

# Evolving in a changing world

Open mind,  
Greater value.



# Evolving in a changing world



Sonae Sierra's business has changed and became more comprehensive.

Because of that change, a transformation process occurred in order to ensure sustainable growth for the future. With vision, dynamism and competence, Sonae Sierra demonstrates the ability to adapt and evolve in a constantly changing world.

Open mind,  
Greater value.

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Evolving in  
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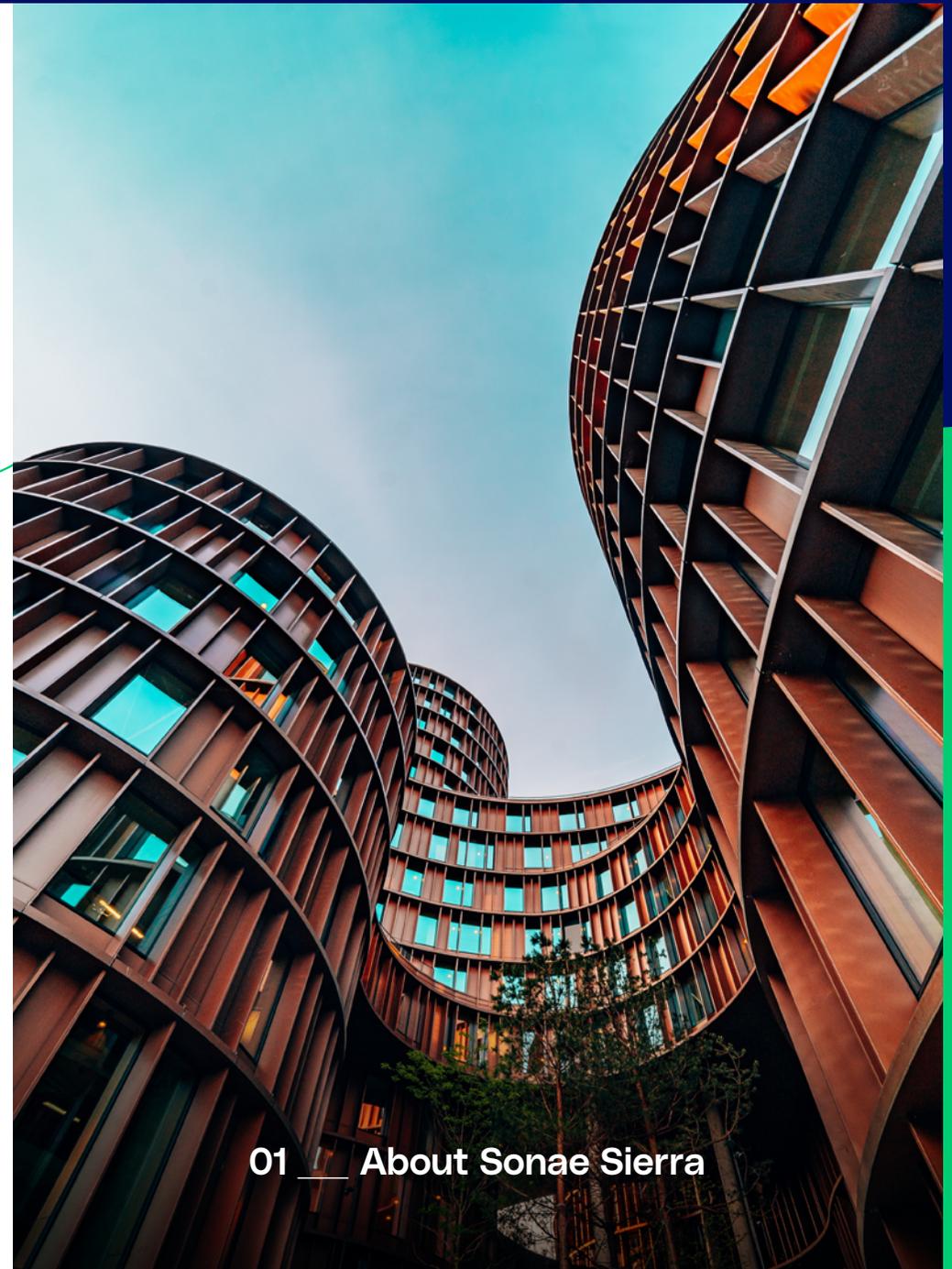
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# Evolving business

in a changing world

Sonae Sierra is an international real estate company dedicated to the needs of investors, clients and tenants. Provides investment, development and property management services all over the world.



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01      About Sonae Sierra

# We redefined our business strategy,

strengthened our team, launched our transformation programme and created a sound business pipeline for the years ahead, across all business units.



## CEO's letter

Fernando Guedes  
de Oliveira

CEO Sonae Sierra





## CEO's letter

2021 has been another atypical year. Despite the fact that our business was still impacted by the pandemic, and that we were reacting to it, our eyes were set on the future, shaping a new growth cycle. We redefined our business strategy, strengthened our team, launched our transformation programme and created a sound business pipeline for the years ahead, across all business units.

With increased COVID-19 vaccination rates across Europe, the reduction in hospital admissions, the ease of lockdowns and other restrictions and the consequent improvement of consumer confidence, the activity of Sonae Sierra's Shopping Centres has started to recover, with sales, footfall and occupancy rate at levels close to 2019. Apart from this, events like fairs and conferences returned to the physical format, which gave a boost to our services offering.

During 2020, the Company evolved its strategy with the aim of: i) expanding the investment fund management

business, widening our offer; ii) developing sustainable urban spaces that can integrate multiple real estate uses; iii) strengthening real estate services, in the context of bringing new concepts to city life; and iv) preparing the Shopping Centre portfolio for the future.

This year we started to implement the new strategy, having already achieved significant milestones. Firstly, we are leveraging on our 20 year track-record in building investment vehicles for blue-chip investors, to expand investment themes to other real estate sectors, and diversify our offer. We have acquired SFS-Gestão de Fundos SGOIC, contributing to an additional €300 million of assets under management, and to diversify sector and investor profile. We have created a German grocery retail fund, targeting €200 million, and with the first round of equity achieving €45 million. This raises our assets under management in investment vehicles to €5.9 billion at year end. Additionally, we have reinforced our team, and have a significant pipeline to deliver during 2022.

## During 2020, the Company evolved its strategy with the aim of:

- i) expanding the investment fund management business, widening our offer;
- ii) developing sustainable urban spaces that can integrate multiple real estate uses;
- iii) strengthening real estate services, in the context of bringing new concepts to city life; and
- iv) preparing the Shopping Centre portfolio for the future.

This year we started to implement the new strategy, having already achieved significant milestones.

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# We implemented a transformation programme based on three pillars: People, Commercial and Culture.

Secondly, Sonae Sierra Developments team was reinforced and a relevant pipeline of seven projects was built. It includes offices, residences and mixed-use projects in Portugal, Italy and Romania and is the result of the team's resilience in searching for the best deals across our geographic reach. In 2022, we will continue to explore more projects while starting to execute the ones that have already been identified. Our aim is to bring iconic and vibrant buildings to the cities with an important focus on sustainability.

Regarding our service lines, I would like to highlight our commitment to Food Markets. After entering this segment with Mercado do Bom Sucesso, in Porto, in the summer of 2021, we opened Mercado de Braga and later in the year we debuted in Italy with Mercato Reggio Emilia, which will open later in 2022. Our team is analysing different

opportunities in Food Markets, which we believe will have a significant impact on cities in the coming years.

Our new brand for development services, Reify., was also very well received and is successfully expanding its portfolio to other sectors and markets, having worked on more than 300 projects in more than 30 countries during the year.

Finally, during these years our shopping centres have proven their resilience. We continue to future-proof our portfolio, with digital and sustainable initiatives, creating an omnichannel proposition so that our shopping centres will continue to be relevant for tenants, consumers and the attractiveness of cities.

Sustainability must also be at the centre of our strategy and, with that in mind, we

reached an important milestone in January 2022 by being the first Portuguese Real Estate company to issue a Sustainability-Linked Bond. This refinancing of €50 million has the CO<sub>2</sub> emissions and recycling rate of owned shopping centres under management as its performance indicators.

In order to be more prepared to deliver on our aims, we implemented a transformation programme based on three pillars: People, Commercial and Culture. While attracting and retaining young talent and developing leadership, new competences and skills, the Company will enhance its focus on customers and foster collaboration and new ways of working between the different business units. This is a very ambitious plan, which encompassed an investment on several fronts, including reorganising businesses and resources to better focus on our goals.

This reorganisation has been put in place to deliver the Company's new strategy.

The Board of Directors has been refreshed and is now more diverse. It is composed not only of new Directors, but also a new area, led by the Transformation Officer, charged with driving the above-mentioned Sonae Sierra transformation. This structure ensures that Sonae Sierra's renowned experience and track record in the real estate and asset management markets is reinforced with increased capacity to manage investment vehicles, and complemented with business transformation skills and fresh and challenging perspectives. At the end of the day, we want to be recognised as a vertically integrated Real Estate player and a safe pair of hands for our investors, partners and customers.

Finally, I would like to thank all our partners for the confidence they have shown in us and to congratulate our people for their courage and resilience.

**Fernando Oliveira**  
CEO



**€5.9bn**  
Assets under management in investment vehicles

**300**  
Projects in more than 30 countries during the year in Reify.

**€50m**  
Refinancing Sustainability-Linked Bond.

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# About this report

This annual report provides a fully integrated account of our business strategy, operational and sustainability performance in 2021.

It has always been clear to us that sustainable business models are the only way of sustaining operational performance in the long run, whilst addressing global societal challenges. Our first Environmental Policy was approved in 1998 and our first ESG report was issued in 2004.

For this reason, this annual report provides a fully integrated account of our business strategy and operational performance in 2021, demonstrating the alignment between our core business goals and our sustainability goals. With a view to developing a fully integrated report, we referred closely to the **International Integrated Reporting Council's (IIRC) Framework on Integrated Reporting**. As such, the social and environmental dimensions of our activity are presented as part of our economic and operational performance.

In keeping with our long-standing commitment to apply the most robust sustainability reporting guidelines, this report has also been developed in accordance with the 'Core' requirements of the **Global Reporting Initiative's (GRI) Reporting Standards and the Construction and Real Estate Sector Disclosure (GRESO)**. The Sustainability Statements in the chapter 5 of this report provide a more in-depth account of our social and environmental performance according to the topics considered of material relevance due to their importance to our stakeholders and the impact of our business.

In addition, this report follows the **Six Capitals reporting framework** to provide a full picture of how our business depends on each capital and how our activity impacts them. Those

capitals are: Financial (i.e., financial results), Manufactured (i.e., the physical assets that enable the development of our activity), Human (i.e., the competences and skills of our human resources), Social and relationship (i.e., the networks created with institutions, communities and stakeholder groups), Natural (i.e., the renewable and non-renewable resources used in our activity) and Intellectual (i.e., intangibles, such as intellectual property).

Furthermore, the material areas ([see annex](#)) and the materiality matrix were revised for 2021 and consider Sonae Sierra's significant impacts and the ability to influence the assessments and decisions of our stakeholders. Each material area, presented in the Materiality Matrix below, is placed considering the above-mentioned dimensions.

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# Materiality matrix



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● Core focus areas for acceleration    ● Sustainability enablers    ● Local management issues



# Sustainable Development Goals (SDG)

Sonae Sierra's activity is also designed to meet the United Nations Sustainable Development Goals (SDG).

There are 17 goals that aim to end poverty, protect the planet and ensure prosperity for all by 2030. The goals cover areas such as sustainable communities, health, education, diversity, poverty, environmental protection and climate change. Although we do not have a direct impact on all areas through our business model and core activities, we nonetheless support the goals and aim to maximise our contribution to their objectives where material.

The following table highlights the most relevant Goals to our business, along with examples of the positive contribution we make through our activities.

## SDGs – How we contribute



Promote more sustainable lifestyles among visitors and contribute to higher levels of employee resilience and productivity through improved health and well-being.



Increase the energy efficiency of our assets and implement measures to increase our energy self-sufficiency to reduce our reliance on fossil fuels.



Improve the eco-efficiency of our assets focusing on energy, water and waste production and prohibit the use of materials that are known to have negative impacts on the environment and on the health and well-being of building occupants.



Promote environmental and social-focused events with local communities. Support the professional development of our employees through a well-established education and training programme.



Support local economic development through job creation and skills development opportunities. Safeguard labour standards in our supply chain. Promote innovation and productivity in our Company through improved work practices and operational efficiencies and employee engagement and training.



Reduce GHG emissions from our portfolio, integrate climate change risk adaptation procedures into our current risk management processes, design standards for new developments and operational procedures for existing assets.



Continually aim to promote gender equality and diversity within the Company.



Use innovation to reduce water and energy use across our owned portfolio and third-party assets through our Bright® and Dive® programmes. Encourage innovation across the whole supply chain to reduce the consumption of materials and improve water and energy resilience.



Collaborate with industry partners, industry bodies and associations to promote and share best practices and innovation in tackling the sustainability challenges facing the industry.



Increase the water efficiency of our assets, use innovation and technology to rethink how water is used and managed in our owned assets; minimise water pollution through our Safety, Health and Environmental Development Standards (SHEDS) when needed by the asset owner; monitor wastewater discharges at our owned certified assets.



Design eco-efficient, attractive real estate assets that reduce resource consumption, serve the needs of the local population and enhance public spaces, local amenities and infrastructure in line with the planning requirements of local authorities and our own SHEDS framework. This is only applicable to owned Shopping Centres. Work with town councils to implement systems that enable the efficient use of resources.

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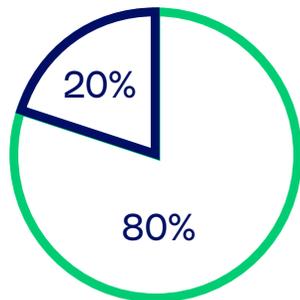


Who we are

# We are a fully integrated

real estate company,  
actively focused  
on management.

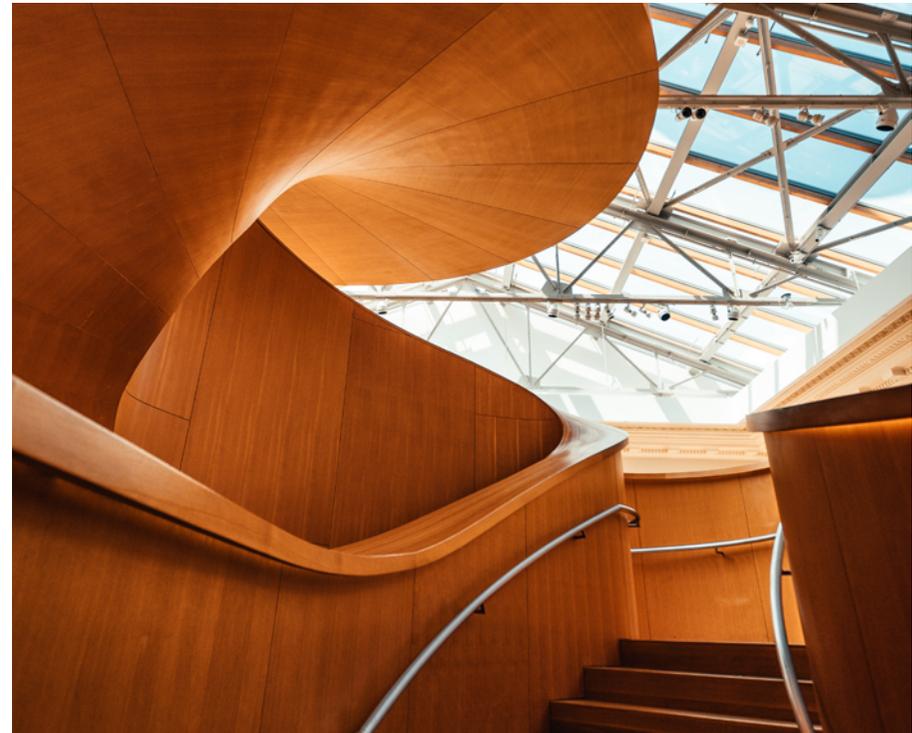
Sonae Sierra is a global specialist in the real estate sector. We are owned by Sonae SGPS (Portugal, with an 80% stake) and Grosvenor Group Limited (the United Kingdom, with a 20% stake)\*.



● Sonae SGPS ● Grosvenor Group Limited

We are owned  
by Sonae SGPS  
and Grosvenor  
Group Limited.

\* This shareholder structure applied during 2021. In March 2022 Sonae SGPS acquired additional 10% of stake being the current structure the following: 90% owned by Sonae SGPS and 10% owned by Grosvenor Group Limited.



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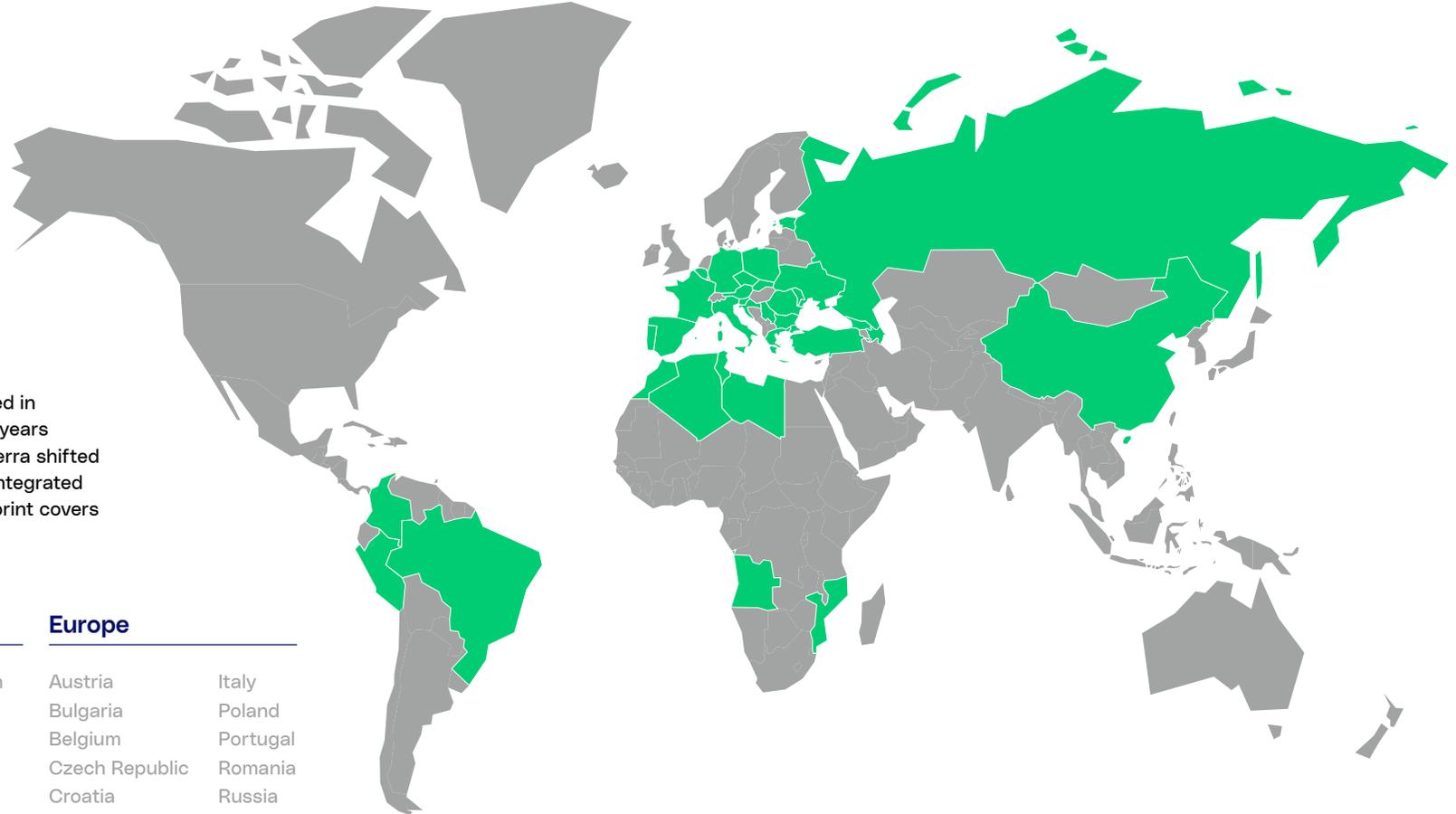


# International footprint

## Covers 34 countries



We have developed, managed and invested in sustainable retail assets over the last 30 years throughout the world. Recently, Sonae Sierra shifted its focus to be positioned as a vertically integrated Real Estate player. Our international footprint covers 34 countries, as detailed below:



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Africa	America	Asia	Europe	
Algeria	Colombia	Azerbaijan	Austria	Italy
Angola	Brazil	China	Bulgaria	Poland
Libya	Peru		Belgium	Portugal
Morocco			Czech Republic	Romania
Mozambique			Croatia	Russia
Senegal			Cyprus	Serbia
Tunisia			Estonia	Slovakia
			France	Slovenia
			Georgia	Spain
			Germany	Turkey
			Greece	Ukraine



# Awards and recognitions

Sonae Sierra was awarded and recognised for different projects.



Passionate about bringing innovation and excitement to the real estate industry since 1989, we add value to our investors, customers and other stakeholders by placing our unique know-how at their disposal through the delivery of professional services covering the entire real estate lifecycle and the development of outstanding projects. In fact, this year Sonae Sierra was awarded and recognised for different projects.



Our vision continues to be underpinned by a set of core values and principles regarding our business, ambition, innovation, culture, responsibility towards our staff, the environment, local communities and independence from political power.

Scope	Award/Recognition	Category
<b>Sonae Sierra</b>	Imobiliário Expresso/SIC Notícias – an initiative that aims to award the best projects in real estate	Best Urban Regeneration in the Commerce category: NorteShopping expansion
	European Real Estate Brand Award	Strongest Brand Southern Europe Developers Retail
<b>Sierra Balmain</b>	CEE Retail Awards	Best Property Management Company
	CEE Retail Awards	Best Asset Management Firm
<b>Olimpo Real Estate Portugal, SIGI (ORES Portugal)</b>	Euronext Lisbon Awards 2021	“Finance for the Future” that distinguishes innovative initiatives - products, services, events or others - in the Portuguese capital market
<b>ArrábidaShopping, Centro Colombo, CoimbraShopping and Nova Arcada</b>	Cinco Estrelas Regiões prize – regional icons chosen by Portuguese consumers	Shopping
<b>Max Centre</b>	Global Digital Signage Awards Muse Creative Awards New York Digital Signage Week Global Creative Technology Design Award (Shanghai)	“Best Digital Installation in Public Spaces” Retail Award for the Best Shopping Centre Best Multimedia Experience & Creative Design

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What we do

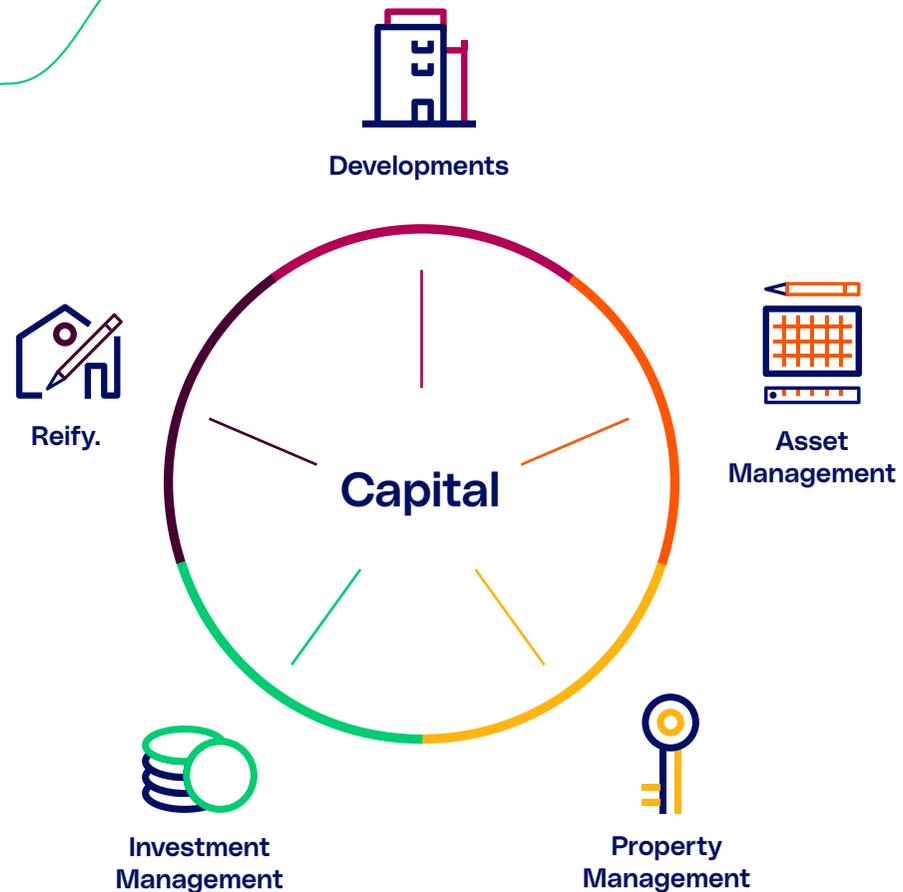
# Sonae Sierra

## is an integrated real estate player.

Our business model allows the Company to be present in the entire real estate value chain through five major pillars:

- **Developments**
- **Asset Management**
- **Property Management**
- **Investment Management**
- **Reify.**

These pillars are all bound by a set of common characteristics, namely strong relationships with investors and customers, international experience and know-how and an unwavering commitment to innovation, quality and society. This has allowed Sonae Sierra to develop a competitive advantage and has enabled our business to expand to different countries and win several industry awards.



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## Investment Management

- Vehicle setup
- Fund management
- Value deliver

Sierra Investment Management provides first class investment management services for a portfolio of real estate funds and operating assets across Europe.

Our team is comprised of professionals with more than 20 years of wide-ranging expertise in the real estate market, who are able to identify and implement value creation opportunities across the portfolio of assets, delivering high returns on the funds or individual assets that Sonae Sierra manages. We have extensive knowledge and a well-informed understanding of the risk factors that could influence the expected outcome of the projects and the return of the assets we manage. This allows us to take the appropriate initiatives to mitigate such risks and minimise the impact of potentially negative external factors.

Sonae Sierra investment management services – which include Asset Management, Fund and Portfolio Management, Sales and Acquisitions and Investment Strategy and Advisory – are tailored to the specific needs of each individual project or investor in a way that allows us to maximise the potential benefits for our clients and optimise their returns and profitability.



## Asset Management

- Value creation opportunities
- Asset strategy and business plans
- Coordination of sales and acquisitions

With vast knowledge and experience in the asset management of diversified typologies of real estate assets in different countries and under different economic circumstances, we are able to develop strategic asset business plans and unlock value either through letting, refurbishment or development. The business unit also creates value through initiatives that address decarbonisation and digitalisation challenges. Each service is tailor-made to the specific needs of the asset and the investors in order to ensure high profitability.

We are also in the position to offer our customers a strategic approach in relation to the asset, providing risk-control actions and offering a strong return on investment while minimising costs.



## Developments

- Develop dynamic projects that lead to positive impacts in the places and communities in which they are built, in an ethically responsible way that respects the environment
- Contribute towards a healthy and sustainable lifestyle and improve the quality of life of the communities in which it develops its activities

- Create economic and social benefits for local communities
- Create economic profit for joint venture partners and customers in the services segment
- Increase skills base in development, construction and retail services
- Support the development of new businesses, including small and locally-owned businesses
- Create economic value for direct and indirect suppliers, most of whom are locally-based companies
- Increase awareness and adoption of eco-efficiency improvements through sustainability initiatives
- Improve infrastructure for public benefit (roads, green space, etc.)

Sources and delivers real estate developments on behalf of Sonae Sierra and other co-investors, on a sole basis or through partnerships. This area is responsible for assessing market opportunities, structuring the project, identifying and acquiring the site, financing and executing the project. It engages with partners and suppliers to ensure the effective adoption and implementation of high standards of quality while supporting long-term environmental, economic and social sustainability.



## Property Management

- Aims to create value both for owner companies, tenants and other stakeholders through a complete set of Property Management Services

- Ensures that Shopping Centre operations run smoothly, efficiently and are customer focused

Provides property management, leasing and marketing services. With a client-centric approach, Property Management aims to align its interests with a diverse range of investors and customers, optimising operating costs and proactively ensuring the maximisation of the revenue and the asset's long-term value. The business prides itself on maintaining strong relationships with tenants and its dynamic leasing activity, guaranteeing effective and efficient standard operating procedures leveraging innovative concepts to engage and entice consumers.



## Reify

- Integrated player that provides the full spectrum of real estate development services necessary to create, change, or boost projects, assets, and cities
- Extensive expertise in Architecture, Engineering, Development & Project Management, Intelligence, and Licensing
- Active in multiple sectors such as Residential, Offices, Healthcare, Retail, Hospitality, Logistics, Student Residences, Senior Housing, Education and Transportation
- Reify is a team of circa 200 professionals that designs, manages, and delivers innovative, sustainable and inspiring urban places where people feel welcome, happy and safe

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# Key highlights



**€7.1 bn**  
Open Market Value<sup>1</sup>



**€15.1 m**  
Net Result



**2,325 k sq.m**  
Total managed GLA<sup>2</sup>



**94.9%**  
Total Occupancy rate of Sonae Sierra<sup>3</sup>



**41%**  
Reduction in water consumption since 2003



**58%**  
Owned assets under management with BREEAM In-Use certification



**84%**  
Reduction in the GHG emissions intensity since 2005



**€925,123 m**  
INREV NAV

<sup>1</sup>100% basis in Europe + Brazil + Colombia | <sup>2</sup>Managed Portfolio, Europe + Colombia + Morocco, Excluding Brazil | <sup>3</sup>Relative to the applicable targets



# Sustainability was always a differentiator in the way we do business,

and we are reinforcing our focus on creating environmental and social value, alongside economic value.



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The creation of Sierra Prime in 2020 was a landmark that represented the accomplishment of our goals of capital recycling and set a strategic turning point for us. In order to meet the Company's long-term vision, our strategy has evolved to meet the challenges and opportunities arising in real estate. Today, we are leveraging our real estate know-how to serve new markets and customers through a set of recently built strategic guidelines:

## Expand Real Estate investment management

We are expanding our capacity to create vehicles tailored to each investor's profitability and sustainability goals, leveraging our experience in managing various types of real estate assets, and our relationship of over 30 years with institutional and private investors;

## Accelerating investment in mixed-use developments

In the context of urban reconversions, we are pursuing investment opportunities to develop sustainable and differentiated projects combining various real estate uses (residential, office, leisure and retail);

## Increase the outward focus of service lines

We are expanding the portfolio under management for third parties in different types of properties, and we are providing real estate development services and property management services to investors, combining different uses and experiences to design the urban spaces of the future;

## Future-proofing of the Shopping Centre portfolio

We are pressing for the increased sustainability of the assets we manage, while creating differentiated and multi-channel experiences, which integrate the digital and the physical dimension, in the context of an omnichannel and customer-centric world. In this way, we reinforce the relevance of prime Shopping Centres, such as ours, as key components that contribute to the attractiveness of cities, adding value to consumers, tenants and investors.

Sustainability was always a differentiator in the way we do business, and we are reinforcing our focus on creating environmental and social value, alongside economic value.

Today, we are leveraging our real estate know-how to serve new markets and customers.



# Evolving strategy

in a changing world

We combined know-how, commitment to innovation and a long-term approach to create a business model organized in 5 autonomous businesses, and a strategic plan and transformation process based on 3 essential pillars: people, commercial and culture.



02 \_\_\_ Sonae Sierra's Performance

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Operational Performance

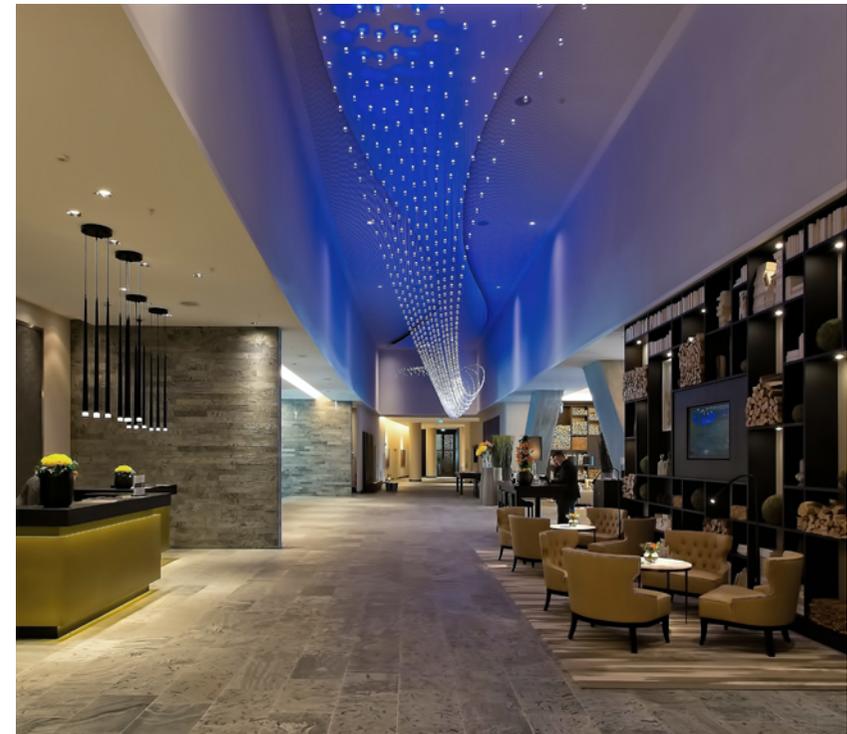
# Future-Proofing of the Shopping Centre portfolio

We created a solid and core portfolio that will be key to build an omnichannel customer-centric value proposition.

Sonae Sierra is recognised for its long-standing track record in the development and management of Shopping Centres. We are extremely proud of this well-deserved recognition that has secured our name as a leader in European retail real estate.

The last few years were incredibly challenging to economies in general, as the world tried to deal with the effects of the COVID-19 pandemic, but also to companies in different industries, as trends that were already becoming visible had a significant boost. Referring more specifically to retail, we saw an acceleration in e-commerce and the readjustment of business models. These rapid shifts and the way in which companies adapted have cemented our beliefs that we created a solid and core portfolio that will be key to build an omnichannel customer-centric value proposition.

In fact, during 2021, increased Covid-19 vaccination rates across Europe, the reduction in hospital admissions, the ease of lockdowns and other restrictions and with the improvement of consumer confidence, the activity of Sonae Sierra's Shopping Centres has started to recover. Specifically, sales and footfall ended the year at levels close to 2019 and the occupancy rate was close to 97%.



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# Shopping Centres continue to reinforce their positioning as spaces for social interaction.

Sonae Sierra is investing in refurbishment projects to enhance their comfort to enhance Shopping Centres' comfort

These results are a testimony to our portfolio's strength and the result of our active management.

Throughout 2021, our brands disseminated impactful and engaging communication; developed new services to deliver the easiest, most stress-free, and convenient shopping experience (e.g., delivery and pick-up services, booking systems, lockers, mobile app, fashion advisor, visit planning tools, "Your car is here", "Click and collect", and concierge services); offered extensive leisure activities, giving visitors an interactive experience in which the entire environment played an important role; embraced technology capitalising on digital tools to maximise productivity; and created experiences that are dynamic and engaging (e.g., Robot "Pepper", Garçon at Cook Book).

Additionally, Shopping Centres continue to reinforce their positioning as spaces for social interaction, and Sonae Sierra is investing in refurbishment projects to enhance their comfort. In 2021, Sonae Sierra conducted the refurbishment of Trivium assets (Max Centre, Valle Real and Gran Casa). This year we will conduct expansion/refurbishment projects in Colombo, in ParkLake, in Vasco da Gama food court and in Luz del Tajo.

In addition, we are putting in place several initiatives towards achieving net zero for 2040. Sustainability is of paramount importance to Sonae Sierra as is reflected by our achievements in the area. In 2021 we were able to improve water and electricity efficiency, waste recycling and reduce emissions by 84%, comparing to baseline.



**€241.8m**

Total rents for the European Portfolio (82% as a % of 2019; an increase of 43% vs 2020, LfL)



**96.2%**

Occupancy rate for European portfolio

**€244.0m**

Total rents for the Sonae Sierra Portfolio (82% as a % of 2019; an increase of 44% vs 2020, LfL)



**€3.6bn**

Total sales for the European Portfolio (80% as a % of 2019; an increase of 14% vs 2020, LfL)



**€254.1m**

Total visits for the European Portfolio (70% as a % of 2019)

**€3.7bn**

Total sales for the Sonae Sierra Portfolio (80% as a % of 2019; an increase of 14% vs 2020, LfL)

**€268.7m**

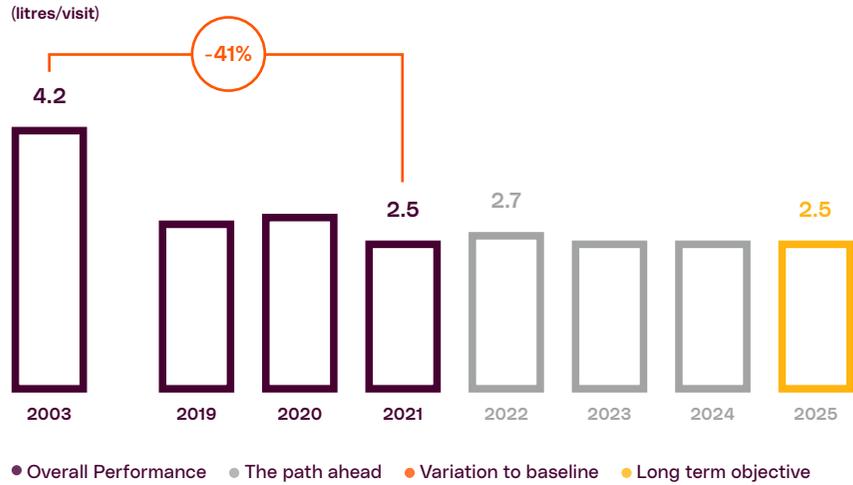
Total visits for the Sonae Sierra Portfolio (70% as a % of 2019)

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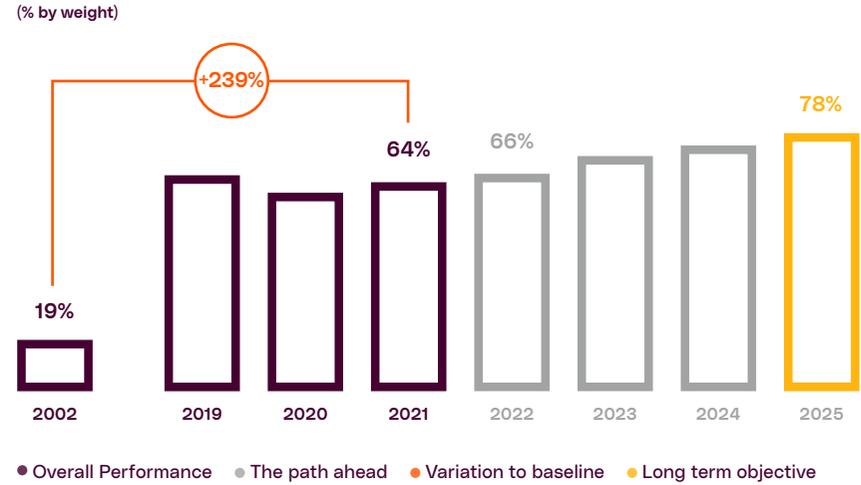


These graphs refer to the owned portfolio performance.

