



# 2011

## SUSTAINABILITY REPORT

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## SUSTAINABILITY REPORT PROFILE

### Scope of the Sustainability Report

This 5th Sustainability Report communicates the Ibersol Group's main areas of development during 2011. Similar to previous reports, it is organized to report on economic, environmental and social performance.

The **scope of this report** corresponds to Ibersol SGPS, S.A., with regard to its activity in Portuguese territory during 2011.

In some cases, as a way of explaining information in context and whenever relevant, we provide data from the Group in general, including Spain, along with data from previous years. For a more comprehensive overview of the Ibersol Group's performance and progress, the reports from previous years should also be examined.

In producing this report we followed the GRI<sup>3</sup> guidelines.

This Sustainability Report, along with the Annual Report and Accounts, reflects the Ibersol Group's commitment to reporting its real situation as faithfully as possible, thereby helping stakeholders accompany its development during different financial years.

The content has been streamlined to facilitate a more integrated overview and reading of the report and the Ibersol Group's activity.

It is arranged to focus on the main lines of development that currently govern Ibersol sustainability and will be organized accordingly by chapter, presenting the respective indicators in a consolidated manner.

The purpose of this sustainability report is to account for the Ibersol Group's performance. We consider it to be an indispensable document meant to support confidence-building and dialogue with our stakeholders and their strategic alignment with our path towards sustainability.

### The Value of the Report for Ibersol

The report on our Social Responsibility practices regarding Sustainability should be a living process that neither ends nor begins with the publication of this report. It should rather be achieved via the organization's daily interaction with its stakeholders. Our reporting process is conducted by our values, strategies and practices.

### Validation

All the processes mentioned throughout this report, as well as the indicators presented, are subject to systematic internal and external audits. The financial data was audited by the Chartered Accountants in the context of the Annual Report.

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<sup>3</sup> Global Reporting Initiative 3<sup>rd</sup> version

This report is additionally made available to our stakeholders for their evaluation and opinions, in order to continually improve the reporting process.

### Complementary information

Further information on Ibersol's financial performance can be found in the previous Annual Reports and Sustainability Reports available on our website at [www.ibersol.pt](http://www.ibersol.pt), along with general and complementary information about Ibersol.

### Acknowledgments

First of all, the Board of Directors would like to express its thanks to all of the Group's employees, for their dedication and enthusiasm are vital in the pursuit of our established goals.

We gratefully acknowledge the cooperation of the banking institutions, our suppliers and other associates over the course of the financial year.

We likewise thank all the shareholders for the confidence they have placed in Ibersol.

The Supervisory Board, Auditors and Chartered Accountant also deserve recognition for their assiduous cooperation and the capacity for dialogue shown during

the monitoring and examination of the company's management.

Porto, 30<sup>th</sup> June 2012

### The Board of Directors:

António Alberto Guerra Leal Teixeira

António Carlos Vaz Pinto de Sousa

Juan Carlos Vázquez-Dodero



IBERSOL ATTITUDE

“We are made of Character”



*Somos feitos  
de*

*Car  
rão  
têr*

## IBERSOL ATTITUDE

*... to lead the fast-food restaurant market, by means of qualified and motivated personnel, committed to exceeding the expectations of each customer who visits us!*



From breakfast to lunch, from snack to dinner, during the week or on weekends, a rest stop on a car trip, before the departure of a train or an all-night flight, people's lives are increasingly spent away from home. The Ibersol Group aims to offer pleasant intervals associated to a balanced diet, carefully prepared and suitable to the Portuguese lifestyle.

Our sustainability reflects the application of a set of values and principles that serve to guide our daily business, based on transparent, ethical and responsible decisions able to create value and build relationships marked by cooperation and trust with our stakeholders.

We realize the important role played by our **stakeholders** in building our organization's success. That's why we are always trying to improve forms of dialogue in order to better understand their needs and expectations.

This mode of relationship has allowed us to more efficiently monitor all business risks and opportunities, and also to develop solutions able to meet the objectives of different stakeholders, thereby aligning economic interests, social and environmental interests.



**Customers are at the very heart of our business**, the concepts and services we create are thus meant to meet their wishes and needs and to exceed their expectations!

**Our personnel makes our business happen**, so we give them all our attention! People enthusiastic about their brands instil that enthusiasm in customers! That way we are able to continually develop a *School for Life* where everyone can **learn and show their talent**.

Our practices nurture customers' confidence in our Brands! Our culture and processes are conducted in accordance with ISO 22000 and the **Food Safety Management** System and cover the entire value chain, developing rigorous food safety and nutrition programs.

We responsibly seek to make a **positive social and environmental impact** resulting from the Group's activity. We connect with the community and promote its development along with our regular activity. We respect the environment through rationalization, reuse and recycling of the resources we use.

We aim to **always do better** in each of these 5 sustainability axes.

That's how we show our Attitude!

DEDICATED TO  
OUR PEOPLE, WE TAKE  
HOLD OF OPPORTUNITIES,  
HONOUR OUR  
COMMITMENTS  
AND BUILD TRUST-BASED  
RELATIONSHIPS.

## COMMITMENTS

*We guarantee our sustainability daily by means of management practices based on the organization's values and principles.*



## VALUES

We believe in and value our people

We exist for the customer

We are happy to share

We always do better

We are enthusiastic in our undertakings

## Pillars on which confidence-building with our shareholders is based:





## SUSTAINABILITY PRINCIPLES



### Building Trust-based Relationships

We walk right beside our stakeholders! With them we establish trust-based relationships derived from ethical commitment and based on loyal and transparent communication, always aiming to accomplish the best for the partnership and its future...

- Return of value and TRUST for all parties
- Continual improvement and SEARCH FOR EXCELLENCE
- Enthusiastic approach to undertakings and the creation of BUSINESS OPPORTUNITIES
- Happiness to SHARE and influence good practices
- Coopetitive partnerships
- Anticipating and preparing for the FUTURE

## Providing Pleasant Experiences for our Customers

We are interested in, inspired by and create for our customers! We aim to provide each customer with an enjoyable experience, receiving them and meeting their needs in a surprising way each time they visit. Our teams are driven by a genuine interest to know our actual customers and those we hope to attract...

- ENJOYABLE experiences
- CARING, understanding and knowing each CUSTOMER
- Zero complaints
- Magic TASTES
- SAFE products and information
- Contribution to HEALTHY LIFESTYLES

## Being a School for Life

We believe and involve, transform and value, discover talents and set them challenges.

We want to give everyone the same opportunities to grow and progress in an enjoyable, challenging and ambitious manner, placing at their disposal a culture, tools and learning processes that enhance their value and allow them to create autonomy in their lives...

- Employment, learning, education and ENHANCED VALUE
- Recognition of excellence and MERIT
- HAPPY team
- Respect for differences and EQUAL OPPORTUNITIES
- Active participation in SOCIETY
- GOOD PLACE to work

### Establishing a Connection with each Customer via our Restaurants

Dream restaurants, where everything happens! We want everyone to be able to daily represent the Ibersol Values, imbuing their management with an economic and effective approach in which the processes create value and ensure food quality and safety, with minimum waste and environmental impact, by means of happy, competent and responsible teams committed to offering each customer a pleasant moment of connection...

- Food safety 100% TRUSTWORTHY
- Zero waste
- HAPPY service
- PLEASURE for each customer
- Zero accidents
- ENVIRONMENTAL protection
- INNOVATION

### Respecting and Improving the World we live in

Increasingly aware, we strive to support, protect, commit to and connect with a more positive world! We aim to return to the world what it gives us every day, participating and contributing so that community and environment can positively develop and maintain their wealth of resources for this and coming generations...

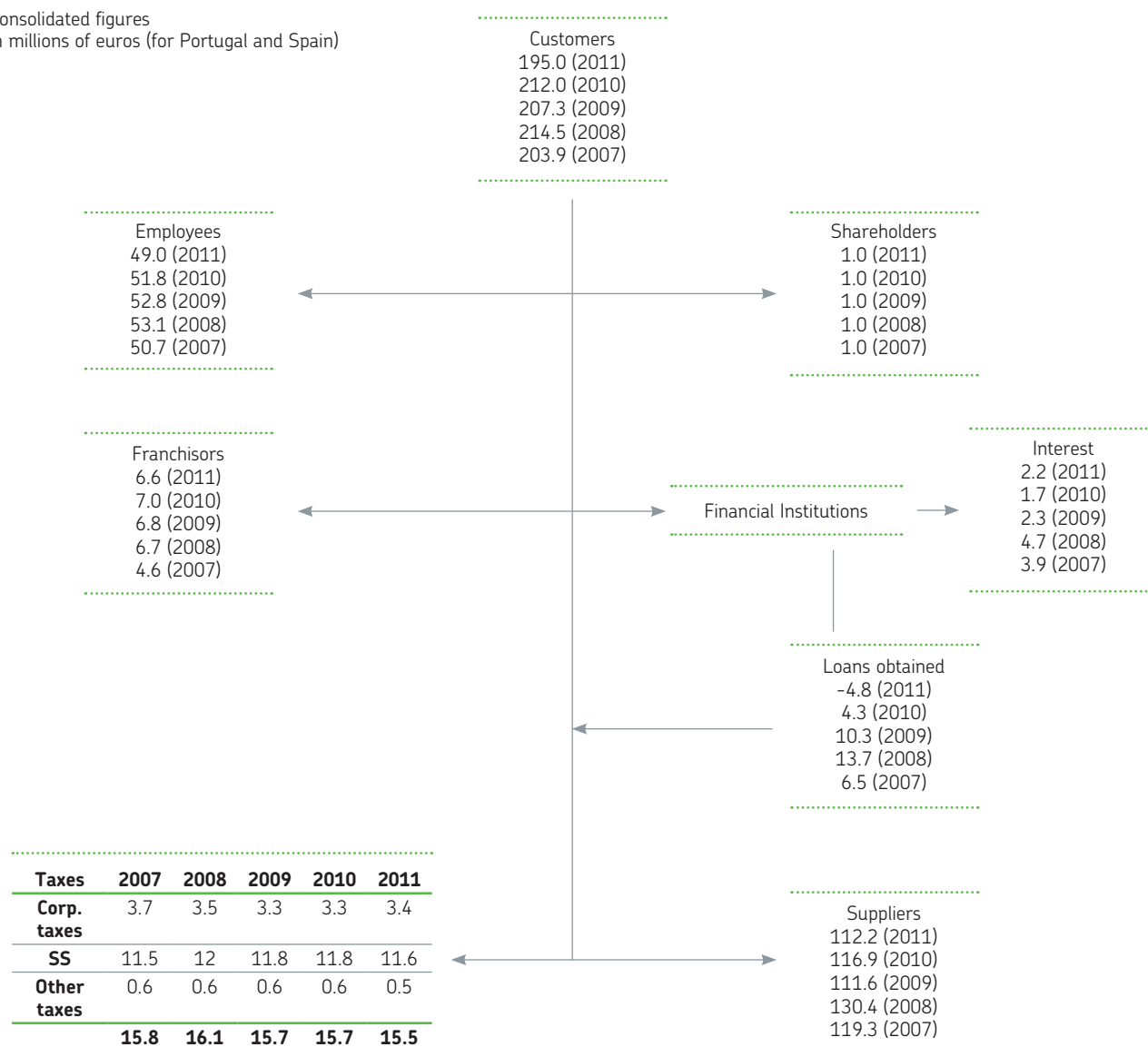
- PARTICIPATING in the community and educating
- Open doors to integration and DEVELOPMENT
- Saving and managing resources EFFICIENTLY
- Reducing, reusing, enhancing value and recycling
- Expanding use of environmental criteria for the whole value chain



