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Sustainability
Report




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grupo

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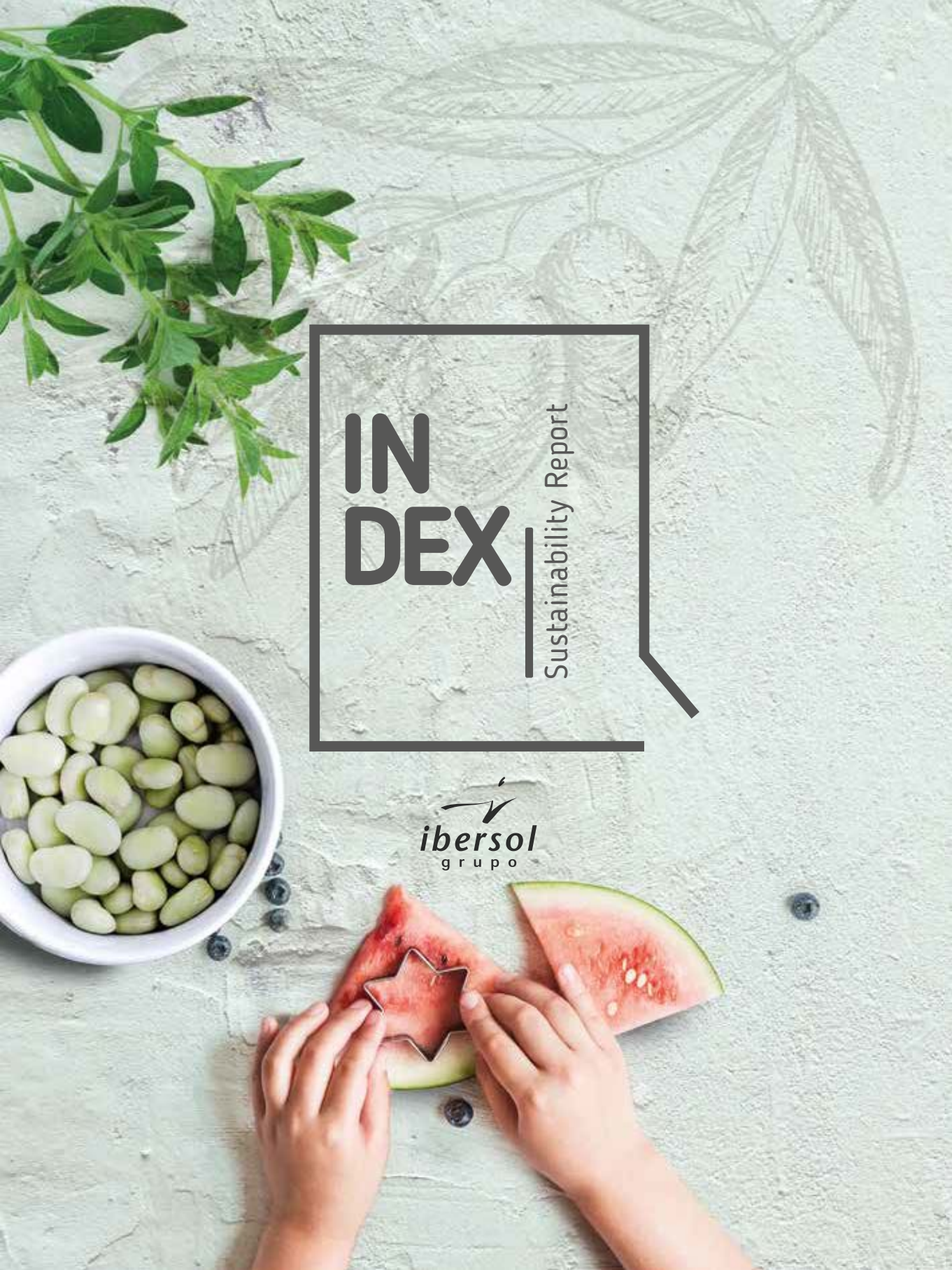
Sustainability Report

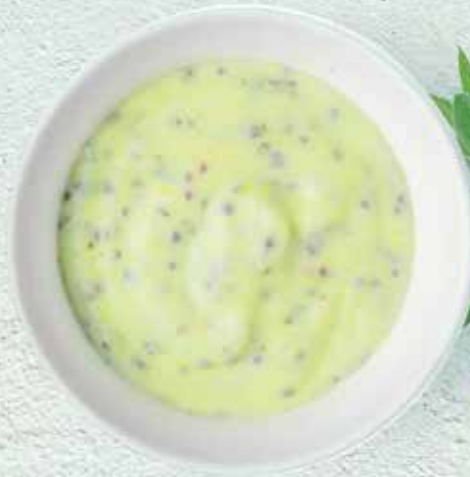




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Sustainability Report





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A close-up photograph of a person's hands holding a large quantity of small, round, dirt-covered potatoes. The person is wearing a green, textured sweater. The background is dark and out of focus, showing some green foliage. A white rectangular box with a speech bubble tail is overlaid on the left side of the image, containing the text 'MESSAGE FROM THE DIRECTORS' and '2016'.

**MESSAGE FROM
THE DIRECTORS**

2016

COMMITMENT TO SOCIAL RESPONSIBILITY

Having in mind the social, economical and economic changes that the organizations currently go through, social responsibility places new and constant management challenges. Year after year, the Ibersol Group seeks to face and overcome these challenges, always striving for doing more and better.

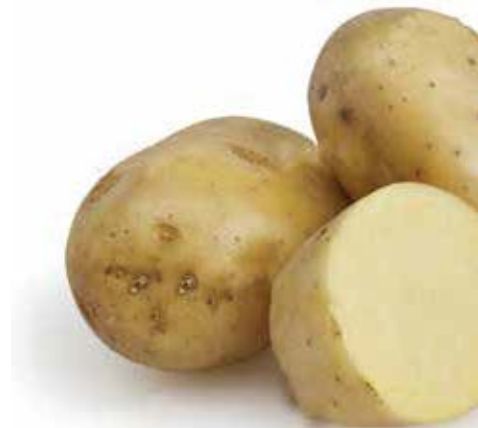
The idea of social responsibility has thus been implemented, by incorporating of the triad points which define it: the economic, social and environmental dimensions.

This Sustainability Report – in its 10th edition – reveals the actions of the Ibersol Group carried out throughout 2016, which are based in the standards of social responsibility pursued by our organization. Here we expose and present the practices that contributed to the continuous development and to strengthen the relationships between the different parties involved, whilst respecting the environment and the

surrounding community.

In 2016, in the context of the economical dimension, we should point the expansion project of the Group, both indoors and out, with the opening of a total of 20 new units: 18 in Portugal and 2 in Angola. This strategy resulted in the continuity of what has been successfully resumed in 2015.

The settlement of the deal, at the end of October, consisting in the acquisition of 100% of the Spanish group Eat Out to Agrolimen – in an operation that totalled 100 million euro – is the most relevant milestone to the expansion of Ibersol, in its 25 years of existence. Eat Out is one of the most important group in the foodservice business in our neighbouring country, owner of its own brands – such as Pans & Company, Ribs, Santa Maria or Frescco –, and has a strong position in the Travel business, with units in 6 airports and 3 railway stations in Spain.



We have also initiated in Spain a Project of expansion of the brand Pizza Hut.

And because growth comes with added responsibility towards the environment, we achieved a significant reduction in power consumption throughout 2016, keeping in mind the comfort of the customers and the employees, as well as productivity gains, and with savings to all restaurants in the Group. We experienced a 5% cut in global consumption of electricity. Equally relevant is the fact that the Group was able to avoid the emission, in total and indirectly, of approx. 11.5 thousand tons of CO2 throughout the year.

From a social perspective, Ibersol worked hand in hand with the civil society once more to promote a new edition of the fund raising campaign: 'Thanks to Many we Make Smile those Who Need the Most'. This initiative is developed through a partnership with the Portuguese Federation of Food Banks Against Hunger, which aims to engage people in fighting the scourge of hunger in Portugal and give support to the population in need which is served by 21 Food Banks Against Hunger, both in the mainland and the islands. The Board of Directors welcomes the record achieved of 58 thousand euro

raised with the support of our customers and de dedication of all the teams! Thank you all for this success!

And this is the course we want to follow: anchored in a strategic management capable of steering the business towards sustainable development, based in processes defined having in mind a responsible risk management, transparent forms of communication and relationships, always focused in serving the customers, as leaders of the modern foodservice industry.



ACKNOWLEDGEMENTS

The results achieved are fruit of the work carried out by a team and, having this in mind, the members of the Board of Directors express their gratitude to all employees of the Group, for their professionalism and commitment, which were crucial to meet the goals that we set out for us.

A word of appreciation addressed to the shareholders, suppliers, franchisers, banking institutions and remaining partners, as well as to all our Customers, for the trust given to the Ibersol Group, allowing us to evolve and grow, looking at the future with confidence. We acknowledge the Audit Committee, Auditors and Chartered Accountant for their cooperation and dedication during the monitoring and examination of Ibersol's management.

Oporto, May 8th, 2017

The Board of Directors

António Alberto Guerra Leal Teixeira

António Carlos Vaz Pinto de Sousa

Juan Carlos Vázquez-Dodero

PRO
FI
LE

2016





Leading, through, motivated and service-oriented human resources, the commercial catering business



PROFILE

Mission

Ibersol is a multi-brand group established in the Iberian Peninsula and in Portuguese-speaking countries, positioned in the organized foodservice business. It respects the values associated to quality, safety and the environment, based on qualified and motivated personnel committed to fully satisfying consumer needs, thereby assuring a suitable return for its shareholders' investments.

Vision

To lead by means of motivated service-oriented personnel the commercial foodservice business in the Iberian Peninsula and in the Portuguese language markets.

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



BUSINESS PORTFOLIO

2016 was marked by the consolidation of the development and growth of the business which begun in the previous years and that made tangible the strong growth and a solid expansion, both indoors and outdoors, and in various investments at several levels.

The year was marked by the acquisition of the total share capital of the Eat-Out Group (EOG), a group with international dimension and with presence in Spain, Italy and Portugal, representing an investment of 105 million Euros. EOG operates in the public foodservice industry – with own brands such as Pans & Company, Ribs, Santa Maria or Frescco – and Travel, with presence in several airports and train stations.

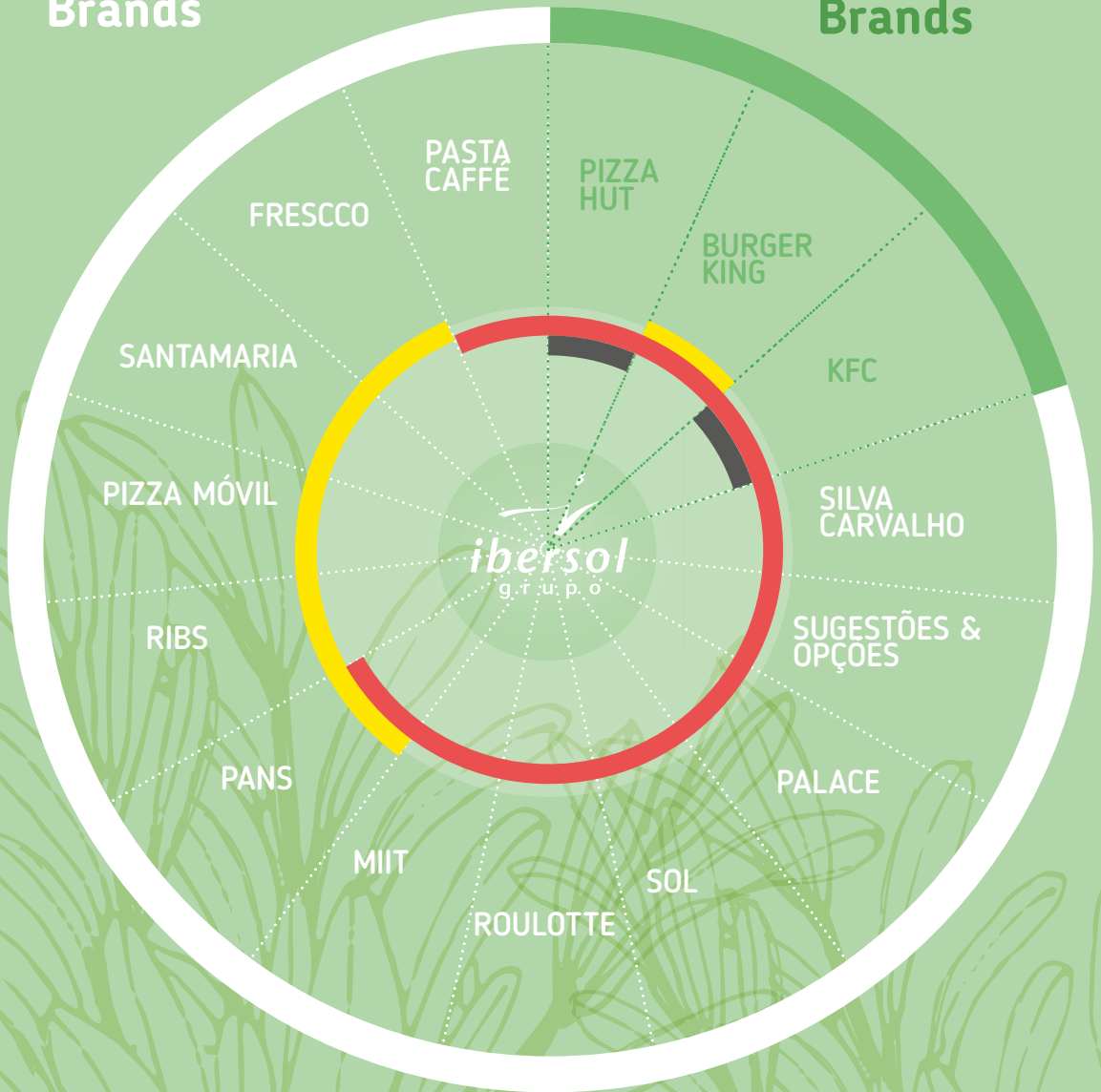
This expansion reflects in the opening of a total of 20 new stores: two new KFC units in Angola and the remaining 18 openings took place in Portugal. Specifically, 12 Burger King units, three new Pizza Hut spaces and one opening in the Catering sector, at the University Club of Oporto. In addition, there was the concession of two new spaces: one at the Porto Santo airport, and other at the University Club of Oporto, in the foodservice sector. The Group also carried out a process of modernization of several units of the brands Pizza Hut, KFC, Pans & Company and Miit, giving them a renewed and updated image.

