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CASE STUDY

Non-specialized
inspections to defeat
Coronavirus Pandemic



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Case Study | Executive Summary

NON-SPECIALIZED INSPECTIONS TO DEFEAT CORONAVIRUS PANDEMIC

In a moment of hope, when the first vaccines are being given, it worth to look back to see what we did well, identify lessons learnt and what we can improve in the future. This case is about use existing tools in an innovative way to answer to a disruptive moment, due to Covid-19 pandemic.

Challenge

Since we were strongly hit by COVID-19, it was issued, by governments, new legislation applicable to enclosed public spaces, from shopping centres to small stores, defining regulatory restrictions, in order to guarantee health conditions.

Having all this context in mind, it was of utmost importance the role assumed by Sonae Sierra to support its tenants in a close partnership. From shopping centre preparation, information to tenants, to the support on implementing the necessary measures, it was essential the adequate preparation of stores to receive visitors and restore its confidence and comfort, so they fell like to repeat the “new shopping” experience.

Solution

Sonae Sierra has a unique Safety, Health and Environment Management System (SHEMS) widely implemented and already well known by shopping centers’ operational teams, includes legal compliance and set the obligation to identify and manage new legal requirements, specific from the different geographies.

In this way, to help tenants to have knowledge and comply with, it was implemented time ago a Tenant management procedure, that establishes the basic principles for tenants’ management regarding safety, health and environment issues and the minimum SHE inspections to control its implementation. The inspections varies according with countries and the type of activities (restaurants, stores or warehouse) and are performed according with a pre-defined periodicity.

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NON-SPECIALIZED INSPECTIONS TO DEFEAT CORONAVIRUS PANDEMIC

Outcome

The local and non-specialized inspections are done according with checklists, that were rapidly updated with a COVID-19 section. Due the issue' importance was performed pre-reopening inspections and from then on repeated periodically, according with the result, to increase tenant's knowledge and preparedness to face the new health rules.

The inspections were done using an online application. When a non-conformance was identified, the system generates an inspection report asking tenant' resolution and scheduling new inspection.

Highlights

The COVID-19 non-specialized inspections:

- Guaranteed the tenants' knowledge and legal requirements implementation;
- Assured an adequate preparation at the shopping centres reopening;
- Contributed for a safe & health of visitors and tenants, avoiding the disease spread;
- Gave confidence to return to shop "as usual".

Key Results

2,280

tenants' inspections performed by shopping' operational teams

Bronze Award in The International Business Awards®

for "Coronavirus Pandemic - Rise-up and Reinvent retail real estate operations", in the COVID-19 Response Categories; Subcategory: Most Valuable Corporate Response, where this inspection program was also include

Abstract

In a moment of hope, when the first vaccines are being given, it worth to look back to see what we did well, identify lessons learnt and what we can improve in the future. This case is about use existing tools in an innovative way to answer to a disruptive moment, due to COVID-19 Pandemic.

After the general lockout, that greatly damage the economy to preserve human life, it was essential to be ready to the return – reopening of shopping centres - and offer health & safety to our tenants and visitors.

Through effective engagement with tenants, and taking advantage to the Sonae Sierra Safety, Health and Environmental Management Systems (SHEMS), which existence date backs to 1999, and is well established in shopping operations, a new layer of COVID-19 was included in the non-specialized inspections.

More than 2,000 inspections were performed to guarantee the preparedness of tenants and shopping centres to deal with the “new-normal”.

The evidence of its effectiveness is the level of preparedness showed by stores and restaurants, as well as the inexistence of non-conformances identified by authorities, in its own inspections.



Introduction

COVID-19 Pandemic, the responsible for the global health crisis of our time, has spread to nearly every country upending life and derailing the global economy. It represents the greatest challenge that humanity has faced since World War Two. We are definitely living an unprecedented socio-economic crisis.

Due to the compulsory lockdown period, stores were closed for some time, and after reopening, are facing a “new normal” reality. **A new normal with limiting rules and laws, where mandatory preventive measures have to be adopted such as social distancing, wearing face masks in public, hands disinfection, ventilation and air-filtering, maximum occupational rates, disinfecting surfaces, etc.**

In the middle of such historical and disruptive moment it is hard to react efficiently and focus on what really matters, considering all the misinformation and the panicking of the general society.

All the preparation and support were essential on the return, to guarantee that the stores reopen safely and with health conditions, protecting workers and visitors, and reinforcing the safety of shopping centres.



Background

The more than 30 years of Sonae Sierra's extensive and specialized experience in managing shopping centres were a key factor during this world Pandemic.

Sonae Sierra, a full real estate services provider, committed to delivering solutions to meet its clients' needs and ambitions, had in 2019, more than 6.500 tenants' contracts under management, in assets with an occupancy rate of 96,5%.