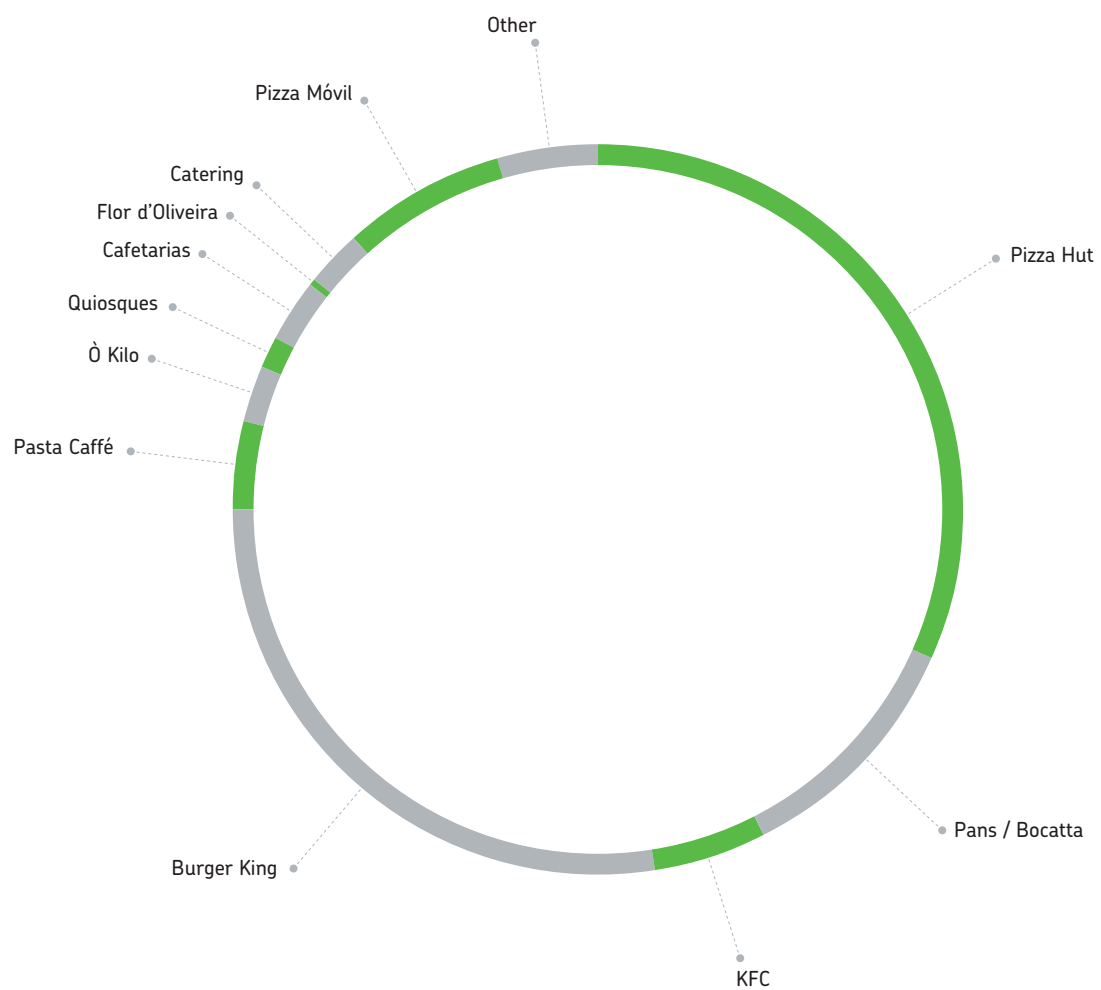
## KEY INDICATORS

### Value Distribution per Stakeholder

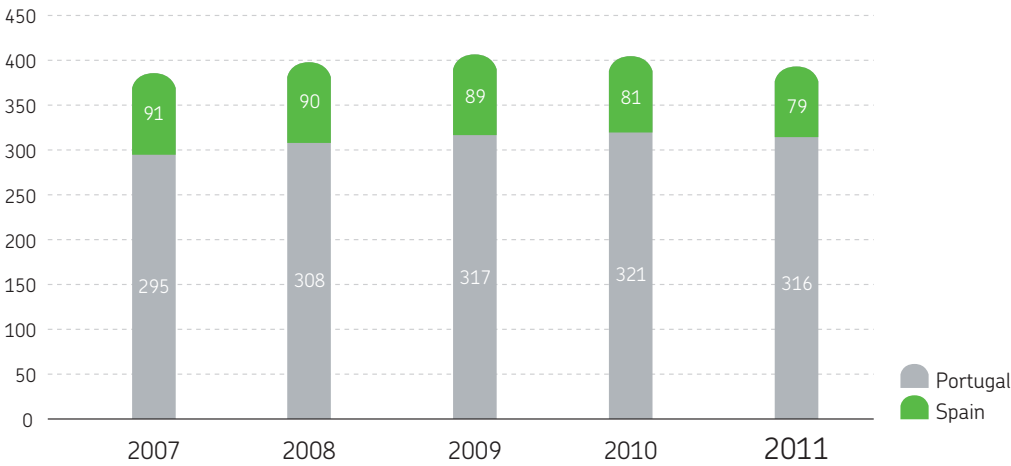
Consolidated figures  
in millions of euros (for Portugal and Spain)



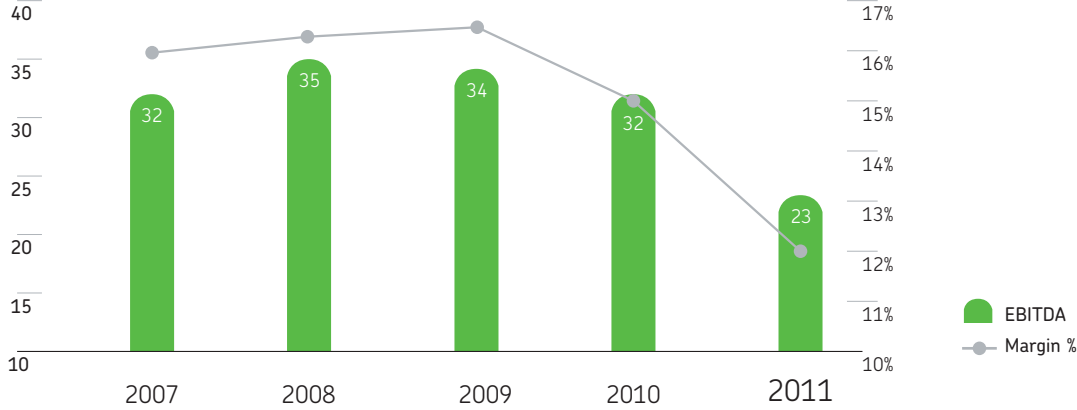
### Share of Sales per Brand (Portugal and Spain)



Number of Own Units



EBITDA (mn€)





**More than 20 years have passed since the first Pizza Hut restaurant opened and the Group nowadays possesses...**

**395** multibrand restaurants:  
**316** in mainland Portugal and islands  
**79** in Spain

#### Customers

**194,500,000** euros of sales in Portugal and Spain  
**30,000,000** transactions  
**2,800,000** customers  
**5,500** transactions per employee  
**2.07** customer complaints per **100,000** transactions

#### Employees

**5,434** employees  
**4,158** in Portugal and  
**1,276** in Spain  
**53%** women  
**3,041** employees gave their opinion expressing satisfaction with the organization and **444** made suggestions for improvement  
**5,209** employees in training  
**57** hours of training per employee on average  
**298,168** total training hours  
**14,547** hours of training in health and safety  
**6,511** hours of training on the subject of devotion to customers

## Product Responsibility

**34** restaurant units certified by NP EN ISO 22000: 2005

**100%** of concepts represented in certification NP EN ISO 22000: 2005

**1,000** external audits of food safety and hygiene, and

**3,600** internal audits

**2,500** product laboratory controls

**3,000** raw materials and products with nutritional information

**34,000** registrations on the *Viva Bem* website

**259,248** views of the *Viva Bem* website

## Community and Environment

**6,623** kg of donated food products

**100%** selective separation of waste material and food oils

**267** tons of oil for biodiesel

**466** tons of CO<sub>2</sub> avoided

## RISK MANAGEMENT

Risk Management is a fundamental aspect of sustainable development for the Ibersol Group and occurs in all processes in the organization's various levels.

Ibersol management is geared according to results by monitoring indicators and goals, based on action plans and programs that seek continual improvement to increase the effectiveness and efficiency of key processes and operations. It is structured regarding cost economy, minimal waste and increased productivity, profitability and satisfaction.

The strategy and goals are determined by the Executive Committee, coordinating with the management of each business and shared services according to the quarterly results. Major decisions are likewise analyzed monthly by the Executive Committee and each of its departments.

Regarding strategic planning, the existing business portfolio's risks are evaluated, as are the development of new business and more significant projects, and applicable risk management strategies are determined.

Risks are continuously monitored ahead of management decisions, taking into account current policy, strategy, goals, processes and procedures at Ibersol, along with the rigour and transparency of information generated by the management control system: financial

and accounting, human resources, quality, purchasing, logistics and marketing. The information generated and analyzed enables critical process points to be identified, as well as potential risks associated to decisions already made or to be made, thereby assisting future management decisions.

At operational level, the management risks for the goals of each business are identified and evaluated, and actions are planned to manage those risks. These are included and monitored in the scope of the plans for the businesses and operating units.

Regarding safety risks for tangible assets and people, policies and standards are determined and their fulfilment controlled. External audits are performed on all units, implementing measures to prevent and correct identified risks.

To ensure compliance with established procedures, the Group's main internal control systems are regularly assessed.

These processes help identify potential internal and external risks that can impact the sustainability of business, people, customers and the environment, anticipating consequences, repercussions and future decisions.

All identified risk control mechanisms are backed by internal written standards and

procedures, which set out the respective rules, responsibilities and forms of communication. The Ibersol Management Standards for all programs and respective training content at Ibersol (Best Practices Teams) likewise indicate the best practices guidelines for employees in their daily work.

Due to the business's specific nature, there are risk areas whose daily management is the responsibility of several operational departments, namely:

### Food Safety and Quality

Coordinated by the Quality Department per the following main control measures:

- Qualification and selection of suppliers and products and the program for periodic control of suppliers, products and services;
- Guarantee of the implemented tracking system;
- Control of unit production processes through the HACCP system;
- Food safety responsibility development system;
- Maintenance and monitoring of measurement device systems;
- Food crisis management system, which enables existing food warning systems to be

constantly monitored and immediate action if necessary;

- Continual improvement system, supported among other instruments by the external audit programs in all group units; microbiological end product sample analysis program performed by an accredited external body; complaints processing system; mystery customer program; and internal audit program regarding food safety indicators;
- *Viva Bem* (Live Well) Program, whereby the Group informs consumers about its food safety system and healthy eating habits, ensuring that they receive the necessary information in a transparent manner so they can make the most suitable lifestyle choices.