Ibersol ended the year 2016 with a total of 447 units of Ibersol own brands, and 220 units of franchised brands – numbers consolidated for Portugal, Spain and Angola –, which, as a whole, registered a total of 478,000,000 Euros in sales.



Own Brands

Franchised Brands



- SPAIN
- PORTUGAL
- ANGOLA

GOVERNANCE AND OPERATIONAL STRUCTURE



Ibersol – SGPS, SA, is an open corporation with share capital of 24,000,000 €, based at Edifício Península, Praça do Bom Sucesso, no. 105 to 159 – 9th floor, 4150-146 Porto, Portugal. It is registered in the Commercial Registry of Oporto with the single registration and tax identification number 501669477. The following governing bodies participate in the company's governance:

- General Shareholders' Meeting
- Board of Directors, comprising three directors, two of which hold executive powers (Executive Committee);
- Audit Committee;
- Chartered Accounting Firm

The General Assembly deliberates about the plan and policies to follow during the financial year.

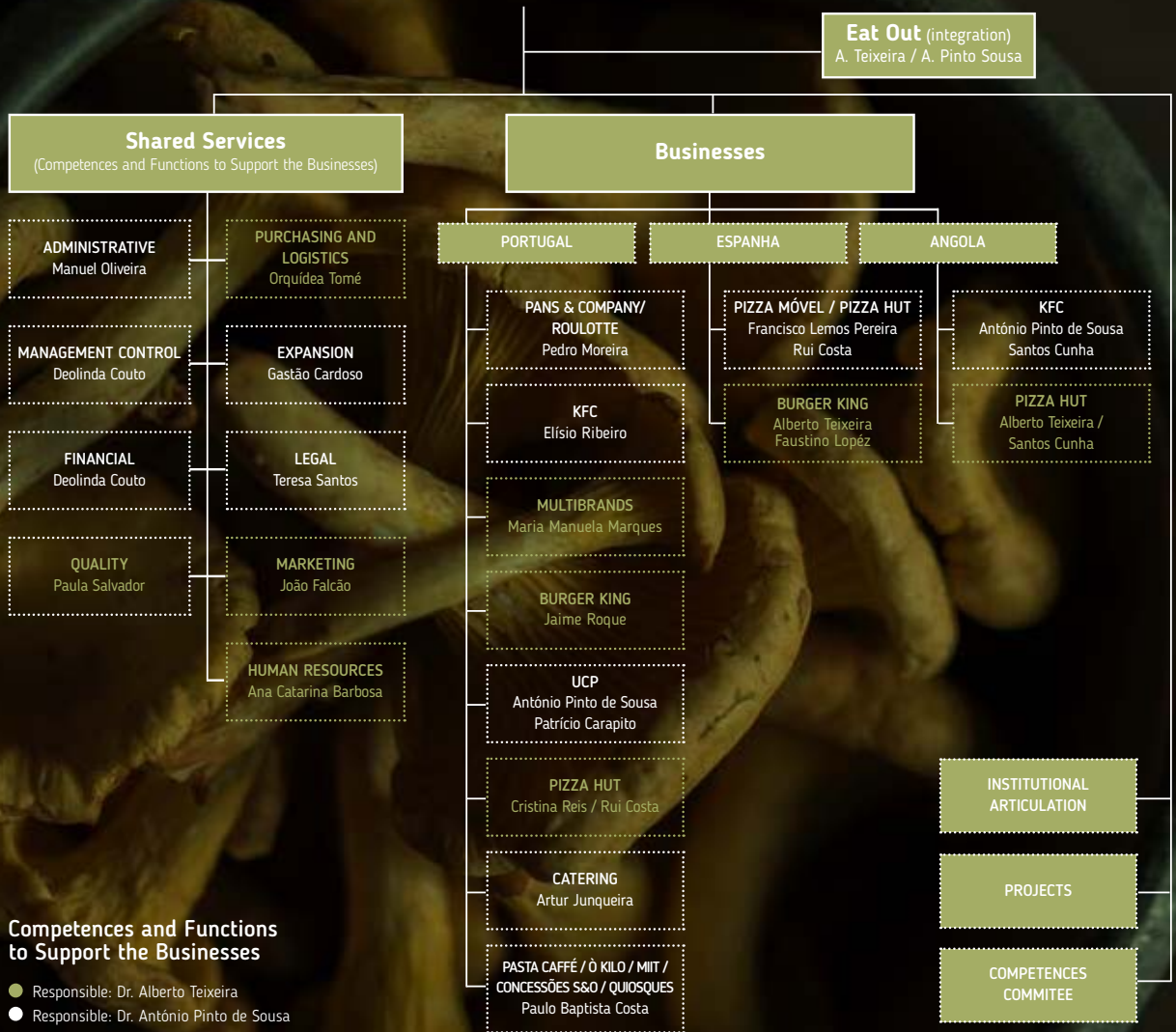
The strategy and objectives of the company's activity are determined by the Executive Committee, coordinating with the central departments and each business as well as the shared services, depending on the evaluation of results, on a regular quarterly basis. Major decisions are likewise examined monthly by the Executive Committee together with each of its departments.

Functional Structure of the Ibersol Group

Ibersol's management is result-oriented by means of monitoring indicators and objectives, and based on action programs and plans aiming for constant improvement in order to increase the efficiency and effectiveness of key processes and operations, with a view to keeping costs down, minimizing waste and increasing productivity, profitability and satisfaction.

CA IBERSOL SGPS

Alberto Teixeira / António Pinto de Sousa / Juan Carlos Vázquez-Dodero



Functional Structure of the Ibersol Group at the date of issue of this Sustainability Report.

SUSTAINABILITY PRINCIPLES

Building Trust-based Relationships

We walk side by side with our stakeholders. With them we establish trust-based relationships derived from ethical commitment and based on loyal and transparent communication, genuinely aiming to accomplish the best for the partnership and its future, seeking to guarantee returns for all involved.

Providing Pleasant Experiences to our Customers

Ibersol is interested in, inspired by and creates for its Customers. The aim is to provide them with an enjoyable, safe, healthy, and surprising experience during each visit. Our teams are driven by a genuine interest in getting to know our current customers as well as those we hope to eventually attract.

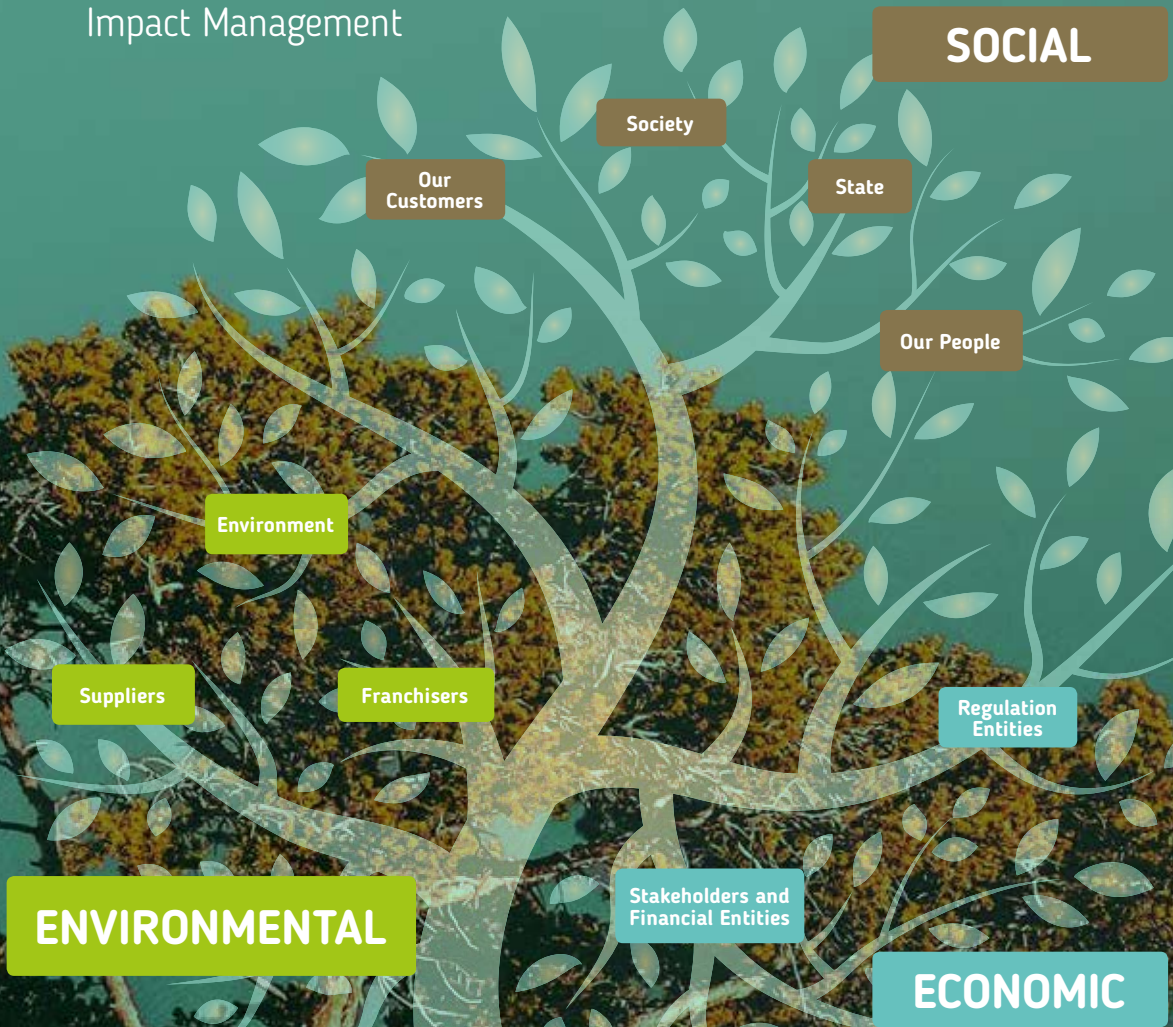
Being a School for Life

Ibersol believes in and involves, transforms and enhances value, discovers talents and sets them challenges.

We want to give all our employees the same opportunities, so they can grow and progress in a challenging, ambitious and confident manner. A learning environment is cultivated, for which Ibersol has all the tools needed to build know-how, enhance value and encourage autonomy.

Ibersol sustainability vectors

Impact Management



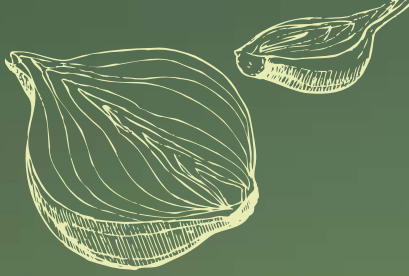
Establishing a Connection with each Customer via our Restaurants

Ibersol wants everyone to be able to daily represent the organization's values, imbuing its management with an economic and effective approach whereby the processes create value and ensure food quality and safety, with minimal waste and environmental impact, by means of happy, competent and responsible teams committed to offering each Customer a pleasant and connective moment.

Respecting and improving the World we live in

Increasingly aware, Ibersol strives to support, protect, commit to and connect with the community, to make a more positive world. To return to the world what it gives us every day, the Ibersol Group participates and contributes so that community and environment can positively develop and keep their wealth of resources available for this and coming generations.





RISK MANAGEMENT

In Ibersol Group, the risk management is a continuous and systematic process. The volatility of the corporate reality forces us to take preventive measures in this area. Therefore, the Group actively and efficiently manages this area by structuring and performing all operations in anticipation of all kinds of risks. This way, the Group regularly implements a set of strategic actions to identify, administrate, conduct and prevent the risks, which is transversal to all business areas.

Ibersol established the proper mechanisms to control the risks supported by standards and internal procedures, and periodically performs assessments of the main internal control systems of the Group. The purpose is to identify the internal and external risks that may influence the impact of the uncertainties and eventualities in the financial, human resources, customers and environmental areas.

The wealth of information that the company has available - namely the indicators and parameters such as politics, strategy, targets, processes and procedures already consolidated, and the information in the financial and accounting area, human resources, quality, acquisitions, logistics and marketing - enables the assessment in real time of the different risk scenarios, and thus it is prepared to reevaluate and redefine, at any time, the strategies adopted.

The risks inherent to the different activities of the Group are identified, and some of the areas are managed directly by the functional departments, taking into consideration their particularities.



