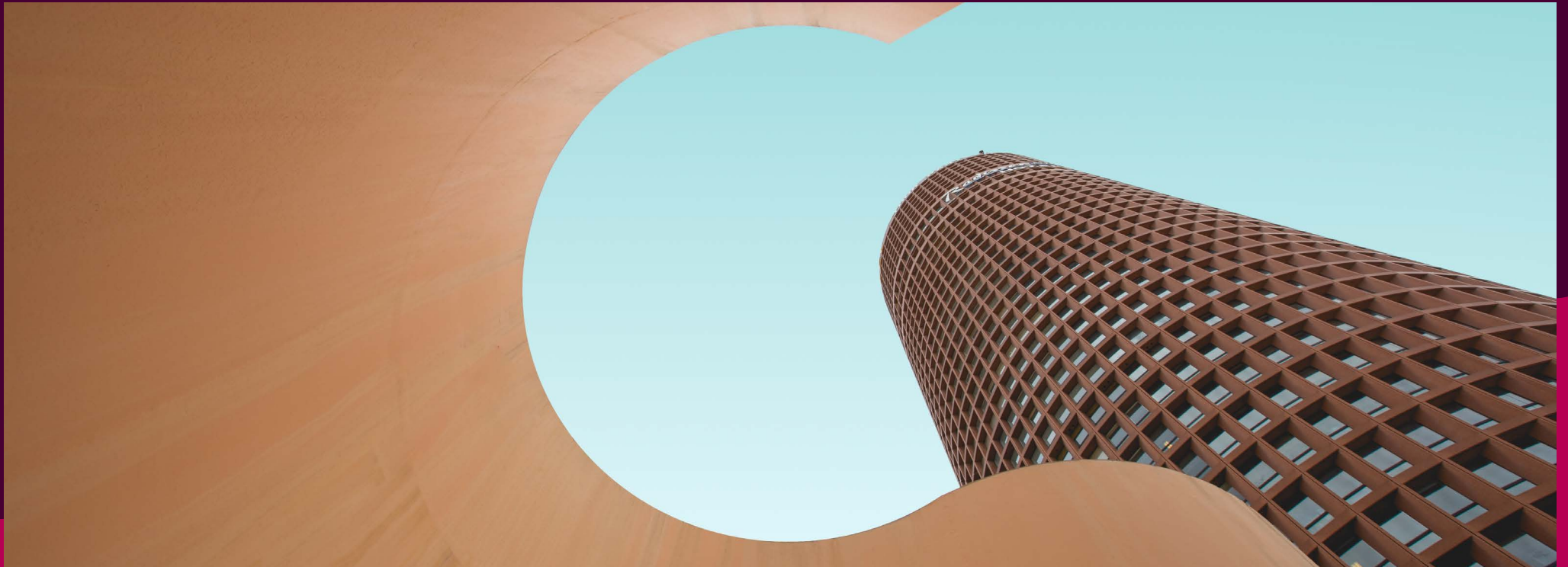


The acts of change

Open mind,
Greater value.



The acts of change



There is no change without an act
And no action without a story

Through a narrative of transformation
Our characters are defined by audacity
Our values are reimagined by ideas
Our vision is reshaped by the future

We turn ideas into billions
Plots into new buildings
Goals into new beginnings

Open mind,
Greater value.

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The acts
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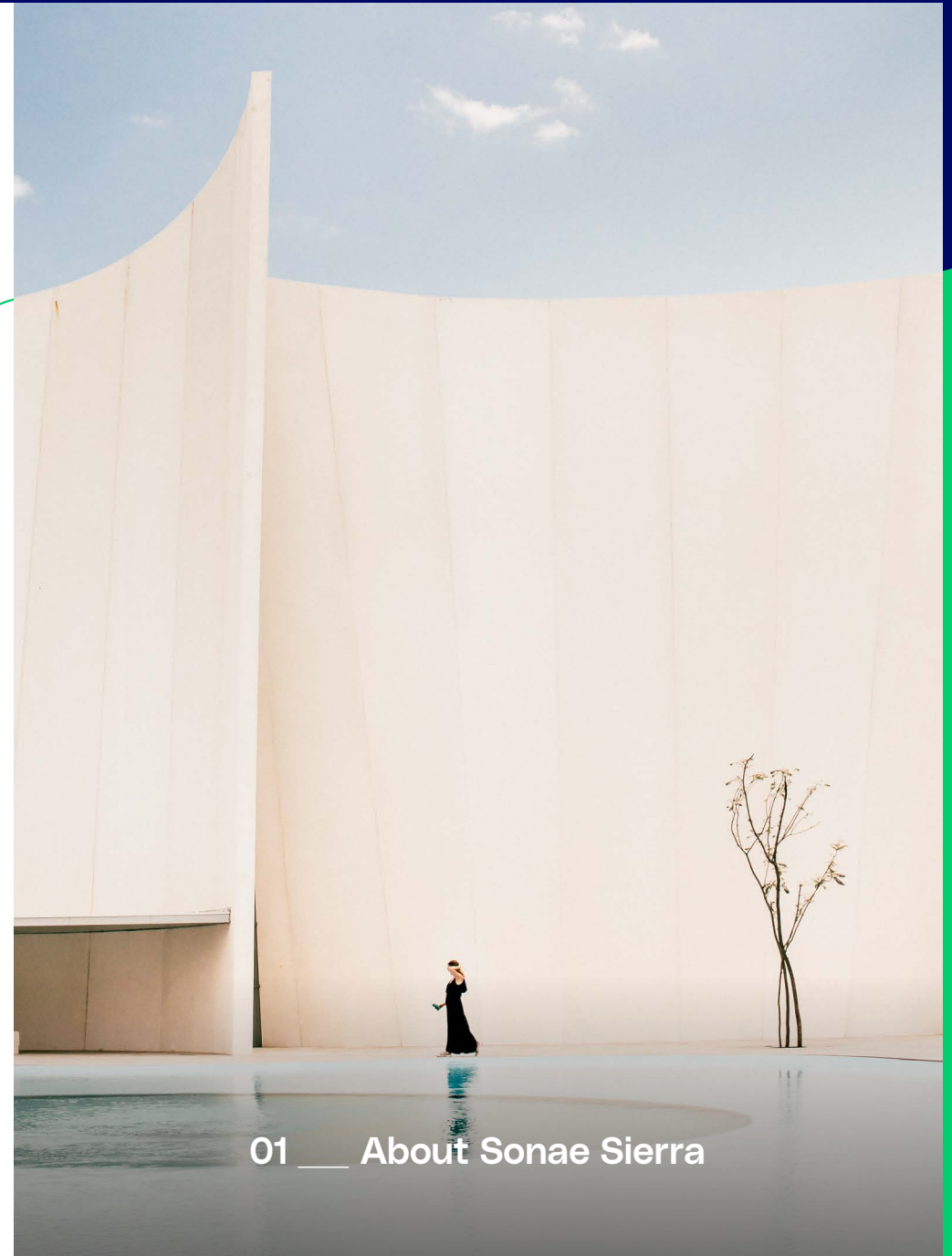
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Strategic Mindset

Act 01

Designing the blueprint
of the future.



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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

It is with great pleasure that I present to you the annual report of Sonae Sierra for the past year. This has been a transformative year for our organisation, as we have successfully executed our new strategy and achieved significant growth and success across all of our business units. During this first full year of executing our new strategy, we achieved significant milestones. We have increased our assets under management by over €665 million, approved €222 million in capital expenditures for new projects, almost doubling our multi-sector development pipeline to €450 million.

Shopping Centres Portfolio have seen exceptional results. Our sales have increased by 35.6% compared to the previous year, we have received 26.1% more visitors, occupancy rate stood at 97.6% across our portfolio and rents have increased by 33.4% yoy. These results are a clear indication of the value proposition

we offer to our tenants and the success of our efforts to improve the tenant mix and enhance the customer experience.

Regarding Developments, we have invested in several new projects, including a residential complex and a mixed-use, which has allowed us to tap into different segments of the real estate market. We have also made progress on our pipeline, and have now two projects under construction, namely Colombo offices Tower (€117 million, offices project set to be completed in 2025, with a GCA above ground of 35,000 sq.m) and Signal (€56 million, mixed-use project set to be completed in 2024, with a GCA above ground of 14,000 sq.m) – both located in Lisbon. We have another five projects under licensing (of which, two are expected to start construction in 2023). All of this in the context of increasing costs, which we have been able to manage, giving us confidence about our future success.

Regarding Developments, we have invested in several new projects,

including a residential complex and a mixed-use, which has allowed us to tap into different segments of the real estate market.

We have also made progress on our pipeline, and have now two projects under construction, (...). We have another five projects under licensing (of which, two are expected to start construction in 2023).

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We have achieved considerable growth and success across all of our business units and have made substantial progress in terms of sustainability.

In the Investment Management business, we have had a fruitful year in terms of acquisitions and new initiatives. Some of our key acquisitions include Atrium Saldanha in Lisbon (€205 million), which we believe will provide a stable return on investment. We have concluded an equity investment in ORES PT (€26.2 million) and our investment management subsidiary, Sierra IG, has obtained the necessary authorisation to operate in the Netherlands and Luxembourg. We have also recently taken on the asset management of Colombo's Continente hypermarket. Additionally, we have begun several new initiatives with potential vehicles that will expand sectors under management.

Our services have also seen sizable growth, with new property management contracts signed for properties such as Atrium Saldanha,

Breogan Park, Generali's assets, Aeria Mall and the retail areas of Oriente Green Campus. We have also initiated new projects such as a food market project in Reggio Emilia, which we believe will provide new revenue streams and diversify our portfolio. In Reify., we have expanded to new countries and made considerable progress in non-retail sectors. We have been able to offer solutions to clients seeking to improve the design, functionality, and sustainability of their properties, and this has been a crucial driver of our success in this area.

In Latin America, we have merged with another Company to create the market leader in the shopping centre industry in Brazil, and have acquired a new plot of land for a new development in Colombia, which will increase our presence in the region.

Sustainability is a key aspect of our business strategy and we are committed to contributing to sustainable development. We have implemented energy efficiency systems in our properties, reducing our carbon footprint and decreasing operating costs. We have also implemented several initiatives to increase diversity and inclusion in our workforce and to ensure that our properties are accessible to all members of the community.

In conclusion, this past year has been a positive one for our Company. We have achieved considerable growth and success across all of our business units and have made substantial progress in terms of sustainability. We are proud of the progress we have made in our Latin America operations and the growth we have seen in our non-retail sectors.

As we look ahead to 2023, we are aware that it will be a challenging year, given the high levels of inflation during this year and the increasing interest rates. However, we are confident in our ability to navigate these challenges and continue to provide strong returns for our stakeholders.

I would like to take this opportunity to thank our team for their hard work and dedication over this past year. It is through their efforts that we have been able to make significant progress in the execution of our new strategy.

Thank you for your continued support.

Sincerely,

Fernando Guedes de Oliveira
CEO, Sonae Sierra

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> €665m
Increase in assets under management

35.6%
Our sales have increased compared to the previous year

5
New projects under licensing (of which, two are expected to start construction in 2023)



About this report

This annual report provides a fully integrated account

of our business strategy, operational and sustainability performance in 2022.

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

For this reason, this annual report provides a fully integrated account of our business strategy and operational performance in 2022, 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. For this reason, 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 Global Reporting Initiative's (GRI) Reporting Standards and the Construction and Real Estate Sector Disclosure (CRESO). The Sustainability Statements in [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.

The IIRC requires that this report covers the Six Capitals to present a comprehensive overview of how our business relies on and impacts each capital. The Six 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 people), 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, in 2021, Sonae Sierra reviewed its material areas ([see below for further information](#)) and the materiality matrix to take into consideration their impact and influence on the assessments and decisions of Sonae Sierra's stakeholders. Each material area, presented in the Materiality Matrix below, reflects these aspects.

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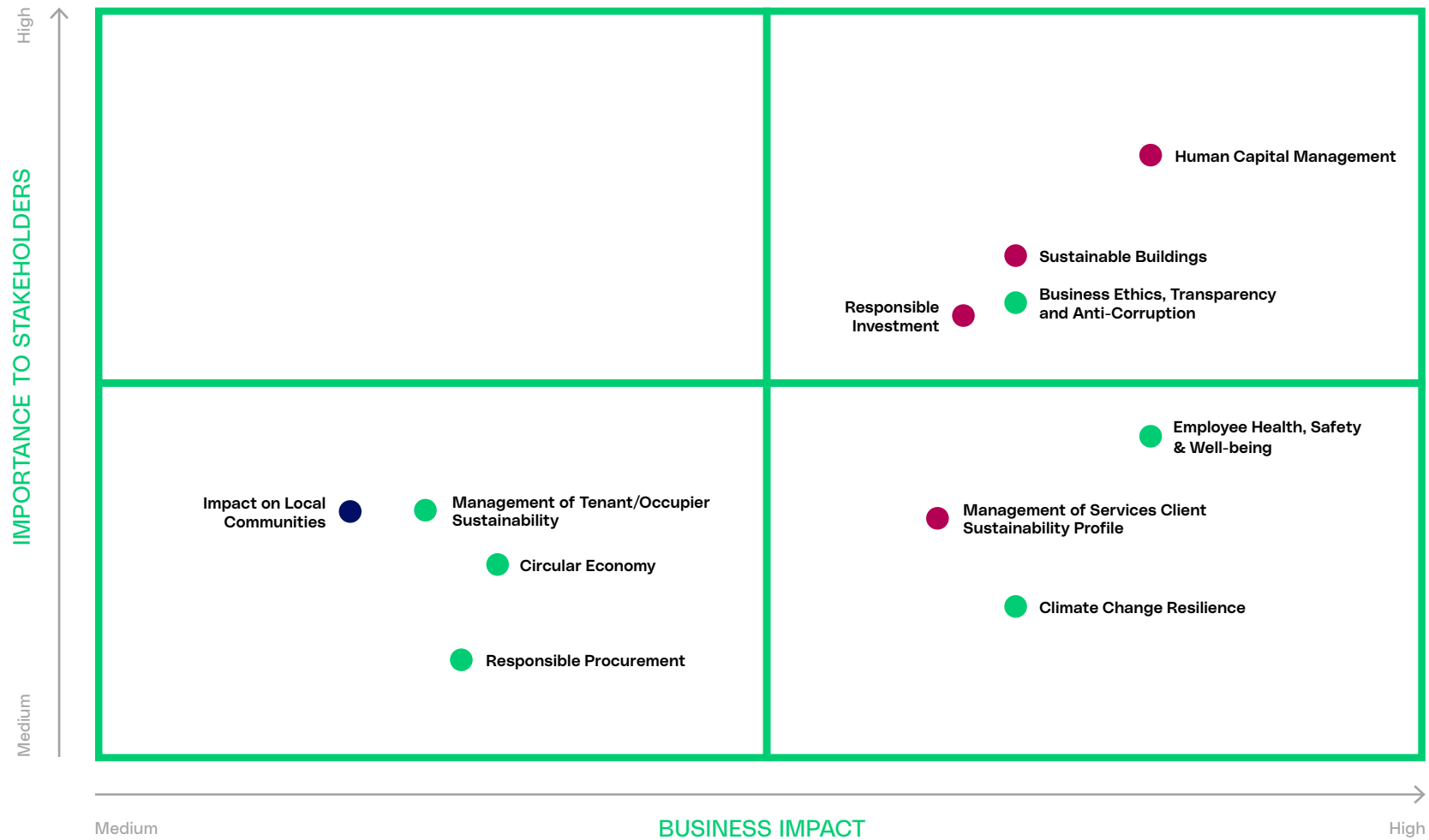
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Materiality matrix



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



Sustainable Development Goals (SDGs)

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 of these 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 in terms of our business, along with examples demonstrating 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 boost 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 a negative impact on the environment and on the health and well-being of building occupants.



Promote environmental and social events designed to engage local communities.



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, 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 aimed 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. Collaborate with town councils to implement systems that enable the efficient use of resources.

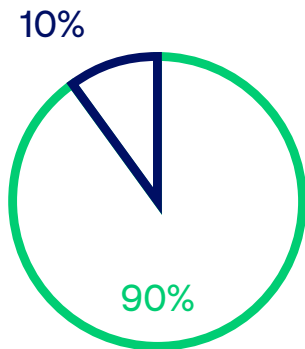
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Who we are

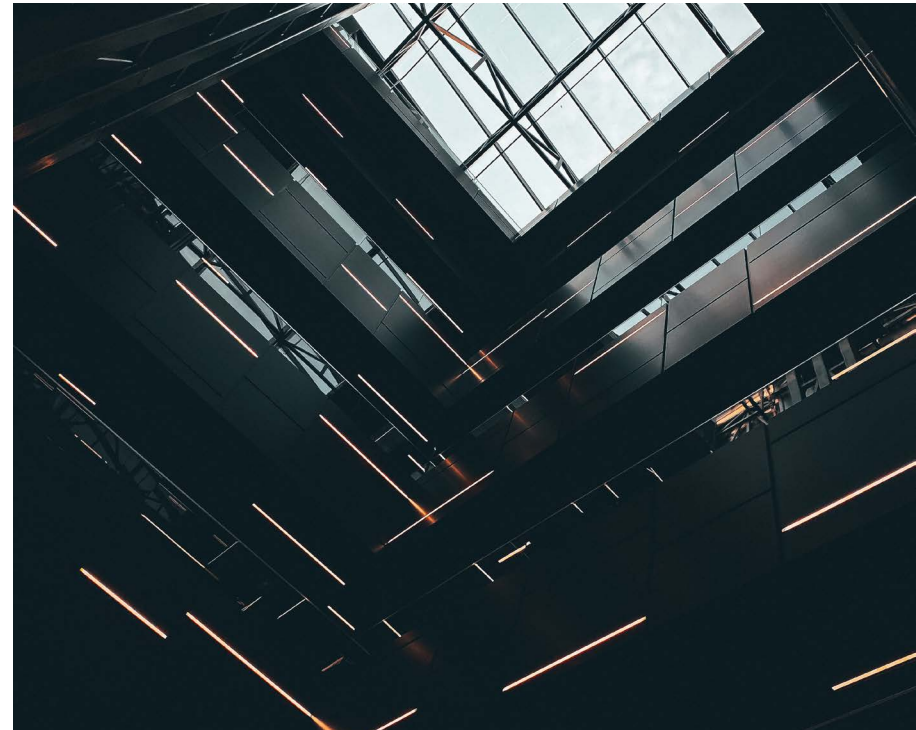
Sonae Sierra is a global specialist in the real estate sector.

We are owned by Sonae SGPS (Portugal, with a 90% stake) and Grosvenor Group Limited (the United Kingdom, with a 10% stake).



● Sonae SGPS ● Grosvenor Group Limited

We are owned by Sonae SGPS and Grosvenor Group Limited.



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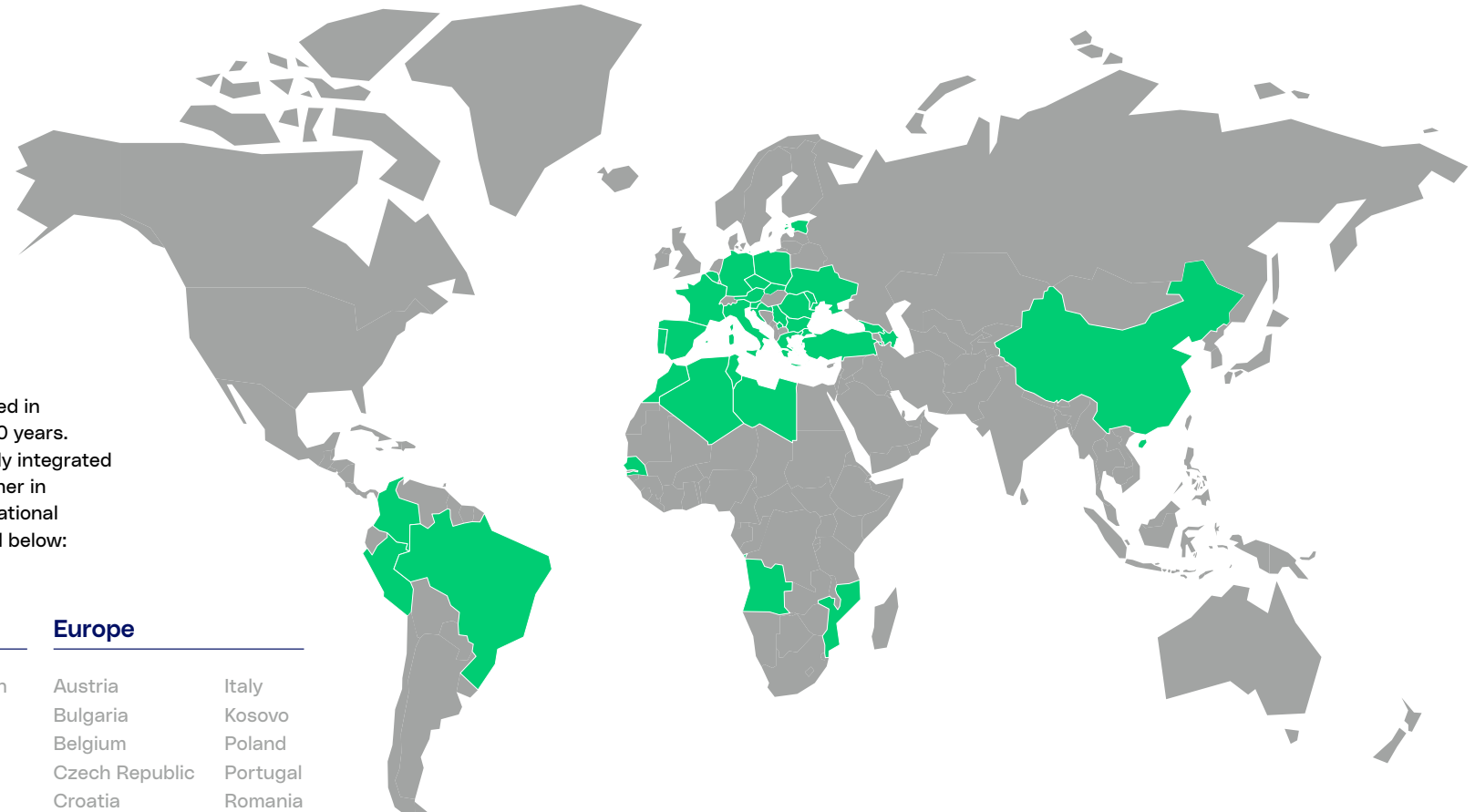


International footprint

Covers 34 countries



We have developed, managed and invested in sustainable retail assets for more than 30 years. Sonae Sierra positions itself as a vertically integrated Real Estate player and an operating partner in different Real Estate projects. Our international footprint covers 35 countries, as detailed below:



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

Awards

Sonae Sierra was awarded and recognised for different projects.



Sonae Sierra's activity is 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. Additionally, we bring passion, excitement, innovation and our know-how to the real estate industry. This has allowed us to develop outstanding projects, as demonstrated by the awards we have received.

Scope

Award

Category

ParkLake

CIJ Awards 2022

Best Retail Lease of the Year

**Livensa Living Lisboa
Cidade Universitária**

Expresso/ SIC Notícias Real Estate Awards

Interior Design, in the residential category

Sierra Balmain

CEE Retail Awards

Best Property Management Company

Best Asset Management Firm

Best in Footfall/Sales Activation

CityLife Shopping District

CNCC Italy Awards

Best in Tenant Brand & Partnership

Best in Brand Awareness and (re)positioning

Fashion City Outlet

Social Media Awards

Best Use of Augmented Reality



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What we do

Sonae Sierra

is an integrated real estate player and an operating partner for real estate investors.

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

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

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



Reify.



Developments



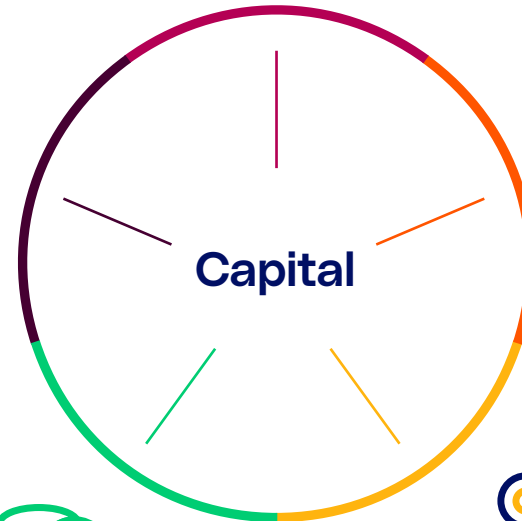
Asset Management



Investment Management



Property Management



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Investment Management

Sierra Investment Management provides first-class investment management services (from vehicle setup, to fund management and value delivery) 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. These experts 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 long-standing relationships with blue-chip investors, extensive knowledge and a well-informed understanding of the risk factors that could influence the expected outcome of the projects and the return on 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 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 such a way that enables us to maximise the potential benefits for our clients and optimise their returns and profitability.



Developments

Sonae Sierra Developments business unit 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, executing and selling the project. It engages with partners, local authorities and suppliers to ensure the effective adoption and implementation of high standards of quality whilst supporting long-term environmental, economic and social sustainability.

Specifically, this business unit:

- i) drives economic and social progress by developing innovative and sustainable real estate projects in urban locations that have a positive impact on the places and communities in which they are built, while acting in an ethically responsible way that respects the environment;
- ii) contributes towards a healthy and sustainable lifestyle, improves the quality of life of the communities in which it operates, and creates economic and social benefits for local communities, suppliers, new businesses, and joint-venture partners through its activities
- iii) increases awareness and adoption of eco-efficiency improvements through sustainability initiatives.



Asset Management

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. This 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 levels of profitability. Our solid positioning enables us to offer our customers a strategic approach in relation to the asset, providing risk-control actions and offering a high return on investment while minimising costs.



Property Management

The Property Management business unit aims to create value for owner companies, tenants and other stakeholders by offering a complete set of Property Management and Leasing Services, ensuring that the operations of the assets under management run smoothly, efficiently and are client-focused.

Sonae Sierra provides property management, leasing and marketing services to different types of assets, from shopping centres, to retail parks, food markets, car parks and

mixed-use condominiums, amongst others. With a client-centric approach, Property Management aims to align its interests to those of a diverse range of investors and customers, optimising operating costs and proactively ensuring the revenue and the asset's long-term value are maximised. The business prides itself on maintaining robust relationships with tenants and suppliers as well as its dynamic leasing activity, which together ensure effective and efficient standard operating procedures. This business unit leverages innovative concepts that successfully engage and entice consumers through an international and highly skilled team with a proven track record.



Reify

At Reify, we are urban creators.

With extensive expertise in architecture, engineering, development & project management and licensing & urban planning, we are an integrated player that provides the full spectrum of real estate services necessary to create, change, or boost projects, assets, and cities.

Active in multiple sectors such as residential, offices, healthcare, retail, hospitality, logistics, data centres, student accommodation, senior housing, education and transportation, Reify, is made up of 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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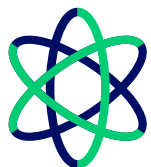
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Key highlights



€8.0 bn

Open Market Value¹



€30.7 m

Net Result



2.9m sq.m

Total managed GLA²



97.6%

Total Occupancy rate of Sonae Sierra³



40%

Reduction in water consumption since 2003



58%

Assets with BREEAM In-Use certification



90%

Reduction in GHG emission intensity since 2005



€972.0m

INREV NAV

¹100% basis in Europe + Brazil + Colombia | ²Managed Portfolio, Europe + Colombia + Morocco, Excluding Brazil | ³Relative 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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After defining a new strategy in 2020 and developing 4 strategic guidelines in 2021, throughout 2022, we focused on the execution of those pillars, as detailed in the next chapter.

Strategic guidelines:

1. Expand the real estate investment management business by creating vehicles tailored to the profitability and sustainability objectives of different types of investors.

2. Accelerate the development of sustainable and differentiating urban spaces for multiple uses, such as residential, office, leisure and retail.

3. Strengthen the real estate integrated service offer for third parties in line with new concepts in city living.

4. Prepare the portfolio of shopping centres under management for the future through the creation of differentiating and multi-channel experiences.

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.

Additionally, through the “Positive Energy” campaign, particularly aimed at our shopping centre tenants and visitors, Sonae Sierra

raised awareness on how to reduce energy consumption. Under the scope of this campaign, Sonae Sierra decided to postpone the switching on of the Christmas lights in the shopping centres and reduce the hours when the lights were turned on.

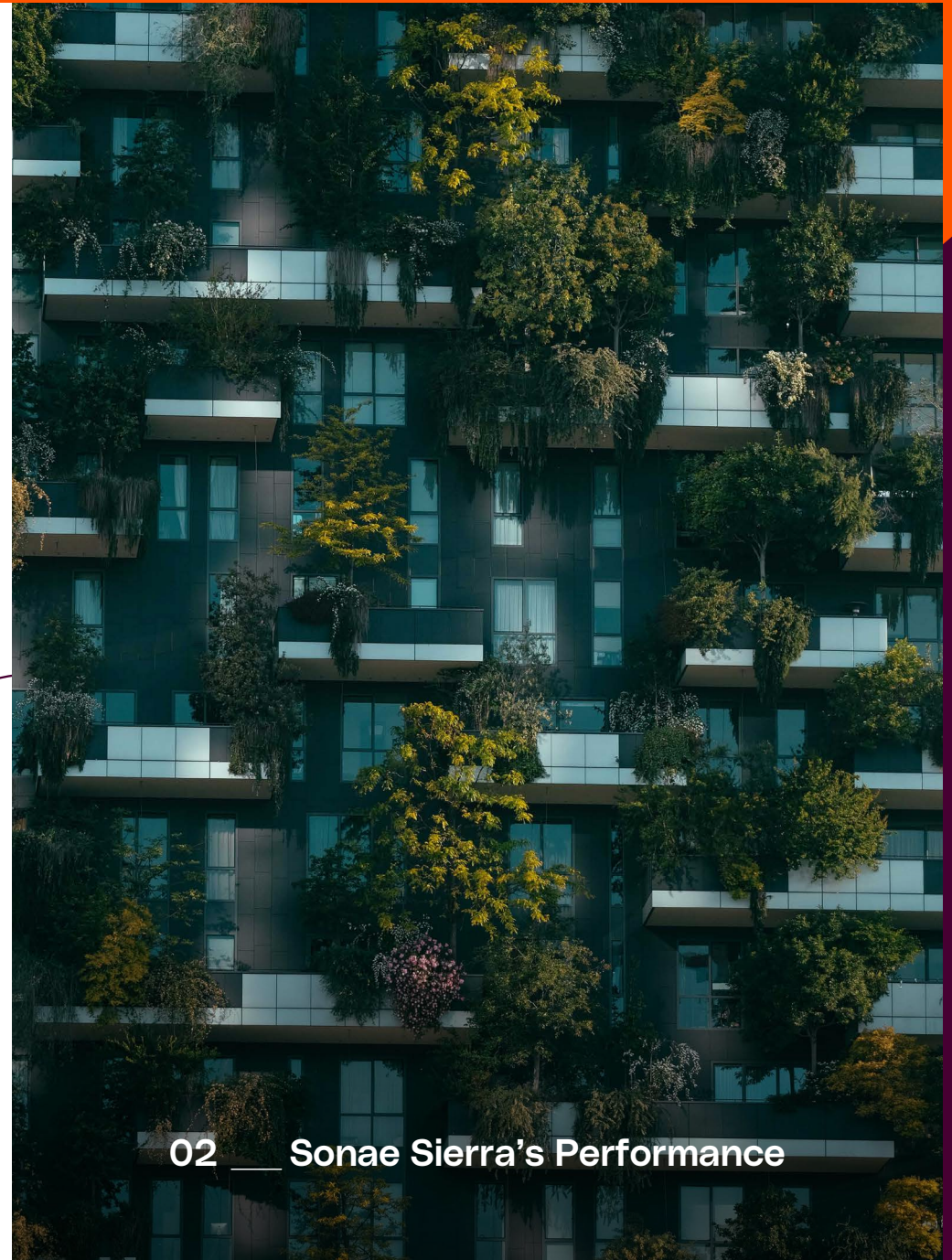
Sonae Sierra raised awareness on how to reduce energy consumption.



Growth Oriented

Act 02

Expanding profit through solid foundations.



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02 — Sonae Sierra's Performance



Operational Performance

Future-Proofing of the Shopping Centre portfolio

Sonae Sierra is recognised for its long-standing track record in the development and management of shopping centres, retail parks and other retail-centric properties.



We are extremely proud of this well-deserved recognition that has led to Sonae Sierra becoming a reference name as a leader in European retail real estate.

After two challenging years, with Covid-19 having a detrimental effect on the global economy and physical retail in particular, 2022 was a year marked by the recovery of operational activity in shopping centres. During the year, sales of Sonae Sierra's European Shopping Centre portfolio surpassed those of 2019. Moreover, occupancy rates are higher than the last two years and we were able to maintain collections rate at a very high level.

Moreover, the shopping centres managed by Sonae Sierra were able to attract renowned tenants in each country as seen with the successful opening of Victoria's Secret in NorteShopping; the largest certified Lego Store in Western Europe, located in Centro Colombo; and the first Primark flagship store in Romania opened in ParkLake. These results serve as a testimony to our portfolio's strength and reflect the results of our active management strategies.