### Occupational Safety, Hygiene and Health

Coordinated by the Human Resources Department, applying the following main control measures:

- Written information and raising awareness of all employees regarding eventual risks at their workplace, as well as recommended conduct in order to prevent work accidents;
- Workplace safety training, performed during entry phase and included in management practices training manuals;



- Implementation of a network of organized workplace hygiene, safety and health services, according to the external services mode;
- Job safety risk assessment per business;
- Quarterly job safety audits in all units;
- Plan for shopping centre safety audits, for stores located there;
- Plan of corrective and preventive measures defined and implemented within the restaurants;
- Work accident insurance for all employees;
- Compulsory regular medical check-ups;
- Health insurance for senior staff;
- Personal accident insurance for senior staff.

### Financial

This risk area is coordinated by the Financial Department and consists of monitoring financial market volatility, especially interest rates. Liquidity risk is increasingly relevant given the current market situation. The main risk exposure sources are:



### Exchange Rate Risk

Exchange rate risk is very low. Since the Group is essentially present in the Iberian market, bank loans are denominated in euros; the volume of purchases outside the eurozone is relatively insignificant. Investment and financing in Angola is still quite low. Regarding future financing outside the eurozone, the Group will follow a natural coverage policy, using financing in local currency whenever interest rate conditions make this advisable.

### Interest Rate Risk

As the Group does not possess remunerated assets with significant interest, profits and cash flows from financing activities are largely unaffected by fluctuations in market interest rates.

The Group's interest rate risk derives from its liabilities, specifically long-term loans. Variable rate loans expose the Group to cash flow risks associated to the interest rate. Fixed rate loans expose the Group to the fair value risk associated to the interest rate. With the current level of those rates, the Group's policy for more long-term financing is to totally or partially fix applicable interest rates.

In recent years only a small part of the Group's financing has considered the possibility of

variable interest rate risk coverage. In Spain, Ibersol holds a swap operation on 1.9 million euros. Interest rates for the remaining remunerated debt are consequently variable. Due to the liquidity policy followed during this financial year, and because liquid assets accounted for about 50% of remunerated liability, exposure to interest rate risk was deemed to be partly reduced. Given Euribor rate evolution prospects in 2011, the Group decided not to implement any protection regarding the reference rate for its financing. In 2012, and given expectations for medium-term evolution, the Group will study the possibility of fixing the interest rate up to 50% of the debt.

### Credit Risk

The Group's main activity involves cash or credit/debit card sales, whereby risk levels are not high. But due to increased sales in the catering business, with a large number of credit sales, the Group began more regular monitoring of accounts receivable, with the aim of:

- i) limiting the credit granted to customers;
- ii) analyzing old operations and the recoverability of amounts owed;
- iii) analysing customers' risk profiles.

### Liquidity Risk

The current situation of financial markets has made liquidity risk more important. Systematic financial planning based on cash flow forecasting for more than one scenario and for periods longer than a year has become obligatory in the Group. Short-term cash is supported in annual planning, which is revised quarterly and adjusted daily. Associated to dynamics of the subjacent businesses, the Group's cash position has continually undertaken flexible management of commercial paper and the negotiation of available credit lines. The policy of open dialogue with all financial partners has enabled a relationship with a high degree of trust, despite the liquidity restrictions affecting portuguese banks. The year 2011 was a difficult one for the market; the company nevertheless demonstrated a significant ability to assure financial resources, continuing to dispose of contracted lines and funds placed at its disposal which it does not use in major amounts. On the other hand, the Group favoured liquidity risk in detriment to cost and strengthened medium and long-term financing that resulted in the substitution of short-term lines, with some surpluses remaining to constitute applications. Liquidity risk management also involves maintaining

a comfortable level of liquid assets. Ibersol ended the financial year with about 28 million euros in liquid assets, of which 24 million are term deposits, up slightly over end 2010 and representing about 50% of remunerated liability.

### Capital Risk

Efforts were made to maintain an equity capital level appropriate for the nature of the main business (monetary sales and credit to suppliers) and to ensure continuity and expansion. The balance of the capital structure is monitored using the financial leverage ratio (net remunerated debt/(net remunerated debt + equity capital)), aiming to keep it within the 35% to 70% range. Given current market constraints, and for prudential reasons, in 2011 we registered a ratio of 20%.

### Environmental

This risk area is coordinated by the Quality Department and its main activity is the implementation of policy deriving from Ibersol's sustainability principles, so that processes and procedures are guaranteed across the board. The Standards manual that supports unit training plans basically seeks rational management of electric power and the recycling of used materials and cooking oils.



A GOOD PLACE  
TO WORK

“We are made of Motivation”

Somos feitos  
de

Mag  
tiua  
cão



## A GOOD PLACE TO WORK

*A young dynamic team!*

*4158 employees in Portugal and  
1276 in Spain*

*Employees' average age is 29*

*Gender equality, with 53%  
female employees*

*Annual turnover rate of 68%*

*100% of managers involved in  
training and preparing teams*

*Average 57 training hours per  
employee*

The increase in the unemployment rate from 10.8% in 2010 to 12.7% in 2011 and the rise in inflation from 1.4% in 2010 to 3.7% in 2011 constitute and reflect an adverse economic situation with particular impact on the hotel and restaurant sector.

We believe we have an important role to play in the employability of a young population seeking to combine their studies with professional activity or looking for their first job, or even trying to define a career plan due to their low levels of schooling. Our ambition is to meet our customers' needs, which are also increasingly demanding and different at any given moment. That's also why we pay so much attention to developing training structures that are increasingly able and adjusted to the businesses and the development of people ever more oriented toward the customer.

To that end, and to better know the customer and mutually promote a closer approach, in 2010 Ibersol launched the **Pensar Cliente** (Think Customer) program. After a careful revision of our dialogue instruments and measures for evaluating customer satisfaction, in 2011 Ibersol began a number of actions allowing it to daily live the experience of relating to its customers.



Bearing in mind the strong and rapid transformations affecting our economy, directly impacting our consumer market, organizations have increasingly less time to react; the process of adjusting to new trends and demand fluctuations is also ever more demanding. That's why we have sought to innovate in our processes, introducing new tools to measure consumption and trends, at national and particularly local levels. Those tools are specifically meant to ascertain a given business unit's typology, intensity, seasonality and preferences, enabling its heads and teams with functional autonomy to react almost instantaneously to markets and consumers. Complementing this entire process, the year 2011 was also marked by the enhancement of our personnel's customer attendance capabilities, so that the quality of a customer's experience at each of our restaurants is maximized during each visit.

Parallel to this, the leadership teams continue to be a priority. The career structuring programs to **develop restaurant coordinators and directors** were thus followed in detail in order to raise our teams' skills and competitiveness. All of our directors and coordinators are currently certified at their career level by means of management tools standardized for the Group which aim to instil best practices for managing restaurant units.

By stimulating a learning culture, the **Novas Opportunities** (New Opportunities) **Program** launched by the Ibersol Group in 2007 continues to merit special attention on our part. We value the pathways taken by our people, challenging them to focus on their development with confidence.

Ibersol pays attention to our employees' social hardships and changes, and in 2011 continued efforts to stay involved and close to our people, by means of positive and trusting messages in our internal communication. We continued to invest in **connecting our people to local communities**, supporting the **integration of young people in the labour market** and **voluntarily training students** with educational support needs.

### Evolution of the Number of Employees by Gender:

Gender	2005	2006	2007	2008	2009	2010	2011
Female	2,147	2,268	2,539	2,563	2,493	2,452	2,203
Male	1,936	1,977	2,125	2,171	2,194	2,238	1,955
Total	4,083	4,245	4,664	4,734	4,687	4,690	4,158

### Evolution of the Number of Employees by Age Group:

Age Group	2005	2006	2007	2008	2009	2010	2011
< 18	213	233	221	180	127	112	49
18-25	2,220	2,237	2,410	2,367	2,305	2,229	1,883
26-30	790	799	860	917	908	918	851
31-35	422	494	563	611	639	666	653
> 35	438	482	610	659	708	765	722
Total	4,083	4,245	4,664	4,734	4,687	4,690	4,158

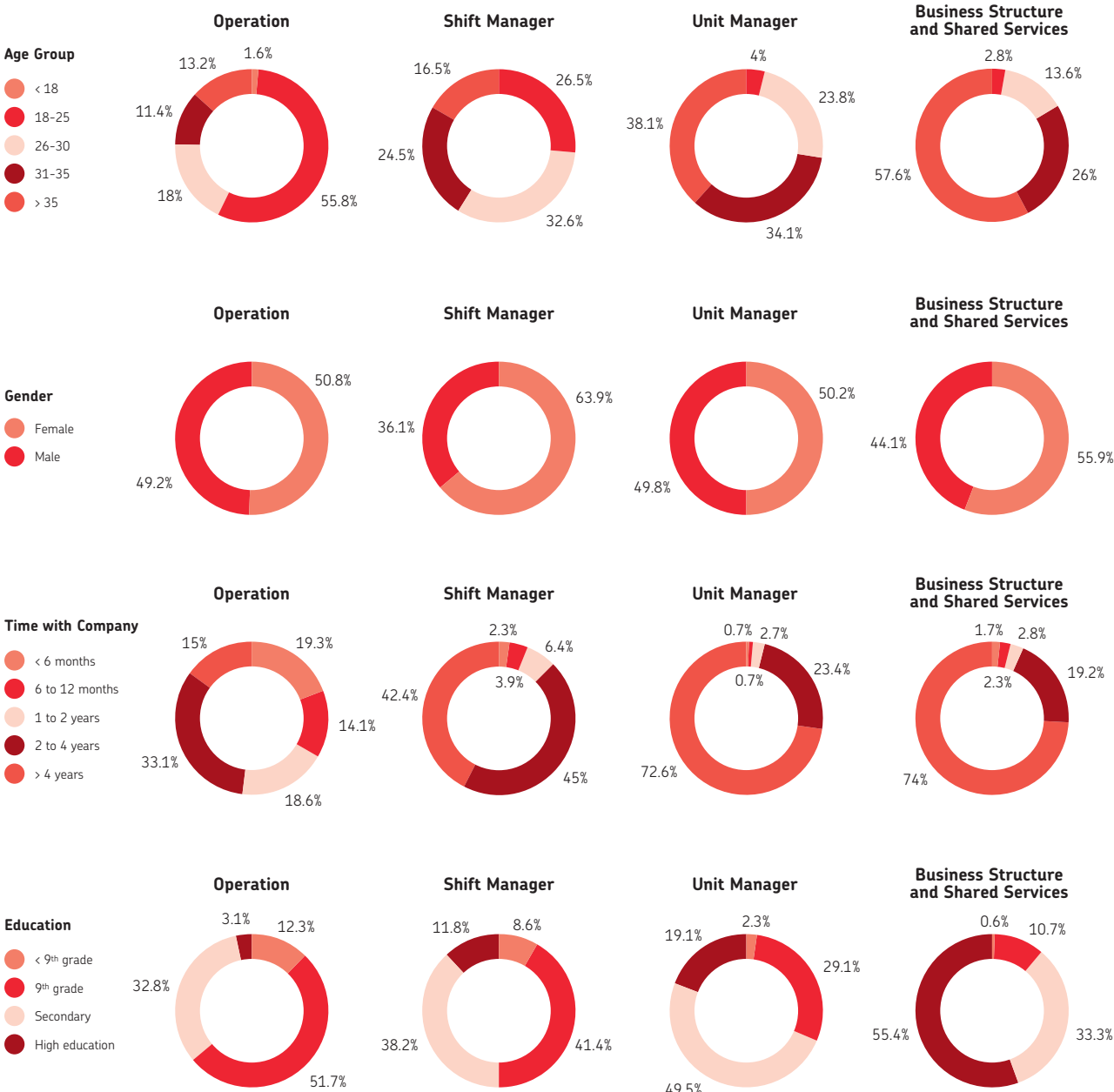
### Evolution of the Turnover Rate:

