

*Sonae Sierra  
Jones Lang LaSalle Incorporated*

## Sustainability Target Review

# Final Progress Report for Sustainability Targets



# Contents

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# Preliminary Audit Report

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## 1. Introduction

In December 2017, Sonae Sierra committed to work towards the accomplishment of 39 sustainability targets by the end of 2018. This report, which has been prepared by JLL's (Jones Lang LaSalle) Upstream Sustainability Services team, is intended to provide an external review of Sonae Sierra's progress towards meeting these targets. The report is divided into three sections:

- Methodology
- Summary of progress
- Targets by level of attainment

By providing further information and explanations about the sustainability target evaluation process and its outcomes, this document is intended to be a point of reference for Sonae Sierra's stakeholders, to provide further clarity on statements made in the 2018 Environmental, Economic and Social Report. In addition, a further 10 sustainability actions were also reviewed and a report into progress against these is available on Sonae Sierra's website.

## 2. Methodology

The level of progress achieved towards each target has been established by scrutinising documented evidence provided by Sonae Sierra. In cases where targets were applicable to five or more different sites or other entities, a sampling approach was used, whereby random samples of evidence were requested from a summary list of sites. Where further explanations were deemed necessary, direct contact was made with individuals within Sonae Sierra who were responsible for meeting the target. The level of completeness for each target is represented as a percentage.

### Sustainability Targets

A sustainability target is a target which relates to achieving performance against a standard (e.g. ISO 14001, or relevant government standards) or a threshold of performance (e.g. a recycling rate).

Sustainability actions are divided into (1) internal actions and (2) public targets. Of the 39 sustainability targets set for completion in 2018, 9 were considered to be internal actions and 30 were considered to be public targets.

### Sustainability target evaluation – worked example

**Target:** Attain a minimum average recycling rate of 64.4% across our owned shopping centres.

**Evaluation:** Verified data from Deloitte shows that the recycling rate across Sonae Sierra owned shopping centres for 2018 was 66%. As a result, JLL determine that this target should be assessed as 100% achieved.

### 3. Summary of Progress

Status of 2018 sustainability targets (39 targets)

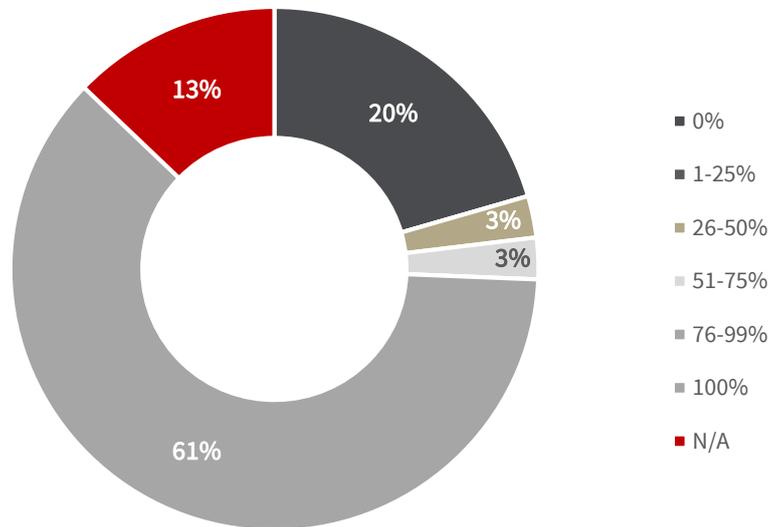


Table 1 – Sustainability Targets and Overall Achievement Status

Issue	Number	0%	1-25%	26-50%	51-75%	76-99%	100%	N/A
Environment	12	3	0	0	0	0	8	1
Water	1	0	0	0	0	0	1	0
Waste	5	2	0	0	0	0	2	1
Energy & Climate	6	1	0	0	0	0	5	0
Biodiversity & habitats	0	0	0	0	0	0	0	0
Safety & Health	9	5	0	0	0	0	3	1
SHEMS	6	0	0	0	1	0	2	3
Risk Management	0	0	0	0	0	0	0	0
Future Fit Retail	8	0	0	1	0	0	7	0
Leveraging Knowledge	4	0	0	0	0	0	4	0
<b>Total</b>	<b>39</b>	<b>8</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>24</b>	<b>5</b>

## 4. Sustainability Targets by Level of Attainment

Table 2 lists sustainability targets and their overall attainment status. Where appropriate, comments about the assessment process are included.