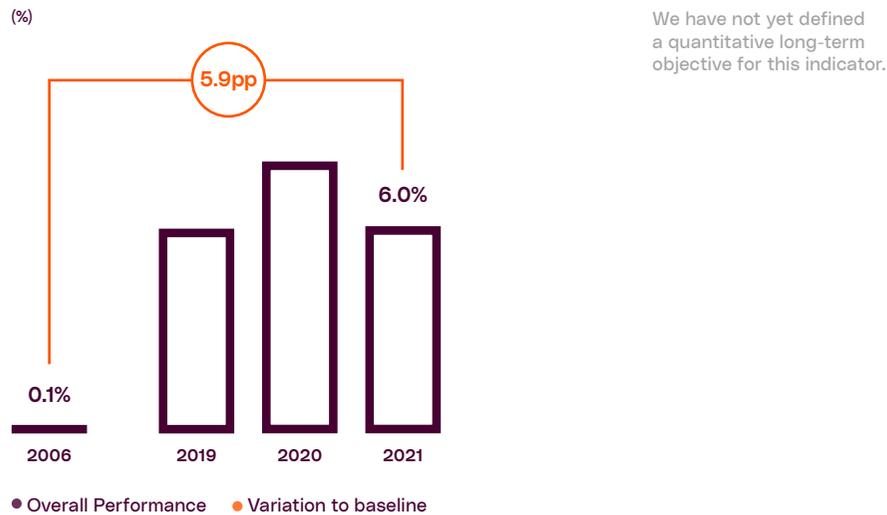
### Water consumption (excluding tenants)



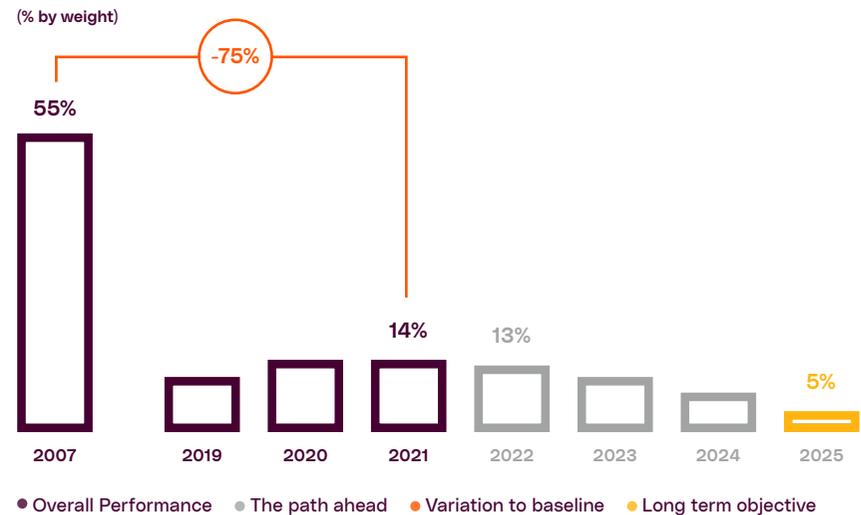
### Waste recycling rate



### Percentage of water recycled and reused



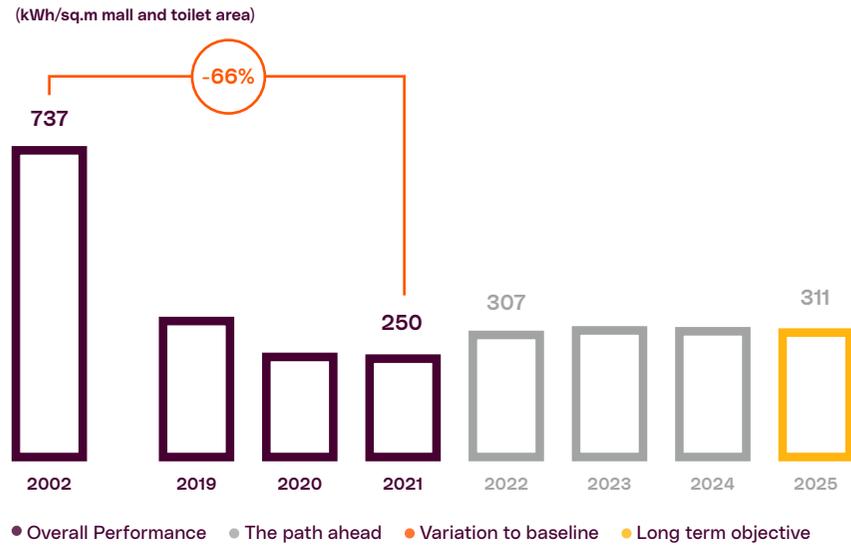
### Waste landfill rate



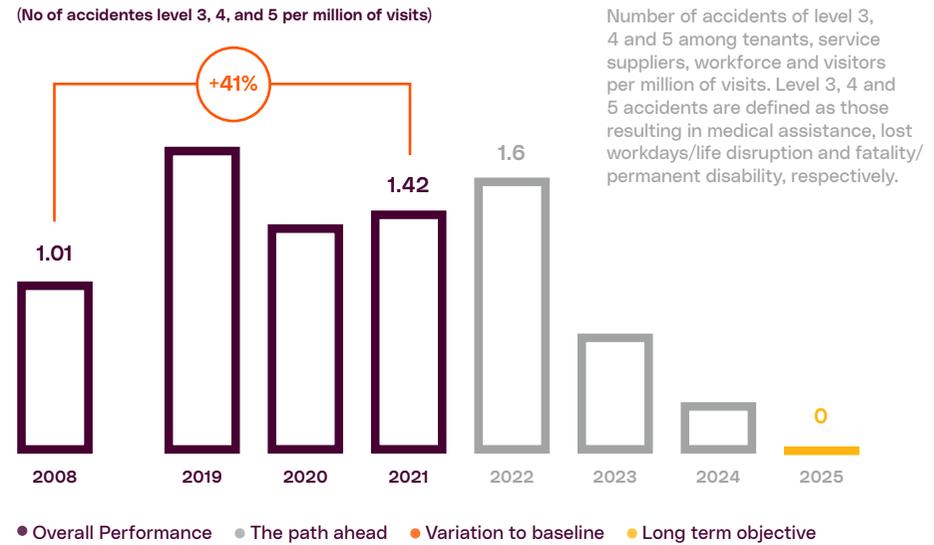
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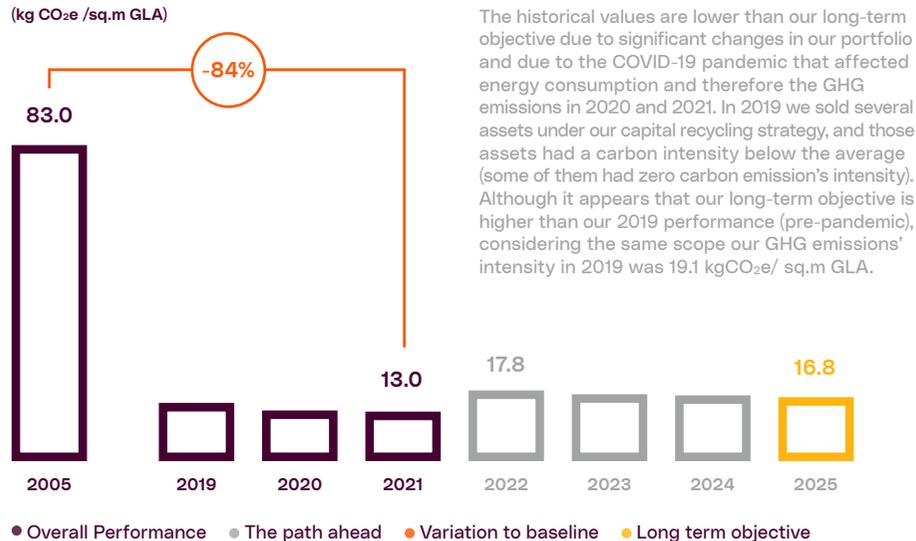
## Electricity Consumption (excluding tenants)



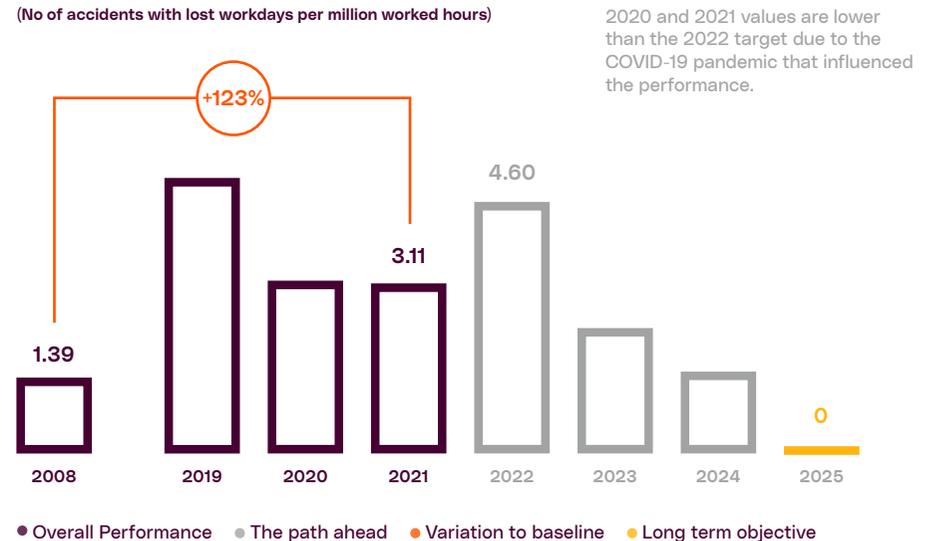
## Level 3, 4 and 5 accident rate of our owned portfolio



## GHG emissions: Scope 1 and Scope 2



## Accident rate (LWCAFR) among suppliers of our owned portfolio



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# Accelerate investment in mixed-use developments

## Over and above making a contribution to building the cities of the future, Sonae Sierra is also committed to sustainable development



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Since its inception, Sonae Sierra has been known for developing iconic buildings in retail (e.g., Centro Colombo, NorteShopping, ParkLake), but we have also made several successful entries in other sectors, such as the residential sector (Vasco da Gama towers) and the office sector (Colombo Towers).

After some years, with a strategy focused on one of the most complex sectors in real estate, Sonae Sierra is now accelerating its investment in mixed-use developments, leveraging on its more than 30 years' experience.

During 2021, we very actively identified and secured key projects that fit one of

two categories: i) a mixed-use opportunity to build on top of an existing asset of our portfolio – thus creating synergies both for the attractiveness of the new development and to the existing asset; and ii) develop a greenfield or renovation project. From June onwards, when the team was reinforced, 7 projects had already been identified in Portugal and Romania, which will be completed by 2026, either in partnership or as an own investment. Some of the most iconic projects include:

### ZEP

A joint venture with Grupo Ferreira to develop a state-of-the-art office complex in Zona Empresarial do Porto;

### Tower in Colombo

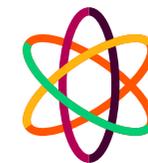
The third office tower in Colombo;

### ParkLake Residences

A modern residential buildings in the neighborhood of ParkLake Shopping Centre in Romania.

Over and above making a contribution to building the cities of the future, Sonae Sierra is also committed to sustainable development.

In this context, the Company aims to deliver, at least, a LEED Gold certification in the office sector and a BREEAM rating of “very good” in the residential developments.



7 projects had already been identified in Portugal and Romania.

# Expand Real Estate Investment Management

Sonae Sierra will become one of Europe's largest portfolio managers of food retail real estate assets

€200m

Target investment in German food retail fund

€330m

AuM SFS

Sonae Sierra has a long-standing track record in managing real estate investment funds, dating back to 2003, when the Company created Sierra Fund, a real estate fund with equity of €1.08 billion. After several milestones achieved, Sonae Sierra is now managing 10 investment vehicles with blue-chip institutional investors.

This year, with the increased strategic focus on real estate investment management, Sonae Sierra reinforced its team and is extending its capacity to create investment vehicles across different real estate sectors by:

- Creating Sierra IG, an AIFM set up to allow Sonae Sierra's successful delivery as



a Real Estate Investment Manager (REIM) by managing regulated funds.

- The addition of a new investment fund in the food retail real estate industry in Germany, targeting institutional investors, which has already acquired five supermarkets and has a strong pipeline. The target investment amount is at least €200 million – with the launch of this investment fund, Sonae Sierra will become one of Europe's largest portfolio managers of food retail real estate assets.
- The acquisition of SFS – Gestão de Fundos, an AIFM, with €330 million of AuM, complements our experience in

sustainability, and increases our logistics and offices know-how.

- We continued to actively manage our ORES vehicles, which have been proven very resilient during this turbulent period, and continued to deliver solid returns to their investors.

Going forward, we will continue to leverage on our vertically integrated value offer, with off-market deal origination skills and professional execution, to be a safe pair of hands to institutional investors, complementing our offer with a unique set of capabilities in asset management value creation initiatives.



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# Increase the outward focus of service lines

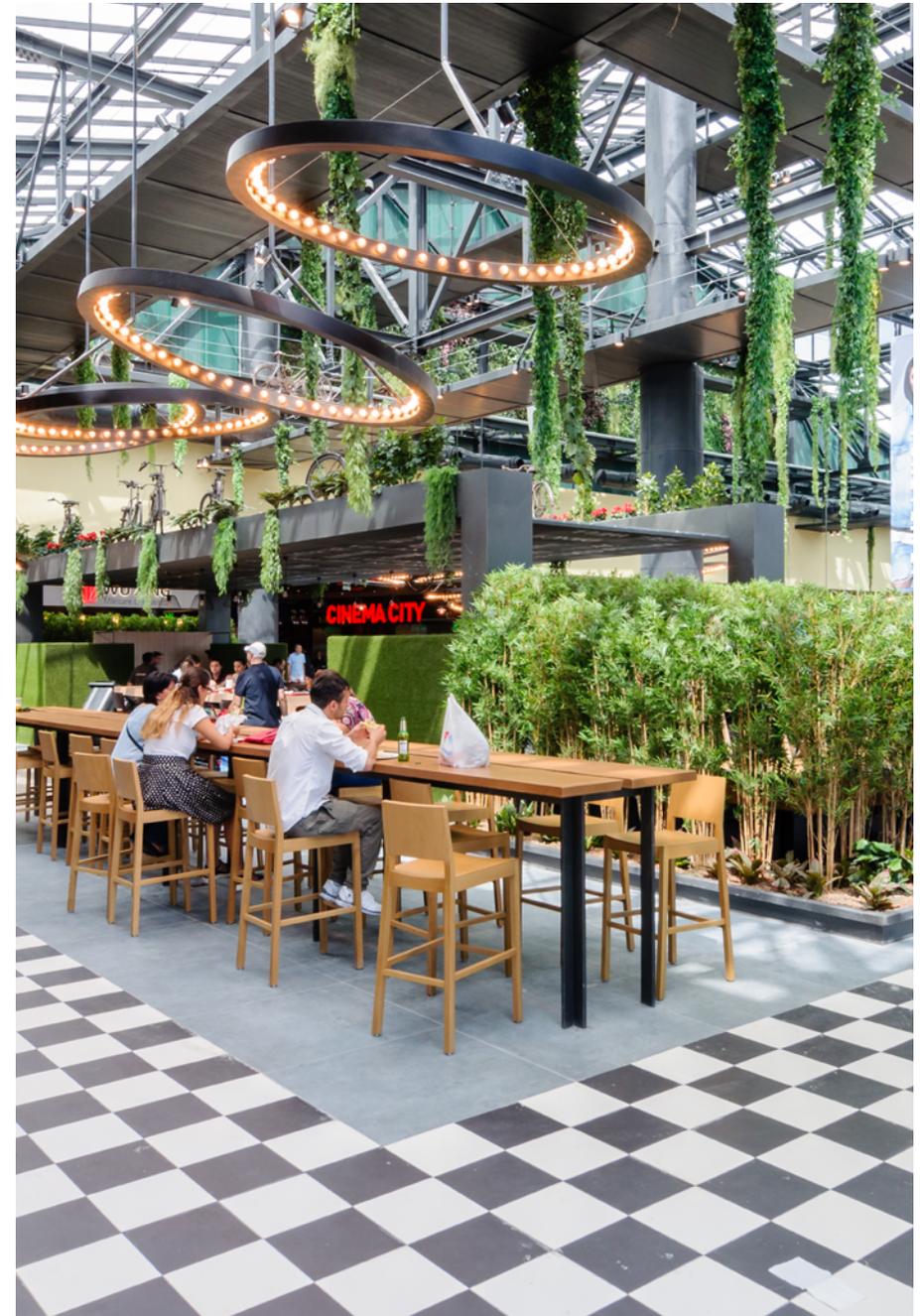
## Sonae Sierra wants to consolidate its image as a manager of urban food markets.

Sonae Sierra offers a wide range of services in Real Estate, from property management, leasing, operating, marketing and administrative management to licensing & urban planning, market intelligence, architecture & engineering (designing state-of-the-art and functional assets) and sustainability services (building certifications and definitions of best practices).

Along with these services offered, Sonae Sierra also provides infrastructure and management to smart cities.

As stated before, the COVID-19 pandemic had a severe impact on our services businesses, particularly affecting the commercial operation. Nevertheless, 2021 was a year of recovery as vaccination rates increased across Europe and governments were better prepared to face the effects of the virus.

In 2021, Sonae Sierra was able to continue its growth in urban food markets. After acquiring *Mercado do Bom Sucesso* in Porto in 2020, it underwent refurbishment works that were concluded in 2021.





## The Smart Cities business took its first steps in 2021

and is participating in projects to manage energy and promote sustainability in cities and buildings.

At the beginning of the year, Sonae Sierra won the concession for *Mercado de Braga*, in Braga, which was then retrofitted and refurbished and subsequently opened in August 2021.

These two markets strengthen Sonae Sierra's commitment to new sectors and to bring life to cities. In fact, Sonae Sierra wants to consolidate its image as a manager of urban food markets, exemplified by the important partnership secured with a relevant player in this segment, soon to open in Italy. With this partnership, Sonae Sierra will spread its food market footprint to Germany and Poland and eventually to France and Belgium.

On another front, in March 2021, Sonae Sierra rebranded its former Sierra Development Services business unit to Reify..

Under the new brand, the Company continued to expand its customer portfolio beyond Sonae Sierra, with iconic new projects across different markets, such as Portugal, Spain, Italy, Germany, Slovakia, Romania and Morocco. In total, Reify.'s professionals have worked on more than 300 projects in more than 30 countries. This year alone, Reify. was part of the largest transaction in the hospitality sector in Portugal, where it performed technical due diligence.

In 2021, Reify. won the "Best Urban Regeneration in the Commerce category: NorteShopping expansion" prize by SIC Notícias and Expresso Imobiliário.

In terms of sustainability, Sonae Sierra uses its expertise and experience to render

sustainability services (namely green building certifications such as LEED, BREEAM and WELL and Safety, Health and Environmental management system certifications according to the International Standards ISO 14001 and ISO 45001, among others) to external customers.

Furthermore, 2021 was a crucial year to take our first steps in the Smart Cities business.

While presenting energy efficiency solutions to the Portuguese local town councils, the team reinforced its technological offer through partnerships and two projects were applied to the Portuguese Recovery and Resilience Plan. Those projects will develop proprietary technology to manage energy and promote sustainability in cities and buildings.

Regarding 2022, the team expects to sign the first contracts with the local town councils (there are eight in the pipeline in different stages of development) reinforcing its international ambition.

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## Case Studies



# Urban food markets

Sonae Sierra's urban food markets present a diversified food offering, replicating the experience of street food, coupled with the convenience of city markets

Urban food markets are attractive spaces for social interaction, fun and relaxation, while bringing life to city centres – the ideal location for such a concept.

Sonae Sierra's urban food markets present a diversified food offering (traditional, vegetarian and ethnic food) as we replicate the experience of street food, coupled with the convenience of city markets. This allows groups of visitors with different profiles and tastes to have a meal together, enjoying a dynamic and comfortable food-centric space.

Despite the fact that the concepts may appear to be similar, urban food markets differ from shopping centre food courts: the former is composed of small-scale, local operators/chefs, in city centre spaces, who are enhancing their image and comfort and upgrading their offer by focusing on the more traditional and social food-centric side of urban food markets. The latter usually

include large food chains and fast-food outlets, complementing the diversified and extensive offer of the different retail sectors. Nevertheless, Sonae Sierra's experience in managing Shopping Centres, and the recent refurbishment of food courts, has enabled the Company to strengthen its position in this new concept.

Sonae Sierra is now managing *Mercado do Bom Sucesso*, in Porto, and *Mercado de Braga*, in Braga and has won the concession to manage the future food market in *Galleria Centrale di Reggio Emilia*, in Italy. This new food market will be developed under the best sustainability criteria and will command 2,500 sq.m of GLA available for local and international food concepts. *Mercato Reggio Emilia* is expected to open in the 3rd quarter of 2022 and will become a relevant meeting point in the city, not only to enjoy the array of delicious dishes on offer, but to also enjoy cultural events.

# Sonae Sierra Transformation

## The journey towards a new Sonae Sierra

The new and challenging strategy approved in 2020 demands a significant organisational and cultural change. In this context a Transformation Office was created, led by Inês Borges, with Human Resources, a newly created Commercial Coordination unit, IT, and Corporate Communication all falling under its remit.

The goal of the Transformation Office is to make the Company younger, more diverse and with enhanced leadership skills, client focused and commercially savvy, digitalised, more agile, collaborative and engaged by 2025.

To accelerate the journey towards this “new Sonae Sierra”, a Transformation Programme for the 2022-2025 period was defined, around three action axis - People, Commercial Attitude and Culture. Specific objectives were defined for each axis and projects or initiatives needed to accomplish them were identified, taskforces designated, time plans drawn up and KPIs set.

Overall, the Transformation Programme 1.0 now includes 54 projects, 29 of which will be launched by the end of the first quarter of 2022. This will be an iterative process, therefore following progress assessment on each front, the team will re-iterate the programme design to maximise agility in achieving results.

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## Case Studies



# Sustainable buildings

Sonae Tech Hub was considered the most sustainable building in Portugal and is one of the Top-100 at an international level

One of the funds managed by SFS, now under the management of Sonae Sierra, is the Imosede Fund. This fund is composed of buildings that were built under strict sustainability requirements and whose operations are also sustainable. This is the case of the Supermarkets' logistics platform, Maia Business Centre and Tech Hub, all in the city of Maia, near Porto. Both the Business Centre and the Tech Hub have been awarded LEED certification, issued in 2009 and 2020, respectively.

Sonae Tech Hub was built in 2019 and represents an investment of €11 million. In 2020, it was considered the most sustainable building in Portugal and is one of the Top-100 at an international level. This recognition is based on the building's efficiency: 40% of the energy consumed comes from local renewable sources; it has a smart LED lighting system; 20% of the water consumed comes from rainwater; 95% of the construction waste was recycled or reused.

Naturally, the next step is to obtain WELL certification promoting people's health and wellness. This study, to make buildings healthier for all, is already underway.

# Reify. new projects

A new major retail refurbishment project was awarded at the end of the year in Italy and several new projects were announced

The year was filled with projects in different sectors for several clients.

In terms of the residential sector, Reify. is designing and managing the development/refurbishment of more than 1,000 units, mainly in Portugal.

In addition to family units, during the year, two student housing projects were additionally co-designed by Reify. and opened to the public, one is in Lisbon and the other is in Porto, the two major university cities in Portugal.

Moreover, urban regeneration, including master planning and mixed-use schemes, was an area where Reify. also had several projects underway in 2021, some of which will continue through 2022.

Finally, a new major retail refurbishment project was awarded at end of the year in Italy and several new projects were announced across other countries, such as Germany, the Czech Republic, Portugal, and Morocco.

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**Financial performance**

# Operations were able to recover, showing a strong improvement until the year end

In 2021, Sonae Sierra operations continued to be impacted by the Covid-19 pandemic, especially in the first half of the year with lockdowns and other restrictions, and in the last two months of the year due to emergence of Omicron, a new variant of Covid-19. Despite the context, operations were generally able to recover in the second half, showing a strong improvement until the year end.

Sonae Sierra recorded improved results with a Net Result of €15.1m which compares with a loss of €-41.9m in 2020. Direct results increased by €27.8m, with better results in all business areas, and despite the impact of the law imposed by the Portuguese parliament which remained impacting the rents in the first half of 2021. Sonae Sierra recorded an INREV NAV of €925m (+2.6% y-o-y) mainly driven by the improved results.

It should also be mentioned that Sonae Sierra is one of the Sonae SGPS sub-holdings with eligible activities under the scope of the "Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment.". For further details, please refer to the Sonae SGPS [EU Taxonomy Eligibility Report](#).

**€15.1m**  
Net result in 2021

**€27.8m**  
Direct result increase (2021 vs 2020)

**Profit and loss accounts (€ million)\***

	'21	'20	VAR.
Direct income from properties	76.0	58.7	29%
Direct costs from properties	26.4	26.8	-1%
<b>EBIT from properties</b>	<b>49.6</b>	<b>32.0</b>	<b>55%</b>
Project Development Fees	0.9	2.2	-59%
Operating Costs	6.5	8.5	-24%
<b>EBIT from developments</b>	<b>-5.6</b>	<b>-6.3</b>	<b>12%</b>
Services rendered	73.7	67.9	8%
Direct costs from services	63.9	62.8	2%
<b>EBIT from services</b>	<b>9.8</b>	<b>5.1</b>	<b>92%</b>
Provisions	1.0	8.2	-88%
Net financial costs	16.7	17.8	-6%
Current tax	5.8	2.2	158%
<b>Direct Result</b>	<b>30.4</b>	<b>2.6</b>	<b>1,090%</b>
Gains on sale of investments	0.7	54.7	-99%
Value created in investments	-12.7	-113.2	91%
Deferred tax	3.3	-14.0	123%
<b>Indirect Result</b>	<b>-15.3</b>	<b>-44.4</b>	<b>66%</b>
<b>Net Result</b>	<b>15.1</b>	<b>-41.9</b>	<b>136%</b>

**Balance Sheet (€ million)\***

	31 Dec '21	31 Dec '20	VAR.
Investment properties	1,265	1,261	3.3
Properties under development and others	29	60	-31.5
Other assets	78	85	-6.5
Cash & Equivalents	303	283	20.2
<b>Total assets</b>	<b>1,674</b>	<b>1,689</b>	<b>-14.5</b>
<b>Net worth</b>	<b>774</b>	<b>756</b>	<b>17.5</b>
Bank loans	587	620	-33.5
Deferred taxes	193	191	-0.9
Other liabilities	121	122	2.4
<b>Total liabilities</b>	<b>901</b>	<b>933</b>	<b>-32.0</b>
<b>Net worth and liabilities</b>	<b>1,674</b>	<b>1,689</b>	<b>-14.5</b>

(\*) Management accounts

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Risk Management

# There is no value creation without risk-taking

## and managing risk is a competitive advantage

Our risk management is transversal to both our business and sustainability strategy. There is no value creation without risk-taking and, in this context, managing risk is a competitive advantage for organisations.

We understand risk as the possibility of an event occurring, measured in terms of probability and impact, which may jeopardise our ability to create value.

At Sonae Sierra, the risk management process is supported by the Enterprise Risk Management – Integrated Framework, which is issued by the Committee of Sponsoring Organisations of the Treadway Commission (COSO). We implement this framework to identify and assess possible risks and to monitor and manage possible mitigating actions. Our Risk Management Working Group implements a robust culture of risk management throughout the Company.

### Risk matrix

On a yearly basis, Sonae Sierra reviews the main risks in its business arena that materialise in the Risk Matrix. The tables below provide a summary of Sonae Sierra’s key risks and the steps we are taking to effectively manage them.

#### 2021 Risk matrix

● Other risks ● Key risks ● Critical risks

Impact	Low		<ul style="list-style-type: none"> <li>Counterparty risks</li> </ul>	
	High	<ul style="list-style-type: none"> <li>Pandemics</li> <li>Cyber attacks</li> <li>Financial covenants</li> <li>Political, legal and regulatory risks</li> <li>Asset illiquidity <small>NEW</small></li> <li>Customer portfolio growth and renewal <small>NEW</small></li> </ul>	<ul style="list-style-type: none"> <li>Brand reputation</li> <li>Exchange rate volatility</li> <li>Property integrity</li> <li>Key people</li> </ul>	<ul style="list-style-type: none"> <li>People integrity</li> </ul>
	Critical	<ul style="list-style-type: none"> <li>E-Commerce and omnichannel developments</li> <li>Climate change</li> </ul>	<ul style="list-style-type: none"> <li>Competition</li> </ul>	<ul style="list-style-type: none"> <li>Financing</li> </ul>
		<b>Immediate</b> (up to 3 years)	<b>Medium term</b> (c. 5 years)	<b>Long term</b> (c. 10 years)
		<b>Likelihood</b>		

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## Critical and Key risks – definition and mitigation activities

### Critical Risks

**E-commerce and omnichannel:** Increasing penetration of e-commerce, leading to a decrease in some tenants' appetite for retail space or deterioration of rental levels combined with the inability to deliver an omnichannel offer that meets customers' needs and expectations.

Sonae Sierra's retail business is based on physical retail chains that occupy spaces in its Shopping Centres. The growth of e-commerce (boosted by COVID-19) alters tenants' appetite for our physical spaces, with consequences on tenant mix, store sizes and rent levels. These combined effects will have a negative impact on the valuation of assets and investors' appetite for shopping centres.

**Developments:** Difficulty in finding profitable projects and/or licensing them.

The selection of projects is the main risk with the Development business. Real estate projects require a relatively long timeframe for completion and it is difficult to change a project mid-way through development. This means that following the initial decision, the Company is very much committed to a course of action, with limited scope for any significant changes.

**Climate change:** Risk of properties (even under development), becoming operationally obsolete, cost ineffective and/or non-compliant with environmental regulation, if their environmental design and performance are not improved. It also includes the impact deriving from higher average temperatures and extreme-weather events (floods, storms, heat waves).

Real Estate is one of the industries that contributes the most to carbon emissions and will be subject to strict climate regulation, resulting in an increase in costs for the development, construction, and operation of assets to ensure compliance. Extreme weather events can result in the temporary or permanent closure of property, leading to costs due to business interruption or from the repairs of the property. Insurance premiums may increase as the properties become more exposed to these events.

### Monitoring and Mitigation Activities

Sonae Sierra's Market Intelligence team analyses the online shopping trend in order to understand its evolution and anticipate changes in consumers' habits.

The Company has developed a range of online promotion tools and digital projects that embrace opportunities associated with e-commerce, using data analytics to monitor the changing needs of its customers. Several omnichannel offers (Drive-In or Order&Collect services) and loyalty solutions (online Gift Card) are available to customers. Close and regular contact is kept with anchor tenants to understand their retail strategy and promote new retail concept opportunities.

Sonae Sierra only acquires plots of land after they are licensed for the project and aims to have a partner with whom it can share the risk. All developments are approved by the Board of Directors via an Investment Proposal (IP). Every IP has the commitment of all related parties, who validate their project assumptions. Development costs are closely monitored and reported regularly, and if a cost overrun is expected to exceed 10% of the initial budget, it must be approved by the Board of Directors.

Sonae Sierra has an Environmental Management System implemented to monitor and continuously improve the environmental performance of the assets, complemented by regular audits to verify the application of the environmental procedures. Assessment of physical and transitory risks has been performed on core assets in accordance with TCFD recommendations and measures have been identified to gradually adapt the properties. The Company has insurance policies in place for all its property covering physical damage and business interruption.

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✓ Continuation

### Key Risks

**Competition:** Competitors that share the same catchment areas as Sonae Sierra's assets and that provide similar services to Sonae Sierra lead to a loss in the Company's market share.

The operation and the value of the Company's properties are at risk if it cannot correctly identify and assess the development of excessive levels of offer of commercial space in a given market area. The real estate services business is very competitive and highly fragmented with a vast number of national and international players. This makes it difficult for Sonae Sierra to increase its market share as a service provider.

**Financing:** Reduced availability of finance may adversely impact the ability to obtain funding for a development project, or to refinance an asset, and/or drive up the cost.

Financing restrictions would have an impact on the business growth plan of Sonae Sierra's Developments that is capital intensive and on the Company's ability to refinance maturing debts. Limitations on credit availability or cost of debt would also increase funding costs, resulting in an adverse impact on earnings and financial position.

**Pandemics:** Uncontrolled spread of infectious diseases (for instance as a result of resistance to antibiotics, antivirals and other treatment) leading to widespread fatalities and economic disruption may put at risk business continuity and financial performance.

During a pandemic, the health authorities can force partial or full closure/limitation of access to shopping centres. Even if health authorities do not intervene, the public's perception of how safe it is for them to use the asset can be severely affected and result in temporary or permanent changes to user habits – and as such have an impact on asset value. These impacts will result in lower rent collections, as tenants will either not be open for business or are under severe restrictions, and negative operational results will follow.

**Financial covenants:** Breach of financial covenants, following a deterioration in asset valuation and/or an increase in interest rates.

Some of Sonae Sierra's financing contracts are the subject of financial covenants. If one of those covenants were to be breached, and the Company was unable to remedy that failure in due time, the lenders could demand an early partial of full repayment of the loan.

### Monitoring and Mitigation Activities

Sonae Sierra undertakes hold/sale analysis for each Shopping Centre under operation. This analysis amongst other factors takes into consideration short- and long-term views on the competition in each of the areas of influence of the properties/projects. The Company is diligent about maintaining the quality of its Shopping Centres, through expansion or refurbishment projects to maintain their attractiveness over time. The creation of the brand Reify. allows the Company to differentiate itself from competitors in the real estate services market.

Sonae Sierra maintains good long-term relationships with key financing partners and has regular contact with banks to follow up on the evolution of its financing. Furthermore, the Company systematically researches the market to improve its understanding of market dynamics and help the long-term management of its financing. The Company can negotiate the financing profiles ensuring that the "refinancing curve" is not too stressed. In addition, the Company manages its liquidity on a regular and ongoing basis including closely monitoring the cash availability of its projects, to anticipate further cash requirements.

The Company created a multi-country, multi-sector specific Crisis Committee, and whenever necessary, more regular Executive Committees are held. Given our shared asset ownership model, which also applies at the asset and fund levels, Investor Committee meetings are held whenever needed to rapidly address relevant decisions. The Company is complying with all health authorities' recommendations and has developed communication campaigns highlighting the safe Shopping Centre environment. We ensure close communication with tenants and focus on reaching an agreement that takes into consideration the sustainability of both Sonae Sierra and its tenants.

Sonae Sierra maintains tight control on debt level and covenant monitoring with regular communication with banks. The Company manages its liquidity on a regular and ongoing basis to ensure the availability of cash to face debt payments in the short and medium term. A Financial Report is periodically sent to Sonae Sierra's Executive Committee, which includes an analysis of the interest-rate exposure and the hedging contracts in place.

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✓ Continuation

### Key Risks

**Cyberattacks:** Permeability of information system's defences to attacks that aim to hijack Company systems, steal sensitive information and perpetrate fraud, causing financial and/or reputational impacts.

Cyberattacks are becoming more sophisticated and broadening the nature of their attacks as well as their frequency. Information systems are key to the Company's daily business, so a successful cyberattack could have an impact on business continuity or cause reputational harm. Additionally, the loss of personal data could lead to non-compliance with the data protection regulation.

**Political, legal and regulatory risks:** Disruptive laws, regulations and new regulatory frameworks that can impact the way we do business during a short or long period of time.

Sonae Sierra's business is subject to numerous laws and regulations in areas such as asset, fund and property management, leasing, licensing and construction, health and safety, environment, and data privacy. Non-compliance may result in fines and/or have a negative reputational impact. Some countries have implemented temporary measures to deal with COVID-19, which affected the Company's business activities, but this impact is now diminishing.

**Asset illiquidity:** Difficulty in selling an asset, as it is dependent on investors' appetite, sector attractiveness or macroeconomic conditions, which might continue to be depressed in a post-pandemic context.

The real estate market is expected to remain under adverse pressure, due to the uncertainty related to the COVID-19 pandemic, resulting in a decrease in asset values. The inability to execute the assets disposal plan, due to lack of investors' interest or unsatisfactory pricing terms, will slow down Sonae Sierra's capital recycling strategy.

**Customer portfolio growth and renewal:** Difficulty in creating recurring relations with customers/investors, having a solid customer base and being their 1st choice for businesses.

One of Sonae Sierra's strategic pillars is the growth in services, via expansion in current service lines, but also through the provision of new services vis-à-vis assets other than commercial retail. This ambition can only be achieved through the growth and diversification of the client portfolio.

### Monitoring and Mitigation Activities

Sonae Sierra has implemented security monitoring and vulnerability analysis services and has adopted measures to ensure that systems have a suitable protection level against a variety of threats supplemented by an IT Disaster Recovery plan. The Company has a security policy in place that defines the general principles to guarantee the security of the information available on its Information Systems. Regular security IT audits are carried out on Sonae Sierra's main IT systems. Cybersecurity training is mandatory and complemented with regular awareness initiatives.

Sierra Sierra's Legal team, along with external advisors, monitor emerging regulations/legislations, to anticipate changes and guarantee that the Company takes the necessary measures to ensure compliance. Sonae Sierra is a member of local and international leading industry organisations, whose role includes monitoring and anticipating changes in laws and regulations and contributing to public debate while representing the view of its members.

The Company, through research carried out by its Strategy and Intelligence team, closely monitors the real estate market pulse and investors' interest to identify the best timing to sell the assets and maximise gains. Biannual appraisals are performed by independent property valuers and cross-checked by the Asset Managers allowing the Company to anticipate market evolution.

Sonae Sierra's commercial team has been reinforced, so that all its business areas can capture service-providing opportunities on non-commercial real estate assets. The creation of the brand Reify. Reinforced the Company's positioning as one of the best integrated providers of professional services for real estate investors in all areas of a project's development cycle and differentiates itself in the market.

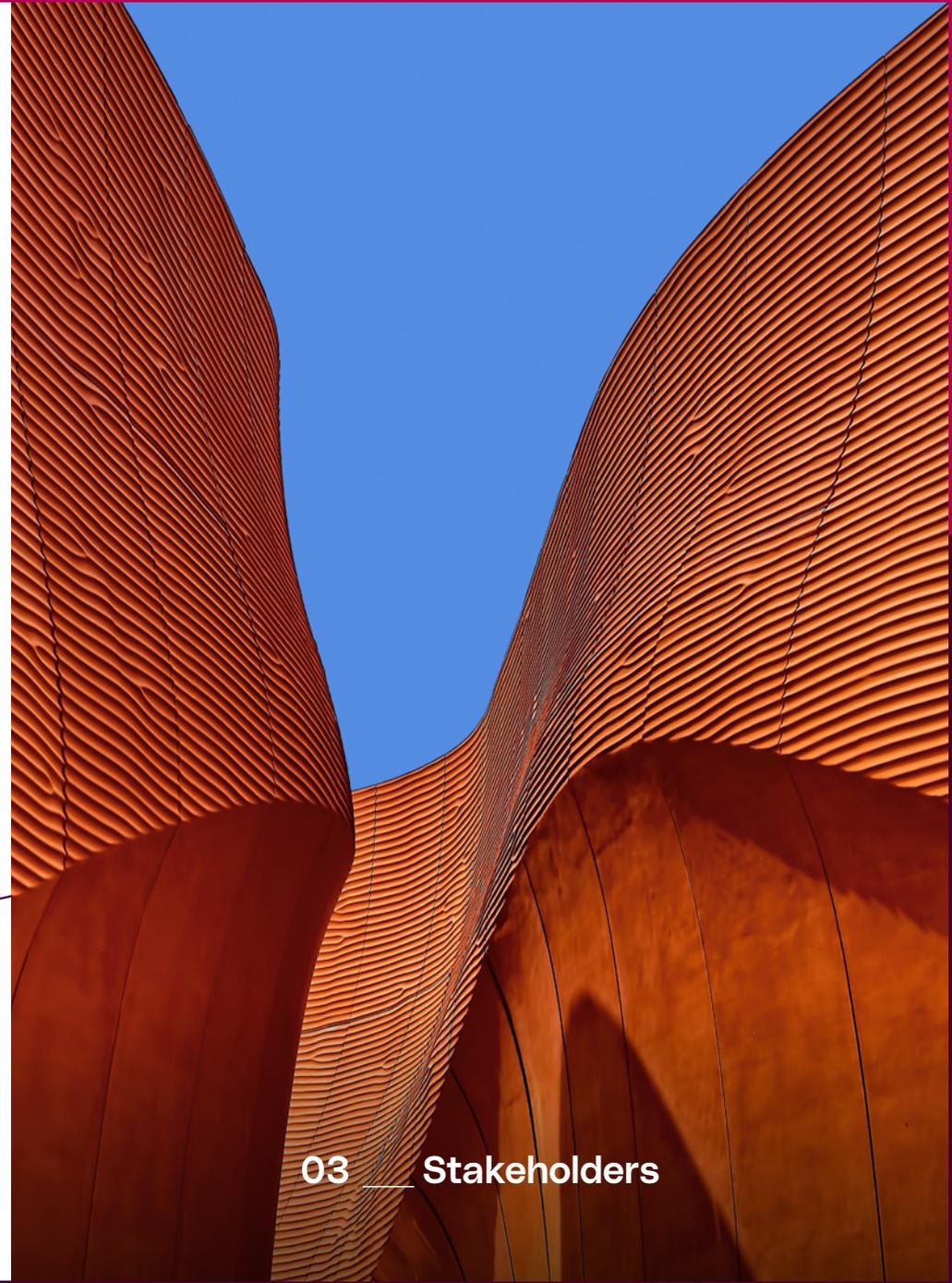
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# Evolving growth

in a changing world

Across all business lines, we recorded a positive performance that reflects into strong growth opportunities and value creation for the years to come. Always working hard to provide the highest quality service to our customers.



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## 03 Stakeholders

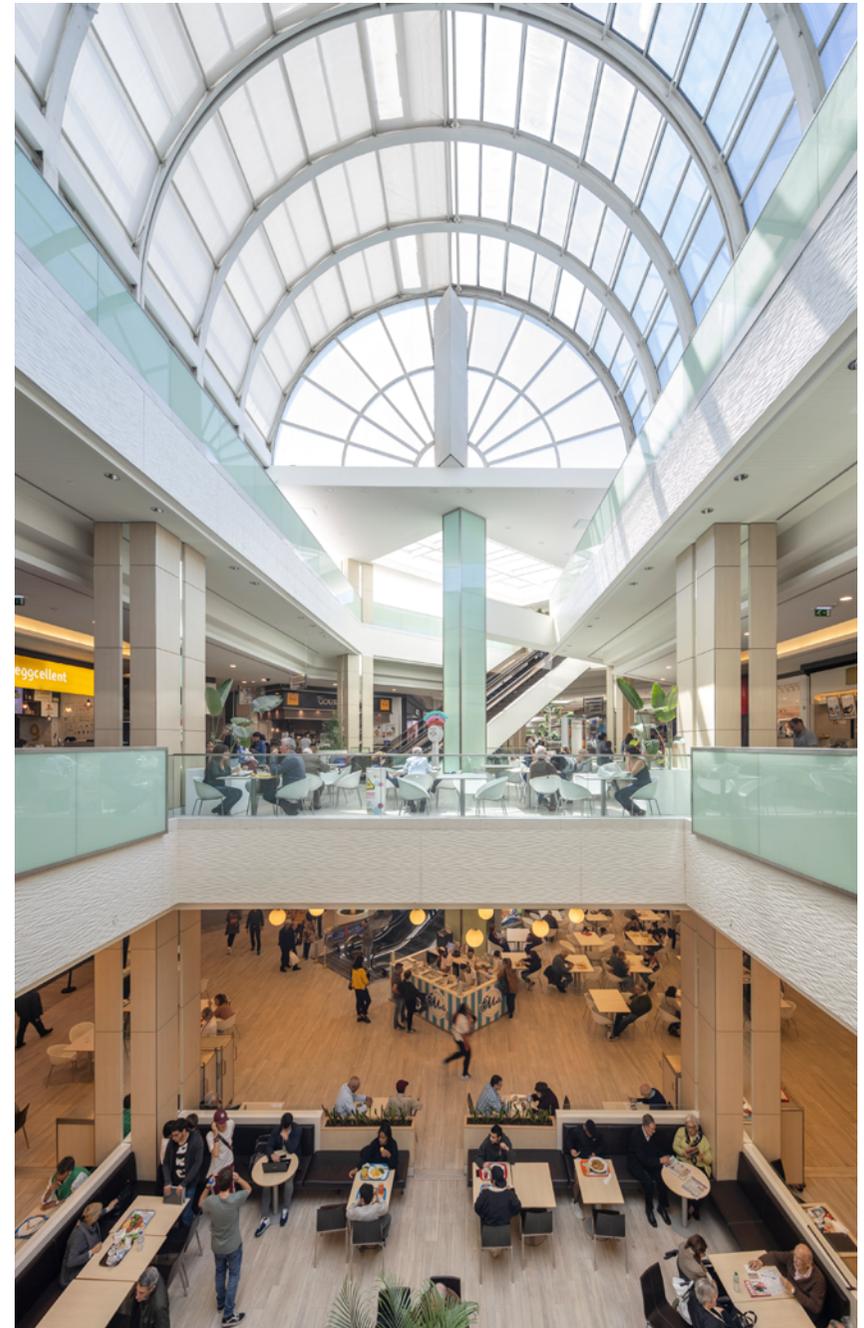
## Stakeholders

# Sonae Sierra has a broad range of stakeholders:

shareholders, investors, tenants or shopping centre visitors, employees, local communities and suppliers

It is important to increase stakeholders' awareness and engagement in our sustainability strategy, our sustainable way of carrying out business and the opportunities to create shared value.

The stakeholder groups with whom the Company engages have been identified based on their ability to influence our business model and operations, to create shared value, and the extent to which they are impacted by our activities. The stakeholder engagement team, which resides in the Sustainability Office, guides our engagement activities with key stakeholders at a corporate level. Additional stakeholder engagement activities are conducted by individual departments and at the country and Shopping Centre levels by our Shopping Centre management and local marketing teams.