Turnover	2005	2006	2007	2008	2009	2010	2011
Group	87%	98%	101%	96%	73%	73%	66%
Units	90%	102%	105%	99%	76%	75%	68%
Business structure and shared services	12%	17%	18%	13%	7%	5%	11%
Management teams	26%	26%	25%	27%	17%	16%	18%

### Description of Employees by Level of Schooling:

Education	2009		2010		2011	
	No.	%	No.	%	No.	%
< 12th year	2,919	62.28%	2,841	60.58%	2,382	57.29%
≥ 12th year	1,768	37.72%	1,849	39.42%	1,776	42.71%
Total	4,687	100.00%	4,690	100.00%	4,158	100.00%
Higher education	311	6.64%	323	6.89%	326	7.84%

Description of Employees by Career Stage:



## IBERSOL – A SCHOOL FOR LIFE



*At Ibersol we aim for each working day to be a day of challenge and growth.*

*We are a demanding school for life, where everyone has the opportunity to develop key skills for their jobs, their projects and their life in general.*

At the Ibersol School we recognize talent, we provide the best learning opportunities, we recognize good results and value entrepreneurship, innovation, commitment and ambition. We are driven by values and principles of excellence and our goal is to achieve international recognition for the best training practices. We want all our people to feel valued; that's why we provide competitive training with acknowledged value in the labour market.





## WHAT CAN OUR EMPLOYEES EXPECT FROM IBERSOL SCHOOL?

### **1. At Ibersol, we believe in the potential and skills of our employees!**

To that end, we have created development opportunities based on customized training plans, enabling our employees to acquire knowledge and advance in their careers.

### **2. At Ibersol, we want everyone to progress with confidence!**

For every career stage we offer a training program in which people identified as having potential are able to develop skills for new duties, thus ensuring that everyone knows at all times what is expected from them and the challenges that they may have to face.

### **3. We invest in training our management!**

If we ensure that everyone in each function is certified per the programs associated to their current and past duties, we can be certain that

our managers will be prepared to support the development of their respective teams. All our managers must possess training/coaching skills to ensure effective top-to-bottom transmission of knowledge and best practices.

### **4. At Ibersol, we want people to really learn!**

We combine classroom training with on-the-job training, thereby enabling the acquisition and consolidation of what's learned. Follow-up by managers and on-the-job training are key ingredients to the achievement of good results.

### **5. At Ibersol we value people who invest in their careers!**

We have set minimum qualification levels for each career development program and aim to ensure that the best have opportunities, along with those who try harder to achieve their goals. We also fund training for those with further ambitions.

## **6. We invest in the improvement of people through qualification!**

We aim to continually increase our people's skills and qualification levels. We want a job at Ibersol to be synonymous with an opportunity for growth and enhanced value. For this reason we maintain protocols with *Novas Oportunidades* (New Opportunities) career centres nationwide, so that everyone can progress with confidence and see their skills formally recognized.

## **7. At the Ibersol School training is certified!**

Our ambition is for all our training programs to achieve industry recognition and for the career paths we help build to effectively enhance the value of our people. We guarantee our certification by the DGERT (General Directorate for Employment and Labour Relations), identifying and developing the best training practices and establishing partnerships with other entities that enable recognition of our programs.

*In 2011 we provided an average of 57 training hours per employee.  
We accomplished 14,547 training hours that focused on health and safety.  
We involved 347 employees in actions concerning the topic of devotion to the Customer.*

Aware of our responsibilities regarding employees and customers, the Ibersol Group is committed to guaranteeing their safety and protection. To raise awareness of those who promote management standards in our businesses, in 2011 we **trained the business**

**management teams in first aid and fire-fighting;** this was a key step toward effective implementation of our people's training.



## Devotion to the Customer

Content	No. of training hours	No. of participants
Customer attendance and assistance		
Service speed	6,511	347
Market analysis		
Marketing at sales point		



## Corporate Academy

	Knowledge areas	No. of participants	Partner
Developing Leaders of Multiple Restaurants	Team management Marketing and sales Financial management Risk management Personnel training	8	IPAM - Portuguese Administration and Marketing Institute

With the Developing Leaders of Multiple Restaurants Program, Ibersol in partnership with IPAM prepares employees deemed to have potential to eventually carry out restaurant coordination duties.

In 2011 the Group continued with this program for the third time, developing its components in a work context.



*We want to improve the Ibersol Group's human capital. That's why our heads have to be forthright and able to transform others and the organization, and to be the best managers in the restaurant market.*



## Training Restaurants

	Knowledge areas	No. of training hours	No. of participants
Orientation	Values, principles and practices at Ibersol	12,085	1,637
Operational program	Product, service and equipment	234,383	2,025
Operational program for lead teams – developing managers	Development of teams	39,633	960
	Leadership		
	Training trainers		
	HR labour management		
	Sales		
	Marketing at point of sale		
Complementary training	Financial management	12,007	583
	Customer attendance and assistance		
	Market analysis		
	Marketing at point of sale		
	Information and communication technologies		
Occasional training	Languages	61	4
	Specific and case-specific needs		
<b>Total</b>		<b>298,168</b>	<b>5,209</b>

Note: The 2011 Training Plan had the investment of the Human Potential Operational Program (POPH).

## New Opportunities

No. of people in process	131
No. of certified people	10

## Internships

	2010		2011	
	No. of internships	No. of training hours	No. of internships	No. of training hours
Academic	47	15,175	36	13,336
Professional	9	11,912	2	2,344



## Study Visits to Restaurants

We want to help the young build their future, exploring the world of work! That's why we receive schools at our restaurants, instilling our devotion to our brands!



## Study Visits

2010	2011
No. of participants	No. of participants
46	380



Porto de Futuro Program – Our managers also voluntarily train young people in vocational schools as trainers in the scientific or technical component of the restaurant personnel vocational course.

## VOLUNTARY ACTIVITIES

Volunteer training in schools – end of 1 <sup>st</sup> Restaurant/Bar Training Course	Total training hours of 1 <sup>st</sup> course	632
Volunteer training in schools – 2 <sup>nd</sup> Restaurant/Bar Training Course begins	Total training hours for 2 <sup>nd</sup> course assured in 2011	144



## WELL-BEING AT IBERSOL

*With the ambition to always do better, Ibersol gives voice to its employees, aiming to learn about their needs and expectations.*

*We listen to our people!*

*We recognize and identify opportunities!*

To assess our employees' organizational commitment and satisfaction, Ibersol annually conducts a survey called *Tenha a Palavra* (Have Your Say). It enables closer contact with employees and a deeper understanding of their needs and expectations, and is therefore vital for determining Ibersol's human resources strategy. This process aims to cover all Group employees, to freely and confidentially gather their opinions and suggestions.

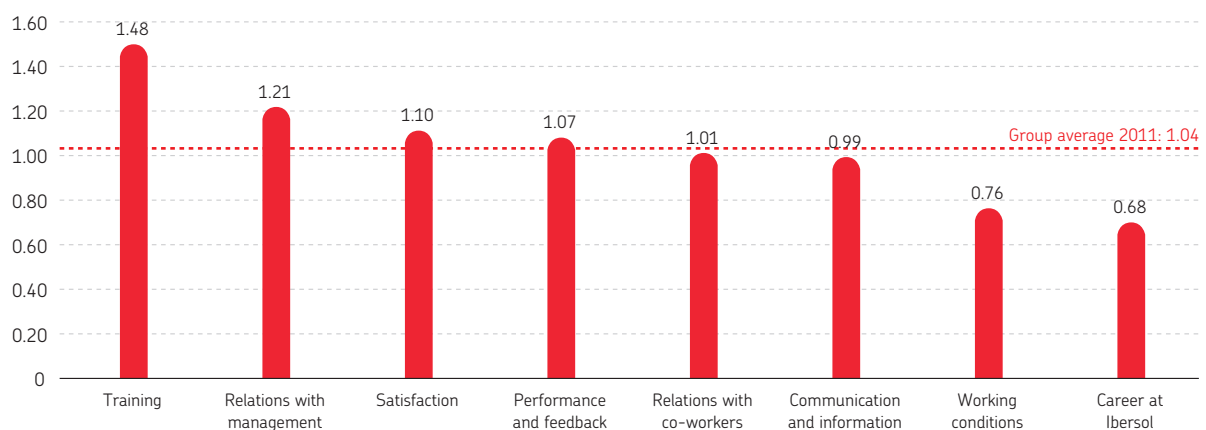


In 2011, the *Tenha a Palavra* survey had the participation of **3,041 employees<sup>2</sup>**, the **highest participation rate** to date. These results were due to the replies received from 56% of the operation's employees and 90% of management team staff, originating an overall participation rate on the order of **70%** (up 15 p.p. from the rate observed in 2010).

The 2011 survey showed that Ibersol once again attained a 'frankly positive' average result. **Every field in question was evaluated positively by our employees.**

Training and Relationship with Managers achieved the highest scores, demonstrating once again that they are the Group's strong points.

*Ranking of Valuation Areas – General*



Scale: [-2;2]

By encouraging employees to share their ideas and improvement suggestions with the organization, *Tenha a Palavra* gathered **444 open comments** in 2011, containing valid

and constructive criticism as well as praise regarding the Ibersol Group's current practices.

<sup>2</sup> The *Tenha a Palavra* survey indicators apply only to Portugal

## ORGANIZATIONAL COMMITMENT

Since 2010 and in order to understand our employees' attachment and involvement with the organization, we added a new study aspect to *Tenha a Palavra*: Organizational Commitment. This is a concept that has been amply studied in literature on organizational behaviour and is very important for explaining diverse labour relationships.

For this reason, and as in the previous year, the 2011 *Tenha a Palavra* used the model of three organizational commitment components developed by Mayer and Allen (1997). These authors define organizational commitment as being the psychological relationship between the employee and the organization as determined by 3 components (**affective**, **normative** and **calculative**) whose intensities can be different, influencing the decision to stay with the organization.

After studying the 3,041 questionnaires, we found that the three components under analysis were above the average point of the

scale, indicating that the employees somehow feel committed to Ibersol (average 4.71 on a 1-7 scale, with standard deviation of 1.5).





## OCCUPATIONAL HEALTH AND SAFETY

**Prevention** is a key condition for **avoiding accidents**.

For this reason, and to raise awareness about the importance of workplace safety conditions and encourage safe behaviour at our units, in 2011 we gave priority to informing the business management teams about **self-protection measures**.

To that end, we began a fire-fighting and first aid training program tailored to the business structure.

The acquired awareness and knowledge allowed us to create a multi-brand working team to review and energize the applicable workplace health and safety standards in the Group.

When developing the accident management tools and instruments to support audits and training, we paid special attention to fire safety and self-protection measures meant to prepare employees to act correctly in emergency situations.

