-Discrimination	HR4		Total number of incidents of discrimination and actions taken.	None identified
Freedom of association and collective bargaining agreement	HR5		Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights.	<p>None identified</p> <p>Ibersol is an AHRESP – Association of Portuguese Hotels and Restaurants and Similar, and the Collective Bargaining Agreement applicable to all of Ibersol's companies is signed by this association and FESAHT – Federation of Unions for Foodservice, Drinks, Hotels and Tourism in Portugal.</p> <p>This being the case, all employees are covered by this Collective Bargaining Agreement.</p> <p>Any and every employee is free to join his or her Union of choice, and Ibersol makes that process easier in administrative terms.</p>
Child Labour	HR6		Operations identified as having significant risk for incidents of child labour, and measures taken to contribute to the elimination of child labour.	The risk of this occurring is almost non-existent, as there are internal processes to control it. At Ibersol employees are taken on with the validation and approval of central Human Resources. Without the entire process being validated the employee cannot start working nor can processing be begun. Minors can only work with permission from their parents and once statutory schooling has been completed. Non-compliance with this procedure is considered to be a serious breach by the employee /manager that admitted him/her and results in a disciplinary process.

Forced and compulsory labour	HR7	Operations identified as having significant risk for incidents of forced or compulsory labour, and measures to contribute to the elimination of forced or compulsory labour.	None
Práticas de segurança	HR8	Percentage of security personnel trained in the organisation's policies or procedures concerning aspects of human rights that are relevant to operations.	Chapter A Good Place to Work (page 24)
Direitos de indígenas	HR9	Total number of incidents of violations involving rights of indigenous people and actions taken.	Not applicable to our organisation

GRI 3 - Social Performance Indicators- Society

Aspect	Core	Additional	Refers to	Ibersol Performance
Community	SO1		Nature, scope, and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating, and exiting.	Chapter A Good Place to Work (page 24) Chapter Passion for the Customer (page 52) Chapter Hands on the World (page 58)
Corruption	SO2		Percentage and total number of business units analysed for risks related to corruption.	None
	SO3		Percentage of employees trained in organisation's anti-corruption policies and procedures.	None
	SO4		Actions taken in response to incidents of corruption.	None
Public policy	SO5		Public policy positions and participation in public policy development and lobbying.	None
		SO6	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.	None identified
Anti-competitive Behaviour		SO7	Total number of legal actions for anticompetitive behaviour, anti-trust, and monopoly practices and their outcomes.	None identified
Compliance	SO8		Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	In 2010 there were charges of 30,551.14€ in monetary sanctions for non-compliance with laws and regulations.

GRI 3 - Performance Indicators related to Product Responsibility

Aspect	Core	Additional	Refers to	Ibersol Performance
Customer health and safety	PR1		Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	All products and services in the same category are subject to the same food safety standards as shown in Chapter. Product Responsibility (page 46). Those procedures are applicable in 100% of circumstances.
		PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.	None identified
Product and service labelling	PR3		Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.	All products and services are duly identified for the customer, in appropriate media depending on the type of restaurant service (board menu, leaflets, table menu, website, and others)
		PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labelling, by type of outcomes.	None identified
		PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	Chapter. Product Responsibility (page 46) Chapter Passion for the Customer (page 52)
Marketing communications	PR6		Programmes for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	None
		PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes.	None identified
Customer privacy		PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	None identified
Compliance	PR9		Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with laws and regulations.	None identified