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## Sonae Sierra's stakeholders and ways of engagement



### Employees

- Intranet, newsletters, LinkedIn and corporate website
- Training on SHE and business ethics
- Regular SHE meetings, campaigns and advice
- Employee surveys to obtain feedback on the effectiveness of training programmes
- Project Be Well and Be Healthy initiatives
- Environmental awareness campaigns

### Local communities

- Community Advisory Panels (CAPs)
- Community Day, school liaison and other employee volunteering initiatives
- Engagement at the shopping centre level during the planning, development and operations phases

### Partners, shareholders and financiers

- General Shareholders Assembly
- Annual and quarterly earnings reports
- Regular meetings and presentations about our financial performance, risk management practices and approach to sustainability
- Annual participation in GRESB

### Investors and services customers

- Investors' survey
- Regular communications on asset/ portfolio performance
- LinkedIn, Landing pages & Corporate website, and Fairs

### Tenants

- Tenant's portal and newsletters
- Operational tenant survey and one-off surveys
- Management meetings
- SHE training, SPO and emergency practice drills
- Tenant Assembly meetings
- Ongoing communications regarding promotions, sales and marketing initiatives

### Shopping centre visitors

- Mall & Geo Tracking Surveys
- Customer Contact Management System and Service Level Agreements
- Mystery shopper exercises
- Email, SMS and social media updates on services and events to local visitors
- Awareness-raising events with SHE related topics

### Suppliers

- Service Suppliers Evaluation procedure
- Regular SHE meetings
- SHE training, SPO and Safe Practice Index

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Customers, partners and suppliers

# Although all stakeholders are important

for Sonae Sierra's business, relations with our partners and customers are key

Our business would not exist without our partners (P) and customers in the services sector (C). It is these business relationships that enable Sonae Sierra to create economic value, build its own financial strength, and reinforce it by creating the potential to explore new opportunities.

Our customer base is vast and diverse as Sonae Sierra's wide range of services and geographical footprint creates the opportunity to cater to clients in, and from, many geographic areas in multiple phases of their investment in real estate assets. In 2021, Sonae Sierra's group of companies maintained commercial relationships with over 230 clients, a sample of which is included below.



## 230

Clients with whom Sonae Sierra's group of companies maintained commercial relationships in 2021



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## Sonae Sierra's Customers and Partners<sup>5</sup>

Source	Customer or partner	Source	Customer or partner	Source	Customer or partner
C	Aachener	C/P	Estevão Neves	C	MDSR
C	Actif Invest	C	Faenza Erre	C	NEPI Rockcastle PLC
C/P	Al Futtaim	C	Foncière Chellah	C	Norfin Sociedade de Gestão de Fundos Imobiliários
C/P	Allianz Real Estate	C	Fortera	C/P	Nuveen
C	Anfa Realities	C	Frey Invest	C/P	Ocidental Seguros
C	Antirion	C	Fundimo-S.G.F.	C	ONCF
C/P	APG Investments	C	Generali Real Estate	C/P	Otto Family
C	Arcofina	C/P	Groupe CDG	C	OVS
C/P	Armórica	C	Habitat Invest	C/P	Redevco
C/P	AXA Investment Managers - Real Assets	C	HanseMerkur Grundvermögen AG	C	Resolution Property
C/P	Bankinter Group	C	Harbert	C	Revive NV
C/P	Basler AG	C/P	Ilmarinen	C	Rockspring
C/P	Bensaúde Group	C	Inmobiliaria Gomez	P	Signal Capital Partners
C/P	Bluehouse Capital	C	IntReal International Real Estate	C	SiVa
C	BNP Paribas Real Estate	C/P	J&T Real Estate	C/P	Sparkasse Südpfalz
C/P	CBRE Global Investment Partners	C/P	Keva	C	SQUARE Asset Management
C/P	CBRE Investment Management	C	Kryalos SGR	C	Stage Capital
C/P	Central Control	C	London & Cambridge Properties Ltd.	C	Temprano
C/P	Charagionis Group	C/P	Madison International Realty	C	Ten Brinke
C	Compagnie de Phalsbourg	C/P	Marjane	C	Tristan
C/P	DWS	C/P	McArthurGlen	C/P	Union Investment
C	Eastbanc	C/P	Mercado Prime	C	Unirea
C/P	Elo	C/P	Mercato Metropolitan		

<sup>5</sup> Sample

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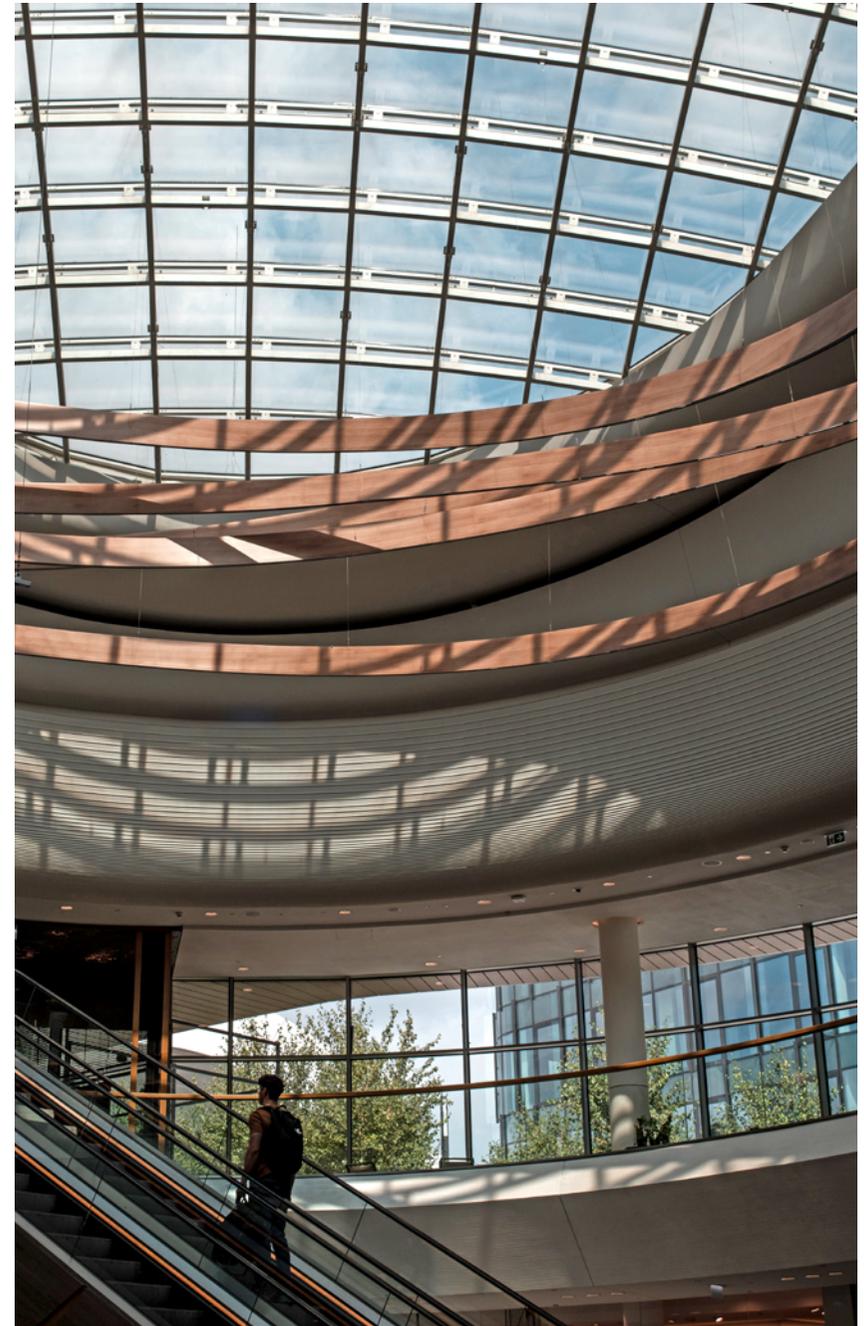
Over the years and still today, our customers recognise Sonae Sierra as a partner that presents a unique combination of several characteristics:

- **A safe pair of hands:** we are part of Portugal's largest conglomerate and have always been recognised as an organisation with steadfast corporate governance and risk management models. Our clients and partners know that we treat all projects with the same professionalism and dedication even if we are not co-investors. A testament to that is our vast track record of commercial relationships and investment and development partnerships with some of the world's leading blue-chip investors – which continues to grow to this day.
- **Over thirty years of professionalism and accumulated experience:** No Company gets everything right, but our track record of investment, developments and service contracts is filled with examples of the creation of stellar performances and iconic assets. The long-standing relationship with most of our clients is only possible because they know that we deliver value in whatever real estate investment project they want to tackle.
- **Managing complexity with agility and simplicity:** We have always been involved in highly complex projects whether that is due to their size, location, or sheer technical complexity. One of our most recognised traits is our ability to de-complexify a project by adapting to what the situation requires, simplifying solutions as much as possible and always with an unwavering commitment to deliver on our promise to our customers and co-investors.

Apart from customers and partners, our suppliers also play a pivotal role in our activity. For this reason, all our supplier contracts specify that they need to comply with local labour legislation and Sonae Sierra's Responsible Procurement Policy. This policy has been set to commit our suppliers to improve their performance across core environmental and social impact areas, such as human rights, safety and health and to assess their ethical performance.

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**The growth of our customer base is an evidence that we have the capabilities to create value for our customers throughout the entire real estate product spectrum.**



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# We participate in many externally developed economic, environmental and social charters, principals

or other initiatives to promote sustainability best practices in the real estate sector

The size of the contracts signed with the suppliers determines the level of commitment we demand to our Policy. All contracts over €1 million include clauses related to labour impacts. Contracts over €500,000 are also subject to additional checks as part of our Anti-Money Laundering and Terrorist Financing procedures manual. For all major tenders for suppliers of structural goods and services, a pre-qualification questionnaire is requested to gather information on their practices, policies and performance regarding health and safety, risk management and human rights. In addition, for critical suppliers (contracts over €2.5 million),

Sonae Sierra also gathers information in relation to their equal opportunities.

In addition to the stakeholder groups identified previously, we participate in many externally developed economic, environmental and social charters, principals, or other initiatives to promote sustainability best practices in the real estate sector. These include: the Urban Land Institute (ULI) Sustainability Council, International Organisation of Employers – Global Occupational Safety & Health (GOSH) network, European Property Federation and Better Recovery statement.

Furthermore, Centro Colombo and Centro Vasco da Gama signed up to the Lisbon European Green Capital 2020 – Climate Action Lisbon 2030 Commitment and will implement additional measures in order to contribute to environmental sustainability, the mitigation of climate change, and energy and water efficiency.

As employees are an integral part of Sonae Sierra, more detail will be given regarding this group.



## 2030

Centro Colombo and Centro Vasco da Gama signed up to the Climate Action Lisbon 2030 Commitment

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Employees

# The HR Department is now becoming a strategic partner to help Sonae Sierra achieving the transformation strategy



Formerly viewed as a support function, the HR Department is now becoming a strategic partner to help Sonae Sierra achieve its people management goals and, in particular, to support the transformation strategy.

## 902

Sonae Sierra's employees

A strategic approach to HR means going beyond transactional tasks and playing an active part in supporting the CEO, the Executive Board and the Managers to ensure that our people contribute to the strategy and success of the Company, a responsibility that they ultimately hold. Sonae Sierra's workforce is distributed across 11 offices in Europe and comprises 902 direct employees.

The year 2021 was marked by important changes for HR, accelerated by the appointment of a new Head of HR, the redistribution of responsibilities within the team, and the launch of several new projects in the context of the transformation programme. These changes and initiatives also brought new ways of addressing the selected SDG (gender equality, decent work and good health and well-being).

Promoting gender diversity remains a priority for our Company. Although Sonae Sierra has a significant representation of women in its global workforce, women are still underrepresented in most management levels and leadership positions. To tackle this issue, Sonae Sierra shares a KPI defined by the Sonae Group where it commits to increasing the proportion of women in leadership positions by 2023. In this context, Sonae Sierra already has one of the most gender diverse Executive Boards from the Sonae Group, with three women. Besides this, core HR processes along the employee lifecycle, from recruiting to assessment, development and career progression, are now being analysed and calibrated with the gender equality perspective in mind. Apart from gender equality, Sonae Sierra also develops initiatives to integrate people with disabilities. The HR team has been participating in a Sonae Group level project to promote more inclusive hiring practices, even though we already fulfil the legal requirements that will be in force in 2023.

Regarding decent work and well-being, Sonae Sierra is pleased to say that its employees are at the centre of any decisions that are made. Having said that, in 2021, the Company adopted a remote working policy in line with the severity of the pandemic in each country. A pilot for a new hybrid work model was also approved and put in place. In addition, the Company is starting a "leadership revolution" to improve its leaders' capabilities.

Sonae Sierra also grants health insurance to all employees (GRI 403-6), tracks injuries and occupation diseases to improve well-being, ensures that all travellers to risky destinations have comprehensive travel insurance and training, and prohibits the use of alcohol and drugs during work shifts and at all our construction sites.

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# Promoting gender diversity remains a priority for our Company

Sonae Sierra shares a KPI defined by the Sonae Group where it commits to increasing the proportion of women in leadership positions by 2023

In addition to employees' satisfaction and well-being, their training is also extremely important. For this purpose, Sonae Sierra has different training tools (e.g., Learning Portal – e-learning courses, classroom training management, videos and training materials) and reported a total of over 14,900 training hours.

To guarantee an alignment with the expectations of employees, Sonae Sierra has developed an Employee Net Promoter Score (ENPS), to regularly assess their perception of the Company. This allows us to adjust processes, initiatives, benefits and working conditions to meet employees' needs.

Another important training scheme is the Safety, Health and Environment (SHE) training. Within the framework of our SHEMS



**14,900**  
Training hours in 2021



(SHE Management System), we operate a Competence, Training and Awareness Procedure, and the Sustainability Office and HR People & Culture Department use a competence matrix to define the skills and knowledge required for each aspect of SHEMS to be effectively implemented by Sonae Sierra's employees according to their role and function.

Each year, the Sustainability Office identifies specific SHE training and awareness needs with reference to the staff assessment process, with a focus on those employees whose role impacts on SHE issues, or with SHE management responsibilities. All new Sonae Sierra employees, including those with SHE responsibilities, receive SHE induction training through the Onboarding programme.



Each year, the Sustainability Office identifies specific SHE training and awareness needs

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All site managers, site correspondents and other employees with SHE responsibilities must attend training on all SHE procedures within our SHEMS that apply to their roles. We collaborate closely with our critical suppliers on specific SHE issues through our SHEMS procedures.

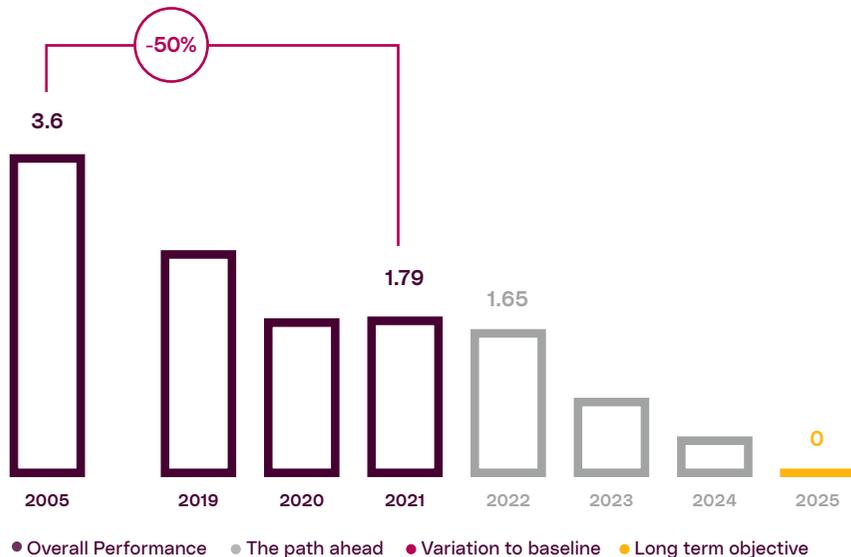
Regarding service suppliers' workers and tenants, induction training is performed in every owned Shopping Centre and, when

permitted, to managed third-party Shopping Centres, and additional specific training is performed at Shopping Centres certified according to ISO 14001 and 45001 (former and OHSAS 18001). A survey is performed following each training session allowing us to monitor the effectiveness of the training delivered.

In [GRI Index](#), you can find numeric information regarding employees.

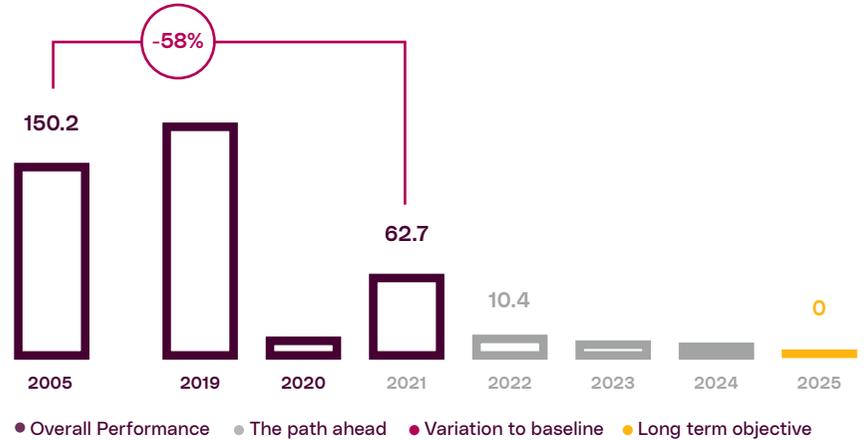
### Accident Rate (LWCAFR) among the workforce

(No. accidents with lost workdays per million of worked hours)



### Accident Severity Rate (ASR) among the workforce

(No. lost workdays per million hours worked)



The accident rate<sup>6</sup> among workforce has declined by 50%, since our baseline year of 2005, to 1.79 accidents with lost workdays per million hours worked.

The Accident Severity Rate<sup>7</sup> has decreased by 58%, since our baseline year of 2005, to 62.7 lost workdays per million hours worked.

The fluctuations in our performance emphasise the importance of continuously engaging with our workforce to promote the adoption of safer behaviour as our long-term objective is to reduce both to zero.

For more information, please see [pages 129 and 140](#).

<sup>6</sup> The Accident Rate (LWCAFR) is the number of accidents resulting in one or more lost workdays per million worked hours by Sonae Sierra workforce (direct employees and supervised workers).

<sup>7</sup> The Accident Severity Rate (ASR) is the number of lost workdays of accidents per million worked hours by Sonae Sierra workforce (direct employees and supervised workers).

**-50%**  
Accident Rate (among workforce), since 2005

**-58%**  
Accident Severity Rate (among workforce), since 2005

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Engagement with the community

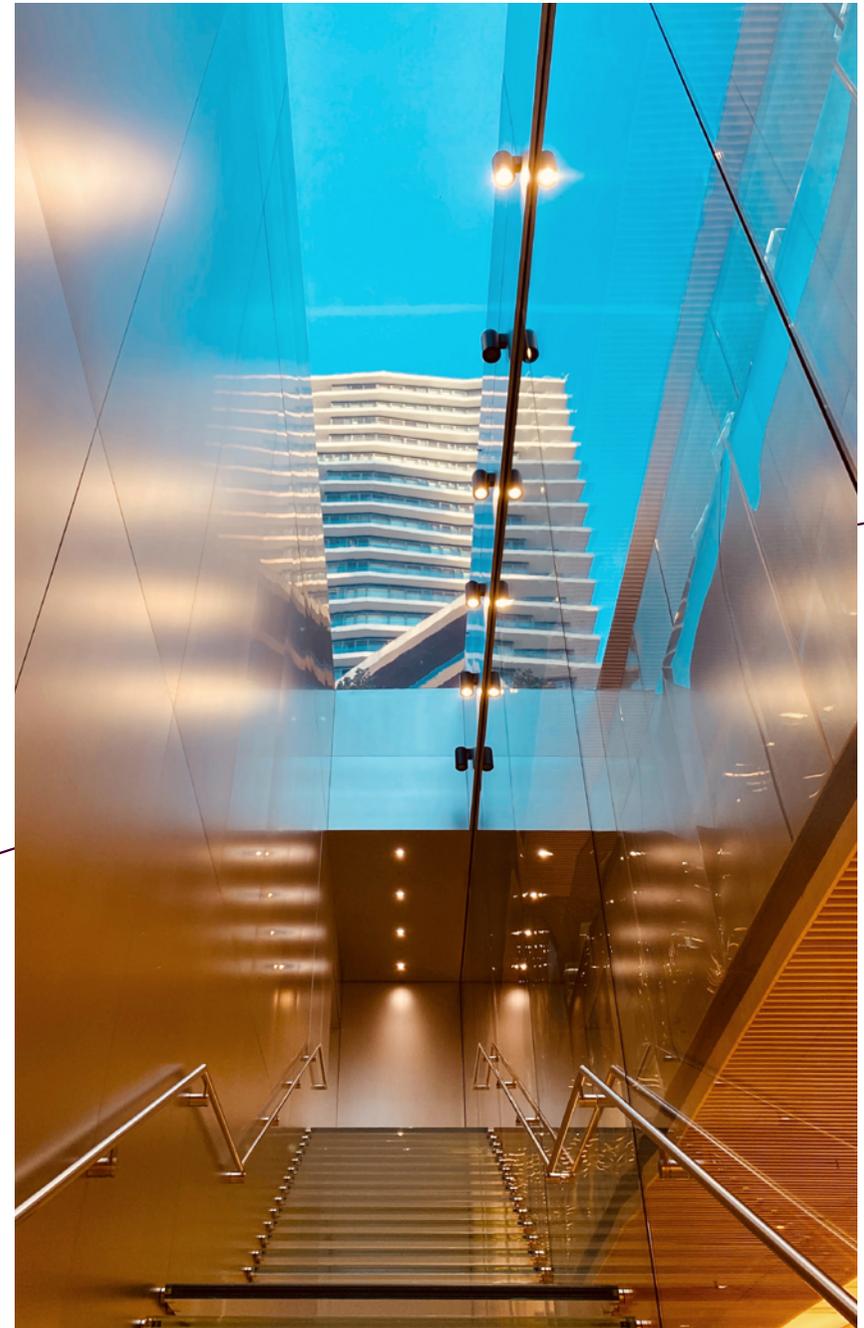
# In Sonae Sierra, the teams identify community needs

both in the development  
phase and during operations

For real estate developers and operators, it is of extreme importance to be familiar with the needs, profiles and habits of the communities where they develop and operate. Otherwise, the best experience possible cannot be offered.

In Sonae Sierra, the teams identify community needs both in the development phase and during operations. During the Shopping Centre development phase, the Country Marketing Manager is responsible for all issues concerning public relations and community activation marketing programmes; all other

It is of extreme importance to be familiar with the needs, profiles and habits of the communities



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## The Company maintained its concern about visitors' safety through communication campaigns

to raise awareness of the safety measures taken to make people feel more comfortable and safer

local community issues are managed by the Development Project Manager. Guidelines and a macro activity plan are approved by the Board Members responsible for the project.

Solidarity is part of Sonae Sierra's identity and all Sonae Sierra's employees are entitled to take one day of leave as a volunteering day. Under normal circumstances, the Company promotes "Sonae Sierra Community Day" on an annual basis, but this year, like in the previous one, this event did not take place due to Covid-19. However, other initiatives were implemented instead.

Shopping Centres owned and managed by Sonae Sierra in Portugal partnered with some solidarity institutions (e.g., Banco Alimentar,

Banco de Bens Doados) to collect food or school materials on behalf of disadvantaged families. In addition, the Company maintained its concern about visitors' safety through communication campaigns to raise awareness of the safety measures taken to make people feel more comfortable and safer while visiting the Shopping Centres.

Similarly to 2020, Sonae Sierra also promoted the collection of toys and other goods to give as a Christmas gift for vulnerable children and families in Italy and Romania, respectively.

In 2021 the total global donations and other community contributions equalled €485,104 of which €4,945 were contributions from shopping centres' visitors.

As part of our commitment to the community, we aim to cause the least amount of disturbance possible. Apart from the first phase of GaiaShopping in Portugal, completed in 1989, none of our projects have ever involved the displacement of local community members and, even in this case, we built new houses to resettle the people who used to live in the area (CRE7).

For more information on our impact in the local communities, please see [chapter 5](#) and [pages 91, 135, 138 and 143](#).



**€485m**

Donations and other community contributions

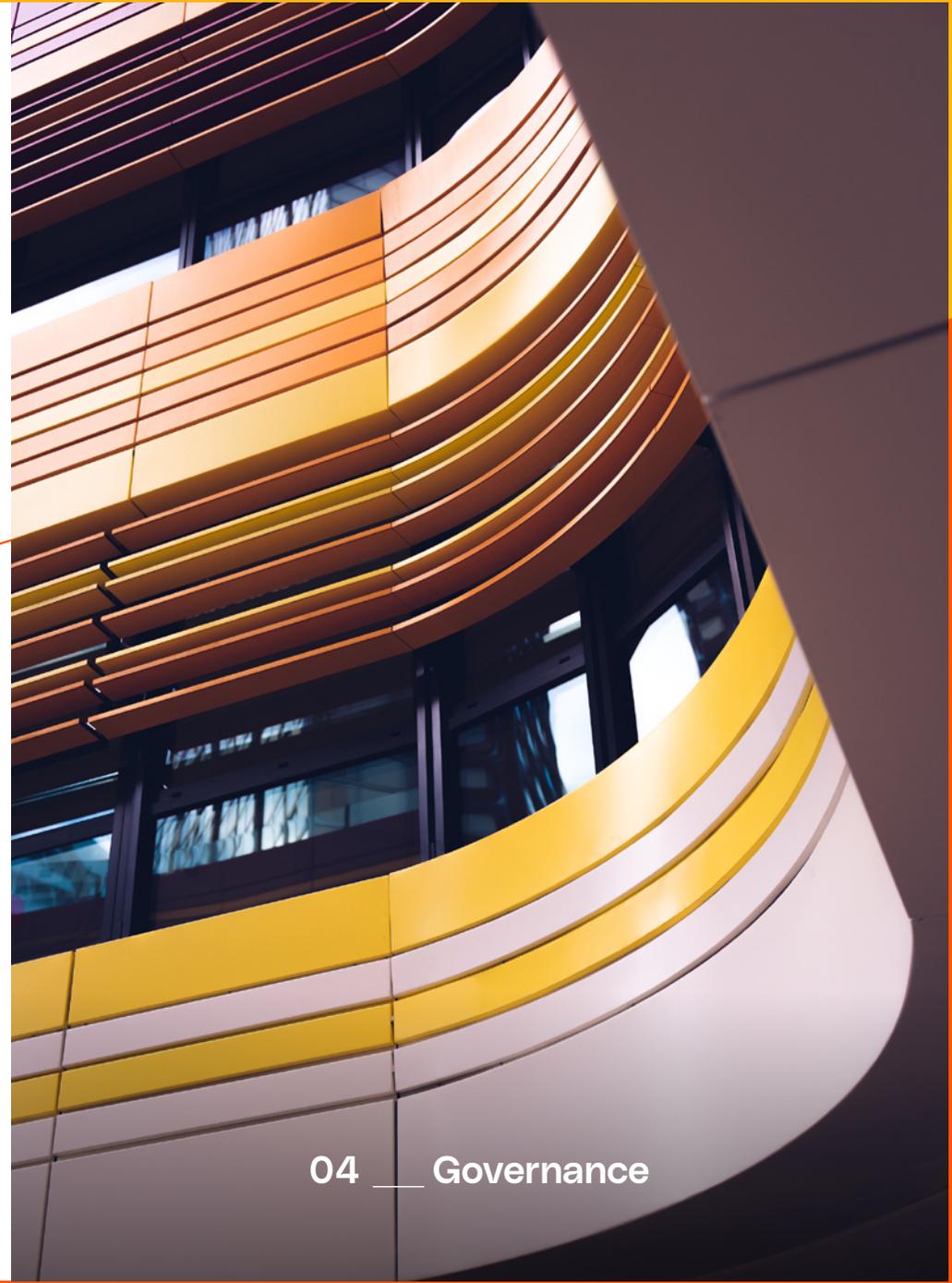
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# Evolving culture

in a changing world

We are driven by a strong corporate culture to achieve the most ambitious results. Always guided by a code of ethics with principles designed to conduct business honestly and with integrity.



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04 — Governance



## Top Management Team



**Fernando Guedes de Oliveira**  
(CEO)

Fernando Guedes Oliveira joined Sonae Sierra in 1991 as Development Manager of the Company's ViaCatarina and Vasco da Gama Shopping Centres. He had previously spent seven years in other management roles with the Sonae Group. In 1999, he took responsibility for all Sonae Sierra's development operations in Europe and was appointed CEO in April 2010. He is the chair of the Sustainability Steering Committee.



**Luís Mota Duarte**  
(CFO and Executive Director of Investment Management)

Luís Mota Duarte joined Sonae Sierra in 2018 from Sonae SGPS where he was Head of M&A since 2014. Prior to joining Sonae, Luís spent 14 years in London, most recently as a Director at Bridgepoint Capital, a leading European private equity firm with €26 billion of AuM. Previously, he worked at Salomon Smith Barney in its Investment Banking division and General Electric in its Business Development team. He was an Associate Fellow at Saïd Business School, Oxford University until October 2020 and is an Adjunct Professor at Nova School of Business & Economics in Lisbon.



**Ana Guedes de Oliveira**  
(Executive Director, Asset Management)

Ana Guedes de Oliveira has been with Sonae since 1987. After managing the development of two major centres in Portugal, she moved to portfolio management in 1999. In 2008, she became responsible for all Sonae Sierra's European investment activities. Since 2009, she has overseen all aspects of the Company's development programme (outside of Brazil). She is a member of the Sustainability Steering Committee.



**Jorge Morgadinho**  
(Executive Director, Reify.)

Jorge Morgadinho has been with Sonae Sierra since 1994. He joined Centro Colombo as an architect. He was subsequently appointed Deputy Development Manager of the Centro Vasco da Gama. From 1999 to 2005, he was responsible for the development of three Shopping Centres in Spain, and in 2006 he was appointed Expansion Manager for New Markets. Since 2010, he has been responsible for Sonae Sierra's design activities as Director of Conceptual Design & Architecture. In 2019, he was appointed Managing Director of Reify..



**Inês Drummond Borges**  
(Chief Transformation Officer)

Inês Borges joined Sonae Sierra in 2021, coming from Worten where she had held the role of Iberian Marketing Director since 2015. Before that, she worked for Vodafone as Head of Innovation and Consumer Product Management, Head of Consumer Pricing, Product Management & Youth (YORN) and Marketing Director. Her first professional experience was as a Business Analyst at McKinsey. She has an undergraduate degree in Economics from Nova School of Business and Economics.



**Alexandre Fernandes**  
(Executive Director, Developments)

Alexandre Fernandes is the Director of all Sonae Sierra's real estate development activities. Previously, he was responsible for the Asset Management of the Company's European Shopping Centre portfolio. Throughout his career, he has acquired extensive experience in investment, asset management, property management and development in the real estate sector, across several geographic areas. He joined Sonae Sierra in 1997 as the Development Manager of NorteShopping, after having worked in the telecommunications sector and in research in the field of electronics. Alexandre has an undergraduate degree in Industrial Electronic Engineering from the University of Minho, an MBA from Porto Business School and has attended other executive programmes.



**Cristina Santos**  
(Executive Director, Property Management)

Cristina Santos joined Sonae Sierra in 1995 as Deputy Director of GaiaShopping. From 2012 to 2016, she was Managing Director of Property Management for Portugal and in 2016 she adopted the same role for Iberia. Since 2021, she has been the Executive Director for Property Management and is also a member of the Sustainability Committee. Cristina Santos holds an undergraduate degree in Food Engineering and has completed several postgraduate courses from the Catholic School of Business and Economics of Lisbon, AMP and INSEAD.

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Governance, ethical conduct and transparency

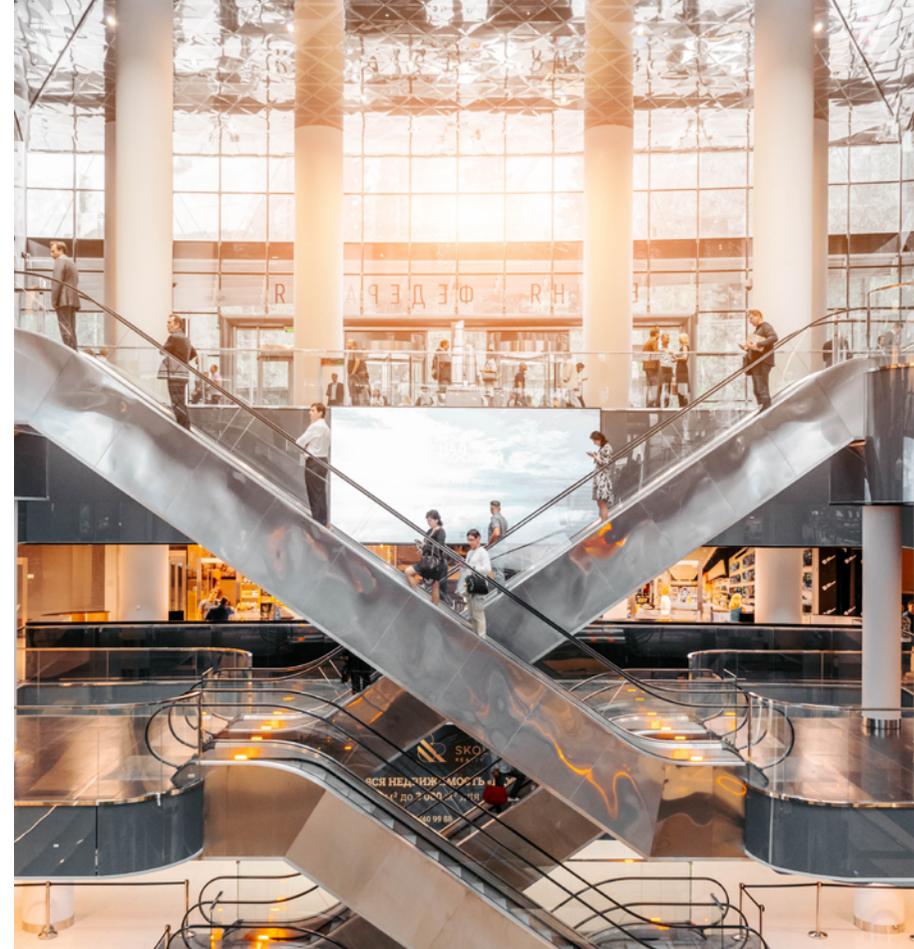
# Sonae Sierra's policies

on corporate governance were modelled and adopted based on those of its shareholders, Sonae and Grosvenor

These policies define strict levels of transparency, independence, remuneration compliance rules and a focus on sustainability. This framework forms the foundation of Sonae Sierra's values, management model, sustainability and business strategies and clarity in public reporting.

In terms of structure, the top governing body of the Sonae Sierra group is the Shareholders' Assembly that is responsible for the appointment of the Board of the Shareholders Assembly Meeting, the Fiscal Board, the Compensation Committee and the Board of Directors.

In accordance with article 23rd of Sonae Sierra's by-laws, the Shareholder Assembly is only comprised by the shareholders with voting rights owners of shares or subscription securities



that, at least eight days before the meeting are:  
a) registered in their name in the Company's files;  
b) deposited in credit institutions;  
c) registered in a securities account.

In accordance with article 24th of Sonae Sierra's by-laws, each group of one hundred shares corresponds to one vote, and shareholders have as many votes as the whole part given by dividing the number of shares they have by one hundred, without any limit.

It is also worth noting that article 25th, numbers 1 and 2, of Sonae Sierra's by-laws states that the individual shareholders can

represent themselves through their spouse, parents or children, business administrator or another shareholder upon a letter addressed to the Chairman including the name and the address of the representative and the date of the meeting. Corporate shareholders should be represented by the individual named for the purpose in a letter and whose authenticity shall be determined by the Chairman of the Shareholders' Assembly.

It is the Board of Directors, consisting of 12 members, who take responsibility for the Company's strategy, long-term business plan, finance and reporting.

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Article 10th, number 1, of Sonae Sierra's by-laws states that the Board of Directors is composed of an even or uneven number of members, with a minimum of 3 and a maximum of 13, elected by the Shareholders Assembly.

Article 17th, number 1, foresees that in case of death, resignation or impediment, temporary or definitive, of any member of the Board of Directors, the Board of Directors provides a solution for the respective replacement. Nevertheless, the replacement can also be made by the Shareholders' Assembly.

Article 6th, number 3, of Sonae Sierra's by-laws states that after the shares of the Company are admitted to trading in a stock exchange, the Company's share capital can be increased by up to €250 million euros,

once or more times, upon a Board of Director's decision. The Board will set the format, the subscription conditions, and the categories of shares to be issued, among the ones foreseen in these articles or others permitted by law. However, Sonae Sierra has no shares admitted to trading in a stock exchange.

The Board of Directors and the Executive Committee have the support of three committees, namely, the Investment Committee, the Finance Committee and the Audit & Compliance Committee. The Investment Committee and the Finance Committee are chaired by the CEO. The Audit & Compliance Committee is chaired by an independent, external person chosen by the Board of Directors.

The day-to-day management falls under the responsibility of the Executive Committee. Meetings are held at least once a month. All Executive members are part of the Executive Forum, which promotes knowledge sharing across the corporate and business areas.

The Risk Management Working Group ensures that the Company policies and best practices are known, and consequently adopted, throughout the Company. The working group gathers information and reports on the risks that the Company is facing or may face in the future and reports, via the Head of Risk (previously via the Finance Director), to the Sustainability Steering Committee, the CFO and the Audit & Compliance Committee.

The members of the Shareholders Assembly, Chairman and Secretary, are appointed at the beginning of each meeting by the shareholders.



## Board of Directors

**Executive directors:** Fernando Guedes de Oliveira (CEO), Luís Mota Duarte (CFO), Ana Guedes de Oliveira, Cristina Santos and Jorge Morgadinho

**Non-Executives directors:** Cláudia Azevedo (Chairman), Ângelo Paupério, Neil Jones, Tim Budden, José Baeta Tomás, Christopher James Taite and João Pedro Dolores

**Secretary:** Joaquim Pereira Mendes

## Investment Committee

Fernando Oliveira (Chairman), Luís Mota Duarte (CFO), Ana Guedes de Oliveira, Ângelo Paupério, João Pedro Dolores, Neil Jones and Tim Budden.

**Secretary:** Joaquim Pereira Mendes

## Finance Committee

Fernando Oliveira (Chairman), Luís Mota Duarte (CFO), Ângelo Paupério, João Pedro Dolores, Neil Jones and Tim Budden.

**Secretary:** Joaquim Pereira Mendes

## Executive Committee

Fernando Guedes de Oliveira (CEO), Luís Mota Duarte (CFO), Ana Guedes de Oliveira, Cristina Santos and Jorge Morgadinho.

**Secretary:** Marina Maia

## Audit and Compliance Committee

David Jenkins (Chairman), Ângelo Paupério, Christopher James Taite, João Pedro Dolores and Tim Budden.

**Secretary:** António Pedrosa Duarte/Cristina Sousa Teixeira

## Fiscal Board

**Chairman:** Ana Isabel Príncipe S. S. Lourenço

**Effective members:** Carlos Manuel Pereira Silva and Sónia Bulhões Costa Matos Lourosa

**Alternate:** Óscar Alçada Quinta

**SROC:** Deloitte & Associados, SROC S.A.

## Compensation Committee

Cláudia Azevedo and Mark Preston

## Sustainability Steering Committee

Fernando Guedes Oliveira (CEO), Ana Guedes Oliveira, Cristina Santos, Alexandre Fernandes, Inês Borges, Ana Vicente, Cristina Sousa Teixeira, Elsa Monteiro, Susana Sabino and Ana Isabel Moita.

## Innovation Steering Committee

Fernando Guedes de Oliveira (CEO) Pedro Soveral Rodrigues, Manuela Calhau, Ana Guedes de Oliveira and Ricardo Rosa.

## IOW Committee

Fernando Guedes de Oliveira (CEO), Pedro Soveral Rodrigues, Manuela Calhau, Ana Serra and Elisa Poinho.

## Risk Management Working Group

Cristina Sousa Teixeira, António Pedrosa Duarte, Alberto Messi, Aurélio Carvalho, Marco Pellizzari, João Pedro Nunes, Elsa Monteiro, Susana Sousa, Alexandre Pessegueiro, Bruno Pacheco, Cristóvão Rocha, Philipp Weiner and Beatriz Fougo.

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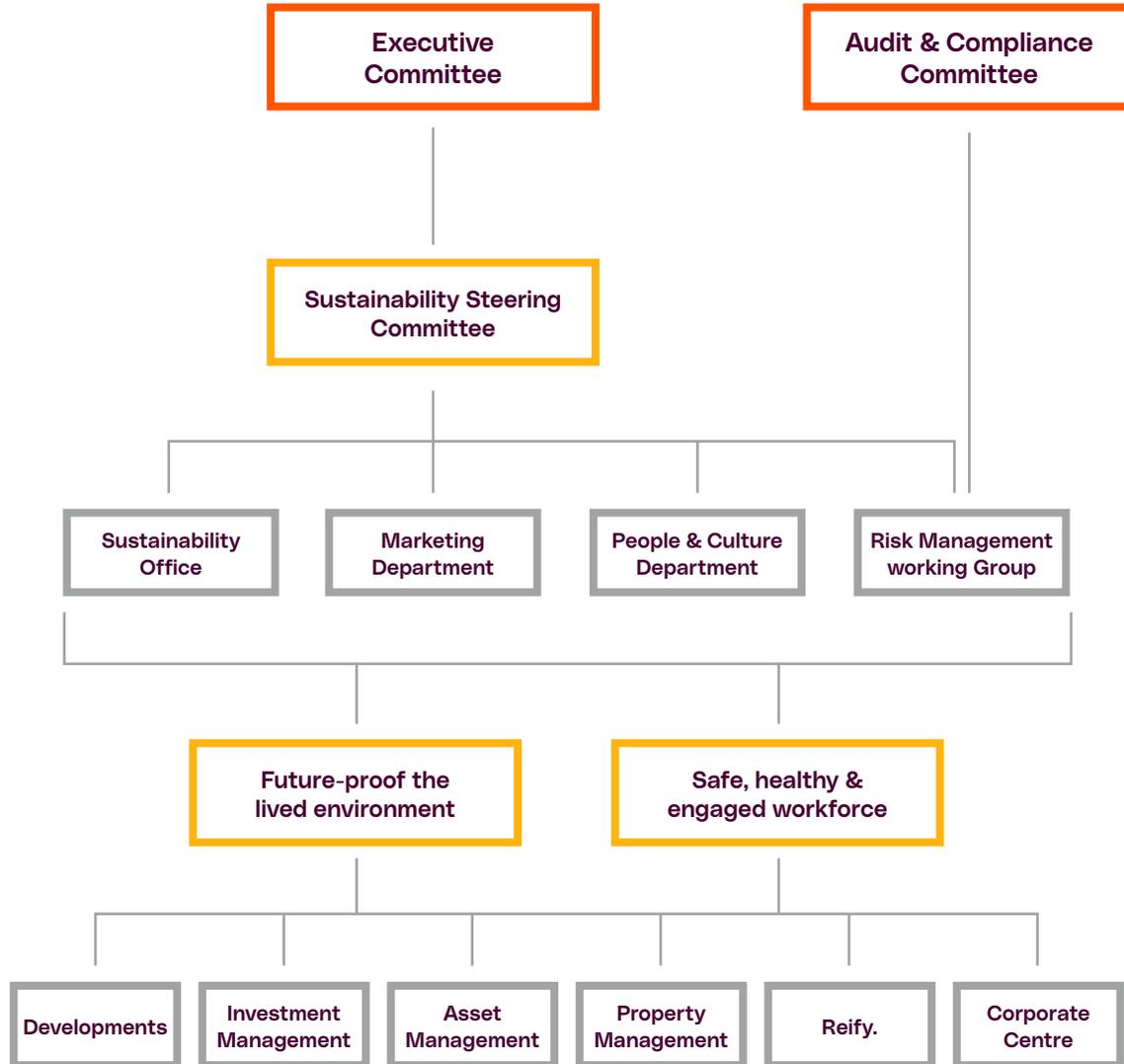
# Sustainability governance

We can only achieve our sustainability ambitions and targets if sustainability is embedded in our strategy and *modus operandi*.