This investment carried out in 2011 results from the Group's concern about the safety of its employees and all those who visit us. It will continue in 2012 with operational use of the created tools and by raising awareness and training of the unit teams.

In 2011 the safety topic was also considered in the *Tenha a Palavra* survey, applied to all Ibersol Group establishments. The comments and suggestions received in order to improve and create safer working environment were subject to analysis in each business.

The focus on prevention and carefully handling of accident situations will thus continue to be an objective of the Group's Health and Safety area in 2012.

### Safety in numbers:

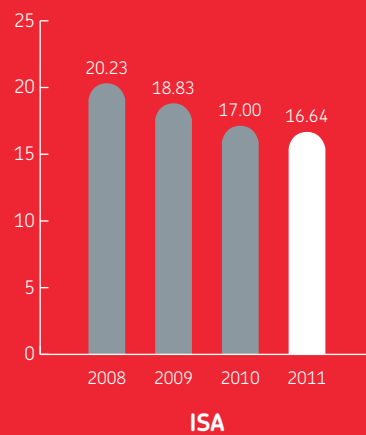
- We experienced about 1,000 workplace hygiene and safety audits conducted by outside entities.
- We ended year 2011 with 341 workplace accidents, of which 32 were accidents *in itinere*. As in the last few years, in 2011 we recorded no fatal accident associated to Ibersol's activity.
- In order to increase employees' health protection, we strove to appropriately handle all damaging situations, considering not only accidents but also all incidents that took place in 2011, whereby there was a slight increase in the frequency index (FI).
- We improved the index of severity assessment (ISA) for workplace accidents by 2%.

	2008	2009	2010	2011
Severity Index (SI)	0.87	0.87	0.81	0.85
Frequency Index (FI)	43.01	46.33	47.65	50.86
Index of Severity Assessment (ISA)	20.23	18.83	17.00	16.64

$$SI = \frac{\text{No. days lost}}{\text{No. hours worked}} \times 1,000$$

$$FI = \frac{\text{No. work accidents}}{\text{No. hours worked}} \times 1,000,000$$

$$ISA = \frac{\text{Severity Index (SI)}}{\text{Frequency Index (FI)}} \times 1,000$$



## IBERSOL IN MOVEMENT

In 2011 Ibersol continued in movement, carrying out activities that involve our employees and contribute to their social activity.

Examples of such activities include the Women's Race in Porto, which encourages the

practice of sports and simultaneously supports the Portuguese League Against Cancer, as well as the FUTIBERSOL championship, which promotes team spirit and healthy competition among our personnel.





# RESPONSIBILITY FOR THE PRODUCT

“We are made of Rigour”



Somos feitos  
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# RESPONSIBILITY FOR THE PRODUCT

## FOOD QUALITY AND SAFETY



Food Safety/Quality is a strategic aspect of the Ibersol Group's manner of activity. The Group is aware of its responsibility to offer safe products and the importance of that aspect to sustaining the business. It is therefore committed to guaranteeing the highest standards of **quality** and **food safety** in all that is offered to the millions of customers who annually visit us, thereby promoting healthy eating habits.

This process involves the combination of several critical aspects, from rigorous selection of **suppliers** and **raw materials** (with type-approval of suppliers and ingredients), **transport and storage control** (temperature, condition and validity/logistics supplier certified in food safety) to **operational control in restaurants** by means of the **HACCP** system (all products controlled daily at all stages: reception, storage, preparation and cooking, exposure and distribution).

In this regard, Ibersol integrates the food management system in the framework of a management system structured and framed in the Group's processes, ensuring improved internal organization, company image, product

quality and safety, customer satisfaction and trust, and employee motivation and involvement.

In 2008 we proposed and obtained for this system **NP EN ISO 22000:2005 – Food Safety Management Systems** certification, the most demanding food safety standard applicable to the restaurant sector. Since that date we have continued to achieve certification for all Ibersol Group brands and concepts.

In 2011 the NP EN ISO 22000:2005 was renewed with the carrying out of yet another audit cycle for the concession. The continued focus on achieving this certification is in line with our 'Product Responsibility' commitment, guaranteeing the highest food quality and safety standards for all our products and therefore for all our customers. The aim of NP EN ISO 22000 is to harmonize the necessary requisites for **supplying end consumers with safe food at the moment of consumption**.

#### Certified Ibersol Restaurant Group Units:

- Astrolábio / Clocks Terminal 1 Lisbon Airport;
- Spoon Terminal 1 Lisbon Airport;
- Multimarca 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;
- Blue Caffé / Campanhã;
- Burger King Dolce Vita Porto;
- Burger King NorteShopping;
- Burger King Colombo;
- Burger King Cascais;
- Café Sô Carvalhos Norte / Sul;
- Quiosques Café Dolce Vita Porto;
- Catering Estádio do Dragão;
- KFC Dolce Vita Porto;
- KFC Colombo;
- KFC NorteShopping;
- KFC Cascais Shopping;
- Multimarca Sol Ovar Norte/Sul;
- Ò Kilo Dolce Vita Porto;
- Pans & Company Dolce Vita Porto;
- Pans & Company Colombo;
- Pasta Caffé Dolce Vita Porto;
- Pasta Caffé NorteShopping;
- Pizza Hut Colombo;
- Pizza Hut Dolce Vita Porto;
- Pizza Hut Foz;
- Pizza Hut Marina Lagos;
- Pizza Hut Continente Matosinhos;
- Pizza Hut NorteShopping;
- Vog Tec Maia



Besides including the provision of restaurant and catering services in the above mentioned units, this certification also covers “management of the food chain in Ibersol Group restaurant operations”. It therefore encompasses not only transverse processes of the food safety management system, but also activities to support the supply chain, thus involving logistics units: Palmela central warehouse and 3 multi-brand warehouses (Dolce Vita Antas, NorteShopping and Lisbon Airport).

The NP EN ISO 22000 certification also includes the scope of “management and production of pre-prepared meals at the Sintra Central Production Unit”, completing the entire food chain where the Ibersol Group acts.

## RESULTS IN THE NP EN ISO 22000/2011 CERTIFICATION AXIS

Implementation of the Food Safety Management System in accordance with NP EN ISO 22000:2005 – Food Safety Management Systems allows us to guarantee the following results:

- To comply with legislation, specifically Regulation (EC) no. 853/2004;
- Increase identification of potential risks that can occur during the various preparation and food confection phases, enabling determination of ways to prevent and control those risks;
- To avoid the appearance of public health problems such as food poisoning, where the direct (indemnities, hospital expenses) and direct (loss of credibility) costs can be high;
- Increase identification and distribution of internal responsibilities, thus enabling each employee to become more aware about his or her importance and function in the organization;
- Carrying out training actions that specifically focus on the area of hygiene and food safety;
- An effective supplier monitoring system, eliminating or minimizing the impact of the introduction of 'non-compliant' or 'doubtful' products in the production cycle;
- To identify areas of improvement and promote action plans in order to continually the system;
- To fulfil expectations and increase our customers' satisfaction.

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34 restaurant units + Sintra central production unit + 4 warehouses + transversal system certified per NP EN ISO 22000:2005

+ than 1,000 FSH audits conducted by an external entity

+ than 2,500 product laboratory controls

+ de 3,600 internal audits

Type-approval and monitoring of 100% of suppliers and products (especially relevant in a crisis context)

Training of internal auditors pool in NP EN ISO 22000 (15 auditors certified)

Food safety training applied to key processes of the organization and customer service

Knowledge deposit and system of communication via intranet – portal

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# DEVOTION TO THE CUSTOMER

“We are made of Connection”



Somos feitos  
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# DEVOTION TO THE CUSTOMER

## AGIR CLIENTE (ACT CUSTOMER)



At a time in which consumers' available income has been reduced, consumption away from home has become especially important, for both the value proposal and the experience offered.

That's why a systematic approach has been developed from the organization of its restaurants to the information systems, ensuring a strategy that identifies large consumer clusters according to different contexts and behaviours.

In this regard the Group is carrying out an active policy of value-based pricing that involves aligning supply offers to the benefits provided, respecting the heterogeneous nature of consumers and markets.

At the origin of this entire process is the **"Pensar Cliente"** (Think Customer) motto, which serves as the basis for accomplishing the **"Agir Cliente"** (Act Customer) project. To do this, the Group everyday seeks to live the experience of relations with its customers and to follow consumer trends and needs, using the most suitable means to obtain profound knowledge of the respective overall situation.

This customer follow up is overall a concern deriving from our active sustainability policies, which place the customer at the centre of our attentions. We aim to understand consumer trends and to responsibly and fully integrate their expectations in our procedures. That's the only way we can ensure an active role in enhancing the value of the consumption relationship, transforming consumers into customers satisfied by our position, which we constantly seek to align with their present and future reality.

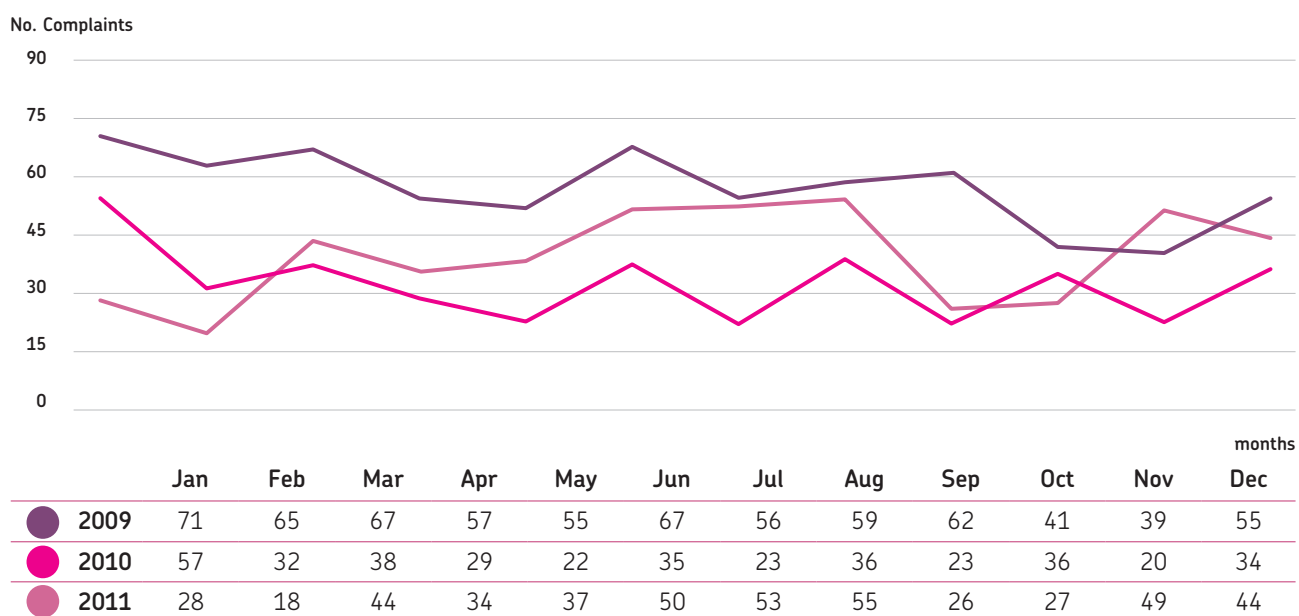
To that end, in 2011 we continued to develop processes that help us get to know the customer in a more systematic manner in order to discover value situations, thereby enabling an anticipated response that assures business sustainability.