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98.1%

Occupancy rate for European portfolio



€290.5m

Total rent for the European Portfolio (an increase of 8.9% vs 2019, LfL; and of 33.2% vs 2021, LfL)



€4.8bn

Total sales for the European Portfolio (an increase of 4.8% vs 2019, LfL; and of 35.7% vs 2021, LfL)



334.6m

Total visits for the European Portfolio (126.9% as a % of 2021, LfL; 88.2% as a % of 2019, LfL)

97.6%

Occupancy rate for Sonae Sierra portfolio

€293.7m

Total rent for the Sonae Sierra Portfolio (an increase of 8.9% vs 2019, LfL; and of 33.4% vs 2021, LfL)

€4.9bn

Total sales for the Sonae Sierra Portfolio (an increase of 4.8% vs 2019, LfL; and of 35.6% vs 2021, LfL)

351.0m

Total visits for the Sonae Sierra Portfolio (126.1% as a % of 2021, LfL; 87.6% as a % of 2019, LfL)

In addition to the business itself, Sonae Sierra is also committed to both the environmental and social components of the shopping centres it manages.

On an environmental level, several measures were implemented and the sustainability achievements of each shopping centre have been promoted through their various media channels. Following the supply issues that emerged from the Russo-Ukrainian war, energy efficiency has become more urgent. In this context, Sonae Sierra launched the campaign, “We hardly notice, but the planet does”, which resulted in using only energy-efficient LED lighting, a reduction in the operating periods of several systems and

decreased lighting levels. This was further exemplified during the Christmas season when the Christmas light displays were turned on for a shorter period. Finally, it is worth highlighting the example of Plaza Mayor as it is the only shopping centre in Spain with sustainable gardens (e.g., native plants, no chemicals, a recirculating system for irrigation, a shelter for birds and insects, drinking spots for animals and the establishment of a butterfly colony).

On a social level, on the one hand, it is worth emphasising Sonae Sierra’s “humanitarian” campaigns related to cancer, food support to families or blood collection. On the other hand, Sonae Sierra promotes engagement

with local communities supporting artists and national and regional cultural entities through initiatives like “Cultura no Centro”, “Olá vizinho”, “ViArtes”, “Cascais music fest” and “Vogue night in”.

Additionally, shopping centres continue to reinforce their positioning as hubs for social interaction, and Sonae Sierra is investing in refurbishment projects to enhance their comfort, boost innovation and modernise the centres. In 2022, Valle Real benefitted from natural light and innovative design solution refurbishments, now a key attribute of the centre. Furthermore, Max Center presented its renewed image with the inspiration for its design stemming from

the Bilbao skyline. It has pleasant, welcoming areas for visitors and boasts one of the biggest digital pieces of art in Europe that is more than 17 metres high and can be used to project digital content and experience augmented reality.

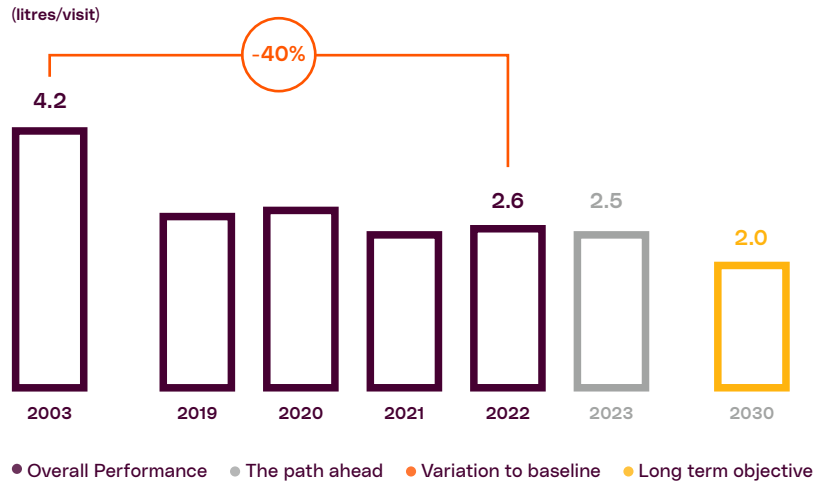
In addition, in 2022, we made important steps towards our net zero goal for 2040. Sustainability is of paramount importance to Sonae Sierra as is reflected by our achievements in the area. In 2022, we were able to improve water efficiency by 40%, electricity efficiency by 66%, waste recycling by 250% and reduce emissions by 90%, compared to the baseline.

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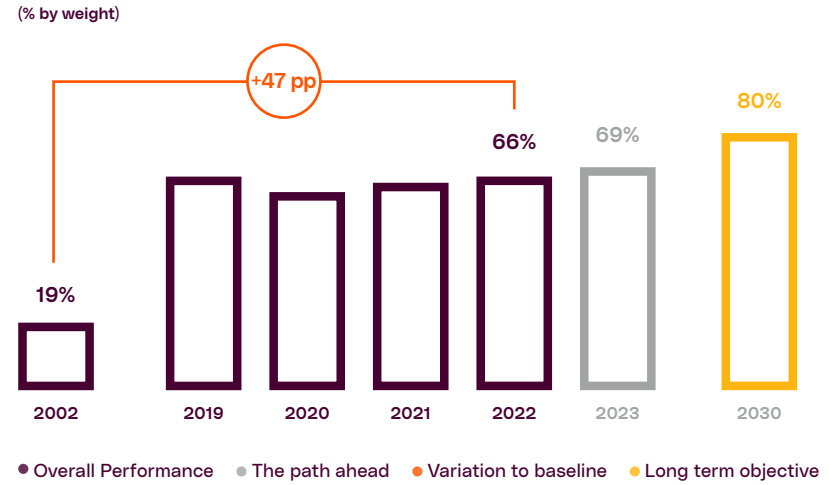


These graphs refer to the owned portfolio performance.

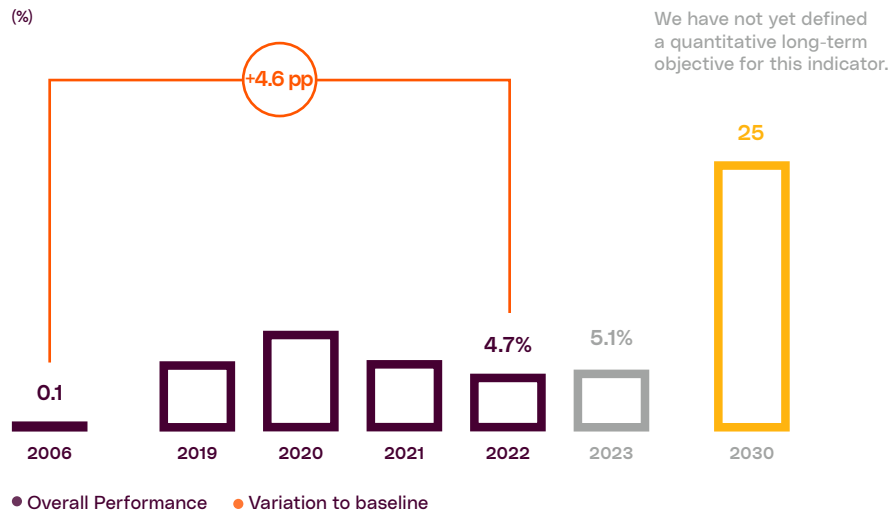
Water consumption (excluding tenants)



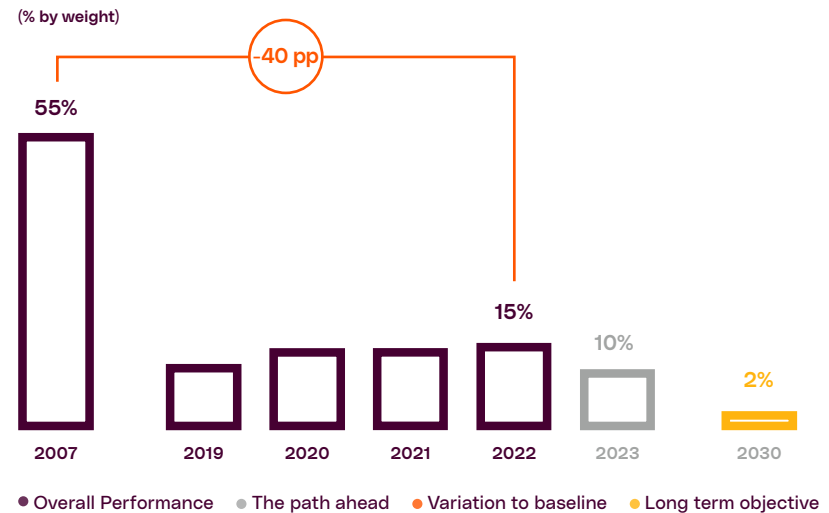
Waste recycling rate



Percentage of water recycled and reused



Waste landfill rate



* The performance in 2020 and 2021 was affected by the imposed curfews, so the data should be analysed together with the performance in 2019.

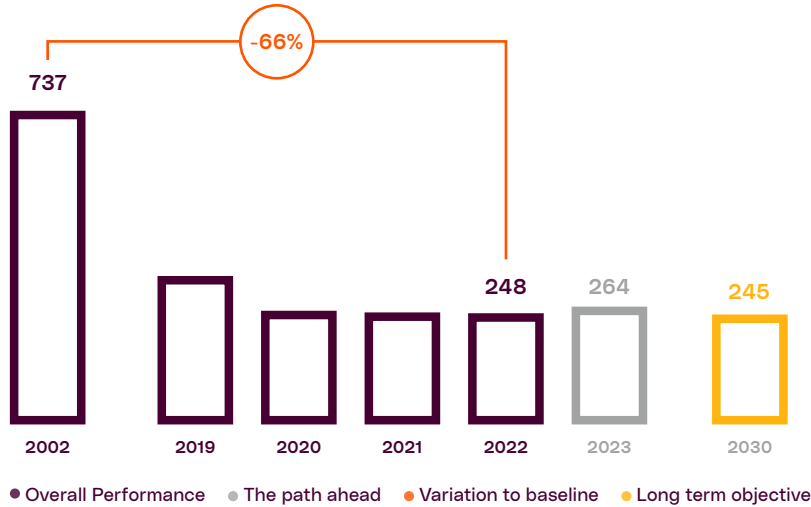
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These graphs refer to the owned portfolio performance.

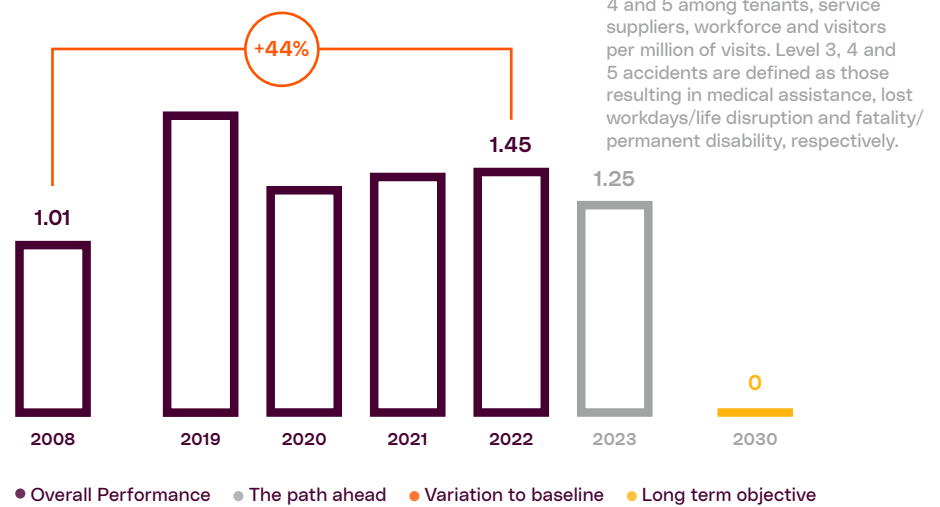
Electricity Consumption (excluding tenants)*

(kWh/sq.m mall and toilet area)



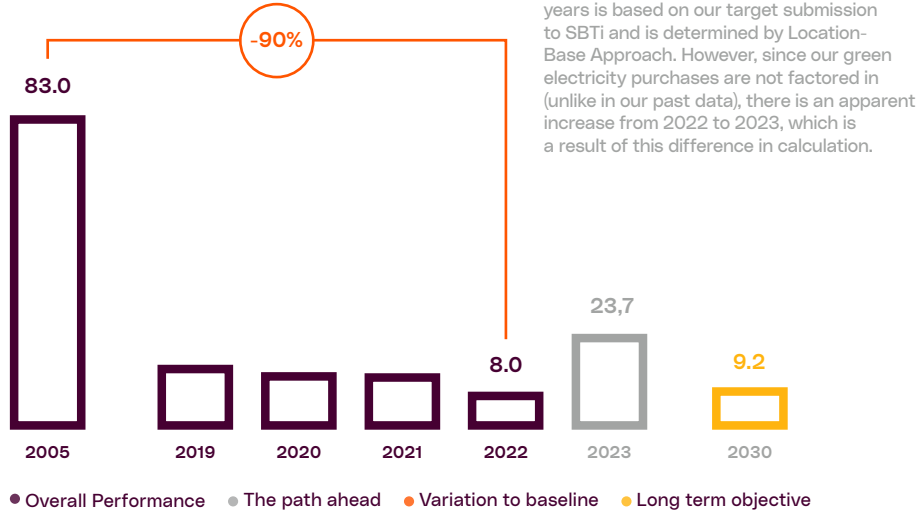
Levels 3, 4 and 5 accident rate*

(No. of accidents for levels 3, 4, and 5 per million visits)



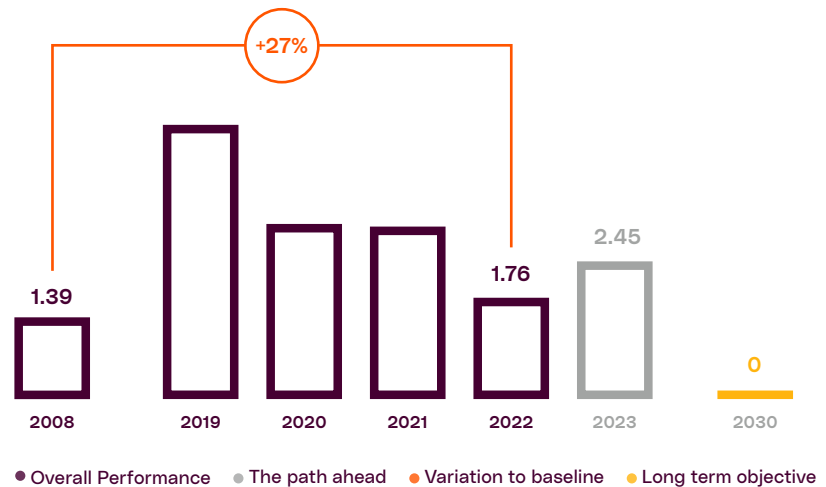
GHG emissions: Scope 1 and Scope 2*

(kg CO₂e /sq.m GLA)



Accident rate (LWCAFR) among suppliers*

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



* The performance in 2020 and 2021 was affected by the imposed curfews, so the data should be analysed together with the performance in 2019.

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Accelerate investment in mixed-use developments

Sonae Sierra wants to contribute to the cities of the future where convenience and sustainability will play an important role.

Since its inception, Sonae Sierra has been known for developing iconic buildings in retail (e.g., Centro Colombo, NorteShopping and ParkLake), but we have also had 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 boosting its investment in developments in uses other than retail, leveraging on its more than 30 years of experience.



Sonae Sierra is now boosting its investment in uses other than retail.



During 2021, the Developments team focused on identifying and securing key projects. In 2022, the team started to execute several projects in the pipeline, namely the construction of the third office building of Colombo Towers, in Lisbon, in addition to the construction of a mixed-use development (offices and residential projects) on Avenida da República, Lisbon. Throughout 2023, the construction of these two developments will continue, as well as two other projects,

a residential development in Lisbon and an office development in Oporto.

Sonae Sierra wants to contribute to the cities of the future where convenience and sustainability will play an important role. In this context, the Company aims to achieve, at least, a LEED Gold certification in the office sector and a BREEAM rating of “very good” in its residential developments.

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Expand Real Estate Investment Management

The team wants to reach more investors with different investment strategies.



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Sonae Sierra Investment Management business had two main challenges for 2022:

- i) increase the assets under management (AuM) in non-shopping centre vehicles and
- ii) develop an investor relations office.

By the beginning of 2023, we are proud to say that these objectives were accomplished.

In 2022, the AuM increased by more than €665 million, mainly in non-shopping centre vehicles. It is worth highlighting the acquisition of Atrium Saldanha, an iconic office building with a component of retail, situated in one of Lisbon's prime locations. Overall, by the end of 2022, Sierra IM had €4.8 billion in AuM.

Despite the challenges posed by the uncertain macroeconomic context, investors and partners decided to heed our advice and invest in the real estate sector and chose us as their operating partner.

This would not have been possible without the dynamism and the efforts of the Investor Relations team in generating awareness of Sonae Sierra and its unique characteristics: a global fully vertically integrated real estate player, with institutional ownership and a solid governance system, a prudent management style and a proven track record in the sector.

This team played a crucial role in the development of the investor pool and was central in the consolidation of Sonae Sierra's market positioning as a valuable operating partner when it comes to international investment funds. In addition to these funds, Sonae Sierra was able to reach family offices and pension funds in Portugal.

The fact that Sonae Sierra is an institutional player with a robust governance model in the real estate sector, in Portugal, gives

confidence to investors, which also justifies our growth in terms of vehicles and assets under management.

Furthermore, Sonae Sierra signed the Principals for Responsible Investment (PRI), an initiative followed by a group of investors that want to lead the way towards a better world in terms of ESG. Sonae Sierra is completely aligned with this way of thinking.

It should also be mentioned that Sonae Sierra is now able to manage regulated vehicles in Portugal, the Netherlands and Luxembourg, following the creation of Sierra IG.

Looking ahead, the team wants to reach more investors with different investment strategies and in different countries, mainly Germany and Spain.

€665m

AuM increase, mainly in non-shopping centre vehicles

€4.8bn

AuM



Increase the outward focus of service lines

Our business strategy is to diversify our activity into new types of assets, such as mixed-use buildings and office leases.

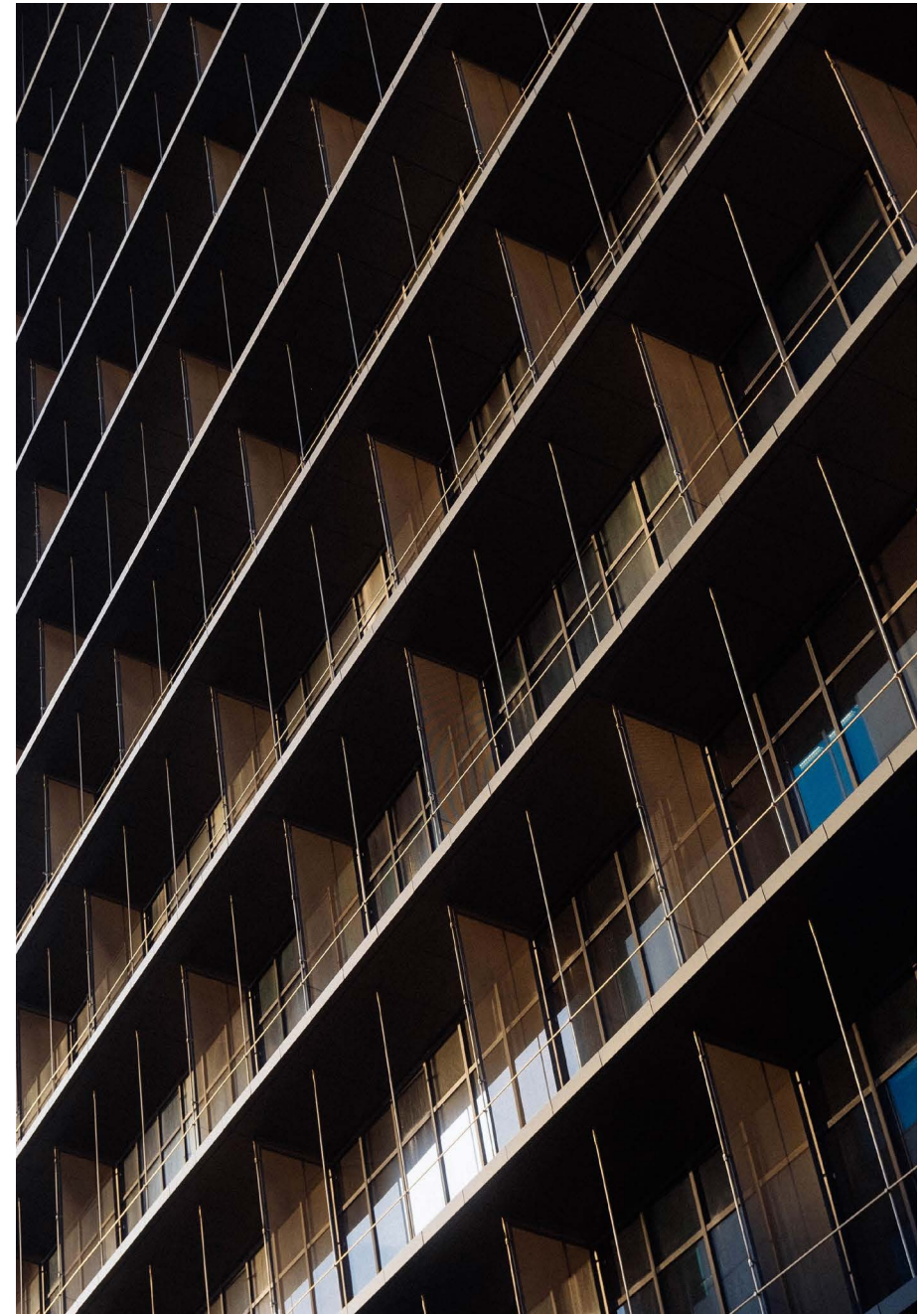
The services business units in Sierra account for almost 42% of Sierra's total income, which illustrates how relevant they are for the Company.

2022 was marked by the achievement of different milestones, which we are very proud of. One such achievement was the signature of a significant Property Management Services contract in Kosovo. Sonae Sierra is providing leasing and consultancy services to Prishtina Mall, the largest shopping centre in South East Europe.

Additionally, as a result of the hard work of the Property Management team, in the first three quarters of the year, 23 new contracts

were signed, 11 in the Property Management area and 12 in Leasing, serving different client profiles, from institutional to private investors, in 10 countries. It is worth noting that this is aligned with our business strategy, which is to diversify our activity into new types of assets, such as mixed-use and office buildings.

In Portugal, one of the assets recently added to the management portfolio is Atrium Saldanha, an iconic mixed-use building that is one of the most important office centres in the country, with a significant retail component. In Spain, Sierra has secured the leasing of Breogán Park, in La Coruña, the largest retail park and mixed-use project under development in the country (60,000 sq.m).



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In Italy, another relevant contract was secured to provide the leasing service for the Vulcano shopping centre located in Milan and we have also signed our first leasing contract in Austria. Amongst the various assets added to the management portfolio in and outside Europe, the Aeria Mall in Casablanca stands out, where Sierra is responsible for property management and leasing.

Concerning the Food Market area, the consolidation of Mercado Bom Sucesso this year led to it being the most relevant Food Market in Porto, with Mercado de Braga becoming operational and the start of the works on Mercado Reggio Emilia in Italy.

Today Property Management manages a diversified portfolio of real estate assets both in geography and typology, totalling more than 2.5 million sq.m, in over 125 assets under management. In 2022, the occupancy rate of the shopping centres managed in Europe and Morocco remained at 96.7%, a result that demonstrates resilient and agile management following the recent pandemic period.

In relation to Reify, 2022 marked the best year in terms of revenue for this business unit. The team is involved in different iconic projects such as Campo Novo and República 5, both mixed-use projects in Lisbon designed to transform different areas of the city, and Porte di Mestre, a shopping centre in Italy that is being re-designed to create an improved visitor experience.

In addition, Reify. proudly won the design contract for a data centre, the first project of this kind for this business unit, again confirming the evidence of Reify.'s diversified set of competences. Furthermore, through a consortium whereby LMSI is present, Reify. will provide engineering services to the new major public hospital to be developed in Portugal, Hospital Oriental de Lisboa.

Focusing on the team, last year was marked by an important reorganisation in the commercial team, currently led by Brian Tucker, an executive with more than 30 years of experience in the real estate industry in Europe and the USA. Additionally, to help Reify.

Significant efforts in the commercial arena

and the ease of the Covid-19 restrictions allowed Reify. in 2022 to develop a formidable pipeline of projects for 2023.

deliver on its growth prospects in Germany, a new country manager joined the team – Peter Ritterbach, an architect with top-tier experience in projects for institutional clients in that country.

Significant efforts in the commercial arena and the ease of the Covid-19 restrictions allowed Reify. in 2022 to develop a formidable pipeline of projects for 2023. This is a remarkable achievement that drives us to continue growing beyond Sierra, beyond retail and beyond Portugal.

Finally, BrightCity develops projects using technology to serve cities, centralising the management of their resources. As a result, cities become more efficient, sustainable, and welcoming. In 2022, BrightCity continued to develop a set of projects through its participation in different public tenders with successful results. Early in 2023 one contract was signed. In May the replacement of the existing lights in NorteShopping with more efficient ones will be delivered. The new lighting system adapts the light flow according to the natural light and storefront lights. Consequently, a reduction of 85% in lighting electricity consumption is expected.

As such, 2023 will be the first year of operation to generate a positive income for Sonae Sierra as a shareholder.

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Successful cases



Vertically integrated approach – Atrium Saldanha and Campo Novo

The Company leverages this differentiating characteristic to attract new assets, clients or projects, and to further reinforce its reputation as a trustworthy operating partner in the sector.

Sonae Sierra is a fully vertically integrated real estate player. The Company leverages this differentiating characteristic to attract new assets, clients or projects, and to further reinforce its reputation as a trustworthy operating partner in the sector.

One such example is the acquisition of Atrium Saldanha. This iconic 30,000 sq.m mixed-use asset (offices and retail) located in the heart of Lisbon's prime area was acquired in partnership with Sonae Sierra's long-standing partner, Bankinter. This joint project involved the creation of a Portuguese REIT (SIGI), a type of real estate investment vehicle, which was used to acquire the asset. In addition, Sonae Sierra is providing investment, asset and property management services to the asset

and the vehicle. Sonae Sierra's unique vertically integrated approach enabled it to successfully execute this transaction and will be essential to effectively deliver its value creation plan.

Another example is Campo Novo, a new iconic mixed-use project being developed in Lisbon that includes offices, retail and residential uses. This is an important step in the execution of Sonae Sierra's business strategy, as it addresses its dual goal to: expand its business to third parties and diversify its activity into more sectors such as mixed-use. This remarkable accomplishment was achieved due to the combined efforts of both the Property Management and Reify. teams, proving yet again how effective Sonae Sierra's integrated approach is to clients.

Unique expertise in property management and leasing services

Sonae Sierra is internationally recognised for its decades of experience in leasing, managing and activating retail spaces. Sonae Sierra provides consultancy services to optimise tenant mix and operational management, as well as consultancy services for specialty leasing such as to Prishtina Mall, the newest shopping centre in Kosovo, set to open in 2023.

Prishtina Mall will be the largest shopping and entertainment mall in South East Europe, with a GLA of 115,000 sq.m and boasting 237 units. Moreover, Prishtina Mall has already been recognised for its eco-friendly structure, accessibility, and modern architecture, reflected in the 5 Star Best Retail Architecture Award received at the International Property Awards.

Additionally, during the year, other property management contracts were secured. In Spain, Sonae Sierra began leasing the largest retail park under development in the country (over 60,000 sq.m of GLA), Breogán Park in La Coruña, with the aim of adapting its offer to the needs of consumers and new market trends. In Germany, Sonae Sierra began managing the Europa Galerie, in Saarbrücken, a Union Investment property, as well as winning a leasing contract in Austria and three management contracts in Poland. Also noteworthy is the new leasing contract for the Vulcano centre in Milan, Italy.

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Successful cases



Boosting our commercial mindset

To foster a shared business perspective and commercial focus, we hosted a global meeting in Lisbon, bringing together all employees from around the world, shareholders and Company representatives participating in the event.

Sonae Sierra has been focused on enhancing its client focus and commercial capabilities across the organisation. Taking into consideration the different team contexts and levels of exposure to commercial activities, several initiatives were implemented throughout 2022 to achieve this. Below, we would like to highlight two of them.

To foster a shared business perspective and commercial focus, we hosted a global meeting in Lisbon, bringing together all employees from around the world, shareholders and Company representatives participating in the event. During the event, we reviewed the Company's strategy, our business development priorities and the "do's and don'ts" of a client-centric organisation operating in our field.

The event was a great success and our people were enthusiastic about the opportunity to

build a common vision, outlining our business challenges. It was also a chance to strengthen the connection between colleagues and further unite the global team, where everyone plays a valuable role in unleashing a new growth cycle.

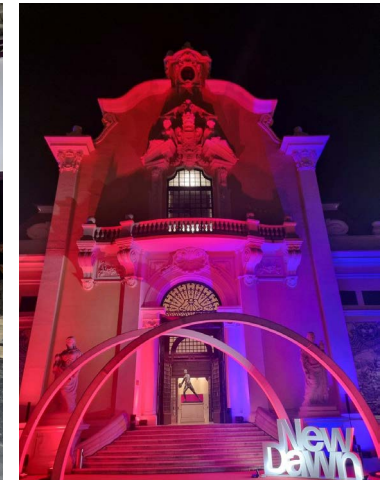
We also launched a new approach to our usual participation in key real estate fairs and events across Europe. Building upon our new brand identity and focusing on reinforcing our client focus, we developed a differentiated presence in the fairs, creating spaces where we could comfortably accommodate both the business meetings, and networking activities, key to such events.

We introduced this concept at Expo Real in Munich, where our stand welcomed clients and partners with its open, front-facing bar (offering a variety of beverages and snacks),



and included different sitting areas, a long, high table to accommodate larger groups (simulating a counter at Reggio Emilia Food Market), and, finally, a closed meeting room to offer privacy when needed. The flexible, modular space allows us to organise informal get-togethers, like the evening cocktail event we promoted on the first day of the fair, with a DJ playing live music, which proved to be very successful among clients and partners.

Social media leveraging is, naturally, key to this new approach. An optimised content calendar is planned, pre, during and post event, including posts and videos where our commercial colleagues invite visitors to connect, and where we highlight our participation in key fair events, like roundtable discussions or stage presentations.



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Financial performance

In 2022, Sonae Sierra's operations improved

reaching levels close to those of 2019.

After almost two years of activity negatively impacted by the pandemic, in 2022, Sonae Sierra's operations improved, reaching levels close to those of 2019. During this growth path, some records were reached: in September the shopping centres owned/co-owned by Sonae Sierra reached the highest sales ever in this month, and Reify. had the best month ever in terms of income. In addition, and

€30.7m

Net result in 2022

€14.3m

Direct result increase (2022 vs 2021)

as stated previously, the business units were able to deliver on their strategic objectives.

Sonae Sierra achieved better results with a Net Result of €30.7 million, compared to €15.1 million in 2021. Direct results increased by €14.3 million (+47.1% yoy). Sonae Sierra recorded an INREV NAV of €972.0 million (+5.1% yoy) mainly driven by the improved results and FX change variation.

It is also worth mentioning that Sonae Sierra is one of the Sonae SGPS sub-holdings with eligible activities under the scope of "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](#).

Profit and loss accounts (€ million)*

	'22	'21**	VAR.
Direct income from properties	110.7	82.7	34%
Direct costs from properties	41.5	33.8	23%
EBIT from properties	69.2	48.9	41%
Project Development Fees	0.6	0.5	24%
Operating Costs	7.8	6.2	27%
EBIT from developments	-7.2	-5.7	-28%
Services rendered	79.3	67.4	18%
Direct costs from services	64.1	56.9	13%
EBIT from services	15.2	10.5	45%
Provisions	2.2	1.0	130%
Net financial costs	20.4	16.7	23%
Current tax	9.9	5.8	71%
Direct Result	44.6	30.4	47%
Gains on sale of investments	17.7	0.7	-
Value created in investments	-33.3	-12.7	-163%
Deferred tax	-1.7	3.3	-152%
Indirect Result	-14.0	-15.3	9%
Net Result	30.7	15.1	103%

Balance Sheet (€ million)*

	31 Dec '21	31 Dec '20	VAR.
Investment properties	1,314	1,265	49.8
Properties under development and others	71	30	40.4
Other assets	139	77	62.0
Cash & Equivalents	222	303	-80.9
Total assets	1,746	1,674	71.3
Net worth	810	774	36.5
Bank loans	590	587	3.2
Deferred taxes	207	193	13.9
Other liabilities	139	121	17.7
Total liabilities	936	901	34.8
Net worth and liabilities	1,746	1,674	71.3

(*) Management accounts

(**) Restated P&L

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Risk Management

Our risk management is transversal to both our business and sustainability strategy.