Food Quality and Safety

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

- Qualification and selection of suppliers and products and program for periodic control of suppliers, products and services;
- Guarantee of the implemented tracking system;
- Control of unit production processes through the HACCP (Hazard Analysis & Critical Control Points) system;
- Skills Development System in Food safety;
- Maintenance and Monitoring of Measurement Device Systems;
- Food Crisis Management System, which enables existing food warning systems to be constantly monitored and immediate action to be taken if necessary;
- Continual Improvement System, supported among other instruments by: External audit programs in all group units; microbiological end product sample analysis program performed by an accredited external body; complaints handling 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 and Health

Managed by the Human Resources Department, the Occupational Safety and Health sector is responsible for the execution of a set of procedures that prevent and minimize accidents. Moreover, it is also responsible for the implementation of proactive programs of assessment of risks that develop measures to assess and control the risks, such as:

- Informing all employees about eventual workplace risks, as well as conduct to prevent work accidents;
- Initial workplace safety training, conducted during the phase of entry and integration of new employees;
- Continual training in the safety management standards of each Unit's Safety Team;
- Implementation of Self-Protection Measures in all Units;
- Internal Competitions to promote the safety in the Units;
- Monitoring of safety audits conducted by shopping centres and airports for units located there;
- Maintenance of labour accident insurance policies;
- Organization of health and safety services according to the independent external services mode;
- Safety and health standard verification audits;
- Risk assessment conception;
- Investigation and analysis of occupational accidents;
- Health examinations.

Financial

The Financial Management is responsible for managing the financial risks to which the Group is exposed, which are directly connected to the unpredictability of the financial markets. In order to keep perspective of the continuity of the long term operations, Ibersol seeks to minimize the adverse effects of these uncertainties adopting an attitude, without exception. Here are the main risks to which the Group is exposed in the course of its activities:

a) Foreign Exchange Risk

Like in previous years, the foreign Exchange risk remained high. The subsidiaries located in Angola had once more their access to foreign currency limited, which led to an extension of the payment deadlines to the international suppliers - the Yum, owner of the KFC and Pizza Hut brands, and Iberusa ACE are the main suppliers -, what, in turn, increased the exposure to the effects of devaluation. Regarding the funding outside the Euro zone, the Group maintained the investment on a natural hedge policy, raising debt preferably in local currency.

In order to control the exchange rate risk and to ensure the adequate protection of the Angolan subsidiaries against the increase of the value of the obligations held in foreign currency, we acquired instruments indexed to the US dollar, in order to ensure the hedging.

If the access to foreign currency remains limited, the increase of the activity in Angola will imply the raise of the foreign exchange risk, and therefore will have an impact in the value of the assets and liabilities.



b) Interest Rate Risk

Since the Group does not have significant interest-bearing assets, besides the government bonds issued by Angola for hedging purposes, the profit and the cash flows of the financing activity are greatly independent from the changes of the interest rate of the market. The Group's interest rate risk comes from liabilities, specifically from long term loans. The fixed rate loans expose the Group to the risk of the fair value related to the interest rate. With the current level of the interest rates, the Group's policy, regarding long term financing, is to totally or partially set the interest rates. Ibersol made use of operations to hedge the interest rate risk of 30% of the loans granted, until October 2016. For loans contracted with a six year maturity for the acquisition of EOG, the Group will implement, during 2017, a coverage of at least 50%.

c) Credit Risk

In the main activity of the Group, the sales are paid in cash or credit/debit card, hence the Group has no relevant credit risk concentrations. However, with the increased sales in the catering business, where a significant part of its sales is made on credit, the Group started monitoring more regularly the accounts receivable, aiming to:

- i) control the amount of credit granted to the customers;
- ii) analyse the age and recoverability of the amounts receivable;
- iii) analyse the customers' risk profile.

d) Liquidity Risk

The recent evolution of the financial markets gives greater relevance to the liquidity risk. The systematic financial planning based on the cash-flows forecasting in more than one scenario, and for periods longer than one year, became a crucial for the Group. The short term liquidity is based in the annual planning, which is reviewed quarterly and adjusted daily. Taking into consideration the dynamics of the underlying businesses, the intra-Group cash pool has been performing a flexible management of the commercial paper and negotiating credit lines available at all times. The policy of open dialogue with all financial partners has contributed to a relationship with a good level of trust. To the detriment of cost, the Group favoured the financing lines that have already been contracted, even though they are seldom used.

e) Capital Risk

The corporation makes efforts to maintain an equity capital level adequate to the characteristics of the main business (cash sales and supplier credit) and to ensure continuity and expansion. The balance of the capital structure is tracked based on the financial leverage ratio (defined as: net remunerated debt / net remunerated debt + own capital) with the purpose of situating it in the 35%-70% bracket.

Environmental

The management of this risk area is done by the Quality Department, and it involves the implementation of the Sustainability Principles, in order to adopt practices more sustainable and efficient in all areas of operation of the Ibersol Group.

We strengthen the measures taken to promote responsible and proactive behaviours, as well as the procedures that provide a shared value for the business, the environment and the society, in priority areas, namely in Waste Management, Conservation of Natural Resources and Reduction of the Ecological Footprint.

Legal

Ibersol and its businesses have a legal function permanently devoted to its activity, which operates in articulation with the remaining core and business functions, in order to preventively ensure the protection of the Group's interests, and the compliance with its legal duties. We also assure legal counselling, both nationally and internationally, performed by acknowledged external professionals.

Sector Risk

The recovery of private consumption, after the large drops registered in the previous years, especially in Portugal, will continue to influence the sales in the foodservice business. The Group keeps its businesses under a close tracking of the costs through the monthly monitoring of the market evolution and the consequent revision of the planning of the resources that are used, in order to minimize the impact of the reduction in consumption. On the other hand, operations in the foodservice area can be affected by possible epidemics or raw material market distortions, or possible changes in the pattern of consumption, which may significantly impact the financial statements.



**KEY
INDICATORS**

2016

Economic Indicators

Distribution of Value per Interested Party

CUSTOMERS

269.9 (2016)
213.7 (2015)
187.7 (2014)
172.5 (2013)

SHAREHOLDERS

2.0 (2016)
1.0 (2015)
1.0 (2014)
1.0 (2013)

EMPLOYEES

61.6 (2016)
49.4 (2015)
44.0 (2014)
42.3 (2013)

FRANCHISERS

10.8 (2016)
8.7 (2015)
7.1 (2014)
6.3 (2013)

FINANCIAL ENTITIES

3.8 (2016)
1.9 (2015)
2.0 (2014)
2.6 (2013)

INTERESTS

LOANS OBTAINED

102.0 (2016)
4.2 (2015)
-7.4 (2014)
-8.0 (2013)

STATE

	2016	2015	2014	2013
IRC	3.9	2.8	1.6	2.0
SS	15.1	11.6	10.8	10.5
O. Imp	1.3	0.6	0.6	0.6

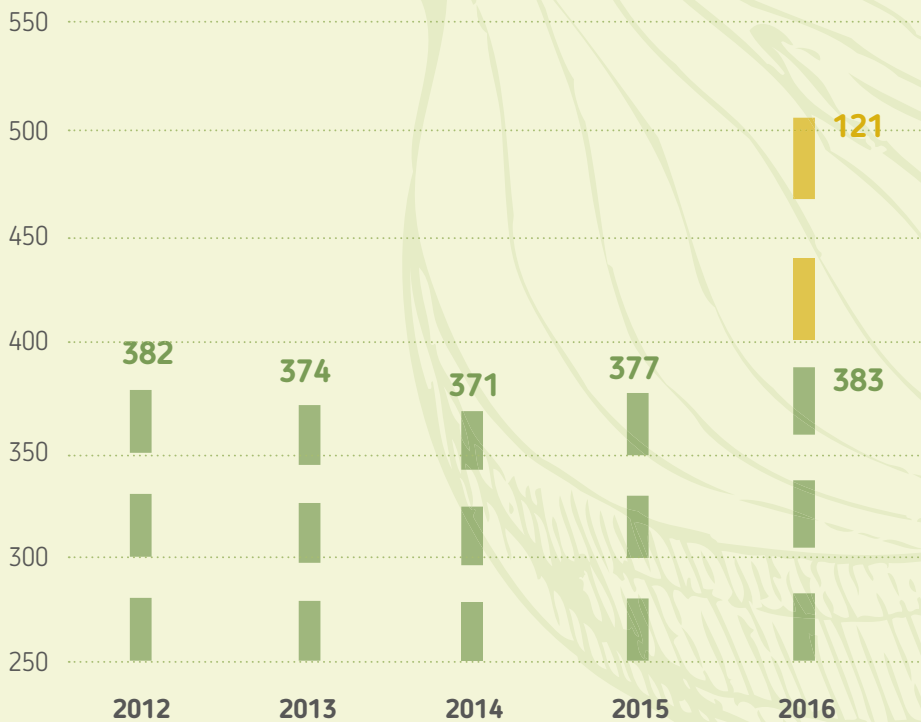
SUPPLIERS

178.0 (2016)
131.9 (2015)
121.9 (2014)
107.2 (2013)



Number of Units

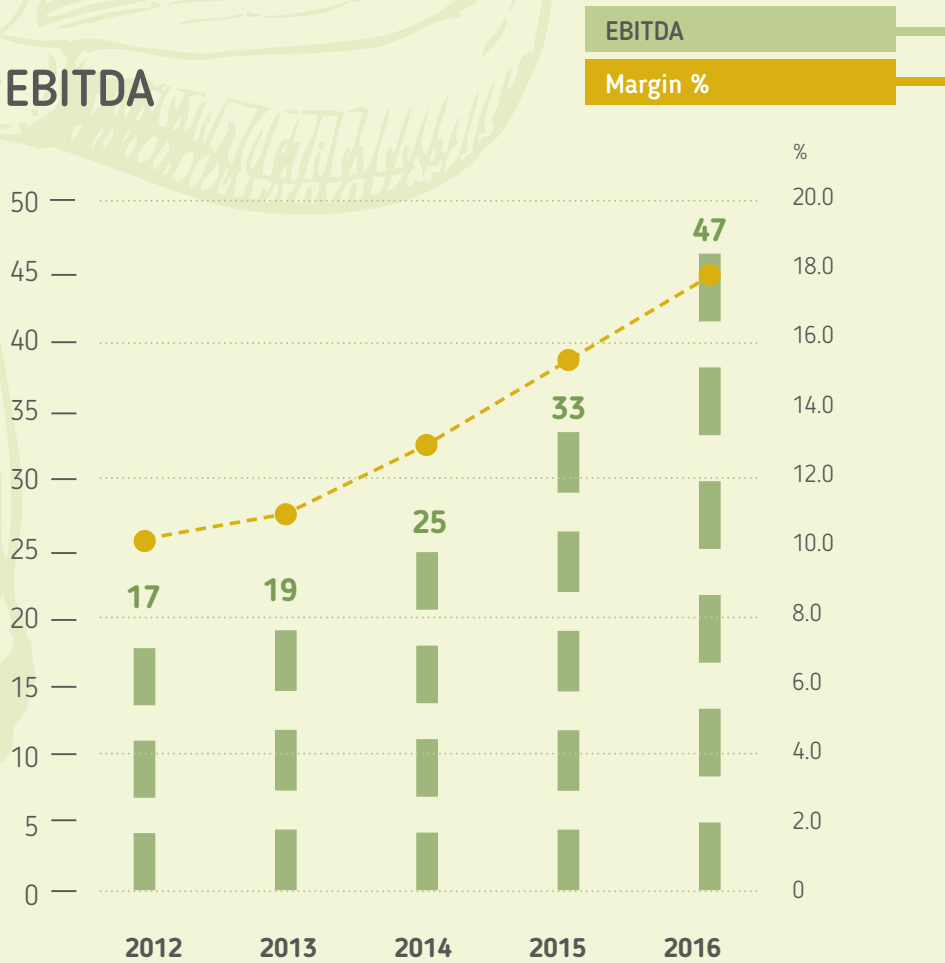
N° Own Units



Note: Incorporation in 2016 of 121 own units results from the Eat Out Group acquisition.

EBITDA (mn€)

EBITDA



Group Profile (Portugal, Spain and Angola)

447

Units of Ibersol
own brands

220

Units of
franchised
brands

+ 478,000,000
Euros of sales

+ 32,900,000
Transactions

Environmental Indicators

100%

selective separation of
waste material and
food oils

333

tons of oil for
Biodiesel

11.568

tons of CO₂
avoided

Social Indicators (Portugal, Spain and Angola):

+9.100

number of
employees

55%

women
(Portugal)

Product Liability Indicators

Figures for Portugal:

2,46 Customer complaints per
100,000 transactions

+ 1.000 external food hygiene
and safety audits

758 Mystery Customer
audits

+ 3.600 internal food hygiene
and safety audits

1.119 Customer Cards
analyzed

+ 2.000 laboratory
product controls

30 Restaurant units certified by
NP EN ISO 22000: 2005

+ 3.000 raw materials and
products with nutritional
information

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

+ 130.000 views of the
Viva Bem blog

7.456 employees
in training

43.213 training hours in Food Safety
(Portugal)

62 average training hours
per employee

13.929 training hours in Occupational
Safety and Health (Portugal)

438.098 total
training hours

11.821 Kg of donated food products
(Portugal)



**ECONOMIC
PER
FOR
MANCE**

2016



Detailed information about the Ibersol Group's Economic Performance is presented in the 2015 Annual Report and Consolidated Accounts of Ibersol - SGPS, SA, available for consultation at www.iversol.pt.