For that reason, in 1999, we created our first Environmental Management System (EMS) to implement our Environmental Policy. In the same year, the environmental section was included for the first time in Sonae Sierra's Annual Report and Accounts. This was the foundation of our first environmental management structure, which would evolve over time.

Today, the Sustainability Steering Committee (SSC), whose governance structure is summarised on the right, is responsible for overseeing and validating the adoption of our long-term sustainability objectives, annual targets and KPIs. The SSC is composed of the Sustainability Office, Marketing and People and Culture department, and the Risk Management Working Group. It is the Sustainability Office's responsibility to pursue the day-to-day SSC operations and to provide support in the form of guidance and coaching to the other areas. To make sure that sustainability stays at the core of our business and strategy, the SSC is overseen by the Executive Committee, which is chaired by our CEO and includes, among its members, the Directors who are responsible for each of Sonae Sierra's business units, as well as key corporate functions.

## Sonae Sierra's Sustainability Governance Model



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# Business Ethics, Transparency and Anti-Corruption

Established the fundamental aspects of behaviour that Sonae Sierra's Board believes.

Sonae Sierra's ethical principles are supported by the Code of Conduct, based on guidelines for law compliance, honesty and integrity, and establishes the fundamental aspects of behaviour that Sonae Sierra's Board believes should be implemented in all of its business activities. It applies to all board members, collaborators, customers, suppliers, and partners, and recognizes Sonae Sierra's responsibility in promoting an ethical and transparent sphere of influence.

Sonae Sierra code of conduct materialises our commitment to achieve our goals championing integrity, openness and honesty. The Code of Conduct imposes ethical and responsible decision-making through strict guidance on issues such as bribery, corruption, legal compliance, equality and human rights. Although we do not have a collective bargaining agreement in place, our employees' rights with respect to the ethical conduct principle are upheld by our Code of Conduct.

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**We aim to ensure that our employees' views and interests are represented in corporate decision-making**



We also aim to ensure that our employees' views and interests are represented in corporate decision-making (GRI102-41).

The Executive Board is the ultimate body responsible for the management of these issues, but it is also a personal responsibility of every employee to behave according to the Company's ethical conduct. Compliance with the Company's Code of Conduct and its underlying ethical norms is also promoted by the Sonae Sierra Ombudsman who is available to enter into dialogue with Sonae Sierra stakeholders, and is responsible for ensuring the processing, investigation and response, in a timely and sensitive manner, to all complaints.

Regarding the mitigation of corruption risk arising in relation to valuations and transactions, the Investment Management

and Development business teams follow the RICS guidelines. Transactions require approval at the level of the Board of Directors of the Special Purpose Vehicles and in many cases, the Investment Companies of the Funds.

Although there are no specific corruption risk mitigation guidelines regarding valuations, the entities that develop most valuations for Sonae Sierra, refer in the valuation reports that fees from Sonae Sierra do not account for over 5% of their revenue on a global basis. In Property Management daily operations, the procedure for obtaining bids for the services we contract out to suppliers minimises the risk of anti-competitive behaviour in the supply chain.

The strong involvement of several corporate organisational structures in this process (Shopping Centre management and central operation departments) should be noted. This

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## In 2021 we reviewed the Policy on Conflicts of Interest

and the manual for Anti-Money Laundering, Combatting Terrorist Financing and Sanctions.

procedure also ensures a clear, coherent and accepted recommendation, to support the final award decision.

Our procedures manual establishes a defined set of procedures to reduce the Company's exposure to risks related to money laundering, terrorist financing and compliance with sanctions. They cover the provision of services, partnerships and joint ventures, investment and other related activities.

Our internal communication procedures include an e-mail that is sent to new employees<sup>8</sup> and that contains a welcome manual that is linked to the Code of Conduct. In this way, we ensure that Sonae Sierra's anti-corruption policies and procedures are communicated to new employees<sup>8</sup> joining the Company. Additionally, the Welcome Kit is available on Sonae Sierra's

intranet to all our employees<sup>8</sup>.

All new Sonae Sierra employees<sup>8</sup>, including those based in new markets that we have entered, must carry out the Behaviour with Ethics Sierra Training (BEST) during their first year of work at Sonae Sierra. The training content is based on our Code of Conduct and Anti-Corruption Guidelines and at the end of each session, employees are required to sign and return the Code of Conduct Acknowledgement, confirming that they have received the Code of Conduct and agree to comply with its provisions.

In Europe, we ensure compliance with our Code of Conduct by incorporating corruption risk into the annual Internal Audit Plan of activities, which is aligned with the Risk Matrix.

In 2021, the Internal Audit Activities covered 31% of the core business processes identified as being at risk of corruption. No instances were identified that could constitute a situation of corruption and no incidents of corruption were formally reported.



Moreover, the transparency of our business activities is assured through yearly disclosure of our integrated Economic, Environmental and Social Report, which is developed following the Integrated Reporting Framework from the International Integrated Reporting Council's (IIRC), and the standards of the Global Reporting Initiative (GRI), which is audited by a third party.

For more information go to [pages 91, 92 and 143](#).

# 63%

of employees had training about anti-corruption policies and procedures (96% if we exclude Luís Malheiro and Poland employees, whose training is managed independently)

# 31%

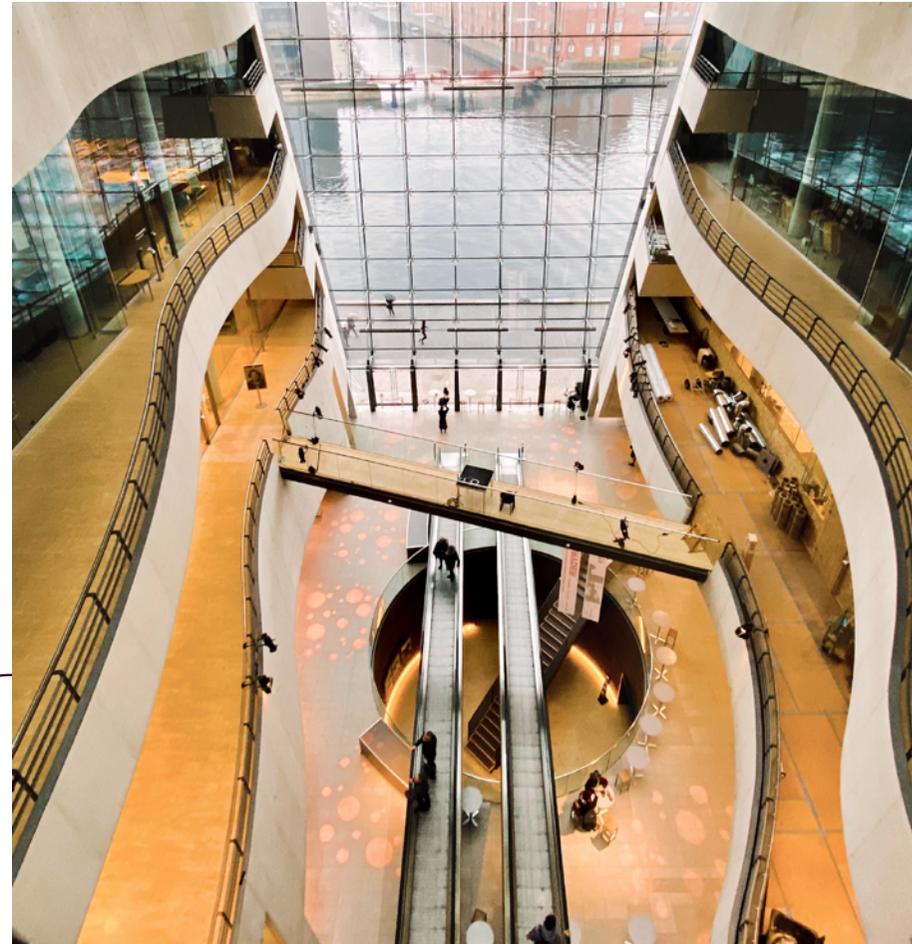
of core business processes identified as being at risk of corruption, covered by Internal Audit Activities

<sup>8</sup> Apart from Luis Malheiro sub-unit and Poland employees, who manage their own training.



# United Nations Global Compact

Sonae is a signatory of the Global Compact, a voluntary contract between the United Nations and the worldwide business community that encourages companies to embrace, support and enact core principles in the areas of human rights, labour standards, environment, and anti-corruption.



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As we are partially owned by Sonae, we must provide this shareholder with an outline of how we comply with the Compact's principles, including Principle 10, which commits organisations to work against corruption in all its forms, including extortion and bribery.

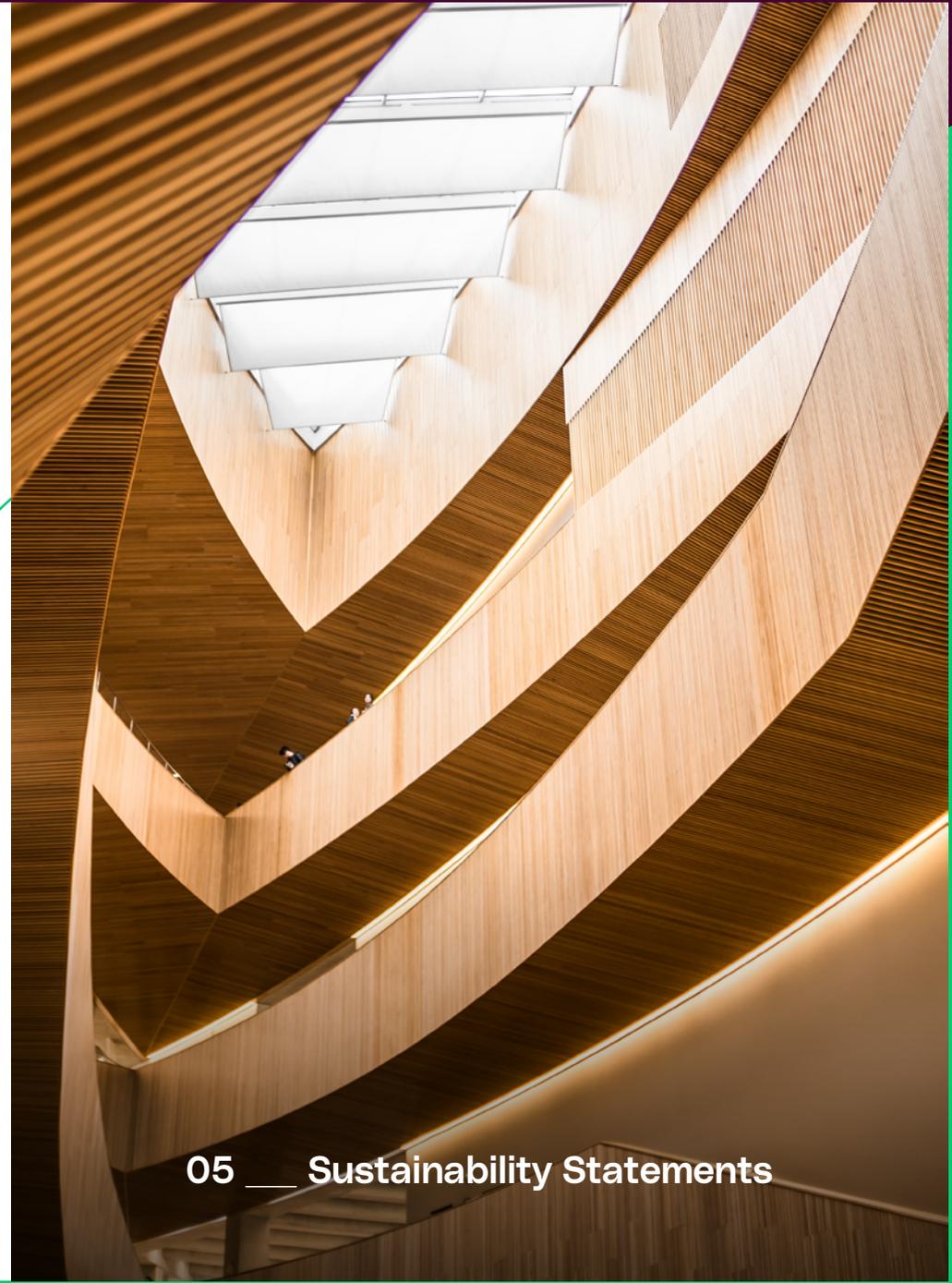
Our report on progress against the Global Compact principles is publicly available [on our corporate website](#).



# Evolving sustainability

in a changing world

Sustainability is at the core of our business. We respect and promote economic, environmental and social development while creating spaces designed to make the world a better place to live.



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## 05 Sustainability Statements



Sustainability Strategy

# Sustainability is a cornerstone of Sonae Sierra since 1998, long before other companies in the sector

Sustainability is profoundly embedded in our DNA since 1998, long before other companies in the sector and before it became a requirement, making us pioneers and at the forefront of the industry in driving the evolution of sustainable practices. The year 1998 marked the adoption of Sonae Sierra's first Environmental Policy. Since then, we have been updating it on a regular basis and broadening the scope and ambition of our sustainability objectives. This has been possible through the extensive integration of sustainability in our strategy, processes, and business model.

The year 1998 marked the adoption of Sonae Sierra's first Environmental Policy.



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# We have committed ourselves to enhancing our sustainability performance

and to being a key player in the systemic change that needs to take place.

In 2004, we released our first corporate sustainability report, a self-evaluation and reflection exercise that has been repeated annually since then. This work has been instrumental in identifying gaps, best practices, and opportunities to continuously improve our sustainability performance.

Sonae Sierra was a pioneer organisation in the adoption of the International Integrated Reporting Council's (IIRC) Integrated Reporting Framework back in 2013. This step was critical in connecting sustainability risks and performance to business strategy and success, driving more authentic,

comprehensive and meaningful information about all aspects of our performance and value creation story. This made us improve the quality of information available to providers of financial capital to enable a more efficient and productive allocation of capital; and to support integrated thinking, decision-making and actions that focus on the creation of value.

Nevertheless, we know that this is still not enough. The negative impact of human activities on the environment and its societal consequences are more evident than ever, and Sonae Sierra is aware that Real Estate is one of the economic sectors that contributes the

most to the current landscape. For this reason, we have committed ourselves to enhancing our sustainability performance and to being a key player in the systemic change that needs to take place.

Our new sustainability strategy, announced in last year's report, reflects our commitment to be at the forefront of this change and to inspire other companies to join us.

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## Sonae Sierra's Material Areas under each Pillar

### Identified Drivers

	Core Focus Areas for Acceleration	Sustainability Enablers	Local Management Issues
	The most important issues of focus, as they provide the opportunity to create a competitive advantage.	Issues we aim to master and pursue to a certain level, in order to perform well across our core focus areas.	Issues that will be managed on a local level, rather than a corporate level, as their impacts vary across the different geographical regions where we operate.
<b>Future-Proof the Lived Environment</b>	<ul style="list-style-type: none"> <li>Sustainable Buildings</li> <li>Responsible Investment</li> <li>Management of Service Client Sustainability Profile</li> </ul>	<ul style="list-style-type: none"> <li>Climate Change Resilience</li> <li>Circular Economy</li> <li>Responsible Procurement</li> <li>Management of Tenant/ Occupier Sustainability</li> </ul>	<ul style="list-style-type: none"> <li>Impact on Local Communities</li> </ul>
<b>A Safe, Healthy and Engaged Workforce</b>	<ul style="list-style-type: none"> <li>Human Capital Management</li> </ul>	<ul style="list-style-type: none"> <li>Employee Health, Safety &amp; Well-being</li> </ul>	

Business Ethics, Transparency and Anti-Corruption is a Material Area for Sonae Sierra; however it is an essential enabler to the success of this strategy and not specifically under any of its pillars. You can consult this topic on [page 52](#).

This year's Sustainability Statements focus on the summary results of our first year of implementing Sonae Sierra's renewed sustainability strategy, leveraged by our commitment since 1998.

Our new strategy is divided into two pillars – **Future-Proof the Lived Environment** and a **Safe, Healthy and Engaged Workforce** and takes into consideration the increasing urgency to act upon environmental challenges, such as climate change, and reinforces our

**Our new strategy is divided into two pillars: Future-Proof the Lived Environment and a Safe, Healthy and Engaged Workforce**

contribution to sustainable development, by further integrating sustainability into our business model, services, operations, human resources, and risk management processes.

The two pillars encompass a total of **11 Material Areas**, that were assessed considering its importance to stakeholders and Sonae Sierra impact.

Under most of our material areas we have defined long-term goals and annual targets

to drive a continuous ambitious performance and measure the success of our strategy in terms of risk mitigation and sustainable value creation.

For more information about our Materiality Matrix please see [page 9](#). You can find out more about our yearly performance against sustainability commitments on [page 81](#).

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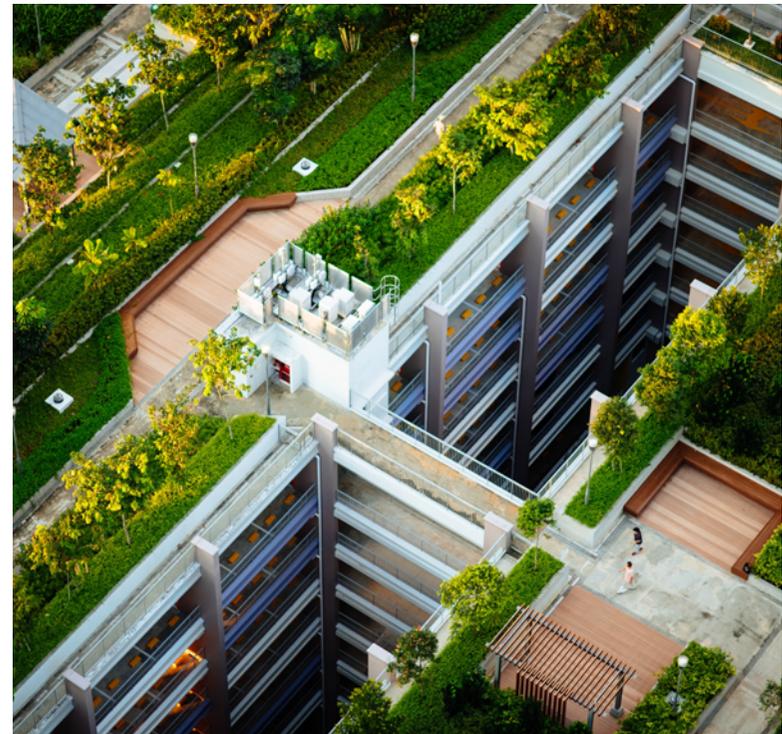
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Material Areas Overview & Description

# Future-Proof the Lived Environment

Serving the human and business needs of tomorrow's cities, by future-proofing the built environment and operations, through responsible investment criteria and sustainability solutions.



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For more information about our contribution to the SDGs go to [page 10](#).



# Buildings are heavy consumers of natural resources and manufactured products

making them one of the largest contributors to environmental problems



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Buildings are heavy consumers of natural resources and manufactured products throughout their value chain, making them one of the largest contributors to environmental problems, such as climate change and resource depletion.

For Sonae Sierra, the continuous reinforcement of our contribution to solving these issues has to be made through shifting to more sustainable business models, based on circular economy principles and eco-design; enabling better processes and policies; increasing sustainability due diligence and the stewardship of our investments; and boosting the value created to the local communities where we operate.

We take this strategic path as a responsible and business-driven decision, as physical, regulatory and market risks and opportunities become more evident and financially material.

To assess the progress of these ambitions, we have already established long-term objectives and annual targets, as well as key performance indicators (KPIs), for the majority of our Material Areas. The table in the next page provides an overview of our 2021 performance as well as the respective evolutionary trajectory for different KPIs, based on available data.



We have already established long-term objectives and annual targets

Nevertheless, it is worth noting that although each KPI is associated with a specific Material Area in this table, they may serve the objectives of other Areas. For example, Waste recycling rate is a metric for Circular Economy and also Sustainable Buildings.



## Future-Proof the Lived Environment – 2021 Performance & Evolution

✔ Achieved 
 ✘ Not Achieved 
 █ Overall Performance 
 █ The path ahead

Material Area	2021 Performance <sup>9</sup>	2021 Target Status	Evolution <sup>10</sup>	Notes
<b>Sustainable Buildings</b>	In 2021, we reduced the electricity consumption by 1.6% to 250 kWh/sq.m (-66% since the baseline year: 2002).			
	In 2021, we reduced the water consumption by 13% to around 2.5 litres/visit (-41% since the baseline year: 2003).			
	In 2021, we increased the level 3, 4 and 5 <sup>11</sup> accident rate by 6% to 1.42 accidents per million visits (+41% since the baseline year: 2008).			Our target includes our assets under management (regardless if they are owned or not). On the graph we present just the performance of our owned assets as we only started monitoring managed assets performance more recently and we wanted to present a more comprehensive historical picture. Our baseline is the year we first started reporting these incidents. Since the procedure was new, we believe that the real value in 2008 was higher than what is reported. The fluctuations in our performance emphasise the importance of continuously engaging with our stakeholders to promote the adoption of a safer behaviour.
	In 2021, we decreased the accident rate among suppliers by 2%, to 3.1 accidents with lost workdays per million worked hours (+123% since the baseline year: 2008).			Our target includes our assets under management (regardless if they are owned or not). On the graph we present just the performance of our owned assets as we only started monitoring managed assets performance more recently and we wanted to present a more comprehensive historical picture. Our baseline is the year we first started reporting these incidents. Since the procedure was new, we believe that the real value in 2008 was higher than what is reported. The fluctuations in our performance emphasise the importance of continuously engaging with our stakeholders to promote the adoption of a safer behaviour.

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<sup>9</sup> All variations refer to the comparison with 2020 performance, unless otherwise stated.  
<sup>10</sup> In 2022 we are redefining our long-term objectives (LTO) considering a longer time-frame and guaranteeing they remain ambitious and challenging considering last years' performance. Our current LTO were redefined in 2019 considering significant changes in our portfolio (sale of a group of assets framed in our capital recycling strategy); additionally, 2020 and 2021 performances were affected by extraordinary conditions related to the

curfews/pandemic, that is why in some cases 2019 – 2021 performances are better than the LTO (different scope and pandemic effect).  
<sup>11</sup> Number of accidents of level 3, 4 and 5 among tenants, service suppliers, workforce and visitors per million of visits. Level 3, 4 and 5 accidents are defined as those resulting in medical assistance, lost workdays/life disruption and fatality/permanent disability, respectively.



✔ Achieved 
 ✘ Not Achieved 
 — Overall Performance 
 — The path ahead

Material Area	2021 Performance <sup>9</sup>	2021 Target Status	Evolution <sup>10</sup>	Notes
Climate Change Resilience	In 2021, we reduced our Scope 1 and 2 GHG emissions by 2% to 13.0 kg CO <sub>2</sub> e/ sq.m GLA (-84% since the baseline year: 2005).			Our long-term objective is higher than historical values due to significant change in our portfolio and due to the COVID-19 pandemic that affected energy consumption and therefore the GHG emissions in 2020 and 2021. In 2019 we sold several assets under our capital recycling strategy, and those assets had a carbon intensity below the average (some of them had zero carbon emissions intensity). Although it appears that our long-term objective is higher than our 2019 performance (pre-pandemic), considering the same scope our GHG emissions intensity in 2019 was 19.1 kgCO <sub>2</sub> e/ sq.m GLA.
	In 2021, we recycled/reused 6.0% of the water consumed, a 32% reduction comparing to last year.			Our long-term objective is to ensure a secure water supply by reducing public utility supply, with a focus on assets that are vulnerable to water shortages. Since it is a qualitative objective, there are no projections for the performance of the coming years.
Circular Economy	In 2021, 64% of our waste produced was recycled, an increase of 5% comparing to last year (+239% since the baseline year: 2002).			
	In 2021, we achieved a landfill rate of 13.8% a slight increase of 1% comparing to last year (-75% since the baseline year: 2007).			

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You can find a snapshot of our Sustainability Long-Term Objectives (LTO) for 2025 and the extended version [on our corporate website](#).

<sup>9</sup> All variations refer to the comparison with 2020 performance, unless otherwise stated.

<sup>10</sup> In 2022 we are redefining our long-term objectives (LTO) considering a longer time-frame and guaranteeing they remain ambitious and challenging considering last years' performance. Our current LTO were redefined in 2019 considering significant changes in our portfolio (sale of a group of assets framed in our capital recycling strategy); additionally, 2020 and 2021 performances were affected by extraordinary conditions related to the curfews/pandemic, that is why in some cases 2019 - 2021 performances are better than the LTO (different scope and pandemic effect).



# Sustainable Buildings

(Core Focus Area for Acceleration)

## Shared Value Created

Lower environmental impact + Improved eco-efficiency

## GRI table references

Energy | Water | Waste | Emissions | Materials | Customer Health & Safety

## Historical Milestones

**2002** Creation of the Environmental Standards for Retail Developments (ESRD), that later evolved and became SHEDS. ESRD were Sonae Sierra's own environmental design standards, established for new centres and major refurbishments. They consist of 190 standards developed by the Company based on our experience, best available technologies and practices and international certifications systems such as LEED and BREEAM.

**2018** Sonae Sierra won the Silver Stevie® Award in the International Business Awards® with the Bright programme.

As a full real estate player, it is our responsibility to disseminate and mainstream the construction and management of sustainable buildings. We do this by setting Sustainable Buildings as a focus area, encouraging and providing tailored services to support other real estate partners and clients on the same path, and continuously committing to the following guiding approach principles:

- To improve and further disseminate our Safety, Health and Environment Management System (SHEMS) for both construction and buildings operation;
- To enhance the international green accreditation of our construction projects and assets in operation, through certification schemes such as LEED, BREEAM, ISO 14001 and ISO 45001;
- To improve the energy and water efficiency through our Bright® and Dive® programmes.

## Results in 2021

**€14.5m** in costs avoided in 2021, due to eco-efficiency<sup>12</sup> measures implemented since 2002.



### We continued to increase the energy efficiency of buildings through our Bright® Programme

Bright® generated 703 improvement opportunities that led to up to €7.4 million in potential yearly savings.

Bright® is an energy efficiency programme developed by Sonae Sierra in 2012, designed to reduce the energy expenditure and improve the carbon footprint of real estate assets. It allows us to analyse the energy consumption of real estate assets against a theoretical simulation, identifying technical improvements and enhancing management practices. In 2021, €12.3 million in costs were avoided due to energy saving initiatives implemented throughout the years (including Bright® measures), and electricity consumption decreased by 2%, compared to 2020.

<sup>12</sup>Energy, water and waste management measures



### We continued to increase the water efficiency of buildings

In 2021, €300 thousand in costs were avoided due to water saving initiatives implemented throughout the years (including Dive® measures), and water consumption decreased by 13%, compared to the previous year.

Dive® is a tool created by Sonae Sierra which assesses a building's real water consumption against a theoretical optimal simulation, thereby identifying technical and management-level improvement measures. By comparing the optimal water consumption with the real one, and comparing assets within a portfolio, it provides valuable data that can be used to inform and shape decision-making.

More results on [pages 61 and 62](#), and on our GRI Index.

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# Responsible Investment

(Core Focus Area for Acceleration)

## Shared Value Created

Operational efficiencies & risk management + Increased revenue + Enhanced reputation and brand value

## GRI table references

Energy | Water | Waste | Emissions | Materials | Customer Health & Safety

## Historical Milestones

**2003** Established that all approved investments must be preceded by an Environmental Due Diligence study and an Environmental Impact Study (although such strict requirements were not in place by law at the time) to establish the extent of eventual environmental liabilities and impacts.

**2011** Sonae Sierra property funds ranked as the most sustainable in Europe and third worldwide by GRESB - the leading ESG (Environmental, Social and Governance) benchmark for real estate investments around the world.

The world of tomorrow is shaped by today's investments. This is the reason why sustainable investment has been marked as one of the key drivers for sustainable development. Moreover, the financial materiality of Environmental, Social, and Governance (ESG) risks and opportunities is more evident than ever, especially regarding the physical and transitional risks of climate change, giving organisations a financial incentive to integrate these risks into their investment policies.

**The sustainable investment has been marked as one of the key drivers for sustainable development**



With the implementation of Safety, Health, and Environment Development Standards (SHEDS) since 2002, a step was taken towards responsible investment

SHEDS were developed in reference to Sonae Sierra's own experience, best available techniques, international certification schemes such as LEED®, BREEAM, and others, as the European safety standards. It requires development partners to address Safety, Health and Environment (SHE) risks during the development and operation phases of Shopping Centres. This way, long-term sustainability risks and opportunities are incorporated in new development projects, requiring construction and real estate investees to meet minimum environmental criteria and mitigate their negative impact.

By conducting Environmental Impact Studies and enforcing high-quality environmentally responsible standards on all its investments since 2003, Sonae Sierra has secured its path to responsible investment, ensuring that potential environmental liabilities and negative impact costs are factored into development budgets.

Since then, considering our growing sustainability ambitions and commitments, we have been reviewing our due diligence assessments and increasing environmental standards. More recently, in 2021, we went even further by creating a Responsible Investment Policy, which will set more rigorous ESG standards, and enhance our role as promoters of sustainable real estate.

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## Results in 2021

### We developed a new Responsible Investment Management Policy

In 2021, we developed a Responsible Investment Management Policy that will be applied from 2022 onwards, complementing existing policies and reinforcing Sonae Sierra's commitment to sustainable finance. The goal is to further integrate ESG factors into investment decisions and to address the sustainability risks and adverse impacts of our business activities. This policy will also address the requirements of the European Union (EU) new sustainable finance regulations, namely the sustainability-related disclosure in the financial services sector (Sustainable Finance Disclosure Regulation (SFDR))<sup>13</sup>, and the Capital Requirements Regulation<sup>14</sup> that will come into force in 2022.

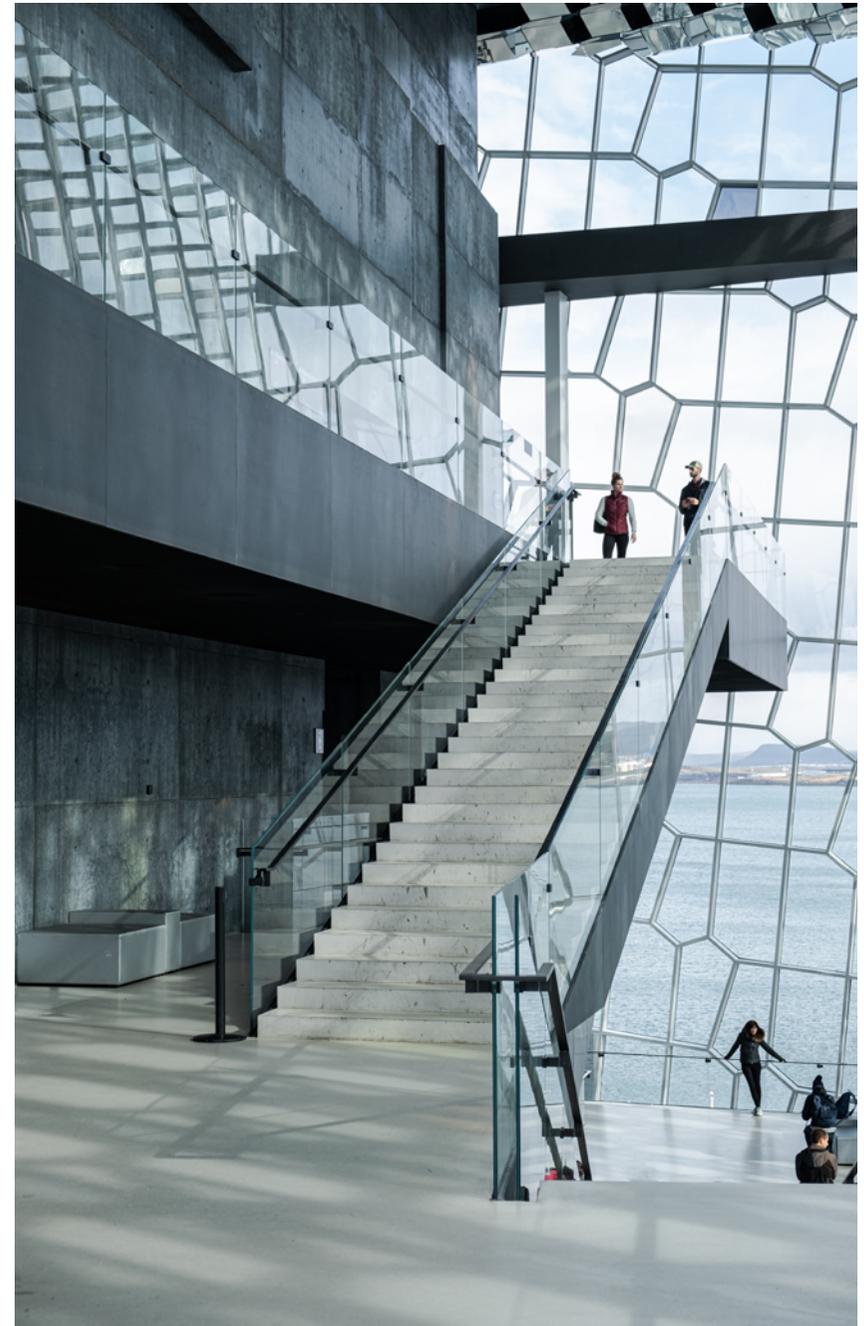
### Our sustainable investment efforts continue to be recognised by GRESB –

the leading ESG benchmark for real estate investments around the world. Both our participating funds were distinguished with a 5 Star rating, the highest GRESB Rating and a recognition for being an industry leader

Since its creation in 2019, the Sierra Prime fund has been distinguished with a rating of 5 Stars in the yearly GRESB Real Estate Assessment. In the 2021 assessment, Sierra Prime performance was 27% above GRESB average, outperforming its peers by 12%. Furthermore, the Iberia Coop fund was also distinguished with a 5 Star rating, with a scoring 26% above GRESB average. Finally, it is also worth mentioning that Sonae Sierra funds have been recognised by GRESB with a Green Star status every year since its outset in 2009.

<sup>13</sup> SFDR lays down harmonised rules for financial market participants and financial advisers on transparency, concerning the integration of Sustainability Risks and the consideration of adverse sustainability impacts in their processes and the provision of sustainability-related information.

<sup>14</sup> The EU new Capital Requirements Regulation will require banks to systematically identify, disclose and manage ESG risks as part of their risk management. This includes regular climate stress testing by both supervisors and banks.



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# Management of Service Client Sustainability Profile

(Core Focus Area for Acceleration)

## Shared Value Created

Stakeholder engagement + Higher quality service for clients, tenants & visitors + Increased client and tenant preference

## Historical Milestones

**2017** Launch of sustainability services portfolio for external clients.

As part of our role to drive our real estate clients and partners to become more sustainable, in addition to incorporating sustainability in all our direct investments where we have a controlling position, we advise our minority position investments and clients to also incorporate the same principles.

Sonae Sierra was an early pioneer in integrating sustainability within the real estate business and has been designing and implementing sustainability solutions for partners, for over 20 years. In 2017, to boost the effectiveness of this work, and as an answer to the growing demand for sustainability in the market, we have enlarged the scope of our Sustainability Office, to put our know-how at our clients' service, improving their sustainability profile according to their specific goals.

The Sustainability Services area aims to create long lasting value for both partners and other clients and covers ESG issues tailored to the different needs and objectives of our clients - from compliance to sustainability as a competitive advantage, comprising the entire lifecycle of real estate - from design, to investment, to renovation, and management, to name a few examples. Find out more about our Sustainability Services at [our corporate website](#).



**Sonae Sierra was a pioneer in integrating sustainability within the real estate business**

## Results in 2021

**53%**

**Best-in-Class sustainability services**

These services are provided for clients aiming to be leaders in the sector in terms of meeting ESG criteria. These comprehend services that go from BREEAM In-Use certifications to Climate Change Risk Assessments, among several others.

**48.5%**

**sustainability services delivered for partners and clients**

From the sustainability services provided, 51.5% were to Sonae Sierra and 48.5% to partners and clients, signalling the increasing recognition of our competencies in the area.

**2.2%**

**growth in sustainability services**

At Sonae Sierra we believe sustainability and business prosperity go hand in hand. The revenue from sustainability services has been growing year after year, even during the COVID-19 pandemic. In 2021, our revenue coming from sustainability services grew 2.2%, and we expect these values to continue to increase in the next years, showing that sustainability is also becoming a priority for our partners and clients.

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# Climate Change Resilience

(Sustainability Enabler)

## Shared Value Created

Long-term asset value protected

## GRI table references

Energy | Water | Emissions

## Historical Milestones

**2006** Developed a long-term carbon management plan to reduce our greenhouse gas emissions.

**2015** Sonae Sierra signed the 'Paris Pledge for Action' in support of the goals established by the COP21 Paris Agreement, joining 800 other companies around the world.

As stated in the Responsible Investment section, climate change poses increasing and more evident risks that, if not mitigated, can seriously affect the real estate sector. In fact, in the EU (with a similar pattern for other regions of the world), real estate is responsible for approximately 40% of the overall energy consumption and 36% of CO<sub>2</sub> emissions. This makes the sector one of the main targets of the European Green Deal<sup>15</sup>, namely through the Renovation Wave Strategy<sup>16</sup>, both created with the objective of achieving carbon neutrality by 2050 in the EU. Moreover, as hurricanes, wildfires, storms, and floods become more frequent and intense, and as sea levels continue to rise, some real estate assets can be more exposed to risks, such as value impairments and increased insurance costs.

<sup>15</sup> The European Green Deal is the EU's long-term strategy document, launched in 2020, which sets carbon neutrality as a goal for 2050.

<sup>16</sup> The Renovation Wave Strategy was created to double the renovation rate of EU buildings by 2030, in an effort to promote higher energy and resource efficiency.



Sonae Sierra's concerns about the consequences of climate change are not new. We have been monitoring and disclosing our carbon footprint since 2004. In addition, reducing our greenhouse gases (GHG) emissions has been considered a priority for our sustainability strategy since 2006.

In order to better understand the underlying risks and opportunities of climate change, as part of Sonae Risk Management Consulting Group, we analysed the financial materiality of climate change. To do so, we used a framework that evaluates the likelihood and frequency of climate risks and their potential impact on the business.

We first commissioned a study to investigate the financial risks associated with climate change on a sample of our Portuguese assets in 2009, focusing on three components: energy (mainly electricity), water and insurance costs.

In 2013, we commissioned a high-level review to explore the business case for climate

change adaptation. It reviewed the following key business drivers as a consequence of climate change: physical damage to assets; climate change risks affecting operational and asset value; climate change risks affecting insurance premiums and policy developments.

More recently, considering the urge to act upon Climate Change, we have developed a deep study aiming to measure the effect of climate change on energy use in multiple assets, to clarify the repercussions on the energy costs. In 2021 we performed a deep climate change risk assessment in a sample of assets to identify, describe and estimate risks related with climate change (physical and transition), and possible financial impacts (more information on [page 108](#)).

Our goal is not only to mitigate potential risks, but to leverage on rising opportunities for businesses that prove to be climate resilient, and to increase the value creation of our services for the societies we serve.

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## Results in 2021

### We have begun our third assessment of the financial risks and opportunities of climate change, using the TCFD framework

After successfully carrying out assessments in 2009 and 2013, in 2021 we began our third assessment of climate change financial risks and opportunities, which covers six assets of our Shopping Centres portfolio. We now follow the internationally recognised recommendations and framework of the Task-force on Climate-related Financial Disclosures (TCFD)<sup>17</sup>. Conclusions about the study are still preliminary, however, it is already clear that transition risks related to regulatory demands – such as the renovation of buildings – market shifts – the adaptation of buildings to electric mobility – and carbon pricing, constitute the biggest financially material issues for the present and the future.

<sup>17</sup> The Task Force on Climate-Related Financial Disclosures (TCFD) is an internationally recognised framework created to improve and increase reporting of climate-related financial information.

### We reduced our GHG emissions intensity<sup>18</sup> by 84% since our baseline year of 2005, to a record low of 13.0 kg CO<sub>2</sub>e/sq.m. of GLA. The challenge now is to set quantitative reduction goals for scope 3 emissions.

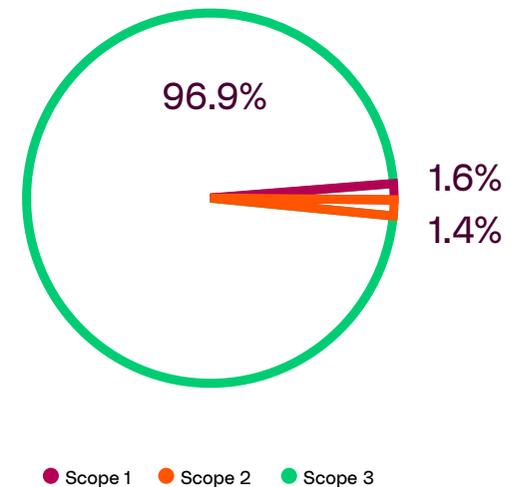
After successfully reducing our CO<sub>2</sub> emissions by 84%, our current biggest challenge is to set quantitative reduction targets for our Scope 3 GHG emissions<sup>19</sup>. Although they correspond to the biggest share of our GHG emissions (more detail on the right), we do not have direct control over them. Thus, we are investing in new ways to mitigate them, namely through:

- Our new Responsible Procurement Policy, which privileges low carbon materials;
- Our investments in the Circular Economy, which aim to reduce the use of new materials by maximising and extending their lifecycle;
- Campaigns to raise awareness amongst tenants, Shopping Centre visitors and employees;
- Tenant contract clauses and guidelines included in the Fit-out manual for tenants;
- Investment in electric charging stations for parking lots;
- Improving access to public transport and providing bicycle storage facilities.