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 all organisations.

Risk management identifies events that might impact Sonae Sierra's employees, properties, environment, strategic objectives and reputation, allowing management to maintain these risks at an acceptable level.

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 monitor and manage possible mitigating actions.

Our Risk Management Working Group meets at least four times per year to discuss key risk topics and implements a robust culture of risk management throughout the Company.

Risk matrix

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.

On a yearly basis, Sonae Sierra reviews the main risks throughout its businesses and updates its Risk Matrix.

2022 Risk matrix

● Other risks ● Key risks ● Critical risks

Impact	Other risks	<ul style="list-style-type: none"> Counterparty risks 		
	Key risks	<ul style="list-style-type: none"> Cyber attacks Financial covenants Political, legal and regulatory risks Key People Asset illiquidity Client portfolio growth & renewal 	<ul style="list-style-type: none"> Exchange rate volatility Pandemics Brand reputation People integrity Property integrity Change in consumer profile <small>NEW</small> 	
	Critical risks	<ul style="list-style-type: none"> Digital transformation Developments Climate change Commodity shocks <small>NEW</small> 	<ul style="list-style-type: none"> Competition Financing 	
		Immediate (up to 3 years)	Medium term (c. 5 years)	Long term (c. 10 years)
		Likelihood		

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The tables below provide a summary of Sonae Sierra's key risks and the steps we are taking to effectively manage them.

Critical and key risks – definition and mitigation activities

Critical Risks

Digital transformation: Failure in the digital transformation of the business, namely in the way the Company operates and delivers value to clients.

It also includes the inability to create and deliver an omnichannel offer that meets clients' needs and expectations and offsets the increasing penetration of e-commerce, leading to a decrease in the need for retail space or a deterioration of rental levels.

Digitalisation, through innovative solutions and new working methods, will bring with it new capabilities for growth and value creation. Companies that do not adapt their operations to the digital age could lose clients and employees.

The growth of e-commerce may change tenants' need for our physical spaces, with consequences on tenant mix, store sizes, and rent levels. These combined effects will have a negative impact on the resilience of assets and consequently on valuation and the liquidity of shopping centres.

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

The selection of projects is the main risk in 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 significant change.

Monitoring and Mitigation Activities

Sonae Sierra has set up a Transformation Programme encompassing a wide range of internal digitalisation projects. The Programme is regularly reviewed, to reassess priorities and relocate efforts to ensure the most beneficial outcomes and its status is regularly shared with top management.

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 a plot of land after it is 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.

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✓ Continuation

Critical Risks

Climate change: Risk of properties 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 impacts derived from chronic conditions (higher average temperatures, rising sea levels and extreme weather events (floods, storms, heat waves)).

Real Estate, as one of the industries that contributes the most to carbon emissions, 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-related events can result in the temporary or permanent closure of property, leading to costs due to business interruption or from repairs of the property. Insurance premiums may increase as the properties become more exposed to these events.

Commodity shocks: Abrupt shocks to supply and demand, affecting the price or availability of commodities that have a relevant impact on our business (e.g., metals, energy...)

The sharp rise in prices of key raw materials like steel and cement and the delays in delivery of construction materials and shortage of labour may result in the postponement or cancellation of development projects, as it may be hard to pass on cost escalations to customers.

The current energy crisis may have a significant impact on the operating costs of shopping centres and tenants' effort rates, leading to downward pressure on rents.

Monitoring and Mitigation Activities

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 92% of the owned portfolio 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 the interruption of business.

Development projects can be reviewed (through redesign and change in materials) to reduce price increases or material shortages. The purchase of critical raw materials (e.g., iron) can be brought forward to ensure they are available for construction at a controlled price.

Shopping Centre teams have implemented several measures to obtain additional energy savings, namely through the constant optimisation of energy consumption for air-conditioning (on a daily/hourly basis), ensuring a mild impact on the comfort levels in the shopping centres and through additional lighting adjustments.

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✓ Continuation

Key Risks

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

Cyber attacks 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 cyber attack could have an impact on the continuity of a business or cause reputational harm. Additionally, the loss of personal data could lead to non-compliance with data protection regulations.

Financial covenants: Breach of financial covenants, following a deterioration in the operational performance or valuation of assets and/or an increase in interest rates.

Some of Sonae Sierra’s financing contracts are subject to 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 or full repayment of the loan.

Political, legal and regulatory risks: Disruptive laws, regulations, new regulatory frameworks, changes in a country’s political regime, or geopolitical tensions 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.

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 and this is also supplemented by an IT Disaster Recovery plan; The Company has a security policy in place that defines the general principles to guarantee 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 phishing tests and awareness initiatives.

Sonae Sierra maintains tight control of 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.

Sonae Sierra’s legal team, along with external advisors, monitor emerging regulations/legislation 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.

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✓ Continuation

Key Risks

Key people: Difficulty in recruiting talent and restrictions in giving development opportunities to young talent may result in the loss of key people that are crucial for the Company's current and mid to long-term performance.

Talent attraction, retention and succession are pivotal for the performance of the Company.

Insufficient and inadequate human resources or inability to attract, develop or retain talent could impact the business performance and prevent the Company from reaching its strategic objectives.

Asset illiquidity: Difficulty in selling an asset, being dependent on investors' interest, sector attractiveness or macroeconomic conditions.

The real estate market is expected to remain under adverse pressure, due to the uncertainty related to the pandemic, resulting in a decrease in the value of assets.

The inability to execute the asset disposal plan, due to lack of investors' interest or unsatisfactory pricing terms, will slow down Sonae Sierra's capital recycling strategy.

Client portfolio growth and renewal: Difficulty in creating recurring relations with clients/investors, having a solid customer base and being their first choice for businesses, combined with the difficulty in capturing new clients in geographic areas where Sonae Sierra is not (significantly) present.

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 in assets other than commercial retail.

This ambition can only be achieved through the growth and diversification of the client portfolio.

Monitoring and Mitigation Activities

The Company is committed towards career development, by providing permanent learning and development opportunities. It also promotes continuous leadership development focusing on leaders' core competencies, while identifying potential successors for all key positions.

Employee satisfaction surveys are conducted regularly to design and implement relevant action plans to make Sonae Sierra a great place to work, including the implementation of people-oriented policies on work-life balance, well-being, diversity & inclusion, and a sustainable work environment.

Biannual appraisals are performed by independent property valuers and cross checked by the Asset Managers allowing the Company to anticipate market evolution.

In addition, the Asset Management team produces plans with hold /sell analysis to identify the best timing to sell the assets, keeping a close relationship with the main brokers in view of identifying selling opportunities.

Assets that have been identified for sale are well maintained to ensure their attractiveness.

All commercial teams have been, and will continue to be, reinforced with people with commercial skills and mindset. For the Company to increase the number of opportunities, it will need a higher investment in having the right people dedicated to commercial work.

The creation of Reify, helped reinforce the Company's positioning outside of the shopping centre product and differentiate itself in the market.

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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 may lead to stagnation or loss of 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 at an adequate cost.

Financing restrictions would have an impact on the business growth plan of Sonae Sierra's Developments business unit that is capital intensive and on the Company's ability to refinance maturing debt.

Limitations on credit availability or cost of debt would also increase funding costs, resulting in an adverse impact on the earnings and financial position.

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-term 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 expansions or refurbishments to sustain 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 maintains regular contact with banks to follow up the evolution of its financing projects.

The Company aims to close financing at the maximum maturity and may negotiate the financing profiles ensuring that the "refinancing curve" is not too stressed.

The Company manages its liquidity on a regular and ongoing basis, including close monitoring of the cash availability of its projects, to anticipate further cash requirements.

In addition, a risk assessment is carried out for each refinancing deal, to determine if there is a need to bring forward the start of the renegotiation process.

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Inspired by Culture

Act 03

Impacting people and redefining
businesses.

03 — Stakeholders

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Stakeholders

Sonae Sierra has a broad range of stakeholders:

shareholders, investors, tenants/occupiers 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 sustainability 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
- Environmental awareness campaigns

Local communities

- Community Advisory Panels (CAPs)
- 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/Occupiers

- 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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Clients, partners and suppliers

At Sonae Sierra, clients and partners are the most essential part of our business.

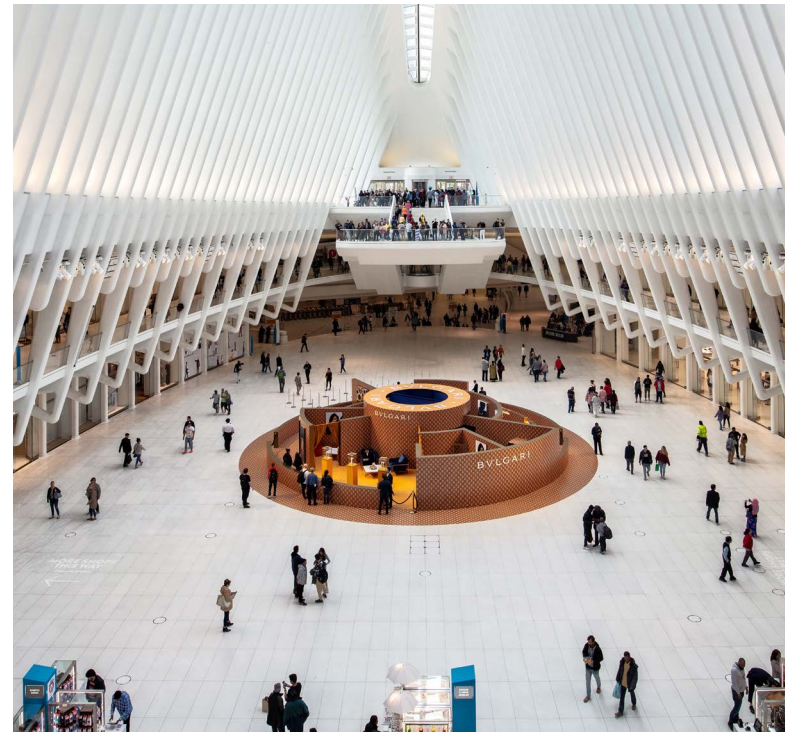
The relationships established with our investors have enabled us to create long-term economic and social impact throughout Europe, North Africa and Latin America. We have grown with our stakeholders in the last 30 years and we can continue to expand together to build better communities, environment and businesses in the future.

We have been developing a successful track record with roughly 400 clients and partners throughout our history. Each of them has been crucial to helping us grow our footprint in 34 countries and to improve the services portfolio across the entire real estate value chain. In 2022, our commercial team maintained an active relationship with more than 170 existing clients and acquired a further 35 new clients. Below is a list of some of the key partners and clients that we have worked with during our history.



>205

>170 existing clients and 35 new clients, with whom our commercial team maintained an active relationship in 2022



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Sonae Sierra's Clients and Partners

Source	Client or partner	Source	Client or partner	Source	Client or partner
C	Aachener Grundvermögen	C/P	Elo	C	Kryalos SGR
C	Actif Invest	C	Enotel	C/P	Madison International Realty
C	Agence MarchicaMed	C/P	Estevão Neves	C/P	Marjane
C/P	Allianz Real Estate	C	Faenza Erre	C/P	McArthurGlen
C	Anfa Realities	C	Foncière Chellah	C	MDSR
C	Antirion	C	Estevão Neves	C	NEPI Rockcastle PLC
C/P	APG Investements	C	Faenza Erre	C	Norfin
C	Arcofina	C	Foncière Chellah	C/P	Nuveen
C/P	Armórica	C	Fortera	C/P	Ocidental Seguros
C	AtlasEdge Data Centres	C	Frey Invest	C	ONCF
C/P	AXA Investment Managers	C	Generali Real Estate	C	OVS
C/P	Bankinter Group	C/P	Groupe CDG	C	Revive
C/P	Basler AG	C/P	Grupo Ferreira	C	Rockspring
C/P	Bensaúde Group	C	Habitat Invest	C	Round Hill Capital
C	BESIX RED	C	HanseMerkur Grundvermögen AG	P	Signal Capital Partners
C/P	Bluehouse Capital	C	Harbert	C/P	Sparkasse Südpfalz
C	Breogan Park SLU	C/P	Ilmarinen	C	SQUARE Asset Management
C	Caixa Imobiliário, S.A.	C	Inmobiliaria Gomez	C	Stage Capital
C/P	CBRE Investment Management	C	IntReal International Real Estate	C	Temprano
C/P	Charagonis Group	C/P	J&T Real Estate	C	Tristan
C	Compagnie de Phalsbourg	C/P	Jacobs	C/P	Union Investment
C/P	DWS	C/P	Jamestown	C	Vic Properties
C	Eastbanc	C/P	Keva		

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What makes Sonae Sierra unique and well-recognised internationally by our stakeholders is the combination of three characteristics:

- **A fully vertically integrated real estate player.** Our shareholders can rely on us throughout the asset lifecycle to operate complex processes and projects with agility and simplicity. We offer access to our ecosystem of competencies: a wide range of integrated solutions, sector expertise, a skilful team, and solid in-house management practices. We are a one-stop-shop helping our investors to create investment vehicles, and to license, design, develop and manage assets. In 2022, we were engaged in more than 400 contracts in various geographic areas and sectors, always guided by the most demanding sustainability principles. Our ability and significant experience in proactively creating value for our assets are widely recognised and reflected in more than 220 awards in the real estate industry.
- **A safe pair of hands.** We have an institutional-type shareholding structure and we created a robust governance system that complies with the strictest compliance and reporting requirements. We are guided by a prudent management style focused on the boundaries of risk management that enables us to build a transparent and trustworthy relationship with our investors. At the same time, we have a strong balance sheet, anchored by a solid core portfolio, which allows us to be ready to invest whenever required and assures our clients and partners that we are here for the long run. We have built a robust reputation with partners and clients that range from global blue-chip investment institutions to insurance companies, pension funds, investment banks and family offices.

- **A global operating partner.** We are committed to creating shared value for our clients and partners by working either as a single service provider or as a full operating partner. We approach partners and clients with a single contact point while we manage the entire project across many technical areas of expertise. We have more than 30 years of experience, which enables us to understand and foresee the needs of different types of investors and clients to successfully deliver suitable strategies. Our proven track record in operating in an industry where complexity and risks are intrinsically high, allows us to unlock and develop further business opportunities effectively. We bring in-depth knowledge of real estate markets, technical skills and an internationally qualified team in addition to the network of businesses, and contacts in regulatory and financing entities that are required to implement high-value real estate projects.

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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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 require in terms of 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 and European Property Federation.

Furthermore, Centro Colombo and Centro Vasco da Gama signed 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.

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Employees

One of the specific areas the People & Culture team chose to address this year was SDG gender equality, decent work and good health and well-being.



710

Direct employees distributed across 11 offices in Europe

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

A strategic approach to Human Resources (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 is also ultimately their concern. Sonae Sierra's workforce

is distributed across 11 offices in Europe and comprises 710 direct employees.

2022 was marked by different initiatives targeted at different groups:

- **Young talent** – Sonae Sierra created the Big > In programme, and welcomed 13 trainees to join distinct teams, aiming at building a pool of young talent
- **Team leaders** – benefitted from training sessions on subjects like “Managing difficult conversations” and “Communication for impact”
- **All employees** – a work flexibility programme was designed to tackle challenges in retention and attraction

In addition to these initiatives, a new People & Culture portal was developed to integrate into one single platform all the core talent management processes throughout the employee lifecycle, from recruitment to onboarding, training, assessment and feedback, career and succession management.

One of the specific areas the People & Culture team chose to address this year was 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 Key Performance Indicator (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's Executive Board is gender diverse, with women making up 37.5% of its members. Besides this, core HR processes throughout the employee lifecycle, from recruitment to assessment, development and career progression, are now being analysed and calibrated with the gender equality perspective in mind.

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Regarding decent work and well-being, Sonae Sierra always places

its employees at the centre of any decisions that are made.

Apart from gender equality, Sonae Sierra also develops initiatives to integrate people with disabilities. The People & Culture 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 always places its employees at the centre of any decisions that are made. Having said that, in 2022, there were different working models in place that varied according to function. In 2023, these working models were changed to some extent to better address employees' needs and expectations.

Sonae Sierra also grants health insurance to all employees, tracks injuries and occupational diseases to improve well-being, it 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.

In addition to employee 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).

To be aware and act on employee satisfaction and engagement, Sonae Sierra continued developing an Employee Net Promoter Score (ENPS), to regularly assess their perception of the



Company as an employer. Furthermore, in 2022, a more comprehensive climate survey was also rolled-out, providing more granular insights on aspects considered as strengths by employees and also those that must be improved. Both instruments are powerful tools 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 (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.



To be aware and act on employee satisfaction and engagement, we continued developing an Employee Net Promoter Score (ENPS).

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All new Sonae Sierra employees, including those with SHE responsibilities, receive SHE induction training through the Onboarding programme.

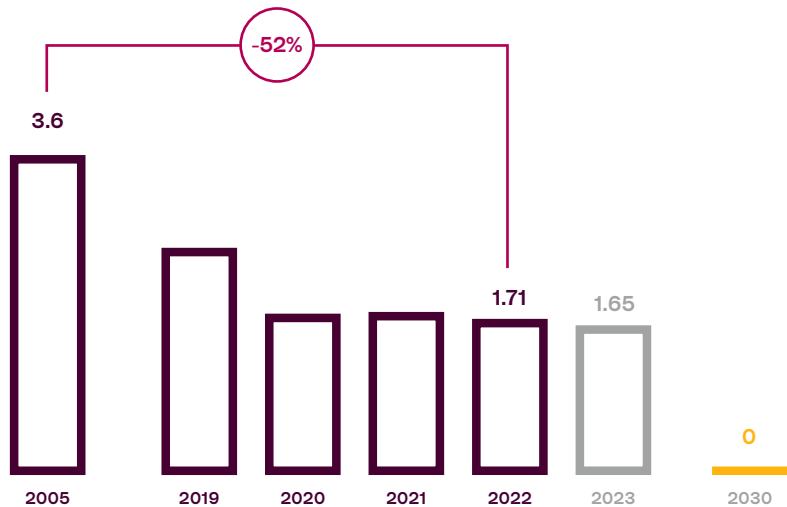
All site managers, site correspondents and other employees with SHE responsibilities must attend training on all SHE procedures within our SHEMS that apply to their roles. We collaborate closely with our critical suppliers on specific SHE issues through our SHEMS procedures.

Regarding the tenants and workers of service suppliers, 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. A survey is performed following each training session allowing us to monitor the effectiveness of the training delivered.

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

Accident Rate (LWCAFR) among the workforce

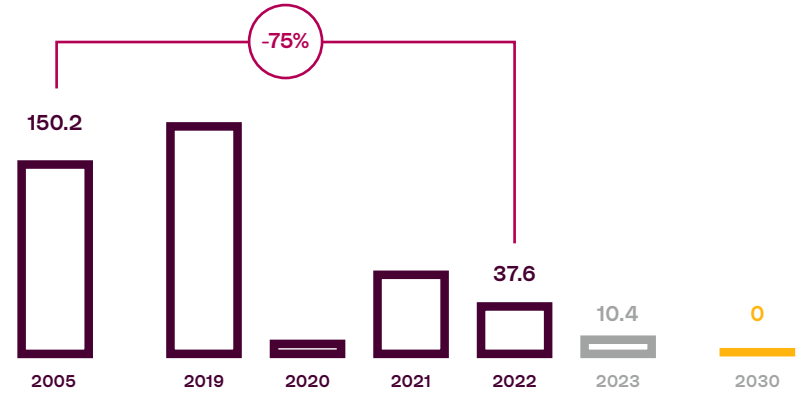
(No. accidents with lost workdays per million of worked hours)



● Overall Performance ● The path ahead ● Variation to baseline ● Long term objective

Accident Severity Rate (ASR) among the workforce

(No. lost workdays per million of worked hours)



● Overall Performance ● The path ahead ● Variation to baseline ● Long term objective

The Accident Rate* among the workforce has declined by 52%, since our baseline year of 2005, to 1.65 accidents with lost workdays per million hours worked. Accident Severity Rate** has decreased by 75%, since our baseline year of 2005, to 10.4 lost workdays per million hours worked.

-52%
Accident Rate (among workforce), since 2005

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.

-75%
Accident Severity Rate (among workforce), since 2005

For more information, please see [pages 142 and 152](#).

* 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).

** 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).

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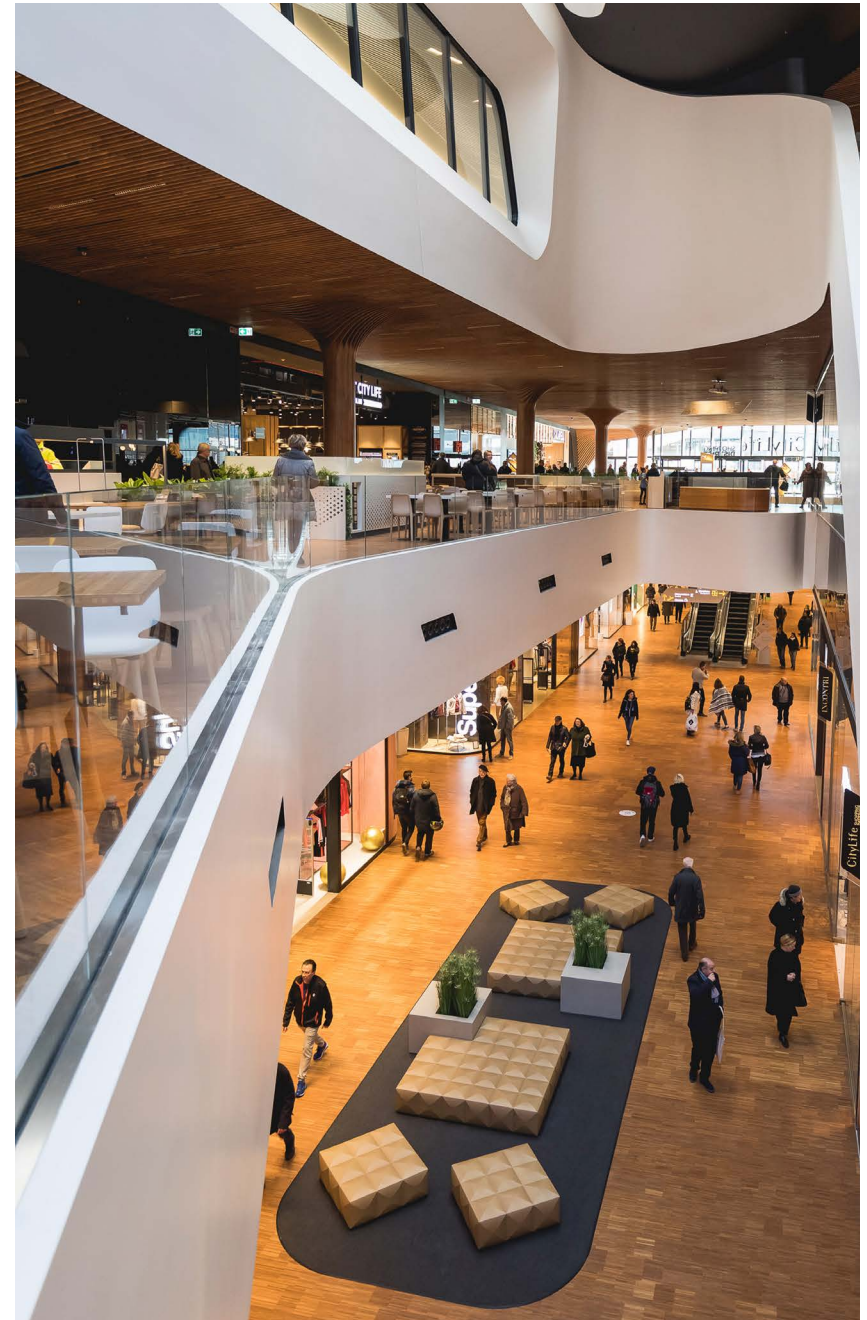
Engagement with the community

Sonae Sierra has to be familiar with the needs, profiles and habits of the communities,
in order to offer them the best experience possible.

For Sonae Sierra, it is of extreme importance to be close to the communities where our businesses are developed. Sonae Sierra has to be familiar with the needs, profiles and habits of the communities, otherwise we cannot offer them the best experience possible.

Shopping centres owned and managed by Sonae Sierra in Portugal partnered with some solidarity institutions (e.g., Banco Alimentar) to collect food or school materials on behalf of disadvantaged families.

It is of extreme importance to be close to the communities where our businesses are developed.



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Sonae Sierra continues its *Consciência Somos Nós* programme,

an inclusive concept under which it works in the environmental and social fields.



In addition, the Company maintained its concern for 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.

At a time when sustainability is a cross cutting imperative for so many categories, Sonae Sierra continues its *Consciência Somos Nós* programme, an inclusive concept under which it works in the environmental and social fields. Sonae Sierra opened its doors to 48 institutions to raise funds for social

causes and provided a platform for local artists to showcase their work within Sonae Sierra centres. At the end of 2022, with a strong increase in energy pressure, Sonae Sierra launched a campaign to showcase the measures it took together to improve energy efficiency. The campaign was themed "Positive Energy." Sonae Sierra shopping centres in 2022 saved 22% of energy compared to 2019. In parallel, and together with all members of APCC and with ADENE, Sonae Sierra also shared tips for energy saving that everyone can do in their homes, helping to contribute to this cause.

In addition, in 2022, the Sonae Group dedicated special efforts to support Ukraine through its Activeshare programme, a long-standing initiative created to promote a structured approach to solidarity activities.

For more information on our impact on the local communities, please see [chapter 5](#) and [pages 104, 148 to 150 and 153](#).



€414m

Donations and other community contributions in 2022

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Response with Results

Act 04

Starting from the top for a more
stable base.



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04 — Governance

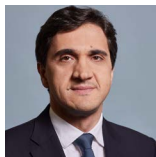


Top Management Team



Fernando Guedes de Oliveira
(CEO)

Fernando Guedes Oliveira joined Sonae Sierra in 1991 as Development Manager of the Company's ViaCatarina shopping centre and Centro Vasco da Gama. He had previously spent seven years in other management roles with the Sonae Group. In 1999, he became responsible for all Sonae Sierra's development operations in Europe and was appointed CEO in April 2010.



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. 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 Sierra 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).



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.



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.



Joaquim Pereira Mendes
(Chief Legal, Tax & Compliance Officer)

Joaquim Pereira Mendes is in charge of the Company's legal, tax and compliance activities. His career at Sonae Sierra began in 1989. He is also a member of the European Legal Group of the European Council of Shopping Places (ECSP) and Professor of Law at Portucalense University, Porto.



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 carried out 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. Since March 2022, Cristina Santos has been the president of APCC (Associação Portuguesa de Centros Comerciais), the Portuguese Association for Shopping Centres. Cristina Santos holds an undergraduate degree in Food Engineering and has completed several postgraduate courses from the Católica Lisbon School of Business and Economics, AMP and INSEAD.

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Governance, ethical conduct and transparency

Sonae Sierra's corporate governance policies are modelled and adopted based on those of its shareholders, Sonae, and Grosvenor.

Sonae Sierra's corporate governance policies are modelled and adopted based on those of its shareholders, Sonae SGPS, S.A. and Grosvenor Investment (Portugal), Sarl. 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' General Meeting, responsible for appointing the Board of the Shareholders' General Meeting, the Fiscal Board, the Compensation Committee and the Board of Directors.



In accordance with article 23 of Sonae Sierra's by-laws, the Shareholders' General Meeting is only comprised of the shareholders with shares with voting rights or subscription securities that, at least eight days before the meeting, are:

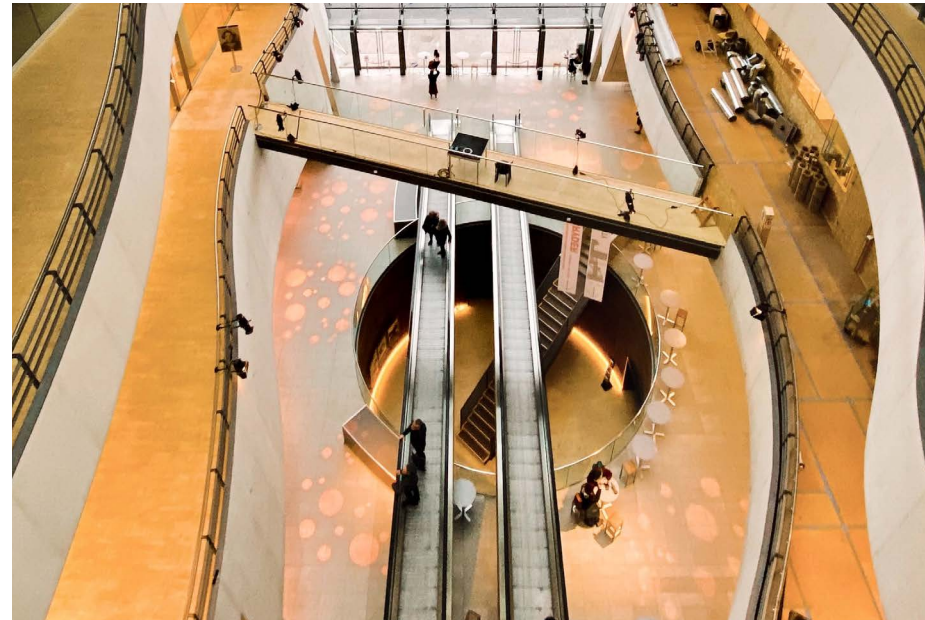
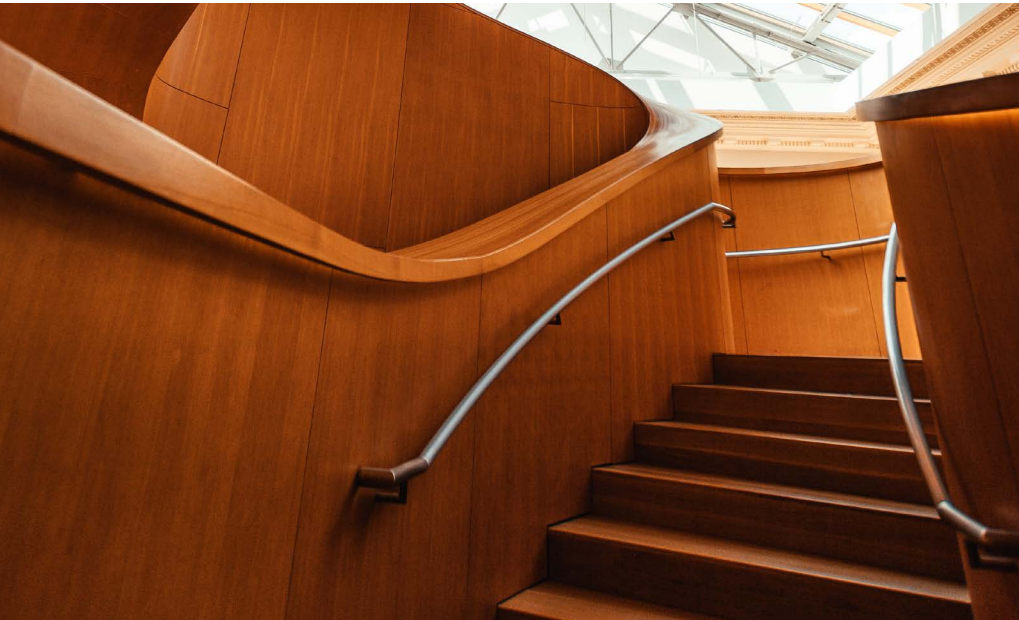
- a) registered in their name in the Company's files;
- b) deposited in credit institutions;
- c) registered in a securities account.

In accordance with article 24 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 25, numbers 1 and 2, of Sonae Sierra's by-laws states that 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

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purpose in a letter and whose authenticity shall be determined by the Chairman of the Shareholders' General Meeting.

It is the Board of Directors, consisting of 12 members (5 executive and 7 non-executive), who take responsibility for the Company's strategy, long-term business plan, finance and reporting. The highest governance body in Sonae Sierra, the Board of Directors, has a tenure of 4 years. The chair of the Shareholders' General Meeting is Cláudia Azevedo, a non-executive in Sonae Sierra.

Article 17, 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 through the Shareholders' General Meeting.

Article 6, number 3, of Sonae Sierra's by-laws states that after the shares of the Company are admitted to trading on a stock exchange, the Company's share capital can be increased by up to €250 million, once or more times, following 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 on 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' General Meeting, Chairman and Secretary, are appointed at the beginning of each meeting by the shareholders.

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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 Dolores

Secretary: Joaquim Pereira Mendes

Investment Committee

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

Secretary: Joaquim Pereira Mendes

Finance Committee

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

Secretary: Joaquim Pereira Mendes

Audit and Compliance Committee

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

Secretary: Cristina Sousa Teixeira

Compensation Committee

Cláudia Azevedo and Mark Preston

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.