We hold that the customer's role in driving our business is fundamental! For that reason we make such efforts to get to know them and to understand them via totally open and familiar channels, from the restaurant to their home. The system of monitoring and following customer's opinions has been developed in

order to establish a dialogue in useful time that enables us to determine and adjust timely solutions to the fluctuation of perceived trends.

In 2011 we reinforced customer satisfaction evaluation measures, significantly changing our approach in this respect. All measurement instruments were reviewed per brand. All brands developed a team training and learning program meant to modify behaviour in line with what customers expect, focusing especially on service and hospitality – **“Pensar Cliente”** (Think Customer) **program**.

## Results in Complaints/Month – Technical Analysis



	2010	2011	var.
Accumulated No. complaints 4T	389	465	20%
Comp./transactions (100,000)	1.6	2.07	30%

	2009	2010	2011
Accumulated Monthly Average 4T	58	32	39

## VIVA BEM (LIVE WELL)



The Ibersol Group strives to promote habits that contribute to **healthy lifestyles** and openly ensures that customers receive the information they need to make the most suitable choices.

Healthy eating means a **balanced, varied, safe and complete diet**. Our value proposal for customers includes **variety and balanced, safe and complete meals**, but not renouncing pleasure.

The *Viva Bem!* (Live Well!) program was launched in 2007 and is based on responsible, transparent and clear dialogue with clients and consumers. It undertakes the commitments to guarantee food safety for all products as well as the variety and maximum quality of products and ingredients, the flavours that draw each customer to a brand and the promotion of physical activity as an essential complement to a healthy lifestyle.

## VIVA BEM ACTIONS

1. Because we are truly devoted to our customers, we continue to invest in fostering health and safe living habits, contributing to the fight against obesity and promoting

physical activity and balanced diet choices better suited and adjusted to consumers' individual needs – [www.vivabem.pt](http://www.vivabem.pt).



2. Following a strategic orientation to promote a healthy diet, in 2011 we set up a new Nutritionist Advice area, where during the year we posted 5 articles written by Professor Luiza Kent Smith (PhD in Nutrition) on the *Viva Bem* website.

We aimed with these articles to be an active promoter of a healthy lifestyle throughout the year, putting forward practical and easy to implement suggestions and advice:



1<sup>st</sup> New Year... new lifestyles

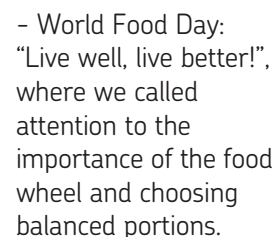
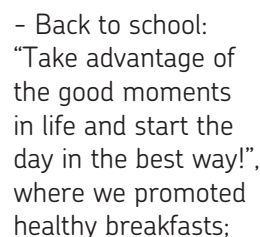
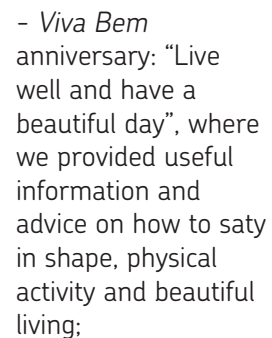
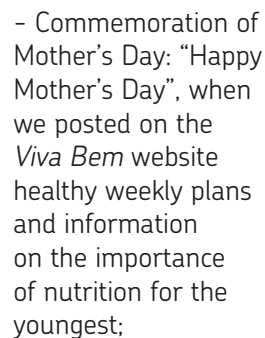
2<sup>nd</sup> Three down... long live spring!

3<sup>rd</sup> Summer's already here!

4<sup>th</sup> Autumn... when the leaves begin to fall

5<sup>th</sup> It's Christmas... happy holidays!

Nutrition and allergy information and other content on the website were enhanced to correspond to growing consumer demand regarding those subjects.



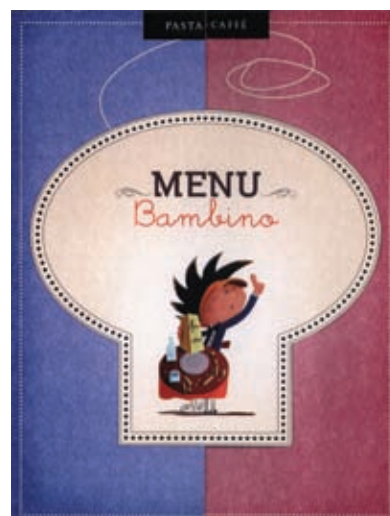


3. Because healthy living habits are more easily taken up when young and because young people are encouraged to make choices at an increasingly early age, in 2011 we continued paying attention to the 'little ones' among us. To that end we consolidated **Children's Menu** proposals in the 7 *Viva Bem* brands, with varied and balanced choices in line with food wheel guidelines and children's diet recommendations.

- In this context we specifically highlight the action of Pizza Hut, which associated renewed

Children's Menus to a campaign promoting physical activity, distributing 30 bicycles for the best drawings concerning a healthy diet.

- Pasta Caffé also played a proactive role by encouraging the practice of healthy eating habits among the younger public by renewing the image of its children's menu and complementing it with nutritional information concerning the respective products.



Ibersol is aware of the specific nutritional needs of the youngest and of the importance of a healthy diet for their normal physical growth and intellectual development. It therefore seeks to promote good eating habits

and to make its offer fit the segment, providing them with healthy and savoury experiences.

## RESULTS OF THE *VIVA BEM* PROGRAM

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+ 3,000 raw materials and products with nutritional and allergy information;

**New children's menus**, nutritionally balanced and available at *Viva Bem* brands;

+ 1,500 products with nutrition and allergy information communicated at sales points and on the *Viva Bem* website;

+ 250,000 views of the *Viva Bem* website;

**Ibersolpedia** – area of Ibersol's intranet dedicated to disclosing know-how regarding food and healthy lifestyles;

**Ibersoltas** (internal bulletin) – communication of *Viva Bem* content.

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# HANDS ON THE WORLD

“We are made of Responsibility”



*Somos feitos  
de*

*Res  
pon  
sabili  
dade*

# HANDS ON THE WORLD

## COMMUNITY RELATIONSHIP



### PORTO DE FUTURO

The project *Porto de Futuro* brings together synergies and efforts of the Porto municipal government, 17 school groups, companies in Greater Porto and the Regional Board of Education for the North. This initiative aims to promote an improved educational system based on good management practices in business and especially to exploit and develop the potential created through the established partnerships.

In 2011 we strengthened our connection to Porto of the Future, the schools of Porto and all the partners. This project has indeed been constituted as an example of what work between companies, schools and society is expected to be nowadays.

Ibersol's activity involved 3 intervention levels, according to the following activities plan:

Intervention levels	Actions undertaken
1  Promotion of healthy eating habits	<ul style="list-style-type: none"> <li>• Coordination of the <i>Viva Bem</i> with programmatic content from school disciplines included in the Restaurant Technical Personnel course;</li> <li>• Study visit with 22 students from the Cerco Schools Group to <i>Dolce Vita</i> Antas units, with the aim of informing about the units and promoting healthy diets for young people</li> </ul>
2  Education/training	<ul style="list-style-type: none"> <li>• Raising awareness among Ibersol internal groups about participation in the project;</li> <li>• School/company coordination to determine methodologies for development, accompaniment, evaluation and continual improvement;</li> <li>• Preparation of disciplines (theoretical, practical/theoretical and practical session);</li> <li>• Training, accompaniment, evaluation and recognition;</li> <li>• Organization and participation in activities such as the school Christmas party and class study visits;</li> <li>• Participation in meetings of the class council;</li> <li>• Invitation from Sogrape for a study visit to its facilities, included in the module of the course on 'Aged Wine and Sparkling Wine Service';</li> <li>• Holding of a Christmas lunch organized by Ibersol with the participation of the class from the Restaurant Technical Personnel course + 10 best students from School EB 2, 3 Nicolau Nasoni, with the award of recognition certificates;</li> <li>• Completion of 2010/2011 Restaurant Technical Course, orientation of trainees in Vocational Aptitude Tests and inclusion of 2 members of the Ibersol teaching team in the final evaluation jury;</li> <li>• Entry of the best trainees in Ibersol after the course ends.</li> </ul>
3  Transversal projects involving entrepreneurship and citizenship	<ul style="list-style-type: none"> <li>• <i>Junior Achievement</i>: 15 Ibersol volunteers participated in 5 classes with the 'Family' program and 1 class with the 'Community' program – 1<sup>st</sup> cycle schools; 4 classes with the 'Economy for Success' program – 3<sup>rd</sup> cycle school, for a total of nearly 250 students;</li> <li>• The <i>Braço Direito</i> (Right Arm): 10 Ibersol Group volunteers involved in hosting 10 9<sup>th</sup> year students from School EB 2,3 Nicolau Nasoni;</li> <li>• Rugby in School Project: Accompaniment and coordination of our team, School EB 2, 3 Nicolau Nasoni during the 3 competition days. Financing of team t-shirts and trips for the 3 competition days and final party. Permanent presence of 2 Ibersol volunteers.</li> </ul>



### a) Education/Training

Ibersol provided 1,545 training hours during the three years of the 1<sup>st</sup> Technical Restaurant Course, corresponding to a volume of 18,540 hours.

This cooperation was determined in this manner, bearing in mind that Ibersol possesses a training and development structure able to help those young people build positive expectations regarding their careers, while also helping them join the job market.

The following brands units were involved in this training: Pans & Company, Pizza Hut, Pasta Caffé, Quiosques, Burger King, Ô Kilo and KFC, the TecMaia Central Kitchen, the Catering Solinca segment and the Human Resources, Legal, Quality and Logistics Departments.

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### b) Junior Achievement

In the scope of the Ibersol Group's participation in the Porto de Futuro program, in 2011 and for the third time in a row we participated in the Junior Achievement project, in which **15 employees** voluntarily trained about **200**

**children** from the 1<sup>st</sup> cycle of schooling and **50 youths** from the 3<sup>rd</sup> cycle, in training programs also meant to develop their entrepreneurial initiative.





### c) Braço Direito (Right Arm)

In 2011 the Ibersol Group took part in the *Braço Direito* (Right Arm) program for the first time. It consists of 9<sup>th</sup> year students accompanying a professional (volunteer) during a working day. The main goal is to positively contribute to their vocational orientation. The Ibersol Group involved **10 volunteers** who hosted **10 'right arms'** during their working day.



### d) Rugby at Schools

Also as part of the Porto de Futuro program we backed the Rugby at Schools program for the second time, whereby **2 volunteers** from the Ibersol Group accompanied our rugby team (Nicolau Nasoni School – Antas Group) during the interscholastic rugby season.



## VIVA BEM (Live Well)



In the scope of the **2011 Viva Bem** actions we also worked with various entities to encourage healthy lifestyles and living habits, besides sharing good food safety and hygiene practices.

### a) Food Cup

In April we conducted the *Taça de Alimentação* (Food Cup), an action promoted in partnership with the Dragon Force FC Porto Football School. It counted the participation of 800 children and respective parents and included the distribution of a welcome kit (containing a brochure promoting healthy eating habits and physical exercise) and the award of 5 sports kits (bicycles, helmets and rucksacks) for the best drawings about a healthy diet.



### b) Great Little Chefs

In May students from the 5<sup>th</sup> J and 6<sup>th</sup> I of the Cerco Basic and Secondary School visited *Dolce Vita Antas* units in Porto and attended a presentation on the relevance of healthy eating habits.