**Table 2 – Sustainability Targets and Overall Attainment Status**

2018 Sustainability Target	% of attainment	Comments
<b>Environment</b>		
<b>Water</b>		
Attain a level of water consumption at or below 3.37 l/vis (aggregated across all Sierra owned shopping centres)	100%	Reported water consumption for Sonae Sierra's owned portfolio was below 3.36 litres per visit.
<b>Waste</b>		
Attain a minimum average recycling rate of 64.4% across our owned shopping centres	100%	Sonae Sierra owned shopping centres achieved a recycling rate of 66% in 2018.
Guarantee that the proportion of waste (by weight) sent to landfill, across Sonae Sierra owned shopping centres does not exceed 18.2%	100%	The proportion of waste sent to landfill across Sonae Sierra owned shopping centres for 2018 was 17%.
Attain a minimum average recycling rate of 90.6% in our Lisbon, Maia and S. Paulo Offices	0%	The recycling rate for Sonae Sierra's corporate offices in 2018 was 86.6%.
Attain a maximum average landfill rate of 8.3% in our Lisbon, Maia and S. Paulo Offices	0%	The average rate of waste sent to landfill from Sonae Sierra's corporate offices in 2018 was 12.9%
Achieve an overall recycling rate of 85% on all construction projects completed in 2018 (including refurbishments and expansions)	N/A	No construction projects or refurbishments were completed in 2018
<b>Energy &amp; Climate</b>		
Attain a maximum value of 0.0156 tonnes of GHG emissions per square metre of GLA (GHG Protocol scopes 1 and 2, plus business air travel)	0%	Attained a value of 0.0158 tonnes of GHG emissions per square meter of GLA
Monitor Natural gas consumption (excluding tenants) (m3/m2), where it is material for the carbon footprint (Scope 1 and Scope 2) of locations/countries.	100%	Sampling approach taken - 2 sites selected: Loop 5 (Germany) and Serra Shopping (Portugal). Both centres provided evidence that natural gas consumption was being monitored.
Monitor Chilled water purchased and consumed (kWh / m2 GLA), where it is material for the carbon footprint (Scope 1 and Scope 2) of locations/countries.	100%	Evidence was provided showing that chilled water purchased and consumed was indeed being monitored.
Monitor High temperature hot water purchased and consumed (kWh / m2 GLA), where it is material for the carbon footprint (Scope 1 and Scope 2) of locations/countries.	100%	Sampling approach taken - 2 sites selected: Alexa (Germany) and River Plaza Mall (Romania). Both centres provided evidence that high temperature hot water purchased and consumed was being monitored.

2018 Sustainability Target	% of attainment	Comments
Strive to negotiate zero emissions electricity contracts.	100%	Sampling approach taken - 2 sites selected: Parque Atlantico (Portugal) and Sao Paulo Office (Brazil). Both centres provided evidence that zero emissions electricity contracts tried to be obtained.
Attain a maximum value of electricity consumption of 387 kWh/m2 (mall + toilet area) across Sierra owned shopping centres.	100%	Electricity consumption across Sonae Sierra owned shopping centres in 2018 was 377 kWh/m2 (taking into account mall and toilet areas)
<b>Safety &amp; Health</b>		
Reduce the number of work accidents (per million hours worked) which result in workforce absence to not more than 1.37	0%	According to indicator G4-LA6 included in Deloitte's verification file, the injury rate in 2018 was 3.29.
Reduce the severity of work accidents and occupational diseases which result in workforce absence to not more than 6.00	0%	According to indicator G4-LA6 included in Deloitte's verification file, the Lost Day rate in 2018 was 20.82.
Achieve zero fatalities due to accidents within Sonae Sierra's workforce	100%	According to indicator G4-LA6 included in Deloitte's verification file, no fatalities occurred in 2018.
Ensure that all construction projects on going in 2018, do not have a Lost Workday Case Accidents Frequency Rate (LWCARF) higher than: New Shopping Centres - 11 Expansions/Refurbishments - 9,5	0%	At least four projects were found to have a Lost Workday Case Accidents Frequency Rate (LWCARF) higher than 11.
Attain a maximum of 7.1 Lost Workday Case Accidents Frequency Rate (LWCAFR) for all projects completed in 2018 (over the entire project duration).	N/A	No construction projects/refurbishments completed in 2018
Achieve zero fatalities due to accidents on Sonae Sierra construction works	100%	No fatalities due to accidents were reported on Sonae Sierra construction works.
Reduce the LWCAFR of shopping centres' service suppliers by at least 46% in comparison with 2017	0%	According to indicator G4-LA6 included in Deloitte's verification file, the LWCAFR of shopping centre's service suppliers was reduced by 37% in comparison with 2017.
Achieve zero fatalities due to accidents in Sonae Sierra Shopping Centres	100%	According to indicator G4-LA6 included in Deloitte's verification file, no fatalities due to accidents occurred in 2018.
Reduce the number of level 3, 4 and 5 accidents in Shopping Centres, per million visits of 1.49	0%	According to indicator G4-LA6 included in Deloitte's verification file, the number of level 3, 4 and 5 accidents in Shopping Centres, per million visits in 2018 was of 1.61.