Executive Committee

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

Sustainability Steering Committee

Fernando Guedes de Oliveira (CEO), Ana Guedes de 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), Ana Guedes de Oliveira, Cristina Santos, Jorge Morgadinho and Ricardo Rosa

Risk Management Working Group

Cristina Sousa Teixeira, Alexandre Pessegueiro, Andrea Ometto, Beatriz Fougó, Cláudia Beirão Lopes, Elsa Monteiro, Enrique Suarez, João Pedro Nunes, Júlio Gomes, Marina Maia, Theodor Bucher, Ricardo Rosa and Susana Sousa

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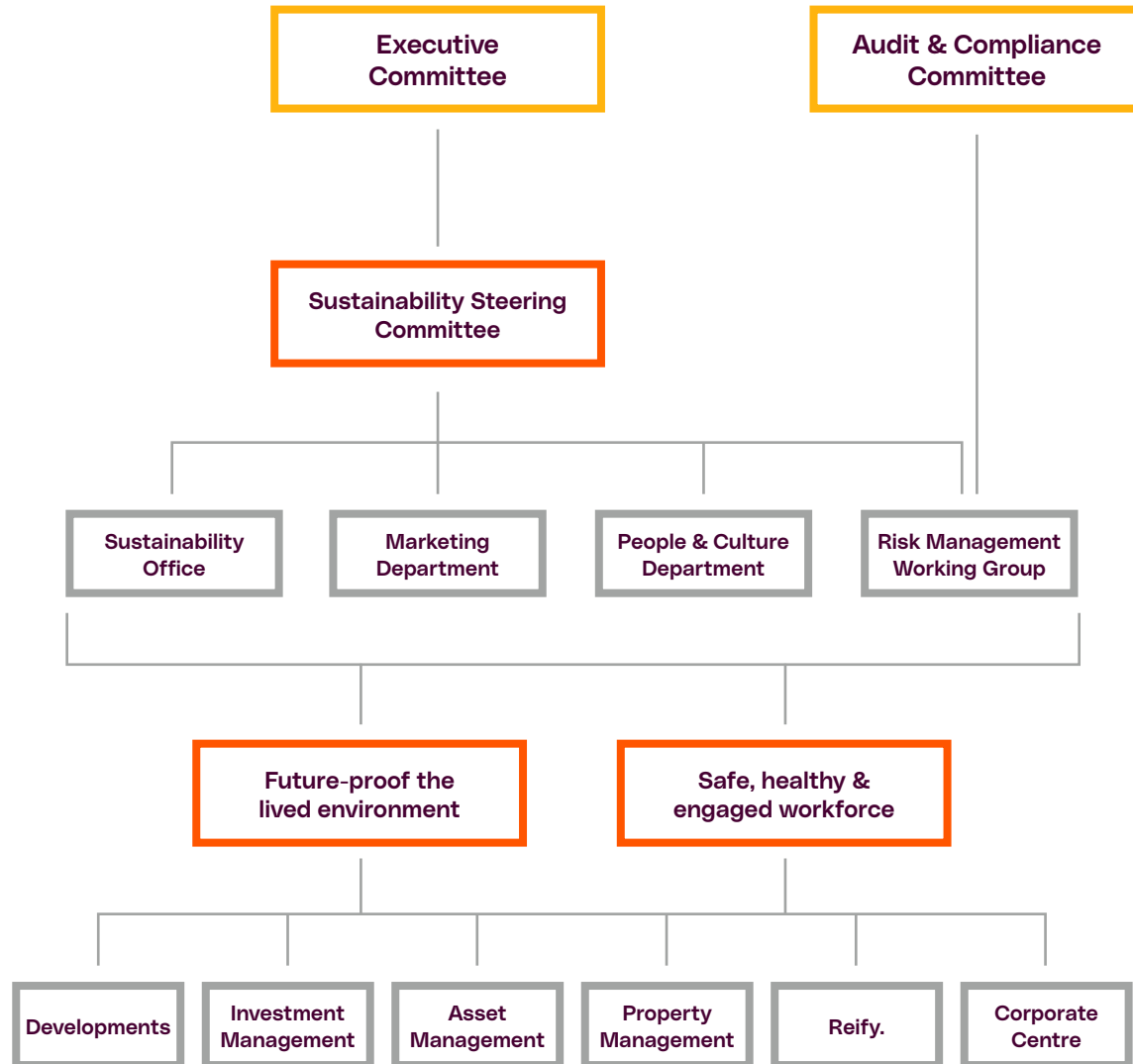
Sustainability governance

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 evolved 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 departments, and the Risk Management Working Group. It is the Sustainability Office's responsibility to pursue the day-to-day SSC operations and 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

At Sonae Sierra, we believe in long-lasting partnerships that are built on mutual trust and share a set of corporate values.

We are committed to upholding the highest standards of governance across our wide network of stakeholders, including a strong and unwavering commitment to business ethics, transparency, and the prevention of corruption.

Sonae Sierra is a global player with a footprint that spreads over 30 countries and 4 continents. We believe that cultural diversity and the variety of backgrounds within our organisation are among our most valuable assets, but they also highlight the relevance of a common understanding of our corporate identity and values. For this purpose, Sonae Sierra has several codes, policies, guidelines and procedures in place that formalise a comprehensive system to help mitigate risks emerging from misconduct. The Executive Committee is responsible for the overall management of ethical issues within the

We believe that cultural diversity and the variety of backgrounds within our organisation are among our most valuable assets.



Company, but it is also the responsibility of every employee to adhere to the Company's ethical standards as outlined in the Code of Conduct.

Sonae Sierra's Code of Conduct and Anti-Corruption Guidelines play a pivotal role and are actively enforced across the whole organisation and all our network of stakeholders, guiding all business activities and reinforcing our identity as a market reference in business ethics and transparency. The Code of Conduct goes beyond law compliance and establishes Sonae Sierra's responsibility in promoting an ethical and transparent sphere of influence, reflects our core beliefs towards a better and more sustainable society, and promotes ethical and responsible decision-making by providing clear guidelines on issues such as bribery, corruption, legal compliance, equality, and human rights. To encourage compliance with

the Code of Conduct and the underlying ethical principles, the Company has an Ombudsman who is available to discuss concerns raised by stakeholders and handles complaints in a timely and appropriate manner. It is the responsibility of the Ombudsman to investigate and respond to all complaints related to ethical conduct within the Company.

Sonae Sierra has a Conflict of Interest policy that is applicable to: *i)* the Company; *ii)* all its subsidiaries; *iii)* its directors; and *iv)* its employees, aiming to establish internal rules and procedures to mitigate internal and external conflicts of interest.

This policy ensures Sonae Sierra operations maintain impartiality and independence. It requires everyone in our team to act in good faith and transparency, in accordance with applicable laws and the best interests of its stakeholders.

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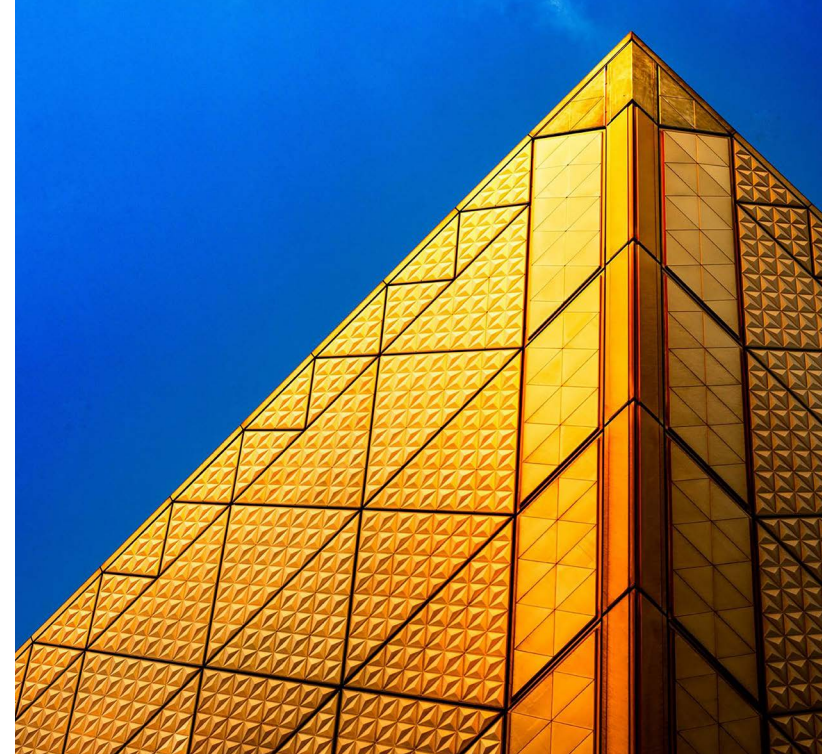
Sonae Sierra does not tolerate any sort of discrimination

and promotes an environment of well-being and respect for each and every individual in the organisation.

Sonae Sierra also has a procedure for Dealing with Fraud that outlines the steps that any team member must take when fraudulent activities are suspected in an attempt to take control of funds owned or managed by Sonae Sierra, including communication technologies and cybersecurity breaches.

Finally, Sonae Sierra does not tolerate any sort of discrimination and promotes an environment of well-being and respect for each and every individual in the organisation. For this purpose, Sonae Sierra formalised the Non-Discrimination, Diversity and Non-Harassment Principles.

Sonae Sierra's Anti-Money Laundering, Combatting Terrorist Financing and Sanctions Procedures Manual establishes a set of procedures that combined with the above-mentioned policies aim at mitigating Sonae Sierra's exposure to risks related to fraud, anti-corruption, money laundering, terrorist financing, and non-compliance with sanctions. These procedures apply to a wide range of activities, including the provision of services, partnerships and joint ventures, and investments.



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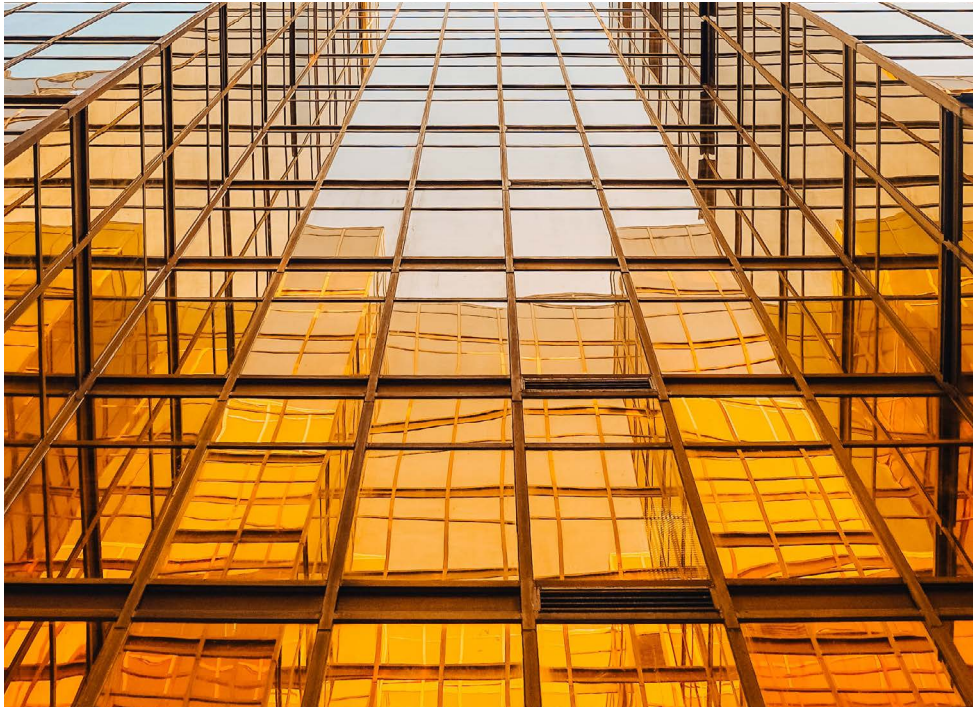
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Sonae Sierra is a team that shares a common set of values, and we welcome every colleague that joins us. We nurture a work environment of trust and transparency, and our ethical guidelines also ensure the protection of our employees' rights related to ethical conduct and that our employees' views and interests are represented in corporate decision-making. Sonae Sierra has internal communication procedures in place to welcome new colleagues that include a link to a welcome manual and the Company's book where all the above-mentioned policies can be consulted. This ensures that all new colleagues are made aware of Sonae Sierra's anti-corruption policies and procedures as soon as they join us. In addition, the welcome kit is available on Sonae Sierra's intranet at any time. This helps to ensure that all colleagues are, not only, aware of their rights, but also of the Company's commitment to ethical conduct and the steps they can take to help prevent corruption.



We nurture a work environment of trust and transparency.



By regularly reviewing and auditing our practices and processes related to corruption,

we can identify any potential issues and take corrective action as needed to ensure compliance with our Code of Conduct.

Sonae Sierra’s “Behaviour with Ethics Sierra Training” (BEST) plays a pivotal role in raising awareness of our commitment towards ethics. The training covers the content of the Code of Conduct and Anti-Corruption Guidelines and at the end of each session, participants are required to sign and return a Code of Conduct Acknowledgement form to confirm that they have received the Code of Conduct and agree to follow its provisions.

We ensure compliance with our Code of Conduct by including a focus on corruption risk in our annual Internal Audit Plan of Activities. This plan is aligned with our Risk

Matrix to ensure that all potential risks are addressed. By regularly reviewing and auditing our practices and processes related to corruption, we can identify any potential issues and take corrective action as needed to ensure compliance with our Code of Conduct.

During 2022, our Internal Audit activities covered 29% of the core business processes that were identified as being at risk of corruption (GRI 205-1). It did not identify any instances of corruption, and no incidents of corruption were formally reported to us during the year.

Furthermore, we continuously and actively report our performance across all business dimensions, namely, financial, social and environmental, in a clear demonstration of our commitment to communicate with full transparency. Our integrated Economic, Environmental and Social Report is prepared under the Integrated Reporting Framework from the International Integrated Reporting Council (IIRC) and we also report under the Global Reporting Initiative (GRI), which is audited by a third party.

For more information please also refer to [pages 105 and 153](#).



In 2022, we revised our Anti-Corruption Guidelines

86%

of our employees received training on anti-corruption policies and procedures

29%

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

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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 Global 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](#).



Performance Driven

Act 05

Achieving goals, creating new beginnings.



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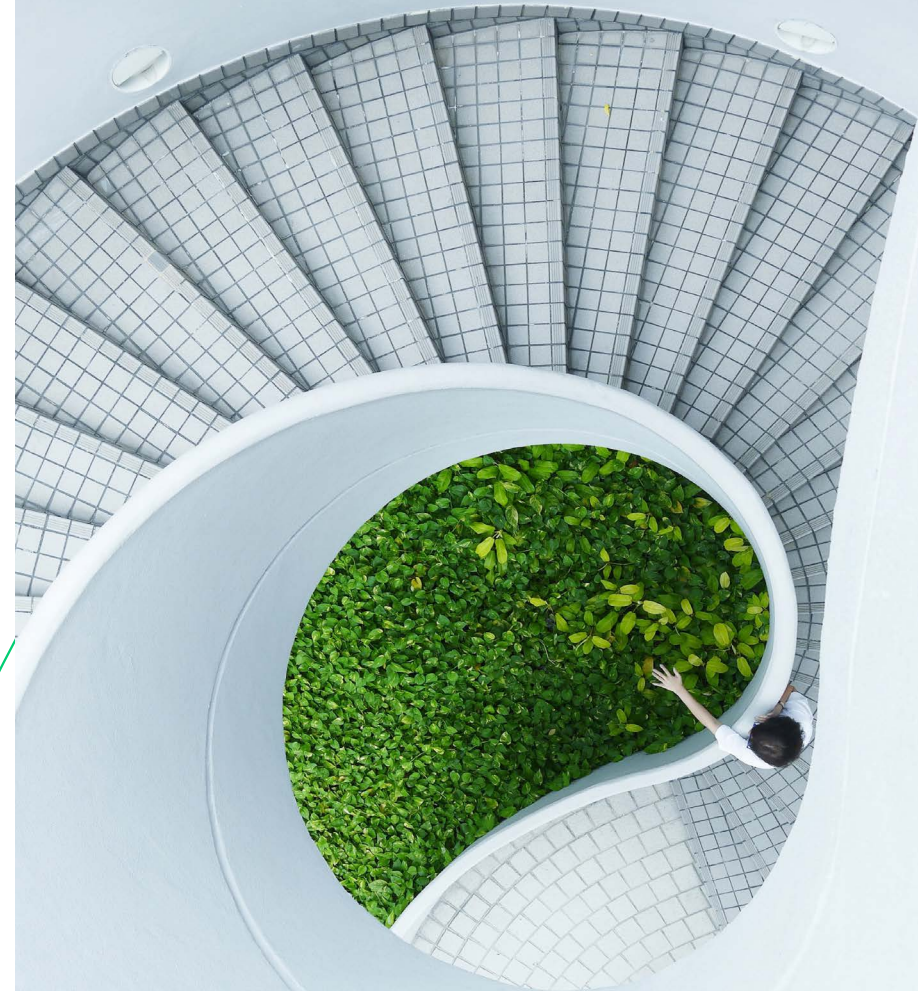
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05 — Sustainability Statements



Sustainability Strategy

Sustainability is at the heart of Sonae Sierra.



Sustainability is profoundly embedded in our DNA and it is a clear distinguishing factor in our identity. Our understanding of sustainability and its pivotal role in our success allowed us to become frontrunners in the evolution of sustainable practices, paving the path that others soon would follow.

This quest started in 1998 with Sonae Sierra's first formal Environmental policy, a landmark in our history. Since then, we have continuously monitored and updated this policy broadening the scope and reinforcing our ambitions towards a more sustainable society.

We are relentless in pursuing our ambitions, but we do so whilst ensuring we are fully accountable for our actions. Since 2004, we have openly and transparently communicated our sustainability goals and performance in a comprehensive sustainability report. Our sustainability reporting systems and processes are the result of a continuous self-evaluation and reflection exercise that has been instrumental in identifying gaps, best practices, and opportunities to constantly improve our sustainability performance.

1998 was a landmark year with the publication of Sonae Sierra's first formal Environmental policy.

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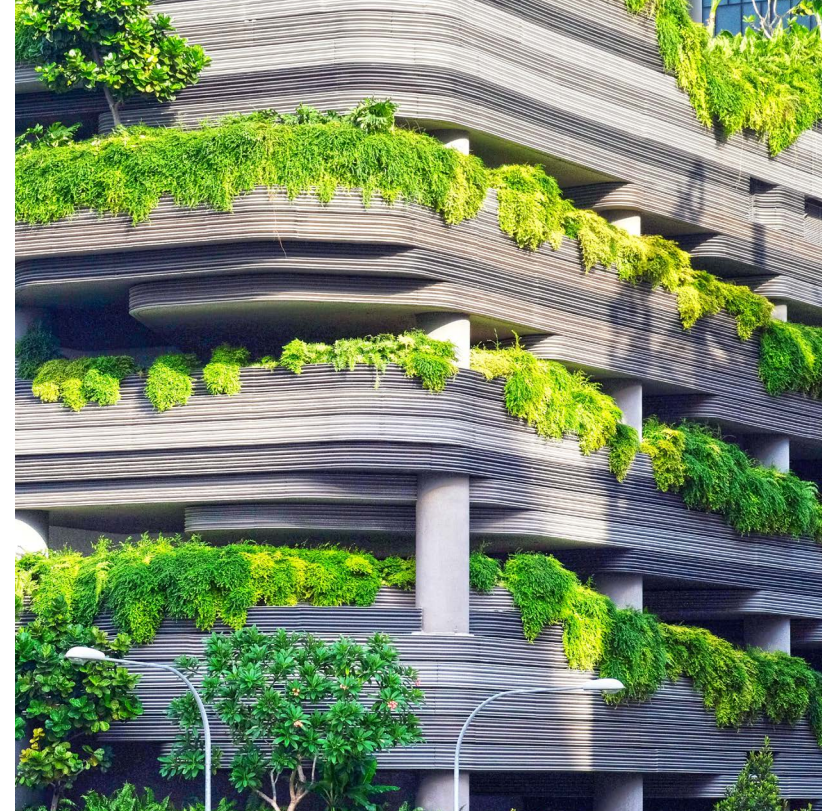


We accept this responsibility, and we have put forward an ambitious sustainability strategy

that will allow us to lead and define benchmarks in this sector.

We are proud of our history, but we have our eyes set on the future. Recent years have raised our awareness of the consequences of the impact of human activities on our, already fragile, ecosystems. As a Real Estate operator, Sonae Sierra is aware that it operates in one of the industries with the highest levels of potential impact. We accept this responsibility, and we have put forward an ambitious sustainability strategy that will allow us to lead and define benchmarks in this sector.

Sonae Sierra's Sustainability Strategy is anchored in two pillars – Future-Proof the Lived Environment and a Safe, Healthy and Engaged Workforce – and it is clearly and widely integrated into our business strategy, processes and business model, and across our extensive network of stakeholders. It brings together strategy, risk management, stakeholder engagement and performance, allowing us to better understand the impact and extent of our actions.



Our sustainability strategy is based on two main pillars that encompass a total of 11 sustainability material topics, which emerged from a profound, rigorous and comprehensive assessment taking into consideration our stakeholders and the impact of our activities. As a result, we set long-term goals and annual targets to drive our ambitious performance and measure the success of our strategy in terms of risk mitigation and sustainable value creation. Our approach towards risks aims at mitigating their negative impact, while simultaneously understanding the opportunities to unlock value-creation potential.

As in 1998, Sustainability is at the heart of our strategy, giving purpose to our mission.



Sustainability is at the heart of our strategy, giving purpose to our mission

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Sonae Sierra's Material topics per Pillars and Drivers

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

Business Ethics, Transparency and Anti-Corruption fall under a single Material Area for Sierra. The nature and scope of this material area make it an essential enabler to the success of our strategy that spans across all our initiatives and, therefore, is not part of any specific strategic pillar. Please refer to [page 54](#), for more information.

For more information about our Materiality Matrix, please see Chapter 1, [page 9](#).

You can find out more about our yearly performance and sustainability targets in the following sections, on [page 90](#), [here](#) and [here](#).

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Overview & Description of our Material Areas

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](#).



Sonae Sierra is committed to actively mitigate buildings' impact by transitioning to more sustainable business models based on

circular economy principles and eco-design, improving processes and policies, increasing sustainability due diligence and investment stewardship, and enhancing the value created for local communities.

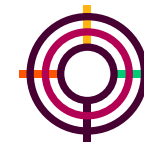
Buildings consume significant amounts of natural resources, energy and manufactured products throughout their lifecycle, contributing significantly to environmental issues such as climate change, resource depletion, and biodiversity. Sonae Sierra is committed to actively addressing these problems by transitioning to more sustainable business models based on circular economy principles and eco-design, improving processes and policies, increasing sustainability due diligence and investment stewardship, and enhancing the value created for local communities.

Sonae Sierra sets ambitious long-term objectives and annual targets and continuously monitors its impact and performance by using a comprehensive set of Key Performance Indicators (KPIs). The table on the following page provides an overview



of our 2022 performance and the evolution of the most relevant KPIs. It is worth noting that while each KPI is associated with a specific material topic in the table, they may also serve the objectives of other material topics.

For more information about Sonae Sierra's contribution to the Sustainable Development Goals (SDGs), please refer to [Chapter 1, page 10](#). Sonae Sierra's Long-Term Sustainability Objectives can be found [here](#) (snapshot) and [here](#) (long version). Information on additional KPIs can be found in our Global Reporting Initiative (GRI) Index, on [page 94](#).



We set ambitious long-term objectives and annual targets

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Future-Proof the Lived Environment – 2022 Performance & Evolution (owned portfolio)

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

Material Area	KPI	Performance	2022 Target status	Comments
Sustainable Buildings	Electricity consumption (kWh/sq.m of mall + WC)	<p>2002: 737, 2022: 248, 2023: 264, 2030: 245</p>	✔	Our 2022 consumption was below the expected (27% below our pre-pandemic levels) due to the energy crisis that forced some exceptional measures. To set our target for 2023, we took into account a return to more typical operations, resulting in a target that is slightly higher than our 2022 performance.
	Water consumption (litres/visit)	<p>2003: 4.2, 2022: 2.6, 2023: 2.5, 2030: 2.0</p>	✔	
	Accident rate levels 3, 4 and 5* (n° of accidents per million visits)	<p>2008: 1.01, 2022: 1.45, 2023: 1.25, 2030: 0</p>	✔	Our target includes our assets under management (regardless if they are owned or not). However, only the performance of our owned assets is shown in the chart because we have only recently started to monitor the performance of managed assets and we wanted to present a more complete historical picture.

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* Number of level 3, 4, and 5 accidents among tenants, service suppliers, workforce and visitors per million visits. Levels 3, 4 and 5 accidents are defined as those resulting in medical assistance, lost workdays/life disruption and fatality/permanent disability, respectively.



✔ Continuation

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

Material Area	KPI	Performance	2022 Target status	Comments												
Sustainable Buildings	Accident rate among suppliers (n° of accidents per million hours worked)	<table border="1"> <caption>Accident rate among suppliers (n° of accidents per million hours worked)</caption> <thead> <tr> <th>Year</th> <th>Performance</th> <th>Target</th> </tr> </thead> <tbody> <tr> <td>2008</td> <td>1.39</td> <td>-</td> </tr> <tr> <td>2022</td> <td>2.45</td> <td>1.76</td> </tr> <tr> <td>2030</td> <td>-</td> <td>0</td> </tr> </tbody> </table>	Year	Performance	Target	2008	1.39	-	2022	2.45	1.76	2030	-	0		<p>Our target includes our assets under management (regardless if they are owned or not). However, only the performance of our owned assets is shown in the chart because we have only recently started to monitor the performance of managed assets and we wanted to present a more complete historical picture.</p> <p>Our target for 2023 is higher than the 2022 performance due to the fact that in 3 of our assets the number of accidents considered for the target is higher than the number of accidents in 2022. This is due to an expected increase in the number of worked hours in two assets (which increases the likelihood of having accidents) and the unusual low number of accidents in 2022 in one asset.</p>
		Year	Performance	Target												
2008	1.39	-														
2022	2.45	1.76														
2030	-	0														
Climate Change Resilience	Scope 1 and 2 GHG emissions* (kg CO ₂ e/ sq.m GLA)	<table border="1"> <caption>Scope 1 and 2 GHG emissions* (kg CO₂e/ sq.m GLA)</caption> <thead> <tr> <th>Year</th> <th>Performance</th> </tr> </thead> <tbody> <tr> <td>2005</td> <td>83</td> </tr> <tr> <td>2022</td> <td>8.0</td> </tr> </tbody> </table>	Year	Performance	2005	83	2022	8.0		<p>Starting from 2023, our targets are in line with SBTi, which means that our past results cannot be directly compared to our future performance.</p> <p>Our 2030 target, using an equity share approach (in line with our submission to SBTi) is 8.4 - 73% below our baseline year of 2019 (also equity-share).</p>						
		Year	Performance													
2005	83															
2022	8.0															

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✔ Continuation

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

Material Area	KPI	Performance	2022 Target status	Comments
Circular Economy	Water recycled/ reused (%)		✘	
	Recycling rate (% by weight)		✔	
	Landfill rate (% by weight)		✘	

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Under this Pillar, there are additional material areas that do not have KPIs whose performance has been monitored since the baseline and therefore are not included in the table above.



Sustainable Buildings

(Core Focus Area for Acceleration)

Shared Value Created

Lower environmental impact + Improved eco-efficiency +
Reduced operational and insurance costs + Operational
efficiencies & risk management

GRI table references

Energy | Water | Waste | Emissions | Materials | Local
Communities | Customer Health & Safety | Occupational
Health and Safety

Historical Milestones

2002 Creation of Safety, Health, and Environment
Development Standards (SHEDS), previously known as ESRD,
Sonae Sierra's proprietary environmental design standards
for new developments and major refurbishments, based on
our experience, best available technologies and practices
and international certification systems such as LEED and
BREEAM.

2003 Environmental Management System for construction
works launched and implemented at all new shopping centres.

2016 BREEAM New Construction rated "Excellent"
in ParkLake, our first development in Romania.

Sonae Sierra's portfolio of services covers a wide range of real estate activities, which places us in a privileged position to promote and standardise the construction and maintenance of sustainable buildings. We remain focused on improving the sustainability dimension of all our projects by offering highly distinctive and specialised services to our real estate partners and clients in their efforts to adopt sustainable practices.

**We remain
focused on
improving the
sustainability
dimension of all
our projects.**



We are dedicated to continuously improving and further disseminating our Safety, Health and Environment Management System (SHEMS) for both construction and buildings. SHEMS plays a pivotal role in our sustainability strategy as it offers an integrated management approach to our activities.

Sonae Sierra applies the highest standards in its business activities and is renowned for its sustainable approach to buildings. We are focused on promoting the international green accreditation of all development projects and operational assets, through certification

schemes such as LEED, BREEAM, WELL, DGNB, ISO 14001 and 45001.

Finally, Sonae Sierra understands the potential in improving energy and water efficiency. Sonae Sierra's Bright (and Bright 2.0) and Dive® programmes apply cutting-edge methodologies to improve these efficiency levels by closely monitoring each asset profile and then designing a fine-tuned plan of specific measures to address potential optimisation opportunities that will result in better use of resources and cost savings.

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Our achievements in 2022

Sonae Sierra's focus on sustainable buildings is a clear demonstration of our mission to create and share environmental, social and economic value.

Over the years, we have developed unique expertise that results in material savings for our partners while minimising the impact on the natural environment and reinforcing brand reputation. In 2022, our portfolio delivered significant progress across several metrics.

Electricity consumption

248 kWh/sq.m mall + wc **-66%** Variation since the baseline (2002)

Water consumption

2.6 L/visit **-40%** Variation since the baseline (2003)

Levels 3, 4 and 5 accident rate*

1.45 accidents per million visits **+44%** Variation since the baseline (2008)

Accident rate among suppliers**

1.76 accidents per million hours worked **+27%** Variation since the baseline (2008)

€34.9m in costs avoided in 2022, due to eco-efficiency measures implemented over the years

58% of portfolio with green building certification

* You may refer to [page 144](#) for information regarding the performance of managed assets.

** You may refer to [page 141](#) for information regarding the performance of managed assets.

Other relevant achievements can be found under the material topic Climate Change Resilience, Circular Economy, Responsible Procurement and Management of Tenant/Occupier Sustainability.

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Projects and initiatives

Aware that innovation is a key part of securing our Company’s future and a crucial driver of long-term growth, in 2022, we focused more closely on driving innovation within our sustainability strategy.

We now have part of our team dedicated to fostering innovation within the sustainability business as a way to increase the value created for our business and our clients. On the right you can find two projects that stem from this new area.

Bright 2.0 – Reinventing our success

The Bright programme focuses on profiling the energy consumption of each real estate asset based on an optimal theoretical simulation and identifying opportunities for improvement. Since its launch in 2012, Bright has identified 273 initiatives across all the programme’s phases which generated 703 improvement opportunities that lead to up to 33,200 MWh and €7.4 m in potential annual savings.

In 2022, we launched Bright 2.0. A profound redesign of the programme to include cutting-edge technologies and expand its capacities. The new Bright 2.0 is now being implemented in our portfolio and is offered as a service to clients. Following a stepwise methodology, each asset is profiled using more granular and demanding benchmarks to assess potential improvement opportunities and their return on investment. Bright 2.0 is already rendering 31% of energy efficiency potential based on only half of the initiative rollout: 106 improvement opportunities were identified, totalling around 41,400 MWh and €6 million in potential yearly savings (at 2022 energy prices). In addition, under Bright 2.0, we are also conducting feasibility studies on photovoltaic panels for renewable energy production.

Project SOL – Smart Open Lisbon

Sonae Sierra is a partner of “Smart Open Lisbon” (SOL), an initiative to identify innovative solutions to promote energy transition in the city, focusing on three main topics: **asset management, decarbonisation and renewable energy production.**

This initiative invites startups to develop innovative solutions to address energy transition challenges in Lisbon that will facilitate a low-carbon economy and improve the lifestyle in the city. After careful selection, the top eight projects were sent to a bootcamp, and Sierra is now in the process of choosing pilot projects from that group to implement at its assets.

These innovative solutions represent enormous potential for Sonae Sierra and focus on several material topics (e.g., climate change resilience).

Find out more about SOL [here](#).

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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 All approved investments had to 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 liability.

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

2022 Sonae Sierra approved its Responsible Investment Policy and became a signatory of the Principles for Responsible Investment (PRI), a world-leading network in sustainable investments.

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 investment decisions we make today will shape the world of tomorrow. This simple idea has a profound impact on how we invest, in particular, on how we assess the risk and the



impact of each investment. Responsible Investment is a key driver for sustainable development. As a real estate operator, Sonae Sierra is actively involved in flagship projects around the world and has the responsibility of ensuring that, together with all its stakeholders, each investment reinforces the purpose of our mission towards a better planet and a better society.

Sonae Sierra has strict investment policies that mediate the investment process and the financial impact of ESG risks and opportunities, particularly concerning the physical and transitional risks of climate change and they have become a clear determinant of the decision.