The visitors viewed an exhibition on the importance of quality, nutrition and food conservation and also experienced the various Group restaurants situated in the respective shopping centre.

The students were 'the chefs'! They donned aprons and hair nets, washed their hands and prepared their healthy snack.



### c) Visit of students of the degree in nutrition sciences at the University of Porto

We hosted a visit by 150 students from the Faculty of Nutrition and Food Sciences at the University of Porto to our restaurants at *Dolce Vita* in Porto, certified in Food Safety Management Systems, where they had occasion to learn about operation of the safety system certified per NP EN ISO 22000.

### d) Healthy Children's Diet' session: 'eating well costs less'

To mark World Food Day, we shared advice and information regarding the theme topic of 'eating well costs less' with parents, educators, teachers and students, during a session on Children's Diets along, in Maria Lamas High School.



## FOOD DONATIONS



- In the scope of our catering service provision at Dragão Stadium, Ibersol has backed the *Coração da Cidade* since 2007 by gathering and transporting material donations, namely prepared food products and drinks. In **2008** this cooperation enabled **2,122 kg** of food products to be collected and helped feed people in need. In **2009** we donated **6,000 kg**, a figure which rose to **6,300 kg of food products** in **2010**.

The Ibersol Group has continued to increase its contribution and in 2011 donated a total of **6,623 kg** of food from its catering activities. The company Silva Carvalho Catering made donations to *Coração da Cidade* in Porto and supported the *Comunidade Vida e Paz* in Lisbon. Also, the company Solinca Catering helped with the *Obra de Nossa Sra. das Candeias* in Porto.

Company	Entity	Food Donation (kg)
Silva Carvalho Catering	Coração da Cidade	5,573.10
	Comunidade Vida e Paz	800.00
Solinca	Obra de Nossa Sra. das Candeias	250.00
		<b>6,623.10</b>





- For the Ibersol Group the sustainability principle is a reality materialized in specific **social and community intervention** actions. This principle includes support for sports, a structuring activity being developed among children and young people, whereby a **partnership with the Pauleta Foundation** was established in 2006. The partnership has resulted in various actions involving Group brands present in the **Azores Islands**, while simultaneously backing the work of the Pauleta School.

In the scope of the partnership we sponsored several events **in 2011**, such as the Sub-12 and Pizza Burger Tournaments, the Pauleta Football School Summer Camp and the Foundation's Christmas Party, for a total of **570 meals provided** at those events. Parallel to this and via Burger King Parque Atlântico, the Ibersol Group has made an annual donation, supporting the Foundation's position and its role in **developing and training younger categories** in the values associated to sports.





## RESPONSIBLE CHRISTMAS

The Ibersol Group once again experienced Christmas by involving not just our personnel, but also our partners and the surrounding community.

We held the Christmas Circus in Lisbon and Porto for our employees' children, who also took part in the traditional Christmas Drawing Contest.

Some of our partners were also asked to bring their children to our Christmas Circus, along with children from institutions we support. We offered **1,300 tickets** to our employees and their children, and approximately **650 tickets** to partners and institutions.





Our Christmas spirit also extended to *Operação Nariz Vermelho*, to which we donated income from internal sales of our Christmas Stories book, written and illustrated in 2010 by our employees and their children.



About **440** of our books were also offered to children supported by *Acreditar* – Association of Parents and Friends of Children with Cancer, at its Christmas party in Lisbon and Porto, where the Ibersol Group was also present.



## ENVIRONMENTAL PROTECTION

The adoption of good environmental management practices is a key pillar of the Ibersol Group, which consists of encouraging responsible and proactive behaviour as well as in the management of resources and waste.

### Waste Management<sup>3</sup>

Since starting its activity the Group has invested in consolidating its waste recycling system. In 2011 we continued to encourage good separation and selective separation practices, consistently ensuring the separation of 100% of packaging waste material and the recycling of used cooking oil.

In this regard we stress that all the Group's companies possess the Ponto Verde (Green Point) Certificate, contributing towards development of the national waste management system coordinated by the *Sociedade Ponto Verde*. All Group units are registered in the *Verdoreca* system and perform the selective separation and disposal of the packaging waste produced.

In 2011 packaging waste produced in the scope of Ibersol Group activity was 10% less than in 2010, for an effective reduction of 107 tons of waste.

### Year 2011

Material type	Major consumption product packages		Imported raw material packages		Total	
	Weight (kg)	Value PV (EURO)	Weight (kg)	Value PV (EURO)	Weight (kg)	Value PV (EURO)
Plastic	93,675	20,735.00	71,234	1,695.00	164,909	22,430.34
Paper and cardboard	531,608	44,496.00	211,400	1,480.00	743,008	45,975.39
Steel			19,748	482.00	19,748	481.85
Aluminium	1,682	268.00	3,703	183.00	5,385	451.18
Other materials	1	0,25			1	0.25
<b>Total</b>	626,966	65,499.00	306,085	3,840.00	933,051	69,339.00

<sup>3</sup> Only waste indicators for Portugal are shown

## Variation over 2010

Material type	Major consumption product packages	Imported raw material packages	Total	
	Weight (%)	Weight (%)	Weight (%)	VPV (%)
Plastic	3.24%	-4.42%	-0.21%	-0.22%
Paper and cardboard	-13.09%	-9.59%	-12.12%	-15.52%
Steel		-12.92%	-12.92%	-12.92%
Aluminium	-50.66%	10.64%	-20.29%	-37.84%
Other materials	0.00%		0.00%	-3.85%
<b>Total</b>	-11.17%	-8.46%	-10.30%	-11.31%

## Variation over 2010

	Weight (kg)	Variation (kg)	Variation (%)	Value PV (EURO)	Value PV (EURO)	Variation (%)
<b>2010</b>	1,040,163			78,181.00		
<b>2011</b>	933,051	-107.112	-10.30%	69,339.00	-8,842	-11.31%

The year 2011 was yet another year marked by 100% recycling and the value of used

cooking oil; about 267 tons of waste were routed to the production of biodiesel.

## E2TRADE ENERGY EFFICIENCY

### Pure: the 10 Commandments of Energy Efficiency

1. Energy is a scarce resource. Accept that reality!
2. Energy resources are precious. Value them!
3. Consume less and obtain the same. Be efficient!
4. Practice solidarity and promote energy efficiency. The environment is grateful!
5. Use energy rationally. Say no to excess consumption!
6. Cogeneration means efficiency in energy production. Use it whenever possible!
7. If you drive, moderate your fuel consumption. Avoid waste!
8. Acquiring apparatuses means buying future consumption. Make your picks wisely!
9. When there's no natural light use low consumption bulbs. Efficiency compensates!
10. If you don't need devices and equipment, turn them off. Give consumption a break!

Since 2007 the E2Trade project has involved all of our units in Portugal. It aims to promote rational and efficient energy use, thus contributing toward better cost rationalization for that resource and simultaneously toward lowering national energy dependency and intensity along with the corresponding CO<sub>2</sub> 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 spending and implementing actions to foster better energy efficiency in the units.

After the awareness campaigns carried out in late 2007 the units began implementing rational power use by drawing up On/Off plans for using installed equipment, adopting best equipment use practices and making small changes to facilities to enable modular usage.

In 2011 the On/Off plan of each Group brand was revised to lower the average kWh cost. Investment was specifically reinforced in energy efficient lighting, some electric equipment was replaced by gas equipment and the maintenance of each unit's equipment was intensified to maximize energy profitability.

Providing consumption data to consumers/ employees encouraged feedback about the measures' effectiveness, leading to positive results in the implemented actions.

**After lowering electric power consumption by 7.2% in 2008, 4.7% in 2009 and 3.1% in 2010, we were thus able to once again reduce it, by 3.6%, in 2011. This reduction corresponds to 461 tons of CO<sub>2</sub> avoided in consumption.**

**We also note the increased use of renewable energies, affecting the reduction of 4.9 tons of CO<sub>2</sub>.**

**Table showing Evolution of Consumption 2008-2011**

		2008	2009	2010	2011	Consolidado
Consumption reduction (same field *)	<b>kWh</b>	2,474,000	1,543,064	1,088,940	1,303,154	6,409,158
Consumption reduction (same field *)	<b>%</b>	7.2%	4.7%	3.1%	3.6%	19%
Specific emissions CO <sub>2</sub>	<b>kg/kWh</b>	0,402	0,402	0,402	0,354	
CO <sub>2</sub> emissions avoided in consumption	<b>Ton</b>	995	620	438	461	2,514
Production with renewable energies	<b>kWh</b>			6,771	12,248	19,019
CO <sub>2</sub> emissions avoided by prod. with renewable energies	<b>Ton</b>			2.7	4.9	7.6
TOTAL CO <sub>2</sub> emissions avoided	<b>Ton</b>	995	620	440	466	2,522

\* varies annually



GRI INDEX – 2011

Economic Performance Indicators

Social Performance Indicators – Labour and Work Practices

Social Performance Indicators – Human Rights

Social Performance Indicators – Society

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# GRI INDEX

## 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.	Consult 2011 Annual Report and Accounts
	EC2		Financial implications and other risks and opportunities for the organization's activities.	Consult 2011 Annual Report and Accounts
	EC3		Coverage of the organization's defined benefit plan obligations.	Health and personal accident plans for the Group's senior staff.
	EC4		Significant financial assistance received from government.	In 2011 we received funds from the government within the scope of POPH (Human Potential Operational Program) vector 3.2, and support in 2 professional internships (levels VI and VII, respectively).
		EC5	Ratio of standard entry level wage compared to local minimum wage at significant locations of operation.	All Group companies apply the salary table indicated by the AHRESP, the business association to which we are affiliated. The minimum wage for an apprentice is equivalent to the national minimum salary. Therefore, as all operating units are subject to the same salary rules and possess a similar team configuration, with at least one apprentice on the roll, the respective 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 can be obtained through local suppliers, according to the product and service conditions established by Ibersol, priority is given to local suppliers. However, no formal policy exists governing spending ratios relative to local suppliers and others.
	EC7		Procedures for local hiring and proportion of senior management hired from the local community at locations of significant operation.	Ibersol's activity is carried out in Portugal and Spain. In 2011 in Portugal all top managers were Portuguese. In Spain, the ratio of Portuguese to Spanish top project managers is 1 to 2.
	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 (p. 26) Chapter – Devotion to the Customer (p. 54) Chapter – Hands on the World (p. 64)
		EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts.	Consult 2011 Annual Report and Accounts Financial flow with stakeholders in Chapter – Ibersol Attitude (p. 06)

## GRI 3 – Social Performance Indicators 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 (p. 26)
	LA2		Total number and rate of new employee hires and employee turnover by age group, gender, and region.	
		LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees.	There is no differentiation in benefits according to daily work hours, but rather at internal level in career/duties or seniority in the organization. Thus only people with over 2 years at the company can apply for training subsidies. Other benefits are granted internally according to job type and career stage.
Relations between employees and administration	LA4		Percentage of employees covered by collective bargaining agreements.	97% of Ibersol Group employees are covered by the collective labour contract signed by the FETESE – Federation of Unions of Services Workers and the AHRESP – Portuguese Association of Hotel, Restaurant and Similar Activities, to which all the Group companies are associated.
	LA5		Minimum notice period regarding operational changes, including whether specified in collective agreements.	With regard to Ibersol's internal processes there is no minimum notice period for notifying operational changes. All notices regarding operational changes that involve employees consider what is determined by law.
Occupational safety and health		LA6	Percentage of total workforce represented in formal health and safety committees that help monitor and advise on occupational health and safety programs.	At Ibersol no formal committee of workers exists, specifically for the health and safety area. There is an occupational hygiene and safety team that develops and monitors best practices in this area and includes them in the Ibersol standards that are the basis of training programs in this field. They are posted on the Ibersol website and can be accessed by all employees. Chapter – A Good Place to Work (p. 26)
	LA7		Rates of injury, occupational illnesses, lost days, absenteeism and number of work-related fatalities by region.	• Work-related accidents, 2011 = 341: workplace = 235, delivery = 69, en route = 32; external service = 5.
	LA8		Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	• Days lost due to work-related accidents: workplace = 3,183; delivery = 1,433; en route = 928; external service = 130.  Chapter – A Good Place to Work (p. 26)
		LA9	Health and safety topics covered in formal agreements with trade unions.	Non-existent.