A child is shown from the side, painting a large globe on a flat surface. The globe is outlined in black and filled with a textured, light-colored paint. The child is using a brush to apply paint. Surrounding the globe are several hand-drawn symbols: a tree, a cloud, and several stars. The background is a solid green color. The text 'ENVIRONMENTAL PERFORMANCE' is written in white, bold, uppercase letters inside a white rectangular frame that has a notch on its right side. Below the frame, the year '2016' is written in white, bold, uppercase letters, with a horizontal line above it.

**ENVIRONMENTAL
PERFORMANCE**

2016



Environmental Performance is one of the axes of sustainability, so Iberdrol seeks to measure the impact of its activity and implement measures to reduce risks.

The environmental problems are one of the priorities of Ibersol. It is not possible to separate the concept of social responsibility from the concept of sustainable development, therefore it is our constant concern to reduce the environmental impact of the Group's activity. This positioning compels us to constantly seek environmentally responsible solutions and to apply the possible metrics to measure the Ibersol businesses' ecological footprint. This way the Group is committed to reduce to the maximum the impacts on the environment of its activity, by following strict practices of environmental management - including waste management and energy management.

To this end, in 2016, the certification pursuant to the Standard NP EN ISO 14001:2004 - Environmental Management Systems was renewed. This certification ensures the commitment of the Group in improving its environmental performance through the management of the impact of its activities, namely the optimization of the use of natural resources, the protection of the environment and the reduction of the pollution.

In this regard, the Ibersol Group continues to work in the reduction of the environmental impacts originated from:

- The production of packaging waste;
- The production of Used Food Oils;
- Energy consumption;
- CO2 Emissions;
- Water consumption.



Packaging Waste

The production of packaging waste – service packages delivered to the customers and packages of all imported raw materials – is inevitable in our line of business. Therefore, and in order to have a correct handling of this kind of waste, all Ibersol companies adhered to the Packaging Waste Management Integrated System coordinated by the Sociedade Ponto Verde, thus ensuring the cycle of take-back, recovery and recycling, and also the reduction of the volume of landfill-deposited waste. Equally important is the fact that all units of the Group are enrolled in the Verdoreca system created by the Sociedade Ponto Verde, which reinforces our active role in the selective separation of waste (paper/cardboard, plastic/metal and glass), a task performed on a daily basis and without exception, i.e., in all restaurants and in every office.

In 2016, as a result of the activity of the Group, we generated approx. 716 tons of waste from service packages. 9% higher than in 2015, but this is proportional to the increase of the Group's activity. The same goes to the waste of the packages of imported raw materials, which registered an increase of 11%, the equivalent of 369 tonnes.



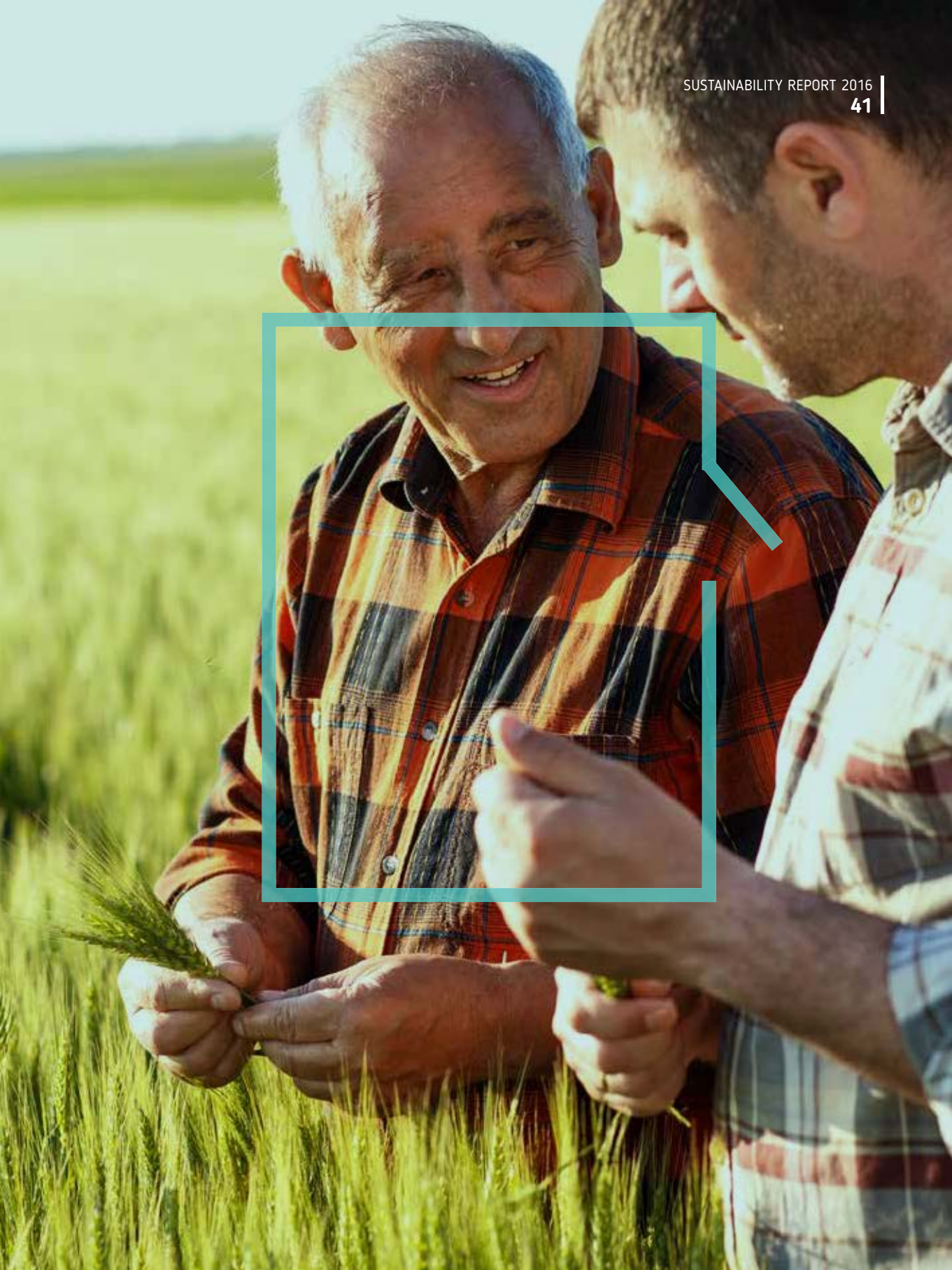
Material	Service Packaging	Variation 16/15	Imported Raw-Materials Packaging	Variation 16/15	Total	Variation 16/15
	Weight (kg)	%	Weight (kg)	%		%
Glass	-	-	52	-	52	-
Plastic	71,071	2%	82,372	14%	153,443	8%
Paper & Cardboard	644,020	10%	264,687	10%	908,707	10%
Steel	-	-	19,248	8%	19,248	8%
Alumínio	802	-24%	2,379	-1%	3,181	-8%
Total	715,893	9%	368,738	11%	1,084,631	9%

Used Food Oils

The production of food oil waste continues to be closely managed and monitored, ensuring to route, recycle and enhance value of 100% of waste produced. In 2016, approx. 333 tonnes of used food oil were sent to bio-diesel production.

Energy

The energy efficiency includes the use of energy in the best rational (economical) way possible, without compromising the level of comfort or quality of life. This means avoiding the waste of energy, by changing some of the behaviours and using equipments that use less energy. This way, we were able to reduce the electricity bill and to improve the environment.



During 2016, we achieved a significant reduction in power consumption, in all restaurants of the Group, simultaneously maintaining the customers' wellbeing and increasing productivity. The new units were created from scratch having in mind the level of energy consumption, and the old units were renewed to become more energy efficient. Likewise, several actions were implemented to reduce the consumption of electrical energy, at different levels, such as:

Electricity

- The uplamping program was maintained, consisting in the gradual replacement of the existing lighting solutions with other more efficient, such as LED lamps, ECO bulbs, electronic ballasts or presence sensors. The use of LED bulbs has several benefits: average lifetime of 50 thousand hours, lower consumption of electricity due to its technology, emission of levels of luminance identical throughout its lifetime and instant lighting even at low temperatures, allowing the use in cold cabinets and rooms. With a longer life span, fewer bulbs need to be recycled; the absence of mercury and other hazardous materials avoids the soil and river contamination, and most of its components can be recycled. In the restaurants of the Ibersol Group, this technology is used in decorative lighting (ads, menus, drive) and in the direct replacement of halogen and fluorescent bulbs. In sum, this is a choice with a reduced environmental impact and with less maintenance costs.
- The plan On/Off continued to be implemented, aiming to raise awareness to the rational use of energy. The implementation of the plan led to the reduction of power in peak hours, through the implementation of measures, such as pre-heating of the equipments in off-peak or full periods, interruption of the equipments operation when they are not being used, and reduction of the temperatures in equipments that cannot be turned off. Some other actions implemented were to turn off storage water heaters using automatic timers, and place light sensors to turn off the lights in places distant from the pre-

paration and cooking zone whenever they are empty.

- In order to reduce reactive energy, we implemented four capacitor batteries in units that did not have reactive energy compensation, and also reviewed the settings of the capacitor batteries that were already operating.

Equipments

Cooling Equipment

- Reduction of the number of the times the equipment doors are opened, repair of warped doors and replacement of the insulation rubbers, since the ice building in the interior of the refrigerator works as an isolating material and makes cooling more difficult.

- In the cooling equipments we installed ECubes, as a measure to promote energy efficiency. These passive equipments are placed in the probes of the refrigeration and freezing rooms to avoid temperature variations due to the opening of the doors, which leads to a better stabilization of the equipments and also of the temperature of the products stored, but also it contributes to the reduction of the number of times the compressors start up, thus extending its service life and reducing the consumption of electrical energy.

- Acquisition of equipment of class A+++ for electrical efficiency.

Harness of solar energy

Solar Photovoltaic Energy

Several proposals were analysed for an investment in Solar Photovoltaic Energy for Self-consumption. With this project we aim to supply electrical energy through solar energy, to reduce the consumption of energy in peak hours and in full hours, and consequently reducing the power in peak hours.

At the photovoltaic units already installed, we achieved a consumption of 11,687 KWh, avoiding the emission of 3.8 tonnes of carbon dioxide.

Solar heat collectors

Some thermal solar collectors were installed in the new restaurants of the Group. They work as a backup in pre-heating the water on the way to the water heater, thus reducing gas consumption to heat water at an average temperature of 40°C.

Variable speed drives

The exhaust and extraction fans work at nominal speed, and mechanical valves or deflectors are used to control the flow. This strangulation caused in the flow results in high losses of load and efficiency. To change this inefficient form of controlling the flow, we placed electronic variable speed drives in the exhaust and extraction fans. By varying the speed - and the consumption of the engine -, it is possible to adjust the flow without any mechanical elements and achieve important energy savings.

Main advantages of the variable speed drives:

- Extension of the engine lifecycle, as a consequence of the reduction of mechanic shocks and of the prolonged life of the mechanical parts;
- No need for control the power factor due to the reduction on energy;
- Ability to bypass when variable speed drive fails;
- Wide range of speed, torque and power;
- Less maintenance of the mechanical parts thanks to the reduction on mechanical stress;
- The use of electronic variable speed drives as electrical engines of high-efficiency allows us to achieve an energy savings index of up to 50%.



AVAC (heating, ventilation and air conditioning equipments)

Training provided to the unit managers regarding the comfort temperature in winter, because the temperature at which the air conditioning system is set has influence in energy consumption. Each degree of temperature added results in an increase of approx. 7% in energy consumption. Even though the sense of comfort is relative, usually a temperature between 19°C and 21°C in winter is enough for most people. In the summer, it varies between 22° and 25°C.

Gas

There was an increase in gas consumption due to the conversion of some electric appliances. The electric broilers already existing in the restaurants were adapted to gas. When new units were opened, we acquired new gas broilers and pans, thereby reducing the impact on the consumption of electric energy, along with the measures above mentioned.

Analysis of the consumptions

After the implementation of the measures towards energy efficiency, there was a reduction of 5% in comparison with global consumption of electricity in 2015.

Electricity Consumption		2016	2015	2014	2013
Electricity consumption points*	uni	299	270	258	210
Overall consumption	kWh	35,042,964	34,219,605	29,576,990	27,711,696
Average consumption per point	kWh/loja	117,201	126,739	114,639	131,960
Consumption Decrease (same universe)	KWh	1,842,325	2,385,714	2,697,442	2,328,895
		5	11.5	8.4	10.8

- Consumption points vary annually, due to store openings and closings, equipment changes or the number of units where it was possible to count this information.
- In 2016, the Ibersol Group opened 10 Burger King Drive Thru units, which have an average consumption higher than the one registered in the traditional units, partially due to the opening hours.

Gas Consumption		2016	2015	2014	2013
Gas consumption points *	N.º	158	144	136	127
Overall consumption	kWh	13,265,482	12,242,638	8,447,958	6,762,071
Average consumption per point	kWh/store	83,959	85,018	62,177	53,244

- Consumption points vary annually, due to store openings and closings, equipment changes or the number of units where it was possible to count this information.
- In 2016, the Ibersol Group opened 10 Burger King Drive Thru units, which have an average consumption higher than the one registered in the traditional units, partially due to the opening hours.



CO₂ Emissions

We should point out that we avoided the emission, in total and in an indirect way, approx. 11.5 tonnes of carbon dioxide (11,568) in 2016.