Our approach to Responsible Investment is deep-rooted and has a long tradition at Sonae Sierra. In 2002, Sonae Sierra

implemented SHEDS, a comprehensive set of proprietary environmental design standards for new developments and major refurbishments, based on our experiences, best available technologies and practices and international certification systems such as LEED and BREEAM. SHEDS defined a new benchmark in the industry and represents a significant step in promoting investment solutions with high levels of sustainability. This path was reinforced in 2003 with the introduction of Environmental Due Diligence and Environmental Impact Studies to ensure that potential environmental liabilities and negative impact costs are included in the budgeting process. More recently, in 2022, we approved our Responsible Investment Policy and became a signatory of the PRI, a public commitment to continue to drive change towards benchmark investment practices (more information below).

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Our achievements in 2022

Both our participating funds were distinguished by GRESB – the leading ESG benchmark for real estate investments with:

- 4 Star rating (out of 5)
- Green star Status

Due to the macro level of this material topic, major achievements are reflected in other material topics, such as Sustainable Buildings, Climate Change Resilience and Circular Economy.

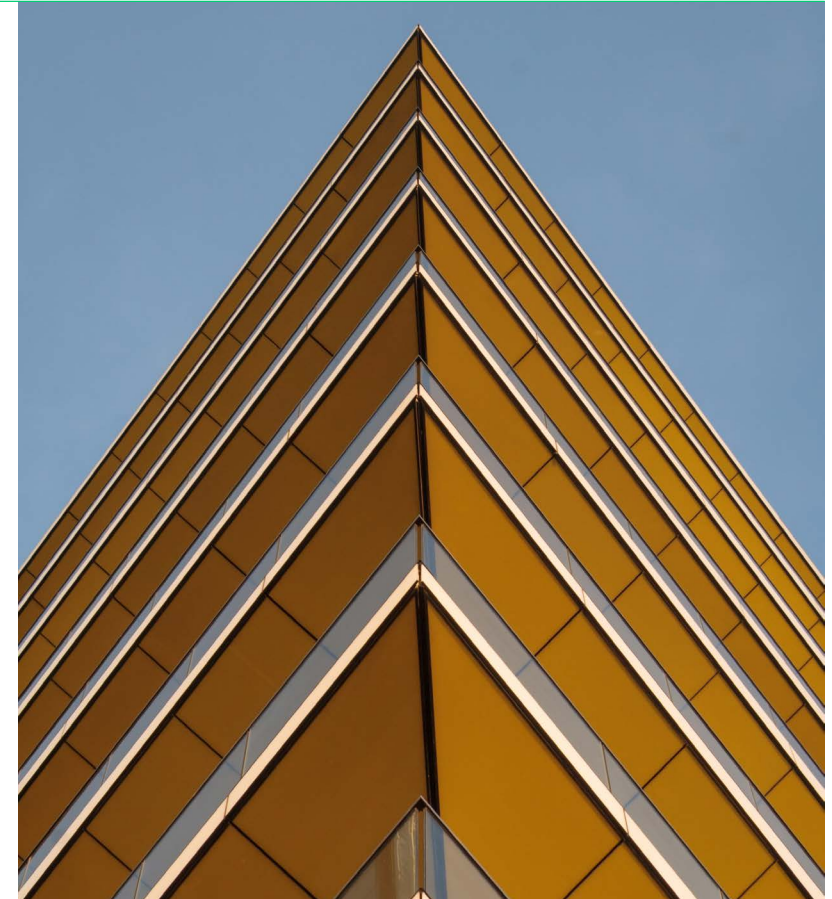
Projects and initiatives

Responsible Investment Policy – Investing for a better future

2022 is a landmark year for Sonae Sierra as it is the year in which Sonae Sierra put in place its Responsible Investment Policy, which defines a set of rigorous ESG standards that will guide Sonae Sierra’s investments and will enhance its role as a promoter of sustainable real estate.

The Responsible Investment Management Policy builds on Sonae Sierra’s existing policies and strengthens our commitment to sustainable finance. The policy aims to integrate ESG factors into investment decisions and address the sustainability risks and negative impacts of our business operations from the investment stage. It also complies with new EU regulations, such as the Sustainable Finance Disclosure Regulation (SFDR) and the Capital Requirements Regulation.

Accordingly, Sonae Sierra is revising its Due Diligence procedures in alignment with the



new Responsible Investment Policy to include a double materiality approach and comply with all the recent regulatory developments, namely the Corporate Sustainability Reporting Directive (CSRD) and the Taskforce on Nature-related Financial Disclosures (TNFD).



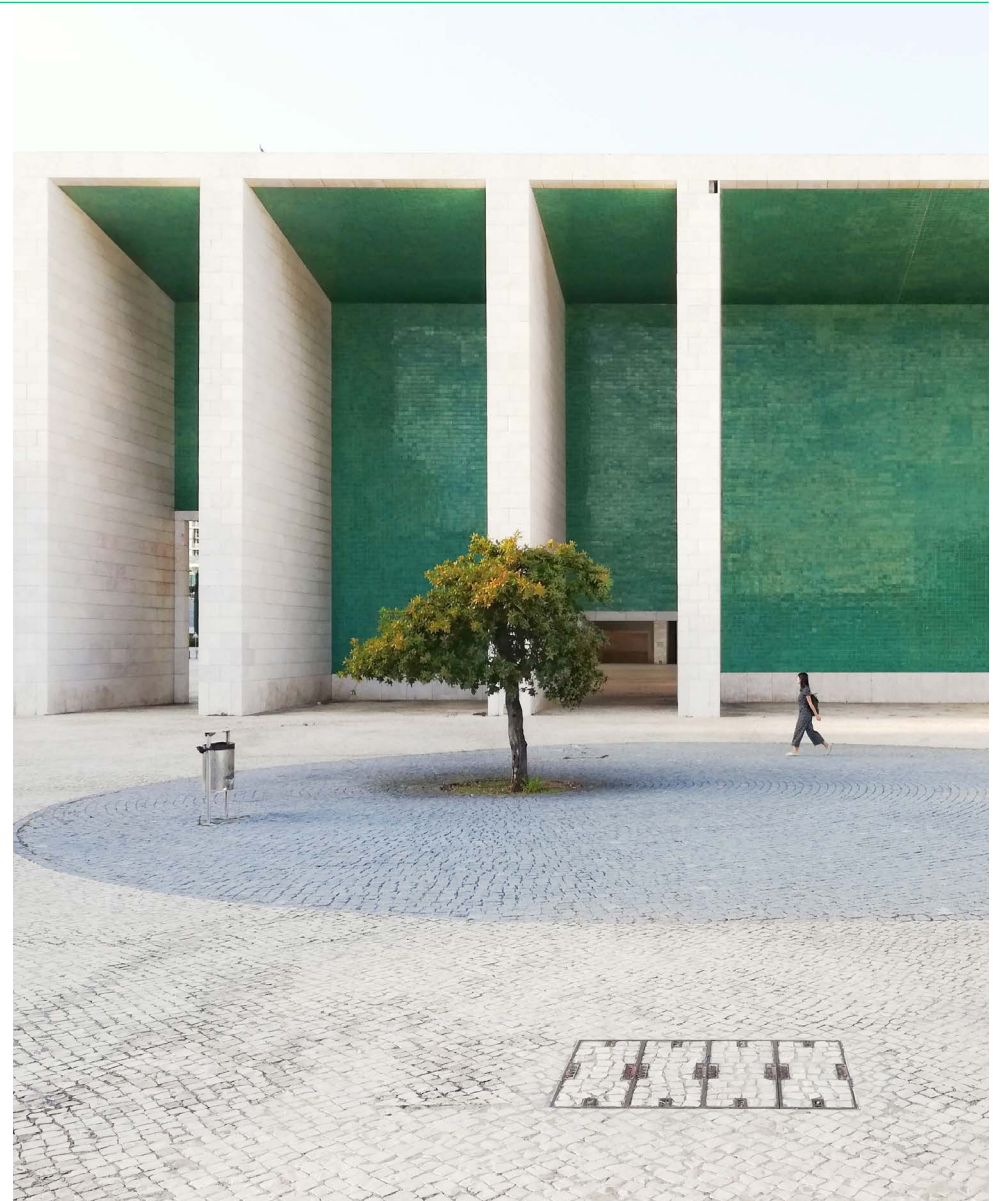
Projects and initiatives

Principles for Responsible Investment (PRI) – A public commitment by Sonae Sierra

Sonae Sierra adheres to the Principles for Responsible Investment, a world-leading network that promotes sustainable investment decision-making.

This public commitment is a natural step following the adoption of Sonae Sierra's Responsible Investment Policy and a clear demonstration of our commitment to taking our responsibilities seriously and leading by example in the real estate sector. We have embedded ESG principles in our values since 1995, and adherence to the PRI is a public commitment to continually improving our investment practices.

Sustainability has been at the forefront of our business and strategy for over 25 years. By aligning with the six principles set by the PRI, a world-renowned organisation in sustainable investment decision-making, we are reinforcing our commitment to this fundamental aspect of our business.



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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.

Sonae Sierra has a long history of integrating sustainability into its business activities and the same principles are also present across the whole of Sonae Sierra's portfolio of services. Sonae Sierra's long tradition in designing sustainable solutions places it in a privileged position to extend its reach to promote sustainable solutions through its network of stakeholders. For over 20 years Sonae Sierra has been advising its partners in minority position investments and clients to adopt similar sustainability principles.

In 2017, we expanded the scope of our Sustainability Office in response to the increasing demand for sustainability solutions, strengthening value creation by leveraging our unique knowledge and expertise. Sonae Sierra works closely with each client to design tailor-made solutions to improve their sustainability profile according to their specific goals. Sonae Sierra offers a wide portfolio of Sustainability Services that span from compliance to sustainability as a competitive advantage and covers the entire lifecycle of real estate, including design, investment, renovation, and management.

Find out more about our Sustainability Services [here](#).

Our achievements in 2022

Sonae Sierra's performance in the year highlights the potential for creating value through a sustainable approach to the real estate industry. The revenue from sustainability services has been growing annually and, as sustainability becomes increasingly important to our partners and clients, this trend is expected to continue.

41%
increase in sustainability services (revenue)

42%
of our sustainability services are best in class

41%
of sustainability services provided to partners and clients

Other relevant achievements can be found in the material topic Sustainable Buildings, Climate Change Resilience, Circular Economy, Responsible Procurement and Management of Tenant/Occupier Sustainability.

Projects and initiatives

We are implementing a LEED certification for clients, aiming to be the first neighbourhood with a LEED ND certification in Portugal and the second in Iberia.

LEED (Leadership in Energy and Environmental Design) is one of the most widely used green buildings rating systems in the world. It provides a framework for healthy, highly

efficient, and cost-saving green buildings and it is a globally recognized symbol of sustainability achievement and leadership.

LEED Neighbourhood Development is engineered to inspire and help create better, more sustainable, well-connected neighbourhoods. It looks beyond the scale of buildings to consider entire communities.

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Climate Change Resilience

(Sustainability Enabler)

Shared Value Created

Long-term asset value protected + Operational efficiencies & risk management

GRI table references

Energy | Water | Emissions | Economic Performance

Historical Milestones

2006 Developed a long-term carbon management strategy 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.

2021 Sonae Sierra took the public commitment to become carbon neutral by 2040, 10 years ahead of the EU decarbonisation target.

Climate change is the most enduring and challenging risk that humanity faces. The ecosystems that support us are under stress and the social and economic impacts are already evident. The real estate industry is responsible for approximately 40% of energy consumption and 36% of CO₂ emissions in the EU (with a similar pattern seen in other regions of the world). Additionally, the real estate industry has become the focus of the European Green Deal and the Renovation Wave Strategy, both of which aim to achieve carbon neutrality in the EU by 2050. Moreover, as climate change events become more frequent and intense some real estate assets may be exposed to risks, such as value impairment and increased insurance costs. The magnitude of these numbers and the impact of climate-related risks highlight the need for a change in paradigm on how the sector approaches sustainability and Sonae Sierra is at the forefront of this change.



Sonae Sierra has long been concerned about the consequences of climate change. In 2004, Sonae Sierra started monitoring and disclosing its carbon footprint, and since 2006, it has been actively working on reducing its greenhouse gas emissions, including Scope 3 emissions. In 2009, we commissioned a study to examine the financial risks of climate change on a sample of our Portuguese assets, focusing on energy, water, and insurance costs. Then in 2013, we conducted a high-level review to explore the business case for climate change adaptation and evaluated the potential impact of climate change on our assets, operational and asset value, insurance premiums, and policy developments. More recently, in 2021, we conducted a research study to understand the financial risks and opportunities associated with climate change. To this end, we performed an in-depth climate change risk assessment on a sample of assets to identify, describe, and estimate the physical and transition risks related to climate change and their potential financial impacts. Our goal is not only to mitigate potential risks, but also to unlock the value-creation potential embedded in the opportunities for businesses that are resilient to climate change and increase the value we create for the societies we serve.

Furthermore, Sonae Sierra is actively and continuously looking for solutions to improve

its resilience. During 2021 and 2022, Sonae Sierra conducted comprehensive Climate Change Risk Assessments that helped define a demanding and impactful roadmap towards the decarbonisation of the portfolio. Currently, Sonae Sierra is assessing the feasibility of improving the facilities and services for electric vehicles and the installation of photovoltaic renewable energy production.

The Sonae group, in which Sonae Sierra is a high-profile asset, obtained a remarkable CDP A- rating. This achievement reflects the commitment of the whole group to fight climate change and we understand this as an added responsibility to reinforce all our efforts and create a better tomorrow, today.

Climate change can exacerbate water scarcity by altering precipitation patterns and increasing evaporation rates, thereby reducing the availability of freshwater resources.

Water is a scarce resource and represents a significant environmental risk and we need to focus simultaneously on reducing water consumption and improving its re-use and recycling. We recently defined an ambitious commitment to use recycled/reused water for up to 25% of total water consumption by 2030 in our assets that have been identified with significant climate-related risks.

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Our achievements in 2022

As the ecosystems that support us are under stress, it becomes imperative to promote initiatives that increase our climate change resilience.

The time scale of the effects is long, but we need to act now. Sonae Sierra has been particularly active on this front and we report a wide set of KPIs that shows our commitment and our progress.

GHG emissions (Scope 1 and 2)

8.0 kg of CO₂e/sq.m GLA

-90% Variation since the baseline (2005)

Water recycled/reused

4.7%

4.6 pp Variation since the baseline (2006)

Renewable electricity (excluding tenants)

85%

Decarbonisation roadmaps designed for

88% of the portfolio

Climate Change Risk Assessments were conducted on **92%** of the portfolio

Submission of the 2030 targets for **Science-Based Targets initiative (SBTi) approval**

Other relevant achievements can be found in the material topic Sustainable Buildings, Management of Service Client Sustainability Profile, Circular Economy, Responsible Procurement and Management of Tenant/Occupier Sustainability.

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Projects and initiatives

Zero Deforestation

Climate change and the loss of biodiversity are interconnected issues that require immediate action. Organisations must take responsibility for their impact on the environment and play a leading role in transitioning to a sustainable, nature-positive economy. Instead of simply slowing down the damage, we must take bold steps to restore ecosystems and support projects that rebuild and rejuvenate biodiversity.

Sonae Sierra is committed to taking on this responsibility. Sonae Sierra proudly subscribed to Sonae's "Zero Deforestation" initiative, which will be implemented globally across our portfolio. Our goal is to guarantee that none of our activities contribute to deforestation. To achieve this, we thoroughly examined our operations and developed a roadmap to ensure "Zero Deforestation." We will also work closely with our stakeholders to ensure the traceability and monitoring of materials, including the adoption of control mechanisms and certification of raw materials.



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Circular Economy

(Sustainability Enabler)

Shared Value Created

Lower environmental impact + Improved eco-efficiency

GRI table references

Waste | Energy | Water

Historical Milestones

2005 NorteShopping was one of the first shopping centres in Portugal to start composting organic waste, improving Sierra's waste management system.

2007 Sonae Sierra developed a Waste Management Strategy Plan applying the 3Rs principle.

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

The risks of climate change must be tackled from different angles and using different approaches. The circular economy plays a pivotal role in Sonae Sierra's strategy as it has the potential to address significant climate change-related risks, such as the ones stemming from the overuse of natural resources, while creating solid value-creation opportunities, either by minimising costs or by increasing revenues. For Sierra, the circular economy is seen as both a risk mitigation measure and an investment opportunity that will support our roadmap to carbon neutrality and address the pressing issue of resource scarcity. Moreover, a circular economy allows Sonae Sierra to meet regulatory requirements, such as those outlined in the EU's Circular Economy Action Plan.

The circular economy is based on the principle of maximising resource value by designing and managing resources and related disposal practices to prioritise the reduction of materials used and their reuse, refurbishment, repair and recycling. By adopting these principles, Sonae Sierra can increase the productivity and efficiency of its assets while decreasing its reliance on natural resources and virgin materials. This, in turn, will mitigate environmental degradation and CO₂ emissions associated with Sonae Sierra's activities. Additionally, the circular economy creates opportunities for new services as our expertise in developing approaches based on the circular economy becomes the reference in the sector.

Our achievements in 2022

The circular economy plays a relevant role in Sonae Sierra's strategy as it opens considerable opportunities for value creation while significantly mitigating the environmental impact of our activities. Our KPIs show substantial progress across the board.

Recycling rate

66.5% **+250% (+47 pp)**
Variation since the baseline (2002)

Landfill rate

15.0% **-73% (-40 pp)**
Variation since the baseline (2007)

Other relevant achievements can be found in the material topic Sustainable Buildings, Management of Service Client Sustainability Profile, Climate Change Resilience, Responsible Procurement and Management of Tenant/Occupier Sustainability.

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Projects and initiatives

The future needs more circularity

Sonae Sierra has been active in implementing comprehensive measures to promote more efficient waste recovery performance across the portfolio. All shopping centres have facilities in place for waste separation and recycling.

Moreover, around 70% of Sonae Sierra's portfolio has processes in place to segregate organic waste and send it for composting or anaerobic digestion. Sonae Sierra understands the benefits of better levels of circularity and, based on the results achieved in Circulytics, it has been developing a coherent and ambitious roadmap to improve the circularity of the business.

Circulytics is a tool developed by the Ellen MacArthur Foundation to support the transition towards the circular economy by assessing the level of circularity across the entire operation. It uses the widest set of indicators currently available to measure the circularity level of an asset and highlights and identifies opportunities for innovation while enabling companies to track their progress.

Sonae Sierra's approach towards a more circular economy is present across all our operations namely in our focus to improve water and electricity efficiency and waste management.

70%
of Sonae Sierra's
portfolio

has processes in place to segregate organic waste and send it for composting or anaerobic digestion



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Responsible Procurement

(Sustainability Enabler)

Shared Value Created

Lower environmental impact + Enhanced reputation and brand value + Long-term asset value protected

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 principles of the circular economy, which build long-term resilience and support our focus to create shared value.

As mentioned, the real estate sector is amongst the largest energy consumers and CO₂ emitters and a huge raw material consumer. As a significant proportion of the impact from real estate is related to the construction of developments, Sonae Sierra has implemented a Responsible Procurement Policy, which ensures that our suppliers, building materials, products, and equipment are aligned with our sustainability goals. This policy is linked to our goals of responsible investment, the circular economy and climate change resilience and establishes principles for:

- **Building materials, products, and equipment:** Optimising the value extracted from these items while considering a circular economy approach and other sustainability-based principles and commitments;

- **Suppliers:** Recognising service suppliers as a key stakeholder group and prioritising suppliers with high standards of social, environmental, safety, and health performance that are aligned with Sonae Sierra's criteria.

The enforcement of Sonae Sierra's Responsible Procurement Policy extends the impact of our sustainability principles across our network of stakeholders, creating a cascade effect that amplifies Sonae Sierra's contribution to a better Planet.

Additionally within our SHEMS, we have established procedures for procuring products and services that prioritize high standards of safety, health, and environmental practices. These measures are in place to ensure that the procurement process is conducted in a responsible way.



Sonae Sierra's Responsible Procurement Policy extends the impact of our sustainability principles across our network of stakeholders

Projects and initiatives

Making our buildings greener

Sonae Sierra's carbon-neutrality commitment is ambitious and its entire portfolio is actively working on reducing operational carbon emissions, mainly through improvements in energy usage and efficiency. Sonae Sierra's roadmap for decarbonisation is well on track and Sonae Sierra's Bright (and Bright 2.0) have been identifying significant improvement measures such as electricity retrofits and optimal energy consumption profiles.

However, Sonae Sierra is also exposed to high carbon intensity levels during the construction phase and is revising its methodology to measure embodied carbon locked in during the construction, renovation and operation stages. The goal of this methodology is to measure and report the level of embodied carbon on a continuous basis, during the development stage, so that Sonae Sierra can then act on mitigating the impact.

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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.

2007 Personæ Tenant Award launched (and Planet Sierra Tenant Award in 2010) to recognise Tenants' S&H and Environmental standards.

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

The operation of large commercial areas also has a significant environmental footprint. Energy consumption, water consumption and waste production are three areas with significant environmental impact. Sonae Sierra addresses these issues together with its stakeholders, namely the tenants and occupiers, supporting them in their sustainability journey. A sustainability journey that is guided by our demanding standards, extending the reach of our sustainability principles. Sonae Sierra provides several resources such as a Tenant's Fit-out Manual with environmental and safety rules and good practices,

Sonae Sierra has been promoting and improving its offer of ESG Leases, allowing for a more efficient approach towards tenant engagement concerning sustainability practices.



Safety, Health, and Environment (SHE) training to empower tenants with the knowledge and skills they need to improve their SHE performance and use tailored suggestions through our SHE Preventive Observations (SPO) and emergency drills to encourage responsible behaviour. Moreover, Sonae Sierra also promotes several awareness initiatives, such as management meetings, and provides a Good Practices Guide with SHE rules.

Sonae Sierra has been promoting and improving its offer of ESG Leases, allowing for a more efficient approach towards tenant

engagement concerning sustainability practices. Sonae Sierra's portfolio of services includes different programmes, such as Bright and Dive, which actively promote more efficient use of resources such as energy and water, sharing the benefits with tenants and occupiers. In terms of waste management, Sonae Sierra is actively engaged in solutions to promote the reduction of waste production and the increase of waste valorisation, via specific projects and awareness campaigns. All of these efforts are in line with our goal of becoming carbon neutral and mitigating the impact of our activities on our ecosystems.

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Projects and initiatives

Green leases for a greener future

Sonae Sierra has been leading the offer for assets with a smaller environmental footprint, anticipating both an increasing regulatory trend and increasing market demands. Sonae Sierra's ESG Leases have long incorporated clauses that enforce the more sustainable, healthier and safer operation of the asset by both the owner and the tenant. The increased sustainability of the asset is materialised through stricter operational requirements with an impact on the use of ecologically harmless building materials, on the reduction of GHG emissions, waste production, water usage, energy consumption, improved levels of renewable energy sources and recycling and health and safety of tenants and users.

In 2022, Sonae Sierra implemented stricter requirements for its ESG Leases to better align these contracts with Sonae Sierra's Sustainability Strategy. For this purpose, the contracts now include specific clauses focusing on social issues such as human rights. These clauses are in addition to clauses imposing, namely, clear reporting obligations of specific data to Sonae Sierra (e.g., percentage of renewable energy used), use of environmentally friendly solutions (e.g., the use of LED lighting) and attending training sessions on sustainability-related topics (e.g., waste management).

A more sustainable approach to the development and operation of ESG Leases, in addition to the creation of natural value, offers significant opportunities to create economic value for both landlords and tenants through significant cost savings and reputational gains. The benefits of ESG Leases also impact liquidity as these assets are more attractive for sale and financing, particularly in a market that is being strongly pushed towards sustainable finance.



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Impact on local communities

(Local Management Issues)

Shared Value Created

Local community safety and well-being + Enhanced reputation and brand value

GRI table references

Local communities

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 volunteer for a wide range of projects in collaboration with local NGOs.

At Sonae Sierra, we believe that our success goes hand-in-hand with the health and well-being of our societies. We cannot conceive a sustainable business without sustainable societies and, for this reason, we work together with all our stakeholders to guarantee social equality and inclusive development across the communities in which we operate. Everyone must benefit from the same opportunities and it also includes being present when our communities need our support. The last couple of years have tested our commitment towards

more sustainable societies and we were always there by their side.

Engaging with our communities ensures that our principles of sustainability extend beyond our organisation and across our network of stakeholders. With better knowledge of our local communities, we can optimise the positive social and environmental impact, giving purpose to our mission. Supporting our communities is undoubtedly an investment in the future of Sonae Sierra.

Our achievements in 2022

Sonae Sierra is actively engaged in promoting and supporting initiatives that can have a positive impact on local communities. Its social footprint allows Sonae Sierra a privileged position to understand the dynamics of each community and quickly act to support them. In addition, Sonae Sierra is very vocal in promoting awareness campaigns to improve lifestyle and a more sustainable approach towards the future.

€413,784

invested in local communities

+250

community initiatives promoted and supported across the entire portfolio

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Our achievements in 2022

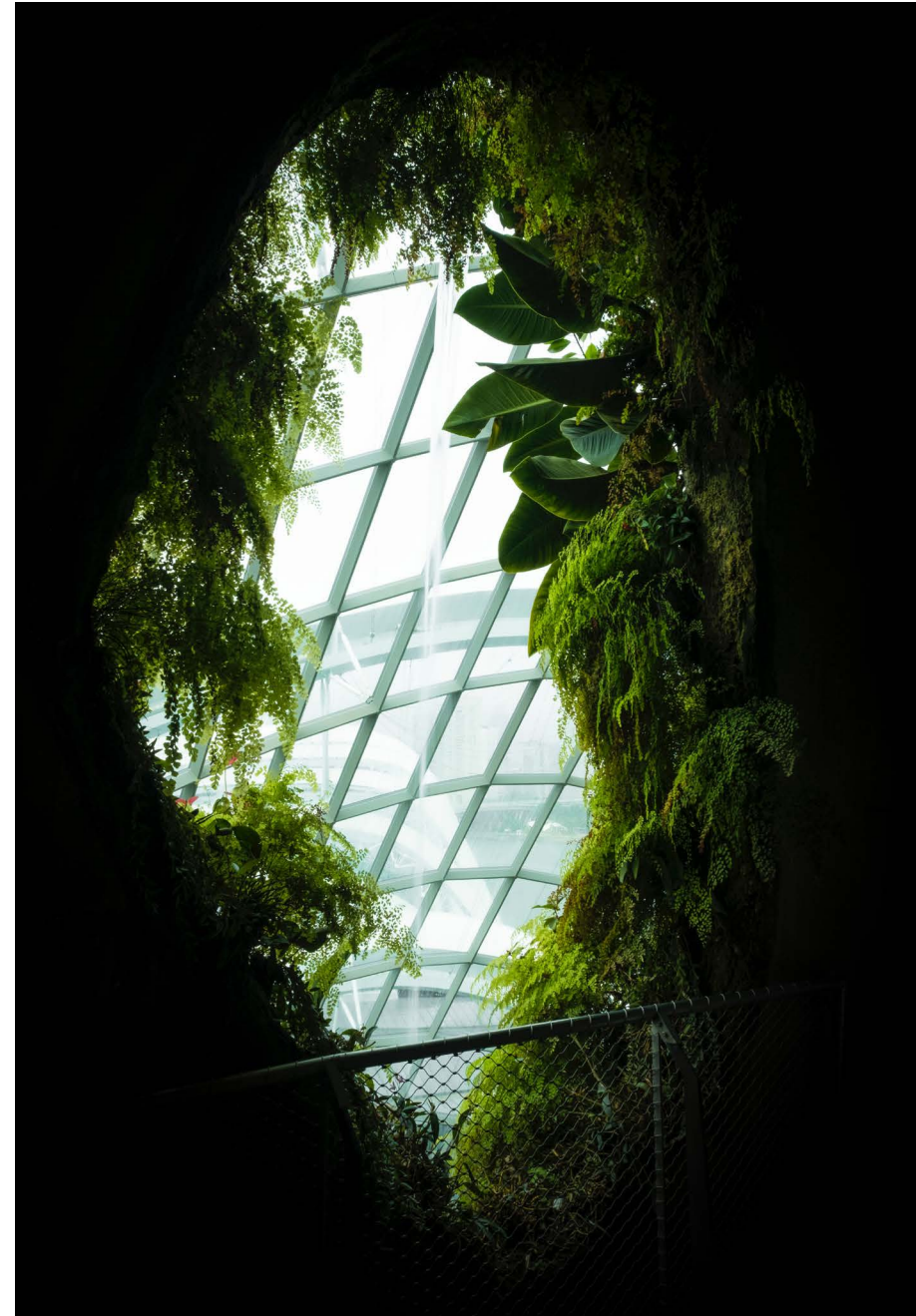
Sonae Sierra through its portfolio of assets, namely the shopping centres, has a significant social footprint. The quality of the assets under our management attracts a sizeable foothold with millions of visitors around the globe. This increased visibility offers Sonae Sierra a unique platform to be vocal on socially relevant topics and we are not shy when it comes to raising awareness of the most significant risk that we face as a society. Across our assets and throughout the year, we have promoted several initiatives to communicate the climate-related risks we are facing and the urgent need to change our lifestyles.

Every year Sonae Sierra welcomes and promotes several awareness campaigns that give voice to our sustainability values. 2022 was not an exception and, across the globe, Sonae Sierra was active in initiatives such as “Positive Energy” and “I Care Too!”.

“Positive Energy” was promoted in several Portuguese shopping centres aiming at raising awareness of climate change and how energy efficiency can have a positive contribution. Using Sonae Sierra’s two

decades of resource efficiency improvements, the “Positive Energy” campaign focuses on the simple idea that “we hardly notice, but the planet does”. During the campaign, Sonae Sierra presented visitors with information on recommendations to mitigate climate change via a more energy-efficient lifestyle. “Positive Energy” was more than just an awareness campaign. Under this initiative, Sonae Sierra used less festive decorative light and these light displays only came on at 6 pm, installed high-efficiency lighting, optimised the usage of air conditioning equipment and reduced lighting in common areas. Furthermore, Sonae Sierra invited all tenants to join these efforts towards a better planet.

The “I Care Too!” initiative took place in Parklake (Romania) and aimed at raising awareness of the risks of climate change, their implications and how we can prevent them. In a partnership with the World Wide Fund for Nature (WWF) – Romania, the campaign presented the public with powerful and effective images and infographics, showing the effects and key facts of climate change in a constructive manner that included recommendations for a more environmentally friendly lifestyle.



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Overview & Description of our Material Areas

Safe, Healthy and Engaged Workforce

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



The Safe, Healthy and Engaged Workforce pillar focuses on our most valuable asset: our team. Sonae Sierra's team works relentlessly around the clock and around the world to deliver a stellar performance and allow Sonae Sierra to define benchmarks in the sector. Sonae Sierra promotes a work environment that promotes personal and professional development while respecting and fostering a healthy work-life balance.

Sonae Sierra actively and continuously works to improve the working conditions and the quality of life for its colleagues through the reinforcement of our SHEMS across all corporate operations. Additionally, we offer training and professional development opportunities to motivate and provide our team with state-of-the-art skills and knowledge. Additionally, Sonae Sierra understands the richness of the diversity of backgrounds in our team and actively promotes an environment of diversity and inclusiveness.

The quality of our team is a key determinant of our unique quality of rapidly adapting to a fast-moving business landscape in which innovation and sustainability principles are paramount to the purpose of our mission: to create and share economic and social value.

To track the progress of these goals, we have established long-term and yearly objectives as well as KPIs for relevant material topics. The table below shows our performance against these goals and their evolutionary trajectory based on available data.

For more information about Sierra's contribution to the SDGs, please refer to [Chapter 1, page 10](#). Sonae Sierra's Long-Term Sustainability Objectives for 2030 can be found on [page 93](#) (snapshot) and on our [corporate website](#).

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Safe, Healthy and Engaged Workforce - Evolution & 2022 Performance

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



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Continuation

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

Material Area	KPI	Performance	2022 Target status												
Employee Health, Safety & Well-being	Accident Rate (LWCAFR) among the workforce* (n° of accidents per million hours worked)	<table border="1"> <caption>LWCAFR Performance Data</caption> <thead> <tr> <th>Year</th> <th>Overall Performance</th> <th>Target</th> </tr> </thead> <tbody> <tr> <td>2005</td> <td>3.6</td> <td>-</td> </tr> <tr> <td>2022</td> <td>1.71</td> <td>1.65</td> </tr> <tr> <td>2030</td> <td>-</td> <td>0</td> </tr> </tbody> </table>	Year	Overall Performance	Target	2005	3.6	-	2022	1.71	1.65	2030	-	0	✔
	Year	Overall Performance	Target												
2005	3.6	-													
2022	1.71	1.65													
2030	-	0													
	Accident Severity Rate (ASR) among the workforce** (n° of lost workdays per million hours worked)	<table border="1"> <caption>ASR Performance Data</caption> <thead> <tr> <th>Year</th> <th>Overall Performance</th> <th>Target</th> </tr> </thead> <tbody> <tr> <td>2005</td> <td>150.2</td> <td>-</td> </tr> <tr> <td>2022</td> <td>37.6</td> <td>10.4</td> </tr> <tr> <td>2030</td> <td>-</td> <td>0</td> </tr> </tbody> </table>	Year	Overall Performance	Target	2005	150.2	-	2022	37.6	10.4	2030	-	0	✔
Year	Overall Performance	Target													
2005	150.2	-													
2022	37.6	10.4													
2030	-	0													

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* 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).
 ** 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 concerning our internal procedures and all aspects of property management.