<sup>18</sup> Scope 1 and Scope 2 emissions (Scope 1 emissions are direct emissions from sources that are owned or controlled by Sonae Sierra, e.g. fuel from the company car fleet, natural gas from boilers etc; Scope 2 emissions are indirect emissions that result from Sonae Sierra's activities but are owned or controlled by another organisation, e.g. purchased electricity, heating and cooling).

<sup>19</sup> Scope 3 emissions are all indirect emissions (not included in scope 2) that occur in the value chain of the company, including both upstream and downstream emissions, e.g. emissions from visitors trips to our assets, electricity consumed by tenants, waste, employees' commuting, business travel etc.

#### Percentage of GHG Emissions by Scope



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## Results in 2021

### We committed to become carbon neutral by 2040

In 2021 we announced our commitment to become carbon neutral by 2040, 10 years ahead of the EU decarbonisation target.

We are now creating a zero-carbon roadmap using science-based targets (SBTi) aligned with the Paris Agreement. More specifically, we are working to submit short-term targets for 2030 and long-term targets for 2040 in accordance with SBTi's Zero Carbon Standards, the world's first corporate net-zero framework consistent with limiting the global temperature rise to 1.5°C.

The table on the right summarises how we intend to meet this commitment, which extends to our corporate offices, investment properties, and developments (construction projects).

### Focus Areas for the Decarbonisation Roadmap

#### Carbon neutrality will be achieved...



#### Corporate offices

... by implementing best practices in relation to energy management and by choosing zero-emission electricity contracts. Furthermore, vis-à-vis our fleet emissions, we have developed and implemented a policy that favours electric vehicles and/or plug-in hybrids.



#### Investment properties

... by increasing a building's energy efficiency, producing in-house renewable energy, and increasing zero-emission electricity contracts. Lastly, if necessary, we may also use neutralisation mechanisms. Moreover, we commit to only acquiring assets aligned with our carbon neutrality goals (from 2025 onwards).



#### Developments

... by rethinking new developments, building expansions and main refurbishment projects, from the design of the project to the building's end-of-life phase. This way, we will maximise resource efficiency and reduce end-of-life emissions, while complying with EU laws for green developments and the Science-Based Targets initiative (SBTi). Moreover, we will need to shift to recycled, low carbon or carbon positive materials and lastly, if needed, we will use neutralisation mechanisms.

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# Circular Economy

(Sustainability Enabler)

## Shared Value Created

Lower environmental impact + Improved eco-efficiency

## GRI table references

Waste | Materials

## Historical Milestones

**2005** NorteShopping was one of the first Shopping Centres in Portugal to start composting organic waste, improving Sonae Sierra's waste management system.

**2020** Circular economy principles are set as the basis for the revised Responsible Procurement Policy.

The Circular Economy concept is based on the principle of resource value maximisation, through which the design and management of resources and related disposable practices prioritise the reduction of materials used, and their reuse, refurbishment, repair and recycling. By applying these principles, Sonae Sierra is able to increase the productivity and efficiency of its assets, while decreasing its dependence on virgin materials and, consequently, the environmental degradation and CO<sub>2</sub> emissions associated with its activities. Moreover, this is a way to respond to regulatory demands coming from the EU, which are reflected in the previously mentioned Renovation Wave regulation, and the EU Action Plan for Circular Economy<sup>20</sup>. Thus, for Sonae Sierra, the circular economy is viewed as a risk mitigation measure and as an investment opportunity, which will support our roadmap to carbon neutrality and help to respond to the increasingly pressing issue of resource scarcity.

For more information please also consult Responsible Procurement Material Area below.

<sup>20</sup> The [EU Circular Economy Action Plan](#) aims at reducing pressure on natural resources by reusing old resources through promoting circular economy processes.

## Results in 2021

### We take our commitment towards plastic waste reduction seriously

We continued implementing our roadmap to tackle plastic waste, and we are actively contributing to the *Problematic and Unnecessary Single-use Plastic* working group from the Portuguese Plastic Pact.

### We continue to improve our waste management performance

**64.4%**

of the waste generated in our owned properties was recycled<sup>21</sup>, corresponding to an overall increase of 5%, compared to 2020.

**13.8%**

of the waste generated in our owned properties was disposed in landfills, corresponding to an overall increase of 1%, compared to 2020. This worsening in the performance was mainly due to Portugal (+14%) and Greece (+9%) performances.

<sup>21</sup> Including organic waste composting and anaerobic digestion.

### We implemented the internationally acclaimed Circulytics™ framework to support us in further integrating circular economy solutions into our business.

We have partnered with Circulytics to better align Sonae Sierra's business model with circular economy principles. Circulytics is an assessment tool developed by the Ellen MacArthur Foundation that is helping 1,250+ companies worldwide to become more circular.

More specifically, we are using this tool to:

- Measure our circularity performance;
- Support decision-making;
- Highlight strengths and weaknesses;
- Open up opportunities.

By the end of 2021, Sonae Sierra had delivered all the information to complete the first assessment and to understand the current level of circularity of its business. This commitment to the circular economy, which will be translated into a roadmap, will drive changes in different business units.

Circular economy commitment had already been strengthened recently which led to an update on our Responsible Procurement Policy and other procedures, which promise to be an important pillar to achieve our circular economy goals.

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# Responsible Procurement

(Sustainability Enabler)

## Shared Value Created

Lower environmental impact + Reduced operational and insurance costs

## GRI table references

Materials

## Historical Milestones

**2007** Responsible Procurement Policy launched to address significant environmental and social risks present in our supply chain, through the procurement of goods and services.

**2020** Launch of a revised Responsible Procurement Policy that replaces the former policy approved in 2007. This policy is grounded on the circular economy principles, which build long-term resilience and support our focus to create shared value.

This Material Area is guided by our Responsible Procurement Policy, created to guarantee that our suppliers, building materials, products and equipment are aligned with our business principles and that they enable us to achieve our sustainability goals. This policy is interlinked with the achievement of our Circular Economy and Climate Change Resilience goals, and establishes principles for:

- **Building materials, products and equipment:** Maximising the value extracted from these items, taking into account circular economy and other sustainability-based principles and commitments;
- **Suppliers:** Recognising service suppliers as a core stakeholder group and prioritising suppliers with high standards of social, environmental, safety and health performance that align with our own criteria.

Find out more detailed information about our 'Responsible Procurement Policy' [on our corporate website](#).



This topic is guided by our Responsible Procurement Policy, created to enable us to achieve our sustainability goals

## Results in 2021

### Responsible Procurement Policy

After reviewing our Responsible Procurement Policy in 2020, we are now working towards its adoption on two main fronts depending on our level of influence: **Partners and Clients (assets co-owned and under management) as well as Owned Assets (100%) and Corporate Operations**. We aim to accomplish this by benchmarking sustainable material alternatives and implementing new material acquisition requirements for development and refurbishment projects that are consistent with our social and environmental objectives.

### We replaced single-use plastic in all of our core assets' administration offices

Following the implementation of the same initiative done in 2020 in our corporate offices; in 2021 under our roadmap to tackle plastic waste and our Responsible Procurement Policy, we replaced all single-use plastic items in the offices of these assets (Centro Colombo, Centro Vasco Gama, CascaiShopping and NorteShopping in Portugal; Plaza Mayor in Spain; and ParkLake in Romania).

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# Management of Tenant/Occupier Sustainability

(Sustainability Enabler)

## Shared Value Created

Higher quality service for clients, tenants & visitors + Increased client and tenant preference + Protected licence to operate

## Historical Milestones

**2005** Environmental Management Manual for Tenants developed for Centro Colombo, NorteShopping and ArrábidaShopping in Portugal.

**2020** Voluntary initiative to provide rental discounts or payment moratorium for tenants as a response to the consequences of the COVID-19 restrictions.

Given that tenants/occupiers sign the leases for the use of buildings, the impact they have on people and on the environment falls partly under our responsibility. This is reinforced by our goal of becoming carbon neutral, as much of the energy consumed in buildings is dependent on the energy consumption habits of tenants.

Thus, in order to mitigate this negative impact, we have been supporting tenants and occupiers on their sustainability path. We do this namely by:

- Providing Safety, Health and Environment (SHE) training, to equip them with the knowledge and skills needed to improve their SHE performance;
- Inducing responsible behaviour with tailored suggestions through our SHE Preventive Observations (SPO) and emergency practice drills;
- Increasing awareness through sustainability articles in tenants' newsletter and management meetings;
- Providing a Good Practices Guide with Safety, Health and Environment rules.
- Delivering a Tenant's Handbook with environment and safety rules and good practices;

## Results in 2021

### We created and distributed information with safety & health and environmental good practices for tenants and suppliers

These included recommendations on waste and water management, fire prevention and COVID-19 safety measures. However, in 2021, as in 2020, the activities under the material topic of 'Management of Tenant/Occupier Sustainability' were seriously impacted and limited due to the pandemic, as our tenants had their stores and facilities closed for a large part of the year.

### We started updating the sustainability-related clauses on our contracts with tenants to improve their sustainability performance and better monitor it

(allowing us to take better informed decisions).

This update was aligned with BREEAM's Green Leases guidance.

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# Impact on local communities

(Local Management Issues)

## Shared Value Created

Local community safety and well-being

## GRI table references

Local communities | Indirect economic impacts

## Historical Milestones

**2007** First Community Advisory Panel (CAP) launched at Dos Mares Shopping Centre, consisting of representatives from the local community, public and private sector organisations, and other interested parties.

**2007** Our “Community Day” started more than a decade ago and throughout the years it has enabled staff to contribute to a wide range of projects in collaboration with local NGOs.

Successful economies and businesses are a by-product of healthy and prosperous societies, which in turn, are limited by the conditions and resources that nature provides.

Thus, investing in the well-being of local communities and the environment is not only a way to give back to society but also an investment into the future of the Company. This way, we engage with local communities through our stakeholder engagement strategy, which allows us to understand better where we can drive the greatest social and environmental positive impact outside of the scope of our business activities.

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**Investing in the well-being of local communities is an investment into the future**



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In 2021, we achieved our goal of investing 2% of our marketing budget in community activities. This has allowed us to increase our involvement and impact on local communities, and to get closer to our 2025 objective of ensuring our Shopping Centres are recognised by delivering the best local community initiatives related to sustainability.

Find out more information about our ‘Stakeholder Engagement Strategy’ on [pages 35 and 89](#).

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**In 2021, Sonae Sierra directly invested €485,104 in the community, 76% of which in marketing initiatives aimed at creating a positive impact on local communities.**



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## Results in 2021

### We have launched ‘Consciência Somos Nós’ in Portugal

a social and environmental awareness movement and platform that supports initiatives aiming at inspiring and promoting responsible behaviour. We boost this initiative through partnerships with NGOs experienced in delivering a positive impact.

### We have launched ‘Close to You’ in Romania

‘Close to you’ is the equivalent of ‘Consciência Somos Nós’, in Romania.

Campaign against domestic violence in partnership with the City Hall of Sector 3 together with the General Directorate of Social Assistance and Child Protection Sector 3.

### We have launched ‘Juntos Sumamos’ in Spain

‘Juntos sumamos’ is the equivalent of ‘Consciência Somos Nós’, in Spain, currently focusing on projects that contribute to a fairer and healthier community.

**73,000**  
meals donated

to underprivileged families in a national food collection campaign, in partnership with Food Emergency Network.

**150**  
litres of blood collected

in partnership with Portuguese Blood Institute.

**12,200**  
people impacted

**€1,000**  
collected in a photo exhibition

where an auction was held to gather funds.

**22**  
meal scholarships

given to unprivileged children, in partnership with the Spanish Red Cross, together with the local NGO Educo.

**4,500**  
unprivileged children

equipped with school materials, in partnership with the association Entrajuda.

**130,000**  
people impacted

by the food waste prevention campaign, in partnership with “Unidos Contra o Desperdício”. It consisted of monthly videos with recipes to avoid food waste.

**220 kg**  
of bottle caps collected

to sell for recycling and collect funds to help children with medical conditions in local communities, in partnership with City Hall.

**500**  
backpacks

filled with school supplies, in partnership with Dievrta, Herlitz and Nemi Publishing House. Visitors were invited to donate school supplies.

**855**  
pieces of school materials

donated to children at risk of social exclusion, in partnership with the Spanish Red Cross, together with the local NGO Educo.

**+1,000**  
artists supported

through ‘Culture in the centre’ initiative

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## Results in 2021

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### Plastic Waste awareness campaign in core assets<sup>22</sup>

#### Portugal

We developed an initiative to implement water refill stations, to encourage the use of reusable water bottles, instead of single-use ones.

#### Romania

Exhibition 'Change the future through art', with sculptures made from plastic waste. The goal was to create awareness regarding plastic waste while supporting young artist communities.

#### Spain

We provided recycled tote bags to customers, to replace plastic bags and educate them regarding plastic waste.



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<sup>22</sup> Centro Colombo, Centro Vasco Gama, CascaiShopping and NorteShopping in Portugal; Plaza Mayor in Spain; and ParkLake in Romania



Material Areas Overview & Description

# Safe, Healthy and Engaged Workforce

Ensuring a diverse, inclusive and engaged workforce by developing employees' skills and productivity with a safe, healthy and empowering culture.



This strategic priority reflects our continued investment in what we believe to be our biggest asset: our employees. On the one hand, we want to continue to reinforce our Safety, Health & Environment Management System (SHEMS), across all our corporate operations, to improve employees' working conditions and quality of life. On the other hand, we want to increase and broaden training and professional development opportunities, to motivate and equip our teams with the most up-to-date skills and knowledge. By combining these efforts with a diverse and inclusive environment, we will be able to keep up with the global accelerating pace of innovation and foster the creation of shared value in society.

To evaluate the progress of these ambitions, we have already established long-term and yearly objectives, as well as KPIs, for relevant material topics. The following table provides an overview of our performance against those goals and of their respective evolutionary trajectory, according to available data:

We want to continue to reinforce our Safety, Health & Environment Management System (SHEMS), to improve employees' working conditions and quality of life

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## Safe, Healthy and Engaged Workforce - Evolution & 2021 Performance

✔ Achieved 
 ✘ Not Achieved 
 ■ Overall Performance 
 ■ The path ahead

Material Area	2021 Performance	2021 Target Status	Evolution	Notes
Human Capital Management	In 2021, 39.3% of Leadership Positions were occupied by women.			
	In 2021, Sonae Sierra reached 92.4% in relation to its Top Talent Retention Rate.			Our 2020 value is higher than our long-term objective due to an atypically high retention rate in 2020 due to the pandemic.
Employee Health, Safety & Well-being	In 2021, Sonae Sierra achieved an Accident Rate (LWCAFR <sup>23</sup> ) among its workforce, of 1.79 accidents per million hours worked.			During 2021, there were two accidents with Sonae Sierra employees. One of the accidents was a fall, that occurred while leading with atypical conditions caused by a heavy storm that occurred in Spain. The other accident was in itinere accident. Comparing with 2020, the number of accidents remains the same.
	In 2021, our Accident Severity Rate (ASR <sup>24</sup> ) among workforce, was 62.7 lost workdays due to accidents per million hours worked.			The high increase in this indicator is mainly a result of several workdays lost as a result of a fall that occurred due to a heavy storm in Spain. The incident (as all incidents that result in lost workdays) was investigated to assess the root causes, learning points and define corrective actions.

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You can find a snapshot of our Sustainability Long-Term Objectives (LTO) for 2025 and the extended version [on our corporate website](#).

<sup>23</sup> The LWCAFR is the number of accidents resulting in one or more lost workdays per million worked hours by Sonae Sierra workforce (direct employees and supervised workers).

<sup>24</sup> The ASR is the number of lost workdays due to accidents per million worked hours by Sonae Sierra workforce (direct employees and supervised workers).



# Human Capital Management

(Core Focus Area for Acceleration)

## Shared Value Created

Enhanced intellectual capital + Talent attraction & retention  
+ Superior client service + Higher levels of staff satisfaction, engagement & productivity

## GRI table references

Training and education | Employment | Diversity and equal opportunity | Non-discrimination

## Historical Milestones

**2008** Introduced Non-Discrimination, Diversity and Part-Time Working policies setting out our commitment to a meritocratic culture and encouraging a positive work-life balance for our staff.

**2017** Launched the Sierra Academy to train and develop the skills of existing employees and newly hired employees in relation to our internal procedures and all aspects of property management.

Human Capital Management is a significant Material Area within the second pillar of our Sustainability Strategy and reflects our desire to reinforce our investment in talent attraction, development and retention as well as ensuring equal opportunities across our workforce and employees' overall satisfaction. This allows us to be more productive and competitive, and to increase employees' motivation.

We already have several mechanisms in place to promote this. For example, the *Improving Our People (IOP)* performance management tool, which aims at enhancing a culture of continuous improvement across Sonae Sierra, through the creation of personal development plans for employees, tailored to their

aspirations, identified improvement areas and the Company's needs. Furthermore, as part of the Sonae Group, we have also committed to *ERT Women's Initiative and Voluntary Targets* and the *European Pledge for Inclusion and Diversity*, which is helping us to tackle the gender gap issue in senior leadership and board-level positions.

We evaluate our employees' satisfaction to use as a basis to improve employee experience. We use the eNPS (employee Net Promoter Score) tool and in 2021 we conducted 2 surveys and based on the results, we are acting upon an action plan to respond to employees' needs\*.

For more information go to [page 41 to 43](#).

(\*) In 2022 we will increase this to 4 surveys, and we will also perform a deeper survey to better understand the most relevant aspects.

## Results in 2021

### We continue to invest in the professional development of our employees

~16.5h

of training per employee, corresponding to an investment by Sonae Sierra of €471 per employee, an increase of 29%, compared to 2020.

~6,823h

of Safety, Health and Environment training (including meetings) delivered to staff, suppliers and tenants. This corresponds to a decrease of 5.5%, compared to 2020.

### We continue to work on promoting gender equality

Despite the overall gender parity of our Company, there is still a significant gap in relation to women in leadership positions. It is our main priority to close this gap.

39%

of leadership positions occupied by women (team leader and above), which corresponds to an increase of around 2.6%, compared to 2020.

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# Employee Health, Safety & Well-being

(Sustainability Enabler)

## Shared Value Created

Higher levels of staff satisfaction, engagement & productivity

## GRI table references

Occupational health and safety

## Historical Milestones

**2004** Safety & Health Office was created and the Personæ was launched. Personæ was a four-year safety & health programme delivered jointly by Sonae Sierra and DuPont Safety Resources team. It aimed to create a safety culture and its main objectives were: develop a zero accident culture; ensure responsible behaviour through commonly-adopted values; and leverage operational discipline resulting in productivity and quality improvements.

**2014** Launched the Be Well project - an academic partnership with no associated investment cost which enabled us to gain a comprehensive insight into workplace stress risks present within our Company and develop a detailed mitigation plan to improve employee health and well-being.



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Employees' Health, Safety and well-being are topics we have been focusing on for a long time as we believe these issues play a crucial role in employees' productivity, motivation and quality of life. This Material Area will ensure the continued enhancement of the safety and well-being of our workforce.

Our efforts regarding employee Health & Safety have been consistently recognised as best-in-class in the market, thanks to our Safety, Health and Environment Management System (SHEMS).

COVID-19 posed some additional challenges regarding this Material Area, making employees more vulnerable to health, safety and issues related to well-being. Despite these challenges, Sonae Sierra was recognised by the 2020 International Business

Awards<sup>25</sup> for its COVID-19 response, highlighting its good performance in overall safety provision and internal communication.

In 2021 we relaunched our Be Well programme involving a multi-disciplined volunteer team from different countries, that organised initiatives and shared tips in order to promote the mental health of Sonae Sierra employees. Some of the initiatives included an on-line gym; Mental Health kit (to help deal with lockdowns and advices to cope with anxiety); among other initiatives.

Following some changes that took place in 2021 in our People & Culture department, in 2022 there will be a higher focus on improving Employees' well-being and a new corporate wellness programme will be defined.

<sup>25</sup> The Stevie® Awards are the world's premier business awards. They were created in 2002 to honour and generate public recognition of the achievements and positive contributions of organisations and working professionals worldwide.



## Results in 2021

### We continue to track several KPIs to assure employees' health and safety

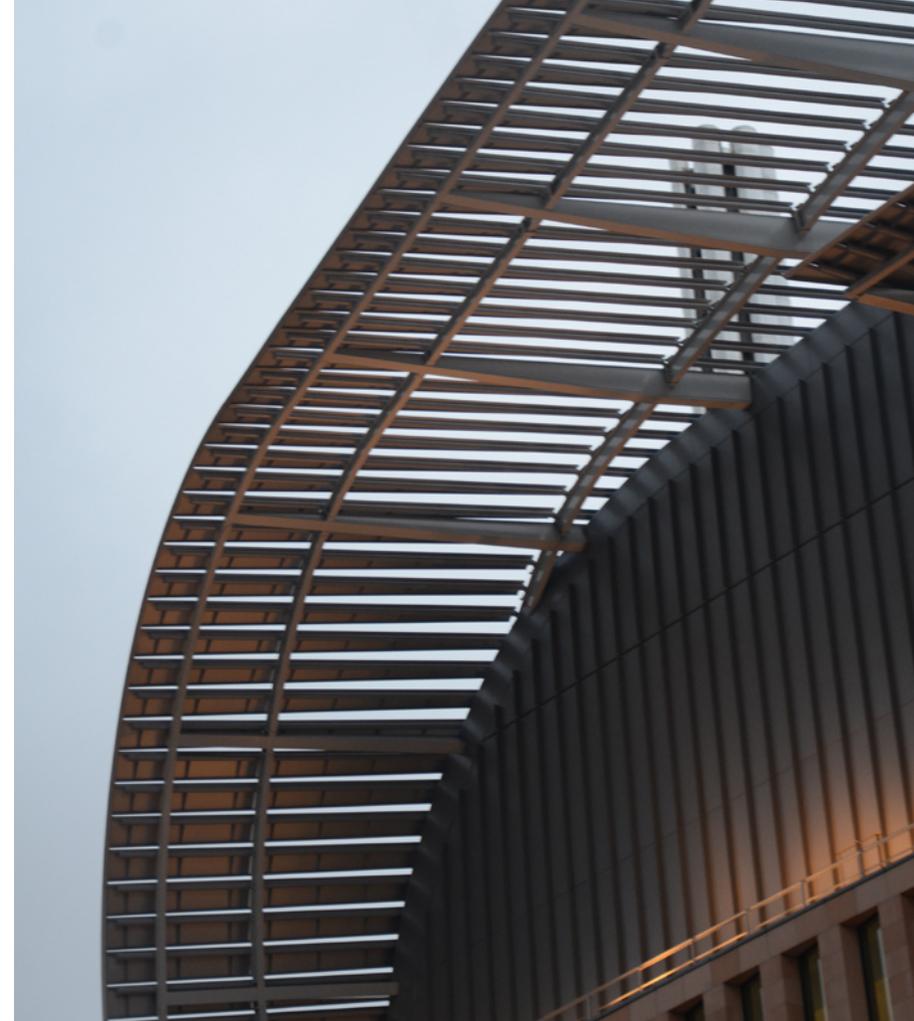
**1.79**  
work accidents  
(per million hours worked),  
an increase of 1%,  
compared to 2020.

**62.7**  
lost workdays of  
work accidents  
(per million hours worked),  
an increase of 689%,  
compared to 2020.

**1,378**  
hours of SPO<sup>26</sup>  
performed in Shopping Centres  
and Corporate Offices, a 15%  
increase compared to 2020.

For more information regarding the evolution of these indicators, please go to [page 77](#).

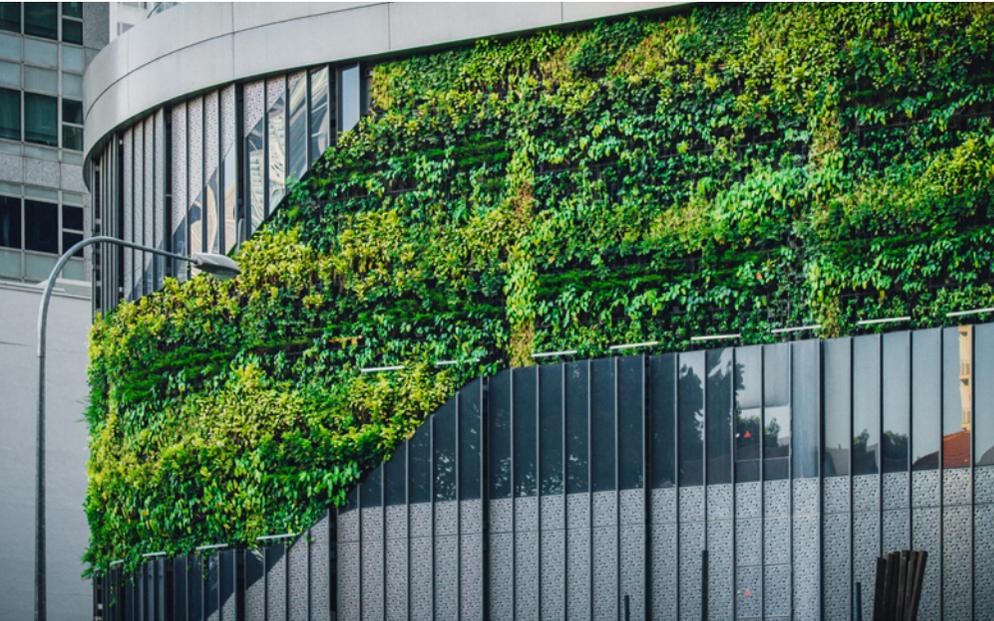
<sup>26</sup> SHE Preventive Observations (SPO), are a form of process review carried out in our Shopping Centres to observe workers, detect any instances of behaviours that present safety and health risks or environmental impacts, and engage with the person/people involved to make them more aware of the risks. As SPOs allow us to identify and correct behaviours which could potentially lead to incidents, they are an important part of our incident prevention strategy.



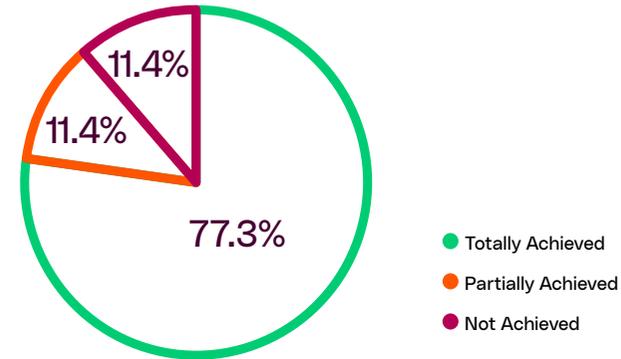
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### Tackling COVID-19 effects on quality of life and mental health

In 2021, we continued with some of the initiatives and benefits created to cope with the challenges our employees are facing due to the COVID-19 restrictions and, consequently, work-related changes, namely: remote work practices; provision of psychological support; e-learning and well-being tips to all employees and mandatory e-learning for the gradual return to offices after COVID-19.



## Performance against targets



### Performance against 2021 targets

In 2021 we fully achieved 77.3% of the applicable sustainability targets (performance targets and management actions), and partially achieved 11.4%.

**77.3%**  
of the targets were fully achieved.

For more detailed information about our performance against targets (Management Actions and Performance Targets), please consult our detailed reports [on our corporate website](#).

**11.4%**  
of the targets were partially achieved.

### Target achievement by Material Area

	Applicable targets (no.)	Fully achieved	Partially Achieved	Not achieved
Sustainable Buildings	12	75%	25%	-
Climate Change Resilience	11	73%	18%	9%
Circular Economy	7	71%	-	29%
Impact on Local Communities	3	100%	-	-
Human Capital Management	5	100%	-	-
Employee Health , Safety & Well-being	3	33%	-	67%
Risk Management	3	100%	-	-
<b>Total</b>	<b>44</b>	<b>34</b>	<b>5</b>	<b>5</b>

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Next Steps & Long-Term Objectives

# We will continue to work on our zero-carbon roadmap,

## submit our science-based targets and define our circular economy roadmap

2022 will be an important year in our sustainability journey. We will continue to work on our zero-carbon roadmap, submit our science-based targets for 2030 and 2040, and define our circular economy roadmap.

Our long-term objectives for the remaining areas will also be redefined to switch to a longer time-frame and to guarantee they remain ambitious and challenging, considering last years' performance.

### We support our partners improving their sustainability performance.



We will also complete the climate risk assessment of our portfolio, in order to develop a strategy for mitigating risks and capitalising on opportunities.

Furthermore, we can only achieve our goals if our partners are as aligned and committed as we are, therefore we will support them in their own climate transition; in implementing sustainable finance policies that integrate financial risks derived from climate change; and overall, improving their sustainability performance.

We will, as always, consider our employees as the centre of our success and work to improve their satisfaction, safety, health and Well-being considering the challenging times we are living.

These actions will put us closer to our objective of serving the human and business needs of tomorrow's cities and ensuring a diverse, inclusive and engaged workforce.

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# Evolving performance

in a changing world

We are committed to delivering positive results across our geographies, always willing to go beyond ours and our clients' expectations. Transparency is key to make a positive impact in our society.



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06 — Annexes



## GRI Index

Under this Index and in the Sustainability Statements chapter<sup>27</sup> whenever we mention ‘owned assets’ or ‘assets under management’ we refer to assets under direct management, which consolidate in our accounts. Therefore, the following are excluded:

- Assets in Brazil (managed by the joint venture Aliansce Sonae);
- Jardín Plaza Cúcuta in Colombia (managed by a joint venture with Central Control);
- McArthurGlen Designer Outlet Málaga in Spain (managed by McArthurGlen)
- Assets in Poland (managed by the joint venture Sierra Balmain)
- Standalone assets from ORES and SIGI investment vehicles. As standalone assets, they don't have common areas managed by Sonae Sierra, and the whole space is managed by the tenant/occupier.

<sup>27</sup> Unless otherwise stated.



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**GRI Disclosure****Page number****102-1: Name of the organisation**

Sonae Sierra

**102-2: Activities, brands, products, and services**'About Sonae Sierra', [pages 11 to 17](#). No products or services are banned in certain markets**102-3: Location of headquarters**

Our headquarters are located in Maia, Portugal

**102-4: Location of operations**'About Sonae Sierra', [pages 11 to 17](#)**102-5: Ownership and legal form**'Who we are', [page 11](#).**102-6: Markets served**'Who we are', [page 12](#); 'Customers, partners and suppliers', [page 37](#)**102-7: Scale of the organisation**'About Sonae Sierra', [pages 4 to 17](#); and 'Financial Performance', [page 29](#); 'Customers, partners and suppliers', [page 37](#)**102-8: Information on employees and other workers**

Country	Direct Employees		
	Female	Male	Total
Colombia	-	2	2
Germany	27	33	60
Greece	6	2	8
Italy	25	13	38
Morocco	6	9	15
Poland	84	46	130
Portugal	266	282	548
Romania	13	10	23
Spain	45	32	77
The Netherlands	-	1	1
<b>Total</b>	<b>472</b>	<b>430</b>	<b>902</b>

Country	Supervised Workers		
	Female	Male	Total
Portugal	3	4	7
Poland	-	-	-
Colombia	-	-	-
Germany	3	-	3
Greece	1	1	2
Italy	1	2	3
Morocco	-	-	-
Romania	-	-	-
Spain	4	1	5
The Netherlands	3	-	3
<b>Total</b>	<b>15</b>	<b>8</b>	<b>23</b>

Employment type	Direct Employees		
	Female	Male	Total
Full Time	455	429	884
Permanent Part time	14	-	14
Temporary Part time	3	1	4
<b>Total</b>	<b>472</b>	<b>430</b>	<b>902</b>

Employment contract	Direct Employees		
	Female	Male	Total
Permanent	432	370	802
Fixed term	38	60	98
Temporary	2	-	2
<b>Total</b>	<b>472</b>	<b>430</b>	<b>902</b>

Data Qualifying Note: This indicator includes all Sonae Sierra direct employees and supervised workers at the end of the reporting period.

At the end of 2021 we had more 17 employees than in 2020.

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## GRI Disclosure

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### 102-9: Supply chain

In 2021 we purchased goods and services with a value of approximately €367 million from our suppliers.

Our most significant suppliers can be divided into two broad groups: service suppliers who provide maintenance, security, cleaning and waste management services in our owned Shopping Centres; and development suppliers who provide the goods and materials (such as building materials, metals, stone and timber) that we use during the development of new Sonae Sierra real estate assets in operation and during refurbishments and expansions of these assets.

In most cases, development suppliers are contractors who in turn manage their own supply chain to source the goods and materials we use. We also procure a small amount of office supplies for use in our Shopping Centres and corporate offices, such as paper, envelopes, pens and folders.

For more information on our supply chain, including supplier procurement and evaluation procedures with regards to environmental and social practices, see [page 40](#).

There is no policy that guarantees preference to locally-based suppliers. However, the nature of the work carried out by our service and development suppliers means that a large proportion may be located close to our Shopping Centres. In 2021 among managed shopping centres, 91% of our procurement spending in Europe and Africa, was with national suppliers.

### 102-10: Significant changes to the organisation and its supply chain

–  
[‘About Sonae Sierra’, pages 4 to 17](#)

### 102-11: Precautionary Principle of approach

The precautionary principle is addressed through our approach to safety, health and environment (SHE) management which is explained in detail on [page 121](#).

We also demonstrate a precautionary approach to climate change risks; see [page 103](#) for further details.

### 102-12: External initiatives

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## GRI Disclosure

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### Urban Land Institute (ULI) European Sustainability Council

We are a member of the Urban Land Institute (ULI) and since March 2021 we are Co-chair of the ULI European Sustainability Council. ULI's Sustainability Council brings together investors, occupiers, developers, public officials, and academics from across Europe to debate and explore best practices in sustainable development. The council examines a wide range of issues from investigating new ways to measure the environmental performance or the social contribution made by individual buildings, through to the longer terms planning considerations of European cities to ensure they are both successful and sustainable.

### International Organisation Of Employers – Global Occupational Safety & Health (Gosh) Network

The GOSH Network is an initiative of the International Organisation of Employers. It provides an exclusive forum for occupational safety and health specialists from multinational companies to discuss and debate current and emerging global occupational health and safety issues. Sonae Sierra is an active member contributing to this information-sharing platform.

### Paris Pledge For Action

In 2015 we joined the 'Paris Pledge for Action' initiative that brings together organisations from around the world in a global effort to tackle climate change. Sonae Sierra is one of 1,300 companies that support the adoption of the COP21 Paris climate agreement, which represents a fundamental step towards limiting climate change and aims to spur a transformation of global growth and development, opening the door to a stable, sustainable future. The pledge demonstrates our commitment to support the objectives of the Paris Agreement and limit global temperature rise to less than 2 degrees Celsius.

### World Business Council For Sustainable Development

We participated in the core group of the WBCSD's Energy Efficiency in Buildings (EEB) project and have signed up to the WBCSD's Manifesto for Energy Efficiency in Buildings which calls on signatories to set energy reduction targets for the buildings they control and promote building energy efficiency and best practice among their stakeholders. We have also contributed to the dissemination of best practice among the WBCSD stakeholders.

### World Safety Declaration

The World Safety Declaration is a charter which forms a global commitment to improve workplace safety. Sonae, one of our two shareholders, was one of the 24 founding members of the World Safety Declaration and became a signatory to this agreement in November 2005.

### Science Based Targets Initiative (Sbti) And Recover Better Statement

In 2020 Sonae Sierra was one of the 155 companies that have signed this statement, convened by the Science Based Targets initiative, the United Nations Global Compact and the We Mean Business coalition, urging governments all over the world to integrate climate action in the economic recovery plans following Covid-19. Furthermore, in 2019, we have committed to setting science-based targets and are actively developing our short-term emission target aligned with 1.5°C for SBTi validation. We are also developing our long-term (2040) zero carbon objective to be submitted for validation.

### Project More Circular (E+C) From The Confederation Of Portuguese Business

This project focuses on carrying out an updated diagnosis on the barriers and ways to deepen the Circular Economy in companies in Portugal. It is based on the implementation of a national survey and the application of the Circulytics tool, from the Ellen MacArthur Foundation. The main objectives are: improving performance regarding circularity and provide solutions to decrease the barriers to the transition to a more circular economy; promote the adoption of circularity KPI; and empowering companies and disseminating best practices. In 2021 Sonae Sierra participated in the initiative and represents the Portuguese Council of Shopping Centres (APCC) in the Management Committee.

### Smart Waste - Portuguese Plastics Pact

Since 2020 Sonae Sierra integrates the Portuguese Plastics Pact through its shareholder Sonae, an initiative that aims to encourage the circular economy of plastics in Portugal, preventing them from becoming waste. This pact is promoted by Smart Waste Portugal in partnership with the Ellen MacArthur Foundation. Under this pact we have developed and have been implementing a roadmap to tackle the plastic waste problem.

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**GRI Disclosure****Page number****102-13: Membership of associations**

AREI – Association of Real Estate Investors (Romanian Institute of Real Estate Investors)  
 Asociación Española de Centros Comerciales – AECC (Spanish Council of Shopping Centres)  
 Associação Portuguesa de Centros Comerciais – APCC (Portuguese Council of Shopping Centres)\*  
 Associação Portuguesa de Promotores e Investidores Imobiliários – APPII (Portuguese Property Investor and Developer Council)\*  
 Assoimmobiliare (Italian Real Estate Industry Association)\*\*  
 CCILC – Câmara de Comércio e Indústria Luso-Colombiana (Luso-Colombian Chamber of Commerce and Industry)  
 Cámara de comercio de España en Colombia (Spanish Chamber of Commerce in Colombia)  
 Consiglio Nazionale dei Centri Commerciali Italia – CNCC (Italian Council of Shopping Centres)\*  
 European Association for Investors in Non-Listed Estate Vehicles – INREV  
 European Property Federation – EPF\*  
 German Council of Shopping Places  
 International Organisation of Employees\*\*  
 European Council of Shopping Places (ECSP) \*  
 Urban Land Institute – ULI\*\*

\* Denotes organisations where Sonae Sierra has significant influence either as president, a trustee or a member of the Board or Council.

\*\* Denotes organisations where Sonae Sierra is a member of a working group, taskforce or committee

**102-14: Statement from senior decision-maker**

'CEO's letter', [page 5](#)

**102-16: Values, principles, standards, and norms of behaviour**

Our Code of Conduct includes a set of ethical principles which apply to everything we do and outline our commitment to success whilst operating with integrity, openness and honesty. For more information, see [pages 48 to 54](#)

**102-18: Governance structure**

'Governance, ethical conduct and transparency', [pages 48 to 51](#), and 'Safety, Health and Environment Management', [page 121](#)

**102-40: List of stakeholder groups**

'Stakeholders', [pages 35 and 36](#)

**102-41: Collective bargaining agreements**

Sonae Sierra does not have any collective bargaining agreements, so 0% of employees are covered.

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**102-42: Identifying and selecting stakeholders**

[Pages 35, 36 and 89](#)

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## GRI Disclosure

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### 102-43: Approach to stakeholder engagement & 102-44: Key topics and concerns raised

Our approach to stakeholder engagement is based on the following objectives:

- Engage: understand stakeholders' expectations and engage with them on our sustainability strategy.
- Communicate: support Sonae Sierra by promoting the benefits of a sustainable way of doing business.
- Inform: strengthen our employees' understanding so they can be champions in searching for opportunities to create shared value.

For more information on our approach to Stakeholder Engagement, please go to [pages 34 to 45](#).

In addition to stakeholders mentioned in the above-mentioned chapter we also engage with Tenants and Visitors.

Visitor feedback gathered help us to understand our visitors' profiles, their behaviour, and requirements. These surveys monitor trends in visitor satisfaction, expectations, loyalty, and behaviour. Shopping centres develop action plans on the basis of the survey results, paying particular attention to critical success factors affecting visitor numbers and short-term actions necessary to correct any negative results.

In 2021, we recorded an average visitor satisfaction index of 4.0 out of 5 (on a sample of 11 assets). For more information on the surveys, please see GRI 413-1, on [page 138](#).

We also have a customer feedback system in place called Customer Contact Management which provides a unique source of learning for our shopping centres. We encourage visitors to submit their suggestions and complaints either verbally or in writing.

We ensure that all the suggestions and complaints received are responded. When visitors offer their time to provide written feedback it is essential to show that we take their views seriously.

We also engage with visitors around sustainability themes with several initiatives organised at country or asset level. Examples of these campaigns can be seen on [pages 74 and 75](#).

We undertake annual operational tenant surveys in owned assets which allow us to gain general feedback on operational aspects, marketing events, communications, our sustainability activities and satisfaction with our shopping centre management teams. Survey results are used to develop action plans to address aspects which receive low scores and ultimately drive continuous improvement in tenant satisfaction levels.

In 2021 we recorded an average satisfaction rate of 4.9 out of 6. Responses are shared with asset management teams who develop follow-up plans.

All of our stakeholders may present complaints to the Sonae Sierra Ombudsman.

### 102-45: Entities included in the consolidated financial statements

Please see Note 3 in our Consolidated Report and Accounts 2021 for a full list of Group companies included in our financial statements. This report provides an account of our performance across all Sonae Sierra businesses including Reify, Investment Management, Asset Management, Developments and Property Management.

### 102-46: Defining reporting content and topic Boundaries

'About this report', [pages 8 and 9](#)

### 102-47: List of material topics

'Material issues', [pages 8 and 9](#)

### 102-48: Restatements of information

Any re-statements of previously reported values are explained using Data Qualifying Notes beside each performance indicator.

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## GRI Disclosure

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### 102-49: Changes in reporting

In 2020 we revised our materiality matrix (in force from 2021 onwards) to focus our efforts in the most material areas and to more effectively create shared value guaranteeing we continue directing our commitment in the correct direction. Overall, we identified 11 material areas than can be consulted on [page 9](#).

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### 102-50: Reporting period

The information in this report relates to the calendar year ending on 31 December 2021

### 102-51: Date of the most recent report

This report succeeds our 2020 Economic, Environmental and Social Report published in April 2021

### 102-52: Reporting cycle

We report on a calendar year cycle

### 102-53: Contact point for questions regarding the report

For questions relating to the sustainability statements and GRI-related content, please contact our [Sustainability Office](#). For questions relating to the rest of the report, please contact [strategy@sonaesierra.com](mailto:strategy@sonaesierra.com)

### 102-54: Claims of reporting in accordance with the GRI Standards

This report has been prepared in accordance with the GRI Standards: Core option

### 102-55: GRI content index

This index

### 102-56: External assurance

The report (including all GRI disclosures) has been externally assured by an independent auditor. The independent auditor's review can be found on [page 140](#)

## Material topics

### GRI 203: Indirect Economic Impacts 2016

#### 103-1: Explanation of the material topic and its boundaries

Material areas, [pages 9, 144](#) and [145](#)

#### 103-2: The management approach and its components

Every new retail centred development we make is expected to have a significant positive social and economic impact on the city and neighbouring region with direct jobs created during the centre's construction, and additional direct and indirect jobs created when the assets open to the public.