Indirect CO ₂ emissions		2016	2015	2014	2013
Specific CO ₂ emissions	kg/kWh	0.33	0.32	0.35	0.35
CO ₂ emissions avoided in consumption	Tonne	11,564	10,984	955	824
Production with renewable energies	kWh	11,687	11,945	11,240	11,683
CO ₂ emissions avoided – production with renewable energies	Tonne	3.8	5.6	3.97	4.1
CO ₂ emissions avoided (total)	Tonne	11,568	10,990	959	829

Direct CO ₂ emissions		2016	2015	2014	2013
CO ₂ emissions produced in gas consumption	(Ton)	2,242	2,191	1,545	1,244
	Tonne CO ₂ /store	14	15	11,36	9.8



Water

Water is a vital resource for Ibersol's activity, to assure unit hygiene and cleaning, especially in work areas and customer attendance, and for equipment, cooking utensils and dishes, as well as for washing ingredients and continual hand hygiene for all food handlers. In this sense, we took several measures to reduce water consumption, namely by: identifying and fixing water leakage points; and placement of flow restrictors in taps so that they pour 50% water and 50% air, thus reducing water consumption but maintaining the same sensation of flow of water.

Water	2016	2015	2014	2013
Overall consumption (m ³)	189,234	188,600	181,264	172,900





Indoor Air and Energy Certification

The construction of new buildings with drive was performed according to the electrical certification requirements, and complying with the laws currently in force and through the management and monitoring of ADENE and of the General Office of Energy and Geology. The buildings were awarded with the energy classification of A, which is calculated taking into consideration the following criteria: analysis of the building elements like walls, windows, roof, floor, among other factors; analysis of the efficiency of the equipments used for air conditioning and water heating, and analysis of the use of renewable energies.

When checking the performance indicators, it is possible to say that the buildings have become:

- 66% more efficient than the reference, in cooling of ambient temperature;
- 36% more efficient than the reference regarding the installed lighting (LED technology);
- 47% more efficient than the reference regarding sanitary hot water, due to the use of solar heat collectors to heat the water.

In order to achieve a good thermal coefficient, the walls are built, from the inside to the outside, with double plaster board, air gap, stone wool, sandwich panel and metal plate. Roofing is composed of, from bottom to top, plasterboard, air gap, metal plate, stone wool and waterproofing. The window openings use a 4 mm colourless glass, a 22mm air gap and have a solar coefficient of 0.5.



**SOCIAL
PERFORMANCE**

2016



A good place to work

A GOOD PLACE TO WORK

Customer Satisfaction. This is - and it always be - the main goal of every company, regardless of its dimension, business sector or positioning. However, having the customer in mind means to consider its two dimensions: the external and internal customer. They are both crucial to the success of an organization. Its growth and success depend on them both. Ibersol strives to serve these two customers in the best way possible, based on these two principles.

Aware that the internal customer is the engine responsible for its success, the Group invests in different vectors, such as ongoing training, occupational safety and health, promotion of recreational activities, or the implementation of tools that aim to gather the opinion and the expectations of the employees. All the initiatives implemented have the purpose of maximizing the development and the potential of growth of all the employees. The actions of social responsibility of Ibersol also involve the surrounding community, and in this chapter we describe some of the activities held throughout the year, addressing audiences such as students, citizens with disabilities, athletes, and many others.

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THIS IS - AND IT
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PROFILE OF THE EMPLOYEES (PORTUGAL)

Evolution of the Number of Employees by Gender:

Gender	2016	2015	2014	2013
Female	2,706	2,370	2,188	2,032
Male	2,253	2,020	1,796	1,694
Total	4,959	4,390	3,984	3,726

Evolution of the Number of Employees by Age Group:

Age Group	2016	2015	2014	2013
< 18 years	65	45	25	18
18 to 25 years	2,332	1,943	1,738	1,555
26 to 30 years	957	928	828	797
31 to 35 years	603	572	561	584
> 35 years	1,005	902	832	772
Total	4,962	4,390	3,984	3,726



Employees' Level of Education:

Educational Qualifications	2016		2015		2014		2013	
	N°	%	N°	%	N°	%	N°	%
< Year 12	2,220	44.7%	2,087	47.54%	1,946	48.85%	1,876	50.35%
≥ Year 12	2,742	55.3%	2,303	52.46%	2,038	51.15%	1,850	49.65%
Total	4,962	100%	4,390	100%	3,984	100%	3,726	100%
Higher Education	456	9.2%	418	9.52%	377	9.46%	343	9.21%

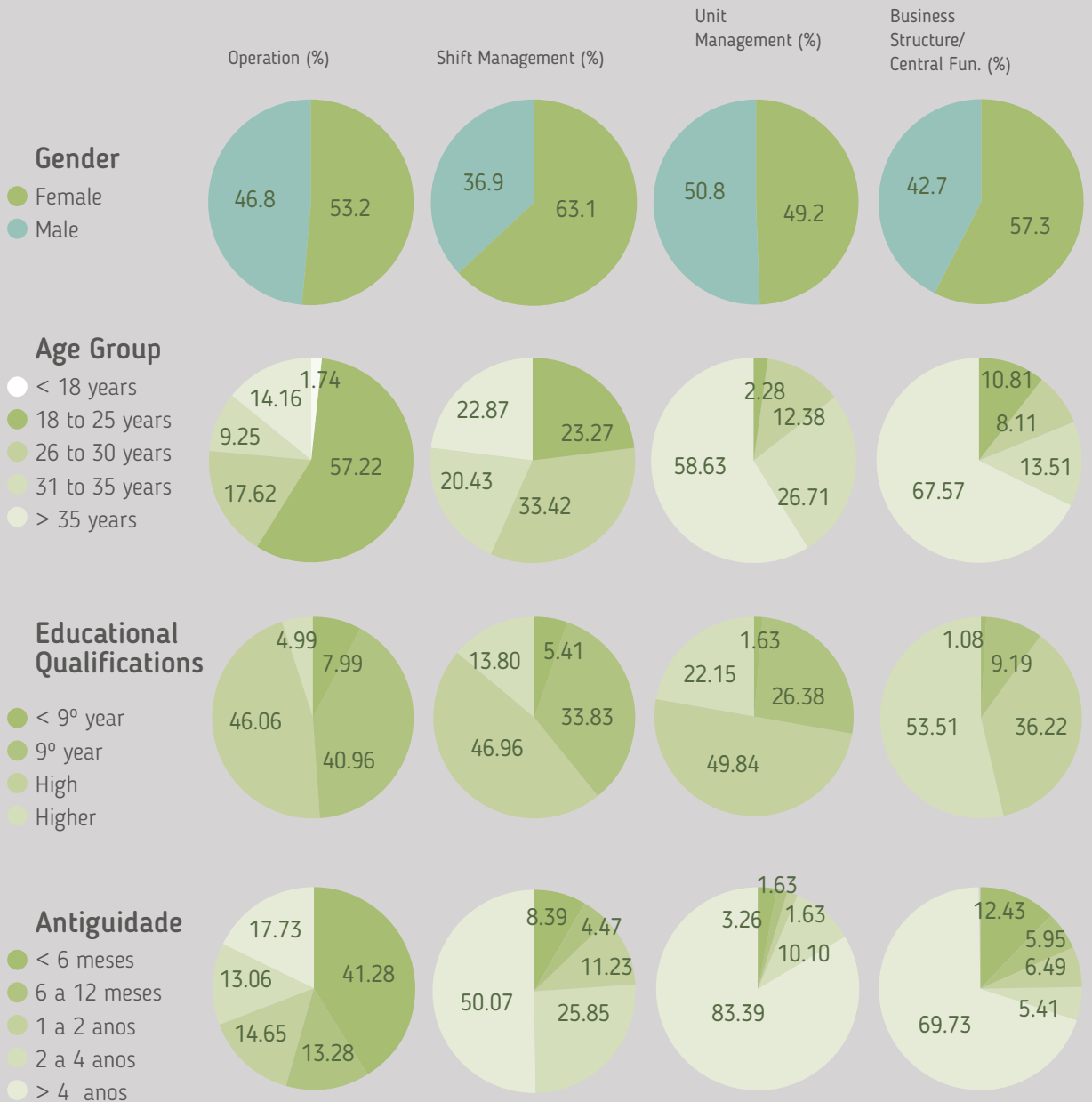
Evolution of the Turnover Rate:

Turnover	2016	2015	2014	2013
Group	79%	71%	62%	50%
Units	81%	73%	64%	52%
Bus. Structure and Shared Services	23%	25%	18%	11%
Management Teams	21%	22%	17%	17%





Profile of the Employees by Career Stage



A caracterização dos colaboradores não inclui a Ibersol S.G.P.S

TRAINING AND EDUCATION

Ibersol School Principles

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

In this respect, we create development opportunities based on customized training plans, enabling employees to acquire new knowledge and advance in their careers.

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

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

3. We invest in training our managers!

If everyone in each function is guaranteed to be certified as per the programmes associated to their current and past duties, then all managers will surely be prepared to support the development of their respective teams. All managers must possess training/coaching skills to ensure effective top-to-bottom transmission of know-how and best practices.

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

Classroom training is combined with workplace training, thereby enabling the acquisition and consolidation of what's learned. Constant follow-up by managers and on-the-job training are key ingredients to achieve good results.



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

Minimum qualification levels for each career development program have been determined and aim to ensure that the best people have access to opportunities, along with those who try hard to achieve their goals. Special training is also funded for those with further ambitions.

6. We invest in the improvement of our personnel through qualification!

The aim is to continually increase employee skill and qualification levels, and that a job at Ibersol is synonymous of an opportunity for growth and enhanced value. For this reason, protocols were implemented 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!

Ibersol's ambition is for all its training programmes to achieve industry recognition, and for the career paths it helps build to effectively enhance people's value. To that end, Ibersol's certification by the DGERT (General Directorate for Employment and Labour Relations) is guaranteed and best training practices have been identified and developed. Partnerships have also been established with other entities that enable recognition of Group training programmes.

The areas of training promoted by the Ibersol Group in 2016 are detailed in the following tables.

Occupational Safety and Health

Subjects	Training (hours)	No. of Participants
Accident Prevention Occupational Accidents Customer Accidents Organization of Fire Protection First Aid Occupational Health	13,929	3,979

Food Safety

Subjects	Training (hours)	No. of Participants
Food Safety Different types of Contamination Food Microbiology Hygiene of Food Handlers Hygiene of the Premises, Equipment, Tools and Surfaces ISO 22000 Standard	43,213	5,202

Training Restaurants

Training Programs	Subjects	Training (hours)	No. of Participants
Reception / Integration	Values, principles and practices at Ibersol	15,306	2,481
Operational Training	Product, Service and Equipment	202,088	4,448
Operational Program for Management Teams	Development of Teams Leadership Trainers Training HR Labour Management Sales Marketing at Point-of-Sale Financial Management	77,854	927
Other Areas		7,499	1,784



The Ibersol Group considers training as the main tool to improve the qualifications of people, and therefore the attention we pay to this matter is proportional to the importance given to it. In this line of thought, in 2016, we kept updating our training techniques at the Pizza Hut and KFC businesses. New training materials were made available in the Learning Zone platform, thus ensuring the recertification of all the teams on operational contents of the brands. Regarding also there brands, the Leading A Shift (LAS) training program was launched, which is intended to the Management Teams. The CER (Champs Excellence Review) program has been replaced, respectively, by the ACE (Assured Customer Experience) program and the ROCC (Restaurant Operations Compliance Check) program, both capable of a more strict and comprehensive checks of the operational excellence. The Clean2Safe training program was developed with the purpose of improving the efficiency and the safety of the cleaning processes at the restaurants, which is common to several of the Group brands, and has an impact on food safety, product quality and occupational safety.

In 2016 we initiated the revision process of the Potential and Performance Assessment System – which addressed in 2016 the Structural functions –, with the purpose of simplifying the tools that support this system and of improving the performance of the employees.

The conviction that people are engine of the sustained growth of the Group and of the success of its brands was proven, in 2016, by a few distinctions earned, thus confirming the operational excellence of its restaurants and their professionals. The Pizza Hut Portugal won, together with Romania, the competition ‘Pizza Hut Operations European Championship’, held between September and November. The brand Burger King also showed its merit. The Global Burger King Convention distinguished the Famalicão restaurant for the excellent performance of all the team. Also, one of the employees of this unit was distinguished as a Most Value Player – a recognition only given to three restaurants worldwide so far, amongst all Burger King units

Regarding the internships, the Ibersol Group hosted a total of 51 internships. Specifically, 25 curricular internships were held, totalling 7,507 hours of internship in real working context, and 26 professional internships, which correspond to 31,778 hours of work.

INTERNSHIPS

	2016		2015		2014	
	No. of internships	Training (Hours)	No. of internships	Training (Hours)	No. of internships	Training (Hours)
Academic	25	7,507	25	6,320	34	19,672
Professional	26	31,778	36	48,344	28	16,672

Note: From the 26 professional internships, 13 were co-participated by the Employment and Professional Training Institute (IEFP, Instituto de Emprego e Formação Profissional), and 13 were held under specific internship programs of the Autonomous Regions of Madeira and the Azores.



OCCUPATIONAL SAFETY AND HEALTH

The emphasis given to Occupational Safety and Health (SST, Segurança e Saúde no Trabalho) remains unchanged at the Ibersol Group. This is an essential topic to the Group's business area, and it brings us undoubtedly good results. It brings a better organization of the work, increased well-being and satisfaction of the employees - which in turn reflects in providing better service - and with a highlight in prevention of accidents and of occupational diseases.