Human Capital Management is a key material topic of the second pillar of Sonae Sierra's Sustainability Strategy. The talent market is highly competitive and we actively engage in initiatives that reflect our focus on attracting, developing, and retaining talent, as well as promoting equal opportunities and personal and professional satisfaction.

Sonae Sierra deploys a wide range of initiatives to help our team to be productive and competitive. More importantly, we focus on our people as all the dynamics we want in our team are driven by how each team member is motivated and understands the value of their contributions.

For this purpose, Sonae Sierra has several initiatives in place. Improving Our People (IOP) performance management tool is designed to

promote a culture of continuous improvement and ensure personal development plans are in place tailored for each employee, based on their goals, identified improvement areas, and the Company's needs. Another example, and as part of the Sonae Group, can be found in the European Round Table for Industry (ERT) Women's Initiative and Voluntary Targets and the European Pledge for Inclusion and Diversity, which aims to address the gender gap in senior leadership and board-level positions. Sonae Sierra regularly evaluates the satisfaction of each member of its team through the use of the eNPS (employee Net Promoter Score) tool and, above all, acts on the results obtained. The eNPS provides Sonae Sierra with unique feedback that facilitates a continuous improvement process to nurture talent.

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Our achievements in 2022

Sonae Sierra's efforts towards its people are a key determinant of its success as a leading organisation and its performance highlights the quality of the efforts made to ensure that the team feels and works at its best.

38.5%

of Women in leadership positions

93.2%

Top Talent Retention Rate

Projects and initiatives

We care about our people

Sonae Sierra understands the utmost relevance of having a motivated team and retaining talent. Sonae Sierra continuously monitors the alignment between the Company's and its employees' expectations via the eNPS. These surveys are conducted regularly (two were conducted in 2022) and the results are carefully analysed and a roadmap of initiatives is defined to identify the areas where the most improvement is needed. These surveys assess employees' perceptions of the Company and allow Sonae Sierra to adjust processes, initiatives, benefits and working conditions to meet employees' needs.

In addition to the eNPS, Sonae Sierra also conducts Climate Surveys that play a central role in team management, providing relevant information on employee satisfaction and engagement levels and enabling managers to act proactively. These surveys have become a powerful management tool as they provide insight into employee involvement, understanding of their position on various issues, knowledge of commitment levels, identify critical points, analyse various internal leadership styles, and other related issues regarding strategy, working conditions, and people management practices.

Following the results from the latest surveys, we redesigned our flexible working solutions that focus on offering more flexible working conditions to allow a better work-life balance, and we are defining a set of initiatives to foster professional development.

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Employee Health, Safety & Well-being

(Sustainability Enabler)

Shared Value Created

Higher levels of staff satisfaction, engagement & productivity
+ Accident reduction + Improved well-being

GRI table references

Occupational health and safety

Historical Milestones

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

2008 Sonae Sierra Safety & Health Management System was certified according to OHSAS 18001 (current ISO 45001). The first certification awarded to a European Company in this industry.

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.

The health, safety, and well-being of our team are a constant priority for Sonae Sierra. Our first priority is with each person. Each colleague must feel safe, have a healthy lifestyle and feel happy and motivated. For us, this is a critical component of our team's performance and, therefore, of Sonae Sierra's performance.

We address this material topic at both a personal and team level to maximise the outcome of our actions. Our efforts in employee health and safety have been consistently recognised as best in class and are the result of our SHEMS. An integrated approach mainly focused on our people.

The last couple of years were particularly hard on everyone with COVID-19 shaking our social pillars and creating havoc in families, social groups, communities and teams. Sonae Sierra stood by its people and it was recognised by the 2020 International Business Awards for its COVID-19 response. The invasion of Ukraine and the subsequent economic effects created new challenges in 2022 that will have an impact for years to come. Sonae Sierra is actively monitoring the impact and will be ready to deploy the necessary processes to help those in need and address more structural problems with comprehensive and targeted approaches.

Our achievements in 2022

Accident rate (among workforce)

1.71 accidents per million hours worked

-52% Variation since the baseline (2005)

Accident severity rate (among workforce)

37.6 lost workdays due to accidents per million hours worked

-75% Variation since the baseline (2005)

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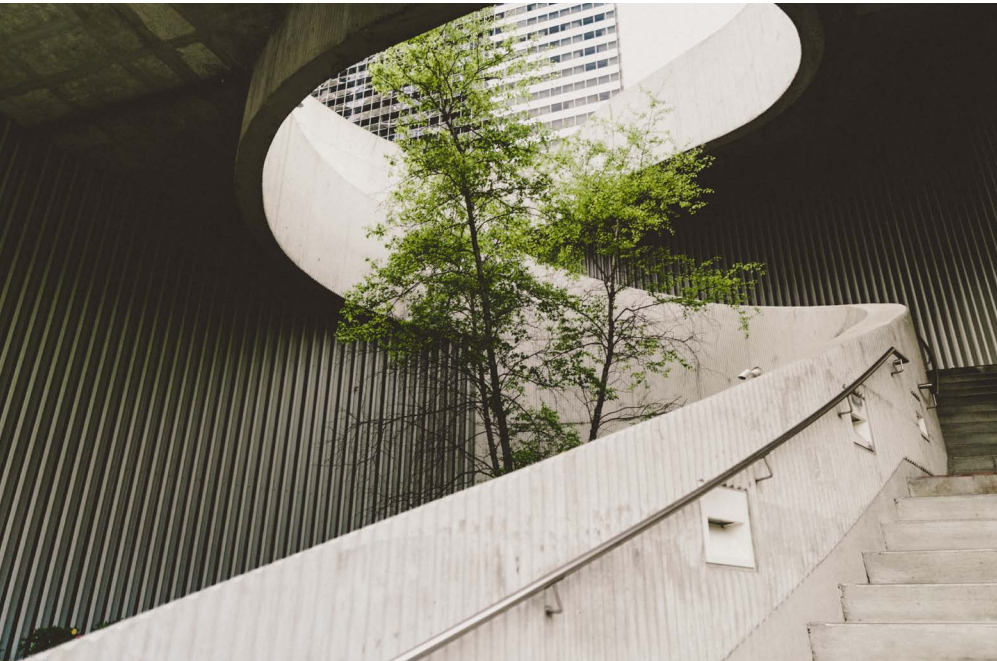
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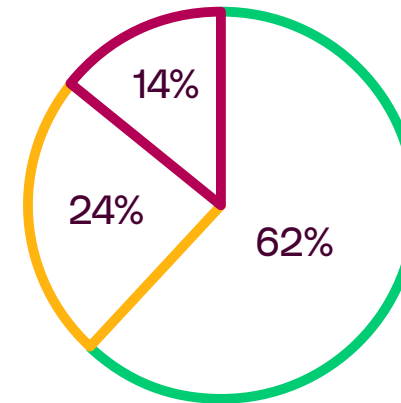
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Performance against targets



- Totally Achieved
- Partially Achieved
- Not Achieved

Performance against 2022 targets

2022 was a remarkable year for Sonae Sierra. Despite the challenges that the year presented us with, we remain focused on continuously improving our performance across all the material topics that support our sustainability strategy. Our targets are ambitious and challenging, but still, Sonae Sierra achieved 86% of the applicable sustainability targets (62% fully achieved and 24% partially achieved). We have already

approved the targets for 2023 and we are sure that we will deliver them and keep defining new and more challenging targets for the future. Sonae Sierra thrives when faced with new challenges.

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

86%
of the applicable targets were either fully or partially achieved



Next Steps & Long-Term Objectives

At Sonae Sierra, we are driven by ambitious challenges.

The last few years were marked by turmoil that cannot be dissociated from the challenges arising from climate change and serve to highlight the need for a paradigm shift in the way we face the problem.



The winners will be those that can unlock social and economic value creation from the opportunities raised by the risks we face. Sonae Sierra, as part of the Ethos of Sonae, will face these challenges with determination.

We will remain focused on our sustainability journey. Specifically, we will continue to work on our zero-carbon roadmap and strengthen our approach towards a circular economy. A more circular economy is an excellent example of an approach to business that allows us to multiply the benefits of our actions, by contributing simultaneously to different material topics.

Our long-term objectives were revised and are now defined for a 2030 horizon, our previous commitments were updated with extended goals to guarantee our targets remain ambitious and challenging. Sonae Sierra is now calibrating its procedures to embrace new and reinforced challenges.

Sonae Sierra has a large social footprint and a wide network of stakeholders and both are part of our strategy.

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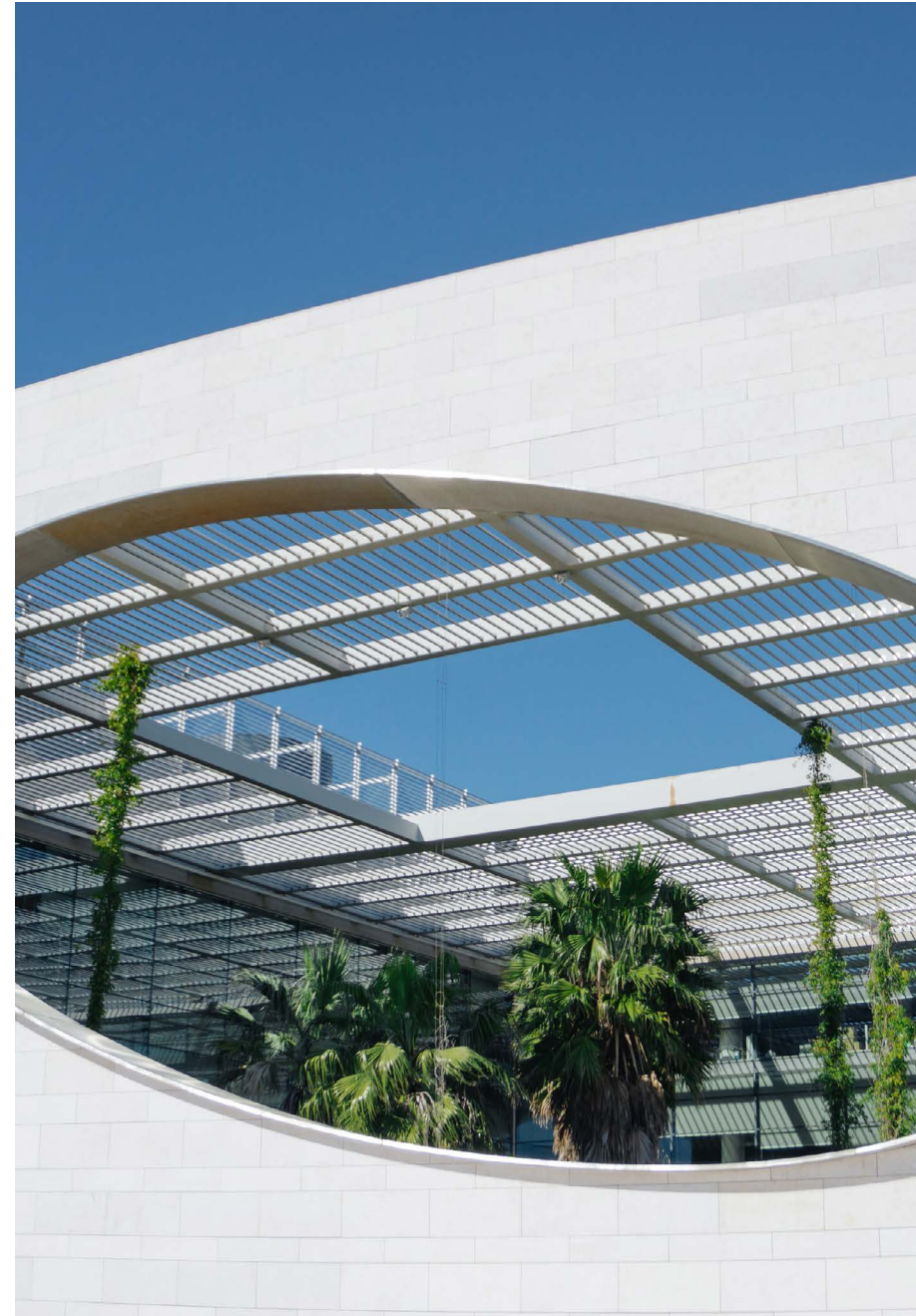
We are focused on the long run, a way of thinking that highlights the utmost relevance of a sustainable planet.

Sonae Sierra will use its presence to disseminate its corporate values and accelerate the transition to a better environment; a better society. Sonae Sierra will work with its stakeholders to improve their sustainability performance, by helping in their climate transition and the implementation of sustainable finance policies that integrate financial risks derived from sustainability challenges.

Sonae Sierra's success is the result of the efforts of a team that works relentlessly day after day to deliver a service that meets its stakeholders' demands. Our team is at the heart of our success and, for this reason, we will continue to devote all our efforts to nurturing a work environment that improves their safety, health and well-being, and in which each person benefits from the same opportunities.

Sonae Sierra is focused on the long run, a way of thinking that highlights the utmost relevance of a sustainable planet and sustainable society and gives purpose to our mission of creating and sharing economic and social values. We will not compromise on these principles.

Our long-term objectives were revised and are now defined for a 2030 horizon.



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2030 Long-term objectives - snapshot*

<p>-67%</p> <p>Reduction in electricity (since 2002)</p>	<p>-53%</p> <p>Reduction in water (since 2003)</p>	<p>-73%</p> <p>Reduction in scope 1 and 2 GHG emissions (since 2019)</p>	<p>-46%</p> <p>Reduction in GHG emissions from embodied carbon, offices, tenant's energy use and visits to our assets (since 2019)</p>	<p>+61 pp</p> <p>Increase in recycling rate (since 2002)</p>	<p>-53 pp</p> <p>Decrease in landfill rate (since 2007)</p>
<p>25%</p> <p>Water consumption reused or recycled in assets with significant water-related risks</p>	<p>100%</p> <p>of development assets with greywater and rainwater reuse systems</p>	<p>0</p> <p>accidents among our workforce, in operating assets and development projects</p>	<p>95%</p> <p>Recycling rate in corporate offices</p>	<p>85%</p> <p>Recycling and reuse rate (excluding soils) in development assets</p>	<p>100%</p> <p>of our owned development assets and operating assets with a Green Building certification</p>
<p>100%</p> <p>of development projects with a primary energy demand 10% lower than nearly zero-energy buildings (NZEB)</p>	<p>100%</p> <p>of assets assessed for climate change financial risks and mitigation actions implemented for all those identified as significant risk</p>	<p>100%</p> <p>of operating and development assets with onsite photovoltaic solar electricity production</p>	<p>100%</p> <p>of tenant/occupier leasing contracts with ESG clauses</p>	<p>50%</p> <p>increase in sustainability services to clients (% by income) (since 2021)</p>	<p>100%</p> <p>of development assets with a Whole Building Life Cycle Assessment (LCA). Achieve at least 20% improvement vs baseline</p>
<p>To be recognised for delivering the best local community initiatives related to sustainability for visitors</p>	<p>To be recommended by our employees as a good employer - eNPS ≥ 0</p>	<p>94%</p> <p>Top Talent retention rate</p>	<p>50%</p> <p>Leadership positions occupied by women</p>		

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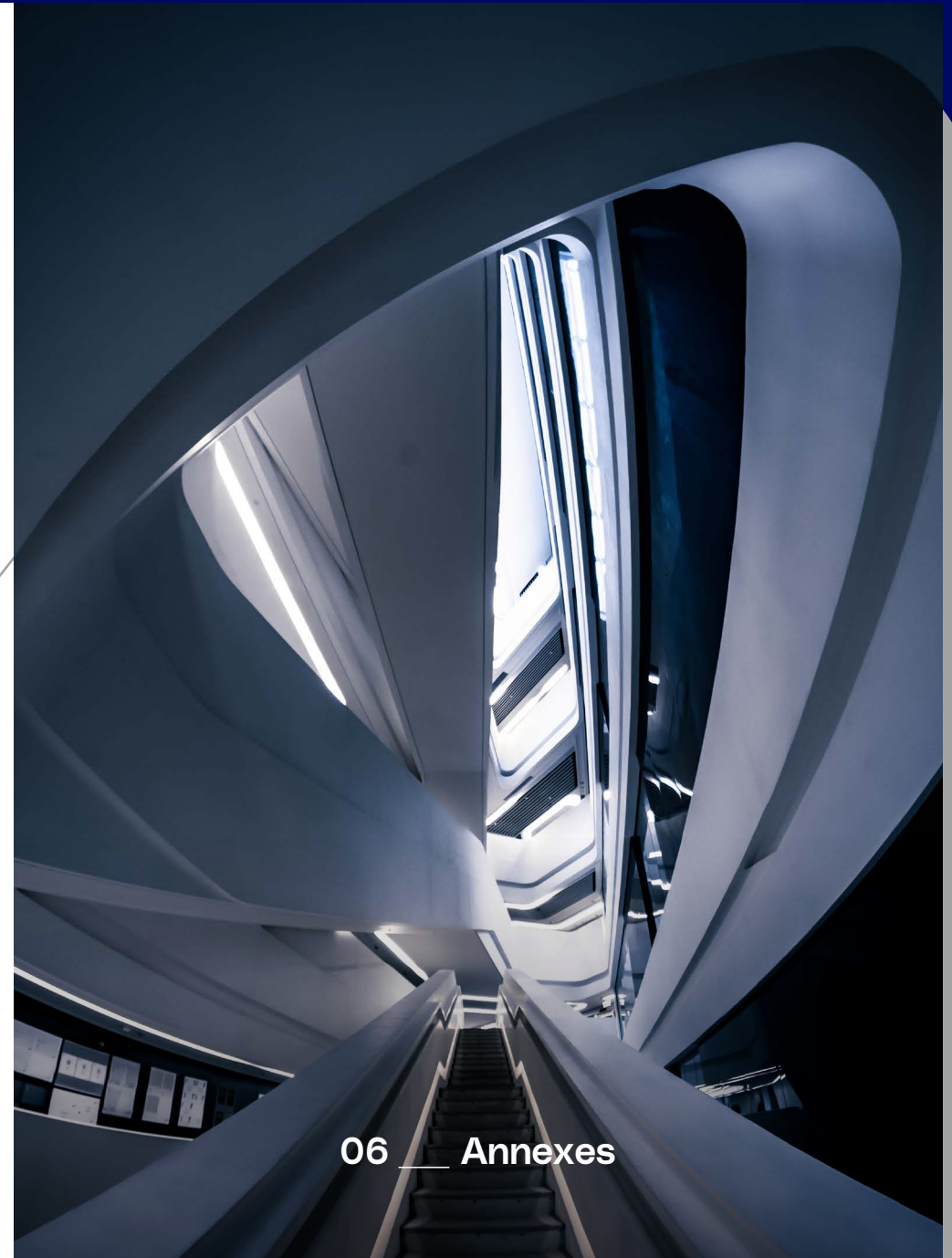
* Owned assets under management (and their major renovations and expansions) and full development projects (owned).



A Story Told by Numbers

Act 06

Achieving goals, creating
new beginnings.



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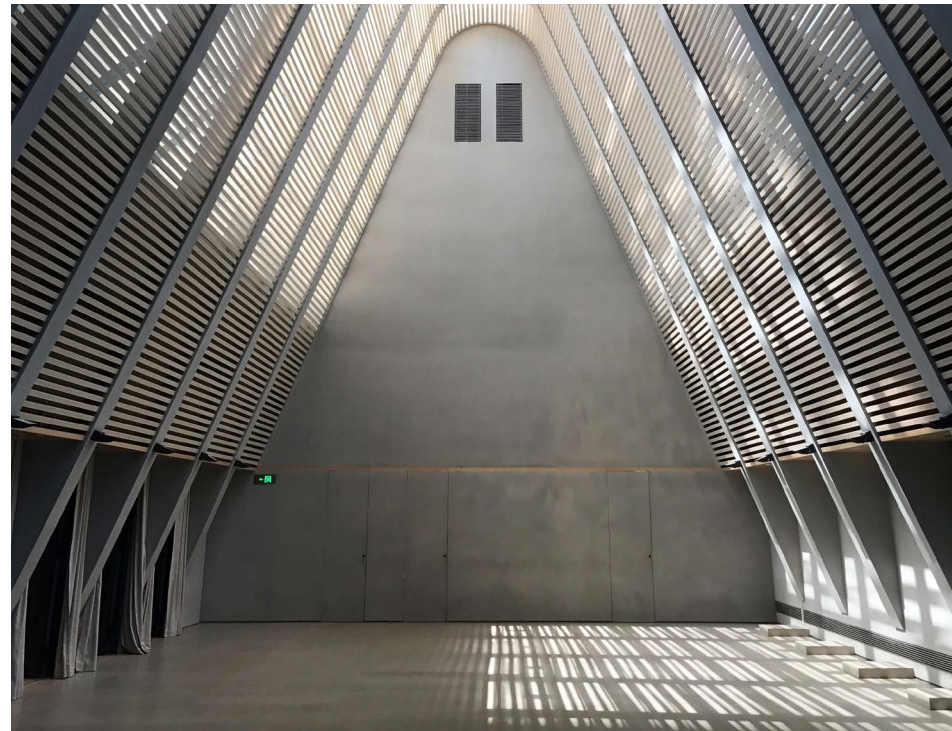
06 Annexes



GRI Index

Under this Index and in the Sustainability Statements chapter whenever we mention ‘owned assets’ or ‘assets under management’ we refer to assets under direct management, which consolidate in our accounts. Therefore, namely 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, SIGI and other 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.



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GRI 2: General Disclosures 2022

2-1: Organizational details

Legal name: Sonae Sierra SGPS, S.A..

Business name: Sonae Sierra.

Our headquarters are located in Maia, Portugal.

Location of operations can be found in 'About Sonae Sierra', [pages 11 to 17](#).

Ownership and legal form can be found in 'Who we are', [page 11](#).

2-2: Entities included in the organization's sustainability reporting

The entities included are generally described in the previous page and in detail in the Data Qualifying note of each indicator. The owned assets mentioned previously are: Portugal | ArrábidaShopping, CascaiShopping, Centro Colombo, Centro Vasco da Gama, Estação Viana Shopping, GaiaShopping, GuimarãesShopping, MadeiraShopping, MaiaShopping, NorteShopping, Parque Atlântico, Portimão Retail Center, SerraShopping, ViaCatarina Shopping; Spain | Área Sur, GranCasa, Luz del Tajo, Max Center, Plaza Mayor, Valle Real; Romania | ParkLake; Italy | Gli Orsi, Le Terrazze; Greece | Fashion City Outlet.

2-3: Reporting period, frequency and contact point

The information in this report relates to the calendar year ending on 31 December 2022.

2-4: Restatements of information

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

2-5: External assurance

The report has been externally assured by an independent auditor. The independent auditor's review can be found on [page 152](#).

2-6: Activities, value chain and other business relationships

In 2022 we purchased goods and services with a value of approximately €910 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 number 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 42](#).

There is no policy that guarantees that preference should be given to locally-based suppliers. However, in 2022 among managed shopping centres, 96% of our procurement spending was with national suppliers. Sonae Sierra's downstream entities are the shopping centre tenants and visitors, small businesses from the communities that can use the shopping centres in a given period of time to promote their activity. In addition, we should mention the owners of the shoppings centres that we manage, the investors, and the broad range of clients that request our services. With the downstream entities, Sonae Sierra can have short or long term relations, contractual relations, project-based or event-based. These entities are located across the globe, depending on the country where we are and given the price/quality of their offer.

Sonae Sierra establishes other relevant business relationships with investors of a different nature and dimension, clients in different sectors, partners of joint ventures, charity organisations across the countries where it is present. No changes except the change in the shareholding structure – Sonae increased its participation from 80% to 90% in March 2022.

Activities, brands, products, and services can be found in 'About Sonae Sierra', [pages 11 to 17](#). No products or services are banned in certain markets. Markets served can be found in 'Who we are', [page 12](#); 'Customers, partners and suppliers', [pages 39 and 40](#).

Sonae Sierra operates in the real estate sector. Within this sector the Company serves retail, office, residential, logistics and data centres among other sectors. Please see 'What we do', [pages 14 to 17](#); and 'Operational Performance', [pages 19 to 26](#). Scale of the organization can be found in 'About Sonae Sierra', [pages 4 to 17](#); and 'Financial Performance', [page 29](#); 'Customers, partners and suppliers', [pages 39 and 40](#).

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GRI 2: General Disclosures 2022

2-7: Employees

Country	Direct Employees		
	Female	Male	Total
Colombia	-	2	2
Germany	32	33	65
Greece	6	1	7
Italy	25	13	38
Kosovo	-	2	2
Morocco	6	11	17
Portugal	265	213	478
Romania	12	8	20
Spain	51	29	80
The Netherlands	-	1	1
Total	397	313	710

Country	Supervised Workers		
	Female	Male	Total
Greece	2	-	2
Italy	1	3	4
Portugal	6	1	7
Spain	2	1	3
The Netherlands	3	-	3
Total	14	5	19

Employment type	Direct Employees		
	Female	Male	Total
Full Time	376	313	689
Permanent Part time	19	-	19
Temporary Part time	2	-	2
Total	397	313	710

Employment contract	Direct Employees		
	Female	Male	Total
Permanent	374	298	672
Fixed term	16	12	28
Temporary	7	3	10
Total	397	313	710

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 2022 we had more 58 employees than in 2021. Until 2021 we were considering employees from Luis Malheiro and Poland, however these are not on our payroll and therefore should not be considered as direct employees. This comparison is LFL.

2-8: Workers who are not employees

Besides our employees reported above, we also employed 8 independent contractors during the reporting period (with a female/male ratio of 0.14).

2-9: Governance structure and composition

'Governance, ethical conduct and transparency', [pages 49 to 53](#), and 'Safety, Health and Environment Management', [page 134](#).

2-10: Nomination and selection of the highest governance body

'Governance, ethical conduct and transparency', [pages 50 and 51](#).

2-11: Chair of the highest governance body

Cláudia Azevedo (a non-executive director) is the chair of the highest governance body.

'Governance, ethical conduct and transparency', [pages 50 and 51](#).

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GRI 2: General Disclosures 2022

2-12: Role of the highest governance body in overseeing the management of impacts

See [pages 50 to 53](#).

2-13: Delegation of responsibility for managing impacts

The Sustainability Steering Committee, chaired by our CEO, is responsible for overseeing the strategic direction and the delivery of the work from the Sustainability Strategic Priorities and Risk Management and is accountable to the Sonae Sierra Executive Committee.

The Sustainability Steering Committee is also the responsible of the Sonae Sierra Safety Health and Environment Management System (SHEMS) although the Head of Sustainability is mandating to approve all relevant information/documents of the SHEMS, in alignment with each board member, prior to their formalization at the SSC.

The Sustainability Steering Committee oversees and validates the adoption of lines of actions, long-term objectives, annual targets and KPI for each specific Strategic Priority of our Sustainability Strategy and Risk Management. The Responsible for each specific Strategic Priority and Risk Management will be in charge of identifying, implementing and reporting lines of actions, long-term objectives, annual targets and KPI that evidence the shared value created.

2-14: Role of the highest governance body in sustainability reporting

The Sustainability Steering Committee is responsible for reviewing and approving the materiality matrix and the Company material topics however it is not responsible for reviewing the final report.

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GRI 2: General Disclosures 2022

2-15: Conflicts of interest

Mechanisms established to resolve any possible internal conflict of interest

1. Employees shall inform their line manager of any situation that could constitute or could give rise to a personal conflict of interest, in the terms described above.

The line manager shall report immediately to the Compliance Committee (through the [email](#)) and should inform about the result of his evaluation on the steps that should be taken to mitigate any actual or potential conflict of interest, if necessary, such as:

- the line manager may conclude that the nature and extent of the conflict of interest in relation to a specific decision does not disqualify the Employee from participating in the respective decision-making process;
- if an Employee is unable or unwilling to remove such conflict, the Employee will not participate in the related decision-making process (including meetings and discussions) and should not receive/access information on matters relating to that conflict.

2. Employees shall inform the Compliance Committee of any situation that could constitute or could give rise to a conflict of interest, in the terms described above, that it's not directly related to them. The Compliance Committee should inform the respective line manager, being item 1 above applicable accordingly.

3. If the conflict of interest concerns the Compliance Committee, the situation should be reported to the CEO.

4. Directors shall immediately make full disclosure of any conflict of interest to the CEO, who will: i) if material, present the situation to the Sierra's Executive Committee, in the conditions described below; or ii) if not material decide, always in the Company's best interest, if the relevant Director should be excluded or not from the respective decision process. The CEO shall inform the Compliance Committee when relevant.

The Director involved in the situation that may create the potential conflict of interest, shall be absent from the decision-making meeting, while discussions and approval on that matter take place and should not receive/access information on matters relating to that conflict.

This applies to conflicts of interest already existing when the Director/Employee joined the Company and to those arising afterwards.

Directors shall immediately make full disclosure of any conflict of interest in the outcome of a service provided by a Subsidiary to another Subsidiary or of a transaction carried out on behalf of a Subsidiary which is different from another Subsidiary's interest in that outcome to the CEO, who will decide in the same terms defined in item 4 above.

In the event of conflicts of interest between several of its Subsidiaries, the Company shall respect the principles of fairness and transparency.

If the interests of the Subsidiaries are similar or of the same kind, these interests should be duly considered, so that they can be dealt with fairly, without further detriment to either party.

Mechanisms established to resolve any possible external conflict of interest

1. Employees shall inform their line manager of any situation that could constitute or could give rise to an external conflict of interest, and the line manager should inform the respective Director.

2. The Director involved (directly or through the information received from the line manager or from the Employee), shall inform the CEO and the Compliance Committee, who will decide how to proceed.

> continues on the next page

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GRI 2: General Disclosures 2021

2-15: Conflicts of interest (continuation)

Criteria for resolution of conflicts of interest situations

In a situation of conflict of interest, priority should be given to the interests of the Clients, both in relation to the interests of the Company and in relation to the interests of Directors, Employees or Related Persons, except in cases where there are legal or contractual reasons that foresee different procedures.

In the event of conflicts of interest between several of its Clients, the Company shall respect the principles of fairness and transparency.

If the interests of the Clients are similar or of the same kind, these interests should be duly considered, so that they can be dealt fairly, without further detriment to either party.

Record retention and reporting

The Compliance Committee shall keep a register of all conflict of interests reported for a period of at least five years, in accordance with the applicable relevant data protection rules, and shall report them to the Audit & Compliance Committee at least annually.

'Governance, ethical conduct and transparency', [pages 54 to 56](#).

In Sonae Sierra's reality there are not cross-board membership and cross-shareholding with suppliers and other stakeholders. Sonae is the controlling shareholder (90%).

2-16: Communication of critical concerns

Sierra created the position of the Sierra Ombudsman, that represents Sierra's commitment to provide all stakeholders with an independent last resort facilitator to whom they can present their complaints and be certain that they are processed, investigated, and responded.

The Sierra Ombudsman has direct access to the CEO and can resort to all of Sierra's sectors, which will enable him to receive the required support, in every case, to make a complete and adequate analysis of the situations presented to him.

Sierra's Ombudsman delivers an annual report to the Audit and Compliance Committee, with the relevant information in this respect (whenever applicable).

Nothing to report in respect of critical concerns.

2-17: Collective knowledge of the highest governance body

See [2-13 above](#). Besides what is stated in the above-mentioned disclosure, the Sustainability Steering Committee meets regularly for an update on Sustainability matters. Three times a year a Safety, Health and Environment report is issued and includes a detailed analysis on several issues, namely: performance, serious incidents, Safety, Health and Environment compliance, objectives and targets and risk assessment, among others. The discussion of this report is an agenda topic for the Executive Committee meeting that includes the most senior management representatives for all countries we operate. This report is verified by Lloyds (external auditor) during the audit process namely, to check if this report contains the most relevant issues of the Company progress around Safety Health and Environment performance.

Five times a year the Sustainability Office prepares a report with a progress follow-up on sustainability matters to the members of the Board.

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GRI 2: General Disclosures 2021

2-18: Evaluation of the performance of the highest governance body

Every year the performance of Sierra's highest governance body is assessed against a set of pre-defined Key Performance Indicators and targets previously shared in year n-1, with material impacts on their variable remuneration components, more specifically in their short-term variable bonus, granted annually, and mid- long term variable bonus, deferred for three years after its attribution. The aforementioned Key Performance Indicators cover two dimensions: a collective dimension, focused on encouraging the commitment and alignment of the highest governance body to driving the Company's annual strategy, results and sustainability, not only economic-wise, but also in terms of environment and people, as well as an individual dimension, focused on assessing and recognizing the individual contribution of each Director to the business.

The Company has a Remuneration Committee responsible for the approval of the compensation and employment terms of each member of Sierra's highest governance body and of the Fiscal Board. The evaluation of Sierra's highest governance body is performed on an annual basis, according to the model described above of Key Performance Indicators and with the Remuneration Policy, regularly revised and approved by the Remuneration Committee and submitted for the approval of the Company's Shareholders' Assembly.