Acknowledging the importance of supporting tenants that for several months saw its income curtailed and whose survival was, in some cases, jeopardized and recognizing a more anxious and apprehensive consumer, Sonae Sierra has decided to be completely involved in reopening shopping centres and stores in a responsible way.

Aligned with its values, Sonae Sierra embraced the return from the lockdown in a unique, efficient and cooperative partnership with tenants, working together to bring in confident visitors, that feel comfortable to shop. In fact, this is a long run that Sonae Sierra perceived along all its way, during all these years.



Challenge

The Pandemic has caused global and economic disruption, including the largest global downturn since the Great Depression. The mandatory lockdown in several countries, the new health rules to prevent the spread of the virus and the possibility of contagion, as the social distancing, changed the way we live and how we shop.

Since we were strongly hit by COVID-19, it was issued, by governments, new legislation applicable to enclosed public spaces, from shopping centres to small stores, defining regulatory restrictions, in order to guarantee health conditions.

Not all tenants had deep knowledge of the mandatory procedures and was necessary to clarify and help them implementing it, so the visitors and potential consumers feel comfortable and protected.

Besides the importance of the visitor's confidence, it worth to say that the national authorities increased the control to assure the correct comprehension of the new rules and its implementation.

Having all this context in mind, it was of upmost importance the role assumed by Sonae Sierra to support its tenants in a close partnership. From shopping centre preparation, information to tenants, to the support on implementing the necessary measures, it was essential the adequate preparation of stores to receive visitors and restore its confidence and comfort, so they fell like to repeat the “new shopping” experience.

Sonae Sierra worked hardly, cooperating with its tenants, to promote health conditions that keep visitors safe and contributing actively for the economic recovery of its tenants.



Solution

Taking advantage of Sonae Sierra large experience and already implemented management tools, it was possible to react quickly and in a systematic and consistent way across all portfolio. Several measurements and process were started to support shopping's reopen and the non-specialized inspections were one of those.

Sonae Sierra has a unique Safety, Health and Environment Management System (SHEMS) that is certified by both ISO 14001 and OHSAS 18001/ISO 45001. The Environment Management System (established in 1999) achieved ISO 14001 certification in 2005 and the Safety & Health Management System (SHMS) achieved OHSAS 18001 certification in 2008.

The existing SHEMS, widely implemented and already well known by shopping centers' operational teams, includes legal compliance and set the obligation to identify and manage new legal requirements, specific from the different geographies.

In this way, to help tenants to have knowledge and comply with, it was implemented time ago a Tenant management procedure, that establishes the basic principles for tenants' management regarding safety, health and environment issues and the minimum SHE inspections to control its implementation. The inspections varies according with countries and the type of activities (restaurants, stores or warehouse) and are performed according with a pre-defined periodicity.



Outcome

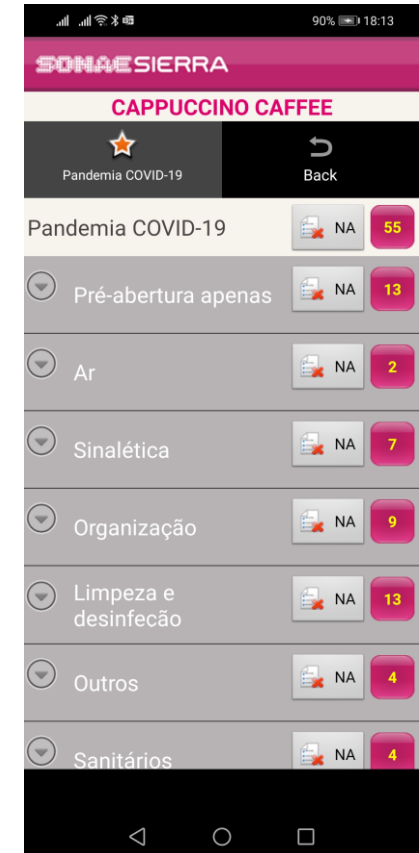
The local and non-specialized inspections are done according with checklists, that were rapidly updated with a COVID-19 section. Due the issue' importance was performed pre-reopening inspections and from then on repeated periodically, according with the result, to increase tenant's knowledge and preparedness to face the new health rules.

The upgrade of the checklist to consider COVID-19, included several areas namely:

- **Specific issues for the first inspection at the reopening**
- **Air quality**
- **Signage**
- **Organization**
- **Cleaning and disinfection**
- **Specific issues for restauration with table seats**
- **Specific issues toilets in restauration**

The inspections were done using an online application. When a non-conformance was identified, the system generates an inspection report asking tenant' resolution and scheduling new inspection.

More than 2,280 non-specialized inspection were made during 2020.