In this context, Ibersol uses the tools and strategies at its disposal to engage all teams in this matter, investing in raising awareness and consciousness regarding good practices, safety standards and individual behaviours. The re-certification of the Management System of Occupational Safety and Health - that proved the continuous development of the SST area, and that the service provided by Vog-Tecmaia, in the area of food service, meets the requirements of the OHSAS 18001:2007 / NP 4397:2008 standard - was once again attained.

In this respect, 2016 was marked by the following actions:



- 4,831 Occupational Health appointments, where the employees' fitness to perform their professional activity is assessed;
- over 800 audits carried out to the Ibersol units, with the purpose of checking the implementation of the SST standards;
- revision and promotion of training tools addressed to employees and visitors;
- promotion of the teaser 'Não Caias Nessa!' (Don't Believe It!), by sharing the ranking of the safest units to promote the occupational accident prevention;
- reinforcement of the initiative 'Venha Acompanhar Uma Auditoria de Segurança Conosco' (Come With Us and Follow a Safety Audit), aiming to improve the knowledge of the Safety Anchors and of the Coordinators about Occupational Safety and Health in their Units;
- investigation of the incidents, identification of their causes, setup of corrective measures and sharing of best practices. Each business tried to focus its attention, and took measures to prevent accidents from happening again, after thinking about the occupational accidents suffered: 336 in 2016:
- the training in Occupational Safety and Health was maintained in the integration plan of new employees, based on the leaflet on Occupational Safety and Health. As soon as they start working, the employees receive training and are encouraged to follow safe behaviours to avoid the risks of their workplace;
- launch of the 4th edition of the campaign 'Apanha a Tarefa Segura' (Catch the Safe Task), conceived to celebrate the World Day for Safety and Health at Work. In 2016, the employees were challenged to share a good safety practice and to make a video showing it. There were 50 participants, and this reflects the increasing awareness and consciousness of the employees regarding prevention and adoption of good practices of Occupational Safety and Health, which are the aims of this campaign;
- inquiry to the employees regarding Occupational Safety and Health, with a global participation rate of 16%.

EMPLOYEES WELLBEING

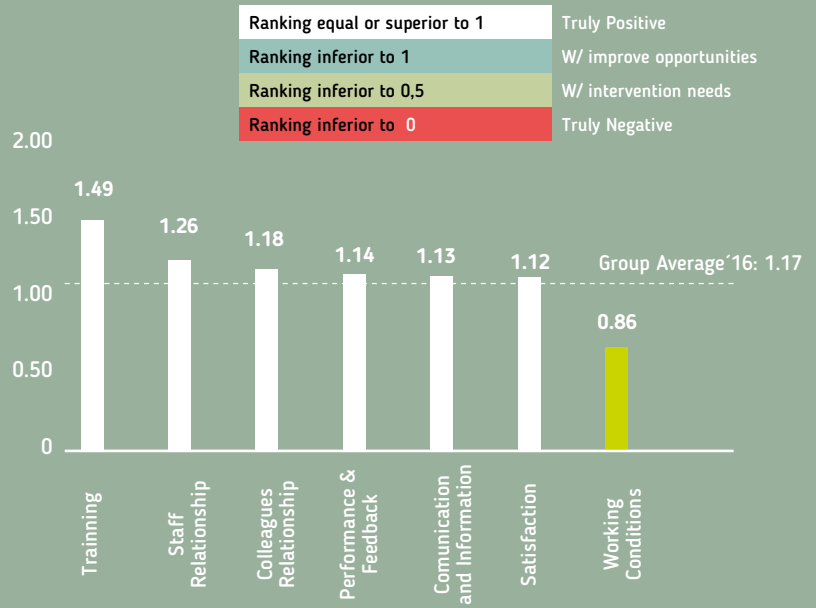
You may speak

To know how to listen is always a way of personal growth. Having this in mind; Ibersol constantly inquires the employees in order to improve its performance based on their expectations, needs and opinions. In this context appears the 'Tenha a Palavra' (You May Speak) – an annual survey that assesses the organizational satisfaction, and which is an essential means of communication. In 2016, 2587 participations were registered at a national level, i.e. a 62% accession, being that 56% of the participants come from Operations department and 68% from the Management Teams, Regarding the results, most of the areas under scrutiny received a broadly positive grade. "Training" and "Relationship with the Management" received the higher scores.

And given that bilateral communication is always encouraged, the 'Tenha a Palavra' (You May Speak) survey also gives the employees the possibility to express their ideas, suggestions and concerns. Throughout 2016, we received 564 comments.



Ranking of the Valorisation Areas 2016



Note: Indicators of feedback of the 'Tenha a Palavra' (You May Speak) for Portugal

IBERSOL IN MOTION


Besides offering the best working conditions possible, Ibersol promotes, whenever possible, the closeness of the personal and working contexts.

To that end, we developed the program 'Ibersol em Movimento' (Ibersol in Motion) that promotes a number of activities outside the professional scope, stimulating the employees wellbeing. One of the initiatives is the Futibersol, a football tournament that has, every year, the participation of 13 teams fully composed by Ibersol employees. This year the winning team was BK United, and the competition was held in two regional rounds (Lisbon and Oporto).

Turing from sports to entertainment, Ibersol offered, as usual, tickets to the Christmas Movie and Circus to the children of the employees, totalling 500 seats. Also concerning Christmas celebrations, all children were given snacks and gifts, and all of them had the opportunity to participate in the Christmas Drawing and Novel Contest. There were 24 participations, each one of them acknowledge with a gift.



The BK United team, winner of Futibersol



**THE PROGRAM
'IBERSOL EM
MOVIMENTO'
(IBERSOL IN MOTION)
THAT PROMOTES
A NUMBER OF
ACTIVITIES OUTSIDE
THE PROFESSIONAL
SCOPE, STIMULATING
THE EMPLOYEES
WELLBEING.**

RELATIONSHIP WITH THE COMMUNITY



Oporto of the Future

The Ibersol Group participates in the program Oporto of the Future, a project created by the Porto municipal government with the purpose of increasing the connection between civil society and the school community. To achieve this purpose, it gathered several parties and companies that conduct business in the northern region of Portugal - amongst them is Ibersol - and that play an active role in the 17 school groupings of that region, namely by sharing knowledge and corporate best practices. The initiatives held in 2016 are summarized in the table below.

Intervention Levels	Actions Undertaken
Education/Training - Technical Food Service Course	<ul style="list-style-type: none"> • Training, Follow up, Evaluation and Acknowledgement; • School/company coordination to determine methodologies for development, supervision, assessment and continual improvement; • Participation in Class Council meetings; • A lunch was served to congratulate the trainees who ended the 2nd year during the school year of 2015/2016
Transversal projects involving entrepreneurship and citizenship	<ul style="list-style-type: none"> • Junior Achievement: 2 volunteers from Ibersol taught one class for the program 'A Comunidade' (The Community), with a total of 24 students; • Innovation Challenge: Ibersol participated with 2 volunteers and was part of the jury that elected the best ideas. One of the winning teams received Burger King vouchers.
Management Consulting	<ul style="list-style-type: none"> • Participation in the Management Consulting Program In2 Excellence.

a) Education / Training

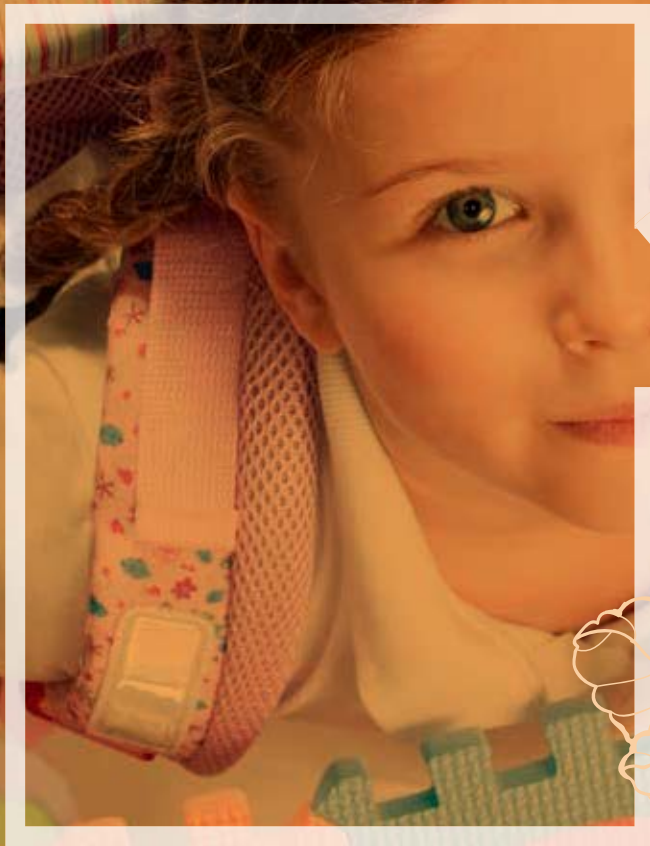
Under the scope of the initiative 'Porto de Futuro' (Oporto of the Future), the Ibersol Group is responsible for the technological component of the Technical Food Service Course at the António Nobre School Grouping. In 2016, Ibersol's pedagogical team provided 588 hours of training, many of these were lectured in a real environment, namely in restaurants of the brands Burger King, KFC, Pans & Company, Pasta Caffé, and Pizza Hut. Ibersol was responsible for the training, the necessary follow up and the performance assessment of each trainee. The second edition of the course started in October 2016, with seven students enrolled.

b) Junior Achievement



The Association Junior Achievement Portugal participates in the project 'Oporto of the Future' with the purpose of providing the schools in the region with training programs focused in entrepreneurship. To fulfil its mission, every year this association work together with companies that were charged of ensuring these trainings to classes of the first and second cycles of the partner schools. In 2016, Ibersol had the participation of two volunteers who trained 24 students from schools in the António Nobre School Grouping.





c) Innovation Challenge

The program Innovation Challenge consists in the resolution, by the students, of a real problem the companies face on a day-to-day basis. This challenge lasts for one day and the students participate in teams, with the assistance of volunteers from several companies, who act as consultants. In 2015/2016, young people were invited to present a measure with impact in the reduction of food waste. Ibersol was part of the jury that elected the best ideas, and one of the winning teams received Burger King vouchers.



SOCIAL RESPONSIBILITY ACTIONS




Restaurant Study Visits

Similarly to previous years, we opened some Ibersol units to study visits, allowing younger people to access the backstage. The initiative ‘Cozinha Aberta’ (Open Kitchen) allowed dozens of visitors to see and even try how Burger King kitchen functions. The units Ferreira Borges, Flamenga, Cascais and Portas do Mar were amongst those that received several groups of young people, and showed them the internal processes and best practices of food safety and hygiene.

Some of the visits performed to the Ibersol restaurants took place over the counter. This was the case of a group of children on a summer camp of Gaia School, who brought to the Burger King N3 do Fojo much joy, and desire to eat a burger.

The brand KFC also promoted several activities, both indoors and outdoors. The restaurant KFC of Dolce Vita Porto hosted the visit of the Hotel and Tourism School and of the Nutrition School (Faculty of Diet Sciences at the University of Porto). The brand participated in several distinct events, like ‘This is America’ – promoted by the embassy of the United States of America in Portugal –, an open day held by the Golf Academy of the Quinta do Fojo, or even the largest national event dedicated to the community of developers: the ‘Pixel Camp’.



Children lunch of the summer camp of the Gaia School, at Burger King Nô do Fojo



Study visit of the children of the Academia 2 ao quadrado (Academy 2 square) to the Burger King of Cascais



Scouts group participating in 'Cozinha Aberta' (Open Kitchen) at Burger King Portas do Mar, in Ponta Delgada, Azores



Também durante 2016 a marca Pizza Hut promoveu diversas visitas guiadas às suas unidades, permitindo que cada participante confeccionasse a sua própria pizza, num programa intitulado “Hut Aprender”. Algumas dessas visitas aconteceram para celebrar o Dia Mundial da Alimentação, assinalado a 16 de outubro. Destaque-se que só as unidades da Foz e 8ª Avenida receberam perto de 300 crianças. Importa ainda acrescentar que este programa está disponível ao longo de todo o ano no espaço Kidzania, parque temático situado no Dolce Vita Tejo.

Pizza Hut at Kidzania



Group of children participating in the program 'Hut Aprender' (Hut Learning) held at the '8ª Avenida' unit

Visit of the School Flori to the Pizza Hut Foz within the scope of the program 'Hut Aprender' (Hut Learning)



Study Visits*

2016		2015		2014		2013	
No. of Visits	No. of Participants	No. of Visits	No. of Participants	No. of Visits	No. of Participants	No. of Visits	No. of Participants
16	430	38	858	15	469	11	397

*These figures include information about visits organized by the Human Resources Department or reported to it; they do not include children's visits to the Pizza Hut in Kidzania Park.

Offering of Meals and Food Donation

The idea of social responsibility to Ibersol comprises, naturally, the offering of meals and the donation of food. To this end, in 2016, almost 12 tons of food products were donated, from food products that were not consumed in events help by Silva Carvalho Catering, and were given to the following entities: Casa da Sopa Mãe Maria de Nazaré (Lisbon), Associação Coração da Cidade (Oporto), Associação Nacional de Ajuda Aos Pobres (Oporto), and Associação Protetora da Criança (Oporto).