More information detailed below in 203-2 on [page 91](#).

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#### 103-3: Evaluation of the management approach

More information on 203-2 below

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## GRI Disclosure

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### 203-2: Significant indirect economic impacts

We generate economic benefits for local communities by creating local employment, inviting local businesses to rent space in our shopping centres and investing in initiatives that improve the wellbeing of local people. As well as benefiting the community, this strategy can also help us enhance our reputation and increase visitor numbers. The following diagram illustrates the most significant indirect economic impacts we have identified as being generated through each core business activity.



While we have not undertaken specific studies which enable us to evaluate the significance of these impacts in the context of external benchmarks and stakeholder priorities, we are able to quantify some of the indirect economic impacts generated by our Company in 2021, namely:

- €3,657 million tenant sales at our assets under management.
- 34% of shop units in our European shopping centres under management are occupied by local businesses.
- €367 million spent on suppliers, of which 91% are national businesses.

### GRI 205: Anti-corruption 2016

#### 103-1: Explanation of the material topic and its boundaries

#### 103-2: The management approach and its components

Material areas, pages 9, 144 and 145

'Business Ethics, Transparency and Anti-Corruption', page 52; and 'United Nations Global Compact', page 54

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## GRI Disclosure

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### 103-3: Evaluation of the management approach

'Business Ethics, Transparency and Anti-Corruption', page 52; and 'United Nations Global Compact', page 54

### 205-1: Operations assessed for risks related to anti-corruption & 205-3: Confirmed incidents of corruption and actions taken

Our Code of Conduct states that it is forbidden to give or accept any reward (or "benefit") with the purpose of influencing someone's behaviour to obtain a commercial advantage. We ensure compliance with this obligation by incorporating corruption risk into the annual Internal Audit Plan of activities. During 2021, the Internal Audit Activities covered 31% of the core business processes identified to have risk of corruption.

No instances were identified that could constitute a situation of corruption and no incidents of corruption were formally reported.

The Anti-Corruption Guidelines have enabled the development of anti-corruption awareness through the provision of staff training, carried out under a program named BEST (Behaviour with Ethics Sierra Training).

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Business processes that include corruption risks	16
<b>Total number of business process that were covered by audits in 2021</b>	<b>5 (31%)</b>

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### 205-2: Communication and training about anti-corruption policies and procedures

Country	% of employees and Board Members that received anti-corruption training
Colombia	100%
Germany	93%
Greece	88%
Italy	97%
Morocco	93%
Poland	0%
Portugal	75%
Romania	96%
Spain	96%
The Netherlands	100%
<b>Total</b>	<b>69%</b>
<b>Total (excluding Luís Manheiro and Poland employees)</b>	<b>96%</b>

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**Data Qualifying Note:** This indicator includes all Sonae Sierra direct employees at the end of the reporting period. None of the employees from Luís Malheiro and Poland groups performed this anti-corruption training as training for these employees is managed independently. Sonae Sierra does not have a systematic procedure to communicate, measure and report the number of business partners with whom the organisation's anti-corruption policies and procedures have been communicated.

For more information, go to 'Business Ethics, Transparency and Anti-Corruption', on [page 52](#).



## GRI Disclosure

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### GRI 301: Materials 2016

#### 103-1: Explanation of the material topic and its boundaries

Material areas, [pages 9, 144 and 145](#)

#### 103-2: The management approach and its components & 103-3: Evaluation of the management approach

Although the sourcing of materials used in development projects (including expansions and refurbishments) is controlled by our contractors, we are aware that our business activity entails a significant impact in terms of the extraction of raw materials (including timber, stone and metals), mainly through the use of semi-manufactured goods and parts that are derived from raw materials. Whilst the extraction of raw materials adversely impacts the natural environment, the reuse of existing materials (for example from demolition waste) and the use of manufactured goods fabricated from recycled materials can help to promote a more sustainable, closed loop approach to waste management and materials use.

As it is difficult to control the selection of raw materials used in development projects this compromises our ability to gauge a clear understanding of the scale of our impact in terms of raw material consumption, and as a result, we have not set specific objectives to reduce or optimise raw materials extracted for this use.

Our Responsible Procurement Policy commits us to, among other measures, give priority to the use of materials which are locally-sourced, have recycled content, low-toxic content, a long life, can be recycled or reused, and/or are sourced from companies which adhere to ethical and/or environmental standards.

Our Safety, Health and Environment Development Standards (SHEDS), implemented when approved by the development project/ asset owner, prohibit the use of materials that are known to have negative impacts on the environment and on the health and wellbeing of building occupants, as well as timber products derived from non-sustainable forestry. During construction and when agreed with the owners, our SHEMS ensures that efforts to reduce material use and waste are considered, and whenever possible we reuse materials on-site reducing the need for raw materials.

We have developed a methodology to quantify the recycled content of the most significant materials consumed during the construction of new projects including concrete, brickwork, steel, glass and insulation. The aim is to help identify which materials we can prioritise when looking for more sustainable alternatives.

The defined methodology is applied in the project's opening year, covering the whole project duration. In 2021 there were no applicable completed projects.

For more information, please go to 'Safety, Health and Environment Management', [pages 121 to 125](#).

#### 301-1: Materials used by weight or volume

Not applicable in 2021, there were no major development projects completed in the reporting period for which sustainability services were provided.

#### 301-2: Recycled input materials used

Not applicable in 2021, there were no major development projects completed in the reporting period for which sustainability services were provided.

### GRI 302: Energy 2016

#### 103-1: Explanation of the material topic and its boundaries

Material areas, [pages 9, 144 and 145](#)

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### 103-2: The management approach and its components & 103-3: Evaluation of the management approach

According to the International Energy Agency (IEA), the built environment (including buildings and construction) is responsible for around 36% of the world’s total final energy consumption and 37% of energy-related carbon dioxide (CO<sub>2</sub>) emissions<sup>28</sup>. While the level of emissions within the sector are 10% lower than in 2019, reaching lows not seen since 2007, this was largely due to lockdowns, slowing down of economies, difficulties households and businesses faced in maintaining and affording energy access and a fall in construction activity. Efforts to decarbonize the sector played only a small role.

Regulations on the energy consumption and GHG emissions of buildings are becoming more stringent. Consequently, high energy consuming, and carbon-emitting buildings are becoming less attractive to investors and occupiers. On the contrary, more eco-efficient, low-carbon assets which generate their own energy on-site from renewable sources are likely to sustain their value in the long-term.

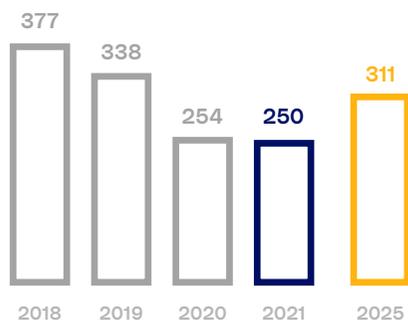
Within the scope of our SHEMS we monitor and manage the energy performance of our owned shopping centres under management. We are committed to improving the energy efficiency of our activities and implementing measures to increase our energy self-sufficiency as part of a dual strategy to reduce our reliance on volatile fossil-fuel derived energy markets.

In 2021 the electricity consumption of our owned portfolio (excluding tenants) was 250 kWh/sq.m mall and toilet area, meaning we achieved our annual target of 308 kWh/sq.m (19% below the target). Since our baseline year of 2002, we have reduced the electricity consumption by 66%.

Besides our continuous efforts to decrease energy consumption, the last couple of years have also been impacted by the pandemic, and the different curfew restrictions across the geographies where we operate.

Our long-term objective is to achieve an energy efficiency performance of 311 kWh/sq.m by 2025 and it is superior to the current performance, because it assumes that in 2025 operations won’t be impacted by the pandemic. In 2022 we will redefine our long-term objectives to 2030, guaranteeing they remain ambitious and challenging.

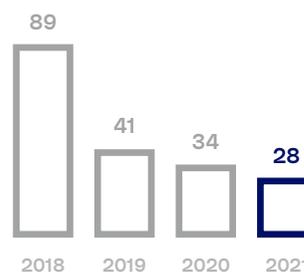
**Electricity consumption (excluding tenants) of our owned portfolio (kWh/sq.m mall and toilet area)**



	Performance by country		
	2020 kWh/sq.m	2021 kWh/sq.m	Variation %
<b>Global Performance</b>	<b>254</b>	<b>250</b>	<b>-2%</b> <span style="color: green;">●</span>
Greece	134	123	-8% <span style="color: green;">●</span>
Italy	285	307	8% <span style="color: orange;">●</span>
Portugal	278	262	-6% <span style="color: green;">●</span>
Romania	287	294	3% <span style="color: orange;">●</span>
Spain	197	210	7% <span style="color: orange;">●</span>

● Improvement ● Worsening

**Electricity consumption in our corporate offices (kWh/sq.m)**



**Data Qualifying Note:** This indicator includes all shopping centres owned that are managed by Sonae Sierra and in operation during the full reporting year. For this indicator there is a slight mismatch between the numerator and the denominator since energy consumption in technical areas and cold and hot water that is supplied to some tenants are being considered but those areas are not.

<sup>28</sup> 2021 Global Status Report For Buildings And Construction.

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## GRI Disclosure

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### Energy management through all relevant stages of the asset life cycle

Energy efficient designs, including energy performance targets and innovative engineering solutions, are included in our Safety, Health and Environment Development Standards (SHEDS) (see [pages 121 and 122](#)). Within the SHEDS, we specify the use of energy efficient equipment and the exploration of possible renewable and low-carbon technologies. During the operations phase, we ensure shopping centres are run as efficiently as possible. Since 2013, we have rolled out - Bright® - an energy efficiency programme designed to reduce the energy expenditure and improve the carbon footprint of real estate assets. It comprises an integrated programme incorporating five phases:

- Portfolio analysis and benchmarking;
- Specialized audits;
- Technical support;
- Performance monitoring; and
- Energy management;

It allows to identify energy inefficiencies and improvement plans. Bright is being implemented in Sonae Sierra investment properties and as a service provided to clients.

The programme has been rolled out in 50 buildings from 9 countries, totalling 273 initiatives across all the programme's phases which generated 703 improvement opportunities that lead to up to €7.4 million in potential yearly savings.

The innovative Benchmarking has been applied 194 times and identified up to €2 million of potential yearly savings, from recognizing opportunities for renewable energy installation, metering and smart metering improvements. By using the Bright Benchmark, we could avoid mislabelling assets to be prioritised for improvements: for example by simply picking the 10 worst performers in electricity intensity indicator, 5 would have been mislabelled.

The specialized audit and delivery phases have enabled us to identify a possible 306 optimisation measures across 29 buildings with total potential yearly savings of €4.9 million. 218 (71%) were implemented, 9 (13%) are currently under way, and 40 are being assessed. The potential yearly savings of implemented and ongoing actions to date arise to 22,158 MWh in electricity consumption, equivalent to 32% of our electricity consumption in 2021 or €2.9 million in costs. The actions implemented and ongoing required an investment of €2.8 million. 48% of those actions were quick-wins with no or little investment required: €0.2 million invested on these quick-wins generated €1.1 million, 38% of all potential yearly savings of the project.

In terms of CO<sub>2</sub> emissions avoided, the implemented and ongoing actions, equate to around 4,709 tonnes CO<sub>2</sub>e. Recognising its potential, Bright was awarded a Silver Stevie® Award in the 'Energy Industry Innovation of the Year' in the 15<sup>th</sup> Annual International Business Awards®, in 2018.

We also procure green electricity whenever feasible, and in 2021 around 80% of the electricity consumption in our operating assets (excluding tenants) and corporate offices was procured from green sources.

### Country, regional and industry regulations and policies for energy and emissions

We are subject to regional and national regulations and policies concerning energy and emissions.

At an industry level, we subscribe to several voluntary commitments to reduce energy consumption and GHG emissions associated with our activities; these are reported under GRI 102-12 on [pages 86 and 87](#).

### Energy reduction achievements

In addition to monitoring the electricity consumption (excluding tenants), we also monitor the direct energy consumption and building energy intensity of our shopping centres and corporate offices. For additional information on energy please see also our Sustainability Statements, 'Safety, Health and Environment Management' on [pages 121 to 125](#) and the indicators below.

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**GRI Disclosure****Page number****302-1: Energy consumption inside the organisation**

Shopping Centres	GJ
Total electricity consumption	304,027
Total fuel consumption from non-renewable sources (Natural gas and LPG)	126,522
Total cooling consumption	71,917
Total electricity sold	29,631
<b>Total</b>	<b>472,835</b>
Corporate Offices	GJ
Total electricity consumption	399
Total fuel consumption from non-renewable sources (Petrol and diesel for fleet vehicles)	8,895
<b>Total</b>	<b>9,294</b>
<b>Total (shopping centres and corporate offices)</b>	<b>482,129</b>

**Data Qualifying note:** This indicator includes all shopping centres owned that are managed by Sonae Sierra and in operation during the full reporting year and corporate offices where electricity is measured (Milan and Lisbon). However, although in Maia office (Portugal) and Dusseldorf office (Germany) the electricity is measured, they were both excluded due to the fact that Maia office is in a shared floor/building with no individual metres and in Dusseldorf the invoices will be received after this report publication. Fuel consumption includes all corporate main offices (Athens, Lisbon, Maia, Milan, Madrid, Düsseldorf and Bucharest). The conversion factor used to convert kWh to GJ is 0.0036, as defined by the International Energy Agency (IEA). The conversion factors used to convert fuel to GJ are all from GRI Guidelines, except liquefied petroleum gas (LPG). For fleet fuels it is also used the DEFRA 2021.

**302-3: Energy intensity (including tenants)**

Shopping Centres	kWh/sq.m of mall and toilet area
<b>Global Performance</b>	<b>450</b>
Greece	631
Italy	440
Portugal	451
Romania	1,097
Spain	257

**Data Qualifying note:** This indicator includes all shopping centres owned that are managed by Sonae Sierra and in operation during the full reporting year. It is calculated as the ratio between energy consumption (considers natural gas, liquefied petroleum gas (LPG), electricity, chilled and hot water consumption) divided by the mall and toilet area. Energy consumed outside shopping centres is not considered and therefore, for NorteShopping in Portugal, natural gas consumption for the cogeneration system is not included (as most of the energy produced is electricity sold to the grid) but chilled and hot water produced by cogeneration and consumed in the shopping centre is included. For this indicator there is a mismatch between the numerator and the denominator since energy purchased on behalf of tenants is considered, however tenants' areas are not.

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## GRI Disclosure

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### 302-4: Reduction of energy consumption

'Environmental Accounting', pages 124 and 125

#### CRE 1: Building energy intensity (excluding tenants)

Shopping Centres	kWh/sq.m of mall and toilet area	Corporate Offices	kWh/sq.m of mall and toilet area
<b>Global Performance</b>	<b>361</b>	<b>Global Performance</b>	<b>28</b>
Greece	262	Italy	34
Italy	440	Portugal	27
Portugal	392		
Romania	460		
Spain	255		

Data Qualifying note: This indicator includes all owned Shopping Centres under management and in operation during the full reporting year and all corporate offices that monitor energy (Lisbon and Maia). Although in Maia office (Portugal) and Dusseldorf office (Germany) the electricity is measured, they were both excluded due to the fact that Maia office it is in a shared floor/building with no individual metres and in Dusseldorf the invoices will be received after this report publication. This indicator excludes energy purchased on behalf of tenants. Energy consumed outside Shopping Centres is not considered and therefore, for NorteShopping in Portugal, natural gas consumption for the cogeneration system is not included (as most of the energy produced is electricity sold to the grid), but chilled and hot water produced by cogeneration and consumed in the Shopping Centre is included. For this indicator there is a slight mismatch between the numerator and the denominator as energy consumption in technical areas and chilled and hot water that is supplied to some tenants is considered but those areas are not.

## GRI 303 - Water and Effluents

### 103-1: Explanation of the material topic and its boundaries

Material areas, pages 9, 144 and 145

### 103-2: The management approach and its components; 103-3: Evaluation of the management approach;

### 303-1: Interactions with water as a shared resource & 303-2: Management of water discharge-related impacts

Water scarcity already affects every continent. Water use has been growing globally at more than twice the rate of population increase in the last century, and an increasing number of regions are reaching the limit at which water services can be sustainably delivered.

#### Our assets in water stressed areas

Country & Zone	Assets	Stress level
Spain (Andaluzia)	Área Sur Plaza Mayor	Extremely high
Spain (Castilla – La Mancha)	Luz del Tajo	Extremely high
Greece (Thessaly)	Fashion City Outlet	Extremely high
Portugal (Portimão)	Portimão Retail Center	Extremely high
Portugal (Funchal)	MadeiraShopping	High
Romania (Bucharest)	ParkLake	High

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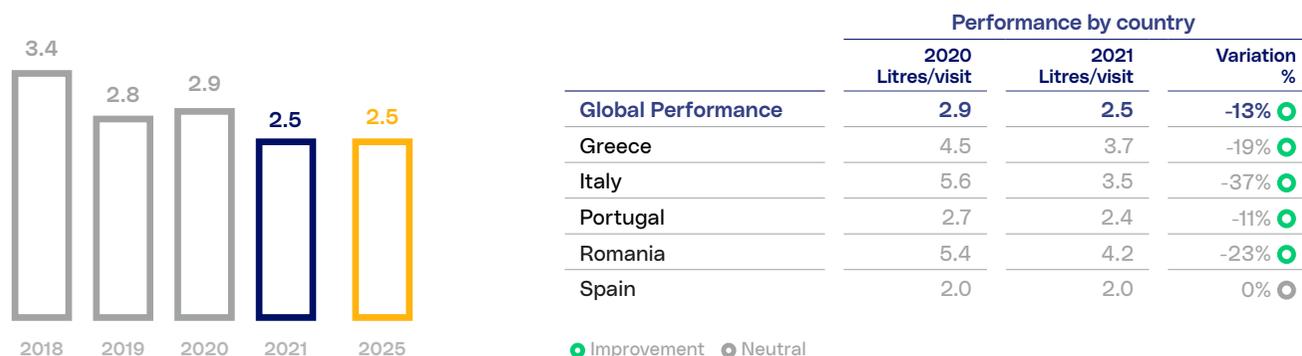
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## GRI Disclosure

At Sonae Sierra, we monitor and manage the water consumption of our owned assets under management. We are committed to reducing water consumption by increasing the efficiency of our activities and using innovation and technology to rethink how water is used and managed. By improving the water efficiency of our portfolio and integrating systems for rainwater harvesting and water reuse on our sites, we can reduce our exposure to water scarcity risks and minimise our water footprint, which prepares us for potential future legislation and avoids costs. In 2021 the water consumption (excluding tenants) was 2.5 litres/visit, meaning we achieved our annual target of 2.83 litres/visit (11% below). Since our baseline year of 2003, we have reduced the water consumption by 41%. Our long-term target is to achieve a water consumption performance of 2.5 litres/visit by 2025.

### Water consumption (excluding tenants) of our owned portfolio (litres/visit)



**Data Qualifying note:** This indicator includes all owned Shopping Centres under management and in operation during the full reporting year except for Portimão Retail Center (in Portugal) where the number of visits is not recorded. This indicator is calculated as the total water consumption (excluding tenants), divided by the number of visits in the reporting year. Water efficiency at ParkLake in Romania is calculated based on the consumption from municipal supplies as rainwater consumption is not measured.

### Water consumption (excluding tenants) of our owned portfolio (m³/sq.m)

	2021
<b>Global Performance</b>	<b>1.4</b>
Greece	0.4
Italy	1.8
Portugal	1.3
Romania	2.1
Spain	1.2

**Data Qualifying note:** This indicator includes all owned Shopping Centres under management and in operation during the full reporting year. This indicator is calculated as the total water consumption (excluding tenants), divided by the floor area of the mall and public toilets. Water efficiency at ParkLake in Romania is calculated based on the consumption from municipal supplies as rainwater consumption is not measured.

### Percentage of water recycled and reused

	(Excluding water purchased on behalf of tenants)	(Including water purchased on behalf of tenants)
	Percentage	Percentage
<b>Recycled or reused</b>	<b>6.0%</b>	<b>3.4%</b>
<b>Not recycled nor reused</b>	<b>94.0%</b>	<b>96.6%</b>

**Data Qualifying note:** This indicator includes all owned Shopping Centres under management and in operation during the full reporting year. The amount of water recycled/reused is higher than the reported because some assets are unable to measure part of the water recycled/reused and others are unable to monitor these consumptions separately. Percentage and total volume of water recycled and reused (including water reallocated to tenants) is determined by the following formula: Water reused/recycled (m³)/Total water withdrawal (m³)\*100. Percentage and total volume of water recycled and reused (excluding water reallocated to tenants) is determined by the following formula: Water reused/recycled (m³)/Total water withdrawal (excluding tenants) (m³)\*100.

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Sonae Sierra's assets rely on some 376 thousand m<sup>3</sup> of water per year (excluding tenants' activities). The main uses for the water consumed are: irrigation, toilets, fountains, HVAC systems and cooling towers.

The majority of the water supply (66%) is drawn from municipal supplies, and in a water-constrained world, as demand for fresh water becomes ever greater due to population growth, urbanisation, increased economic activity and climate change, we need to ensure a sustainable operation and guarantee an adequate supply for all our assets, particularly those in areas that are vulnerable to shortages. Currently, 6% of all water consumption (excluding tenants) is reused/recycled water.

### Water use management through all relevant stages of the lifecycle

We aim to ensure a secure water supply at our owned Shopping Centres, with a focus on locations that are vulnerable to shortages. We use the Aqueduct Country Rankings tool to identify the water stressed zones and consequently the weighted impacts of water consumption. The identification of the water related impacts is done on a short term basis.

In our projects (when approved by the owners), our Safety, Health and Environment Development Standards (SHEDS), define that specific equipment (like water chillers) must be avoided to minimise our vulnerability to water shortages in areas with water scarcity.

We also ensure that water efficient design, including equipment specifications and recycling engineering solutions, is maximised. Where feasible, we integrate rainwater harvesting and grey water recycling systems into new projects and refurbishment works.

Since 2013 we have also developed Dive®, which allows the enhanced management of this resource by identifying the least efficient systems and operational routines for individual assets. It allows us to set consumption targets for the main water systems (e.g. toilets, irrigation etc) which, together with real time monitoring, enables us to identify unusually high usage patterns and put in place tighter control mechanisms. It also estimates the expected environmental and financial benefits of changing systems and operational routines to be more efficient and identifies quick wins, medium-term and longer-term investments to improve water management further.

### Policy and practices on drainage and discharge of water

We incorporate solutions that reduce pollution of local water sources. Our owned assets may have up to five different wastewater collection systems, which enable the resources to be reused and/or treated according to their characteristics. We have a technical procedure that establishes the rules for managing and monitoring wastewater that is drained to the wastewater network or directly to a water body. If there is no applicable legislation or the asset's permit does not require compliance with any threshold values, the asset had to comply with the conditions defined within the technical procedure (among the evaluated parameters are: Total Suspended Solids; Biochemical Oxygen Demand; Hydrocarbons; detergents etc).

Although we comply with the legislation on all sites, in the certified Shopping Centres we have tighter procedures and wastewater discharges are analysed regularly by externally certified laboratories to control the contamination levels of our water discharge to municipal sewers, streams, etc.

If there is no applicable legislation or the site permit does not require compliance with any threshold values, the site complies with the conditions defined within this Technical Procedure that establishes the rules for managing and monitoring wastewater that is drained to the wastewater network or directly to a water body. This procedure is applicable to assets in operation where the Sonae Sierra Multisite SHEMS is being implemented.

### Water reduction achievements

In addition to monitoring the water efficiency (excluding tenants) of our owned portfolio, and the percentage of water reused or recycled, we also monitor total withdrawal and the building water intensity. Those analysis are made on a short-term basis.

Goals related with water usage are defined on a yearly basis upon the definition of SHE objectives which include, among others, legal requirements. After that, performance indicators and an action plan are defined to meet those goals.

For additional information on water please see also our Sustainability Statements, 'Safety, Health and Environment Management' on [pages 121 to 125](#) and the indicators below.

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**GRI Disclosure****Page number****303-3: Water withdrawal****Total Water Withdrawal**

Water source	Water withdrawal excluding tenants (Megalitre)	Water withdrawal on behalf of tenants (Megalitre)	Total water withdrawal (Megalitre)
Greywater	12	-	12
Rainwater	10	-	10
Ground water	101	-	101
Municipal water supplies	249	280	528
Mixture of water sources	5	3	7
<b>Total</b>	<b>376</b>	<b>282</b>	<b>658</b>
Other water	12	-	12
Freshwater	364	282	646
<b>Total</b>	<b>376</b>	<b>282</b>	<b>658</b>

**Water Withdrawal in areas with water stress**

Water source	Water withdrawal excluding tenants (Megalitre)	Water withdrawal on behalf of tenants (Megalitre)	Total water withdrawal (Megalitre)
Greywater	-	-	-
Rainwater	-	-	-
Ground water	10	-	10
Municipal water supplies	92	-	92
Mixture of water sources	-	-	-
<b>Total</b>	<b>102</b>	<b>-</b>	<b>102</b>

Data Qualifying note: Greywater (wastewater from hand basins, showers and other water-using devices and equipment (e.g. cooling towers)); All the groundwater is controlled (holes are licensed) so we are considering no salty intrusion problems exist on those sites.

The detail of the assets located in water stressed areas can be seen on [page 97](#).

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### CRE 2: Building water intensity

	Litres/visit	m <sup>3</sup> /sq.m of mall and toilet area
<b>Global Performance</b>	<b>4.4</b>	<b>2.4</b>
Greece	5.5	0.7
Italy	6.8	3.5
Portugal	4.0	2.2
Romania	7.1	3.6
Spain	4.0	2.3

**Data Qualifying note:** This indicator includes all owned Shopping Centres under management and in operation during the full reporting year. Portimão Retail Center in Portugal is excluded only from the indicator in litres/visit since there is no footfall system in place. The formula used to calculate the indicator in litres/visit is: Building Water Intensity = (Total water consumption (excluding tenants) (m<sup>3</sup>) + Total water purchased on behalf of tenants (m<sup>3</sup>))\*1000/ Number of visits. The formula used to calculate the indicator for m<sup>3</sup>/sq.m mall and toilet area is: Building Water Intensity = (Total water consumption (excluding tenants) (m<sup>3</sup>) + Total water purchased on behalf of tenants (m<sup>3</sup>))/ Floor area of the mall and public toilets (sq.m).

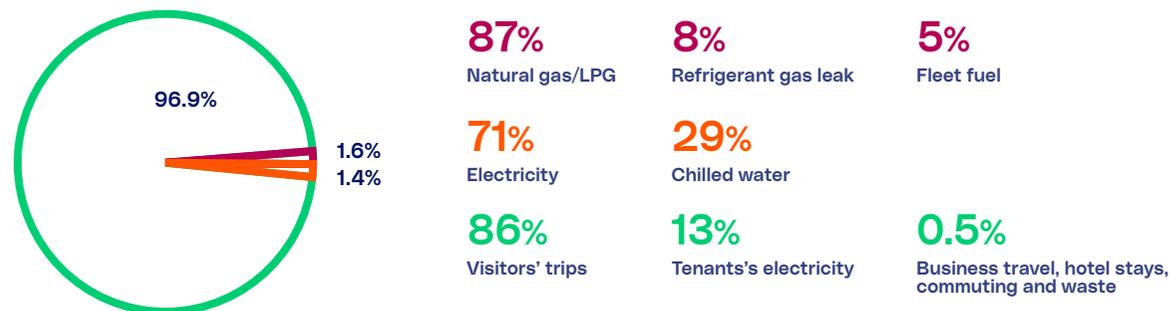
### GRI 305: Emissions 2016

#### 103-1: Explanation of the material topic and its boundaries

Material areas, [pages 9, 144 and 145](#)

#### 103-2: The management approach and its components & 103-3: Evaluation of the management approach

The most significant contribution to our carbon footprint (96%) comes from the emissions associated with the activities of our tenants, and vehicle emissions produced by people visiting our shopping centres. While we have no direct control over these Scope 3 emissions, we nonetheless work to educate our tenants about saving energy and reducing GHG emissions from their activities. Many of our centres are also working to improve access by public transport and encourage its use by featuring public transport timetables and bicycle storage facilities.



**● Scope 1**  
Emissions are direct emissions from sources that are owned or controlled by Sonae Sierra, e.g. natural gas used for boilers.

**● Scope 2**  
Emissions are indirect emissions that result from Sonae Sierra's activities but are owned or controlled by another organisation, e.g. purchased electricity.

**● Scope 3**  
Emissions are all indirect emissions (not included in scope 2) that occur in the value chain of the reporting company, including both upstream and downstream emissions, e.g. emissions from the electricity used by tenants.

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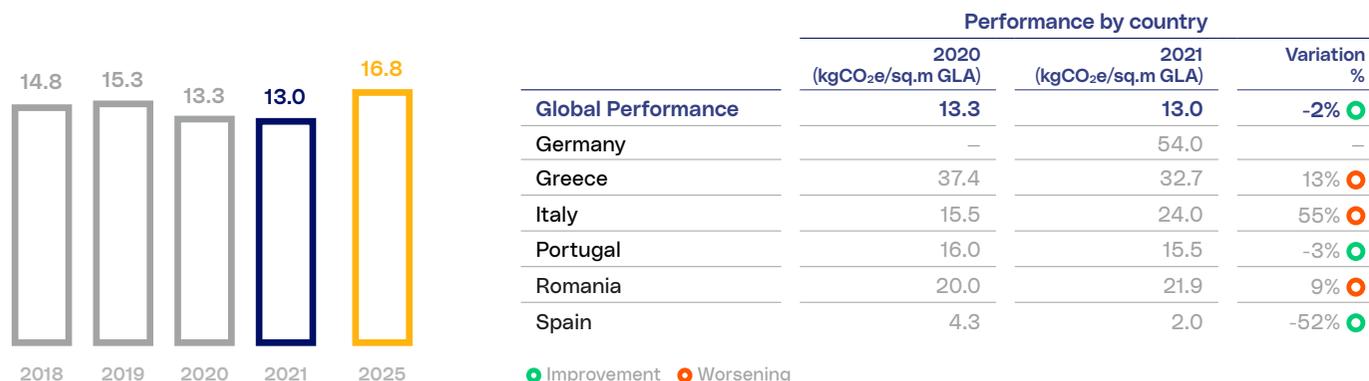


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Aside from this, we have set a long-term commitment that aligns with the Science Based Targets initiative to reduce scope 1 and 2 emissions from our owned portfolio and corporate offices. In 2021 the GHG emissions intensity of our owned portfolio was 13.0 kgCO<sub>2</sub>e/sq.m GLA, meaning we largely surpassed our annual target of 18.2 kgCO<sub>2</sub>e/m<sup>2</sup> GLA (29% below the target). Since our baseline year of 2005, we have reduced our GHG emissions intensity by 84%.

More recently we committed to become carbon neutral by 2040, ten years before the European Union target. We are now creating a roadmap for zero-carbon, using the above mentioned science-based targets aligned with the 1.5°C.

### GHG emissions of our owned portfolio and corporate offices – GHG Protocol scopes 1 and 2 (kg CO<sub>2</sub>e/sq.m GLA)



**Data Qualifying note:** This indicator includes all owned Shopping Centres under management and in operation during the full reporting year, and all corporate offices that monitor energy consumption. The numerator used to calculate this indicator includes Scope 1 and 2 emissions according to the GHG protocol. The denominator includes the GLA of Shopping Centres and the area of the corporate offices. The emissions associated with energy purchased on behalf of tenants are not included as they are considered Scope 3 emissions.

There were significant increases in Italy and Romania impacted by lower temperatures and pandemic air conditioning rules for ventilation, although 2020's performance makes any comparison difficult, also due to COVID-19 Pandemic.

There was also a significant increase in the electricity grid emission factor in one asset in Italy that impacted negatively the performance in Italy.

Our long-term objective is higher than historical values due to significant change in our portfolio and due to the COVID-19 pandemic that affected energy consumption and therefore the GHG emissions in 2020 and 2021. In 2019 we sold several assets under our capital recycling strategy, and those assets had a carbon intensity below the average (some of them had zero carbon emissions intensity). Although it appears that our long-term objective is higher than our 2019 performance (pre-pandemic), considering the same scope our GHG emissions intensity in 2019 was 19.1 kgCO<sub>2</sub>e/ sq.m GLA.

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### Policy on carbon management, including policy position on carbon offsetting

We first developed a climate change strategy in 2006, to reduce our direct and indirect GHG emissions. This covered scopes 1, 2 and business air travel (part of scope 3) according to the guidelines of the GHG protocol developed by the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD). In the meanwhile this evolved and we now focus our efforts where it is more relevant and where we can have a more direct impact. Our target now focuses on reducing scope 1 and scope 2 emissions.

Our primary strategy to achieve this is through energy efficiency initiatives and by purchasing green electricity. By choosing electricity suppliers with lower emission factors than the grid default, in 2021 we avoided 11,940 tonnes of CO<sub>2</sub> (GRI 305-5). In addition, the Sonae Group created the initiative 'Floresta Sonae' (Sonae Forest) with the objective of creating and planting a forest to offset carbon emissions from the Group's fleet. Each Sonae sub-holding, including Sonae Sierra, contributes to this initiative in proportion to its fleet emissions. We have not established a policy with regards to carbon offsetting.

### Climate change risks and exposure

The impacts of climate change in the form of extreme weather events – flooding, heat waves, weathering, subsidence etc. – could cause physical and local depreciation to assets, and those with unreliable energy supplies could also depreciate faster than others. On the other hand, adapting existing buildings and developing and acquiring new buildings which perform better in predicted climate change scenarios could help to maintain and enhance asset and portfolio value in the long-term.

We review the relative materiality of climate change and other environmental impact areas in terms of the risk and opportunity that they might present to the business as part of our Risk Management Working Group which reports, via the Head of Risk, to the Sustainability Steering Committee, the CFO and the Audit & Compliance Committee. We use a standard risk management framework to evaluate environmental issues according to the likelihood/frequency of occurrence and the scale of impact should they arise.

We first commissioned a study to investigate the financial risks associated with climate change on a sample of our Portuguese assets in 2009, focusing on three components: energy (mainly electricity), water and insurance costs. Later, in 2013, we commissioned a high-level review based on the previous study to explore the business case for climate change adaptation.

In the context of this study, Sonae Sierra has pursued several soft adaptation measures that do not require large levels of capital investment.

We have set a long-term target to implement a climate change adaptation strategy by 2025. For example, we have updated our due diligence procedures and Safety, Health and Environment Development Standards (SHEDS) to ensure risks related to weather related events are evaluated; and we address specific climate change adaptation priorities for each business activity by ensuring that our design standards for new developments and our procedures for operational assets ensure adequate protection against heavy rainfall and an effective response in cases of flooding.

More recently, in 2020, considering the urge to act upon Climate Change we've developed a deep study aiming to evaluate the impact of climate change its effect on energy costs and how we are tackling Climate Change and the achieved results. One of the conclusions of the study is that climate Change can increase energy costs up to 26%.

In 2021 we developed studies on several owned assets to determine the physical and transition risks of Climate Change and their financial impact. Action Plans are being defined to avoid and minimize those risks.

In addition to monitoring the GHG emissions intensity described above we also monitor our absolute Scope 1, 2 and 3 emissions and other indicators detailed below.

For additional information on emissions please see also our Sustainability Statements, 'Safety, Health and Environment Management' on [pages 121 to 125](#) and the indicators below.

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**GRI Disclosure****Page number****305-1: Direct greenhouse gas (GHG) emissions (Scope 1)**

	t CO <sub>2</sub> e
Natural gas	6,536
Liquefied Petroleum gas (LPG)	4
Fleet fuels	565
Fugitive emissions	406
<b>Total</b>	<b>7,511</b>

**Data Qualifying note:** This indicator includes all owned Shopping Centres under management and in operation during the full reporting year, and all corporate offices that monitor energy consumption. Scope 1 direct emissions are from sources that are owned or controlled by Sonae Sierra, e.g., the company car fleet, air-conditioning equipment, boilers and cogeneration plants. The emissions in tonnes of CO<sub>2</sub> equivalent (tCO<sub>2</sub>e) have been calculated in accordance with the GHG protocol methodology and relate to the emissions from energy sources over which Sonae Sierra has financial control.

**305-2: Indirect greenhouse gas (GHG) emissions (Scope 2)**

	t CO <sub>2</sub> e
Electricity	4,681
Chilled water	1,914
<b>Total</b>	<b>6,595</b>

**Data Qualifying note:** This indicator includes all owned Shopping Centres under management and in operation during the full reporting year and all corporate offices that monitor energy consumption. Electricity consumption in the Maia office (Portugal) and Dusseldorf office (Germany), was estimated. In Maia this is due to the fact that it is in a shared floor/building, with no individual energy metres; in Dusseldorf the invoices were not yet received at the time of this report; therefore estimates were made. Scope 2 indirect emissions result from Sonae Sierra's activities but are owned or controlled by another organisation, e.g. purchased electricity, heating and cooling. Emissions included in this indicator are from energy sources over which Sonae Sierra has financial control. The emissions in tonnes of CO<sub>2</sub> equivalent (tCO<sub>2</sub>e) have been calculated in accordance with the GHG protocol methodology, for the market based approach, as Sonae Sierra in several locations chooses its electricity suppliers and the supply of electricity with zero emissions. The greenhouse gas emissions that have been avoided by Sonae Sierra as a result of purchasing green electricity and choosing electricity suppliers with lower emission factors, are disclosed in [page 125](#) under the significant actions from 'Air' domain.

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### 305-3: Other indirect greenhouse gas (GHG) emissions (Scope 3)

We have identified our most material Scope 3 GHG emissions based on the Corporate Value Chain (Scope 3) Accounting and Reporting Standard published by WRI and WBCSD. By ranking all Scope 3 emissions generated by our business activities according to their significance and the level of influence we have over them, we can focus our reduction efforts where they are more relevant.

Currently, Sonae Sierra reports emissions from six of twelve applicable Scope 3 categories (from an overall total of fifteen categories). No emissions associated with materials for new construction were recorded as no applicable construction projects were completed in 2021.

Category	Emissions source	t CO <sub>2</sub> e
Category 1 – Purchased goods and services	Materials	-
Category 5 – Waste generated	Waste	1,351
	Air Travel	438
Category 6 – Business travel	Rail Travel	1
	Staying in hotels	20
Category 7 – Employee commuting	Commuting	380
Category 9 – Downstream transportation and distribution	Visitors' trips to our assets	382,288
Category 13 – Downstream leased assets	Tenants' electricity	57,833
<b>Total</b>		<b>442,311</b>

**Data Qualifying note:** This indicator includes indirect emissions from all owned Shopping Centres under management and in operation during the full reporting year, all corporate offices that report waste. It also includes other indirect emissions deemed relevant and material to the indicator (e.g. business travel, commuting, hotel stays) which are not necessarily allocated to Shopping Centres or other specific locations within the boundary of the carbon footprint.

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This indicator includes emissions from:

	Emissions source
	<p><b>Tenants' electricity consumption:</b> Most tenants purchase their own electricity. The average tenant-type energy intensity per square meter is determined from a recent energy performance study. To calculate GHG emissions from electricity consumed by tenants, an estimation was made based on this energy intensity, tailored to each shopping centres' specific yearly occupation (occupied GLA by type of tenant), and also the amount of electricity (kWh) purchased by Sonae Sierra on behalf of its tenants. This energy that was purchased on their behalf by Sonae Sierra is not double counted.</p>
	<p><b>Business travel (flights):</b> GHG emissions are calculated using the atmosfair.de carbon from flights calculator. This calculator uses a set of emission factors which are sensitive to the distance traveled, the type of seat (economy, business, first class), the number of stop-overs, and it includes radiative, ensuring it accounts for the emissions in high altitude. It includes Radiative Forcing to account for the emissions in high altitude. Emissions from flights are assigned to the country that is home to the subcompany that purchased the tickets.</p>
	<p><b>Business travel (trains):</b> GHG emissions are calculated by multiplying the distances traveled by train by country-specific emission factors. Emissions from train travel are assigned to the country that is home to the subcompany that purchased the tickets.</p>
<b>Scope 3</b>	<p><b>Hotel Stays:</b> GHG emissions are calculated by multiplying the number of room nights in hotels by a representative emission factor of the industry. Emissions from accommodations are assigned to the country that is home to the subcompany that requested the reservations.</p>
	<p><b>Employee Commuting:</b> GHG emissions are calculated using the surveys performed by Sonae Sierra, designed to understand how its employees go about their daily commuting. Those surveys allow for the estimation of the yearly distance traveled by the employees, per transport mode. To calculate GHG emissions, these transport mode distances are then multiplied by their respective emission factors.</p>
	<p><b>Visitor trips:</b> Sonae Sierra regularly conducts surveys to understand how visitors travel to Sonae Sierra's shopping centres. Those surveys allow for the estimation of the distance traveled (by transport mode) of an average mall visitor. To calculate GHG emissions, these distances are multiplied by their respective (country-specific) emission factors. The result is an average carbon emission factor per visitor, per shopping centre. Finally, this specific emission factor is multiplied by the total number of yearly visits.</p>
	<p><b>Waste:</b> GHG emissions are calculated by multiplying the different amounts of waste (tonnes) by the emission factors that are specific to the destination that is given to them.</p>
	<p><b>Materials (Development):</b> GHG emissions are calculated by multiplying the different amounts of materials used for construction (tonnes) by their specific emission factors. Emission factors are sensitive to the materials being new or recycled in origin. In 2021 this category is not applicable.</p>

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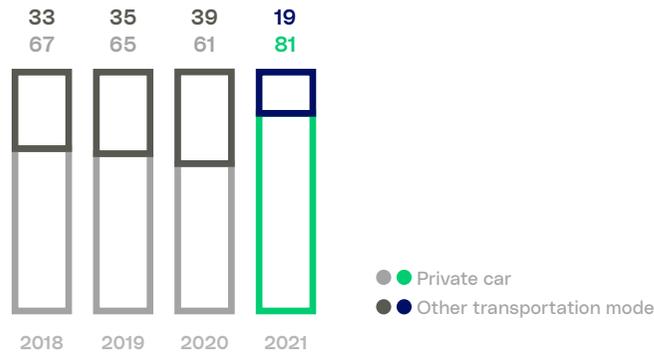
In 2021, total recorded Scope 3 emissions were 442,311 tCO<sub>2</sub>e, a 45% increase comparing with 2020. This increase is mainly due to an increase in emissions associated with visitors' trips to our assets, that increased around 73%. These visitors' emissions are the most significant contribution to our carbon footprint, it accounts for 84% of our total carbon footprint and 86% of our scope 3 emissions. Most visits to our shopping centres are made by private car (81%), which has a greater impact in terms of emissions than public transports. The mobility pattern changed due to the pandemic and more people are now using car instead of public transport to access our shopping centres. The percentage of visits made by private car increased 24% comparing to pre-pandemic levels (from 65% in 2019 to 81% in 2021) as a result of social distancing practices. This isn't totally reflected on the increase of these emissions because the total number of visits to our assets decreased during the pandemic, when the number of visits achieves the pre-pandemic levels, unless the mobility patterns change, these emissions will most likely increase.