Inspections' APP

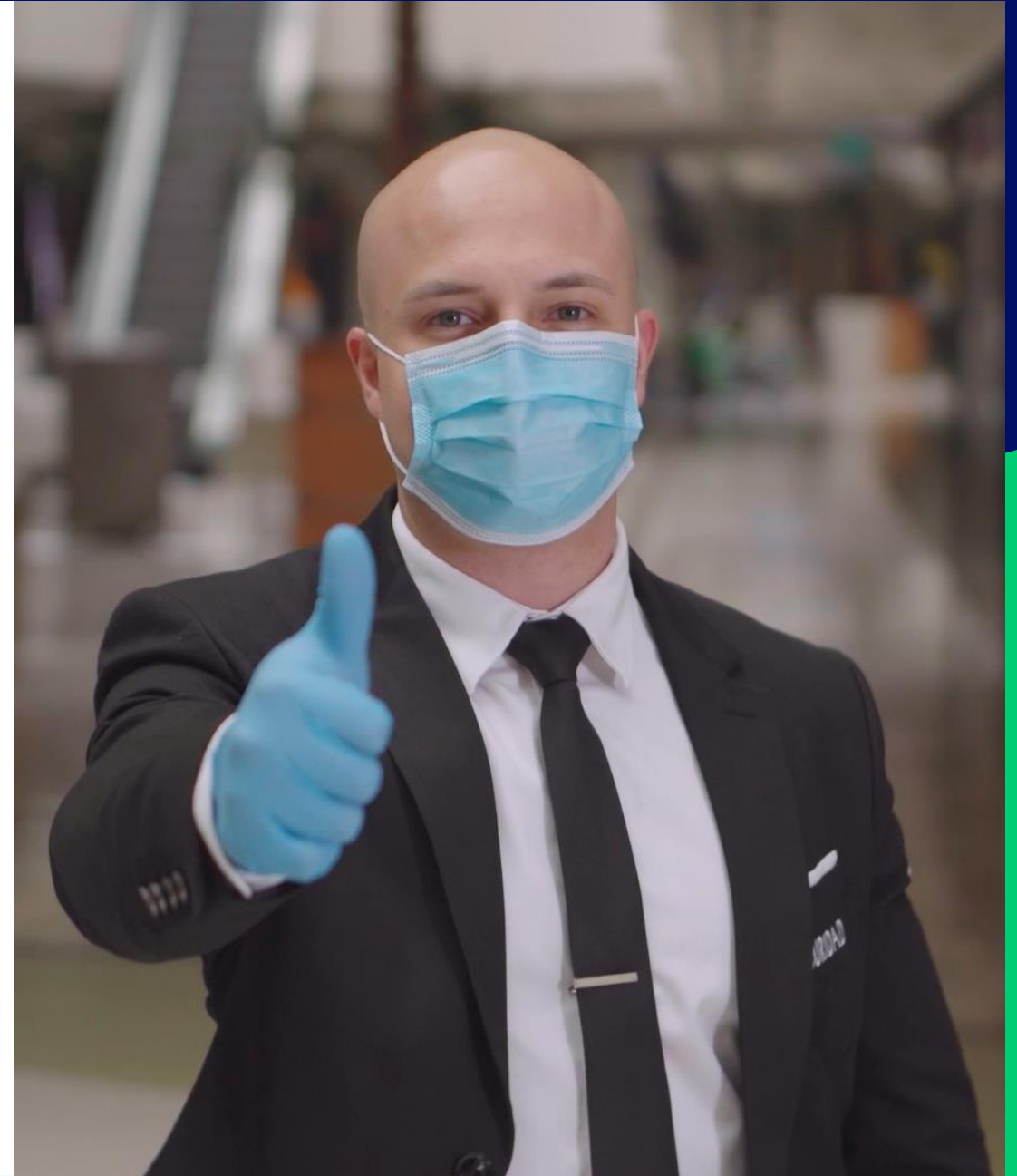
Conclusion

The non-specialized inspections were fundamental for the success of the shopping reopening, contributing for the visitors' confidence.

From the various inspections, made by the authorities, no non-conformities were pointed out, only small improvement notes were made, which translate the good cooperative work. This was only possible due to the partnership with our tenants in a such delicate moment.

The upgrade of an existent and consolidated tool, that will remain within the framework of the SHEMS, was a smart answer that helped to reinforce the importance of the Management System and at the same time, answered to a crucial and disruptive moment of returning to a new "normality".

The improvements integrated in the SHEMS underpinned the preparedness of the tenants in the reopening, after the mandatory lockdown, which contributed for a better know how of the legal requirements and supported the implementation of the necessary measures that assured the health safety of visitors and strength its well-being perception.





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