The brand Burger King offered several meals to a group of young people fostered by Casa Mãe do Gradil, a place that received children and young people sent by governmental bodies due to several problems, namely child abuse, family disorganization, among many other problems. This famous burger brand offered 40 meals at the Christmas event intended for a group of children and young people, supported by the Gondomar/Valongo delegation of the Portuguese Red Cross. The Burger King at Norteshopping supported the Child Protection Association Bispo D. António Barroso, offering 18 meals to 16 children and two adults of this institution, so that they can experience a unique day. The Burger King Amadeus unit, in Matosinhos, has also received a very special visit. A group of young people and adults with disabilities, belonging to the Parents and Friends of the Mentally Ill Association (APPACDM) at Oporto, had the opportunity to have a different experience, and some of them ate a burger for the first time.

Also in the social context, we should point out the support given by Pizza Hut to an initiative held by the northern delegation of the Association Raríssimas - Associação Nacional de Deficiências Mentais e Raras (association for persons suffering from mental and rare handicaps). This institution, which mission is to give support to people that suffers from rare

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AND THERAPIES.



diseases and their families, promoted the World Children's Day Festivities at the beginning of June. This even gathered about 250 people: children, parents, care takers and volunteers, with the purpose of providing to these children a moment of entertainment outside their daily routines and therapies. The brand contributed with 10 family size pizzas.

The support to event of a social nature included two more initiatives. The Pizza Hut unit of Setúbal offered 10 family size pizzas to a party of the Portuguese Association Parents and Friends of the Mentally Deficient Citizen, with the participation of almost one hundred children and parents. The brand offered 12 meals to a group of autistic children of the School Grouping of Samora Correia, in a campaign to develop personal, social and interaction with the environment competencies.



Cascais Triathlon 2016



Visit of a group from APPACDM in Oporto to Burger King X



World Children's Day Festivities from Rarissimas

Similarly to what happened in previous years, Pizza Hut supported the 'SKI 4 ALL', a program that allows children from all over the country to have an experience of practicing ski at Serra da Estrela. In this context, the brand offered meals to approx. 1500 participants. Within the scope of sports, Pizza Hut supported the Cascais Triathlon 2016, a triathlon event that took place in Cascais and where 175 pizzas were distributed to the athletes and to the staff of the competition.

This year was also marked by a few original initiatives that had the purpose of strengthening the relationship with the surrounding community, particularly the specific audiences. One of those initiatives was addressed to the National Republican Guard (GNR) professionals and to the Public Security Police (PSP), which took place between 24th and 31st December. With the purpose of stimulating the good relationship with the security forces, raising awareness to the importance of their contribution towards the reduction of accidents of the distribution team of Pizza Hut, we offered three boxes pan to the nearest police station to the unit with a home-delivery service. In total, 138 were offered, 138 doses of garlic bread, 138 chocolate breadsticks and 138 soft drinks of 1.5L.



Burger King offered several meals to a group of young people



Pizza Hut SKI 4 ALL

Ibersol – Fundação Pauleta Partnership



The relationship between the Ibersol Group and the ex-football player Pedro Pauleta continued thanks to the contacts help with the Fundação Pauleta. This bond was translated into several activities of a sports nature and also of a charity nature. For example, an autograph session was held to 100 fans of the football star at the Burger King unit of Terceira, and a charity dinner was also arranged to 120 people, which took place at the airport João Paulo II, at Ponta Delgada. This partnership included also the organization of a few sports competitions, like the 3rd edition of the Pauleta Azores Soccer Cup U13” – that had the support of Pizza Hut –, as well as the 10th edition of the Tournament Sub 11 and the IV Tournament of Sub 13 Pizza Burger, where we offered Pizza Hut and Burger King meals to 120 players and 12 teams.

Pauleta Azores Soccer Cup U13



Charity dinner with Pedro Pauleta



Pauleta at Burger King for an autograph session at Burger King Terceira

Other initiatives

Burger King launched, at the end of 2016, the service of home-delivery. Home-delivery in Portugal are, at this stage, available only in two areas of Lisbon - Alvalade and Campo de Ourique -, but we aim to expand the service. The order can be placed through the site www.burgerkingemcasa.pt or through the telephone number 308 808 600. The delivery is free if the order is 13 Euros or more, and the delivery time should not be more than 30 minutes.

The involvement of the Group with the initiatives of a sportive nature was not restricted to the offering of meals at a few events. In 2016, Burger King unit at Ferreira Borges supported the participation of a football team of the club Desportivo Domingos Sávio. This team of Campo de Ourique played all season with the logo of the brand stamped in their sweaters, and participated in the championship and in several tournaments, such as the Foot Mania Oeste, International Youth Football Tournament held in Torres Vedras.



Burger King launched the home delivery service



Burger King Ferreira Borges sponsored the Football team of the club Desportivo Domingos Sávio, from Campo de Ourique

The brand also supported other modalities, such as volleyball. Burger King of Prio Póvoa, at Póvoa do Varzim, sponsored a beach volleyball tournament promoted by the Clube Desportivo de Volleyball, and offered the team 50 Menus King Poupança. The same unit helped on the Student Day at the High School Rocha Peixoto, offering the same menu to 850 students. The purpose of this is to widely promote the brand locally and then get new customers.

Pizza Hut is focused in the prevention of accidents, in road safety and in improving working conditions, and to that end it promoted 'Pizza Segura', in October. With the purpose of increasing visibility of the pizza home delivery personnel on the road, and consequently reduce the number of accidents, the brand gave them a yellow fluorescent helmet they must wear in their deliveries. On October 7th, the helmets were officially handed over to 500 employees nationwide, on a total and simultaneous operation.



Burger King Prio Póvoa, at Póvoa do Varzim, sponsored the beach volleyball tournament



Yellow fluorescent helmet distributed at the initiative 'Pizza Segura' (Safe Pizza)

To promote local involvement, namely in the area of influence of the units Pizza Hut Algés and Pizza Hut Carnaxide, the brand was responsible for sponsoring the equipments and the means of 30 infant athletes of the football team of the club Sport Club de Linda-a-Velha. The brand offered also eight cheese ham family size pizzas, and eight beverages of 1.5L in three different days of competition where the team was present: on the day of the passage to the final of the championship, on the day of the final of the championship and on the day of the Guadiana Cup.

The brands present in the Azores islands participated, throughout 2016, in several local solidarity initiatives, such as the 'Caça ao Ovo' (egg hunt) of the Fundação Coriscos e Alegres, where were hundreds of children, the Solidarity Day help by the Cerebral Palsy of São Miguel, the Christmas party at the School of Terceira Island, where participated 120 children, or even the Christmas party held by the parish of Lomba da Maia to 70 elderly people.

Football team from the club
Sport Club de Linda-a-Velha



Smiling Day' initiative at the
Airport of Ponta Delgada

The promotion of the brands Burger King and Pizza Hut included events such as XI Ciclone – Festival of Tunas of the University of Açores – Campus of Angra do Heroísmo, the XXVII edition of the school games 2016, the XXIX edition of the Academic Week of the Azores, or yet the ‘Smiling Day’ – an initiative held in the airport João Paulo II and where the brands provided catering to approx. one thousand passengers.

At Madeira, the promotion of Ibersol included several sports activities. The support given by Pizza Hut to approx. 500 athletes participating in the CUP Machico Tournament and in the 10th Regional Street Football Tournament is an example of this; as it is the presence of Burger King, Pizza Hut, Pans and KFC in initiatives of school sports, reaching over one thousand students from local teaching institutions. The 34 young people that participated in the Language Week, promoted by the High School Gonçalves Zarco, also had the support of Pizza Hut, and so did the 60 students of the University of Madeira that were part of the program ‘Doutorecos’ (Little Doctors).

We should also mention the allocation of a money donation by the Board of Directors of the Ibersol Group to the Obra do Frei Gil – Ramalde, lar de infância e juventude which provide institutional fostering for long periods of time to children and young people in danger.



Athletes from the 10th Regional Street Football Tournament at Burger King



Thank you note sent to Ibersol by the children at Frei Gil institution

Ibersol – Portuguese Federation of Food Banks Against Hunger Partnership

The funds raising campaign ‘Graças a Muitos Fazemos Sorrir quem mais precisa’ (Thanks to Many we Make Smile those Who Need the Most) took place between 9 and 26 September – an initiative that is the result of the partnership between the Ibersol Group and the Portuguese Federation of Food Banks Against Hunger – in its eight edition. With the support of the customers of brands such as Burger King, Pans & Company, Pizza Hut, Pasta Caffé and KFC – who have kindly paid 20 cents extra for their meals –, it was possible to raise 58 thousand Euros, which are meant to help the most poor and those in need of food. This was a successful initiative that proves that the community is more aware of solidarity issues.







**PRODUCT
LIABILITY**

2016




The sustainability of an organization is reflected, among other factors, in the relationship it has with its client.

PRODUCT LIABILITY



In an organization, sustainability is visible in the relationship with the customers, among other things. Therefore, all Ibersol brands strive everyday to provide the best experience possible to thousands of customers, always with the purpose of reinforce their level of trust. And an irreprehensible offer counts on the supply of products and services with the highest quality standards, using the best practices in quality and food service safety, as well as an outstanding customer attendance.

In this context, the Group is aware that it is particularly important to pay attention to the daily evolution of the world, so that the window of time between the appearance of a customer's wish, and the actual time when it is delivered must be as small as possible. This state of readiness allows us to embrace technological innovations, new marketing concepts, new industry tendencies, and the most recent cooking trends.



The concepts of product liability and devotion to customer are visible in the Group's performance. The fact that, throughout 2016, we regain several certifications under the scope of Management Systems in the areas of Food Safety, Quality, Environment and Occupational Safety and Health, supports our positioning. This focus in the consumer is also reflected in several Ibersol actions, such as promoting healthy lifestyles, giving the consumers the opportunity to perform conscious and informed nutritional choices, and knowing how to listen to them, namely through audits on quality and performing online satisfaction surveys.



Devotion to Customers

Being a reference in modern food service, the Ibersol Group is aware that the customers are a lever to our success, allowing us to improve and to deliver a better service. In this context, it is our priority to listen to the customer's opinions, complaints and wishes, so we can meet, as soon as possible, their expectations. This commitment to the customer requires excellence in attendance and a constant follow up of the new market trends. The Group strives to respond to the requests and demands of the several consumer profiles, adapting and changing the facilities, products and services, as well as internal procedures, information systems and new food service concepts of the different units. The goal is common: to provide to the consumer a unique food service experience.



Listening to Customers

This permanent monitoring of the customers, allows Ibersol to consolidate the relation of trust with them, while promoting the continuous improvement of the internal processes. To this end, the Group has several tools to monitor the quality of the service of the restaurants – quality audits, satisfaction surveys to the customer and management of the complaints received – which provide important indicators regarding customer satisfaction.

In 2016, in Portugal and in Spain, more than 900 quality audits were performed (Mystery Customer program) and listened to the opinion of over 140,000 customers, through the answers given in the online satisfaction surveys (GES – Guest Experience Survey). This way, it was possible to identify areas of improvement and, whenever possible, implement immediately corrective measures. In this context, the complaints are also received and carefully reviewed, and give us important management indicators, which support correction and improvement actions. Throughout 2016, a total of 632 complaints were received, corresponding to a weighted indicator of 2.46 complains over 100,000 transactions. This indicator reinforces, given its reduced value, the positive results of the effort undertaken to ensure a positive experience of our Customers.



FOOD QUALITY AND SAFETY

The concept of food safety – comprising the concepts of availability, accessibility, use and stability of the food for fitness for consumption – is the basis of the Ibersol Group's performance as an agent acting in the food service area, what is also a guarantee of satisfaction and trust for the customers. In this sense, Ibersol implements in all its units, regardless of the markets where we operate, a Food Service System which ensures the highest standards of quality, and also includes obviously the supply of safe food items to the end user. Following this line of action, in 2016, the certification pursuant to the Standard NP EN ISO 22000: Food Safety Management Systems was renewed, as well as the certification ISO 22000 in Angola (which covers the whole logistics chain of KFC and its logistics operator based at the Viana's Industrial Pole). The certification of the Integrated Management Systems of the Group was once more achieved, under the standards:

- NP EN ISO 9001: Quality Management Systems, NP EN ISO 14001: Environmental Management Systems, and NP 4397:2008/ OHSAS 18001: Occupational Safety and Health Management Systems, in the context of food service operations of the Ibersol Group and food service provision in VOG-Tecmaia;
- NP EN ISO 22000: Food Safety Management Systems in the context of the food chain management of the food service operations of the Ibersol Group.

Portuguese Certified Units with NP EN ISO 22000

Catering Dragão Football Stadium, Spoon Terminal 1 Lisbon Airport, Clocks Terminal 1 Lisbon Airport, Multi-brand Terminal 1 Lisbon Airport (Pizza Hut, KFC, Cockpit Drinks & Tapas Terminal 1), Burger King Dolce Vita Porto; Kiosks Café Dolce Vita Porto; KFC Dolce Vita Porto; O'Kilo Dolce Vita Porto; Pizza Hut Dolce Vita Porto; Pans & Company Dolce Vita Porto; Pasta-Caffé Dolce Vita Porto; Burger King Colombo; Pizza Hut Colombo; Pans & Company Colombo; KFC Colombo; Burger King NorteShopping; KFC NorteShopping; Pasta-Caffé NorteShopping; Pizza Hut NorteShopping; Pizza Hut Foz; Pizza Hut Matosinhos; Vog Tecmaia; Blue Caffé; KFC CascaisShopping; Burger King Cascais, KFC Vasco da Gama, KFC Fórum Almada, Sintra Central Production Unit.

We should point out that these are internationally acknowledged certifications and that ensure the standardization of the necessary requirements to supply end users with safe food. This way the quality, transparency and safety of all products is ensured, and so are the occupational safety and environmental standards.