GRI 3 - Environmental Performance Indicators

EN 3 Environmental Performance Indicators													
Aspect	Core	Additional	Refers to	Ibersol Performance									
Materials	EN1		Materials used by weight or volume.	Chapter Hands on the World (page 58)									
	EN2		Percentage of materials used that are recycled input materials.	Chapter Hands on the World (page 58)									
Energy	EN3		Direct energy consumption by primary energy source.	<p>A large percentage of energy consumption at Ibersol takes place at stores and warehouses, in the form of electricity and gas.</p> <p>There are no records for gas consumption.</p> <p>In relation to electricity see Chapter Hands on the World (page 58)</p> <table><tr><th colspan="2">Gas</th><th>2010</th></tr><tr><td>Consumption (109 contracts)</td><td>KWh</td><td>8,151,805</td></tr><tr><td>CO₂ Emissions</td><td>Ton</td><td>1,500</td></tr></table>	Gas		2010	Consumption (109 contracts)	KWh	8,151,805	CO ₂ Emissions	Ton	1,500
Gas		2010											
Consumption (109 contracts)	KWh	8,151,805											
CO ₂ Emissions	Ton	1,500											
	EN4		Indirect energy consumption by primary source.	<p>Indirect energy consumption is essentially limited to fossil fuels, gasoline, used both by our employees in their work travel, and by logistics, which is provided by a main supplier that provide 90% of the logistics operation – Grupo GCT.</p> <p>In terms of consumption of diesel and gasoline, from our fleet of cars the total was 225,662.90 litres of fuel in 2009. Ibersol has a fleet of 133 diesel-driven company vehicles used by its employees, in the business structure and with central roles.</p>									
		EN5	Energy saved due to conservation and efficiency improvements.	Chapter Hands on the World (page 58)									
		EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	Chapter Hands on the World (page 58)									
		EN7	Initiatives to reduce indirect energy consumption and reductions achieved.										
Water	EN8		Total water withdrawal by source.	Chapter Hands on the World (page 58)									
		EN9	Water sources significantly affected by withdrawal of water.	None identified									
		EN10	Percentage and total volume of water recycled and reused.	None identified									

Biodiversity	EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	Not applicable to our organisation
	EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	Not applicable to our organisation
	EN13	Habitats protected or restored.	Not applicable to our organisation
	EN14	Strategies, current actions, and future plans for managing impacts on biodiversity.	Not applicable to our organisation
	EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.	Not applicable to our organisation
Emissions, Effluents and Waste	EN16	Total direct and indirect greenhouse gas emissions by weight.	Not recorded
	EN17	Other relevant indirect greenhouse gas emissions by weight.	Not recorded
	EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	<p>In terms of gas production from electricity consumption, we carried preventative maintenance and replacement of equipment in store, we introduced solar panels in some stores, and we trained everyone to implement practices to reduce consumption. See Chapter Hands on the World (page 58)</p> <p>In terms of gas production from consumption of fossil fuels, we have three videoconferencing centres: Lisbon, Porto and Vigo. We encouraged the use of video-conferencing in order to reduce travel and contribute to people's better time management.</p>



Emissions, Effluents and Waste	EN19	Emissions of ozone-depleting substances by weight.	Not recorded.
	EN20	NOx, SOx, and other significant air emissions by type and weight.	Not recorded.
	EN21	Total water discharge by quality and destination.	None identified
	EN22	Total weight of waste by type and disposal method.	Chapter Hands on the World (page 58)
	EN23	Total number and volume of significant spills.	None identified
	EN24	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.	None identified
Products and Services	EN25	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organisation's discharges of water and runoff.	Not applicable to our organisation
	EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	Chapter Hands on the World (page 58)
	EN27	Percentage of products sold and their packaging materials that are reclaimed by category.	Chapter Hands on the World (page 58)
Compliance	EN28	Incidents or fines for non-compliance with statements, conventions, international treaties, national, regional and local environmental laws. Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with environmental laws and regulations.	Not identified
Transport	EN29	Significant environmental impacts of transporting products and other goods and materials used for the organisation's operations, and transporting members of the workforce.	Not available. Not possible to establish this information for this report.
Overall	EN30	Total environmental protection expenditures and investments by type.	<p>In relation to electricity we carried out investments in preventative maintenance of equipment for all the stores and replaced several types of equipment in order to improve eco-efficiency. However, we do not have detailed records of the amounts involved in these investments.</p> <p>In terms of investment in reducing use of fossil fuels (gasoline and diesel), and emissions of derivative gases, we introduced the use of video-conferencing at three strategic points: Lisbon, Porto and Vigo. Whenever possible we therefore carry out team meetings by video-conference, which prevents both permanent relocation of teams and also increases their productivity.</p>



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Share Capital: 20,000,000 Euros
Registration in Conservatória do Registo
Comercial do Porto, number 501 669 477
Public listed Company

Publication Profile
Edition - April 2011
Periodicity - Annual
Proprety - Ibersol, SGPS, S.A.
Drawing - 50
Graphic Design - Plenimagem
Printing - Greca