### GRI 3 – Social Performance Indicators and Decent Work (cont.)

Aspect	Core	Additional	Refers to	Ibersol performance			
Training and education	LA10		Average hours of training per year per employee by employee category.	Chapter – A Good Place to Work (p. 26)			
	LA11		Programs for skills management and lifelong learning that support the continued employability of employees and assist them in career management.	Chapter – A Good Place to Work (p. 26)			
	LA12		Percentage of employees receiving regular performance and career development reviews.	At operational level performance is evaluated every 3 months, at store management team level every 6 months and at business structure and central functions level annually, covering all employees.			
Diversity and equal opportunities	LA13		Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity.	Consult 2011 Annual Report and Accounts			
	LA14		Average base salaries of men and women by employee category.	F	M	Overall average	
				Operation	515.88 €	507.60 €	511.81 €
				Shift management	714.68 €	724.92 €	718.38 €
				Unit management	1,121.80€	1,197.70€	1,159.37 €
				Business Structure and Shared Services*	1,384.10€	2,055.01€	1,688.35€
				* The difference between averages is explained by the fact that the administrative team is mainly composed of women, which lowers average salaries.			

## GRI 3 – Social Performance Indicators Human Rights

Aspect	Core	Additional	Concerning	Ibersol performance
Investment and acquisition practices	HR1		Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening.	Non-existent.
	HR2		Percentage of significant suppliers and contractors that have undergone screening on human rights.	Non-existent.
		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 (p. 26)
Non-discrimination	HR4		Total number of incidents of discrimination and actions taken.	Did not occur.
Freedom of association and collective bargaining agreement	HR5		Cases where the right to exercise freedom of association and collective bargaining may be at significant risk, and measures taken to eliminate same.	<p>Did not occur.</p> <p>Ibersol is a member of <i>AHRESP – Associação da Hotelaria e Restauração e Similares</i> de Portugal (Portuguese Hotel and Restaurant Association). The collective bargaining agreement applicable to all Ibersol Group companies was signed by this association and the <i>FETESE – Federação dos Sindicatos dos Trabalhadores de Serviços</i> (Federation of Services Employee Unions).</p> <p>All our employees are nevertheless free to join the trade union of their choice and Ibersol assists the membership process in administrative terms.</p>



### GRI 3 – Social Performance Indicators Human Rights (cont.)

Aspect	Core	Additional	Concerning	Ibersol performance
Child labour	HR6		Operations identified as having significant risk for incidents of child labour, and measures taken to contribute to its elimination.	The risk of this occurring is practically inexistent, in order to internal control processes that protect against this risk. At Ibersol, hiring any employee is validated and approved centrally by the central Human Resources department. Without validation of the entire process the employee cannot start working, nor is the processing started. Minors require their parents' permission to work and must have completed their compulsory schooling. Failure to comply with this procedure is a serious offence for the employee/management that admitted them and leads to disciplinary proceedings.
Forced labour and slavery	HR7		Operations identified as having significant risk for incidents of forced or compulsory labour, and measures to contribute to its elimination.	Non-existent.
Security practices		HR8	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.	Chapter – A Good Place to Work (p. 26)
Indigenous rights		HR9	Total number of incidents of violations involving rights of indigenous people and actions taken.	Not applicable to our organization.

## GRI 3 – Social Performance Indicators Society

Aspect	Core	Additional	Refers to	Ibersol performance
Community	S01		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 (p. 26) Chapter – Devotion to the Customer (p. 54) Chapter – Hands on the World (p. 64)
	S02		Percentage and total number of business units analyzed for risks to prevent corruption.	Non-existent.
Corruption	S03		Percentage of employees trained in organization's anti-corruption policies and procedures.	Non-existent.
	S04		Actions taken in response to incidents of corruption.	Non-existent.
Public policies	S05		Participation in public policy development and lobbying.	Non-existent.
		S06	Total value of financial and in-kind contributions to political parties or related institutions by country.	Did not occur.
Unfair competition		S07	Total number of legal actions for anticompetitive behaviour, anti-trust, and monopoly practices and their outcomes.	Did not occur.
Conformity	S08		Total number of significant fines and non-monetary sanctions for noncompliance with laws and regulations.	In 2011 €3,763.80 of monetary penalties were applied, associated to noncompliance with laws or regulations.

### GRI 3 – Product Responsibility Performance Indicators

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 of the same category are subject to the same food safety standards as indicated in the chapter on Product Responsibility (p. 48). Those procedures are applicable to 100% of situations.
		PR2	Total number of incidents of noncompliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.	Did not occur.
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 our products and services are duly identified for customers, using appropriate means according to the restaurant service in question (menu board, leaflets, table menu, website, among others).
		PR4	Total number of incidents resulting from noncompliance with regulations and voluntary codes concerning product and service information and labelling, by type of outcomes.	Did not occur.
		PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	Chapter – Product Responsibility (p. 48) Chapter – Devotion to the Customer (p. 54)
Marketing communications	PR6		Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	Non-existent.
		PR7	Total number of incidents of noncompliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes.	Did not occur.

GRI 3 – Product Responsibility Performance Indicators (cont.)

Aspect	Core	Additional	Refers to	Ibersol performance
Customer privacy		PR8	Total number of complaints registered regarding breaches of customer privacy.	Did not occur.
Conformity	PR9		Total number of fines and nonmonetary sanctions associated to non-compliance with laws and regulations.	Did not occur.



## GRI 3 – Environmental Performance Indicators

Aspect	Core	Additional	Refers to	Ibersol performance									
Raw materials	EN1		Materials used by weight or volume.	Chapter – Hands on the World (p. 64)									
	EN2		Percentage of materials used that are recycled input materials.	Chapter – Hands on the World (p. 64)									
	EN3		Direct energy consumption by primary energy source.	A significant majority of Ibersol’s power consumption corresponds to electricity and gas in stores and warehouses. With regard to electricity, see chapter Hands on the World (p. 64).									
Energy				<table><tr><th colspan="2">Gas</th><th>2011</th></tr><tr><td>Consumption (93 contracts)</td><td>kWh</td><td>5,552,693</td></tr><tr><td>CO<sub>2</sub> emissions</td><td>Ton</td><td>1,022</td></tr></table>	Gas		2011	Consumption (93 contracts)	kWh	5,552,693	CO <sub>2</sub> emissions	Ton	1,022
	Gas		2011										
	Consumption (93 contracts)	kWh	5,552,693										
	CO <sub>2</sub> emissions	Ton	1,022										
	EN4		Indirect energy consumption by primary source.	Indirect energy consumption is basically limited to fossil fuels, gasoline and diesel, used by our employees on work journeys or by logistics, performed by a main supplier responsible for 90% of GCT Group logistics operations. Regarding diesel and gasoline consumption, our fleet used 226,113.76 litres of fuel in 2011. Ibersol has a fleet of 132 diesel service vehicles distributed among its organization, employees and shared services.									
		EN5	Energy saved due to conservation and efficiency improvements.	Chapter – Hands on the World (p. 64)									
		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 (p. 64)									
	EN7	Initiatives to reduce indirect energy consumption and reductions achieved.											

## GRI 3 – Environmental Performance Indicators (cont.)

Aspect	Core	Additional	Refers to	Ibersol performance
Water	EN8		Total water consumption by source.	Chapter – Hands on the World (p. 64) Consumption estimated at 137,000 m <sup>3</sup> of water.
		EN9	Water sources significantly affected by withdrawal of water.	Did not occur.
		EN10	Percentage and total volume of water recycled and reused.	Did not occur.
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 organization.
	EN12		Description of significant impacts of activities, products, and services on biodiversity in areas of high biodiversity value outside protected areas.	Not applicable to our organization.
		EN13	Habitats protected or restored.	Not applicable to our organization.
		EN14	Strategies, current actions, and future plans for managing impacts on biodiversity.	Not applicable to our organization.
		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 organization.
Emissions, effluents and waste	EN16		Total direct and indirect greenhouse gas emissions by weight.	Not calculated.
	EN17		Other relevant indirect greenhouse gas emissions by weight.	Not calculated.
		EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	<p>With regard to the production of gases due to electric power consumption, we performed preventive maintenance and replaced store equipment, introduced solar panels in some stores and trained all our people in consumption management practices. See chapter Hands on the World (p. 64).</p> <p>Regarding the production of gases due to fossil fuel consumption, we possess 3 video-conference centres: Lisbon, Porto and Vigo. We encourage the use of video-conferencing in order to reduce travel and to better manage staff time.</p>



### GRI 3 – Environmental Performance Indicators (cont.)

Aspect	Core	Additional	Refers to	Ibersol performance
Emissions, effluents and waste	EN19		Use and emissions of ozone-depleting substances by weight.	Not calculated.
	EN20		NO, SO, and other significant air emissions by type and weight.	Not calculated.
	EN21		Total water discharge by quality and destination.	Did not occur.
	EN22		Total weight of waste by type.	Chapter – Hands on the World (p. 64)
	EN23		Total number and volume of significant spills.	Did not occur.
		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.	Did not occur.
		EN25	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff.	Not applicable to our organization.
Products and services	EN26		Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	Chapter – Hands on the World (p. 64)
	EN27		Percentage of products sold and their packaging materials that are reclaimed by category.	Chapter – Hands on the World (p. 64)
Conformity	EN28		Incidents or fines for noncompliance with declarations, conventions, international treaties, and national, regional and local environmental legislation. Total number of non-monetary sanctions resulting from non-compliance with laws and regulations.	Did not occur.

## GRI 3 – Environmental Performance Indicators (cont.)

Aspect	Core	Additional	Refers to	Ibersol performance
Transport		EN29	Significant environmental impacts from transporting products and other goods and materials used for the organization's operations, and from transporting members of the work force.	Not available. It was not possible to ascertain this data for this report.
		EN30	Total environmental protection expenditures and investments by type.	With regard to electric power, we invested in preventive equipment maintenance in all stores and replaced several types of equipment, to improve eco-efficiency. However, we do not possess a rigorous record of the figures associated to these investments.
General				With regard to investments to reduce the use of fossil fuels (gasoline and diesel) and derived carbon emissions, we introduced the practice of using video conferences at three strategic locations: Lisbon, Porto and Vigo. Whenever possible, we hold team meetings by video-conference, which prevents constant travelling by teams as well as increasing their productivity.

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