In this sense, it is impossible not to mention the concept of cleanness. Taking into consideration its utmost importance, Ibersol continued to invest in Clean2Safe - a program that aims to improve the quality of the cleaning process, by developing the skills of the teams and taking into consideration the different dimensions of the process. Firstly, the safety of the operators while performing the tasks; and the efficient management of the cleaning process and a reduction of the operational costs and the ecological footprint.

Allergens Program: for an *informed* choice

With the purpose of providing the customer with the opportunity to make informed choices, all food service units of the Ibersol Group are capable of providing their customers the nutrition information, namely the existing allergens, of more than 3,000 products and raw materials used in their kitchens.

Viva Bem (Live Well) Program

The Ibersol Group has developed the program ‘Viva Bem’ (Live Well) with the purpose of promoting a healthy lifestyle to their customers, which has a main instrument of communication: the blog ‘Viva Bem’ (<https://vivabemoblog.wordpress.com/>). This digital space of sharing information about a healthy lifestyle in its different forms – nutrition, sports or healthy habits – has been gaining more and more followers, registering in 2016 an increase of over 30,000 views.

In this blog, besides checking the available information, the customers can ask questions about nutrition in the section ‘Espaço Nutricionistas’ (Nutritionists Area) and get answers from the experts. There are also other topics such as ‘Menus Saudáveis’ (Healthy Menus) and ‘Crianças e Escolas’ (Children and Schools).



‘Pequenos Grandes Chefes’ (Little Big Chefs) Program

Ibersol maintains a proximity relationship with the children and youth audience, which was reinforced by the partnership with the CONFAP - Confederação Nacional das Associações de Pais (National Confederation of Parents Associations). Often the Group opens its units to students from all over the country, giving them the opportunity to look at what goes on behind the scenes, namely in the kitchens, and let them actually do the work and try our food safety and hygiene practices. This program is called ‘Pequenos Grandes Chefes’ (Little Big Chefs).







GRI INDEX

2016



ENVIRONMENTAL
PERFORMANCE INDICATORS

SOCIAL PERFORMANCE
INDICATORS
- LABOUR AND WORK
PRACTICES

SOCIAL PERFORMANCE
INDICATORS
- HUMAN RIGHTS

SOCIAL PERFORMANCE
INDICATORS
- SOCIETY

PRODUCT LIABILITY
PERFORMANCE INDICATORS



GRI 3 – Economic Performance Indicators

Aspect	Core	Complementary	Description	Ibersol Performance							
Economic Performance	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 2016 Annual Report and Accounts							
	EC2		Financial implications and other risks and opportunities for the organization's activities due to climate changes.	Consult 2016 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 2016, Ibersol received support for 26 professional internships. From these, 13 were co-participated by the Employment and Professional Training Institute (IEFP, Instituto de Emprego e Formação Profissional), and 13 were held under specific internship programs of the Autonomous Region of Madeira.							
Market Presence		EC5	<i>Ratio of lowest wage and local minimum wage in significant operational units.</i>	The ratio is equal to 1.							
	EC6		Policy, practices, and proportion of spending on locally-based suppliers in significant operational units.	Whenever a product or service can be obtained through local suppliers, according to the established product and service conditions, Ibersol gives priority to local suppliers. However, there is no formal policy governing spending ratios relative to local suppliers and others.							
	EC7		Procedures for hiring locally and proportion of top management jobs occupied by people coming from the local community, in the important operational units.	<table border="1"> <thead> <tr> <th>Country</th> <th>% Local Top Managers</th> </tr> </thead> <tbody> <tr> <td>Portugal</td> <td>100%</td> </tr> <tr> <td>Spain</td> <td>67%</td> </tr> <tr> <td>Angola</td> <td>0%</td> </tr> </tbody> </table>	Country	% Local Top Managers	Portugal	100%	Spain	67%	Angola
Country	% Local Top Managers										
Portugal	100%										
Spain	67%										
Angola	0%										
Indirect Economic Impacts	EC8		<i>Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.</i>	Chapter 5 – Social Performance							
		EC9	Description and analysis of most important indirect economic impacts, including their extent.	Chapter 2 – Organizational Profile and 2016 Annual Report and Accounts							

GRI 3 – Environmental Performance Indicators

Aspect	Core	Complementary	Description	Ibersol Performance	
Materials	EN1		Materials used by weight or volume	Not calculated.	
	EN2		Percentage of materials used that are recycled input materials	Not calculated.	
	EN3		Direct energy consumption by primary energy source.	Chapter 4. Environmental Performance	
Energy	EN4		Indirect energy consumption by primary energy source.	Indirect energy consumption is basically limited to fossil fuels (gasoline and diesel) used by employees, the logistics operator and suppliers. Regarding diesel and gasoline consumption by the fleet in 2016, the average per vehicle was 1,748 litres.	
		EN5	Total energy saved due to conservation and efficiency improvements.	Chapter 4. Environmental Performance	
		EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy consumption as a result of these initiatives.	Chapter 4. Environmental Performance	
		EN7	Initiatives to reduce indirect energy consumption and reductions achieved	Chapter 4. Environmental Performance	
		EN8	Total water consumption by source.	Chapter 4. Environmental Performance	
	Water		EN9	Water resources significantly affected by water consumption.	Did not occur.
			EN10	Percentage and total volume of water recycled and reused.	Did not occur.
		EN11	Location and size of land owned, leased or managed by the organization, in or adjacent to protected areas and areas of high biodiversity value outside protected areas.	Not applicable.	
Biodiversity		EN12	Description of significant impacts of activities, products, and services on biodiversity of protected areas and on high biodiversity areas outside protected areas	Not applicable.	
		EN13	<i>Habitats protected or restored.</i>	Not applicable.	
		EN14	Current and future strategies and programs for managing impacts on biodiversity.	Not applicable.	
		EN15	Number of species in the IUCN Red List and in the national conservation list with habitats in areas affected by operations, by level of extinction risk.	Not applicable.	

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.	Chapter 4. Environmental Performance Regarding the production of gases from fossil fuel consumption, the existence of 3 video-conference centres (in Lisbon, Porto and Vigo) reduces travel and helps lower emissions of polluting gases that cause greenhouse effects.
	EN19	Emission of ozone-depleting substances by weight.	Not calculated.
	EN20	NOx SOx and other significant air emissions by type and weight.	Not calculated.
Emissions, Effluents and Waste	EN21	Total water discharge by quality and destination.	Did not occur.
	EN22	Total amount of waste, by elimination method and type.	Chapter 4. Environmental Performance
	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 Annexes I, II, III, and VIII, and percentage of waste transported by ship internationally.	Not applicable..
	EN25	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by discharges of water and runoff.	Not applicable.
Products and Services	EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact reduction.	Chapter 4. Environmental Performance
	EN27	Percentage of products sold and their packaging materials that are reclaimed by category.	Chapter 4. Environmental Performance
Compliance	EN28	Amounts used to pay significant fines and total number of non-monetary sanctions resulting from non-compliance with environmental regulations and laws.	Non-existent
Transport	EN29	Significant environmental impacts from transporting products and other goods and raw materials used for the organization's operations, and from transporting members of the workforce.	See EN4
General	EN30	Total environmental protection expenditures and investments by type.	Not calculated.

GRI 3 – Social Performance Indicators

Labour Practices and Decent Work

Aspect	Core	Complementary	Description	Ibersol Performance
Employment	LA1		Total number and rate of employee turnover by age group, gender, and region.	Chapter 5 – Social Performance
	LA2		Breaks down workforce by employment type, employment contract, and region.	Not calculated.
		LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees.	There is no discrimination in benefits according to schedule type.
Relations between employees and administration	LA4		Percentage of employees covered by collective bargaining agreements.	98% of Ibersol Group employees are covered by collective labour regulation instruments.
	LA5		Minimum notice period regarding operational changes, including whether specified in collective contracting 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.
		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 Safety and Health team that develops and monitors best practices in this area and includes them in the Ibersol standards that support the associated training programs. The latter are posted on the Ibersol website. Chapter 5 – Social Performance
Occupational Safety and Health	LA7		Rates of injury, occupational illnesses, lost days, absenteeism and number of work-related fatalities by region.	Work-related accidents 2016 = 336; Accidents in Route = 33; Days lost due to work-related accidents = 7485; Days lost due to accidents in route = 792
	LA8		Education, training, counselling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	Chapter 5 – Social Performance
		LA9	Health and safety topics covered in formal agreements with trade unions.	Non-existent..

Training and Education	LA10	Average hours of training per year per employee by employee category.	Chapter 5 – Social Performance – Training and Education												
	LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in career management.	Chapter 5 – Social Performance – Training and Education												
	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 (Shift Management) every 6 months and, and annually at the Unit Management, Business Structure and Central Functions level, involving all employees.												
	LA13	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity.	Chapter 2 – Organizational Profile Chapter 5 – Social Performance												
Diversity and Equal Opportunities	LA14	Breakdown of base salaries ratio of men and women by function.	<p>Presentation of the comparison of monthly remuneration regarding the jobs with greatest representation.</p> <table border="1"> <tr> <td>Operation</td> <td>1.01</td> </tr> <tr> <td>Shift Management</td> <td>0.99</td> </tr> <tr> <td>Unit Management</td> <td>0.93</td> </tr> <tr> <td>Business Structure</td> <td>0.75</td> </tr> <tr> <td>Shared Services</td> <td>0.66</td> </tr> <tr> <td>Total</td> <td>0.95</td> </tr> </table>	Operation	1.01	Shift Management	0.99	Unit Management	0.93	Business Structure	0.75	Shared Services	0.66	Total	0.95
Operation	1.01														
Shift Management	0.99														
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Business Structure	0.75														
Shared Services	0.66														
Total	0.95														

GRI 3 – Social Performance Indicators

Human Rights


Aspect	Core	Additional	Refers to	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 main suppliers and contractors that have undergone screening on human rights and measures taken.	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.	Non-existent.
Non-discrimination	HR4		Total number of incidents of discrimination and actions taken.	Non-existent.
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.	Non-existent..
Child Labour	HR6		Cases where there is a significant risk of child labour incidents, and measures taken to eliminate same.	Non-existent..
Forced Labour and Slavery	HR7		Cases where there is a significant risk for incidents of forced or slave labour, and measures contributing to their 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.	Non-existent..
Indigenous Rights		HR9	Total number of incidents of violations involving rights of indigenous people and actions taken.	Not applicable.

GRI 3 – Social Performance Indicators Society

Aspect	Core	Complementary	Description	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.	Non-existent.
	S02		Percentage and total number of business units analyzed for corruption risks.	Non-existent.
Corruption	S03		Percentage of employees trained in organization's anti-corruption policies and practices.	Non-existent.
	S04		Actions taken in response to incidents of corruption.	Non-existent.
	S05		Participation in public policy development and lobbying.	Non-existent.
Public Policies		S06	Total value of financial and in-kind contributions to political parties or related institutions by country.	Non-existent.
		S07	Total number of legal actions for anti-competitive behaviour, anti-trust, and monopoly practices and their consequences.	Non-existent.
Compliance	S08		Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	Non-existent.

GRI 3 – Product Liability Performance Indicators

Aspect	Core	Complementary Description	Ibersol Performance
Customer Health and Privacy	PR1	Indicate product and service life cycles in which health and safety impacts are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	Chapter 6. – Product Liability
	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.	Chapter 6. – Product Liability
Product and Service Labelling	PR3	Type of product and service information required by regulations, and percentage of significant products and services subject to such requisites.	All our products and services are duly identified for Customers, using appropriate means according to the kind of restaurant service (menu board, leaflets, table menu, website, among others).
	PR4	Indicate total number of incidents resulting from noncompliance with regulations and voluntary codes concerning product and service information and labelling, by type of outcomes.	During the period under analysis no incidents or non-compliances were registered concerning services and product labelling.
	PR5	Procedures related to Customer satisfaction, including results of surveys measuring Customer satisfaction.	Chapter 6. – Product Liability
Marketing Communications	PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	Non-existent..
	PR7	Indicate total number of incidents of noncompliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes.	Non-existent..
Customer Privacy	PR8	Total number of complaints registered regarding breaches of Customer privacy.	Non-existent..
Compliance	PR9	Amount of (significant) fines for noncompliance with laws and regulations regarding the supply and use of products and services.	Non-existent..

A close-up photograph of a hand holding a stalk of wheat. The hand is positioned at the top right, with fingers gently grasping the stem. The wheat stalks are in the foreground and background, creating a sense of depth. The entire scene is bathed in a warm, golden light, likely from a low sun, which creates a soft, hazy atmosphere. The background is a bright, yellowish-gold color, suggesting a clear sky or a very bright light source.

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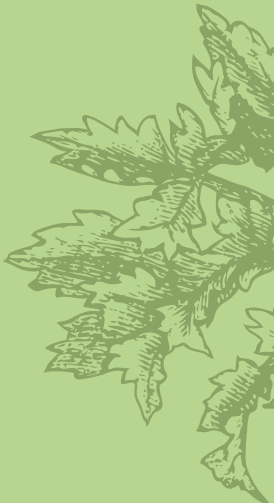
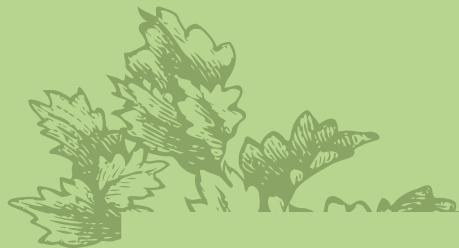
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Oporto, April 30th, 2017
The Board of Directors

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