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### Percentage of visits made by private car and other modes of transport to and from our Shopping Centres (%)



**Data Qualifying note:** This indicator includes all Shopping Centres owned by Sonae Sierra and in operation during the reporting period. Values reported consider only the Shopping Centres which performed (in 2021) the studies that allow us to identify the number of visits made by private car. The sample of Shopping Centres is different every year which might also impact the average results.

To contribute to the reduction of the carbon footprint, we have implemented charging points for electric vehicles and bicycle parking spaces in our shopping centres and we are improving access to public transport.

### 305-4: GHG emissions intensity

Shopping Centres	Excluding tenants (tCO <sub>2</sub> e/sq.m)	Including tenants (tCO <sub>2</sub> e/sq.m)
<b>Global Performance</b>	<b>0.043</b>	<b>0.250</b>
Greece	0.088	0.303
Italy	0.101	0.341
Portugal	0.039	0.242
Romania	0.096	0.319
Spain	0.018	0.220

**Data Qualifying note:** This indicator covers all owned Shopping Centres under management and in operation during the full reporting year and all corporate offices that monitor energy and waste. For data excluding tenants, the numerator includes Scope 1 emissions (excluding emissions from natural gas consumed by cogeneration but including emissions from hot/chilled water produced by cogeneration and consumed on-site), Scope 2 emissions according to the GHG protocol methodology, plus Shopping Centres and corporate offices' Scope 3 emissions regarding waste. The denominator includes Shopping Centre mall and toilet areas plus the area of corporate offices that report any of the items that compose this indicator. There is a slight mismatch between the numerator and the denominator since energy consumption in technical areas and chilled and hot water that is supplied to some tenants are considered but those areas are not. For data including tenants, the numerator includes the same emissions sources as well as emissions from electricity consumed by tenants. There is a mismatch between the numerator and the denominator since energy consumption in technical areas and electricity consumed by tenants is considered but tenants' areas are not.

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### 305-5: Reduction of GHG emissions

'Emissions' [page 101](#)

### GRI 306: Waste 2020

#### 201-2: Financial implications and other risks and opportunities due to climate change

An overwhelming majority of climate scientists (97%) are certain that climate change is due to anthropogenic factors (activities originated by human intervention) and that it will result in increasing adverse consequences for the natural world and the global economy. Phenomena such as the rise of global average temperature, natural disasters becoming more frequent or the disruption of ecosystems, together with the impact on human health brought by the pandemics, pose increasing risks for businesses. All of these have negative impacts in most sectors, but the real estate sector will be one of the most. Policy towards managing these impacts is increasingly targeted by the governments and regulators, particularly to financial institutions.

Following the studies performed in 2009 and 2013 to investigate the financial risks associated with climate change, in 2021 Sonae Sierra undertook a climate change risk assessment following the requirements of the Taskforce on Climate Financial Disclosures (TCFD) (1), regarding Risk Management, Metrics and Targets aspects. It also abides with the EU Regulation 2020/852 Taxonomy and can be used to assess part of the 'sustainability risks' under Sustainable Finance Disclosure Regulation (SFDR) definition.

The climate change risk assessment performed covers 6 operating shopping centres (4 in Portugal, 1 in Italy and 1 in Romania). In 2022 the assessment will be completed for the entire shopping centres' portfolio.

The concept of risk within the study done is a combination of a hazard's exposure and its impact of disruption. Note that the exposure measure does not consider the resilience of an asset to withstand impacts of a hazard (vulnerability). That analyse is included in the proposed risk management strategy for the main physical risks (see below).

For the assessment of climate change related risks, the physical and transition risks are evaluated.

Physical hazards' exposure is gathered from a multitude of available information sources, including the GRESB / munichRE database and local databases, together with climate change scenarios (RCP 2.6, 4.5, 8.5) and timeframes (present, long-term (2050), among others). The timeframe of 2050 (long-term) is chosen to be the main timeline for this risk assessment made. Climate change scenarios are related to the global warming in 2100 in terms of °C as follows:

Scenario	Degrees °C in 2100
RCP2.6	1.5 °C
RCP4.5	2.5 °C
RCP8.5	4 °C
RCP6	2.8 °C

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The list of hazards is mostly aligned with the Appendix A of the Taxonomy regulation: some hazards are not relevant (Permafrost thawing for e.g.) and others don't have available information sources at the moment.

Transition hazards are calculated such as the Carbon Pricing (from the CRREM Risk Assessment tool), the Energy Performance Certificates as a gap to future regulation on energy performance building, and the electrical mobility adaptation market risk.

All available information is remodelled into 5 classes of seriousness to be fit for presentation and impact assessment.

The impact assessment is made for each hazard on 3 financial impact indicators (rent impact, investment impact and insurance premium impact), based on a generic matrix generated from various internal discussions. Some hazards have specific impacts calculated into them (for e.g. the 2019 climate change impacts on energy use study, the above mentioned transition risks impacts).

The overall risk assessment is performed by a normalized multiplication between hazards and impacts, rendering results in a scale of 0 to 5 and minimum/maximum financial impact values.

Significant risks are those which have an exposure and impact of more or equal than 3.0 at present or future scenarios.

Risk management strategies are then presented for each kind of significant risk, along with estimation of costs.

The opportunities identified are related to the reduction in the energy consumption and consequently the reduction on energy costs.

The potential for energy consumption reduction is calculated from our Bright energy modelling tool, which compares the current consumption of the building with a model building with best-available-technologies (BAT).

The financial risks and the cost of the methods to manage the risks, and the opportunities are calculated considering the total Asset.

For Sonae Sierra, the financial impact related to climate change risks is proportional to the share it owns in each asset. A specific report is produced for each asset including an action plan to be agree with the respective partners.

### Climate Change Risks (partial portfolio)





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For the portfolio analysed, the significant risks, as per methodology (timeline = 2050), are the following:

Hazard		Exposure				Impact	Total Risk			
		Timeframe	Timeframe	Timeframe	Timeframe	Timeframe	Timeframe	Timeframe	Timeframe	Timeframe
Kind	Hazard	Present	2050	2050	2050	Present	Present	2050	2050	2050
		Scenario	Scenario	Scenario	Scenario	Totals	Scenario	Scenario	Scenario	Scenario
		NAP	RCP2.6	RCP4.5	RCP8.5	Totals	NAP	RCP2.6	RCP4.5	RCP8.5
		Exposure	Exposure5	Exposure6	Exposure7	Total Impact	Total Risk	Total Risk	Total Risk	Total Risk
Physical	Heavy precipitation (rain, hail, snow/ice)	3.2	3.3	3.3	3.2	3.0	1.9	2.0	2.0	1.9
Physical	Water stress	2.3	-	4.0	4.2	3.0	1.4	-	2.4	2.5
Transition	Political/Legal - Renovation	4.5	-	-	-	3.7	3.3	-	-	-
Transition	Political/Legal - Carbon Pricing (no green electricity)	1.0	2.0	4.0	4.0	3.2	0.6	1.3	2.5	2.5
Transition	Market - Electrical mobility adaptation	1.0	5.0	5.0	5.0	5.0	1.0	5.0	5.0	5.0

The main Physical risks are Heavy Precipitation and Water Stress. The associated financial risks vary between around €1 million and €11 million, for the Heavy Precipitation, due to the capital expenditure needed to repair buildings or infrastructures, the impact on insurance costs, and the reduction on tenants' sales due to the reduced traffic, or to eventual need to temporarily stop the operation. The financial risks vary around €1 million and €4.5 million for the Water Stress, due to the impact related to the potential investments required to mitigate future occurrences, for e.g., ensuring alternative water withdrawals and reusage for non-potable needs. These last values will rise to around €2.0 million € and €8.7 million in the future as the exposure of the portfolio to Water Stress will increase.

In terms of Transition risks, the Political/Legal risk related to Building Renovation due to its EPC obsolescence (grade >=C) is considerable, when comparing the present risks of other risk factors. Other Transition risks that are expected to increase in future are the Political/Legal: Carbon Pricing and Market: Electrical mobility adaptation. The associated financial risks vary between around €3.8 million and €22.8 million, for the Building Renovation, due to the potential investments to improve energy efficiency of the portfolio. The Carbon Pricing is an output of the CRREM tool for a baseline scenario where cost of carbon is likely to increase, and the associated financial risks vary between around €94 thousand and €385 thousand. The financial risks associated with the mobility adaptation vary between around €930 thousand and €5.9 million between present day and 2050 for scenario RCP4.5, due to the need to increase energy power capacity of the buildings to allow the installation of charging points for electrical vehicles.

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### Risk Management

For the identified significant risks, the following measures are recommended to manage those risks:

Risk factor	Type of Action	Action Title	Action Details	Timeline	Estimated Cost (total portfolio)
Political/Legal - Renovation	Reduce	Energy Audit	Specialized energy audit to detail the potential of energy efficiency, to ensure better EPC ratings, including potential to improve energy sourcing carbon emissions.	1 y	€150 thousand
Political/Legal - Renovation	Reduce	Energy Efficiency Measures	Depending on energy audit results, they can be: Retrofit HVAC; Retrofit BMS; Retrofit Lighting.	2-3y	€3.1 million
Market - Electrical mobility adaptation	Reduce	Electrical mobility adaptation	Develop Electrical mobility adaptation studies in 2 assets.	2 y	€5 thousand
Market - Electrical mobility adaptation	Reduce	Electrical mobility adaptation	Implement expansion of the EV parking infrastructure, based on the Electrical mobility adaptation studies in 4 assets.	5 y	€3.7 million
Political/Legal - Carbon Pricing (no green electricity)	Reduce	Reduce fossil fuel consumption	In 3 assets, evaluate the feasibility of implementing an alternative source of chilled water based on renewable energy sources, considering current use may be subject to a carbon tax.	10 y	Not available
Political/Legal - Carbon Pricing (no green electricity)	Reduce	PV installation	Renewables PV feasibility study and installation in all assets.	5 y	€750 thousand
Political/Legal - Carbon Pricing (no green electricity)	Avoid	Renewable electricity procurement	Ensure that electricity contracts are sourced from renewable energy sources.	1 y	€0
Heavy precipitation (rain, hail, snow/ice); Water stress, Heat stress and Cold wave	Reduce	Resilience & Vulnerability assessment	<p>For each relevant significant physical risk listed below, undertake a technical resilience assessment to evaluate scenarios at the site, and include possible adaptation measures, namely:</p> <ul style="list-style-type: none"> <li>- to minimize the heavy precipitation impacts.</li> <li>- Assessment to evaluate during future water stress chronic situations, the availability of potable water supply for human purposes, ensuring alternative water withdrawal and reuse exists for non-potable needs.</li> <li>- Assessment to include heat stress and cold wave events: for e.g. evaluation whether HVAC is capable to respond to the events and, if not, replacing equipment, when end of life is reached, with increased specifications.</li> </ul>	2 y	€72 thousand
Water stress	Reduce	Water stress mitigation measures	Based on resilience study, ensure measures for availability of potable water supply for human purposes, and ensuring alternative water withdrawal and reuse exists for non-potable needs (excludes changing water cooled chillers)	10 y	€600 thousand
Heavy precipitation (rain, hail, snow/ice)	Reduce	Heavy precipitation mitigation measures	Based on resilience study, ensure measures to minimize the impact are implemented.	10 y	Not available
Heavy precipitation (rain, hail, snow/ice)	Reduce	Emergency response / Business continuity	Emergency response (including training, drills...): incorporating mitigating measures, including early warning systems, for heavy precipitation in business continuity and emergency preparedness plans.	2 y	€30 thousand

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## GRI Disclosure

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### Opportunities

The potential impact from the energy consumption reduction estimated for the portfolio is around €1.4 million.

	Consumption (MWh/year)	Target (MWh/year)	Reference Benchmarking (2019)	Savings (=consumption - target)	
				MWh/year	(%)
<b>Total</b>	39,424	28,503	1.38	10,921	28%

These opportunities will materialize with the implementation of the measures to address the transition risk Renovation.

### 103-1: Explanation of the material topic and its boundaries

Material areas, [pages 9, 144 and 145](#)

### 103-2: The management approach and its components; 103-3: Evaluation of the management approach;

### 306-1: Waste generation and significant waste-related impacts & 306-2: Management of significant waste-related impacts

Efforts to promote effective waste prevention, management and disposal have taken on increased significance in recent years given the growing social awareness and legislative agenda to tackle waste at both a regional and national level.

The construction and management of shopping centres can generate large volumes of waste that, if not managed properly, ends up in landfill. Landfilled waste is not only an inefficient use of resources (the waste and the land): it can generate damaging greenhouse gas emissions such as methane and carbon dioxide, as well as pollutants that can leach into the soil and groundwater. Consequently, disposal of waste in landfill is becoming more tightly regulated and costlier in most locations where we operate.

On the other hand, good waste management can reduce environment impacts and be more cost effective for businesses as it avoids landfill tax and waste disposal costs. A closed-loop approach to waste management can also cut costs and environmental impacts associated with the consumption of raw materials.

Within the scope of our SHEMS (see [pages 121 to 124](#)) we monitor and manage the waste production of our owned shopping centres and some corporate offices (in corporate offices where waste is managed by the municipality and disposed of in public containers, this monitoring is not done, however waste separation occurs and waste is sent for recycling when possible).

We are committed to reducing the quantity of waste generated by our activities and to achieving high levels of waste recycling.

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### Owned Portfolio

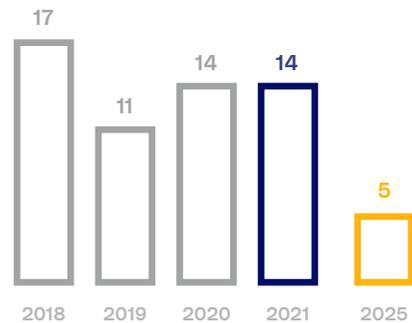
In 2021 our waste recycling rate was 64.4%, meaning we surpassed our annual target of 62.8% (2% above). Since our baseline year of 2002, we have improved the recycling rate by 239% (45 pp). Our long-term target is to achieve a recycling rate of 78% by 2025. Regarding our landfill rate we did not meet our target to achieve a value below 11.1%. In 2021 our landfill rate was 13.8% (24% above the target).

### Recycling rate, across our owned portfolio (% by weight)



**Data Qualifying note:** This indicator includes all owned Shopping Centres under management and in operation during the full reporting year. Waste recycled includes waste sent for recycling, anaerobic digestion and composting.

### Landfill rate, across our owned portfolio (% by weight)



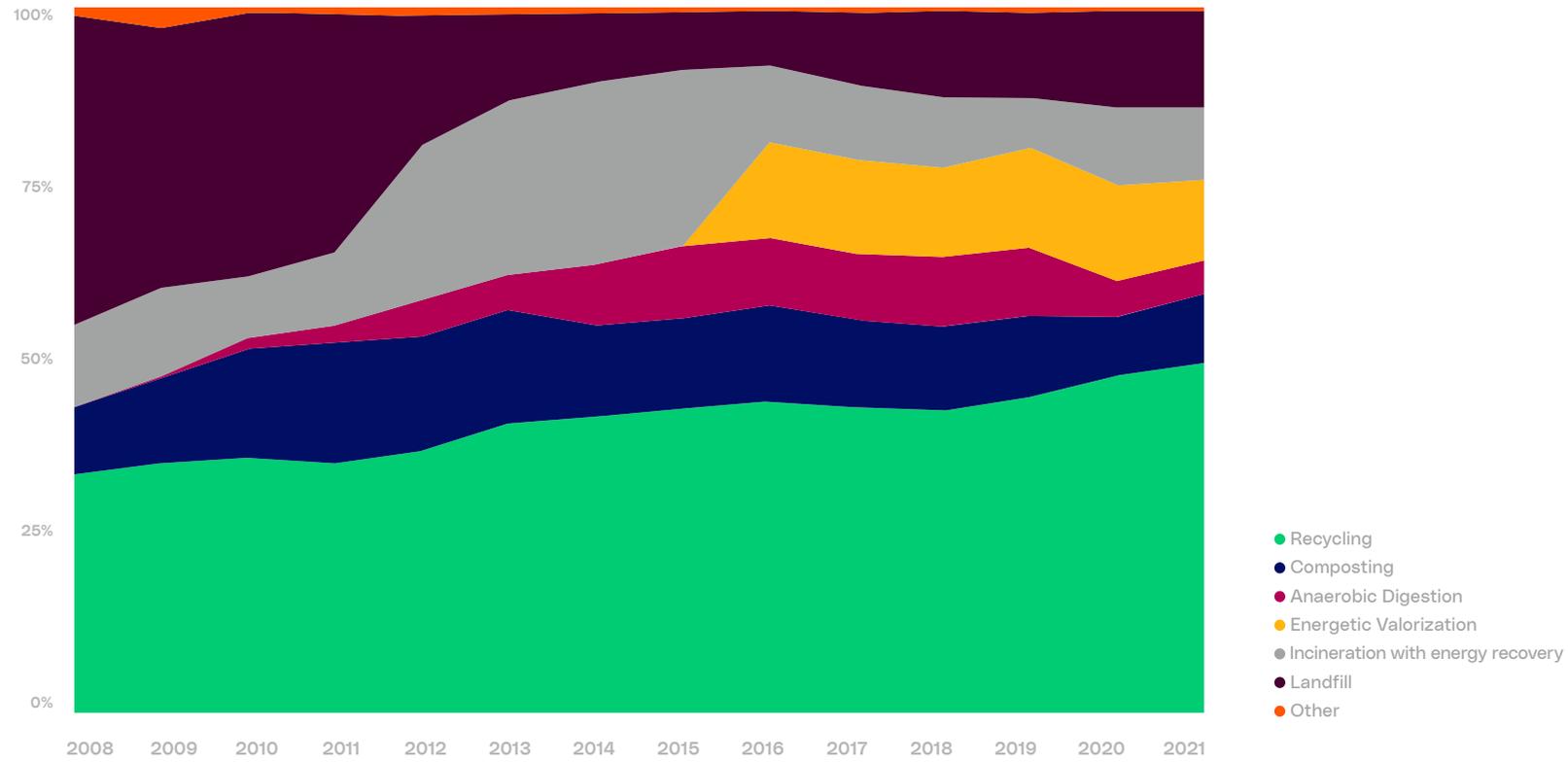
**Data Qualifying note:** This indicator includes all owned Shopping Centres under management and in operation during the full reporting year.

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Waste disposal method (per sq.m GLA), as a % of total (owned portfolio)



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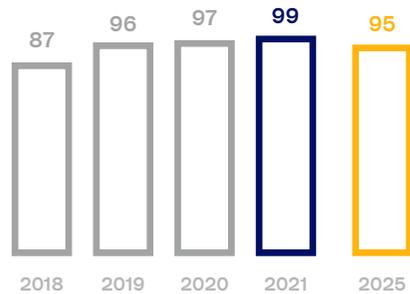


## GRI Disclosure

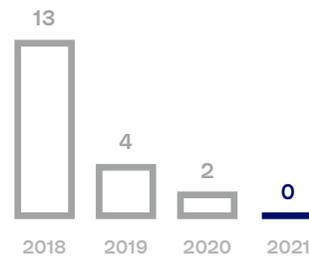
### Corporate Offices

As well as our owned portfolio, we monitor the proportion of total waste recycled and sent to landfill at our corporate offices which represents less than 0.03% of our total waste footprint.

Recycling rate in our corporate offices (% by weight)



Landfill rate in our corporate offices (% by weight)



Although we implement measures to address all types of waste, given the role that plastic plays in today's society - and understanding the enormous environmental challenge it represents - we are setting specific actions to tackle this problem. We collaborated with different Sonae companies to define a roadmap to address plastic waste, with several targets for the years to come. With the implementation of the actions defined we will strive, among other things, to reduce the amount of plastic produced and improve its segregation, decreasing the amount sent to landfill or incineration. In 2021, around 5.5% (918 tonnes) of the waste produced among our owned Shopping Centres, was plastic waste (mainly plastic packaging) however there is also an amount of plastic that is sent to the waste operator as mixed packaging, but it is not accounted for as in some cases it is mixed with other waste types.

In 2021 we have used Circulytics - an assessment tool from the Ellen MacArthur Foundation - to measure our business circularity. With the results we are defining an action plan to better address circular economy.

### Policy and practices that promote waste avoidance as the first step in the waste hierarchy

We have procedures to manage waste properly and have established the principles of waste avoidance, management and prevention throughout the asset lifecycle.

Our SHEDS (see [page 122](#)) include a series of design requirements to maximise the waste separation potential of every asset we develop, so that once it is in operation, and if it is approved by the owner, waste can be effectively sorted and sent for recycling and recovery. A site-specific waste strategy study is undertaken during construction to establish adequate provision of space for waste segregation bins and compactors, temporary storage and internal preferential routes for disposal.

During construction, if approved by the partners, our SHEMS ensures that the reduction of materials and waste is prioritised. Where possible, we specify end-of-life recycling for building components. In addition, construction companies are required to report the results of their waste management to us. During the operations phase, we aim to progressively improve each Shopping Centre's waste recycling rate. Most waste handled by Sonae Sierra is largely generated by tenants' activities.

Our site managers are responsible for ensuring that waste is managed efficiently. This includes providing appropriate storage areas and equipment that is well maintained, preventing spillage and scattering during transportation, and producing monthly reports of waste volume.



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### 306-3: Waste generated

Disposal method	Hazardous (tonne)	Non-Hazardous (tonne)	Total (tonne)	Total (%)
Anaerobic Digestion	-	775	775	5%
Composting	-	1,643	1,643	10%
Incineration with energy	-	1,705	1,705	10%
Incineration without Energy Recovery	-	9	9	0.1%
Landfill	0	2,303	2,303	14%
Recycling	26	8,330	8,356	50%
Treatment/Elimination	2	7	9	0.1%
Energetic valorisation	-	1,936	1,936	12%
<b>Total</b>	<b>28</b>	<b>16,707</b>	<b>16,735</b>	<b>100%</b>

Waste type	Site Type	Type of Management Method		Total
		Disposal	Recovery	
Hazardous	Operations	3	26	28
	Offices	-	-	-
Non-Hazardous	Operations	5,959	10,743	16,702
	Offices	0	5	5
<b>Total</b>		<b>5,962</b>	<b>10,773</b>	<b>16,735</b>

### 306-4: Waste diverted from disposal

Waste type	Disposal Method	Boundary		Total
		Offsite	Onsite	
Hazardous	Recycling	-	26	26
	Preparation for reuse	-	-	-
Non-Hazardous	Recycling	104	8,226	8,330
	Other recovery operations	-	2,418	2,418
<b>Total</b>		<b>104</b>	<b>10,669</b>	<b>10,773</b>

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### 306-5: Waste directed to disposal

Waste type	Disposal Method	Boundary		Total
		Offsite	Onsite	
Hazardous	Other disposal operations	-	2	2
	Landfilling	-	0.3	0.3
	Incineration (with energy recovery)	-	1,705	1,705
Non-Hazardous	Incineration (without energy recovery)	-	9	9
	Other disposal operations	51	1,891	1,943
	Landfilling	-	2,303	2,303
<b>Total</b>		<b>51</b>	<b>5,911</b>	<b>5,962</b>

**Data Qualifying Note:** (306-3; 306-4; 306-5) These indicators include all owned Shopping Centres under management and in operation during the full reporting year and all corporate offices where waste is monitored (in some offices waste is not collected by a waste operator and is disposed of in the municipality waste bins, therefore there are no records of the amounts sent to each disposal method). Recovery includes waste sent to recycling, composting and anaerobic digestion. Disposal includes waste sent to: landfill, incineration (with and without energy recovery), energetic valorization and elimination/treatment.

## GRI 401: Employment 2016

### 103-1: Explanation of the material topic and its boundaries

Material areas, [pages 9, 144 and 145](#)

### 103-2: The management approach and its components & 103-3: Evaluation of the management approach

We consider our workforce to be the 902 employees that we directly employ (more 17 than in 2020), and the 23 people who are employed by other companies but are supervised by Sonae Sierra. We also employed 10 independent contractors.

98% of our direct employees are employed on a full-time basis and 1.6% are employed on a permanent part time basis. They are located across 10 countries with almost 84% based Portugal (61%), Poland (14%) and Spain (9%). The other locations are Germany (7%), Italy (4%), Romania (3%), Morocco (2%), and Greece (1%), Colombia (0.2%) and the Netherlands (0.1%).

Ultimate responsibility for employment aspects, including training and education, lies with Sonae Sierra's CEO and the Executive Committee. Operational responsibility is divided among line managers within each of our business divisions, from senior management downwards. The People & Culture Department lends a supporting role by proactively intervening in the development and execution of the People & Culture strategy and policies and providing quality advice to business leaders.

In terms of resources, we have a team covering different areas and specific activities such as compensation and benefits; learning and employee experience; talent management; employee wellness and workplace; and People business partners.

We use a range of IT tools based on SAP, including our 'Improving Our People' (IOP) performance management tool, which can be accessed by all employees through our internal portal. An online e-Learning platform enables us to reach employees regardless of location. All employees receive annual performance and career development reviews, and tools such as IOP allow us to identify learning priorities for individual employees which can be discussed with business unit managers, so their objectives are aligned.

For more information, please consult the indicators below, GRI 102-8, GRI 102-41 and [pages 41 to 43](#).

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## GRI Disclosure

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### 401-1: New employee hires and employee turnover

During 2021, 114 employees left the company (a male/female turnover rate of 6.2% and 6.4% respectively), and we hired 131 new employees (a male/female new hire ratio of 7.5% and 7.0% respectively).

#### Turnover by age group

	Number	Ratio (%)
Less than 35 years	60	6.7%
35-44 years	33	3.7%
45-54 years	13	1.4%
55-64 years	3	0.3%
More than 64 years	5	0.6%
<b>Total</b>	<b>114</b>	<b>12.6%</b>

#### Turnover by gender

	Number	Ratio (%)
Female	58	6.4%
Male	56	6.2%
<b>Total</b>	<b>114</b>	<b>12.6%</b>

#### Turnover by region

	Number	Ratio (%)
Portugal	77	8.5%
Poland	12	1.3%
Germany	8	0.9%
Greece	0	0.0%
Italy	5	0.6%
Morocco	2	0.2%
Romania	1	0.1%
Spain	9	1.0%
The Netherlands	0	0.0%
<b>Total</b>	<b>114</b>	<b>12.6%</b>

#### New Employees Hires by age group

	Number	Ratio (%)
Less than 35 years	69	7.6%
35-44 years	30	3.3%
45-54 years	27	3.0%
55-64 years	4	0.4%
More than 64 years	1	0.1%
<b>Total</b>	<b>131</b>	<b>14.5%</b>

#### New Employees Hires by gender

	Number	Ratio (%)
Female	63	7.0%
Male	68	7.5%
<b>Total</b>	<b>131</b>	<b>14.5%</b>

#### New Employees Hires by region

	Number	Ratio (%)
Portugal	76	8.4%
Poland	29	3.2%
Germany	10	1.1%
Greece	0	0.0%
Italy	4	0.4%
Morocco	1	0.1%
Romania	3	0.3%
Spain	8	0.9%
The Netherlands	0	0.0%
<b>Total</b>	<b>131</b>	<b>14.5%</b>

**Data Qualifying Note:** This includes all Sonae Sierra direct employees at the end of the reporting period. The formulas used are:

- The rate (%) of employee turnover has been calculated using the following formula: Number of employees leaving employment divided by the total number of employees at the end of the reporting period.
- The rate (%) of new employee hires was calculated using the following formula: Number of new employee hires divided by the total number of employees at the end of the reporting period.

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## GRI Disclosure

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### GRI 405: Diversity and Equal Opportunity 2016

#### 103-1: Explanation of the material topic and its boundaries

Material areas, [pages 9, 144 and 145](#)

#### 103-2: The management approach and its components & 103-3: Evaluation of the management approach

The value of having a diverse workforce is widely recognised and promoting gender diversity remains a priority for our company and the industry as a whole.

We have a non-discrimination and diversity policy that states our commitment to a meritocratic culture. This is reinforced by our Code of Conduct, which outlines our commitment to creating a workplace where individuals are treated fairly, and where we recruit, select, train and remunerate based on merit, experience and other professional criteria. It is in our interest to ensure that the human resources, talents and skills available throughout the community are considered when employment opportunities arise, thereby selecting the most suitable person for the job, based on their qualifications and experience.

More recently, under the latest revision of our sustainability strategy – more specifically under the pillar Safe, healthy & engaged workforce – this topic gained a renewed importance as ensuring a diverse and inclusive workforce is on the top of our priorities.

In Sonae Sierra, while the ratio of male to female employees is roughly equal on a global level, women hold a minority of leadership positions. We are committed to a meritocratic culture, and although this has been a priority for many years, we recently set specific quantitative objectives and targets relating to this aspect ([pages 77 and 78](#)).

To help tackle this issue, Sonae Sierra holds the ‘Lean in Circles’, a programme to help women achieve their ambitions. It creates a space where women can come together in small groups across roles and levels to get peer-to-peer mentorship, connect with each other, build leadership skills, recognize biases and act on them.

We have several policies in place which, among other objectives, can support diversity by promoting a more flexible workplace, namely:

- Part-Time Working Policy.
- Working From Home Policy.
- Flexible Work Schedule Policy.
- Exceptional Days Off Policy.

In 2021 there were no grievances filed, addressed, and resolved through formal grievance mechanisms about:

- human rights impacts;
- labour practices;
- impacts on society.

For more information, go to [pages 41, 42](#) and ‘Safe, Healthy and Engaged Workforce’ on [pages 76 to 78](#).

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**GRI Disclosure****Page number****405-1: Diversity information on employees and other workers****Number and percentage of employees by gender, per employee category**

	Female	Male	Total
Global Senior Executive	0	1	1
Senior Executive	2	5	7
Executive	2	11	13
Senior Manager	12	43	55
Manager	33	45	78
Team Leader	50	50	100
Project Team Specialist	61	65	126
Team Member	208	64	272
Employees without functional group (Luís Malheiro and Poland employees)	104	146	250
<b>Total</b>	<b>472</b>	<b>430</b>	<b>902</b>
<b>Female &amp; Male Ratio (%)</b>	<b>52%</b>	<b>48%</b>	<b>100%</b>
<b>Female &amp; Male Ratio (%) in governance bodies</b>	<b>19%</b>	<b>81%</b>	<b>100%</b>

**Number of employees with disabilities, per employee category**

	Female	Male	Total
Global Senior Executive	-	-	-
Senior Executive	-	-	-
Executive	-	-	-
Senior Manager	1	4	5
Manager	1	1	2
Team Leader	2	1	3
Project Team Specialist	3	1	4
Team Member	4	0	4
<b>Total</b>	<b>11</b>	<b>7</b>	<b>18</b>

Data Qualifying Note: This indicator includes all Sonae Sierra direct employees at the end of the reporting period except for Luis Malheiro and Poland employees since these employees do not have a functional group associated.

**406-1: Incidents of discrimination and corrective actions taken**

In 2021 there were no incidents of discrimination.

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## GRI Disclosure

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### GRI 403: Occupational Health and Safety 2016

#### 103-1: Explanation of the material topic and its boundaries

Material areas, pages 9, 144 and 145

#### 103-2: The management approach and its components & 103-3: Evaluation of the management approach

### Safety, Health and Environment Management

Our Safety, Health and Environment (SHE) Policy establishes our responsibility to conduct our activities so that risks towards people, assets and ecosystems are minimised, and benefits are enhanced. The policy is reviewed on a regular basis to ensure it continues to support our strategic objectives with respect to sustainability and the most recent review was conducted in 2020.

The policy is supported by our certified Safety, Health and Environment Management System (SHEMS) which establishes the framework we use to manage our impacts, reduce our safety risks towards people (including employees, building users and suppliers) and improve our performance. Our SHEMS is based on a cyclical approach that involves planning, implementing, monitoring and reviewing to ensure continuous improvement. It is based on the international standards ISO 14001 and ISO 45001 and has been recertified by Lloyds Quality Register Assurance according to both standards.

#### CRE 6: Percentage of the organization operating in verified compliance with an internationally recognized health and safety management system

We operate an annual audit programme to systematically audit our SHEMS at corporate and at site level. In 2021, the percentage of the organisation (direct employees) operating in compliance with an internationally recognised health and safety management system was 72%.

	Direct Employees	Supervised Workers	Independent Contractors
Total number of workers	902	23	10
Externally verified to be operating in compliance with ISO 45001	650	23	7
%	72%	100%	70%
Internally verified to be operating in compliance with the S&HMS	650	23	7
%	72%	100%	70%

Data Qualifying Note: This indicator includes all Sonae Sierra direct employees, supervised workers and independent contractors at the end of the reporting period.

### Safety, health and environment management across all stages of the asset lifecycle

#### Pre-development

Environmental Due Diligence and Environmental Impact Studies are carried out so that we can understand the potential liabilities sites may contain, and any potential negative environmental impacts associated with the project. Sonae Sierra has to take into consideration the investment required to eliminate or mitigate any identified issues. Wherever we provide development services, Environmental Due Diligence and Environmental Impact Studies are conducted with the client's agreement.

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### Development, Expansion and Refurbishment Works

Projects under development are required to ensure that SHE risks and characteristics unique to each site are managed adequately. Safety, Health and Environment Development Standards (SHEDS) are applied in agreement with partners to guarantee effective risk management from the outset of each development and into the operations phase. SHEDS have been developed by drawing upon our own experience; best available techniques; international certification schemes such as LEED® and BREEAM and internationally recognized safety standards such as the US National Fire Protection Association (NFPA) and European safety standards. The implementation of the standards is checked through a final audit carried out by a third party. With the agreement of our partners, when applicable, we also pursue sustainable buildings certifications such as BREEAM, LEED or WELL. Compliance with local SHE regulations is also verified by competent authorities prior to opening as part of the licensing procedure for new Shopping Centres. During the construction phase, with our partners' agreement, we require all new development projects, expansion and refurbishment works to implement either a site specific SHEMS and achieve certification in accordance with the ISO 14001 and 45001 standards for the entire construction phase, or implement a simplified Safety, Health and Environment Management Plan (SHEMP) that does not require external certification according to those standards. In the case that our partner does not wish for us to implement our fully certified SHEMS, we make sure that we comply with the applicable legislation.

### Property and Asset Management

We apply our certified SHEMS to manage the main environmental impacts, and safety and health risks during the operational phase of a building. We make sure that we monitor and comply with applicable legislation and monitor and manage the performance of owned operational assets with respect to energy; water; waste and safety and health, and identify further improvements that need to be made to optimise the buildings' environmental performance and reduce safety and health risks. To monitor and evaluate SHE performance on a regular basis we also use tools such as emergency drills and SHE inspections. In some shopping centres we additionally use SHE Preventive Observations (SPO), which are a form of process review carried out to observe workers, detect any instances of behaviour that present safety and health risks or environmental impacts, and engage with the person(s) involved to make them more aware of the SHE risks. With our long-term experience in managing safety, health and environmental impacts, we are in an excellent position to provide additional services, such as alignment with ISO 14001 and 45001, and green building certifications such as BREEAM In-Use when these services are agreed to by our clients.

We monitor and evaluate SHE performance on a regular basis using tools such as SHE Preventive Observations (SPO), emergency drills and SHE inspections and following-up on any non-conformities detected. SPOs are a form of process review carried out mainly in our certified shopping centres to observe workers, detect any instances of behaviours that present safety and health risks or environmental impacts, and engage with the person(s) involved to make them more aware of SHE risks. As SPOs allow us to identify and correct behaviour which could potentially lead to incidents, they are an important part of our incident prevention strategy.

In 2021 we performed 1,378 hours of SHE Preventive Observations (SPO) across our managed Shopping Centres and corporate offices. The number of SPOs has been decreasing considerably due to a change in the company strategy: offices no longer have to perform SPOs, as well as non-certified Shopping Centres. 2020 and 2021 performances were also affected by the COVID-19 Pandemic due to closure of shops social distancing practices.

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### Number of hours of SPO performed in shopping centres and corporate offices



**Data Qualifying note:** This indicator includes all SPO hours performed in Shopping Centres owned by Sonae Sierra and in operation during the full reporting period, Shopping Centres managed but not owned by Sonae Sierra where an SPO target was identified, and corporate offices.

Regarding drill, in 2021 we conducted on average 1.4 drills across our managed shopping centres and corporate offices covering a range of safety, security and environment scenarios as evacuation, fire, floods, explosions, Automatic External Defibrillator and spills.

### Investment Management

Environmental and Safety & Health Due Diligences are implemented upon the acquisition of existing shopping centres with the agreement of our investment partners. Also in agreement with our partners, we integrate specific investment initiatives into existing shopping centre investment plans to ensure that we improve their safety, health and environmental performance. These include environmental protection measures; in particular efforts to reduce energy and water use and improve waste recycling and landfill diversion, as well as efforts to address potential safety and health liabilities.

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### Monitoring our performance

Our SHEMS includes a report, performance measurement and monitoring procedure to track our SHE performance on a regular basis. A series of tools and applications exist to assist the monitoring and reporting tasks. Our online management system, called the SHE Portal, provides a streamlined SHE management process and helps to ensure data accuracy by holding all data in one central platform which is accessible to all our staff.

Data collection, target tracking and monitoring for energy, water, waste and safety and health is managed through this database which allows management teams to input SHE performance data and generate reports that can be used to compare performance across Sonae Sierra's portfolio and to set annual targets to improve performance.

Performance results are reported on a timely basis to the Sustainability Steering Committee, Executive Forum and Board of Directors. SHEMS implementation results are evaluated annually as part of our management review process to ensure continuous improvement.

We have established an incident report and investigation procedure to report, investigate, communicate and act to prevent SHE incidents across all managed shopping centres and corporate locations.

Its main purpose is to implement corrective and preventive measures that are effective in avoiding similar situations that can lead to further accidents. Follow-up actions depend on the severity of the incident but include the communication of the incident; its investigation; the determination of its root cause; the definition of proper corrective and preventive measures, and the communication of learning points throughout the organisation.

Most incidents recorded under this procedure cover safety and health incidents. Please see 'Workforce Health & Safety' (pages 129 and 130) 'Supplier Health & Safety' (page 128) and 'Customer Health & Safety' (page 131) for more information on our performance in these areas.

We also have a non-conformities, preventive and corrective actions procedure in place to:

- Identify and record actual and potential non-conformities.
- Implement correction measures to minimise their consequences.
- Analyse non-conformity causes.
- Define corrective or preventive actions and review their effectiveness.

In 2021 there were no significant complaints regarding Safety, Health and Environment.

### Environmental Accounting

#### GRI 302-4: Reduction of energy consumption & GRI 305-5: Reductions in energy requirements of products and services

Sonae Sierra's Environmental Accounting (EA) model details the economic and environmental benefits resulting from the implementation of our SHEMS across eight environmental domains. The model allows Sonae Sierra to estimate the economic effort and resulting benefits from more than just complying with legal requirements.

Significant actions are defined as actions that bring environmental and economic benefits to the organisation, producing relevant effects throughout the asset and/or equipment operating period. Actions are classified as intangible (where we know the amount invested but it is not possible to calculate the benefits associated) and tangible (where we present both the investment eligible for Environmental Accounting and the associated environmental and economic benefits).

In 2021, Sonae Sierra was able to avoid 11,940 tCO<sub>2</sub>e and 4,885 GJ of energy because of significant actions implemented in 2021, and 48,611 GJ of energy because of significant actions implemented in previous years.

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	Intangible Significant Actions		Tangible Significant Actions					
	Number of Significant Actions	Expenditure (eligible for Environmental Accounting) (€)	Number of Significant Actions	Expenditure (eligible for Environmental Accounting) (€)	Economic Benefit Potential Yearly Savings (€)	Environmental Benefit		
						Reduction of water consumption (m <sup>3</sup> )	Reduction of electricity consumption (kWh)	Reduction of CO <sub>2</sub> emissions (tonnes CO <sub>2</sub> e)
Air	-	-	1	-	-	-	-	11,880
Health and well-being	47	€ 169,000	-	-	-	-	-	-
Energy	15	€ 353,000	10	€ 1,236,000	€ 158,000	-	1,357,000	60
Water	7	€ 18,000	-	-	-	-	-	-
Ecosystem	1	€ 3,000	-	-	-	-	-	-
Noise	1	€ 7,000	-	-	-	-	-	-
Wastewater	12	€ 7,000	-	-	-	-	-	-
Waste	8	€ 196,000	-	-	-	-	-	-
Environmental management activities	61	€ 369,000	-	-	-	-	-	-
Social activities	1	€ 6,000	-	-	-	-	-	-
<b>Total from the year</b>	<b>153</b>	<b>€ 1,128,000</b>	<b>11</b>	<b>€ 1,236,000</b>	<b>€ 158,000</b>		<b>1,357,000</b>	<b>11,940</b>
<b>2021 Benefits from Significant Actions from Previous Years</b>	<b>488</b>	<b>€ 4,207,000</b>	<b>98</b>	<b>€ 1,273,000</b>	<b>€ 1,924,000</b>	<b>77,000</b>	<b>13,503,000</b>	<b>-</b>

## Green Building Standards and Ratings

Our full SHEMS is based on ISO 14001 and OHSAS 18001 standards and applies to all construction sites and owned shopping centres where our partners have agreed to its implementation. It is part of our policy to seek third party audit and certification of the SHEMS for these projects.

For all our own new development projects, major expansions and refurbishments we also encourage our partners to target at least BREEAM Good or LEED® Silver certification, depending on the certification that best helps them achieve their goals. By applying sustainable design standards, we can prepare for new and emerging environmental regulations and industry expectations, whilst ensuring that our assets are more attractive to investors and occupiers.

To date, we have achieved ISO 14001 certifications for the site-level SHEMS of 28 completed construction projects and 52 assets in operation. We have also obtained OHSAS 18001/ISO 45001 certifications for 10 completed construction projects and 48 assets in operation, and green building certificates for 16 developments and assets currently under operation.

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### Certifications achieved

Certification	Number of assets (operations)	Number of assets (development projects)
BREEAM/ BREEAM In-Use	14	1
ISO 14001	52	28
ISO 45001/ OHSAS 18001	48	12
DGNB	-	1
Accessibility certification (e.g. UNE 170001)	15	-

### CRE 8: Type and number of sustainability certifications, rating and labelling schemes for new construction, management, occupation and redevelopment

At the end of 2021, 58% of our assets were BREEAM In-Use certified and 38% are certified according to ISO 14001 and ISO 45001. The number of certified development projects are detailed above.

Certification	Number of assets	Percentage of the portfolio
ISO 14001	9	38%
ISO 45001	9	38%
BREEAM In-Use	14	58%
Accessibility certification (e.g. UNE 170001)	7	29%
EU Energy Performance Certificates (EPC)	22	96%

**Data Qualifying Note:** This indicator includes all owned Shopping Centres under management and in operation at the end of the reporting period and all development projects to date. In 2021 there were no new certifications in development projects.

