

Non-Technical Summary

Project RESTORAN

(August 9, 2016)

This non-technical summary describes the Project Restoran, the key findings of the environmental and social due diligence (ESDD) and outlines the approach and commitment to managing and monitoring environmental and social issues.

1. Project Description

TFI TAB Gıda Yatırımları A.Ş (TFI), one of the largest global restaurant operators has issued US\$150 million of preferred stock to finance its future growth plans. The new financing will help TFI roll out new restaurants, as well as expand their supply chain and implement resource-efficiency measures. TFI runs over 1,500 restaurants and is the largest Burger King master franchisee globally, with exclusive operating rights in Turkey and China. In Turkey, the company operates five brands: Burger King, Popeyes, Sbarro, Arby's, and its own Usta Donerci.

2. Environmental & Social Categorisation

The project was categorised B in accordance with 2014 EBRD Environmental & Social Policy. The Bank's finance for the Company's expansion of its supply chain in Turkey and its plans to expand its restaurant network will have site-specific environmental and social issues which can be adequately addressed by mitigation measures. The anticipated environmental and social impacts of the project are expected to be related to labour conditions, occupational health and safety, food and product packaging waste and animal welfare issues. The Company currently operates a meat processing plant, salad packaging plant, bread factory, warehouse/logistics facility, potato processing plant and Burger King franchised restaurants with a total of approximately 14,200 employees in Turkey.

3. Environmental & Social Due Diligence

The EBRD's Environmental and Social Due Diligence (ESDD) initially involved a review of the completed ESDD Questionnaire and other relevant documentation provided, such as third party supplier audit results, environmental permits, and discussions with the Company management. In addition, there was an independent audit of the Company's meat processing facilities, review of labour and Environmental, Health and Safety (EHS) issues. Limited ESDD was also undertaken for the Company's Chinese operation, based on an examination of the Company's environmental and social risk management requirements that will be applied to their restaurant operations in China. The key environmental and social issues identified during the due diligence are outlined below. The due diligence showed that the Company's facilities

are in compliance with relevant national environmental, health, safety and labour requirements.

4. Environmental, Health and Safety Policy

The ESDD identified that the Company does not have a corporate (group) level environmental and social policy or formal group level Occupational Health and Safety (OHS) management system; each company under the TFI group operates under its own policy and operational requirements. In addition, improvements should be implemented with respect to some aspects of OHS management such as improving first aid training and developing best practice road safety policies and procedures for the Company and contracted drivers and motorcycle riders for the Company's logistics and restaurant operations. The ESAP includes actions to address these requirements.

5. Labour and Working Conditions

Human Resources (HR) procedures include written contracts, non-discrimination and equal treatment, and a policy setting minimum worker age are in place in accordance with Turkish law. ESDD, however, identified the need to define a clearer policy and instructions about the working conditions for young workers and pregnant employees, and to improve the employee grievance mechanism, and these changes have been included as commitments in the Environmental and Social Action Plan (ESPA) which has been agreed as a condition of financing.

6. Food Safety

ESDD showed that the production lines and restaurants are in compliance with national legislation including hygiene and food safety. All of the Company's production lines have been audited twice a year by third party auditors against Burger King's global food safety requirements, in line with good international practice, and the most recent audits in 2015 confirmed satisfactory food safety performance. Suppliers for the Burger King franchised restaurants, they are required to comply with British Retail Consortium (BRC) Global Standard for Food Safety.

The franchised restaurants comply with Burger King Operation principles which are audited by third party companies such as SAI Global. All the restaurant employees receive health and safety training which includes hygiene and food safety standards. There is an internal 'Work Site Health & Safety Periodical Check List' programme developed and implemented by the restaurant operation which includes hygiene, food safety, equipments and procedures.

7. Meat supply and animal welfare

As of July 2016, TFI purchases its meat products from suppliers outside of the organization. All of these existing meat suppliers are audited by independent auditors of Burger King on a 6 monthly basis against international requirements and the most recent audits in 2015 confirmed

satisfactory performance. These meat suppliers that are providing the final meat product directly to the restaurant operation will be phased out once the Company's own meat facility is fully operational.

The ESDD also reviewed animal welfare standards against both Turkish law and European Union requirements. At the time of the audit (June 2016), the newly constructed meat processing plant in Amasy was still being commissioned and not fully operational, however the audit examined the facilities and management plans. The ESAP includes a number of operational controls and training requirements to be implemented at the new plant to meet align with the EBRD requirements.

The ESDD confirmed that the infrastructure and buildings of the newly built meat processing facility are compliant with EBRD standards on the following areas: freedom of animal movement, buildings and accommodation, animal kept outdoors, automatic or mechanical equipment, automated equipment regular inspections and backup systems, food and water provisions, animal health and biosecurity procedures, and animal processing and slaughter equipment and methods. The Company also will adopt 2014 Burger King standards for animal handling and systems auditing approach to animal welfare that meets the Animal Welfare American Meat Industry (AMI) Foundation guidelines for the meat processing plant operations.

To ensure that the operational issues will be reviewed and addressed to the satisfaction of the Bank, monitoring will include an independent third party Animal Welfare Audit at the new plant once it becomes fully operational and to follow up on any issues raised within a reasonable time.

8. Environmental and Social Action Plan (ESAP)

To structure the project to ensure adequate environmental and social risk management systems in compliance with EBRD Performance Requirements, the ESAP includes the following:

- to adopt and implement Corporate (group) EHS Policies and management system in line with the Bank's PRs;
- to develop Group Human Resources policy and apply it to all subsidiaries;
- to incorporate labour assessments in the existing audit systems of the group;
- to assign a Corporate EHS manager to implement and monitor EHS commitments;
- to improve training in First Aid and Occupational Health and Safety across the subsidiaries;
- to develop and implement road safety policies and procedures in accordance with good international standards, particularly focused on delivery drivers associated with the restaurant operations and logistics;

- to establish supplier and contractor management systems in line with the Bank's PRs across the Company including acquisitions/operations in China; and
- to undertake regular animal welfare audits for the new meat processing plant.

9. Monitoring of Project and ESAP Implementation

The Bank will carry out monitoring of the project by site visits, as needed, and reviews of annual environmental and social report and review periodic independent audit results of environmental and social performance. The Company will publicly disclose information on its environmental and social performance on an annual basis.

10. Stakeholder Engagement

TFI has been supporting Turkish children's education by building schools and shelters as part of its corporate social responsibility activities (<http://tabfoods.com/en/corporate/43/social-responsibility>).

TFI has established a grievance mechanism for external stakeholders, which provides a process for all stakeholders to raise any complaints and grievances, and allows the project to respond to and resolve the issues in an appropriate manner.

Any comments or concerns can be brought to TFI's attention either verbally or in writing (by post or e-mail) or by filling in a grievance form (available from the company or on the Project website www.tabfoods.com) All grievances will be: acknowledged within 7 days; and responded to no later than 30 days.

Grievance information is recorded in a grievance log by specifically nominated and trained members of staff by requesting the following information:

- Name and contact details,
- Details of the grievance and how and when it was submitted, acknowledged, responded to and closed out.

Contact Information: grievances or requests for information can be submitted to TFI through the following contacts:

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