There is no relevant procedure in place to address this specific issue; Notwithstanding, the highest governance body is evaluated in accordance with the above mentioned structure of Key Performance Indicators.

2-19: Remuneration Policies and 2-20: Process to determine remuneration

Our Remuneration Policy is presented by the Remuneration Committee and approved by the General Shareholders' Meeting. The Remuneration Committee, elected by the General Meeting, is responsible for approving the individual remuneration of the members of the Board of Directors and other corporate bodies, in accordance with the Remuneration Policy approved by the shareholder(s) at the General Meeting. For more information on our Remuneration Policy and its determination go to our [corporate website](#).

2-21: Annual total compensation ratio

Ratio of the annual total compensation for the organization's highest-paid individual to the median annual total compensation for all employees (excluding the highest-paid individual): 14.54

Ratio of the percentage increase in annual total compensation for the organization's highest-paid individual to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual): 1.69

This analysis presents the ratio of the annual total cash target compensation for Sonae Sierra's highest-paid individual (the CEO) to the median total cash target compensation for all other employees, for the year 2022.

Additionally, it also includes a comparison of the percentage increase in annual total cash target compensation between the highest-paid individual and the median increase for all other employees in 2022.

The concept of annual total cash compensation includes the Fixed Remuneration (Base salary, Lunch Allowance, Schedule and Function-dependent compensation) and the Short Term Variable Pay (Target).

The analysis covers all active employees at the moment of the disclosure, in all countries where Sonae Sierra manages human resources (joint-ventures are excluded), converted to €, at the average exchange rate. To ensure an accurate comparison, the analysis includes part-time employees adjusted to a full-time equivalent pay rate.

2-22: Statement on sustainable development strategy

'CEO's Letter', [pages 5 to 7](#).

2-23 Policy commitments and 2-24 Embedding policy commitments

Sierra is dedicated to conducting business responsibly and ensuring that human rights are upheld in all of our operations. For more information on our commitment to ethical business practices, please refer to [pages 50 to 57](#), where you can find details on "Business Ethics, Transparency and Anti-Corruption" and our participation in the "United Nations Global Compact".

Furthermore, we have implemented a Responsible Procurement policy as well as a Responsible Investments policy, which are available on our [corporate website](#).

Lastly, we are currently in the process of reviewing and updating our due diligence procedures which will come into effect in 2023.

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GRI 2: General Disclosures 2021

2-25: Processes to remediate negative impacts

Please see this information under each of the material GRI topics on this index. Also refer to [GRI 2-29](#).

2-26: Mechanisms for seeking advice and raising concerns

Sierra implemented all relevant procedures to comply with the new Whistleblowing and Anti-Corruption's Portuguese legislation.

Sierra has in Portugal, two companies that need to comply with such legislation and four other companies that need to comply (only) with the Whistleblowing legislation - "obliged entities".

Therefore, Sierra has created a whistleblowing and an anti-corruption channel for receiving complaints, that guarantees independence, impartiality, data protection, secrecy, and absence of conflicts of interest.

The recipient of these channels is the Sierra's Ombudsman, who will ensure an independent and impartial treatment for all "Obligated Entities" (and will liaise directly with the Board of Directors of the respective "Obligated Entities").

2-27: Compliance with laws and regulations

Not applicable in 2022, there were no significant instances of non-compliance with laws and regulations during the reporting period.

2-28: Membership 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

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GRI 2: General Disclosures 2021

2-29: Approach to stakeholder engagement

Sonae Sierra engages with stakeholders to identify potential impacts, determine prevention and mitigation responses to potential negative impacts and to contribute positively to the environment and society, always with SDGs in mind.

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

- **Engage:** understand stakeholders' expectations and engage with them concerning 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 35 to 46](#).

In addition to stakeholders mentioned in the above-mentioned chapter we also engage with tenants and visitors. Visitor feedback that has been gathered helps us to understand our visitors' profiles, their behaviour, and requirements. These surveys monitor visitor trends in terms of their 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 2022, we recorded an average visitor satisfaction index of 4.4 out of 5 (on a sample of 13 assets).

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 we respond to all the suggestions and complaints received. 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 20, 47, 82 and 83](#).

We undertake annual operational tenant surveys in owned assets that 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 2022 we only assessed the tenant satisfaction index in one asset (Área Sur, in Spain), as we canceled these due to the migration of the tenant portal for a new platform. Responses are shared with asset management teams who develop follow-up plans.

All of our stakeholders can present complaints to the Sonae Sierra Ombudsman. List of stakeholder groups can be found in 'Stakeholders', [pages 37 and 38](#). Identifying and selecting stakeholders can be found in 'Stakeholders', [pages 37 and 38](#); and [103](#).

Sierra embarked on a comprehensive review of the stakeholder engagement approach in 2022 to align with our evolving business strategy. This revised strategy will be implemented from 2023 onwards, ensuring continued strong relationships with our valued stakeholders.

2-30: Collective bargaining agreements

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

GRI 3: Material Topics 2021

3-1: Process to determine material topics

The materiality matrix is the bedrock of our sustainability strategy, and in 2020 we undertook a strategic review of our matrix (in force from 2021 onwards) to better align with our evolving business strategy and guarantee we continue directing our commitment in the correct direction. The materiality matrix maps each topic in terms of Sonae Sierra's significant impacts, and its ability to influence the assessments and decisions of our stakeholders. It was built following the GRI guidelines.

3-2: List of material topics

[Page 9](#).

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GRI Disclosure

Material topics

GRI 203: Indirect Economic Impacts 2016

3-3: Management of material topics

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.

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 (both positive (+) and negative (-)).



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 2022, namely:

- €4.9 billion tenant sales at our assets under management.
- 33% of shop units in our European shopping centres under management are occupied by local businesses (on average).
- €910 million spent on suppliers, of which 96% are national businesses.

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GRI Disclosure

GRI 205: Anti-corruption 2016

3-3: Management of material topics

'Business Ethics, Transparency and Anti-Corruption', and 'United Nations Global Compact', page 50 to 57.

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 2022, the Internal Audit Activities covered 29% 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.

Business processes that include corruption risks	17
Total number of business process that were covered by audits in 2022	5 (29%)

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

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

Country	Percentage of employees that received anti-corruption training
Colombia	100%
Germany	74%
Greece	71%
Italy	92%
Kosovo	100%
Morocco	47%
Portugal	88%
Romania	75%
Spain	90%
The Netherlands	100%
Total	86%

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

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GRI Disclosure

GRI 301: Materials 2016

3-3: Management of material topics

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 2022 there were no applicable completed projects.

For more information, please go to 'Safety, Health and Environment Management', [page 134 onwards](#).

301-1: Materials used by weight or volume

Not applicable in 2022, 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 2022, there were no major development projects completed in the reporting period for which sustainability services were provided.

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GRI Disclosure

GRI 301: Energy 2016

3-3: Management of material topics

According to the International Energy Agency (IEA), the built environment (buildings and construction industry) is accountable for nearly 37% of global operational energy and process-related CO₂ emissions. Despite the efforts to decarbonize the sector the progress made so far has been insufficient in achieving the desired level of carbon emission reduction, which highlights the need for more effective and sustainable solutions.

Regulations on 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.

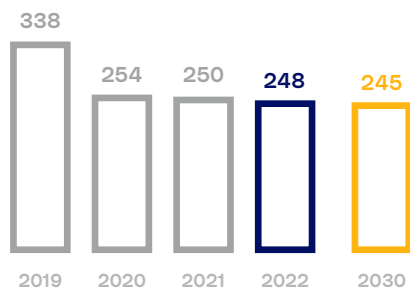
Within the scope of our SHEMS we monitor and manage the energy performance of our owned shopping centres under management.

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 2022 the electricity consumption of our owned portfolio (excluding tenants) was 248 kWh/sq.m mall and toilet area, meaning we achieved our annual target of 307 kWh/sq.m (19% below the target). Since our baseline year of 2002, we have reduced the electricity consumption by 66%.

Although in 2022 there were no curfews, the operation was not yet normal due to the energy crisis and severe cuts had to be implemented. We redefined our long-term objectives to 2030, guaranteeing they remain ambitious and challenging, however due to the above-mentioned crisis, our 2022 value is close to what we aim to achieve in the future. Our long-term objective is to achieve an energy efficiency performance of 245 kWh/sq.m by 2030.

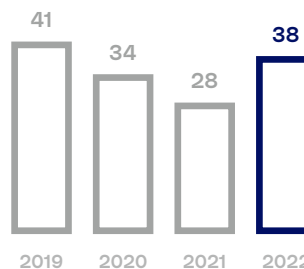
Electricity consumption (excluding tenants) of our owned portfolio (kWh/sq.m mall and toilet area)



	Performance by country		
	2021 kWh/sq.m	2022 kWh/sq.m	Variation %
Global Performance	250	248	-1% ●
Greece	123	130	6% ●
Italy	307	249	-19% ●
Portugal	262	282	8% ●
Romania	294	265	-10% ●
Spain	210	180	-14% ●

● Improvement ● Worsening

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



Data Qualifying Note: These indicators include all owned shopping centres under management and in operation during the full reporting year; and all corporate offices that monitor electricity consumption (respectively). In shopping centres 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. In 2022 there were 5 offices reporting electricity (Vs 2 in 2021).

In 2021 we still had curfews and long periods of remote work. In 2022 with a more normal operation in our offices, the consumption increased.

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GRI Disclosure

Energy management through all relevant stages of the asset life cycle

Energy efficient designs, including energy performance targets and innovative engineering solutions, are pursued in every new project, whether integrated in green building certification or following our Safety, Health and Environment Development Standards (SHEDS) (see [page 70 and 135](#)). Within the SHEDS, we specify the use of energy efficient equipment and the assessment 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 an energy efficiency programme, called Bright, designed to reduce the energy consumption and improve the carbon footprint of real estate assets.

The programme incorporates five phases: Portfolio analysis and benchmarking; Specialized audits; Technical support; Performance monitoring; and Energy management, to identify energy inefficiencies and improvement plans.

During 2013-2021, Bright was implemented in Sonae Sierra investment properties and as a service provided to clients. The programme rolled out to 50 buildings from 9 countries, totalling 273 initiatives across all the programme's phases which generated 703 improvement opportunities that lead to up to 33,200 MWh and €7.4 million in potential yearly savings.

Starting from 2022, a renewed edition of Bright, "2.0", was extended to most of our investment properties portfolio, 22 buildings, including specialized audits and performance monitoring initiatives, with updated technical standards based on the Best Available Technologies. It is already rendering 31% of energy efficiency potential based on only half of the initiative rollout: 106 improvement opportunities were identified, totalling around 41,400 MWh and €6 million in potential yearly savings (at 2022 energy prices).

Recognising its potential, Bright was awarded a Silver Stevie® Award in the "Energy Industry Innovation of the Year" in the 15th Annual International Business Awards®, in 2018.

We also procure green electricity whenever feasible, and in 2022 around 85% of the electricity consumption in our operating assets (excluding tenants) and corporate offices was procured from green sources.

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, namely Science Based Targets Initiative (SBTi) and the Paris Pledge For Action.

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 starting on [page 58](#); 'Safety, Health and Environment Management' on [page 134](#); and the indicators below.

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GRI Disclosure

302-1: Energy consumption inside the organisation

Shopping Centres	GJ
Total electricity consumption	305,526
Total fuel consumption from non-renewable sources (Natural gas and LPG)	35,634
Total cooling consumption	91,862
Total electricity sold	-1,909
Total	431,113
Corporate Offices	GJ
Total electricity consumption	677
Total fuel consumption from non-renewable sources (Petrol and diesel for fleet vehicles)	10,917
Total	11,594
Total (shopping centres and corporate offices)	442,707

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. Fleet fuel consumption includes fleet from the following offices: Athens, Lisbon, Maia, Milan, Madrid, Düsseldorf, Bucharest and Casablanca. 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
Global Performance	441
Greece	706
Italy	349
Portugal	462
Romania	1105
Spain	210

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

302-4: Reduction of energy consumption

See 'Environmental Accounting', [pages 137 and 138](#).

CRE1: Building energy intensity (excluding tenants)

Shopping Centres	kWh/sq.m of mall and toilet area
Global Performance	337
Greece	302
Italy	349
Portugal	389
Romania	396
Spain	207
Corporate Offices	kWh/sq.m of mall and toilet area
Global Performance	38
Germany	28
Greece	132
Italy	44
Morocco	32
Portugal	36

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. 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.

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GRI Disclosure

GRI 303: Water and Effluents

3-3: Management of material topics

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.

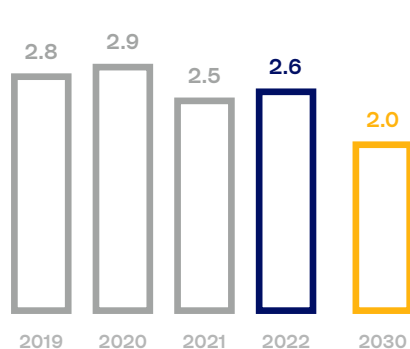
Our assets in water stressed areas

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

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 2022 the water consumption (excluding tenants) was 2.6 litres/visit, meaning we achieved our annual target of 2.67 litres/visit (4% below). Since our baseline year of 2003, we have reduced the water consumption by 40%. Our long-term target is to achieve a water consumption performance of 2.0 litres/visit by 2030.

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



	Performance by country		
	2021 Litres/visit	2022 Litres/visit	Variation %
Global Performance	2.5	2.6	2% ○
Greece	3.7	3.8	4% ○
Italy	3.5	5.1	43% ○
Portugal	2.4	2.4	-2% ○
Romania	4.2	4.5	9% ○
Spain	2.0	1.9	-6% ○

○ Improvement ○ Worsening

Data Qualifying note: This indicator includes all Shopping Centres owned 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.

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Water consumption (excluding tenants) of our owned portfolio (m³/sq.m mall and toilet area)

Global Performance	1.8
Greece	0.5
Italy	3.0
Portugal	1.8
Romania	2.6
Spain	1.2

Data Qualifying note: This indicator includes all owned Shopping Centres owned 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
Recycled or reused	4.7%	Recycled or reused	2.7%
Not recycled nor reused	95.3%	Not recycled nor reused	97.3%

Data Qualifying note: This indicator includes all Shopping Centres owned and in operation during the full reporting year. The amount of water recycled/reused is underestimated 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.

Sonae Sierra's assets rely on some 487 thousand m³ 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 (68%) 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, 4.7% of the 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. In 2022 we defined a long term-target to recycle/reuse at least 25% of our water consumption in 2030 in our assets that have been identified with a significant water stress risk.

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.

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GRI Disclosure

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.

Although we comply with the legislation on all sites, in the assets where the Sonae Sierra Multisite SHEMS is being implemented 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 our Technical Procedure that establishes the rules for managing and monitoring wastewater that is drained to the wastewater network or directly to a water body.

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.

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	11	-	11
Ground water	128	-	128
Municipal water supplies	330	357	686
Mixture of water sources	6	0.5	6
Total	487	357	844
Other water	12	-	12
Freshwater	475	357	832
Total	487	357	844

The detail of the assets located in water stressed areas can be seen on [page 111](#).

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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	114	106	220
Mixture of water sources	-	-	-
Total	125	106	231

Data Qualifying note: This indicator includes all Shopping Centres owned and in operation during the full reporting year. 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.

CRE 2: Building water intensity

	Litres/visit	m ³ /sq.m of mall and toilet area
Global Performance	4.5	3.1
Greece	6.2	0.9
Italy	7.4	4.4
Portugal	4.0	3.1
Romania	8.0	4.6
Spain	4.0	2.6

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) (m³) + Total water purchased on behalf of tenants (m³))*1000/ Number of visits. The formula used to calculate the indicator for m³/sq.m mall and toilet area is: Building Water Intensity = (Total water consumption (excluding tenants) (m³) + Total water purchased on behalf of tenants (m³))/ Floor area of the mall and public toilets (sq.m).

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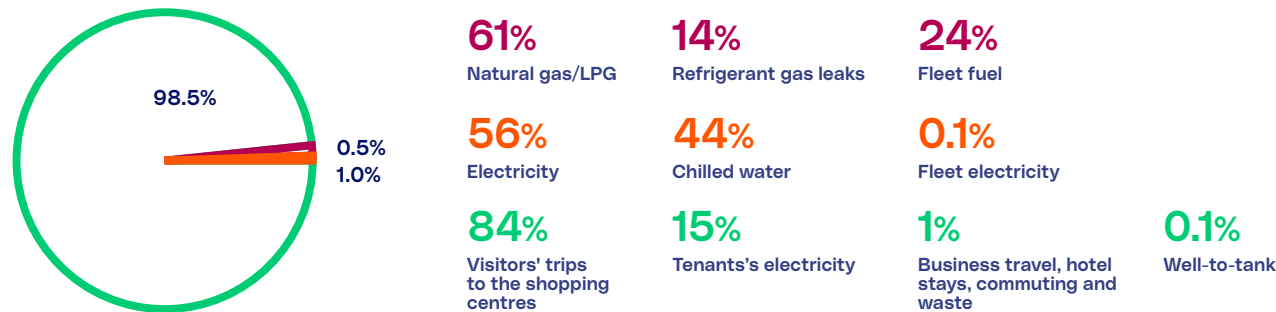


GRI Disclosure

GRI 305: Emissions 2016

3-3: Management of material topics

The most significant contribution to our carbon footprint (98%) 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.

In 2022 the GHG emissions intensity of our owned portfolio was 8.0 kgCO₂e/sq.m GLA, meaning we largely surpassed our annual target of 17.8 kgCO₂e/sq.m GLA (55% below the target). Since our baseline year of 2005, we have reduced our GHG emissions intensity by 90%. We have set a long-term objective in accordance with the Science Based Targets initiative (SBTi) to decrease scope 1 and 2 greenhouse gas (GHG) emissions from our owned portfolio and corporate offices. As per this commitment, we aim to reduce our Scope 1 and 2 GHG emissions by 73% (kg CO₂e/sq.m GLA) by 2030, compared to the 2019 baseline. Unlike other indicators and targets this is calculated using an equity-share approach, in line with the requirements of SBTi.

More recently we committed to become carbon neutral by 2040, ten years before the European Union target. In 2022 we also created a roadmap for zero-carbon, using the above-mentioned science-based targets aligned with the 1.5°C scenario.

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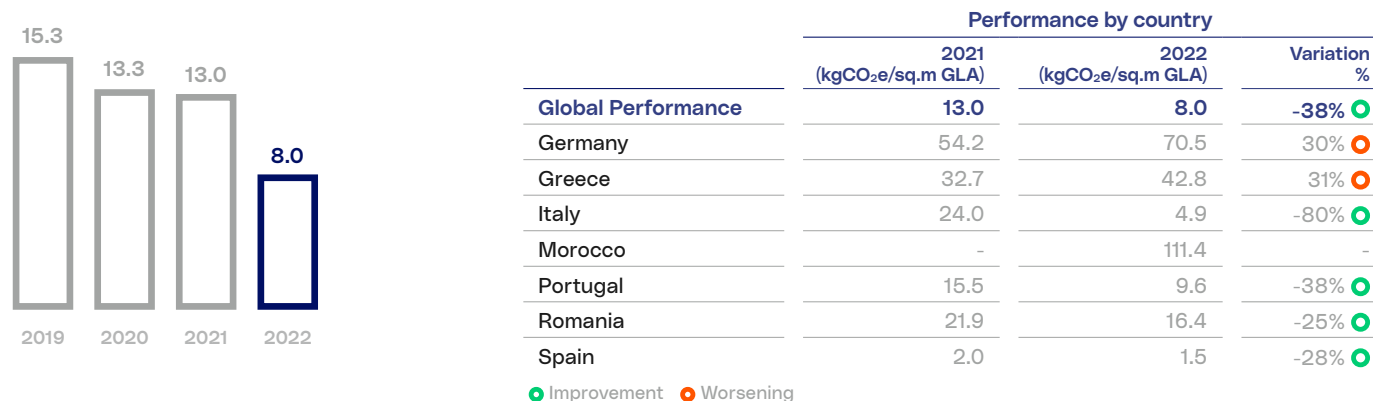
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GHG emissions of our owned portfolio and corporate offices – GHG Protocol scopes 1 and 2 (kg CO₂e/sq.m GLA)



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.

To understand why our long-term objective - 8.4 - is higher than 2022 value, please see [page 65](#).

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). Later we started focusing our efforts where it is more relevant and where we can have a more direct impact. Therefore our target focused 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 zero emission factors, in 2022 we avoided 14,550 tonnes of CO₂ (GRI 305-5). In addition, the Sonae Group continues with the implementation of 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.

In 2022 we redefined our long-term objectives to 2030, guaranteeing they remain ambitious and challenging, and aligned them with the Science-Based Targets initiative (SBTi). Therefore from 2023 onwards we will have additional targets, including for scope 3 emissions ([see some examples on page 93](#)).

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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 ensure climate change financial risk assessment is executed and all identified significant risks' mitigation actions are implemented by 2030.

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 and 2022 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 and implemented 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, and 'Safety, Health and Environment Management' on [page 134 onwards](#), and the indicators below.

305-1: Direct greenhouse gas (GHG) emissions (Scope 1)

Operational control		Equity share approach	
	t CO ₂ e		t CO ₂ e
Natural gas and LPG	1,809	Natural gas and LPG	1,028
Fleet fuels	716	Fleet fuels	716
Fugitive emissions	426	Fugitive emissions	75
Total	2,951	Total	1,819

Data Qualifying note: This indicator includes all Shopping Centres owned 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 CO₂ equivalent (tCO₂e) have been calculated in accordance with the GHG protocol methodology.

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

Operational control		Equity share approach	
	t CO ₂ e		t CO ₂ e
Electricity	3,193	Electricity	1,453
Fleet electricity	8	Fleet electricity	8
Chilled water	2,551	Chilled water	320
Total	5,752	Total	1,781

Data Qualifying note: This indicator includes all Shopping Centres owned and in operation during the full reporting year and all corporate offices that monitor energy consumption. 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 CO₂ equivalent (tCO₂e) 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 138](#) under the significant actions from 'Air' domain.

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 seven 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 2022.

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Category	Emissions source	t CO ₂ e Operational control	t CO ₂ e Equity share
Category 1 – Purchased goods and services	Materials	-	-
Category 3 – Fuel and energy-related activities	Well-to-tank	489	356
Category 5 – Waste generated	Waste	1,892	595
Category 6 – Business travel	Air Travel	1,131	1,131
	Rail Travel	3	3
	Staying in hotels	43	43
Category 7 – Employee commuting	Commuting	543	543
Category 9 – Downstream transportation and distribution	Visitors' trips to our assets	488,514	119,866
Category 13 – Downstream leased assets	Tenants' electricity	88,339	25,878
Total		580,954	148,415

Data Qualifying note: This indicator includes indirect emissions from all Shopping Centres owned 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.

Tenants' electricity consumption: 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.

Business travel (flights): 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.

Business travel (trains): 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.

Hotel Stays: 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.

Employee Commuting: 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.

Visitor trips: 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 annual visits.

Waste: 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.

Materials (Development): 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 2022 this category is not applicable.

Well-to-tank: These are upstream scope 3 GHG emissions not included in scope 1, associated with extraction, refining and transportation of the raw fuel sources, prior to combustion. GHG emissions were calculated by multiplying the fuel consumption by the adequate emission factor (CO₂). Emissions are not assigned to particular shopping centers or offices but rather to the country where they are consumed.

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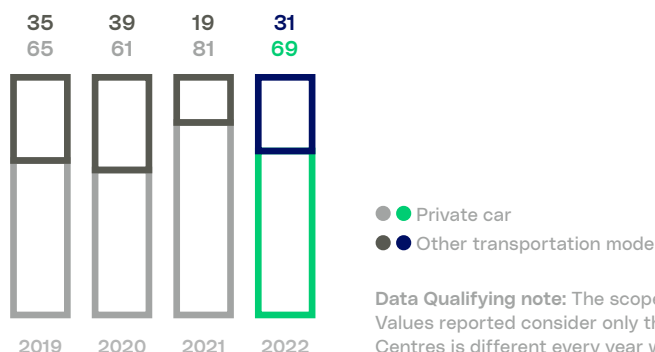
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In 2022, total recorded Scope 3 emissions were 580,954 tCO₂e, a 31% increase comparing with 2021. This increase is mainly due to an increase in the carbon emissions from visitors' trips to the shopping centres and also an increase in emissions related to tenants' electricity consumption, both associated with a return to the normal operation as it was the first year without curfews. The emissions from tenants' electricity were also affected by higher (more carbon intensive) national grid factors. Most visits to our shopping centres are made by private car (69%), which has a greater impact in terms of emissions than public transports.

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



Data Qualifying note: The scope of this indicator includes all Shopping Centres owned and in operation during the reporting period. Values reported consider only the Shopping Centres which performed (in 2022) 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.

305-4: GHG emissions intensity

	Excluding tenants (tCO ₂ e/sq.m)	Including tenants (tCO ₂ e/sq.m)
Global Performance	0.038	0.358
Germany	0.071	0.071
Greece	0.114	0.523
Italy	0.024	0.321
Morocco	0.111	0.111
Portugal	0.040	0.341
Romania	0.076	0.464
Spain	0.015	0.364

Data Qualifying note: This indicator covers all Shopping Centres owned 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.

305-5: Reduction of GHG emissions

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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. In 2021 the climate change risk assessment performed covered 6 operating shopping centres (4 in Portugal, 1 in Italy and 1 in Romania). In 2022 the assessment covered more 16 shopping centres, covering 92% of our owned/co-owned shopping centres under management.

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 analysis 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
RCP6	2.8 °C
RCP8.5	4 °C

The list of hazards is mostly aligned with the Appendix A of the Taxonomy regulation: some hazards are not relevant (Permafrost thawing for example) 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.

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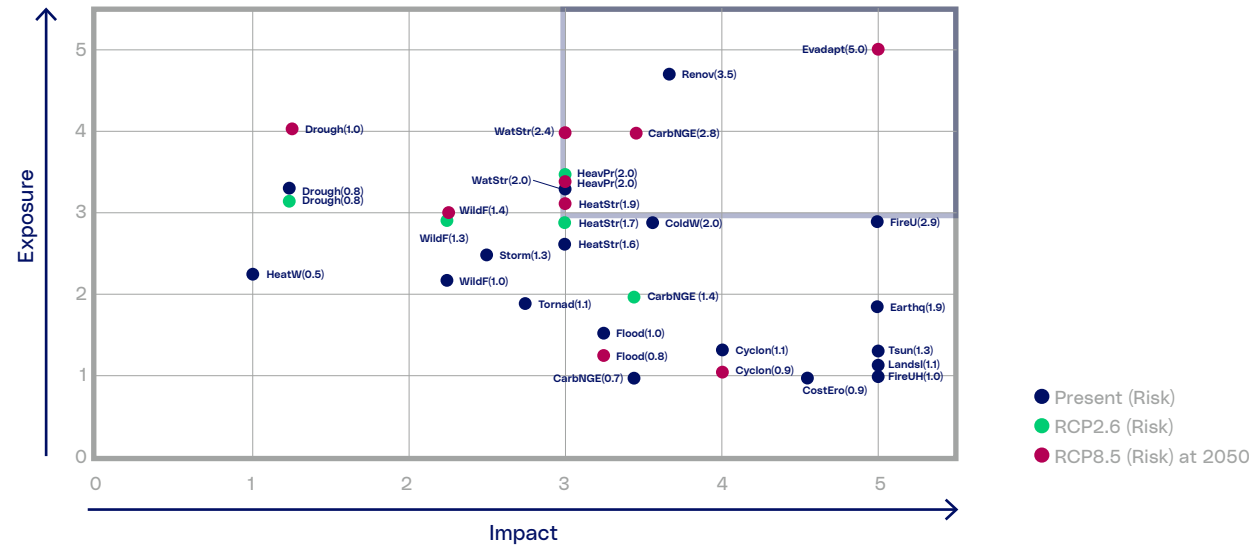
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Hazard	Exposure				Impact Timeframe Present Totals	Total Risk				
	Present	Timeframe				Present	Present	Timeframe		
		Scenario: RCP2.6	Scenario: RCP4.5	Scenario: RCP8.5				Scenario: RCP2.6	Scenario: RCP4.5	Scenario: RCP8.5
Exposure	Exposure	Exposure	Exposure	Total Impact	Total Risk	Total Risk	Total Risk	Total Risk		
Physical	3.3	3.4	3.4	3.4	3.0	2.0	2.0	2.0	2.0	
Physical	2.6	2.9	3.0	3.1	3.0	1.6	1.7	1.8	1.9	
Physical	3.3	-	3.8	4.0	3.0	2.0	-	2.3	2.4	
Transition	4.7	-	-	-	3.7	3.5	-	-	-	
Transition	1.0	2.0	4.0	4.0	3.5	0.7	1.4	2.8	2.8	
Transition	1.0	5.0	5.0	5.0	5.0	1.0	5.0	5.0	5.0	

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The main significant Physical risks are Heavy Precipitation, Water Stress and Heat Stress.

For Heavy Precipitation, the associated financial risks vary between around €2 million and €22 million 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.

For Water Stress, the financial risks vary around €3 million and €15 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.

For Heat Stress, a new significant risk that appears in this update due to the whole portfolio inclusion, the financial risks vary between €1.3 million and €6 million, due to the higher common charges, reduction of rents to keep the tenant's effort rates, capital expenditure to improve the HVAC system for higher cooling capacity.

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. The associated financial risks vary between around €7 million and €41 million, for the Building Renovation, due to the potential investments to improve energy efficiency of the portfolio.

Other Transition risks that are expected to increase in future are the Political/Legal: Carbon Pricing and Market: Electrical mobility adaptation. 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 €400 thousand and €1.7 million. The financial risks associated with the mobility adaptation vary between around €1.8 million and €16 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.

Considering the equity share of Sonae Sierra in each property, the financial risk associated with the significant risks are reduced to 27%.

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 k€ (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	2022-2023	550 k€
	Reduce	Energy Efficiency Measures	Depending on energy audit results, they can be: Retrofit HVAC Retrofit BMS Retrofit Lighting	2023-2025	11,440 k€
Market - Electrical mobility adaptation	Reduce	Electrical mobility adaptation	Develop Electrical mobility adaptation studies	2023-2024	110 k€
	Reduce	Electrical mobility adaptation	Implement expansion of the EV parking infrastructure, based on the Electrical mobility adaptation studies in 4 assets	2025-2030	14,800 k€
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	2030	NAV
	Reduce	PV installation	Renewables PV feasibility study and installation in all assets	2023	18,050 k€

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Risk factor	Type of Action	Action Title	Action Details	Timeline	Estimated Cost k€ (total portfolio)
Political/Legal - Carbon Pricing (no green electricity)	Avoid	Renewable electricity procurement	Ensure that electricity contracts are sourced from renewable energy sources	2021-2026	450 k€
Heavy precipitation (rain, hail, snow/ice), Water stress, Heat stress	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"> - to minimize the heavy precipitation impacts. - 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. - 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. 	2024-2025	268 k€
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)	2025-2027	2,300 k€
Heavy precipitation (rain, hail, snow/ice)	Reduce	Heavy precipitation mitigation measures	Based on resilience study, ensure measures to minimize the impact are implemented	2030	NAV
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.	2023-2025	110 k€
Heat stress	Reduce	Heat stress mitigation measures	Based on resilience study, ensure measures for adapt the HVAC systems and equipment to the new temperature pattern	2030	2,200 k€

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Opportunities

The potential impact from the energy consumption reduction estimated for the portfolio is around €5 million, with the potential for the Photovoltaic installations generating €4 million.

	Total Energy Use (MWh), 2019	Total Reduction Potential (MWh)	%	k€	k€ (at Sierra equity share)
Electricity	86,906	18,841	22%	4,710	1,311
Chilled Water	19,712	1,834	9%	92	12
Natural Gas	26,987	NE			
Total	133,605	20,675	15%		
PV (Photovoltaic)		15,658	23%	3,914	1,038

These opportunities will materialize with the implementation of the measures to address the transition risk Renovation.

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GRI Disclosure

GRI 306: Waste 2020

3-3: Management of material topics

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.

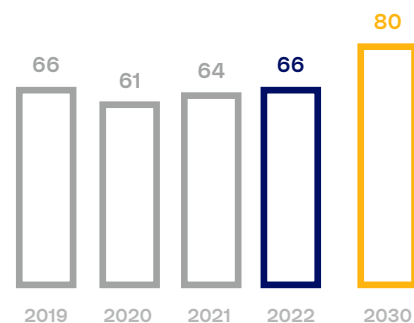
On the other hand, good waste management can reduce environment impacts and be more cost effective for businesses as it avoids landfill tax and waste disposal costs. A closed-loop approach to waste management can also cut costs and environmental impacts associated with the consumption of raw materials.

Within the scope of our SHEMS (see [page 134 onwards](#)) 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 achieving high levels of waste recycling.