### GRI 417-1: Requirements for product and service information and labelling & GRI 417-2: Incidents of non-compliance concerning product and service information and labeling

Under the European Union’s Energy Performance of Buildings Directive, we are required to ensure that all our assets undergoing major renovations meet minimum energy performance requirements; and that Energy Performance Certificates (EPCs) must be shared with prospective buyers and tenants of a building. We are meeting these requirements in each EU member state that we operate in, and by the end of 2021 EPCs were in place across 96% of our portfolio.

During 2021, there was 1 incident of non-compliance with regulations and/or voluntary codes concerning product and service information and labelling (1 non-conformities that resulted in a warning in Serra Shopping, in Portugal).

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### Building health, wellbeing and productivity

We have a set of policies and procedures to mitigate environmental and end user human health and wellbeing impacts during all stages of the property lifecycle, including the design of new assets and the redevelopment of existing assets.

Our SHEMS includes a procedure to guarantee that indoor air quality is maintained across our certified shopping Centres covering a range of different parameters (and a similar procedure exists for our corporate offices). We also have an ergonomic procedure in place in Sonae Sierra offices and we implement ergonomic assessments. In addition, our SHEDS prohibit the use of materials which are known to have negative impacts on the environment and on the health and wellbeing of building occupants.

Additional procedures for Legionella control apply to all Shopping Centres where our partners agree to its implementation, and in our corporate offices. They guarantee the use of the best equipment for Legionella control and the ongoing monitoring of indoor air quality parameters.

### Process to identify and evaluate occupational safety and health risks to our workforce and building users

Our SHEMS includes a transversal procedure to identify and assess safety and health (S&H) hazards and risks to Sonae Sierra's stakeholders. The assessment is carried out in relation to Sonae Sierra Offices (workers, service suppliers, visitors and others), Sonae Sierra Staff travelling or working in clients' facilities or at a location not under Sonae Sierra direct control; and, the vicinity, that can be affected by the Sonae Sierra activities. Through this procedure we identify the potential consequences to people and the control measures and shortcomings.

As we evaluate a hazard we consider existing control measures and deficiencies, the periodicity/probability of the hazard's occurrence and its potential severity. Any non-acceptable risks that are identified must result in the implementation of additional risk control measures until the risk is classified as acceptable.

S&H hazards and risk matrices are validated by qualified technicians (or S&H coordinators in development sites) and then approved by the respective site manager. Additionally, in all countries where this is demanded by law, an occupational doctor also provides follow-up and feedback to Sonae Sierra employees in regular consultations. Each employee's workstation is also evaluated to avoid any future occupational disease.

### Process to identify and evaluate occupational safety and health risks to our workforce and building users

When our partners agree to implement our full SHEDS, there is a specific requirement included in the service agreements which prohibits the use of certain hazardous materials and substances (as defined by Sonae Sierra) throughout the construction works.

During construction works under our control, the use and disposal of hazardous materials is controlled by the implementation of our SHE procedures for development; namely the SHEMS if partners agree to seek ISO 14001 and ISO 45001 certifications for the construction works, or the SHEMP when certification is not required. The on-site S&H coordinators and development teams maintain a record of hazardous materials which come onto the site and are disposed of from the site.

During the operations phase and within corporate offices, our SHEMS includes a procedure that sets out the main safety recommendations for handling hazardous products, including the hazard characteristics of products, the labelling rules, storage incompatibilities and recommended protective measures.

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### Supplier Health & Safety

Our service suppliers' management procedures ensure that our main suppliers' performance meets Sonae Sierra's SHE requirements.

In agreement with our partners, all new shopping centre development projects must implement a site-specific SHEMS and achieve certification in accordance with the ISO 45001 standard, or implement a simplified SHEMP if they decide not to pursue certification.

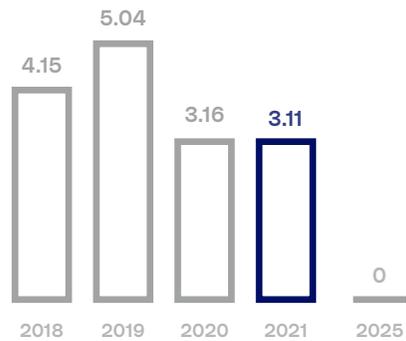
Regular meetings and annual training sessions with our security, maintenance, cleaning and waste suppliers are performed to discuss common issues and highlight basic housekeeping procedures that help reduce safety risks.

We monitor our performance by tracking the Accident Rate<sup>29</sup> (LWCAFR) among suppliers in all our owned and managed assets and construction sites, when agreed by our partners. In 2021 we achieved an accident rate of 3.11 accidents per million hours worked across our owned portfolio (a 2% reduction compared to 2020) and 2.55 across the managed portfolio.

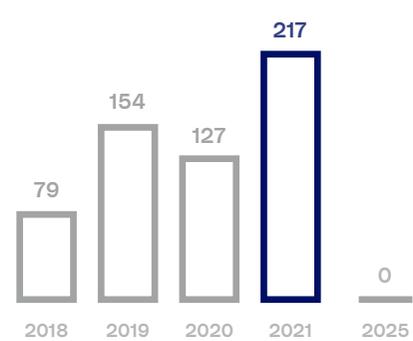
We investigate the cause of all level 4 and 5 incidents, near misses and any level 2 and 3 incidents that are considered important (for example if several incidents of a similar nature have happened) and communicate these across the Company so that lessons can be learned to avoid repeat occurrences.

We monitor our performance by tracking the Accidents Rate (LWCAFR) and the Accidents Severity Rate (ASR) among suppliers in all our owned assets. More recently we also started monitoring this performance in our managed assets.

**Accidents rate (LWCAFR)**  
among suppliers of our owned portfolio  
(no. of accidents per million of worked hours)



**Accidents Severity Rate (ASR)**  
among suppliers of our owned portfolio  
(no. of lost workdays per million of worked hours)



The LWCAFR is the number of accidents resulting in one or more lost workdays per million worked hours by our service suppliers.  
The ASR is the number of lost workdays of accidents per million worked hours by our service suppliers.

The number of accidents that resulted in lost workdays were the same as in 2020 – 8 accidents – however, there were more lost workdays associated to these, resulting in a 186% increase in the Accident Severity Rate.

The Accident Rate (LWCAFR) and the Accident Severity Rate (ASR) among suppliers considering also the assets we manage, is 2.55 accidents per million worked hours and 123.2 lost workdays per million worked hours, respectively.

<sup>29</sup> Both the Accident Rate (LWCAFR) and Accident Severity Rate (ASR), concern accidents resulting in one or more lost workdays.



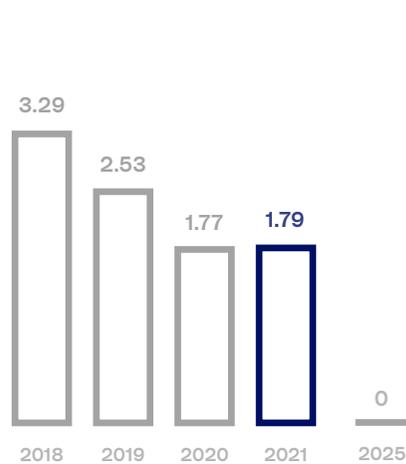
## GRI Disclosure

### Workforce Health & Safety

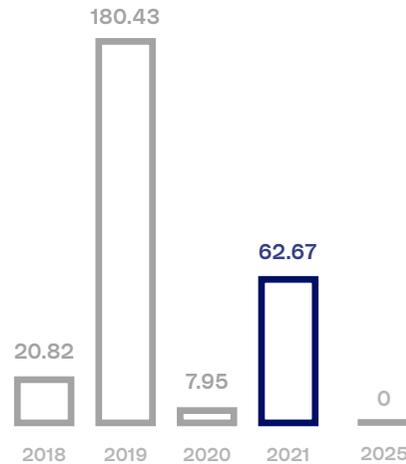
Safety and Health (S&H) incidents occurring in the workplace can cause harm to workers and expose companies to risks such as reputational damage, fines and, in the case of construction and building works, delays on projects. On the other hand, a progressive approach to S&H can help to protect people, reduce insurance costs, reduce staff absence and enhance the company's reputation.

Our goal is to improve the wellbeing of our workforce and reduce the rates and severity of workplace accidents and occupational diseases, aiming towards zero. We monitor our progress by tracking injuries, occupational diseases, lost days and absenteeism among our employees, and the total number of work-related fatalities.

**Accidents rate (LWCAFR) among workforce**  
(no. of accidents per million of worked hours)



**Accidents Severity Rate (ASR) among workforce**  
(no. of lost workdays per million of worked hours)



The LWCAFR is the number of accidents resulting in one or more lost workdays per million worked hours by our workforce.  
The ASR is the number of lost workdays of accidents per million worked hours by our workforce.

In 2021 we saw an increase in the accidents rate and in the severity rate. This was the result of two accidents: the main one resulted in 65 lost workdays and occurred in Spain due to the Filomena storm (a fall in the snow); the other one led to a lost of 5 workdays (*in itinere* accident).

We have different programmes and initiatives in place to promote the health and safety of our workforce:

- We provide education and training, counselling and prevention programmes for employees, their families and community members regarding serious diseases or potential long-term damage to health;
- We ensure that all travellers to risky destinations have comprehensive travel insurance, training on precautionary procedures and receive an email on medical and security risks in the country to which they are travelling. We also carry out, training on precautionary procedures and regular drills that simulate various incident scenarios in risky countries;



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- We have a compensation and benefits policy that is provided in accordance with the law; i.e., through insurance policies. Specific clauses are added to service agreements with contractors to ensure that, in cases of serious work-related injuries or fatalities, the fines that are paid to Sonae Sierra revert to the families of injured workers.
- We prohibit the use of alcohol and drugs during work shifts and at all our construction sites. This is strictly followed up by the site S&H coordinators and S&H technicians throughout the entire construction process.

For more information please consult [pages 43, 76 to 80](#) and GRI 403-2 below.

## Employee Health & Wellbeing

For information concerning Employee Health & Wellbeing, go to [pages 41 to 43](#); and [76 to 80](#).

Besides what is mentioned in the above mentioned chapters we have developed a variety of tools including regular SHE meetings, training events, campaigns and internal publications to support Employee Health and Well-being. Evolve, for example, is an online employee newsletter that brings together sustainability information, including safety and health content such as SHE Tips and case studies. In 2021 for example there were articles with tips on how to cope with social isolation, improve sleep and safe travels, among others.

### 403-2: Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities

	Injury Rate (LWCAFR)	Occupational disease rate	Lost day rate (ASR)	Absentee rate	Fatalities
Sonae Sierra workforce (direct employees and supervised workers)	1.79	0.90	62.67	0.031	-

Data Qualifying note: This indicator includes all Sonae Sierra direct employees (i.e. employees on Sonae Sierra's payroll); all Sonae Sierra supervised workers; and all independent contractors working on-site during the reporting period. Poland and Luis Malheiro Group employees are excluded since they do not report incidents. The formulas used to calculate the presented rates are:

- Injury rate (LWCAFR) = (number of injuries x 1,000,000)/Total time worked
- Occupational disease rate = (number of occupational diseases x 1,000,000)/Total time worked
- Lost day rate (ASR) = (number of lost days x 1,000,000)/Total time worked
- Absentee rate = Absentee in the period (hours)/Total time worked

The total time worked equals the total number of workable days (excluding vacation and holidays) multiplied by the average total workforce and multiplied by eight hours (units in hours). The average total workforce equals the sum of the total number of employees (direct employees and supervised workers) at the end of each month divided by 12 months. Injuries reported do not include minor injuries (first-aid level). For Sonae Sierra, 'days' means 'scheduled workdays' and the 'lost days' count begins at the immediate working shift (or day) after the accident/occupational disease manifestation occurred.

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### GRI 416: Customer Health and Safety 2016

#### 103-1: Explanation of the material topic and its boundaries

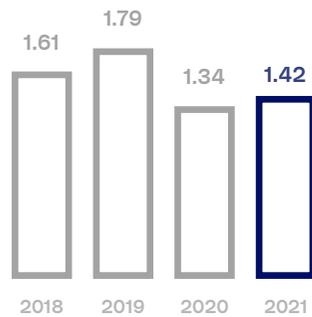
Material areas, [pages 9, 144 and 145](#)

#### 103-2: The management approach and its components & 103-3: Evaluation of the management approach

#### Customer Health & Safety

We work to provide a safe environment for everyone who visits or works within a Sonae Sierra shopping centre, aiming towards zero accidents, and to promote safety and health conscious behaviour among our tenants and visitors (for information regarding suppliers and employees, please go to [page 128](#) and [129](#) respectively). We monitor progress towards this goal namely by tracking the level 3, 4 and 5 accident rate in our owned portfolio. More recently we widened the scope of this indicator, and we now monitor and have targets associated to the managed portfolio, regardless of being owned or not.

#### Level 3, 4 and 5 accident rate of our owned portfolio<sup>30</sup> (no. of accidents per million of visits)



Data Qualifying Note: This indicator includes all shopping centres owned by Sonae Sierra and in operation during the full reporting period (except for Portimão Retail Center in Portugal, since this asset doesn't have a footfall system and the number of visits is unknown).

The level 3, 4 and 5 Accident Rate of our managed portfolio is 1.11 accidents per million of visits.

In addition to the policies and practices outlined under Safety, Health and Environment Management ([page 121](#)), we regularly monitor visitor safety risks and organise initiatives to promote safe behaviour in our owned Shopping Centres. If necessary, we also work with our suppliers to put in place preventive measures.

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<sup>30</sup> Number of accidents of level 3, 4 and 5 among tenants, service suppliers and visitors per million visits. Level 3, 4 and 5 accidents are defined as those resulting in medical assistance, lost workdays/life disruption and fatality/permanent disability, respectively.



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### GRI 416-1: Percentage of significant product and service categories for which health and safety impacts are assessed for improvement

Life cycle stages	Percentage of service categories covered	Comments on assessment procedures
New construction	100%	Our Safety, Health and Environment Development Standards (SHEDS) are considered by design teams during the concept and architectural development phase of our new shopping centres, when agreed with the Joint Venture partner. For further information, see <a href="#">pages 121</a> and <a href="#">122</a> .  During the construction phase, we aim to achieve excellent safety standards by defining strict procedures that exceed those which are required by law. New shopping centre development projects must implement a site-specific Safety, Health and Environment Management System (SHEMS) and achieve certification in accordance with the ISO 45001 standard for the entire construction phase, if agreed by the Joint Venture partner, or a simplified Safety, Health and Environment Management Plan (SHEMP) when certification is not aimed for. For further information, see <a href="#">pages 121</a> and <a href="#">122</a> .
Management	100%	During the operations phase, all shopping centres managed by Sonae Sierra (both owned/co-owned and managed for third parties) implement the procedures defined by our corporate SHEMS with the aim of guaranteeing the safety of all building users. We use some specific tools to assess the safety of our shopping centres for building users, which are described on <a href="#">page 122</a> . Audits are performed to assess compliance with Sonae Sierra's SHEMS at corporate and site levels on an annual basis.
Development/redevelopment	100%	This covers expansion and refurbishment activities if agreed with the Joint Venture partner. Expansion and refurbishment works must apply the same procedures as those described in relation to 'New Construction' above. Expansion and refurbishment works must apply a simplified Safety, Health and Environment Management Plan (SHEMP) or a Safety, Health and Environment Management System (SHEMS) when the aim is also to achieve certification in accordance with the ISO 45001 standard for the entire construction phase, and when agreed with the Joint Venture.

**Data Qualifying note:** This indicator includes all shopping centres owned by Sonae Sierra and in operation during the reporting period, and all projects under development during the reporting period.

### GRI 416-2: Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their lifecycle, by type of outcomes

	Incidents of non-compliance with regulations resulting in a fine or penalty	Incidents of non-compliance with regulations resulting in a warning	Incidents of non-compliance with voluntary Codes
All countries	-	6	2
<b>Number of dangerous occurrences, reportable injuries and fatalities to non-workers on or off a site or assets as a result of non-compliance with regulation and voluntary codes (number of accidents)</b>			
All countries	247		

**Data Qualifying note:** This indicator includes all shopping centres owned by Sonae Sierra and in operation during the reporting period, and all shopping centres managed but not owned by Sonae Sierra during the reporting period.

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### GRI 404: Training and Education 2016

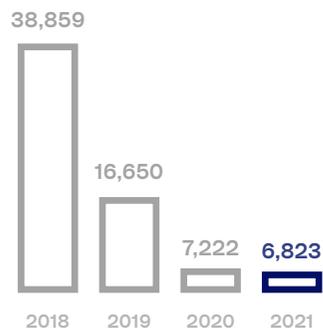
#### 103-1: Explanation of the material topic and its boundaries

Material areas, [pages 9, 144](#) and [145](#)

#### 103-1: Explanation of the material topic and its boundaries & 103-2: The management approach and its components

Developing and retaining talent can increase a company's competitiveness: talent developed and retained enhances knowhow, increases the potential for innovation and supports a strong reputation. We aim to continuously build the skills and knowledge of our people to maximise their potential. Each employee has defined an individual development plan which is settled according to the identified development needs in the Improving Our People process (Sonae Sierra's performance assessment process). These needs may be covered by Internal or External training actions such as: Courses, Workshops, Seminars, Conferences and Coaching; Readings; On-the-job training (direct training and shadowing) or Mentoring. The individual training plan is agreed with each leader and is approved according to the budget of the department and the priorities established by top management. Apart from this individual development plans, all employees have access to learning tools for proactive self-development: free webinars delivered by Sonae, LearningHubz subscription (platform with curated short videos), Sonae Shots and internal We Share events. The Learning function is part of the People & Culture department and is under the responsibility of the Learning & Employee Experience area. Ultimate responsibility for employment aspects, including training and education, lies with the CEO and the Executive Board. Operational responsibility is divided among line managers and the People & Culture Department plays a supporting role by proactively intervening in the development and execution of the strategy and policies and providing quality advice to business leaders. Learning and education is applicable to all Sonae Sierra employees and transversal to all our countries in operation with exception to the joint ventures where there is an independence in terms of people management, such as Luis Malheiro, Sierra Balmain and Aliansce Sonae. In 2021, we invested an average of €652<sup>31</sup> per employee in training and development, and employees received an average of 16.5 hours of training covering behavioural, language and technical skills. Learning is delivered through a variety of programmes including structured learning and short courses aimed at developing our employees' core skills and the needs of our business units. The most significant challenge was to cope with COVID restrictions and adapt to the new hybrid working models. We continued to bet on virtual learning initiatives to be able to reach all teams despite their working location. We also provide Safety, Health and Environment (SHE) training. In 2021, we delivered a total of 6,823 man hours of SHE training (including meetings) to staff, suppliers and tenants in our Shopping Centres and in our corporate offices.

#### Total number of man-hours (staff, suppliers and tenants) of safety, health and environmental training and awareness sessions provided



**Data Qualifying note:** This indicator includes all shopping centres owned and all shopping centres managed but not owned by Sonae Sierra and in operation during the reporting period; and all corporate offices. Although Sonae Sierra projects under development are part of the scope, there were none in 2021 and therefore it is not applicable in 2021.

For more information please consult [pages 41 to 42](#) and GRI 404-1 below.

<sup>31</sup> Excluding Luis Malheiro and Poland as their training is independently managed

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**404-1 Average hours of training per year per employee****Training hours per employee category**

Employee Category	Number of employees	Number of hours	Average number of hours of training
Global Senior Executive, Senior Executive, Executive	21	498	23.7
Senior Manager	55	1,056	19.2
Manager	78	1,286	16.5
Team Leader	100	2,373	23.7
Project Team Specialist	126	2,542	20.2
Team Member	272	4,582	16.8
Employees without category (Poland and Luis Malheiro)	250	2,564	10.3
<b>Total</b>	<b>902</b>	<b>14,900</b>	<b>16.5</b>

**Training hours by gender**

Employee Category	Number of employees	Number of hours	Average number of hours of training
Female	472	8,130	17.2
Male	430	6,770	15.7
<b>Total</b>	<b>902</b>	<b>14,900</b>	<b>16.5</b>

Data Qualifying Note: This indicator includes all Sonae Sierra direct employees at the end of the reporting period. Luis Malheiro and Poland employees' training is managed independently. Poland training hours are included, however Luis Malheiro is accounted as zero, as we do not are not associated to a functional group, therefore they are not considered in the functional group indicators.

**Training hours per type of training**

Type of training	Number of hours	Percentage
Behavioural	2,887	19
Technical	10,030	67
Languages	1,984	13
<b>Total</b>	<b>14,900</b>	<b>100</b>

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### GRI 413: Local Communities 2016

#### 103-1: Explanation of the material topic and its boundaries

Material areas, pages 9, 144 and 145

#### 103-1: Explanation of the material topic and its boundaries & 103-2: The management approach and its components

For real estate developers and operators, ensuring they are familiar with the needs, profile and habits of the communities where they develop and operate is of extreme importance to build strong relationships. We identify community needs both in the development phase and during operations.

Our policy towards the community is based on values and principles such as environmental awareness; community involvement; openness to society, confidence and ethics. We are committed to playing an active role in promoting positive societal change through education and awareness-raising campaigns, and by capitalising on our ability to communicate with the public who visit our shopping centres.

In any new development, expansion or refurbishment we perform Community Advisory Panels (CAPs). Participants typically include a range of stakeholders drawn from across the local community, ensuring that local communities are involved in the development and operation of our shopping centres in a way that creates long term relationships. We also engage with visitors and communities through regular stakeholder engagement activities to gain insights on the profile of visitors and their habits in order to suit our offer to the best possible experience. Finally, we conduct Environmental Impact Studies or Preliminary Environmental Evaluations on all new development projects and on major expansions where our partners agree.

We have an annual target to dedicate at least two percent of each of our shopping centres' marketing budget to local community investment and in 2021 we surpassed that target.

As a consequence of the pandemic, that involved prolonged lockdown periods in some countries, the communication and activation solutions have been adjusted to the consumer expectations that showed a strong interest for recovering the Physical Experiences.

2021 was a very relevant year in what concerns community engagement with many innovative initiatives and activities totally aligned with the challenge of a new approach to accomplish the new targets under the revised sustainability strategy (pages 55 to 58), with a more medium-long term vision, creating umbrella concepts to be more impactful and relevant for local communities and to build brand awareness.

Below are some of the initiatives implemented in 2021 (you can consult more information and results on pages 73 to 75).

- Development of the innovative service, 'Vai.Volta.' the smart lock & unlock station for baby strolls and wheelchairs.
- Implementation of 'Cultura no Centro' (Culture in the Centre) in Portugal, a programme with several activities that promoted local culture and artists. The pandemic had a tremendous impact on the cultural and creative sector, and this initiative aimed to help the sector while providing relevant experiences to visitors. artistas e entidades nacionais do setor cultural.
- Also in Portugal, under the umbrella concept 'Consciência Somos Nós' (We are Conscience) several initiatives were implemented, for example blood donation campaigns; 'Ajudar não pode parar' (Helping Can't Stop) that collected food and school supplies for families in need, among many others.
- In Spain, under the umbrella concept 'Juntos Sumamos' (Together we achieve more), among other initiatives there were campaigns to collect school supplies, provide meal scholarships and collect funds to hospitalised children from the local community to help making their hospital stay a little happier.
- In Italy a strong campaign to collect school materials for the back to school was implemented and there was a Christmas campaign where customers could adopt a teddy bear from the shopping centres' Christmas tree. The funds collected were donated to local Hospitals.
- In Romania under the umbrella concept 'Close to you' there were initiatives focused on supporting women victims of domestic violence; campaigns to collect school supplies for children, and to create awareness regarding plastic waste.

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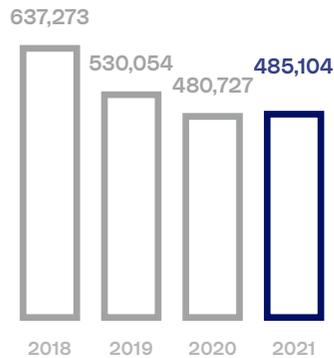
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### Employee volunteering & charitable contributions

Our corporate offices and shopping centres supported 115 charitable organisations in 2021, and the total global donations and other community contributions equalled €485,104 of which €4,945 were contributions from shopping centres' visitors.

#### Donations and other community contributions (€)



Data Qualifying Note: This indicator includes all Sonae Sierra activities.

This included:

- €76,612 in corporate donations to charitable causes.
- €23,713 in shopping centre-level community investment in cash.
- €14,500 in shopping centre-level sponsorships.
- €370,279 in investments to charitable causes and specific activities, events and campaigns with sustainability themes made through our shopping centres' marketing budgets.

Examples of the initiatives and respective results can be consulted on [pages 73 to 75](#).

As another way to contribute to the community, we have an annual Community Day. This initiative was created to boost volunteering on projects that will improve the well-being of their local community. Each shopping centre and corporate office chooses the project and cause they will donate their time to, which allows for projects to be relevant in the context of each region and tailored to the needs of the local community. In 2021 (as well as in 2020) this initiative was cancelled to follow the social distancing recommendations and guarantee employees' safety; however it was replaced by other initiatives as buying Christmas gifts for employees, from local associations (e.g associations supporting the integration of people with disabilities).

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### Number of hours spent by employees in charity organisations



**Data Qualifying Note:** This indicator includes all Sonae Sierra direct employees and trainees that volunteered during the reporting period. The number of hours made available by Sonae Sierra for employee volunteering activities during work time is eight hours.

In 2021, 10 employees volunteered 68 hours to support charitable organizations. The value of the time donated is equivalent to €2,468.

The substantial decrease in the volunteering hours in 2020 and 2021 are, as mentioned above, a result of the cancellation of the Community Day due to the pandemic. The volunteering hours in 2021 include volunteering in the Food Bank, and in the Junior Achievement<sup>32</sup> programme.

For more information, please consult GRI 203-2 on [page 91](#) and GRI 413-1 below.

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<sup>32</sup> Junior Achievement is non-profit dedicated to preparing young people for employment and entrepreneurship and has delivered hands on, experiential learning in entrepreneurship, work readiness and financial literacy. Sonae Sierra employees can apply to be volunteers as teachers in the programme.



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**413-1: Operations with local community engagement, impact assessments, and development programs**

Newly opened shopping centres and those that are undergoing significant expansion and refurbishment works are required to operate Community Advisory Panels (CAPs). These ensure that local communities are consulted on, and involved in, the development and operation of our shopping centres in a way that creates long-term relationships and is sensitive to local cultural considerations. To select CAP members, we identify local stakeholder groups and invite them to participate based on the issues that are relevant to them. Our local shopping centre teams are empowered to develop actions in response to issues raised through the CAPs, using the part of the development or shopping centre marketing budget which is available for community projects.

We also engage with visitors and communities through regular stakeholder engagement activities, including our Mall and Geo Tracking surveys. Mall Tracking surveys collect information on the profile of shopping centre visitors and allow us to understand visitor trends and expectations; Geo Tracking surveys evaluate the impact of our shopping centres on local consumer habits and provide wider intelligence on the social and economic profile of our catchment areas and the competitive landscape. Both are supplemented with additional research in relation to specific projects along with our standard procedures for collecting customer feedback and satisfaction levels. Due to the pandemic, Mall Tracking in its typical format was not performed in 2021, the survey is usually performed in the shopping centres but in 2021 it was made by telephone to people in the catchment area.

Finally, we conduct Environmental Impact Studies or Preliminary Environmental Evaluations on all new development projects and on major expansions where our partners agree.

**CRE7: Number of persons voluntarily and involuntarily displaced and/or resettled by development, broken down by project**

Apart from the first phase of GaiaShopping in Portugal, completed in 1989, none of our projects have ever involved the displacement of local community members. In the case of GaiaShopping, we constructed new houses to resettle the people who used to live in the area.

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## Indicators included in the audit scope

102-8: Information on employees and other workers	Electricity consumption in our corporate offices
201-2: Financial implications and other risks and opportunities due to climate change	Environmental Accounting (EA) model (owned portfolio)
205-1: Operations assessed for risks related to anti-corruption	GHG emissions of owned portfolio and corporate offices – GHG protocol scopes 1 and 2
205-3: Confirmed incidents of corruption and actions taken	GLA of centres under management
302-1: Energy consumption inside the organisation	Incidents of discrimination and corrective actions taken
302-3: Energy intensity	Level 3, 4 and 5 accident rate of our managed portfolio
302-4: Reduction of energy consumption	Number of drills performed divided by total number of sites of operation
303-3: Water withdrawal	Number of employees involved in volunteering activities
305-1: Direct greenhouse gas (GHG) emissions (Scope 1)	Number of grievances about human rights impacts filed, addressed, and resolved through formal grievance mechanisms
305-2: Indirect greenhouse gas (GHG) emissions (Scope 2)	Number of grievances about impacts on society filed, addressed, and resolved through formal grievance mechanisms
305-3: Other indirect greenhouse gas (GHG) emissions (Scope 3)	Number of grievances about labour practices filed, addressed, and resolved through formal grievance mechanisms
305-4: GHG emissions intensity	Number of hours of Safety Preventive Observations performed in shopping centres and corporate offices
305-5: Reduction of GHG emissions	Number of hours spent by employees in charity organisations
306-3: Waste generated	Number of jobs created
306-4: Waste diverted from disposal	Percentage of visits made by private car and other modes of transport, to and from our shopping centres
306-5: Waste directed to disposal	Percentage of water recycled and reused
401-1: New employee hires and employee turnover	Proportion of spending on local suppliers
403-2: Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	Proportion of waste that is sent to landfill across our owned portfolio
404-1: Average hours of training per year per employee	Proportion of waste that is sent to landfill in our corporate offices
405-1: Diversity information on employees and other workers	Significant complaints
416-1: Percentage of significant product and service categories for which health and safety impacts are assessed for improvement	Tenants satisfaction index
CRE1: Building energy intensity	Total number man hours of safety, health and environmental training and awareness provided
CRE2: Building water intensity	Total number of charitable organizations supported
CRE6: Percentage of the organisation operating in verified compliance with an internationally recognised health and safety management system	Total number of visits
CRE8: Type and number of sustainability certification, rating and labelling schemes for new construction, management, occupation and redevelopment	Total tenant sales
Accidents rate (lwcafr) among suppliers, of our managed portfolio	Total waste recycled as a proportion of waste produced across our owned portfolio
Accidents severity rate (asr) among suppliers, of our managed portfolio	Total waste recycled as a proportion of waste produced in our corporate offices
Donations and other community contributions	Visitor satisfaction index
Electricity consumption (excluding tenants) of our owned portfolio	Water consumption (excluding tenants) of the owned portfolio

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## Auditor's review



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INDEPENDENT LIMITED ASSURANCE REPORT OF THE ECONOMIC, ENVIRONMENTAL AND SOCIAL REPORT OF SONAE SIERRA, SGPS, S.A. FOR THE YEAR ENDED ON DECEMBER 31, 2021

**To the Board of Directors of Sonae Sierra, SGPS, S.A.**

**Introduction**

We have performed a review of the Economic, Environmental and Social Report of Sonae Sierra, SGPS, S.A. for the year ended on December 31, 2021 ("Report").

**Responsibilities**

The Board of Directors of Sonae Sierra, SGPS, S.A. is responsible for preparing the Report in accordance with the requirements of the GRI Standards: Core option ("GRI Standards"), and for establishing suitable criteria as well as maintaining an internal control system and appropriate information capture and processing systems and processes to ensure an adequate preparation of the Report.

Our responsibility is to issue an independent and professional report, based on the procedures performed and specified in the "Scope" section.

**Scope**

We conducted our review in accordance with the International Standard on Assurance Engagements other than Audit or Reviews of Historical Financial Information 3000 – ISAE 3000 (revised), and further technical and ethical standards and guidelines as issued by Ordem dos Revisores Oficiais de Contas (the Portuguese Institute of Statutory Auditors). These standards requires us to conclude whether anything has come to our attention that causes us to believe that the Report is not prepared in all material respects in accordance with the GRI Standards: Core option.

Our work is summarized as follows:

- Interview of the Entity's employees responsible for the preparation of the information included in the Report, so as to know and understand the principles, systems and procedures for management, collection and consolidation of the information included in the Report, as well as the associated control mechanisms;
- Review of the content's compliance with the GRI Standards of the general disclosures and of the specific indicators listed on page 139 of the Report, whenever applicable;



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Page 2 of 2

- Analysis of the consistency of the methodology used to collect and consolidate the information included in the Report; and
- Verification of the accuracy of the quantitative and qualitative data included in the Report, namely of the general disclosures and specific indicators listed on page 139 of the Report, through the execution of analytical procedures and/or comparison with supporting evidence, namely, internal reports of the centers (as applicable).

The procedures performed on a limited assurance engagement are substantially less in scope than those performed in a reasonable assurance engagement. Consequently, a lower level of assurance than in a reasonable assurance engagement, is obtained. Accordingly, we do not express an opinion on the Report.

We consider that the evidence obtained is sufficient and appropriate to provide a basis for our conclusion.

**Independence and quality control**

We are independent of Sonae Sierra, SGPS, S.A. in terms of the law and we comply with the ethical standards and guidelines as issued by Ordem dos Revisores Oficiais de Contas (the Portuguese Institute of Statutory Auditors).

We applied the International Standards on Quality Control 1. Accordingly, we maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

**Conclusion**

Based on the work described, nothing has come to our attention that causes us to believe that the Economic, Environmental and Social Report of Sonae Sierra, SGPS, S.A. for the year ended on December 31, 2021, is not prepared, in all material respects, in accordance with the requirements of the GRI Standards: Core option.

Lisbon, April 19, 2022

Deloitte & Associados, SROC S.A.  
 Represented by João Carlos Reis Belo Frade, ROC  
 Registration in OROC no. 1216  
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## Feedback form

At Sonae Sierra we aim to conduct our business in a way that is sensitive and responsive to our stakeholder's needs and concerns. We hope that you found our Economic, Environmental and Social Report interesting, and would be grateful if you could take a few minutes to provide us with some feedback on this report.

Please answer to the questionnaire following this [link](#).

### 1. About you

#### 1.1 Which stakeholder group do you belong to?\*

- Investor/financier
- Local community member
- Tenant NGO/charitable organisation
- Media
- Shopping centre visitor/customer
- Sonae Sierra employee
- Government/local authority
- Supplier Student
- Other option

#### 1.2 In which country do you reside?\*

(\*) mandatory answer

## 2. About the report

### 2.1 Please rate the extent to which you agree with the following statements: (scale 1 = strongly disagree; 6 = strongly agree)

- 1 2 3 4 5 6 This report included information that is of interest to me.
- 1 2 3 4 5 6 I liked the style and layout of this report.
- 1 2 3 4 5 6 I was able to find the information I was looking for.
- 1 2 3 4 5 6 The report integrated information on Sonae Sierra's financial, economic, environmental and social performance well.
- 1 2 3 4 5 6 The report presented an honest and accurate account of Sonae Sierra's performance.
- 1 2 3 4 5 6 This report included information that is of interest to me.
- 1 2 3 4 5 6 I liked the style and layout of this report.
- 1 2 3 4 5 6 I was able to find the information I was looking for.
- 1 2 3 4 5 6 The report integrated information on Sonae Sierra's financial, economic, environmental and social performance well.
- 1 2 3 4 5 6 The report presented an honest and accurate account of Sonae Sierra's performance.

### 2.2 Is there any information on Sonae Sierra's economic, environmental and social performance which you felt was missing from this report?

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### 2.3 Why did you consult this report? Please use the space below to provide your own comments on this report or any other aspect of Sonae Sierra's economic, environmental and social performance.

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### 3. About us

**3.1 Using a scale of 1 to 6, how do you rate:**  
(1 = Very Poor; 6 = Excellent)\*

- 1 2 3 4 5 6 Information about Sonae Sierra's strategic direction and business model?
- 1 2 3 4 5 6 Information on how Sonae Sierra creates value?
- 1 2 3 4 5 6 Information about risks and opportunities faced by Sonae Sierra?
- 1 2 3 4 5 6 Information about the future outlook for Sonae Sierra?
- 1 2 3 4 5 6 Information about the governance within Sonae Sierra?
- 1 2 3 4 5 6 The integration of financial, economic, environmental and social information?
- 1 2 3 4 5 6 The extent to which information was provided on relevant ('material') topics?

**3.2 Do you have any additional suggestions on how Sonae Sierra can continue to create shared value (for its business and society)?**

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(\*) mandatory answer

### 4. About challenges

**4.1 What do you see as being the main social, economic and/or environmental challenges for Sonae Sierra in the next five to ten years?**

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**4.2 Are there any particular aspects of economic, environmental and social performance which you feel that Sonae Sierra needs to improve on?**

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**4.3. Do you give us permission to publish your comments in our future sustainability communications?\***

Yes

No

**4.4. If you answered "Yes" to the previous question. We can publish your comments under the name of...**

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Thank you.

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## Glossary

<b>ASR</b>	Accident Severity Rate	<b>IOP</b>	Improving Our People
<b>BEST</b>	Behaviour with Ethics Sierra Training	<b>IOW</b>	Improving Our Work
<b>BREEAM</b>	Building Research Establishment Environmental Assessment Method	<b>LTV</b>	Loan-to-Value
<b>COSO</b>	Committee of Sponsoring Organisations of the Treadway Commission	<b>LWCAFR</b>	Lost Workday Case Accident Frequency Rate
<b>CRE</b>	Construction and Real Estate (specific GRI)	<b>NAV</b>	Net Asset Value
<b>CRESO</b>	Construction and Real Estate Sector Disclosure	<b>ORES</b>	Olimpo Real Estate
<b>EBIT</b>	Earnings Before Interests and Taxes	<b>OMV</b>	Open Market Value
<b>EBITDA</b>	Earnings Before Interests, Taxes, Depreciations and Amortisations	<b>REIT</b>	Real Estate Investment Trust
<b>EES</b>	Economic, Environmental and Social	<b>SDG</b>	Sustainable Development Goals
<b>EDD</b>	Environmental Due Diligence	<b>S&amp;H</b>	Safety and Health
<b>ENPS</b>	Employee Net Promoter Score	<b>SHE</b>	Safety, Health and Environment
<b>EPC</b>	Energy Performance Certificates	<b>SHEDS</b>	Safety, Health and Environment Development Standards
<b>ERV</b>	Enterprise risk value	<b>SHEMP</b>	Safety, Health and Environment Management Plan
<b>ESG</b>	Environmental, Social, and Governance	<b>SHEMS</b>	Safety, Health and Environment Management System
<b>GLA</b>	Gross Leasable Area	<b>SPI</b>	Safe Practice Index
<b>GRI</b>	Global Reporting Initiative	<b>SSC</b>	Sustainability Steering Committee
<b>HR</b>	Human Resources	<b>WRI</b>	World Resource Institute
<b>IIRC</b>	International Integrated Reporting Council		

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## Annex

Material areas	Definition	GRI topics
<b>Responsible Investment</b>	Integrate Environmental, Social and Governance (ESG) factors into the analyses performed by investors and in the decision-making.	<ul style="list-style-type: none"> <li>• Water</li> <li>• Emissions</li> <li>• Energy</li> <li>• Waste</li> <li>• Customer Health &amp; Safety</li> </ul>
<b>Sustainable Buildings</b>	Integrate sustainability into design, construction and building operations processes and apply green building certification schemes, in order to reduce the environmental impact of assets covering site contamination, energy use, GHG emissions, noise pollution, water use and waste and ensure indoor environmental quality.	<ul style="list-style-type: none"> <li>• Materials</li> <li>• Water</li> <li>• Emissions</li> <li>• Energy</li> <li>• Waste</li> <li>• Customer Health &amp; Safety</li> </ul>
<b>Climate Change Resilience</b>	Incorporate ongoing assessment of climate change related risks and the adaptation to those risks by ensuring the design, construction and operation of buildings and equipment are resilient against consequences of climate change such as water shortage, storms and floods and intense heat events.	<ul style="list-style-type: none"> <li>• Emissions</li> <li>• Energy</li> <li>• Water</li> </ul>
<b>Management of Service Client Sustainability Profile</b>	Foster and improve the sustainability impact of clients in the services sector (such as investors and developers) and ultimately, the impact of their assets, including environmental footprint, social impact and safety enhancement.	<ul style="list-style-type: none"> <li>• Materials</li> <li>• Water</li> <li>• Emissions</li> <li>• Energy</li> <li>• Waste</li> <li>• Customer Health &amp; Safety</li> </ul>
<b>Circular Economy</b>	Integrate principles of the circular economy (removing/reducing waste and pollution at the design stage, keeping products and materials in use, and regenerating natural systems) in business processes by prioritising regenerative resources, preserving and extending resources already in use, using waste as a resource and designing for the appropriate lifetime and extended future use.	<ul style="list-style-type: none"> <li>• Materials</li> <li>• Water</li> <li>• Energy</li> <li>• Emissions</li> <li>• Waste</li> </ul>

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Annex

Material areas	Definition	GRI topics
<b>Management of Tenant/ Occupier Sustainability</b>	Measure, foster and improve the sustainability impact of tenants (occupiers) and ultimately, the impact of their assets, including consumption—namely energy and water—waste generation and safety enhancement.	<ul style="list-style-type: none"> <li>• Materials</li> <li>• Water</li> <li>• Emissions</li> <li>• Energy</li> <li>• Waste</li> <li>• Customer Health &amp; Safety</li> </ul>
<b>Impact on Local Communities</b>	The ability to reduce the negative impact and increase the positive impact of asset management and development activities on the livelihood and well-being of local communities. This includes the way Sonae Sierra starts a dialogue with local stakeholders, to become aware of the relevant issues and opportunities that arise from business operations.	<ul style="list-style-type: none"> <li>• Indirect economic impacts</li> <li>• Local communities</li> </ul>
<b>Responsible Procurement</b>	Ensure procurement processes consider sustainability aspects in order to minimise the environmental footprint through the entire value chain.	<ul style="list-style-type: none"> <li>• Procurement practices</li> </ul>
<b>Human Capital Management</b>	<p>Ensure a diverse, inclusive and empowered workforce by developing employees’ skills through training and development programmes and by ensuring equal opportunities in the workforce.</p> <p>Strong Human Capital management will result in higher employee engagement, talent attraction and retention.</p>	<ul style="list-style-type: none"> <li>• Training and education</li> <li>• Employment</li> <li>• Diversity and equal opportunity</li> <li>• Non-discrimination</li> </ul>
<b>Employee Health, Safety &amp; Well-being</b>	The ability to create and maintain a safe and healthy workplace environment, resulting in enhanced health, productivity and well-being of employees and reduction of rates of injury, occupational diseases, lost days and absenteeism and work-related fatalities.	<ul style="list-style-type: none"> <li>• Occupational health and safety</li> </ul>
<b>Business Ethics, Transparency and Anti-Corruption</b>	Processes to manage risks of bribery, corruption, anti-competitive behaviour, compliance and fiscal management, including the willingness of Sonae Sierra to disclose performances with shareholders and other stakeholders.	<ul style="list-style-type: none"> <li>• Anti-corruption</li> </ul>

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