2018 Sustainability Target	% of attainment	Comments
<b>Safety, Health and Environment Management System (SHEMS)</b>		
Achieve ISO 14001 and OHSAS 18001 certifications for the SHEMS of one further shopping centre in operation	100%	Target applicable to Albufeira Retail Park (Portugal). ISO 14001 and OHSAS 18001 certifications were received and verified.
Achieve OHSAS 18001 certifications for the SHEMS of one further shopping centre in operation	100%	Target applicable to Via Catarina Shopping (Portugal). OHSAS 18001 certification was received and verified.
Ensure that all new shopping centre construction projects have a valid ISO 14001 and OHSAS 18001 certificate upon opening	N/A	No applicable projects completed in 2018
For all projects completed in 2018, ensure that SHE data is correctly reported to guarantee that at least of 85% are validated in final data audit.	N/A	No applicable projects completed in 2018
Ensure that at least 85% of SHE data for Milan, Madrid, Dusseldorf, Bucharest Lisbon, Maia and S. Paulo offices is correctly reported	71%	71% of SHE data has been correctly reported in 2018.
Achieve 100% compliance with the SHEDS on all projects completed in 2018	N/A	No applicable projects completed in 2018
<b>Future Fit Retail (FFR)</b>		
Proceed with the implementation of the Rising Store winning projects	48%	The Rising Store winning projects were partially implemented throughout Portugal and Spain.
Promote 2 Community Advisory Panels (CAP)	100%	Proof was received and verified: Community Advisory Panels (CAP) were implemented throughout Spain and Portugal.
Develop 3 local community initiatives tailor made to each SC and its catchment.	100%	All applicable shopping centres provided proof of the development of at least 3 local community initiatives.
Invest a proportion of the Promotional Fund of every operational shopping centre in community related initiatives (at least 2% for sites in Europe and 0,5% for sites in Brazil)	100%	All applicable shopping centres provided proof that their percent investment of promotional funds in community related initiatives was at least 2% for European sites, and at least 0.5% in Brazil.
XMAS Gifts Collection	100%	Global average achieved with each shopping centre collecting more than 75 gifts for unprivileged kids.
Implement personalized shop ´s offers for visitors throughout centre's mobile app	100%	Personalisation of shop offers for visitors was implemented - the application is currently available.
Carry out the Tenant Training qualification program at least in 50% of SSB owned shopping centres	100%	Tenant Training qualification program was undertaken in the majority of SSB owned shopping centres.

2018 Sustainability Target	% of attainment	Comments
Increase the number of companies (stores) with a sustainable character inside our shopping centres (4 shops)	100%	Target was considered achieved with 6 new contracts awarded. However, the definition of "sustainable character" was not defined.
<b>Leveraging Knowledge</b>		
Celebrate "Be Healthy" with initiatives to promote the health and well-being of our workforce	100%	Initiatives were launched in each main Sonae Sierra offices
Organize a Sonae Sierra Community Day	100%	Sonae Sierra community days were organised throughout shopping centres.
Organize two workshops about resilience	100%	Workshops around resilience took place in Spain and Germany.
Implement Be Well Survey	100%	The survey was successfully implemented in 9 countries.



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