In 2022 the waste recycling rate across our owned portfolio was 66.5%, meaning we achieved our annual target of 66.4%. Since our baseline year of 2002, we have improved the recycling rate by 47 percent points (from 19% to 66%). Our long-term target is to achieve a recycling rate of 80% by 2030. Regarding our landfill rate we did not meet our target to achieve a value below 13.4%. In 2022 our landfill rate was 15% (12% above the target).

Recycling rate, across our owned portfolio (% by weight)



	Performance by country		
	2021 %	2022 %	Variation %
Global Performance	64	66	3% ●
Greece	28	26	-6% ●
Italy	73	77	6% ●
Portugal	65	66	2% ●
Romania	41	49	19% ●
Spain	68	70	3% ●

● Improvement ● Worsening

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.

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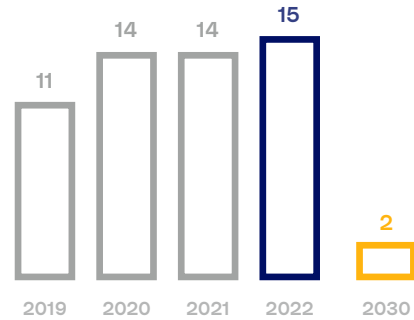
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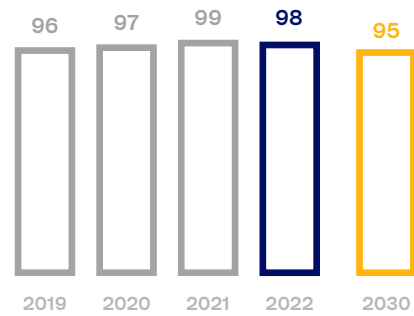
Landfill rate, across our owned portfolio (% by weight)



Data Qualifying note: This indicator includes all Shopping Centres owned and in operation during the full reporting year.

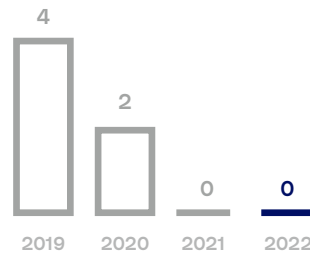
As well as our owned portfolio, we monitor the proportion of total waste recycled and sent to landfill at our corporate offices which represents around 0.04% of our total waste footprint.

Recycling rate in our corporate offices (% by weight)



Data Qualifying note: This indicator includes 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). Waste recycled includes waste sent for recycling, anaerobic digestion and composting. Our long-term goal is lower than the current value as a result of the inclusion of additional offices.

Landfill rate in our corporate offices (% by weight)



Data Qualifying note: This indicator includes 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).

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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 have been setting specific actions to tackle this problem. We collaborated with different Sonae companies to define a roadmap to address plastic waste, with several targets that we have been pursuing. 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 2022, around 6% (1,331 tonnes) of the waste produced, 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 and based on the results in 2022 we defined an action plan to improve the circularity of our business.

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 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 and decrease landfill disposal. 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.

306-3: Waste generated

Disposal method	Hazardous (tonne)	Non-Hazardous (tonne)	Total (tonne)	Total (%)
Anaerobic Digestion	-	1,146	1,146	5%
Composting	-	2,395	2,395	11%
Incineration with energy recovery	-	2,382	2,382	11%
Incineration without Energy Recovery	-	0.05	0.05	0%
Landfill	-	3,293	3,293	15%
Recycling	11	11,061	11,073	50%
Treatment/Elimination	2	1	3	0.02%
Energetic valorisation	-	1,680	1,680	8%
Wastewater Treatment Plant	-	12	12	0.1%
Total	14	21,971	21,985	100%

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Waste type	Site Type	Type of Management Method		Total
		Disposal	Recovery	
Hazardous	Operations	2	11	13
	Offices	-	0.3	0.3
Non-Hazardous	Operations	7,368	14,593	21,961
	Offices	0.2	9	10
Total		7,371	14,614	21,985

306-4: Waste diverted from disposal

Waste type	Disposal Method	Boundary		Total
		Offsite	Onsite	
Hazardous	Recycling	0.3	11	11
	Recycling	402	10,659	11,061
Non-Hazardous	Other recovery operations	326	3,215	3,541
Total		729	13,885	14,614

306-5: Waste directed to disposal

Waste type	Disposal Method	Boundary		Total
		Offsite	Onsite	
Hazardous	Other disposal operations	-	2	2
	Incineration (with energy recovery)	-	2,382	2,382
Non-Hazardous	Incineration (without energy recovery)	-	0.05	0.05
	Other disposal operations	-	1,693	1,693
	Landfilling	54	3,239	3,293
Total		54	7,317	7,371

Data Qualifying Note: (306-3; 306-4; 306-5) These indicators include all Shopping Centres owned 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.

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GRI Disclosure

GRI 401: Employment 2016

3-3: Management of material topics

We consider our workforce to be the 710 employees that we directly employ (more 58 than in 2021), and the 19 people who are employed by other companies but are supervised by Sonae Sierra. We also employed 8 independent contractors.

97% of our direct employees are employed on a full-time basis and 3% are employed on a permanent part time basis. They are located across 10 countries with almost 88% based Portugal (67%), Spain (11%) and Germany (9%).

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 2-7, GRI 2-8, GRI 2-30 and [pages 43 to 45](#).

401-1: New employee hires and employee turnover

During 2022, 92 employees left the Company (a male/female turnover rate of 5.9% and 7.0% respectively), and we hired 150 new employees (a male/female new hire ratio of 10.3% and 10.8% respectively).

Turnover by age group

	Number	Ratio (%)
Less than 35 years	36	5.1%
35-44 years	33	4.6%
45-54 years	14	2.0%
55-64 years	7	1.0%
More than 64 years	2	0.3%
Total	92	

New Employees Hires by age group

	Number	Ratio (%)
Less than 35 years	79	11.1%
35-44 years	34	4.8%
45-54 years	28	3.9%
55-64 years	7	1.0%
More than 64 years	2	0.3%
Total	150	

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Turnover by gender

	Number	Ratio (%)
Female	50	7.0%
Male	42	5.9%
Total	92	

New Employees Hires by gender

	Number	Ratio (%)
Female	77	10.8%
Male	73	10.3%
Total	150	

Turnover by region

	Number	Ratio (%)
Germany	19	2.7%
Greece	1	0.1%
Italy	8	1.1%
Morocco	2	0.3%
Portugal	51	7.2%
Romania	4	0.6%
Spain	7	1.0%
Total	92	

New Employees Hires by region

	Number	Ratio (%)
Germany	24	3.4%
Italy	8	1.1%
Morocco	4	0.6%
Portugal	102	14.4%
Romania	1	0.1%
Spain	11	1.5%
Total	150	

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.

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 now set specific quantitative objectives and targets relating to this aspect (page 85).

We have several policies in place which, among other objectives, can support diversity by promoting a more flexible workplace. In 2022 we have revamped our flexible working solutions to prioritize providing greater flexibility in working arrangements, enabling a healthier work-life balance. Additionally, we are developing a series of initiatives to promote professional growth and development.

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The policies in place include:

- Hybrid work arrangement
- Flexible working schedule
- Part-Time Working arrangement
- Leave of absence
- Purchase of exceptional days off
- Additional festive days
- Workplace mobility

In 2022 there were no grievances filed, addressed, and resolved through formal grievance mechanisms about:

- human rights impacts;
- labour practices;
- impacts on society.

405-1: Diversity of governance bodies and employees

Number and percentage of employees by gender, per employee category

	Female	Male	Total
Global Senior Executive	-	1	1
Senior Executive	3	5	8
Executive	2	10	12
Senior Manager	16	40	56
Manager	30	51	81
Team Leader	50	54	104
Project Team Specialist	71	73	144
Team Member	225	79	304
Total	397	313	710
Female & Male Ratio (%)	56%	44%	100%
Female & Male Ratio (%) in governance bodies	24%	76%	100%

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GRI Disclosure

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
Team Leader	2	1	3
Project Team Specialist	3	1	4
Team Member	3	-	3
Total	10	6	16

Number and percentage of employees by age group, per employee category

	<35		35-44		45-54		55-64		>64		
	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	
Global Senior Executive	-	-	-	-	-	-	-	1	-	-	
Senior Executive	-	-	-	-	1	2	2	2	-	1	
Executive	-	-	-	1	1	7	1	2	-	-	
Senior Manager	-	1	4	4	9	23	3	12	-	-	
Manager	-	2	8	7	16	30	6	12	-	-	
Team Leader	2	7	22	19	21	18	5	9	-	1	
Project Team Specialist	10	20	32	20	22	24	7	8	-	1	
Team Member	68	36	56	16	76	19	24	8	1	-	
Total	80	66	122	67	146	123	48	54	1	3	710
Percentage (%)	11%	9%	17%	9%	21%	17%	7%	8%	0.1%	0.4%	100%

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

406-1: Incidents of discrimination and corrective actions taken

In 2022 there were no incidents of discrimination.

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GRI Disclosure

GRI 403: Occupational Health and Safety 2016

3-3: Management of material topics

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 2022, the percentage of the organisation (direct employees) operating in compliance with an internationally recognised health and safety management system was 99%.

	Direct Employees	Supervised Workers	Independent Contractors
Total number of workers	710	19	8
Externally verified to be operating in compliance with ISO 45001	706	19	8
%	99%	100%	100%
Internally verified to be operating in compliance with the S&HMS	706	19	8
%	99%	100%	100%

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 Diligences 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 are conducted with the client's agreement.

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GRI Disclosure

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. We monitor and evaluate SHE performance on a regular basis using tools such as emergency drills and SHE inspections and following-up on any non-conformities detected.

In some shopping centres we additionally use SHE Preventive Observations (SPO), which 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 2022 we performed 1,469 hours of SHE Preventive Observations (SPO) across our managed Shopping Centres and corporate offices. Currently offices no longer have to perform SPOs, as well as non-certified Shopping Centres.

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.

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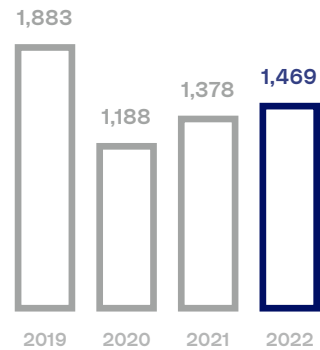
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GRI Disclosure

Number of hours of SPO performed in shopping centres and corporate offices



	Performance by country		
	2021 hours	2022 hours	Variation %
Global Performance	1,378	1,469	7% ●
Germany	50	43	-14% ●
Portugal	1,096	1,164	6% ●
Romania	134	159	18% ●
Spain	98	104	6% ●

● Improvement ● Worsening

Data Qualifying note: This indicator includes all SPO hours performed in Shopping Centres owned 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 drills, in 2022 we conducted on average 1.7 drills across our managed shopping centres and corporate offices covering a range of safety, security and environment scenarios as earthquake, fire, floods, explosions, Automated 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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GRI Disclosure

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' (page 142) 'Supplier Health & Safety' (page 141) and 'Customer Health & Safety' (page 144) 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 2022 there were no significant complaints regarding Safety, Health and Environment.

Environmental Accounting

GRI 302-4: Reduction of energy consumption & GRI 305-5: Reductions of GHG emissions

Sonae Sierra's Environmental Accounting (EA) model details the economic and environmental benefits resulting from the implementation of our SHEMS across nine 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 2022, Sonae Sierra was able to avoid 14,550 tCO₂e and 277 GJ of energy because of significant actions implemented in 2022, and 52,150 GJ of energy because of significant actions implemented in previous years.

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GRI Disclosure

	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	Environmental Benefit		
					Potential Yearly Savings (€)	Reduction of water consumption (m ³)	Reduction of electricity consumption (kWh)	Reduction of CO ₂ emissions (tonnes CO ₂ e)
Air	6	€ 64,000	1	-	-	-	-	14,550
Health and well-being	37	€ 142,000	-	-	-	-	-	-
Energy	38	€ 730,000	4	€ 48,000	€ 27,000	-	77,000	-
Water	3	€ 49,000	-	-	-	-	-	-
Ecosystems	1	€ 2,000	-	-	-	-	-	-
Noise	1	€ 5,000	-	-	-	-	-	-
Wastewater	12	€ 4,000	-	-	-	-	-	-
Waste	6	€ 237,000	-	-	-	-	-	-
Environmental management activities	57	€ 435,000	-	-	-	-	-	-
Total from the year	161	€ 1,668,000	5	€ 48,000	€ 27,000	-	77,000	14,550
2022 Benefits from Significant Actions from Previous Years	641	€ 5,335,000	105	2,437,000	2,043,000	77,000	14,486,000	-

Green Building Standards and Ratings

Please see 'Safety, health and environment management across all stages of the asset lifecycle' on [page 134](#).

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 12 completed construction projects and 48 assets in operation, and green building certificates for 16 developments and assets in operation.

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GRI Disclosure

Certifications achieved to date

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	15	-

CRE 8: Type and number of sustainability certifications, rating and labelling schemes for new construction, management, occupation and redevelopment

At the end of 2022, 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)	6	25%

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 'certifications achieved to date'). In 2022 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 labelling

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 2022 EPCs were in place across 96% of our portfolio.

During 2022, there were no incidents of non-compliance with regulations and/or voluntary codes concerning product and service information and labelling.

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GRI Disclosure

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 SHEMS and 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, and our SHEMS has a procedure with main safety recommendations for handling hazardous products, including the hazard characteristics of products, the labelling rules, storage incompatibilities and recommended protective measures.

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.

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.

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GRI Disclosure

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 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.

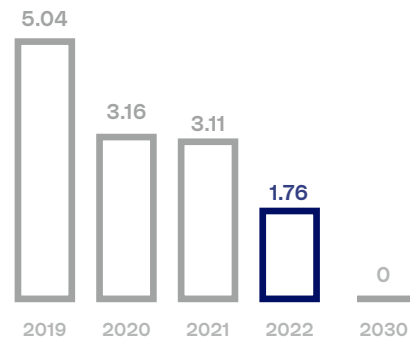
Regular meetings and annual training sessions with our security, maintenance, cleaning and waste suppliers are performed to discuss common issues and highlight basic housekeeping procedures that help reduce safety risks.

We monitor our performance by tracking the Accident Rate (LWCAFR) among suppliers in all our owned and managed assets and construction sites, when agreed by our partners. In 2022 we achieved an accident rate of 1.76 accidents per million hours worked across our owned portfolio (a 43% reduction compared to 2021) and 1.20 across the managed portfolio.

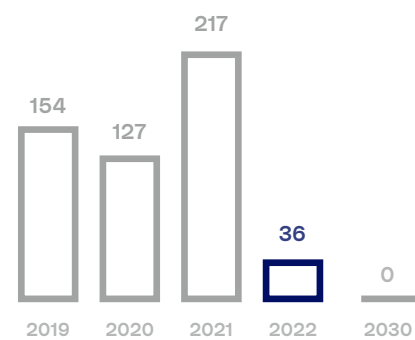
We investigate the cause of all level 4 and 5 incidents, near misses and any level 2 and 3 incidents that are considered important (for example if several incidents of a similar nature have happened) and communicate these across the Company so that lessons can be learned to avoid repeat occurrences.

We monitor our performance by tracking the Accidents Rate (LWCAFR) and the Accidents Severity Rate (ASR) among suppliers in all our owned assets. Starting from 2021, we broadened the scope of our incident indicators to include our managed assets in addition to our owned assets. However, to ensure that historical information is available, we will also present the indicators based on the previous scope, which only included owned 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.

Data Qualifying Note: These indicators include all Shopping Centres owned by Sonae Sierra and in operation during the full reporting period

The Accident Rate (LWCAFR) and the Accident Severity Rate (ASR) among suppliers considering also the assets we manage, is 1.20 accidents per million worked hours and 24.46 lost workdays per million worked hours, respectively.

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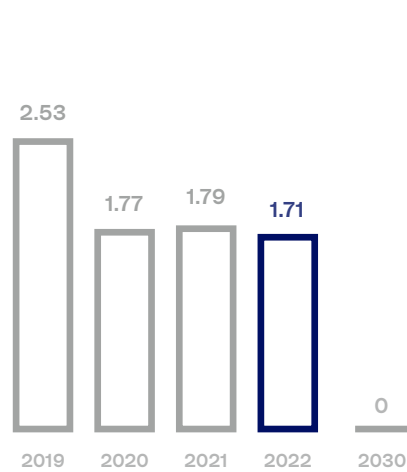
GRI Disclosure

Workforce Health & Safety

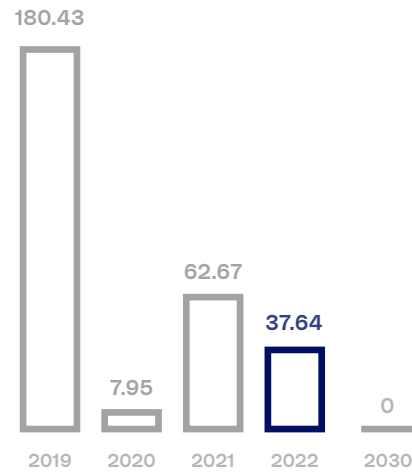
Safety and Health (S&H) incidents occurring in the workplace can cause harm to workers and expose companies to risks such as reputational damage, fines and, in the case of construction and building works, delays on projects. On the other hand, a progressive approach to S&H can help to protect people, 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.

Data Qualifying Note: These indicators include all Sonae Sierra's direct employees (i.e., employees on Sonae Sierra's payroll); all Sonae Sierra's supervised workers; and all independent contractors working on-site during the reporting period.

For more information, please consult [pages 84 to 89](#) and [GRI 403-2 below](#).

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GRI Disclosure

Employee Health & Wellbeing

For information concerning Employee Health & Wellbeing, go to [pages 43 to 45](#); and [84 to 89](#).

In addition to the above-mentioned initiatives, we have implemented various tools and programmes to support the health and well-being of our employees. These include regular SHE meetings, training events, campaigns, and internal publications. One of these tools is Evolve, an online employee newsletter that covers sustainability topics and includes safety and health content such as SHE Tips and case studies. By providing these resources, we aim to create a positive and safe working environment for all our employees.

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)	1.71	0.86	37.6	0.030	-

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. The formulas used 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 Disclosure

GRI 416: Customer Health and Safety 2016

3-3: Management of material topics

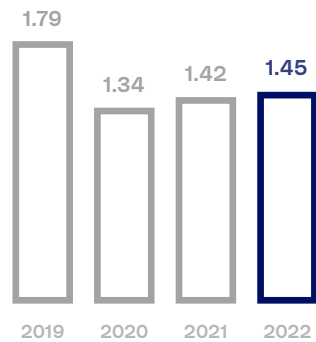
Customer Health & Safety

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 141](#) and [142](#) 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.

However, to ensure that historical information is available, we will also present below the indicators based on the previous scope, which only included owned assets.

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

(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 1.15 accidents per million of visits. In addition to the policies and practices outlined under Safety, Health and Environment Management ([page 134 onwards](#)), 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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GRI Disclosure

GRI 416-1: Percentage of significant product and service categories for which health and safety impacts are assessed for improvement

Percentage of service categories covered	Comments on assessment procedures
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 page 134 onwards . 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 with the Joint Venture partner, or a simplified Safety, Health and Environment Management Plan (SHEMP) when certification is not aimed for. For further information, see page 134 onwards .
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 page 135 . Audits are performed to assess compliance with Sonae Sierra's SHEMS at corporate and site levels on an annual basis.
100%	This covers expansion and refurbishment activities if agreed with the Joint Venture partner(s). 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 partner.

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	0	0	0
	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)		
All countries	323		

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 Disclosure

GRI 404: Training and Education 2016

3-3: Management of material topics

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.

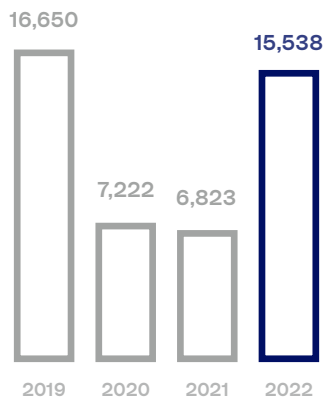
The individual training plan is agreed with each leader and is approved according to the budget of the department and the priorities established by top management. Apart from this individual development plans, all employees have access to learning tools for proactive self-development: free webinars delivered 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 Luís Malheiro, Sierra Balmain and Aliance Sonae. In 2022, we invested an average of €741 per employee in training and development, and employees received an average of 12.8 hours of training covering behavioural, language and technical skills. Training 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.

We also provide Safety, Health and Environment (SHE) training. In 2022, we delivered a total of 15,538 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 only 4 man-hours from development, as the projects are now being started.

For more information please consult [GRI 404-1 below](#).

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GRI Disclosure

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	107	5.1
Senior Manager	56	1,105	19.7
Manager	81	1,639	20.2
Team Leader	104	1,554	14.9
Project Team Specialist	144	1,939	13.5
Team Member	304	2,769	9.1
Total	710	9,113	12.8

Training hours by gender

Gender	Number of employees	Number of hours	Average number of hours of training
Female	397	5,313	13.4
Male	313	3,800	12.1
Total	710	9,113	12.8

Training hours per type of training

Type of training	Number of hours	Percentage
Behavioural	794	9%
Technical	7,503	82%
Languages	817	9%
Total	9,113	

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

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GRI Disclosure

GRI 413: Local Communities 2016

3-3: Management of material topics

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.

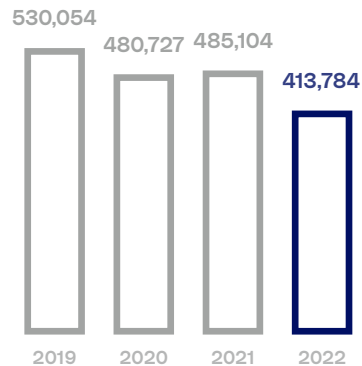
We have an annual target to dedicate at least two percent of each of our shopping centres' marketing budget to local community investment and in 2022 we surpassed that target.

For more information please see [pages 82 and 83](#).

Employee volunteering & charitable contributions

Our corporate offices and shopping centres supported 136 charitable organisations in 2022, and the total global donations and other community contributions equalled €413,784 of which €1,941 were contributions from shopping centres' visitors.

Donations and other community contributions (€)



Data Qualifying Note: This indicator includes all Sonae Sierra activities.

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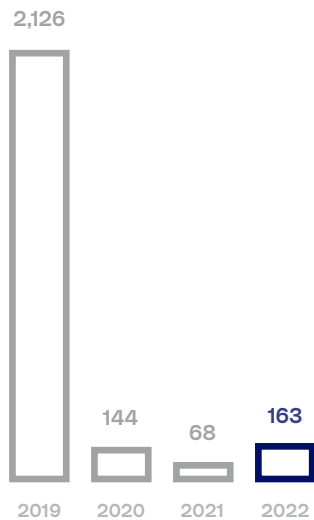


GRI Disclosure

This included:

- €22,980 in corporate donations to charitable causes.
- €1,941 in shopping centre-level community investment in cash.
- €30,350 in shopping centre-level sponsorships.
- €358,513 in investments to charitable causes and specific activities, events and campaigns with sustainability themes made through our shopping centres' marketing budgets.

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 2022, 23 employees volunteered 163 hours to support charitable organizations. The value of the time donated is equivalent to €5,965. The substantial decrease in the volunteering hours from 2020 onwards is a result of the cancellation of the Community Day due to the pandemic.

For more information, please consult GRI 203-2 on [page 104](#) and [GRI 413-1 below](#).

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GRI Disclosure

413-1: Operations with local community engagement, impact assessments, and development programmes

In newly opened shopping centres and those that are undergoing significant expansion and refurbishment works we 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.

Finally, we conduct Environmental Impact Studies or Preliminary Environmental Evaluations on our 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

Not applicable in 2022. However, 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

Information on employees and other workers	Proportion of spending on local suppliers
Electricity consumption in our corporate offices	Number of drills performed divided by total number of sites of operation
Electricity consumption (excluding tenants) of our owned portfolio	403-2: Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities
GHG emissions of owned portfolio and corporate offices – GHG protocol scopes 1 and 2	Number of hours spent by employees in charity organisations
Water consumption (excluding tenants) of the owned portfolio	Number of employees involved in volunteering activities
Total waste recycled as a proportion of waste produced in our corporate offices	Total number of charitable organizations supported
Total waste recycled as a proportion of waste produced across our owned portfolio	Contributions for charitable organizations collected from visitors
Occupancy index of the owned portfolio (% by GLA)	Donations and other community contributions
Proportion of waste that is sent to landfill in our corporate offices	Total tenant sales
Proportion of waste that is sent to landfill across our owned portfolio	Total number man hours of safety, health and environmental training and awareness provided
Environmental Accounting (EA) model (owned portfolio)	Number of hours of SHE Preventive Observations performed in shopping centres and corporate offices
302-1: Energy consumption inside the organisation	Tenants satisfaction index
302-3: Energy intensity	Visitor satisfaction index
302-4: Reduction of energy consumption	Total number of visits
CRE1: Building energy intensity	205-1: Operations assessed for risks related to anti-corruption
303-3: Water withdrawal	205-2: Communication and training about anti-corruption policies and procedures
Percentage of water recycled and reused	205-3: Confirmed incidents of corruption and actions taken
CRE2: Building water intensity	401-1: New employee hires and employee turnover
305-1: Direct greenhouse gas (GHG) emissions (Scope 1) - Operational control	CRE6: Percentage of the organisation operating in verified compliance with an internationally recognised health and safety management system
305-2: Indirect greenhouse gas (GHG) emissions (Scope 2) - Operational control	404-1: Average hours of training per year per employee
305-3: Other indirect greenhouse gas (GHG) emissions (Scope 3) - Operational control	405-1: Diversity of governance bodies and employees
305-4: GHG emissions intensity	416-1: Percentage of significant product and service categories for which health and safety impacts are assessed for improvement
305-5: Reduction of GHG emissions	CRE8: Type and number of sustainability certification, rating and labelling schemes for new construction, management, occupation and redevelopment
306-3: Waste generated	GLA of centres under management
306-4: Waste diverted from disposal	Number of jobs created
306-5: Waste directed to disposal	Significant complaints
201-2: Financial implications and other risks and opportunities due to climate change	Incidents of discrimination and corrective actions taken
Percentage of visits made by private car and other modes of transport, to and from our shopping centres	No. of grievances about human rights impacts filed, addressed, and resolved through formal grievance mechanisms
Level 3, 4 and 5 accident rate of our managed portfolio	No. of grievances about labour practices filed, addressed, and resolved through formal grievance mechanisms
Accidents rate (lwcafr) among suppliers, of our managed portfolio	No. of grievances about impacts on society filed, addressed, and resolved through formal grievance mechanisms
Accidents severity rate (asr) among suppliers, of our managed portfolio	

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Auditor's review



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INDEPENDENT LIMITED ASSURANCE REPORT

**To the Board of Directors of
Sonae Sierra, SGPS, S.A.**

Introduction

We have been engaged by the Board of Directors of Sonae Sierra, SGPS, S. A. ("Sonae Sierra") to perform a limited assurance engagement on its Economic, Environmental and Social Report 2022 (hereinafter referred to as "Report").

Responsibilities

The Board of Directors of Sonae Sierra is responsible for preparing sustainability information in accordance with the requirements of the Global Reporting Initiative ("GRI Standards"), defining suitable criteria for this purpose, as well as for implementing and maintaining an internal control system and processes suitable for capturing and processing information, to ensure adequate preparation of sustainability information. Our responsibility is to issue a professional and independent limited assurance report based on the procedures performed and specified in the "Scope" section.

Scope

Our work was performed in accordance with International Assurance Engagements Standard (ISAE) 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information, issued by the International Auditing and Assurance Standards Board and other technical and ethical guidelines as issued by Ordem dos Revisores Oficiais de Contas (the Portuguese Institute of Statutory Auditors). That standard requires that our work be planned and executed in such a way as to obtain a limited degree of assurance about whether the Report was prepared, in all material aspects, in accordance with the GRI Standards.


The procedures performed are dependent on our professional judgement, considering our understanding of the Entity and other circumstances relevant to our work, and consisted of:

- Interview of Sonae Sierra'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;




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- Review of the Report's content compliance with the GRI Standards of the general and specific disclosures, that includes the specific indicators listed on page 151 of the Report;
- Review of the procedures and criteria in place to monitor and measure progress against the 2022 sustainability targets and management actions, as identified in the chapter "Sustainability Strategy" of the Report;
- Analysis of the consistency of the methodology used to collect and consolidate the information included in the Report;
- Execution of substantive detail tests, on a sampling basis, to verify the arithmetic accuracy and other associated evidence, of the qualitative and quantitative indicators in the Report, as well as verification of their proper compliance from the data made available by Sonae Sierra's information source; and
- Execution of substantive analytical procedures, on a sampling basis, of the indicators included in the Report, in addition to inquiries carried out with Sonae Sierra's employees involved in their preparation.

The procedures performed in a limited assurance engagement vary in nature and are substantially less in scope than those performed in a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially less than what would be obtained if we had performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion.

We consider that the evidence obtained is sufficient and appropriate to provide a basis for our conclusion.

Independence and quality control

We comply with the independence and ethics requirements of the International Ethics Standards Board for Accountants (IESBA) code of ethics and the Code of Ethics of Ordem dos Revisores Oficiais de Contas (OROC, the Portuguese Institute of Statutory Auditors).

We apply the International Quality Management Standard 1 (ISQM 1), which requires that a comprehensive quality management system be designed, implemented and maintained that includes policies and procedures on compliance with ethical requirements, professional standards and legal and regulatory requirements as applicable.

Conclusion

Based on the work carried out, and described in the "Scope" section, nothing has come to our attention that causes us to believe that the Economic, Environmental and Social Report 2022 of Sonae Sierra, SGPS, S.A., has not been prepared, in all material aspects, in accordance with the requirements established in the GRI Standards.

Lisbon, April 20, 2023

Deloitte & Associados, SROC S.A.
 Represented by João Carlos Reis Belo Frade, ROC
 Registration in OROC no. 1216
 Registration in CMVM no. 20160827

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Glossary

ASR	Accident Severity Rate	IIRC	IIRC- International Integrated Reporting Council
BEST	Behaviour with Ethics Sierra Training	IOP	Improving Our People
BREEAM	Building Research Establishment Environmental Assessment Method	IOW	Improving Our Work
COSO	Committee of Sponsoring Organisations of the Treadway Commission	LTV	Loan-to-Value
CRE	Construction and Real Estate (specific GRI)	LWCAFR	Lost Workday Case Accident Frequency Rate
CRESD	Construction and Real Estate Sector Disclosure	NAV	Net Asset Value
EBIT	Earnings Before Interests and Taxes	ORES	Olimpo Real Estate
EBITDA	Earnings Before Interests, Taxes, Depreciations and Amortisations	OMV	Open Market Value
EES	Economic, Environmental and Social	REIT	Real Estate Investment Trust
EDD	Environmental Due Diligence	SDG	Sustainable Development Goals
ENPS	Employee Net Promoter Score	S&H	Safety and Health
EPC	Energy Performance Certificates	SHE	Safety, Health and Environment
ERV	Enterprise risk value	SHEDS	Safety, Health and Environment Development Standards
ESG	Environmental, Social, and Governance	SHEMP	Safety, Health and Environment Management Plan
GCA	Gross Construction Area	SHEMS	Safety, Health and Environment Management System
GLA	Gross Leasable Area	SPI	Safe Practice Index
GOSH	Global Occupational Safety & Health	SSC	Sustainable Steering Committee
GRI	Global Reporting Initiative	WRI	World Resource Institute
HR	Human Resources		

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Annex

Material areas	Definition	GRI topics
Responsible Investment	Integrate Environmental, Social and Governance (ESG) factors into the analyses performed by investors and in the decision-making.	<ul style="list-style-type: none"> • Water • Emissions • Energy • Waste • Customer Health & Safety
Sustainable Buildings	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"> • Materials • Water • Emissions • Energy • Waste • Customer Health & Safety
Climate Change Resilience	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"> • Emissions • Energy • Water"
Management of Service Client Sustainability Profile	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"> • Materials • Water • Emissions • Energy • Waste • Customer Health & Safety
Circular Economy	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"> • Materials • Water • Energy • Emissions • Waste
Management of Tenant/ Occupier Sustainability	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"> • Materials • Water • Emissions • Energy • Waste • Customer Health & Safety

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Annex

Material areas	Definition	GRI topics	
Impact on Local Communities	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"> • Indirect economic impacts • Local communities 	01
Responsible Procurement	Ensure procurement processes consider sustainability aspects in order to minimise the environmental footprint through the entire value chain.	<ul style="list-style-type: none"> • Procurement practices 	02
Human Capital Management	<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"> • Training and education • Employment • Diversity and equal opportunity • Non-discrimination 	03
Employee Health, Safety & Well-being	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"> • Occupational health and safety 	04
Business Ethics, Transparency and Anti-Corruption	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"> • Anti-corruption 	05
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Sonae Sierra Economic, Environmental and Social Report 2022, 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 the [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 (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.

2.2 Is there any information on Sonae Sierra's economic, environmental and social performance which you felt was missing from this report?

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)?

(*) 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?

4.2 Are there any particular aspects of economic, environmental and social performance which you feel that Sonae Sierra needs to improve on?

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...

Thank you.

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